Hopping Green & Sams

Attorneys and Counselors

March 13, 2012

Via UPS Overnight Delivery

Bianca N. Jaikaran
Office of Environmental Accountability
U.S. EPA Region 4
61 Forsyth Street, S.W.
Atlanta, Georgia 30303

Re: Response to February 8, 2012 Request for Information Pursuant to Section 104 of CERCLA and Section 3007 of RCRA for the Wright Chemical Corporation Superfund Site in Riegelwood, Columbus County, North Carolina

Dear Ms. Jaikaran:

Silar, LLC ("Silar"), provides the following responses to U.S. EPA's Request for Information ("RFI"), dated February 8, 2012, and received by my office on February 15, 2012. On February 24, 2012 Silar requested an extension of time to March 14, 2012 to respond to the Request, and on February 28, 2012 you granted the request. Therefore, Silar's responses are timely.

Prior to specifically responding to the RFI, Silar would like to clarify several issues. Silar believes there may be a misunderstanding as to which assets Silar purchased from Oak-Bark. On January 9, 2009, Silar entered into an Asset Purchase Agreement with Oak-Bark Corporation ("Oak-Bark") to acquire specific assets related only to the Silar Laboratories business, which did not include acquisition of any real property on or about the Wright Chemical Corporation Superfund Site ("Wright Chemical Site") nor any of Oak-Bark's other businesses. Separately, pursuant to a lease agreement, on April 22, 2009, Silar began leasing a 6.57 acre piece of property ("Silar Site") from Oak-Bark and operating Silar Laboratories. When Silar acquired these limited assets, Oak-Bark retained, and indemnified Silar from, any environmental liabilities associated with the Wright Chemical and Silar Sites. The subsequent lease of the Silar Site did not reduce or change Oak-Bark's retention of, and indemnification of Silar for, any environmental liabilities associated with the Wright Chemical and Silar Sites. Oak Bark acknowledged this in writing to EPA on February 15, 2012.

Furthermore, the RFI indicates that the soil between the former acid plant on the northern parcel of the Wright Chemical Site and the surface water pathway of Livingston Creek is contaminated with arsenic, lead, mercury and the pesticides dieldrin and

gamma-chlordane. Silar does not operate in the contaminated area, nor does it process, store, or otherwise use any of those identified contaminants.

Below, Silar has identified each question of the RFI in bold print, followed by Silar's response.

Question 1. For each and every Question contained herein identify the person(s) answering these Questions on behalf of Respondent and all persons consulted in the preparation of the answer.

The following persons answered the Questions and were consulted in the preparation of the answers on behalf of Silar:

Questions 1-14
Ralph A. DeMeo
Paula L. Cobb
Legal Counsel, Hopping Green & Sams, P.A.
119 South Monroe Street, Ste. 300
Tallahassee, FL 32301
(850) 222-7500

Questions 1-14
Brian Miller
Principal, Addison Capital Partners
319 Clematis Street
West Palm Beach, FL 33401
(561) 835-4041

Questions 5, 6, 7, 8, and 9
John Shibley
President, Silar Labs
300 N. 3rd Street, Ste 320
Wilmington, NC 28401
(910) 762-5800 ext. 125

Questions 3, 4, 6, 7, 8, 9, 10, 11, 13, and 14
Peter Yurgel
Plant Manager, Silar Labs
333 Neils Eddy Road
Riegelwood, NC 28456
(910) 655-4212 ext. 100

Question 2. Please confirm the dates in which Silar, LLC leased and operated at the Site.

Silar has leased and operated on the Silar Site from April 22, 2009 to the present. Silar has not leased or operated on the balance of the Wright Chemical Site.

Question 3. Please provide a detailed description of any building, construction, digging, or restructuring of the physical property in any manner that occurred on the Site-leased property during the term of Silar, LLC's lease from Oak-Bark.

Silar had a 40' x 50' metal building constructed on a slab for its maintenance shop. The building was finished in the summer of 2011. As part of the building's construction, water and septic lines were also installed. Please see Attachment 1, a map indicating the approximate location of the maintenance shop.

