

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11  
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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  
PREPETITION COMMON CARRIER, WAREHOUSE, FREIGHT FORWARDER,  
TOLL PROCESSOR, MECHANIC’S LIEN AND RELATED OBLIGATIONS**

Upon the motion (the “**Motion**”) of the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) for an order, pursuant to sections 105(a), 363(b) and 506(b) of title 11 of the United States Code (the “**Bankruptcy Code**”), authorizing the Debtors to pay prepetition common carrier, warehouse, freight forwarder, toll processor, mechanics’ lien and related obligations, all as more fully set forth in the Motion; and upon 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; and it appearing that the relief requested by the Motion and granted herein is in the best interests of the Debtors, their estates, creditors, and other

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<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.



parties in interest, provides a net benefit to the Debtors' estates after taking into account the priority scheme of the Bankruptcy Code, and in 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 not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.
3. The Debtors are authorized, but not directed, in their discretion, to pay the prepetition Service Claims, consistent with their customary practices in the ordinary course of business, in amounts not to exceed \$6,700,000 in the aggregate; provided, however, that within the twenty-one (21) day period following the Petition Date, the Debtors shall honor only those Service Claims to the extent the Debtors determine, in the exercise of their business judgment, that honoring such obligations is necessary to avoid immediate and irreparable harm to the Debtors; provided further, that in no event shall the Debtors pay any Service Claims before such amounts are due and payable and this Interim Order shall not be deemed to allow the Debtors to accelerate payment of any amounts for Service Claims that may be due and owing by the Debtors.
4. The Debtors' banks are authorized to process, honor, and pay, to the extent of funds on deposit, any and all prepetition wire transfer requests or checks issued by the Debtors for any prepetition Service Claims prior to or after the commencement of these cases.
5. The Debtors are authorized, consistent with this Interim Order, to issue postpetition checks, or to effect postpetition fund transfer requests in replacement of any checks

or fund transfer requests, for prepetition payment of Service Claims dishonored or rejected as of the commencement of these chapter 11 cases.

6. Upon the payment of any Service Claim, any property of the Debtors held by or within the control of a Service Provider shall be released and delivered to its destination as directed by one or more of the Debtors consistent with their customary practices in the ordinary course of business with the Debtors.

7. The authorization granted hereby to pay certain Service Claims shall not create any obligation on the part of the Debtors or their officers, directors, attorneys, or agents to pay such obligations, and none of the foregoing persons shall have any liability on account of any decision by the Debtors not to pay a Service Claim, and nothing contained in this Interim Order shall be deemed to increase, reclassify, elevate to an administrative expense status, or otherwise affect Service Claims to the extent they are not paid.

8. In return for payment of the Service Claims, the Service Providers agree to continue to provide services to the Debtors on Customary Trade Terms during the course of these chapter 11 cases.

9. Subject to the challenge rights described in this paragraph, if any Service Provider accepts payment on account of a prepetition obligation of the Debtors and thereafter does not continue to provide goods or services to the Debtors on Customary Trade Terms, absent objection as described below, any payments made shall be deemed an avoidable postpetition transfer under section 549 of the Bankruptcy Code and shall be recoverable by the Debtors in cash upon written request. Upon recovery by the Debtors, the Service Claim shall be reinstated as a prepetition claim in the amount so recovered. The foregoing does not preclude a Service Provider from contesting whether it has failed to comply with the provisions of this Interim

Order by filing an objection with this Court within twenty (20) days of the date of the Debtors' initial written request for return of the payments, which hearing the Debtors shall set for the next regularly scheduled omnibus hearing date occurring more than twenty (20) days after the date of the filing of the objection. The Debtors are hereby authorized, but not directed, to obtain written verification, before issuing payment to a Service Provider, that such Service Provider will, if relevant, continue to provide services to the Debtors on Customary Trade Terms for the remaining term of the Service Provider's relationship with the Debtors; provided, however, that the absence of such written verification will not limit the Debtors' rights hereunder.

10. Upon any and all third parties' refusal to release property being held as leverage against payment of such party's prepetition claim, the Debtors shall be granted an expedited hearing on not less than five (5) days notice without the need to file a further written motion to compel the Service Provider or third party to release such property.

11. The relief granted herein is not and shall not be deemed an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code.

12. Any payment made pursuant to this Interim Order is not, and shall not be deemed, an admission as to the validity of the underlying obligation or a waiver of any rights the Debtors may have to subsequently dispute such obligation.

13. Within three (3) business days of the entry of this Interim Order, the Debtors shall serve a copy of this Interim Order on the Master Service List as defined in the *Interim Order: (A) Establishing Certain Notice, Case Management, and Administrative Procedures and Omnibus Hearing Dates; (B) Authorizing the Debtors to Prepare a Consolidated List of Creditors in Lieu of Mailing Matrix; and (C) Authorizing Debtors to Establish Procedures for Notifying Creditors of Commencement of Cases.*

14. 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**”).

15. 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.

16. 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.

17. The relief requested in the Motion is necessary to avoid irreparable harm to the Debtors, and timely entry of this Interim Order is not prohibited by Bankruptcy Rule 6003(b).

18. The notice requirements of Bankruptcy Rule 6004(a) are deemed waived.

19. Notwithstanding Bankruptcy Rule 6004(h), this Interim Order shall be effective and enforceable immediately upon entry hereof.

20. This Court shall, and hereby does, retain jurisdiction respecting all matters arising from or related to the implementation 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