

Hearing Date: May 1, 2013 at 11:30 a.m. (EDT)

Objection Deadline: April 30, 2013 at 12:00 p.m. (EDT)

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

In re:)	
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	
)	Bankruptcy Case No. 12-10202
Debtors.)	(ALG)
KYOCERA CORPORATION,)	
)	
Plaintiff,)	
v.)	
EASTMAN KODAK COMPANY,)	Adv. Proc. No. 13-01093 (ALG)
)	
Defendant.)	

**DEBTORS' MOTION FOR AN ORDER PURSUANT TO BANKRUPTCY RULE 9019
APPROVING AND AUTHORIZING ENTRY INTO THE SETTLEMENT
AGREEMENT AND RELEASE BETWEEN EASTMAN KODAK COMPANY
AND KYOCERA CORPORATION**

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.



Eastman Kodak Company (“**Kodak**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”), file this motion (the “**Motion**”) for the entry of an order pursuant to rule 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), substantially in the form attached hereto as Exhibit A (the “**Proposed Order**”), approving and authorizing entry into the Settlement Agreement and Release between Kodak and Kyocera Corporation (“**Kyocera**” and, collectively with Kodak, the “**Parties**”), attached as Exhibit 1 to the Proposed Order (the “**Proposed Settlement Agreement**”). In support of the Motion, the Debtors respectfully state as follows:

Preliminary Statement

1. Kodak and Kyocera have been engaged in contract and patent-related litigation in multiple fora in the United States since 2010. Beginning in January 2013, the Parties commenced comprehensive settlement negotiations to resolve all of their outstanding litigation claims. After difficult arm’s-length negotiations, the Parties have agreed to the terms of the Proposed Settlement Agreement, including a net payment to Kodak of \$4,950,000.00.

2. Kodak and Kyocera have agreed to settle all pending litigations and claims between the Parties, including the proof of claim that Kyocera filed against Kodak in an amount no less than \$80,000,000.00 and Kyocera’s recently filed adversary proceeding asserting postpetition infringement of certain Kyocera patents. The Proposed Settlement Agreement includes a standstill period that ensures the Debtors will face no further litigation with Kyocera for a period of three years following emergence from chapter 11. The Debtors believe that the Proposed Settlement Agreement represents a fair and reasonable resolution of the Parties’ disputes, and is in the best interests of the Debtors, their estates and all stakeholders.

Background

3. On January 19, 2012 (the “**Petition Date**”), each of the Debtors filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”). The Debtors are operating their businesses and managing their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. These chapter 11 cases are being jointly administered.

4. On January 25, 2012, the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”) appointed an Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) pursuant to section 1102 of the Bankruptcy Code [Bankr. Docket No. 115].

5. Founded in 1880 and long one of the world’s leading material science companies, the Debtors and their non-Debtor affiliates operate an integrated global business involving a diverse collection of mature and growth businesses and an array of valuable intellectual property. In order to address a shortfall in liquidity in the United States, monetize non-strategic intellectual property, fairly resolve legacy liabilities, and focus on their most valuable business lines, the Debtors commenced these chapter 11 cases.

6. As stated in previous filings, the Debtors are pursuing a path to emerge from chapter 11 in 2013 with a strategic focus on their Commercial Imaging business, which is centered on commercial, packaging, and functional printing solutions and enterprise services.

Facts Specific to the Relief Requested

A. The Parties’ Litigation Claims

7. In August 2002, Kodak and Kyocera entered into a license agreement pursuant to which Kodak granted Kyocera a license to certain Kodak patents used in, among

other things, digital cameras and smartphones, in exchange primarily for royalty payments. In June 2010, Kodak commenced a breach of contract action against Kyocera in the U.S. District Court for the Western District of New York asserting that Kyocera failed to make proper payments under the license agreement.² *Eastman Kodak Co. v. Kyocera Corp.*, No. 10-CV-6334-CJS-MWP (W.D.N.Y. filed June 22, 2010) (the “**W.D.N.Y. Action**”). A jury trial in the W.D.N.Y. Action is scheduled to begin on August 12, 2013.

8. In December 2011, Kyocera sued Kodak for patent infringement in the U.S. District Court for the Southern District of California. *Kyocera Corp. v. Eastman Kodak Co.*, No. 11CV2934 JAH JMA (S.D. Cal. filed Dec. 19, 2011) (the “**S.D. Cal. Action**”). The complaint alleges that Kodak infringes U.S. Patent No. 7,097,286, which was issued to Kyocera in August 2006. The S.D. Cal. Action was stayed pursuant to section 362(a) of the Bankruptcy Code upon the commencement of these chapter 11 cases.

9. In January 2012, a few days before the Petition Date, Kyocera Communications, Inc. (“**KCI**”), a subsidiary of Kyocera, commenced a declaratory judgment action against Kodak in the U.S. District Court for the Southern District of California. *Kyocera Commc’ns., Inc. v. Eastman Kodak Co.*, No. 12CV0057 WQH RBB (S.D. Cal. filed Jan. 9, 2012). KCI seeks a judicial declaration that two patents formerly owned by Kodak—U.S. Patent Nos. 5,493,335 and 6,292,218—are invalid and not infringed by KCI’s cellular telephones. The action was stayed pursuant to section 362(a) of the Bankruptcy Code upon the commencement of these chapter 11 cases.³

² The license agreement expired on March 31, 2012 [Bankr. Docket No. 2736 ¶ 38 and Adv. Docket No. 3 at p. 4 n.6].

³ This action is moot in view of the digital imaging patent portfolio sale, which included both of the patents at issue in this action [Bankr. Docket No. 2847].

10. In July 2012, Kyocera filed a proof of claim against the Debtors alleging that Kodak infringed 22 U.S. patents owned by Kyocera before the Petition Date and seeking damages in the amount of no less than \$80,000,000.00. The proof of claim asserts the right to set off and recoup any damages owing to Kodak arising from the W.D.N.Y. Action.

