

**Hearing Date: February 15, 2012 at 11:00 a.m. (Eastern Time)**

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

	)	Chapter 11
In re:	)	
	)	Case No. 12-10202 (ALG)
EASTMAN KODAK COMPANY, <i>et al.</i> , <sup>2</sup>	)	
	)	(Jointly Administered)
Debtors.	)	
	)	Ref. No. 35
	)	

**NOTICE OF REVISED PROPOSED ORDER GRANTING DEBTORS' MOTION FOR  
AN ORDER ESTABLISHING AND IMPLEMENTING EXCLUSIVE  
PROCEDURES FOR TREATMENT OF RECLAMATION CLAIMS**

**PLEASE TAKE NOTICE** that on January 19, 2012 the Debtors' Motion for an  
Order Establishing and Implementing Exclusive Procedures for Treatment of Reclamation

<sup>1</sup> All parties in interest with inquiries regarding the Motion should direct such inquires to Young Conaway Stargatt & Taylor, LLP.

<sup>2</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.



Claims (the “**Motion**”). Attached as Exhibit A to the Motion was the proposed order (the “**Proposed Order**”).

**PLEASE TAKE FURTHER NOTICE** that the Debtors have received and incorporated informal comments to the Proposed Order (the “**Revised Proposed Order**”). Attached hereto as Exhibit A is a blackline reflecting the revisions to the Proposed Order. The undersigned counsel will present the Revised Proposed Order to the Honorable Allan L. Gropper, in Room 617 of the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), One Bowling Green, New York, New York 10004, at a hearing to be held on **February 15, 2012 at 11:00 a.m. (Eastern Time)**.

Dated: February 13, 2012  
New York, New York

*/s/ Pauline K. Morgan*

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**EXHIBIT A**

**Blackline of Proposed Order**

**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)

**ORDER ESTABLISHING AND IMPLEMENTING EXCLUSIVE  
PROCEDURES FOR TREATMENT OF RECLAMATION CLAIMS**

Upon the motion (the “**Motion**”)<sup>2</sup> of Eastman Kodak Company, on behalf of itself and its affiliated debtors and debtors in possession in these chapter 11 cases (collectively, the “**Debtors**”), for an order establishing exclusive procedures to address and reconcile claims asserted pursuant to section 546(c) of the Bankruptcy Code (the “**Reclamation Claims**”), and it appearing that this Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these chapter 11 cases and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, their creditors and other parties in interest; and it appearing that proper and adequate notice of the Motion has been

<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.

<sup>2</sup> All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Motion.

given and that, except as otherwise ordered herein, no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The following Procedures (the “**Reclamation Procedures**”), which

Procedures are hereby authorized and approved in their entirety, shall apply to all Reclamation Claims:

- (a) Any Seller asserting a Reclamation Claim must satisfy all procedural and timing requirements entitling it to have a right to reclamation under section 546(c) of the Bankruptcy Code;
- (b) Any Seller asserting a Reclamation Claim must submit a written demand asserting such Reclamation Claim (a “**Reclamation Demand**”), which must include (i) a description of the Goods subject to the Reclamation Demand; (ii) the name of the Debtor to which such ~~g~~Goods were delivered; (iii) copies of any purchasing orders, invoices, receipts, bills of lading and the like, identifying the particular Goods for which the Reclamation Demand is being asserted; (iv) any evidence regarding the date(s) such Goods were shipped to and received by the Debtors and the alleged value of such Goods; and (v) a statement indicating whether the Seller has filed or intends to file any other claim against any Debtor regarding the Goods underlying its Reclamation Demand;
- (c) Unless a Seller already submitted a Reclamation Demand to the Debtors within 45 days prior to the Petition Date, any Seller asserting a Reclamation Claim must submit a Reclamation Demand so that it is received on or before 20 days after the Petition Date (the “**Reclamation Deadline**”) by: (i) the Debtors, Eastman Kodak Company, 343 State Street, Rochester, New York, 14650, Attn: Sue Affolter; and (ii) co-counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 West North King Street, ~~17th Floor~~, Wilmington, Delaware, 19801, Attn: Kenneth J. Enos; (iii) counsel to the agent for the Debtors’ postpetition secured debtor-in-possession credit facility, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn.: Marshall S. Huebner; (iv) counsel to the Ad Hoc Committee of Second Lien Noteholders (the “**Second Lien Noteholder Committee**”), Akin Gump Strauss Hauer & Feld LLP.