Question 4. Please describe Silar's business relationship to Oak Bark. Describe and provide a copy of any shared service agreements in place between the two companies. Describe and provide a copy of any access agreements that are in place for shared access to each other's property. Describe any limitations that exist to Silar's access to any portion of the leased property.

Silar does not have a business relationship with Oak-Bark. Silar had a shared services agreement with Oak-Bark for utility and maintenance services until November 2011. Please see Attachment 2 for a copy of the prior agreement.

The only access agreement between Silar and Oak-Bark is a "Hood Sublease," which provides Oak-Bark with access to utilize three hoods in connection with the production of chemical products. Please see Attachment 3 for a copy of the Hood Sublease. As a practical matter, Oak-Bark has never exercised any of its rights under the Sublease.

Silar's access to MW-6, located within the Silar Site, is restricted in that Silar does not have rights to access groundwater monitoring well, MW-6. Oak-Bark accesses MW-6 and performs all required sampling of that well.

Question 5. Please provide a copy of the "Hood Sublease" agreement referred to on page 3, section "f" of the Real Estate Ground Lease Transaction Master Agreement between Silar and Oak Bark. If you do not have a copy of the agreement, please provide a written description of the agreement.

Please see Attachment 3 and Silar's response to Question 4.

Question 6. Does Silar containerize, treat, dispose of, or handle waste products for Oak Bark? Please provide a complete description and provide any agreements related to such transaction.

Silar does not containerize, treat, dispose of, or handle waste products for Oak-Bark. As such, there are no agreements between Silar and Oak-Bark related to such a transaction.

Question 7. Does Silar containerize, treat, dispose of, or handle waste water from the Oak Bark facility? Please provide a complete description and provide any agreements related to such transaction.

Silar does not containerize, treat, dispose of, or handle waste water from any Oak-Bark facility. As such, there are no agreements between Silar and Oak-Bark related to such a transaction.

Question 8. Does Oak Bark provide materials or products to Silar? If yes, please list and describe said materials/products.

Oak-Bark does not provide materials or products to Silar.

Question 9. Does Silar provide materials or products to Oak Bark? If yes, please list and describe said materials/products.

Silar does not provide materials or products to Oak-Bark.

Question 10. List spills, leaks, overflows and all releases to the environmental of hazardous substances that have occurred on Silar's leased property during the time of the Silar lease.

Silar has not had any spills, leaks, overflows, or releases to the environment of any hazardous substances during the time of its lease.

Question 11. Please confirm the date that the drum rinsing station was relocated to move it away from Silar's Stormwater outfall 005.

The new drum rinsing containment was put into service in May of 2009. Its relocation began around March or April 2009.

Question 12. Please provide a copy of any environmental assessments concerning the leased property conducted prior to or during the Silar lease of the Site property.

Silar has not conducted an environmental assessment of the leased property. The Asset Purchase Agreement with Oak-Bark precluded Silar from performing an

environmental assessment of the leased property. Silar did engage ECS Carolinas, LLP to prepare a report in response to EPA's investigation of the Wright Chemical Site, which Silar provided to EPA on January 26, 2012. Silar is not aware of any environmental assessments performed by other parties.

Question 13. Please provide a copy of any analytical data from soil, sediment, groundwater, or surface water collected by Silar concerning the Silar leased Site property.

Please see Attachment 4, Discharge Monitoring Reports and Acute Toxicity Reports required to be performed under Silar's NPDES permit.

Question 14. Please provide a copy of any existing analytical data concerning samples collected from bulk liquid waste containers or tanks that were shipped off the Silar property for treatment or disposal.

The profiles for Silar's flammable waste water and neutral solvent waste were developed using generator knowledge. Silar does not have any analytical data.

Should you have any questions regarding the answers provided, please contact me at 850-222-7500 or by email at ralphd@hgslaw.com. As it has in the past, Silar will continue to cooperate fully with EPA. Thank you.

Sincerely,

HOPPING GREEN & SAMS

Ralph

Ralph A. DeMeo

PLAT FOR

SILAR, LLC

RANSOM TOWNSHIP
JULY 1, 2009

COLUMBUS COUNTY, N.C.
SCALE: 1" = 100'

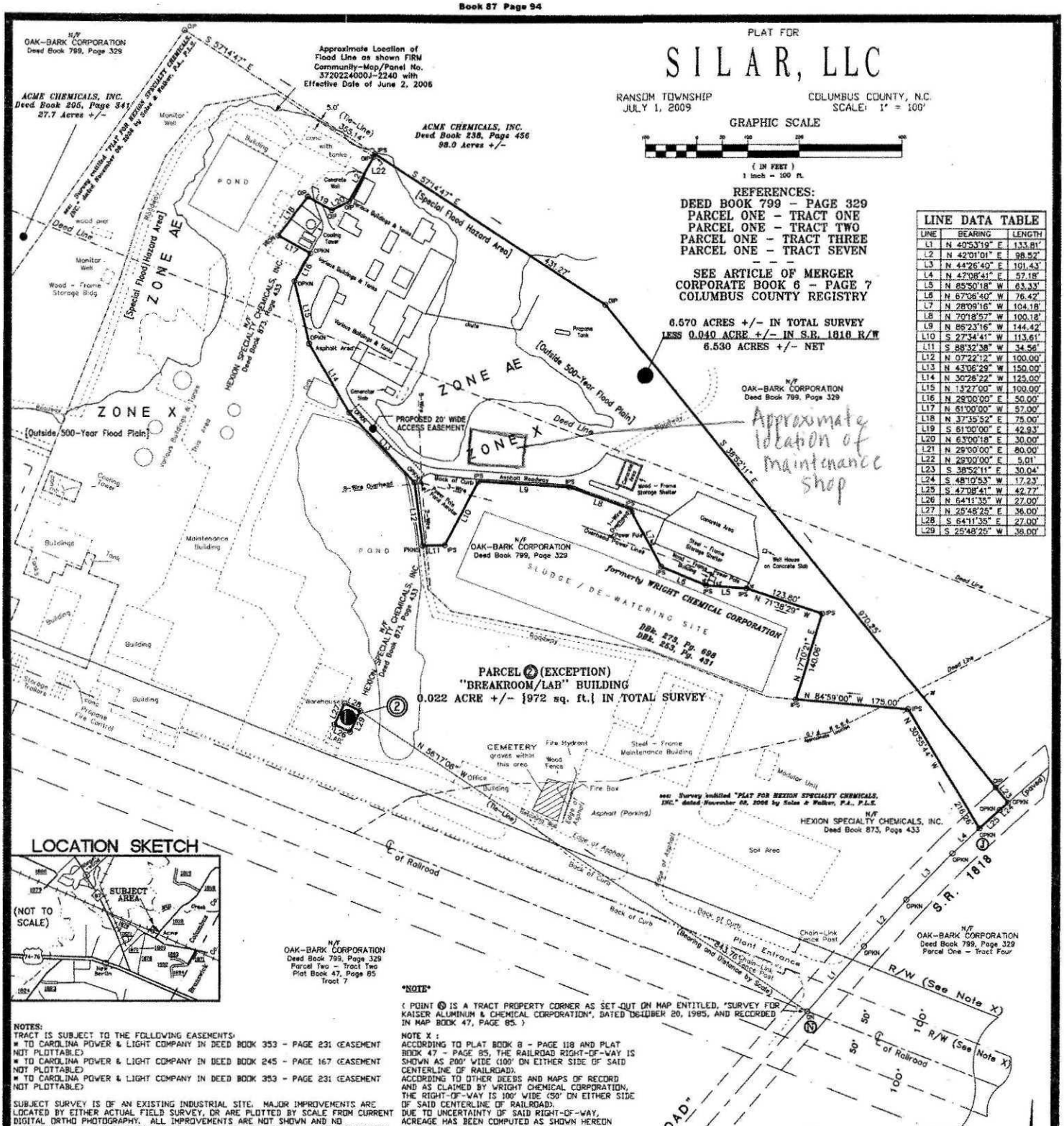
GRAPHIC SCALE

(IN FEET)
1 inch = 100 ft.

REFERENCES:
DEED BOOK 799 – PAGE 329
PARCEL ONE – TRACT ONE
PARCEL ONE – TRACT TWO
PARCEL ONE – TRACT THREE
PARCEL ONE – TRACT SEVEN
– – –
SEE ARTICLE OF MERGER
CORPORATE BOOK 6 – PAGE 7
COLUMBUS COUNTY REGISTRY

6.570 ACRES +/– IN TOTAL SURVEY
LESS 0.040 ACRE +/– IN S.R. 1818 R/W
6.530 ACRES +/– NET

LINE DATA TABLE		
LINE	BEARING	LENGTH
L1	N 40°53'19" E	133.81'
L2	N 42°01'01" E	98.52'
L3	N 44°26'49" E	101.43'
L4	N 47°08'41" E	57.18'
L5	N 85°50'18" W	63.33'
L6	N 67°06'40" W	76.42'
L7	N 28°09'16" W	104.18'
L8	N 70°18'57" W	100.18'
L9	N 86°23'16" W	144.42'
L10	S 27°34'41" W	113.61'
L11	S 88°32'38" W	34.56'
L12	N 07°22'12" W	100.00'
L13	N 43°06'29" W	150.00'
L14	N 30°26'22" W	125.00'
L15	N 13°27'00" W	100.00'
L16	N 29°00'00" E	50.00'
L17	N 61°00'00" W	57.00'
L18	N 37°35'52" E	75.00'
L19	S 61°00'00" E	42.93'
L20	N 63°00'18" E	30.00'
L21	N 29°00'00" E	80.00'
L22	N 29°00'00" E	5.01'
L23	S 38°52'11" E	30.04'
L24	S 48°10'53" W	17.23'
L25	S 47°08'41" W	42.77'
L26	N 64°11'35" W	27.00'
L27	N 25°48'25" E	36.00'
L28	S 64°11'35" E	27.00'
L29	S 25°48'25" W	36.00'



NOTES:
TRACT IS SUBJECT TO THE FOLLOWING EASEMENTS:
* TO CAROLINA POWER & LIGHT COMPANY IN DEED BOOK 353 – PAGE 231 (EASEMENT NOT PLOTTABLE)
* TO CAROLINA POWER & LIGHT COMPANY IN DEED BOOK 245 – PAGE 167 (EASEMENT NOT PLOTTABLE)
* TO CAROLINA POWER & LIGHT COMPANY IN DEED BOOK 353 – PAGE 231 (EASEMENT NOT PLOTTABLE)

SUBJECT SURVEY IS OF AN EXISTING INDUSTRIAL SITE. MAJOR IMPROVEMENTS ARE LOCATED BY EITHER ACTUAL FIELD SURVEY, OR ARE PLOTTED BY SCALE FROM CURRENT DIGITAL ORTHO PHOTOGRAPHY. ALL IMPROVEMENTS ARE NOT SHOWN AND NO UNDERGROUND OR ABOVE GROUND ON-SITE UTILITIES ARE LOCATED HEREON AT OWNERS ELECTION. LOCATION WORK IS TWO-DIMENSIONAL AND NOT FOR USE BY OTHERS FOR CONSTRUCTION, PLANNING AND DESIGN. THIS SURVEY IS FOR TITLE TRANSFER, FINANCIAL AND TITLE INSURANCE PURPOSES ONLY.

DISTANCES HEREON ARE HORIZONTAL GROUND DISTANCES. BEARINGS ARE BASED ON THE N.C. GRID NAD 83 COORDINATE SYSTEM. THE NAD 83 SCALE FACTOR: 1.0000015.

LAND OWNERS, AS SHOWN HEREON, TAKEN FROM COLUMBUS COUNTY TAX RECORDS. CURRENT OWNERSHIP OR ADDITIONAL LAND OWNERS SUBJECT TO TITLE RECORDS SEARCH.

I HEREBY CERTIFY THAT THIS PLAT IS OF A SURVEY THAT IS LOCATED IN SUCH PORTION OF A COUNTY OR MUNICIPALITY THAT IS UNREGULATED AS TO AN ORDINANCE THAT REGULATES PARCELS OF LAND, BEING G.S. 47-30(F)(11)b.

SUBJECT PROPERTY IS LOCATED WITHIN ZONE AE (SPECIAL FLOOD HAZARD AREA) & X (OUTSIDE 500-YEAR FLOOD PLAIN) ON FIRM COMMUNITY-MAP/PANEL # 3720224000J-2240. EFFECTIVE DATE – JUNE 2, 2006.

STATE OF NORTH CAROLINA – COUNTY OF COLUMBUS
I LLOYD R. WALKER CERTIFY THAT THIS PLAT WAS DRAWN UNDER MY SUPERVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED DESCRIPTION RECORDED AS NOTED HEREON); THAT THE BOUNDARIES NOT SURVEYED ARE CLEARLY INDICATED AS DRAWN FROM INFORMATION AS NOTED HEREON; THAT THE RATIO OF PRECISION AS CALCULATED IS (10,000+); THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. 47-30 AS AMENDED. WITNESS MY ORIGINAL SIGNATURE, LICENSE NUMBER AND SEAL THIS 1ST DAY OF JULY, A.D., 2009.

PROFESSIONAL LAND SURVEYOR, L-1333
UNLESS THIS MAP IS SIGNED, SEALED AND DATED, THIS IS A PRELIMINARY PLAT, NOT FOR RECORDATION, CONVEYANCES OR SALES.

NORTH CAROLINA PROFESSIONAL SEAL L-1333 LAND SURVEYOR LLOYD R. WALKER

NOTE
(POINT 2 IS A TRACT PROPERTY CORNER AS SET-OUT ON MAP ENTITLED, "SURVEY FOR KAISER ALUMINUM & CHEMICAL CORPORATION", DATED DECEMBER 20, 1985, AND RECORDED IN MAP BOOK 47, PAGE 85.)

NOTE X :
ACCORDING TO PLAT BOOK 8 – PAGE 118 AND PLAT BOOK 47 – PAGE 85, THE RAILROAD RIGHT-OF-WAY IS SHOWN AS 200' WIDE (100' ON EITHER SIDE OF SAID CENTERLINE OF RAILROAD).
ACCORDING TO OTHER DEEDS AND MAPS OF RECORD AND AS CLAIMED BY WRIGHT CHEMICAL CORPORATION, THE RIGHT-OF-WAY IS 100' WIDE (50' ON EITHER SIDE OF SAID CENTERLINE OF RAILROAD).
DUE TO UNCERTAINTY OF SAID RIGHT-OF-WAY, ACREAGE HAS BEEN COMPUTED AS SHOWN HEREON USING EACH RIGHT-OF-WAY.

LEGEND:
SURVEYED PROPERTY LINE
CENTERLINE OF ROAD
ADJOINER PROPERTY LINE
℄ PROPERTY LINE
R/W RIGHT OF WAY
℄ CENTER LINE
N/F NOW OR FORMERLY
ON OLD NAIL
PKNS PK NAIL SET
IPS IRON PIPE SET
OIP OLD IRON PIPE
OIR OLD IRON REBAR
OPKN OLD PK NAIL

2009004382
COLUMBUS CO, NC FEE $21.00
PRESENTED & RECORDED
06-05-2009 08:44:29 AM
KANDANCE H WHITEHEAD
REGISTER OF DEEDS
BY MARSHA FRANK
DEPUTY
BK: PB 87
PG: 94-94

N.C. GRID NORTH

DATE 7/1/09	SOLES & WALKER, P.A., P.L.S. SURVEYING AND MAPPING 104 COURTHOUSE SQUARE WHITEVILLE, N.C. 28472 TEL/FAX: 910.642.2872	PROJECT No. 080660
SCALE: 1" = 100'		JOB No. 090675
		DRAWING NO. S-1256

BK 87 Pg 94

PARTIAL ASSIGNMENT OF SHARED SERVICES AGREEMENT; AND, SHARED ELECTRICITY AGREEMENT

THIS PARTIAL ASSIGNMENT OF SHARED SERVICES AGREEMENT; AND, SHARED ELECTRICITY AGREEMENT (the "Agreement") is made this 22nd day of April, 2009, by and between OAK-BARK CORPORATION, a North Carolina corporation ("Assignor"), and SILAR, L.L.C., a Delaware limited liability company ("Assignee"), pursuant to the Asset Purchase Agreement dated or about January 9, 2009, as amended, by and between Assignor and Assignee (the "Purchase Agreement") and that certain Shared Services Agreement dated November 30, 2006 ("SSA") by and between Assignor and Hexion Specialty Chemicals, Inc. ("Hexion") ("SSA"), both of which are fully incorporated herein by reference.

