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*Proposed Counsel for the Debtors and
Debtors in Possession*

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
 :
MPM Silicones, LLC, et al.,¹ : Case No. 14-22503 (RDD)
 :
Debtors. : (Jointly Administered)
-----X

**NOTICE OF REVISED PROPOSED FINAL ORDER AUTHORIZING PAYMENT OF
PREPETITION COMMON CARRIER, WAREHOUSE, FREIGHT FORWARDER,
TOLL PROCESSOR, MECHANIC’S LIEN AND RELATED OBLIGATIONS**

PLEASE TAKE NOTICE THAT on April 13, 2014, the debtors and debtors in possession in the above-captioned cases (collectively, the “**Debtors**”) filed the *Debtors’ Motion for Order Authorizing Payment of Prepetition Common Carrier, Warehouse, Freight Forwarder, Toll Processor, Mechanic’s Lien and Related Obligations* (the “**Motion**”) [Docket No. 9], to which a final proposed order granting the relief requested in the Motion was attached as Exhibit

¹ 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.



B (the “**Proposed Final Order**”). An order granting the relief requested in the Motion on an interim basis was entered on April 15, 2014 [Docket No. 32].

PLEASE TAKE FURTHER NOTICE that attached hereto as Exhibit A is a revised Proposed Final Order (the “**Revised Proposed Final Order**”). A blackline of the Revised Proposed Final Order showing changes from the Proposed Final Order is attached hereto as Exhibit B.

PLEASE TAKE FURTHER NOTICE that a hearing (the “**Hearing**”) on the Revised Proposed Final Order has been scheduled for May 15, 2014 at 9:30 a.m. (EDT) before the Honorable Robert D. Drain, United States Bankruptcy Judge, in Courtroom 118 at the United States Bankruptcy Court for the Southern District of New York, 300 Quarropas Street, White Plains, New York 10601.

PLEASE TAKE FURTHER NOTICE that if you wish to be heard with respect to any of the foregoing matters, you must attend the Hearing. The Hearing may be adjourned from time to time in open court.

PLEASE TAKE FURTHER NOTICE that if you would like to receive copies of the Motion or the Revised Proposed Final Order, (a) you may access such documents online from either the Bankruptcy Court’s electronic case filing system located at www.nysb.uscourts.gov or the website of the Debtors’ proposed claims agent at <http://kccllc.net/mpm>, or (b) you may contact Andrew S. Mordkoff, Esq., at Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, by telephone at (212) 728-8000.

WHEREFORE, the Debtors respectfully request that the Revised Proposed Final
Order be entered at the earliest convenience of the Court.

Dated: May 12, 2014
New York, New York

WILLKIE FARR & GALLAGHER LLP
*Proposed Counsel for the Debtors and
Debtors in Possession*

By: /s/ Matthew A. Feldman
Matthew A. Feldman
Rachel C. Strickland
Jennifer J. Hardy

787 Seventh Avenue
New York, New York 10019
Telephone: (212) 728-8000
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EXHIBIT A

Revised Proposed Final Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re : Chapter 11
 :
MPM Silicones, LLC, et al.,¹ : Case No. 14-22503 (RDD)
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Debtors. : (Jointly Administered)
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**FINAL 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 [Docket No. 9]; and the Court having entered the *Interim Order Authorizing Payment of Prepetition Common Carrier, Warehouse, Freight Forwarder, Toll Processor, Mechanic’s Lien and Related Obligations* [Docket No. 32] (the “**Interim Order**”); 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 and the Interim Order having been given; and it appearing that no other or further notice need be provided; and

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upon the record at the interim and final hearings before the Court on the Motion on April 14, 2014 and May 15, 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 parties in interest, provides a net benefit to the Debtors' estates after taking into account the priority scheme of the Bankruptcy Code; and after due deliberation and sufficient cause appearing therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted on a final 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 shall, within a commercially reasonable period of time, provide an initial schedule (the "**Schedule**") of all Service Claims that the Debtors intend to pay pursuant to this Order to the Committee's professionals on a "professionals' eyes only" basis, to the extent the Debtors have not already provided such Schedule to the Committee's professionals as of the date of this Order.
4. 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 \$11,500,000 in the aggregate; provided, however, that in no event shall the Debtors pay any Service Claims before such amounts are due and payable and this Final Order shall not be deemed to allow the Debtors to accelerate payment of any amounts that may become due and owing by the Debtors; provided further, however, that to the extent the Debtors intend to pay any Service Claim in excess of \$1,000,000 and such Service Claim is not identified in the Schedule, the Debtors shall provide three days' notice to the Committee's professionals prior to making such payment.