11. In January 2013, Kyocera commenced an adversary proceeding seeking an injunction and to recover damages limited to Kodak's alleged postpetition infringement of 15 U.S. patents issued to Kyocera. *Kyocera Corp. v. Eastman Kodak Co.*, Adv. Proc. No. 13-01093 (ALG) (Bankr. S.D.N.Y. filed Jan. 4, 2013) (the "**Adversary Proceeding**"). Eight of the patents asserted in the Adversary Proceeding were included in Kyocera's proof of claim. Seven patents were asserted for the first time in the Adversary Proceeding.

12. After commencing the Adversary Proceeding, Kyocera immediately moved to withdraw the reference on the Adversary Proceeding to the U.S. District Court for the Southern District of New York. *Kyocera Corp. v. Eastman Kodak Co.*, No. 13 Civ. 00086 (JGK) (S.D.N.Y. filed Jan. 4, 2013).

13. Kodak subsequently moved for an order, pursuant to section 362(a) and 105(a) of the Bankruptcy Code and section 959(a) of Title 28 of the U.S. Code, (i) enforcing the automatic stay and dismissing the adversary complaint as void *ab initio* with respect to the claims that could have been asserted before the Petition Date but were not and (ii) staying the adversary complaint with respect to any claims that do not violate the automatic stay [Adv. Docket No. 6] ("**Kodak's Motion to Enforce the Stay**").

14. The Parties agreed to adjourn a hearing on Kodak's Motion to Enforce the Stay on several occasions in order to provide the Parties with an opportunity to consensually resolve all of their disputes.

B. Terms of the Proposed Settlement Agreement

15. On March 7, 2013 (the “**Settlement Date**”), the Parties reached a settlement-in-principle to resolve their contract and patent-related litigation claims, Kyocera’s proof of claim and related issues on terms that the Debtors concluded are in the best interests of the Debtors, their estates and all stakeholders. The Debtors have consulted with the Creditors’ Committee and the advisors to the Ad Hoc Committee of Second Lien Noteholders (“**Second Lien Noteholders’ Committee**”) on the terms of the Proposed Settlement Agreement, and neither has expressed any objection.

16. The Proposed Settlement Agreement includes the following material terms:

- Kyocera shall pay to Kodak \$4,950,000.00.
- The Parties shall dismiss with prejudice all litigation and claims pending between or among the Parties and KCI that are currently pending in any court of competent jurisdiction in the United States.
- Kyocera shall withdraw its proof of claim filed in these chapter 11 cases.
- The Parties shall provide releases to each other for all claims that were or could have been asserted by the other Party in any pending action.
- Kodak shall release Kyocera from all claims for infringement, contributory infringement or inducement to infringe through the effective date of the Proposed Settlement Agreement, of any patent rights owned by Kodak as of the Settlement Date.
- Kyocera shall release Kodak from all claims for infringement, contributory infringement or inducement to infringe through the effective date of the Proposed Settlement Agreement, of any patent rights owned by Kyocera as of the Settlement Date.
- There shall be a standstill period during the period from the effective date of the Proposed Settlement Agreement through the third anniversary following the effective date of the Debtors’ plan of reorganization during which neither Kodak nor Kyocera shall enforce against the other Party any existing or future patent

rights (the “**Standstill Period**”). All damages shall accrue and all defenses shall be tolled during the Standstill period.

Jurisdiction

17. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. Venue 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). The statutory predicates for the relief requested herein are Bankruptcy Rule 9019 and rule 9013-1(a) of the Local Bankruptcy Rules for the Southern District of New York.

Relief Requested

18. By this Motion, the Debtors seek entry of the Proposed Order approving and authorizing entry into the Proposed Settlement Agreement, and such other and further relief as is just and proper.

Basis for Relief

19. Bankruptcy Rule 9019(a) permits a debtor in possession to compromise and settle claims, subject to approval from the bankruptcy court. FED. R. BANKR. P. 9019(a). The legal standard for determining the propriety of a bankruptcy settlement is whether the settlement is in the “best interests of the estate.” *In re Purofied Down Prods. Corp.*, 150 B.R. 519, 523 (S.D.N.Y. 1993). The U.S. Supreme Court has noted that “[c]ompromises are a ‘normal part of the process of reorganization.’” *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968) (citation omitted). The decision to approve a particular settlement lies within the sound discretion of the bankruptcy court. *Nellis v. Shugrue*, 165 B.R. 115, 122-23 (S.D.N.Y. 1994). In exercising its discretion, the bankruptcy court must make an independent determination that the settlement is fair and reasonable. *Id.* at 122. The court may consider the opinions of the debtor in possession and its counsel that the

settlement is fair and reasonable. *Id.*; see also *Purofied Down Prods.*, 150 B.R. at 522. This discretion should be exercised by the bankruptcy court “in light of the general public policy favoring settlements.” *In re Hibbard Brown & Co., Inc.*, 217 B.R. 41, 46 (Bankr. S.D.N.Y. 1998); *Shugrue*, 165 B.R. at 123 (“[T]he general rule [is] that settlements are favored and, in fact, encouraged.”).

20. To approve a proposed settlement, a bankruptcy court is not required to decide numerous issues of law and fact raised by the settlement, but rather should “canvass the issues and see whether the settlement ‘fall[s] below the lowest point in the range of reasonableness.’” *Finkelstein v. W. T. Grant Co. (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983), *cert. denied*, 464 U.S. 822 (citing *Newman v. Stein*, 464 F.2d 689, 693 (2d Cir. 1972)); see also *Purofied Down Prods.*, 150 B.R. at 522 (“the court need not conduct a ‘mini-trial’ to determine the merits of the underlying [dispute]”). In deciding whether a particular settlement falls within the “range of reasonableness,” courts consider the following factors:

- (1) “the balance between the litigation’s possibility of success and the settlement’s future benefits”;
- (2) “the likelihood of complex and protracted litigation”;
- (3) “the paramount interests of the creditors”;
- (4) “whether other parties in interest support the settlement”;
- (5) “the ‘competency and experience of counsel’ supporting, and ‘[t]he experience and knowledge of the bankruptcy court judge’ reviewing, the settlement”;
- (6) “the nature and breadth of releases to be obtained by officers and directors”; and
- (7) “the extent to which the settlement is the product of arm’s length bargaining.”