WHEREAS, pursuant to the Purchase Agreement between Assignor and Assignee, the Assignor desires to sell to Assignee and Assignee desires to purchase from Assignor certain assets and business of the Assignor as more specifically described and set forth in the Purchase Agreement (collectively, the Assignor's "Business"); and

WHEREAS, pursuant to the Purchase Agreement between Assignor and Assignee, Assignor will not be selling to Assignee all of Assignor's assets and will, instead, be retaining and operating certain of its assets and business (collectively, "Assignor's Excluded Assets"); and

WHEREAS, on or about November 30, 2006, Assignor and Hexion entered into the aforementioned SSA as part of their transaction on even date involving the sale of certain of Assignor's assets and business to Hexion that required the sharing of services, facilities, employees and/or interests by Hexion to Assignor regarding Assignor's excluded assets at the time, and from Assignor to Hexion regarding the assets and business purchased at the time by Hexion; and,

WHEREAS, the transaction between Assignor and Assignee set forth in their Purchase Agreement contemplates and acknowledges that following the Closing of Assignee's acquisition of Assignor's Business, Assignee will need and require certain of the benefits, obligations, services, responsibilities, and facilities of the SSA and that, because Assignor will still be operating and conducting the affairs of its Excluded Assets, it will still need and require certain of the benefits, obligations, services, responsibilities and facilities of the SSA with Hexion; and,

WHEREAS, Section 20 of the SSA specifically provides and recites that it "may be assigned, in whole or in part, by [Assignor] to . . . a party acquiring an interest in that portion of the business or operation to which [the SSA] relates." The Assignee is a party acquiring a partial interest in said portion of Assignor's business or operation to which the SSA relates and Assignor and Assignee desire to memorialize Assignor's partial assignment of the SSA to Assignee as set forth herein.

WHEREAS, as more specifically described and set forth on Exhibit B to the parties' Amendment No. 3 to their aforementioned Purchase Agreement, Assignor and Hexion are parties to a Shared Electricity Agreement, said Exhibit B to Amendment No. 3 and the terms therein both being fully incorporated herein by reference.

WHEREAS, the Assignor desires to partially assign (and memorialize said assignment) to Assignee those benefits and burdens of the Shared Electricity Agreement with Hexion that pertain to the Business that Assignee is purchasing from Assignor.

For good and valuable consideration, the receipt and legal sufficiency of which hereby is acknowledged, and subject to the terms and conditions of the Purchase Agreement, the parties agree as follows:

The foregoing recitals are hereby fully incorporated herein by reference and made a part of the terms of this Agreement.

1. Acceptance; No Change in Provisions. The express purposes of this Agreement are to (i) document and memorialize the partial assignment of the SSA from Assignor to Assignee; and, (ii) to document and memorialize specific business items that Assignor and/or Assignee shall be responsible for under the SSA that will specifically change following the consummation of the closing of the Purchase Agreement by and between Assignor and Assignee (the "Closing"). Otherwise, all of the terms and provisions of the SSA shall remain in full force and effect and be binding upon Assignor, Assignee and/or Hexion, as the case may be, pursuant to the SSA as modified by and through this Agreement. Unless specifically altered by this Agreement, all other provisions to the SSA shall apply to Assignor, Assignee and/or Hexion as necessary to effectuate the SSA, the Purchase Agreement between Assignor and Assignee, and/or the previous transaction between Assignor and Hexion.

2. Assignment Relating to SSA. Effective as of the Closing, Assignor hereby specifically assigns, in part, to Assignee all of its right, title, liabilities, obligations, responsibilities, and interest of Assignor in the SSA, and delegates, in part, to Assignee all duties, obligations and liabilities of Assignor, under the SSA, as follows (but only to the extent arising and relating to the period after the Closing):

a. Provisions in the SSA not specifically altered or addressed herein shall continue to run to the benefit and burden of Assignor and Hexion, and by virtue of this Agreement (and to the extent provided herein), to Assignee.