5. 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.

6. 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 Final 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.

7. 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.

8. The Debtors are authorized, consistent with this Final Order, to issue postpetition checks, or to effect postpetition fund transfers requests in replacement of any checks or fund transfer requests, for payment of prepetition Service Claims dishonored or rejected as of the commencement of these chapter 11 cases.

9. 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.

10. 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 Final Order shall be deemed to increase, reclassify, elevate to an administrative expense status, or otherwise affect the Service Claims to the extent they are not paid.

11. 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.

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 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.

14. Any payment made pursuant to this Final 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.

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

16. This Court shall, and hereby does, retain jurisdiction respecting all matters arising from or related to the implementation of this Final Order.

Dated: _____, 2014
White Plains, New York

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Blackline

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

-----X
In re : Chapter 11
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MPM Silicones, LLC, et al.,¹ : Case No. 14-~~22503~~ (~~22503~~ (RDD))
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**FINAL ORDER AUTHORIZING PAYMENT OF
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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 [\[Docket No. 9\]](#); ~~and the Court having entered the Interim Order Authorizing Payment of Prepetition Common Carrier, Warehouse, Freight Forwarder, Toll Processor, Mechanic’s Lien and Related Obligations [Docket No. 32] (the “Interim Order”)~~; 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 [and the Interim Order](#) having been given; and it appearing that no other or further notice need be provided; and upon the record, ~~including the statements of counsel~~, at the interim and final hearings before the Court on the Motion; ~~and the Court having entered an order granting the relief requested in the~~

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~~Motion on an interim basis~~ on April 14, 2014 and May 15, 2014; and it appearing that the relief requested by ~~this~~the Motion and granted herein is in the best interests of the Debtors, their estates, creditors, and other parties in interest, provides a net benefit to the Debtors' estates after taking into account the priority scheme of the Bankruptcy Code; and after due deliberation and sufficient cause appearing ~~therefore~~therefor, it is hereby

ORDERED, ADJUDGED, AND DECREED that:

1. The Motion is granted on a final 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 shall, within a commercially reasonable period of time, provide an initial schedule (the "Schedule") of all Service Claims that the Debtors intend to pay pursuant to this Order to the Committee's professionals on a "professionals' eyes only" basis, to the extent the Debtors have not already provided such Schedule to the Committee's professionals as of the date of this Order.
4. ~~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 \$7,000,000 in the aggregate-11,500,000 in the aggregate; provided, however, that in no event shall the Debtors pay any Service Claims before such amounts are due and payable and this Final Order shall not be deemed to allow the Debtors to accelerate payment of any amounts that may become due and owing by the Debtors; provided further, however, that to the extent the Debtors intend to pay any Service Claim in excess of \$1,000,000 and such Service Claim is not identified in the Schedule, the Debtors shall provide three days' notice to the Committee's professionals prior to making such payment.

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5. ~~4.~~ 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.

6. ~~5.~~ 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 Final 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.

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9. ~~8.~~ 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.

10. ~~9.~~ 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 Final Order shall be deemed to increase, reclassify, elevate to an administrative expense status, or otherwise affect the Service Claims to the extent they are not paid.

11. ~~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.

12. ~~11.~~ 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

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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. ~~12.~~ 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.

14. ~~13.~~ Any payment made pursuant to this Final 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.

15. ~~14.~~ Notwithstanding Bankruptcy Rule 6004(h), this Final Order shall be effective and enforceable immediately upon entry hereof.

16. ~~15.~~ This Court shall, and hereby does, retain jurisdiction respecting all matters arising from or related to the implementation of this Final Order.

Dated: _____, 2014
White Plains, New York

THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE