

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11  
 :  
MPM Silicones, LLC, et al.,<sup>1</sup> : Case No. 14-22503 (RDD)  
 :  
Debtors. : (Jointly Administered)  
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**INTERIM ORDER AUTHORIZING PAYMENT OF SALES,  
USE AND OTHER TAXES AND REGULATORY FEES**

Upon the motion (the "**Motion**") of the debtors and debtors in possession in the above-captioned cases (collectively, the "**Debtors**") for an interim order, pursuant to sections 105(a), 363(b), 507(a)(8) and 541 of title 11 of the United States Code (the "**Bankruptcy Code**") and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), authorizing, but not directing, the Debtors to pay prepetition amounts owing in respect of prepetition sales, use and other taxes and regulatory fees; and upon consideration of the Motion and all of the pleadings related thereto, including the Declaration of William H. Carter, Chief Financial Officer of Momentive Performance Materials Inc., in Support of Chapter 11 Petitions and First Day Pleadings; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided except as set forth herein; and upon the record of the hearing held by the Court on the interim relief requested in the Motion on April 14, 2014; it appearing that the relief requested by the Motion and granted herein is in the best interests of the Debtors' estates, their creditors and other parties-in-interest,

<sup>1</sup> The last four digits of the taxpayer identification numbers of the Debtors follow in parentheses: (i) Juniper Bond Holdings I LLC (9631); (ii) Juniper Bond Holdings II LLC (9692); (iii) Juniper Bond Holdings III LLC (9765); (iv) Juniper Bond Holdings IV LLC (9836); (v) Momentive Performance Materials China SPV Inc. (8469); (vi) Momentive Performance Materials Holdings Inc. (8246); (vii) Momentive Performance Materials Inc. (8297); (viii) Momentive Performance Materials Quartz, Inc. (9929); (ix) Momentive Performance Materials South America Inc. (4895); (x) Momentive Performance Materials USA Inc. (8388); (xi) Momentive Performance Materials Worldwide Inc. (8357); and (xii) MPM Silicones, LLC (5481). The Debtors' executive headquarters are located at 260 Hudson River Road, Waterford, NY 12188.



provides a net benefit to the Debtors' estates after taking into account the priority scheme of the Bankruptcy Code and is necessary to avoid immediate and irreparable harm to the Debtors' estates; and after due deliberation and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED AND DECREED that:**

1. The Motion is granted on an interim basis to the extent set forth herein.
2. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.
3. The Debtors are authorized, but not directed, to remit all amounts owed for prepetition Trust Fund Taxes to the Taxing Authorities, in accordance with the Debtors' prepetition practice, including, but not limited to, the remittance of appropriate amounts and administrative costs to the Third-Party Payor.
4. The Debtors are authorized, but not directed, to pay the prepetition Regulatory Fees, Other Taxes and Property Taxes to the Applicable Authorities, up to a maximum aggregate amount of \$3 million, in accordance with the Debtors' prepetition practice, including, but not limited to, the remittance of appropriate amounts to the Third-Party Payor.
5. In no event shall the Debtors pay any Taxes or Regulatory Fees to the Applicable Authorities before such amounts are due and payable and nothing in this Interim Order shall be deemed to allow the Debtors to accelerate payment of any amounts for Taxes or Regulatory Fees that may be due and owing by the Debtors.
6. The Debtors' banks are authorized and directed to honor prepetition wire transfer requests and checks issued by the Debtors to the Tax Payment Recipients in payment of prepetition Taxes that, as of the Petition Date, have not cleared or been transferred. The Debtors will provide the banks with a list of outstanding prepetition checks or wire transfers with respect

to the Taxes within two (2) business days of the entry of the order authorizing such payments.

To the extent the Debtors have not yet sought to remit payment to the Tax Payment Recipients, the Debtors are authorized, but not directed, to issue checks or provide for other means of payment to the Tax Payment Recipients, to the extent necessary to pay the Taxes.