b. Wherever in the SSA reference is made to "Seller" as being Oak-Bark Corporation, "Seller" shall now mean, refer to and be replaced with, as the case may be, Assignor, Assignee and/or both, as applicable; provided however, in no event shall either Assignee or Assignor have any liability or obligation for the liabilities and obligations of the other to Hexion. Wherever in the SSA reference is made to "Buyer" as being Hexion Specialty Chemicals, Inc., "Buyer" shall now mean, refer to and be replaced with "Hexion."

c. Section 2.(a)(i) is not applicable to Assignee;

d. Section 2.(b) is not applicable to Assignee;

e. Section 3.(a): Assignee shall pay Hexion the amount of Fifty-Three Thousand and No/100 Dollars ($53,000.00) quarterly in arrears (totaling the annual sum of Two-Hundred Twelve-Thousand and No/100 Dollars ($212,000.00)), and as prorated on the date of the closing of the Purchase Agreement between Assignor and Assignee, as its share of access to services provided by Hexion's personnel (the "Personnel Services"), with Assignor paying the remaining amount due to Hexion under the SSA for its continuing use of said services from Hexion as per the SSA;

f. Section 3(a), subparagraphs i. through ix., shall be revised as follows:

i. Hourly mechanics to Assignor up to 3,180 man hours per annum and up to 4,320 man hours per annum to Assignee

ii. Hourly electricians to Assignor up to 1,187 man hours per annum and up to 1,613 man hours per annum to Assignee

iii. Hourly utilities maintenance personnel to Assignor up to 432 man hours per annum and up to 588 man hours per annum to Assignee

iv. Corporate engineer to Assignor up to 269 man hours per annum and up to 366 man hours per annum to Assignee

v. Engineers to Assignor up to 539 man hours per annum and up to 731 man hours per annum to Assignee

vi. CAD Operator to Assignor up to 269 man hours per annum and up to 366 man hours per annum to Assignee

vii. Hourly purchasing and transportation to Assignor up to 678 man hours per annum and up to 922 man hours per annum to Assignee

viii. Safety, Personnel and Grounds Department (includes Safety and Environmental Techs and Personnel) to Assignor up to 848 man hours per annum and up to 1,152 man hours per annum to Assignee

ix. Quality Chemical Lab to Assignor up to 424 man hours per annum and up to 576 man hours per annum to Assignee

g. Sections 4, 5 and 9 are not applicable to Assignee;

h. Section 10: Assignor's 20% interest in this provision shall be reduced to 10%; Assignee's interest shall be 10% in this provision; and, Hexion's 80% interest will remain unchanged;

i. Section 13: The provisions of this section in the SSA as between Hexion and Assignor shall remain unchanged. In addition, for Mr. Freeman's services to Assignee regarding Assignee's Purchased Assets from Assignor, Assignee shall pay to Assignor the sum of Seven-Thousand Five-Hundred and No/100 Dollars ($7,500.00) quarterly (for an annual sum of Thirty-Thousand and No/100 Dollars ($30,000.00)) in order to receive a total of 600 annual hours of personal services from Mr. Freeman related to personnel, ground and safety services (in addition to any other services rendered by Mr. Freeman to Assignor regarding its Excluded Assets). The other provisions in the SSA under Section 13, not otherwise addressed herein, shall also be made applicable to Assignee;

j. Section 19: The original provisions of the SSA regarding its term shall remain unchanged by virtue of this Agreement.

k. Section 21: Add notice information for Assignee as follows:

Silar, L.L.C.
319 Clematis Street, Suite 215
West Palm Beach, FL 33401
Attn: Brian J. Miller, Manager

with a required copy to:

Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A.
200 E. Las Olas Boulevard, Suite 2100
Fort Lauderdale, FL 33301
Attn: Donald "Rocky" Thompson, II, Esq.
Telefax: 954-766-9712

l. Section 33 is not applicable to Assignee;

m. Schedule 2(b) to the SSA is not applicable to Assignee;

n. The second paragraph of Schedule 2(d) to the SSA is not applicable to Assignee.