Motorola, Inc. v. Official Comm. of Unsecured Creditors (In re Iridium Operating LLC), 478 F.3d 452, 462 (2d Cir. 2007) (quoting *In re WorldCom, Inc.*, 347 B.R. 123, 137 (Bankr. S.D.N.Y. 2006)).

21. The Debtors submit that the Proposed Settlement Agreement, which results in a net payment to Kodak of \$4.95 million and resolves all of the pending litigation and claims between the Parties, including Kyocera's proof of claim and the Adversary Proceeding, represents a fair and reasonable resolution of the disputes between the Parties that falls well within the range of reasonableness.

22. With respect to the first two *Iridium* factors, the balance plainly favors the Proposed Settlement Agreement. If the Parties' litigation claims are not resolved as proposed by the Proposed Settlement Agreement, the Debtors would be required to incur the time and expense of litigating the Parties' contract and patent-related disputes. Patent litigation is extremely burdensome with litigation costs routinely running in the millions. *See, e.g.*, Sarah Tran, *Patent Powers*, 25 HARV. J.L. & TECH. 609, 629 (2012) (“[L]itigating patent suits is costly: ‘The average patent litigation lasts about two years and costs about \$3 million. An appeal can add another \$2 million and one year to that estimate.’”); Matthew Sag & Hurt Rohde, *Patent Reform & Differential Impact*, 8 MINN. J.L., SCI. & TECH. 1, 27 (2007) (“[L]itigating an individual patent case is likely to cost around \$650,000 for a low valued patent and up to \$4.5 million for a higher value patent.”). In view of the inherent uncertainty of litigation in general and the high costs of patent-related litigation, the fact that the Proposed Settlement Agreement provides for a net payment to Kodak in the amount of \$4.95 million strongly militates in support of approving the Proposed Settlement Agreement.

23. With respect to the third and fourth *Iridium* factors, the Proposed Settlement Agreement benefits the Debtors' estates because it fairly resolves all of the Parties' patent-related litigation claims and provides for a three-year period of patent peace between the Parties, while eliminating the possibility of adverse outcomes. Kyocera's proof of claim is asserted in an amount no less than \$80 million, and Kyocera has asserted a right of setoff against any judgment in the W.D.N.Y. Action. Moreover, Kyocera's Adversary Proceeding seeks an additional administrative priority claim for alleged postpetition infringement. The Proposed Settlement eliminates this exposure and the need to spend millions of dollars litigating the Parties' claims, while providing the Debtors with an additional \$4.95 million in liquidity at a crucial time in these chapter 11 cases. The Debtors have consulted with the Creditors' Committee and advisors to the Second Lien Noteholders' Committee regarding these considerations and the terms of the Proposed Settlement Agreement. Neither has expressed any objection to the Proposed Settlement Agreement.

24. As for the remaining *Iridium* factors, the Proposed Settlement Agreement was negotiated and proposed by the Parties without collusion, in good faith, and from arm's-length bargaining positions. The hard fought negotiations that led to the Proposed Settlement Agreement occurred over the course of several months and resolve complex disputes between the Parties. The Proposed Settlement Agreement will resolve, *inter alia*, the W.D.N.Y. Action, the S.D. Cal. Action, the Adversary Proceeding and Kyocera's proof of claim.

25. In sum, the Debtors have determined, in exercising their reasoned business judgment, that the Proposed Settlement Agreement is fair, reasonable and in the best interests of the Debtors' estates, creditors and other parties in interest. Accordingly, the Debtors respectfully

request that the Court approve the Proposed Settlement Agreement pursuant to Bankruptcy Rule 9019.

Notice

26. Notice of this Motion shall be provided to: (a) the U.S. Trustee; (b) Milbank, Tweed, Hadley & McCloy LLP, counsel to the Creditors' Committee; (c) U.S. Bank, National Association, as indenture trustee; (d) Wilmington Trust, National Association, as indenture trustee; (e) the Securities and Exchange Commission; (f) the Internal Revenue Service; (g) Davis Polk & Wardwell LLP, counsel to Citicorp North America, Inc., as agent for the Debtors' postpetition secured lenders; (h) the Environmental Protection Agency; (i) Akin Gump Strauss Hauer & Feld LLP, counsel to the Second Lien Noteholders Committee and the lead lenders to the Debtors' supplemental post-petition secured financing; (j) Covington & Burling LLP, counsel to Wilmington Trust, National Association, as agent for the Debtors' supplemental post-petition secured lenders; (k) Arent Fox LLP, counsel to the Official Committee of Retired Employees of the Debtors; (l) all parties requesting notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002; and (m) Morrison & Foerster LLP, counsel to Kyocera. The Debtors respectfully submit that further notice of this Motion is neither required nor necessary.

No Prior Request

27. No prior motion for the relief requested herein has been made to this or any other Court.

WHEREFORE, for the reasons set forth herein, the Debtors respectfully request that the Court (a) enter an order, substantially in the form attached hereto as Exhibit A, granting the relief requested herein and (b) grant such other and further relief as is just and proper.

Dated: April 22, 2013
New York, New York

/s/ Andrew G. Dietderich

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EXHIBIT A

Proposed Order

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

In re:)	
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	Bankruptcy Case No. 12-10202
)	(ALG)
Debtors.)	
KYOCERA CORPORATION,)	
Plaintiff,)	
v.)	Adv. Proc. No. 13-01093 (ALG)
EASTMAN KODAK COMPANY,)	
Defendant.)	

**ORDER APPROVING AND AUTHORIZING ENTRY INTO THE SETTLEMENT
AGREEMENT AND RELEASE BETWEEN EASTMAN KODAK COMPANY
AND KYOCERA CORPORATION**

Upon the motion (the “**Motion**”)² of Eastman Kodak Company (“**Kodak**”) and certain of its affiliates, as debtors and debtors in possession (collectively, the “**Debtors**”), for entry of an order (this “**Order**”) approving and authorizing entry into the Settlement Agreement and Release (the “**Proposed Settlement Agreement**”) between Kodak and Kyocera Corporation, the Court having found that this Court has jurisdiction to consider and determine this matter pursuant to 28 U.S.C. § 1334; and the Court having found that the Motion is a core proceeding pursuant to 28

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 All capitalized terms used but otherwise not defined herein shall have the meanings set forth in the Motion.