One Bryant Park, New York, New York 10036, Attn: Michael S. Stamer, Esq. and David H. Botter, Esq.; and (v) proposed counsel to the Official Committee of Unsecured Creditors (the “Creditors’ Committee”), Milbank, Tweed, Hadley & McCloy LLP, 1 Chase Manhattan Plaza, New York, New York 10005, Attn.: Dennis F. Dunne and Tyson Lomazow;

- (d) Upon receipt of a Reclamation Demand, the Debtors will serve upon the Seller, at the address indicated in its Reclamation Demand, a copy of the Motion and this Order;
- (e) No later than 120 days after the entry of this Order (the “**Reclamation Notice Deadline**”), the Debtors will file with this Court a notice (the “**Reclamation Notice**”), listing the timely submitted Reclamation Claims and the amount (if any) of each such Reclamation Claim that the Debtors determine to be valid. The Debtors will serve the Reclamation Notice on the following parties (the “**Notice Parties**”): (i) the U.S. Trustee; (ii) ~~the attorneys for any statutory committee appointed in these chapter 11 cases; and (iii)~~ proposed counsel to the Creditors’ Committee; (iii) counsel to the agent for the Debtors’ postpetition secured debtor-in-possession credit facility; (iv) counsel to the Second Lien Noteholder Committee; and (v) each Seller listed in the Reclamation Notice, at the address indicated in the respective Seller’s Reclamation Demand;
- (f) If the Debtors fail to file the Reclamation Notice by the Reclamation Notice Deadline, any holder of a Reclamation Claim that submitted a timely Reclamation Demand in accordance with the Reclamation Procedures may bring a motion on its own behalf to seek relief with respect to its Reclamation Claim;
- (g) Any party that wishes to object to the Reclamation Notice must file and serve an objection (a “**Reclamation Notice Objection**”) on: (i) the Notice Parties; (ii) the Debtors, Eastman Kodak Company, 343 State Street, Rochester, New York 14650 Attn: Sue Affolter; and (iii) co-counsel to the Debtors, Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 West North King Street, 17th Floor, Wilmington, Delaware, 19801, Attn: Kenneth J. Enos; so as to be received no later than 4:00 p.m. (Eastern Time) on the 20th day after the date on which the Reclamation Notice is filed (the “**Objection Deadline**”). Any Reclamation Notice Objection must include ~~a copy of the Reclamation Demand, with evidence of the date mailed to the Debtors; and a statement describing with specificity the objections to the Reclamation Notice and any legal and factual bases for such objections;~~ the following information (provided that such information was not previously submitted with

the Reclamation Demand): (i) a copy of the Reclamation Demand with evidence of the date the Reclamation Demand was delivered to the Debtors; (ii) the name of the Debtor that ordered the Goods that are the subject of the Reclamation Demand; (iii) copies of any purchase orders, invoices, receipts, bills of lading and the like, relating to such Goods for which the Reclamation Demand is being asserted; (iv) any evidence demonstrating the date such Goods were shipped and the date such Goods were received/accepted; (v) applicable shipping terms and the value of the Goods listed in the Reclamation Demand; (vi) a statement indicating (a) whether the value of such Goods listed in the Reclamation Demand represents a combination of services and goods, (b) the percentages of value related to services and related to goods, and (c) whether the Seller has filed duplicate or similar claims with the Debtors regarding the Goods underlying their Reclamation Demand, (d) the quantity and dollar amount of such Goods indicated in the duplicative claims; and (e) the specific provision(s) of the Bankruptcy Code under which such duplicate claim have been made, or under which the Seller expects to receive payment for such duplicative claims from some other source; and (vii) a statement describing with specificity why the Reclamation Notice is incorrect with any legal basis for the objection.;

