

**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 BY AND AMONG EASTMAN KODAK  
COMPANY AND ORANGE BARREL MEDIA**

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

**RECITALS**

WHEREAS, Kodak and OBM are Parties to that certain Purchase, Assignment and Assumption Agreement dated as of April 4, 2012 (the “**Purchase and Assignment Agreement**”) providing for, among other things: (i) OBM’s purchase, acquisition and acceptance of all of the Debtors’ respective right, title and interest in, to and under (a) that certain Restated License Agreement dated 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

<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.



“**Maintenance and Operations Agreement**” and, together with the License Agreement, the “**Contracts**”); and (b) the physical sign and electronic screen owned by Kodak that are related to the Contracts (together with the Contracts, the “**Assets**”); and (ii) a breakup fee in the aggregate amount of \$200,000.00 payable to OBM (the “**Breakup Fee**”), pursuant to the terms and conditions in the Purchase and Assignment Agreement, in the event that, among other things, the Debtors consummate a sale of the Assets to an Alternate Buyer.

WHEREAS, Clear Channel has advised the Debtors that it intended to contest the Debtors’ assumption, sale, assignment, transfer and conveyance of the Contracts to OBM pursuant to the Purchase and Assignment Agreement (the “**Potential Assignment Litigation**”) and submitted to the Debtors a competing proposal for the sale and assignment of the Assets to Clear Channel (the “**Competing Bid**”).

WHEREAS, the Debtors, after evaluating, among other things, the consideration to be received under the Competing Bid and the speculative and uncertain nature of the Potential Assignment Litigation and the concomitant cost and delay related thereto, have determined in their sole discretion to accept the Competing Bid in lieu and instead of the transactions in the Purchase and Assignment Agreement.

WHEREAS, Kodak has asserted that no Breakup Fee is owed to OBM; and OBM disputes the assertion that no Breakup Fee is owed to OBM.

WHEREAS, OBM provided significant value to the Debtors’ estates by entering into the Purchase and Assignment Agreement and serving as the “stalking horse” purchaser for the sale and assignment of the Assets, which induced and directly resulted in the Competing Bid.

WHEREAS, the Debtors are currently in proceedings pending in the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) under

chapter 11 of title 11 of the United States Code (11 U.S.C. §§ 101 et seq.) (as amended, the “**Bankruptcy Code**”) under Case No. 12-10202 (ALG) (Jointly Administered).

WHEREAS, the Parties desire to provide for the consensual termination of the Purchase and Assignment Agreement to facilitate the Competing Bid and the Debtors, after consultation with the Official Committee of Unsecured Creditors, have determined that the payment of a fee, on the terms and conditions set forth in this Stipulation and Order, to OBM in connection with and as a condition to the consensual termination of the Purchase and Assignment Agreement and the releases contained herein, is reasonable under the circumstances set forth above and in the best interests of the Debtors’ estates.

### **AGREEMENT**

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

1. This Stipulation and Order shall not be effective until approved and entered by the Bankruptcy Court and OBM receives payment of the Termination Fee (as defined herein). The “**Effective Date**” shall be the first date on which both of the foregoing conditions of this Paragraph 1 have been satisfied.
2. The recitals above are incorporated by reference.
3. The Purchase and Assignment Agreement is hereby terminated effective as of April 4, 2012, subject only to the occurrence of the Effective Date.
4. In consideration of the mutually agreed termination of the Purchase and Assignment Agreement and the mutual releases herein contained, the Debtors hereby covenant and agree to pay the aggregate amount of \$120,000.00 (the “**Termination Fee**”) by wire transfer to an account designated in writing from OBM to the Debtors within two (2) Business Days after

the Bankruptcy Court enters this Stipulation and Order. Payment of the Termination Fee shall be in full settlement and satisfaction of OBM's claims against the Debtors with respect to the Purchase and Assignment Agreement, including but not limited to the Breakup Fee.

5. Effective as of the Effective Date, the Debtors, (a) for themselves and their current and former officers, directors, employees, agents, insurers, legal representatives, beneficiaries, assigns and successors in interest, and all who claim by, through or by virtue of any of the foregoing, including the Debtors' estates (collectively, the "**Debtor Releasors**"), hereby knowingly and voluntarily release, remise and forever discharge OBM and its former, current and future direct and indirect parents, subsidiaries, affiliates, partners, members, managers, directors, officers, employees, agents, insurers, attorneys and representatives, and their respective successors and assigns, and all persons acting by, through or in concert with any of them, whether in their individual or official capacities (collectively, the "**OBM Releasees**"), from any and all actions or causes of action, suits, debts, dues, sums of money, claims, complaints, contracts, controversies, agreements, promises, payments, damages, claims for attorneys' fees, costs, interest, punitive damages, judgments and demands whatsoever, in law or equity, that the Debtor Releasors now have, may have, ever had, or ever will have, whether known or unknown, suspected or unsuspected, asserted or unasserted against the OBM Releasees with respect to the Purchase and Assignment Agreement and the transactions related thereto.