U.S.C. § 157(b)(2); and the Court having found that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that proper, timely, adequate, and sufficient notice, including notice of the Motion and the relief requested therein, has been provided and no other or further notice of the Motion is or shall be required; and the Court having reviewed the Motion and having heard arguments and testimony presented at the hearing before the Court (if any); and the Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors and other parties in interest; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and any objections (if any) to the Motion having been withdrawn or overruled on the merits; and after due deliberation and sufficient cause appearing, it is hereby ORDERED THAT:

1. The Motion is GRANTED.
2. Kodak is authorized, pursuant to Bankruptcy Rule 9019 to enter into the Proposed Settlement Agreement, attached hereto as Exhibit 1, with Kyocera Corporation.
3. Pursuant to Bankruptcy Rule 9019, the Proposed Settlement Agreement is approved in all respects.
4. The Debtors are hereby authorized to execute and deliver such documents, and take and perform any and all actions, reasonably necessary or appropriate to implement and effectuate the relief requested in the Motion and granted in connection with this Order.
5. The requirements set forth in Local Rules 9013-1(a) and 9013-1(b) are satisfied.

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

Dated: May __, 2013
New York, New York

Allan L. Gropper
United States Bankruptcy Judge

EXHIBIT 1

Proposed Settlement Agreement

SETTLEMENT AGREEMENT AND RELEASE

This Settlement Agreement and Release (the “**Agreement**”) is entered into as of April 19, 2013, by and between (a) Eastman Kodak Company, a corporation organized under the laws of the State of New Jersey (“**Kodak**”), and (b) Kyocera Corporation, a corporation organized under the laws of Japan (“**Kyocera**”). Kodak and Kyocera shall be referred to, individually, as a “**Party**”, and collectively, as the “**Parties.**”

RECITALS

WHEREAS, the Parties (and in the case of Kyocera, its Subsidiary Kyocera Communications, Inc., a corporation organized under the laws of the State of Delaware (“**KCI**”)), are engaged in multiple litigations relating to their respective patent and contract rights, consisting of: (a) *Eastman Kodak Co. v. Kyocera Corp.*, No. 10-cv-6334 (CJS) (W.D.N.Y.), (b) *Kyocera Corp. v. Eastman Kodak Co.*, No. 11-cv-2934 JLS (JMA) (S.D. Ca.); (c) *Kyocera Corp. v. Eastman Kodak Co.*, No. 12-cv-0057 H (RBB) (S.D. Ca.); (d) *Kyocera Communications, Inc. v. Eastman Kodak Corp.*, Adv. Pro. No. 13-01093 (ALG) (Bankr. S.D.N.Y.); and (e) *Kyocera Corp. v. Eastman Kodak Corp.*, Case No. 13-cv-00086 (JGK) (S.D.N.Y.) (collectively, the “**Litigations**”);

WHEREAS, Kodak and its affiliated debtors filed voluntary petitions with the U.S. Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”) for relief under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), and the chapter 11 cases of Kodak and its affiliated debtors (collectively, “**Debtors**”) are being jointly administered under case no. 12-10202 (ALG) (the “**Bankruptcy Case**”), and Kodak has remained in possession of its property and continues to operate its business as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code;

WHEREAS, on July 17, 2012, Kyocera Corporation filed a proof of claim against Kodak assigned number 5734 (the “**Kyocera Proof of Claim**”), asserting an unliquidated general unsecured claim “of no less than \$80,000,000” and reserving the right to assert that some or all of the claimed amounts are entitled to be treated as administrative claims against Kodak pursuant to section 503(b) and 507(a)(1) of the Bankruptcy Code;

WHEREAS, the Parties engaged in good-faith negotiations at arm’s length regarding a comprehensive settlement to resolve the Litigations and the Kyocera Proof of Claim, to resolve all potential claims of past patent infringement, and to secure a period of patent peace between the Parties; and

WHEREAS, Kodak has determined that the compromise and settlement set forth herein is fair and reasonable, and in the best interests of the Debtors, the Debtors’ estates and their creditors. The Debtors have discussed the terms of the Agreement with advisors to the Official Committee of Unsecured Creditors (the “**Creditors’ Committee**”) and the Ad Hoc Group of Second Lien Noteholders (the “**Second Lien Committee**”), who have expressed no objection.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, and intending to be legally bound hereby, but subject to the approval by the Bankruptcy Court, Kodak and Kyocera hereby agree as follows:

I. Definitions. For the purposes of this Agreement, capitalized terms used in this Agreement, whether in singular or in plural and not otherwise defined herein shall have the following meanings:

“**Bankruptcy Plan**” means a plan of reorganization or liquidation for which a final confirmation order is entered by the Bankruptcy Court pursuant to section 1129 of the Bankruptcy Code.

“**Divested Business**” means, with respect to a Party, (a) a Person that, after being a Subsidiary of such Party, ceases to be a Subsidiary of such Party, or (b) a division, subdivision, product or service line, or business of such Party or any current or future Subsidiary of such Party (or any combination of the foregoing), in either case (a) or (b), that is sold or otherwise divested after the Settlement Date in or through any form of transaction, including a spin-off creating a separate business entity, a joint-venture, a sale of equity or assets, a merger (regardless of structure), consolidation, reorganization, or restructuring of any kind, or any other similar transaction or event.

“**Kodak Patents**” means any and all:

(a) patents and patent applications (including provisional patent applications and utility models) that are owned or controlled by Kodak or its Subsidiaries as of the Settlement Date;

(b) reissues, continuations, derivations, requests for continuing examination, continuations in-part, divisionals, or continuing prosecution applications, or design registrations claiming priority to or common priority with any item in category (a) that are owned or controlled by Kodak or its Subsidiaries as of the Settlement Date;

(c) patents issuing from any of the foregoing patent applications, or claiming priority to or common priority with any item in category (a) that are owned or controlled by Kodak or its Subsidiaries as of the Settlement Date;

(d) extensions, supplemental protection certificates, registrations, confirmations, reissues, reexaminations, extensions, restorations and renewals of the foregoing patents that are owned or controlled by Kodak or its Subsidiaries as of the Settlement Date; and

(e) national and regional counterparts or foreign equivalents of any of the foregoing issued by or filed in any country or other jurisdiction that are owned or controlled by Kodak or its Subsidiaries as of the Settlement Date.

“**Kyocera Patents**” means any and all:

(a) patents and patent applications (including provisional patent applications and utility models) that are owned or controlled by Kyocera or its Subsidiaries as of the Settlement Date;

(b) reissues, continuations, derivations, requests for continuing examination, continuations in-part, divisionals, or continuing prosecution applications, or design registrations claiming priority to or common priority with any item in category (a) that are owned or controlled by Kyocera or its Subsidiaries as of the Settlement Date;

(c) patents issuing from any of the foregoing patent applications, or claiming priority to or common priority with any item in category (a) that are owned or controlled by Kyocera or its Subsidiaries as of the Settlement Date;

(d) extensions, supplemental protection certificates, registrations, confirmations, reissues, reexaminations, extensions, restorations and renewals of the foregoing patents that are owned or controlled by Kyocera or its Subsidiaries as of the Settlement Date; and

(e) national and regional counterparts or foreign equivalents of any of the foregoing issued by or filed in any country or other jurisdiction that are owned or controlled by Kyocera or its Subsidiaries as of the Settlement Date.

“**Person**” means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company or other entity of any kind, and shall include any successor (by merger, amalgamation or otherwise) of such entity.

“**Settlement Date**” means March 7, 2013.

“**Subsidiary**” means, with respect to any Person, any other Person that is controlled by such Person. For the purposes of this definition, the word “controlled” means the actual power, either directly or indirectly through one or more intermediaries, to direct the management and policies of such Person, whether by the ownership of at least fifty percent (50%) of the voting stock of such Person, or by contract or otherwise.

2. Effective Date. Provided that neither the Creditors’ Committee nor the Second Lien Committee has previously objected to the Agreement (which objection has not been overruled by the Bankruptcy Court), this Agreement is subject to and shall be immediately effective on the date of entry of a final, non-appealable order of the Bankruptcy Court (that is not stayed) approving the terms hereof (the “**Effective Date**”). The terms and provisions of this Agreement shall be void and of no further force and effect if approval by the Bankruptcy Court is not granted. This Agreement shall be inadmissible in any future proceedings if not approved by the Bankruptcy Court. If either the Creditors’ Committee or the Second Lien Committee objects to the Agreement, then Kodak, in its sole discretion, may terminate the Agreement and not pursue its approval from the Bankruptcy Court upon written notice to Kyocera within seven (7) days of learning of the objection.

3. Payment to Kodak. Kyocera shall make a payment of US\$4,950,000.00 to Kodak within five (5) business days after the Effective Date via wire transfer to:

Bank Name:	Citibank, NA
Account Name:	Eastman Kodak Company
Account Number:	
City, State:	New York, NY
ABA:	021000089
SWIFT Code:	CITIUS33
Treasury Operations Contact:	Mary Ann Kramer
Phone:	585.724.7688 (or) 585.724.4526
Fax:	585.724.9460
Email:	maryannkramer@kodak.com (and) cashmgt@kodak.com

Assuming that approval from the Bankruptcy Court of this Agreement is obtained on May 1, 2013, such payment shall be due on or before May 22, 2013 in accordance with the terms of this Agreement.

4. Dismissal of Litigations. Within five (5) business days after Kodak receives the payment set forth in Section 3 above, the Parties shall (and Kyocera shall cause KCI to): (i) through their respective counsel file a stipulation of dismissal in a mutually agreed form dismissing with prejudice all claims and counterclaims in the Litigations; and (ii) take all other reasonable actions necessary to effectuate the dismissal with prejudice of all claims and counterclaims in the Litigations.

5. Withdrawal of Kyocera Proof of Claim. Within five (5) business days after Kodak receives the payment set forth in Section 3 above, Kyocera shall (and shall cause KCI to) withdraw the Kyocera Proof of Claim with prejudice by filing a withdrawal of claim with the Bankruptcy Court in a mutually agreed form.

6. Releases.

(a) Kodak Release. Effective as of the Effective Date, Kodak, on behalf of itself and its Subsidiaries, hereby unconditionally and irrevocably releases, acquits and forever discharges (i) Kyocera and its Subsidiaries, and its and their respective officers, directors, employees, agents, attorneys and stockholders from any and all claims, counterclaims, demands, liabilities, suits, debts, costs, expenses, and causes of action, at law or in equity, whether asserted or unasserted, whether known or unknown, liquidated or unliquidated, fixed or contingent (collectively, the "**Kodak Claims**", and each, a "**Kodak Claim**") arising from or relating to (A) any of the Litigations to the extent based on acts occurring prior to and including the Effective Date, or (B) the infringement of the Kodak Patents, whether direct, indirect, contributory, by inducement or otherwise, to the extent based on acts occurring prior to and including the Effective Date, and (ii) past and present customers that purchase directly from Kyocera or its Subsidiaries, or in the case of telecom providers from its or their respective duly authorized resellers, from Kodak Claims of infringement of the Kodak Patents, whether direct,

indirect, contributory, by inducement or otherwise, only to the extent based on the use or resale occurring prior to and including the Effective Date of products or services sold or provided by Kyocera or its Subsidiaries as its or their own product or service with respect to, and only to the extent of, those direct purchases of products and services as sold by Kyocera or its Subsidiaries and not in combination with any other products or services. For purposes of clarity, the release in this Section 6(a) shall not extend to any past or present customer of Kyocera or its Subsidiaries except to the limited extent that such past or present customer purchases, directly from Kyocera or its Subsidiaries, or in the case of telecom providers from its or their respective duly authorized resellers, products or services sold or provided by Kyocera or its Subsidiaries as its or their own product or service with respect to, and to the extent of, those direct purchases of products or services as sold by Kyocera or its Subsidiaries and not in combination with any other products or services. Any acquirer or other transferee of any right, title or interest in or to any Kodak Patents shall be bound by the release set forth herein solely with respect to those Kodak Patents acquired or transferred. For the avoidance of doubt, (i) nothing herein shall release any Kodak Claims relating to the Kodak Patents to the extent based on acts occurring after the Effective Date, and (ii) nothing herein shall release, and Kodak (on behalf of itself and its Subsidiaries) reserves, the right to assert any and all affirmative defenses (including without limitation defenses of invalidity, unenforceability and limitations on claim coverage) in response to any claim for infringement of the Kyocera Patents (or any other patent rights previously owned or controlled by Kyocera or its Subsidiaries), whether direct, indirect, contributory, by inducement or otherwise.