7. Nothing in this Interim Order or the Motion shall be construed as impairing or prejudicing the Debtors' rights to contest the amount, classification or allowability of any Taxes asserted in these cases.

8. Authorization to pay prepetition Taxes shall not create any additional obligation on the part of the Debtors or their officers, directors, attorneys or agents to pay such Taxes, and nothing in this order shall be deemed to increase, reclassify, elevate to administrative expense status or otherwise affect the prepetition Taxes to the extent they are not paid.

9. Within three business days of the entry of this Order, the Debtors shall cause a copy of this Order to be served on the Master Service List as defined in the *Interim Order: Establishing Certain Notice, Case Management, and Administrative Procedures and Omnibus Hearing Dates, etc.*

10. Any responses or objections to the Motion and entry of an order granting the relief requested in the Motion on a final basis (the "**Final Order**") must: (a) be made in writing; (b) state with particularity the grounds therefor; (c) conform to the Bankruptcy Rules and the Local Bankruptcy Rules for the Southern District of New York; (d) be filed with the United States Bankruptcy Court for the Southern District of New York; and (e) be served upon (i) Momentive Performance Materials Inc., 260 Hudson River Road, Waterford, NY 12188 (Attn.: Douglas A. Johns, Esq.); (ii) counsel for the Debtors, Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, NY 10019 (Attn: Matthew A. Feldman, Esq. and Rachel C.

Strickland, Esq.); (iii) the Office of the United States Trustee, 201 Varick Street, Suite 1006, New York, NY 10014 (Attn: Brian S. Matsumoto, Esq. and Richard W. Fox, Esq.); (iv) counsel to the administrative agent under the Debtors' postpetition secured credit agreement, Simpson Thacher & Bartlett LLP, 425 Lexington Avenue, New York, NY 10017 (Attn: Steven M. Fuhrman, Esq. and Nicholas Baker, Esq.); (v) counsel to GE Capital Equity, Inc.; (vi) counsel to the Ad Hoc Group of Second Lien Noteholders; (vii) counsel to Apollo Global Management, LLC and certain affiliated funds; and (viii) counsel to Momentive Performance Materials Holdings LLC. The deadline by which objections to the Motion and the Final Order must be filed and received by counsel to the Debtors, with a copy to the Court's chambers, is May 8, 2014 at 12:00 p.m. (prevailing Eastern Time) (the "**Objection Deadline**").

11. The Court will hold a final hearing, if required, on the Motion on May 15, 2014 at 9:30 a.m. (prevailing Eastern Time). If no objections are filed and served to the Motion and entry of the Final Order on or before the Objection Deadline, the Court may enter the Final Order without further notice or hearing.

12. Notwithstanding anything to the contrary contained herein, any payment to be made, and any authorization contained hereunder, shall be subject to the requirements imposed on the Debtors under the Debtors' postpetition financing agreements (the "**DIP Loan Agreements**") and any order governing the Debtors' use of cash collateral and entry into the DIP Loan Agreements (such order, the "**DIP Financing Order**") and nothing herein shall alter the rights of the secured parties under the DIP Financing Order or DIP Loan Agreements. To the extent of any conflict between the terms of this Order and the terms of the DIP Financing Order, the terms of the DIP Financing Order shall govern.

13. The relief requested in the Motion is necessary to avoid irreparable harm

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to the Debtors, and timely entry of this Interim Order is not prohibited by Bankruptcy Rule 6003(b).

14. Bankruptcy Rule 6004(a) is waived for the purposes of the Motion, and notwithstanding any applicability of Bankruptcy Rule 6004(h), this Interim Order shall be immediately effective and enforceable upon its entry.

15. This Court shall retain jurisdiction with respect to any and all matters arising from or relating to the implementation or interpretation of this Interim Order.

Dated: April 15, 2014  
White Plains, New York

/s/Robert D. Drain  
THE HONORABLE ROBERT D. DRAIN  
UNITED STATES BANKRUPTCY JUDGE