6. Effective as of the Effective Date, OBM, for itself, and the other OBM Releasees (collectively, the "**OBM Releasors**"), hereby knowingly and voluntarily release, remise and forever discharge the Debtor Releasors (collectively, the "**Debtor Releasees**") from any and all actions or causes of action, suits, debts, dues, sums of money, claims, complaints, contracts, controversies, agreements, promises, payments, damages, claims for attorneys' fees,

costs, interest, punitive damages, judgments and demands whatsoever, in law or equity, that the OBM Releasors now have, may have, ever had, or ever will have, whether known or unknown, suspected or unsuspected, asserted or unasserted against the Debtor Releasees with respect to the Purchase and Assignment Agreement and the transactions related thereto.

7. In the event that the Effective Date does not occur on or before May 31, 2012, this Stipulation and Order shall be, and shall be deemed to be, terminated, void and of no force and effect whatsoever as if the parties had never entered into such agreement, and each of the parties shall expressly retain all of its rights and remedies in existence as of the date immediately prior to entry into this Stipulation and Order.

8. It is understood and agreed that neither the Debtors nor OBM admit any liability to the other arising out of or relating to the premises set forth herein, but to the contrary, expressly deny the same. This Stipulation and Order is entered into in order to resolve, settle and compromise the matters in dispute between the Debtors and OBM and to avoid the cost, expense and effort of litigation, and shall not be construed as an admission of liability of any party. No statement made or action taken in the negotiation of this Stipulation and Order may be used by any party for any purpose whatsoever.

9. Each party hereto shall bear its own costs and expenses, including attorneys' fees, with respect to the transactions contemplated hereby.

10. This Stipulation and Order shall bind and inure to the benefit of the Debtors and their successors and assigns and shall bind and inure to the benefit of OBM and its successors and assigns.

11. The language used in this Stipulation and Order will be deemed to be the language chosen by the parties to this Stipulation and Order to express their mutual intent, and

no rule of strict construction shall be applied against any party. Any reference to any federal, state, local, or foreign statute or law shall be deemed also to refer to all rules and regulations promulgated thereunder, unless the context requires otherwise.

12. This Stipulation and Order contains all of the terms, conditions and representations and warranties agreed upon by the parties relating to the subject matter of this Stipulation and Order and supersedes all prior and contemporaneous agreements, negotiations, correspondence, undertakings and communications of the parties, oral or written, respecting such subject matter. This Stipulation and Order may not be amended except by written agreement executed by all parties hereto.

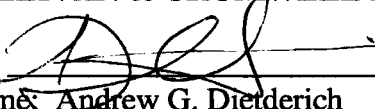
13. This Stipulation and Order may be executed in counterparts, and any party hereto may execute any such counterpart, each of which when executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument. The parties agree that the delivery of this Stipulation and Order may be effected by means of an exchange of signatures via facsimile transmission, .pdf or other electronic transmission.

Dated: April 23, 2012  
New York, New York

**ORANGE BARREL MEDIA**

By: \_\_\_\_\_  
Name: Nicholas C. Cavalaris  
Title: General Counsel

**SULLIVAN & CROMWELL LLP**

By:  \_\_\_\_\_  
Name: Andrew G. Dieterich  
Title: Partner  
*Attorneys for Eastman Kodak Company*

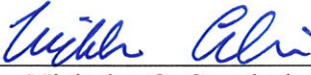
**IT IS SO ORDERED.**

Dated: April \_\_, 2012  
New York, New York

\_\_\_\_\_  
Allan L. Gropper  
United States Bankruptcy Judge

Dated: April 23, 2012  
New York, New York

**ORANGE BARREL MEDIA**

By:   
Name: Nicholas C. Cavalaris  
Title: General Counsel

**SULLIVAN & CROMWELL LLP**

By: \_\_\_\_\_  
Name: Andrew G. Dietderich  
Title: Partner  
*Attorneys for Eastman Kodak Company*

**IT IS SO ORDERED.**

Dated: April \_\_, 2012  
New York, New York

\_\_\_\_\_  
Allan L. Gropper  
United States Bankruptcy Judge



Dated: April 23, 2012  
New York, New York

ORANGE BARREL MEDIA

By: s/Nicholas C. Cavalaris  
Name: Nicholas C. Cavalaris  
Title: General Counsel

SULLIVAN & CROMWELL LLP

By: s/Andrew G. Dietderich  
Name: Andrew G. Dietderich  
Title: Partner  
*Attorneys for Eastman Kodak Company*

**IT IS SO ORDERED.**

Dated: May 1, 2012  
New York, New York

**s/Allan L. Gropper**  
Allan L. Gropper  
United States Bankruptcy Judge