(b) Kyocera Release. Effective as of the Effective Date, Kyocera, on behalf of itself and its Subsidiaries, hereby unconditionally and irrevocably releases, acquits and forever discharges (i) Kodak and its Subsidiaries, and its and their respective officers, directors, employees, agents, attorneys and stockholders from any and all claims, counterclaims, demands, liabilities, suits, debts, costs, expenses, and causes of action, at law or in equity, whether asserted or unasserted, whether known or unknown, liquidated or unliquidated, fixed or contingent (collectively, the “**Kyocera Claims**”, and each, a “**Kyocera Claim**”) arising from or relating to (A) any of the Litigations or the Kyocera Proof of Claim to the extent based on acts occurring prior to and including the Effective Date, or (B) the infringement of the Kyocera Patents, whether direct, indirect, contributory, by inducement or otherwise, to the extent based on acts occurring prior to and including the Effective Date, and (ii) past and present customers that purchase directly from Kodak or its Subsidiaries, or in the case of telecom providers from its or their respective duly authorized resellers, from Kyocera Claims of infringement of the Kyocera Patents, whether direct, indirect, contributory, by inducement or otherwise, only to the extent based on the use or resale occurring prior to and including the Effective Date of products or services sold or provided by Kodak or its Subsidiaries as its or their own product or service with respect to, and only to the extent of, those direct purchases of products and services as sold by Kodak or its Subsidiaries and not in combination with any other products or services. For purposes of clarity, the release in this Section 6(b) shall not extend to any past or present customer of Kodak or its Subsidiaries except to the limited extent that such past or present customer purchases, directly from Kodak or its Subsidiaries, or in the case of telecom providers from its or their respective duly authorized resellers, products or services sold or provided by Kodak or its Subsidiaries as its or their own product or service with respect to, and to the extent of, those direct purchases of products or services as sold by Kodak or its Subsidiaries and not in combination with any other products or services. Any acquirer or other transferee of any right,

title or interest in or to any Kyocera Patents shall be bound by the release set forth herein solely with respect to those Kyocera Patents acquired or transferred. For the avoidance of doubt, (i) nothing herein shall release any Kyocera Claims relating to the Kyocera Patents to the extent based on acts occurring after the Effective Date, and (ii) nothing herein shall release, and Kyocera (on behalf of itself and its Subsidiaries) reserves, the right to assert any and all affirmative defenses (including without limitation defenses of invalidity, unenforceability and limitations on claim coverage) in response to any claim for infringement of the Kodak Patents (or any other patent rights previously owned or controlled by Kodak or its Subsidiaries), whether direct, indirect, contributory, by inducement or otherwise.

(c) California Code Section 1542. In connection with the releases set forth in this Section 6, each Party, on behalf of itself and its Subsidiaries, irrevocably and forever expressly waives all rights that such Party or its Subsidiaries may have arising under California Civil Code Section 1542 and all similar rights under the laws of any other applicable jurisdictions with respect to the release granted by such Party under this Section 6. Each Party understands that Section 1542 provides: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." Each Party acknowledges that it has been fully informed by its counsel concerning the effect and import of this Agreement under California Civil Code Section 1542 and similar laws of any other applicable jurisdictions and knowingly waives all rights under California Civil Code Section 1542 and similar laws of other applicable jurisdictions.

7. Standstill. From the Effective Date until the third anniversary following entry of a final order confirming Kodak's Bankruptcy Plan (the "**Standstill Period**"), (i) Kodak shall (and shall cause its present and future Subsidiaries to) delay, until after the expiration of the Standstill Period, asserting any Kodak Claim of patent infringement (other than providing notice as permitted by Section 7(c) below) or otherwise seeking to enforce any existing or future patent rights owned or controlled during the Standstill Period by Kodak or its present and future Subsidiaries against Kyocera or any of its present and future Subsidiaries or against any Divested Business of Kyocera or against its and their respective past, present and future customers that purchase, directly from Kyocera or its Subsidiaries, or in the case of telecom providers from its or their respective duly authorized resellers, products or services sold or provided by Kyocera or its Subsidiaries as its or their own product or service with respect to, and only to the extent of, those direct purchases of products or services as sold by Kyocera or its Subsidiaries and not in combination with any other products or services, and (ii) Kyocera shall (and shall cause its present and future Subsidiaries to) delay, until after the expiration of the Standstill Period, asserting any Kyocera Claim of patent infringement (other than providing notice as permitted by Section 7(c) below) or otherwise seeking to enforce any existing or future patent rights owned or controlled during the Standstill Period by Kyocera or any of its present and future Subsidiaries against Kodak or any of its present and future Subsidiaries or against any Divested Business of Kodak or against its and their respective past, present and future customers that purchase, directly from Kodak or its Subsidiaries, or in the case of telecom providers from its or their respective duly authorized resellers, products or services sold or provided by Kodak or its Subsidiaries as its or their own product or service with respect to, and only to the extent of, those direct purchases of products or services as sold by Kodak or its Subsidiaries and not in combination with any other products or services, in each case, subject to the following:

(a) All damages shall accrue during the Standstill Period, and shall be subject to potential recovery after the Standstill Period;

(b) All defenses shall be tolled during the Standstill Period, and may be asserted after the Standstill Period; provided, however, that during the Standstill Period, a Party shall have the right to assert the provisions of this Agreement as a defense to any Kodak Claim of patent infringement or to any Kyocera Claim of patent infringement, as applicable, or to a Party otherwise seeking to enforce any existing or future patent rights during the Standstill Period;