- (h) Any Reclamation Claim listed in the Reclamation Notice for which no Reclamation Notice Objection is filed and served by the Objection Deadline shall be deemed allowed by this Court in the amount identified by the Debtors in the Reclamation Notice or disallowed if the amount of the Reclamation Claim is identified as zero in the Reclamation Notice, provided that all issues relating to the treatment of any such allowed Reclamation Claim shall be reserved;
- (i) Notwithstanding and without limiting the foregoing, the Debtors will be authorized, but not required, to negotiate, in their sole discretion, with any Seller to seek an agreement resolving the Seller's Reclamation Claim. If the Debtors and a Seller agree on the validity, amount, or treatment of the Seller's Reclamation Claim, the Debtors will file with this Court a notice of settlement (a "**Settlement Notice**") and serve such Settlement Notice on the Notice Parties. Each Notice Party will have 10 days from the date of service of such Settlement Notice to file with this Court and serve on the other Notice Parties and attorneys for the Debtors an objection thereto (a "**Settlement Objection**");
- (j) The Debtors shall consult with the Creditors' Committee in connection with settlements of any Reclamation Claim (including providing information requested by the Creditors' Committee);

(k) In no event shall settlement of a Reclamation Claim require the Debtors to pay a Seller other than pursuant to a confirmed chapter 11 plan;

~~(l)~~ (l) If no Settlement Objection with respect to a Reclamation Claim that is the subject of a Settlement Notice is timely filed and served, such Reclamation Claim will be treated in accordance with the Settlement Notice without further order of this Court;

~~(m)~~ (m) If a Settlement Objection with respect to a Reclamation Claim that is the subject of a Settlement Notice is timely filed and served, the parties may negotiate a consensual resolution of such objection to be incorporated in a stipulation filed with this Court (a “**Settlement Stipulation**”). Upon the filing of a Settlement Stipulation, the applicable Reclamation Claim shall be allowed and treated in accordance with the terms of the Settlement Stipulation without further order of this Court;

~~(n)~~ (n) If no consensual resolution of a Settlement Objection with respect to a Reclamation Claim that is the subject of a Settlement Notice is reached, the Debtors may file a motion with this Court requesting a hearing with respect to the Settlement Notice; and

~~(o)~~ (o) All Sellers shall be forever barred, without further order of this Court, from asserting a Reclamation Demand after the expiration of the Reclamation Deadline, but shall not be barred from asserting, subject to applicable deadlines, procedures, or other Orders of this Court, related or unrelated general unsecured claims or administrative expense claims pursuant to section 503(b)(9) of the Bankruptcy Code.

3. The foregoing Reclamation Procedures are the sole and exclusive method for addressing and resolving ~~unpaid~~ Reclamation Claims asserted against the Debtors.

4. The foregoing Reclamation Procedures shall be effective as of the Petition Date.

5. All Sellers are prohibited from seeking any other means for the resolution or treatment of their Reclamation Claims, including without limitation: (a) commencing adversary proceedings and contested matters in connection with any Reclamation Claims, (b) seeking to obtain possession of any Goods except as may be permitted by the Reclamation



Procedures, and (c) interfering with the delivery of any Goods to the Debtors or the retention of any Goods by the Debtors.

6. Prior to the entry of this Order, to the extent any party submitted a Reclamation Demand to the Debtors consistent with section 546(c) of the Bankruptcy Code, such Reclamation Demand will be treated as complying with this Order, without prejudice to any party's rights under applicable law, including with respect to any amendment to the Reclamation Demand.

~~6.7.~~ Any adversary proceedings or contested matters related to Reclamation Claims, whether currently pending or initiated in the future, except those proceedings initiated by the Debtors in accordance with the Reclamation Procedures, are stayed and the claims asserted therein shall be resolved exclusively pursuant to the Reclamation Procedures.

~~7.8.~~ To the extent a Reclamation Claim has been paid by the Debtors pursuant to another order entered by this Court in these chapter 11 cases, the Reclamation Procedures shall not apply to such Seller and any Reclamation Claim filed by such Seller with this Court shall be deemed withdrawn without the need for any further order of this Court

~~8.9.~~ The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

10. To the extent that any inconsistency exists between this Order and the terms of the Debtors' postpetition secured debtor-in-possession financing (the "DIP Financing") or any Order of this Court approving such DIP Financing, the terms of DIP Financing and the Order approving the same shall control.

~~9.11.~~ The requirements set forth in Local Rule 9013-1(b) are satisfied.

~~10.12.~~ 12. This Court retains jurisdiction with respect to all matters arising from or related to the enforcement of this Order.

~~Date: February [•], 2012  
New York, New York~~

~~Allan L. Gropper  
United States Bankruptcy Judge~~

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

Allan L. Gropper  
United States Bankruptcy Judge