(c) The Standstill Period shall not prevent any Person from providing notice of patent infringement at any time;

(d) During the Standstill Period, in the event of any sale, assignment, exclusive license, or other disposition or grant of any right, title or interest in or to any Kodak Patents or future patent rights owned or controlled during the Standstill Period by Kodak or its present and future Subsidiaries, or any Kyocera Patents or future patent rights owned or controlled during the Standstill Period by Kyocera or its present and future Subsidiaries, including with respect to any Divested Business, as applicable (a "**Patent Right Transfer**"), the transferor shall cause the immediate Person that receives a Patent Right Transfer with respect to any such patent rights (a "**Transferor's Immediate Transferee**") to acquire such Patent Right Transfer subject to the obligations during the Standstill Period as set forth in this Section 7 solely with respect to the patents and patent applications transferred as part of the Patent Right Transfer. Transferor will also impose on the Transferor's Immediate Transferee an obligation with respect to the transferred patent rights in the Patent Right Transfer to impose the obligations of this Section 7 on any subsequent recipient of a Patent Right Transfer from the Transferor's Immediate Transferee (a "**Subsequent Transferee**"), and an obligation on such Subsequent Transferee to impose the obligations of this Section 7 on its respective immediate transferees. Nothing herein shall impose any obligations upon any Transferor's Immediate Transferee or Subsequent Transferee with respect to patents or other patent rights existing independent of a Patent Right Transfer; and

(e) A Party may inquire in writing to the other Party, and the receiving Party promptly shall respond in writing to such inquiry, whether any patent or patent right asserted against Kodak or any of its present and future Subsidiaries, Kyocera or any of its present and future Subsidiaries, or any Divested Business, as applicable, was transferred as part of a Patent Right Transfer. Any inquiry pursuant to this Section 7(e) shall be directed to the General Counsel of Kodak or the General Manager, Corporate Legal and Intellectual Property Group of Kyocera, as applicable, at the following addresses:

If to Kodak: Eastman Kodak Company
343 State Street
Rochester, New York 14650
U.S.A.
Attention: General Counsel

If to Kyocera: Kyocera Corporation
Head Office
6 Takeda Tobadono-cho
Fushimi-ku
Kyoto 612-8501
Japan
Attention: General Manager, Corporate Legal and Intellectual
Property Group

For purposes of clarity, the standstill obligation in this Section 7 shall not extend (1) to any past, present or future customer of Kyocera or its Subsidiaries except to the limited extent that such past, present or future customer purchases, directly from Kyocera or its Subsidiaries, or in the case of telecom providers from its or their respective duly authorized resellers, products or services sold or provided by Kyocera or its Subsidiaries as its or their own product or service with respect to, and to the extent of, those direct purchases of products or services as sold by Kyocera or its Subsidiaries and not in combination with any other products or services, or (2) to any past, present or future customer of Kodak or its Subsidiaries except to the limited extent that such past, present or future customer purchases, directly from Kodak or its Subsidiaries, or in the case of telecom providers from its or their respective duly authorized resellers, products or services sold or provided by Kodak or its Subsidiaries as its or their own product or service with respect to, and to the extent of, those direct purchases of products or services as sold by Kodak or its Subsidiaries and not in combination with any other products or services.

8. Assignments. Neither Kodak nor Kyocera may assign or transfer this Agreement or any or all of its rights and obligations under this Agreement to any Person except in accordance with, and to the extent provided by, Section 6 and Section 7 above, without prior written consent of all Parties. Notwithstanding the foregoing, Kodak may assign its rights under this Agreement to any entity succeeding to the business of Kodak upon consummation of the Bankruptcy Plan without such consent, provided that such successor entity shall be bound by and entitled to the benefits of this Agreement to the same extent as if it were an original signatory hereto.

9. Entire Agreement. The recitals set forth at the beginning of this Agreement are incorporated by reference and made a part of this Agreement. This Agreement constitutes the entire agreement and understanding of the Parties and supersedes all prior negotiations, agreements and/or representations, proposed or otherwise, written or oral, concerning the subject matter hereof.

10. Modification. This Agreement may be modified only in a writing agreed to and signed by each of the Parties hereto.

11. Governing Law. The validity, performance, construction and interpretation of the Agreement shall be governed by the laws of the State of New York without regard to its conflict of law provisions, to the extent that they would result in the application of laws of any other jurisdiction.

12. Third Party Beneficiaries. Any Person named as beneficiaries in Section 6 or Section 7 above shall be intended third party beneficiaries of this Agreement solely with respect to the rights and benefits set forth Section 6 or Section 7, as applicable.

13. Dispute Resolution. Each Party agrees that for so long as the Bankruptcy Court is exercising jurisdiction in the Bankruptcy Case, it will bring any actions, suits or proceedings arising out of or relating to this Agreement in the Bankruptcy Court, and thereafter exclusively in the United States District Court for the Southern District of New York. In the event that the Bankruptcy Court or the United States District Court for the Southern District of New York, as applicable, declines to or may not accept jurisdiction over a particular matter, each Party agrees to then proceed in the Supreme Court of the State of New York for New York County (collectively as set forth in this Section 13, the "**Chosen Courts**"). Each Party, with respect to any actions, suits or proceedings arising out of or relating to this Agreement, (a) irrevocably submits to the exclusive jurisdiction of the Chosen Courts, (b) waives any objection or claim to laying venue in any such action, suit or proceeding in the Chosen Courts, and (c) waives any objection that the Chosen Courts are an inconvenient forum or do not have jurisdiction over any Party.

14. Costs. All legal fees and other expenses incurred on behalf of a Party in connection with negotiating, drafting and effectuating the Agreement will be borne by such Party.

15. Severability. If any term, clause, provision, or part thereof, of this Agreement is invalidated or unenforceable by operation of law or otherwise, the Parties shall negotiate in good faith a replacement, but legally valid, term, clause or provision that best meets the intent of the Parties. The remaining provisions of this Agreement will remain in full force and effect.

16. Reliance on Own Counsel. Each Party has had the opportunity to be represented by counsel of its choice in negotiating this Agreement. This Agreement shall therefore be deemed to have been negotiated at arm's length, with the advice and participation of counsel, and prepared at the joint request, direction and instruction of the Parties, and shall be interpreted in accordance with its terms without favor to any Party.

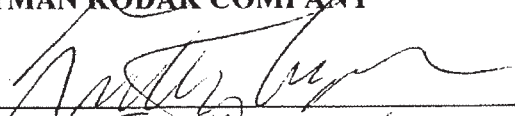
17. Authority to Execute Agreement. By signing below, each Party warrants and represents that the Person signing this Agreement on its behalf has authority to bind that Party and that Party's execution of this Agreement is not in violation of any by-law, covenants and/or other restrictions placed upon the Party.

18. Headings. The headings of the Sections of this Agreement are inserted for convenience only and shall not constitute a part hereof or affect in any way the meaning or interpretation of this Agreement.

19. Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one and the same instrument. The Parties agree that the delivery of this Agreement may be effected by means of an exchange of signatures via facsimile transmission, Portable Document Format, or other electronic transmission.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their authorized representatives.

EASTMAN KODAK COMPANY

By: 
Name: Timothy Lynch
Title: Vice President

KYOCERA CORPORATION

By: _____
Name:
Title:

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and delivered by their authorized representatives.

EASTMAN KODAK COMPANY

By: _____
Name:
Title:

KYOCERA CORPORATION

By: Junichi Jinno
Name: Junichi Jinno
Title: Senior Executive Officer
General Manager, Corporate Legal and
Intellectual Property Group

Hearing Date: May 1, 2013 at 11:30 a.m. (EDT)
Objection Deadline: April 30, 2013 at 12:00 p.m. (EDT)

Steven L. Holley
Andrew G. Dietderich
Brian D. Glueckstein
Michael H. Torkin
SULLIVAN & CROMWELL LLP
125 Broad Street
New York, New York 10004
Telephone: (212) 558-4000
Facsimile: (212) 558-3588

Counsel to the Debtors and Debtors in Possession

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

In re:)	
EASTMAN KODAK COMPANY, <i>et al.</i> , ¹)	
Debtors.)	Bankruptcy Case No. 12-10202 (ALG)
KYOCERA CORPORATION,)	
Plaintiff,)	
v.)	Adv. Proc. No. 13-01093 (ALG)
EASTMAN KODAK COMPANY,)	
Defendant.)	

**NOTICE OF HEARING ON DEBTORS' MOTION FOR AN ORDER PURSUANT
TO BANKRUPTCY RULE 9019 APPROVING AND AUTHORIZING ENTRY
INTO THE SETTLEMENT AGREEMENT AND RELEASE BETWEEN
EASTMAN KODAK COMPANY AND KYOCERA CORPORATION**

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.

PLEASE TAKE NOTICE that on the date hereof, Eastman Kodak Company, *et al.* (collectively, the “**Debtors**”), filed the Debtors’ Motion for an Order Pursuant to Bankruptcy Rule 9019 Approving and Authorizing Entry Into the Settlement Agreement and Release Between Eastman Kodak Company and Kyocera Corporation (the “**Motion**”).² The undersigned counsel will present the Motion to the Honorable Allan L. Gropper, Bankruptcy Judge of the United States Bankruptcy Court for the Southern District of New York (the “**Court**”), One Bowling Green, New York, New York 10004, at a hearing to be held on **May 1, 2013 at 11:30 a.m. (EDT)**.

PLEASE TAKE FURTHER NOTICE that responses or objections, if any, to the relief requested in the Motion must be filed electronically with the Court on the docket of *In re Eastman Kodak Company*, Case No. 12-10202 (ALG), pursuant to the Court’s General Order M-399 (available at <http://www.nysb.uscourts.gov/orders/m399.pdf>), by registered users of the Court’s case filing system and by all other parties in interest on a 3.5 inch disc, preferably in portable document format, Microsoft Word or any other Windows-based word processing format and served by U.S. mail, overnight delivery, hand delivery or, with the exception of the Court and the United States Trustee, facsimile upon each of the following: (a) the Chambers of the Honorable Allan L. Gropper, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004; (b) the Debtors and their counsel; (c) Milbank, Tweed, Hadley & McCloy LLP, counsel to the Official Committee of Unsecured Creditors; (d) Davis Polk & Wardwell LLP, counsel to Citicorp North America, Inc., as agent for the Debtors’ postpetition secured lenders; (e) Akin Gump Strauss Hauer & Feld LLP, counsel to the Ad Hoc Committee of Second Lien Noteholders and the lead lenders to the Debtors’

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

supplemental post-petition secured financing; (f) Covington & Burling LLP, counsel to Wilmington Trust, National Association, as agent for the Debtors' supplemental post-petition secured lenders, (f) Arent Fox LLP, counsel to the Official Committee of Retired Employees; and (g) Morrison & Foerster LLP, counsel to Kyocera Corporation, so as to be actually received no later than **April 30, 2013 at 12:00 p.m. (EDT)**.

PLEASE TAKE FURTHER NOTICE that only those objections that are timely filed, served and received will be considered at the Hearing. Failure to file a timely objection may result in entry of a final order granting the Motion as requested by the Debtors without further notice. The parties are required to attend the Hearing, and failure to attend in person or by counsel may result in relief being granted or denied upon default.

PLEASE TAKE FURTHER NOTICE that copies of the Motion may be obtained from the Court's website at <http://ecf.nysb.uscourts.gov/> or, free of charge, the website of the Debtors' claims and noticing agent at <http://www.kccllc.net/kodak>.

Dated: April 22, 2013
New York, New York

/s/ Andrew G. Dietderich

Steven L. Holley
Andrew G. Dietderich
Brian D. Glueckstein
Michael H. Torkin
SULLIVAN & CROMWELL LLP
125 Broad Street
New York, New York 10004
Telephone: (212) 558-4000
Facsimile: (212) 558-3588

- and -

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New York, New York 10020

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Counsel to the Debtors and
Debtors in Possession