3. Shared Electricity Agreement Assignment. Effective as of the Closing, Assignor hereby specifically assigns, in part, to Assignee all of its right, title, liabilities, obligations, responsibilities, and interest of Assignor in the Shared Electricity Agreement with Hexion, and delegates, in part, to Assignee all duties, obligations and liabilities of

Assignor, under the Shared Electricity Agreement (but only to the extent arising and relating to the period after the Closing):

4. Assumption. Effective as of the Closing, Assignee hereby accepts such assignments, in part, of the SSA and the Shared Electricity Agreement and assumes all of Assignor's corresponding duties, obligations, and liabilities under the SSA and Shared Electricity Agreement as specified herein, and agrees to keep, observe and perform all of the terms, covenants, agreements, conditions and obligations to be kept, observed and performed by Assignor under the SSA and Shared Electricity Agreement which correspond to the rights being assigned hereunder, but only to the extent arising and relating to the period after the Closing.

5. No Oral Amendments. No amendment or modification of this Agreement shall be valid or binding upon any party hereto unless made in writing and signed by all of the parties hereto.

6. Counterparts. This Agreement may be executed in any number of counterparts, each of which as so executed shall be deemed to be an original, but all such counterparts together shall constitute but one and the same instrument.

7. Severability. In the event any provision of this Agreement shall be held to be invalid or unenforceable, in full or in part, neither the validity nor the enforceability of the remainder of this Agreement shall be affected in any way.

8. Waiver. Assignee hereby waives and releases Assignor from any of Assignor's assigned obligations, liabilities, or responsibilities regarding the SSA and Shared Electricity Agreement, past, present or future.

[Signatures Appear on Following Page]

IN WITNESS WHEREOF, the corporate parties have caused this Partial Assignment of Shared Services Agreement and Shared Electricity Agreement to be executed by their duly authorized corporate officers and their respective corporate seals to be hereunto affixed, all as of the day and year first above written.

OAK-BARK CORPORATION,
Assignor

By: William S. Oakley (Seal)
Chief Executive Officer

SILAR, L.L.C.,
Assignee

By: _____(Seal)
_____President

IN WITNESS WHEREOF, the corporate parties have caused this Partial Assignment of Shared Services Agreement and Shared Electricity Agreement to be executed by their duly authorized corporate officers and their respective corporate seals to be hereunto affixed, all as of the day and year first above written.

OAK-BARK CORPORATION,
Assignor

By: _____(Seal)
Chief Executive Officer

SILAR, L.L.C.,
Assignee

By: _____(Seal)
_____President

EXECUTION COPY

SHARED SERVICES AGREEMENT

THIS SHARED SERVICES AGREEMENT ("Agreement"), is made and entered in effective as of this 30th day of November, 2006 (the "Effective Date"), between OAK-BARK CORPORATION, a North Carolina corporation ("Seller"), and HEXION SPECIALTY CHEMICALS, INC., a New Jersey corporation ("Buyer);

WITNESSETH:

WHEREAS, pursuant to an Asset Purchase Agreement, dated as of November 21, 2006 (the "Asset Purchase Agreement"; unless otherwise defined herein, any capitalized term used herein shall have the meaning set forth for such term in the Asset Purchase Agreement), by and among Seller and Buyer, Seller has sold, transferred, assigned, conveyed and delivered to Buyer certain of its assets as specified and set forth in the Asset Purchase Agreement at Acme and Wilmington, North Carolina (the "Business"); and

WHEREAS, the Seller's Business being acquired by Buyer does not include a separate portion of Seller's assets at Acme and Wilmington, North Carolina, as set forth, identified and specified in the Asset Purchase Agreement as "Excluded Assets" (the "Excluded Business"); and

WHEREAS, the parties' transaction set forth in their Asset Purchase Agreement contemplates and acknowledges that following the Closing of Buyer's acquisition of Seller's Business, Seller will still be operating and conducting the affairs of its Excluded Business, and that by doing so, Seller will or may following the Closing require the sharing of those services, facilities, employees and/or interests as described herein which were acquired by Buyer and vice versa for Buyer with Seller's retained Excluded Business; and,

NOW, THEREFORE, for and in consideration of the premises and the mutual covenants herein contained; in order to coordinate the ongoing operations of the Business and the Excluded Business at Acme and Wilmington, North Carolina between Seller and Buyer; and, in order to coordinate the de-linking, transition and separation of the operations of the Business from the Excluded Business and to provide for certain shared services, and in consideration of the mutual promises to be kept and performed, Seller and Buyer agree as follows:

The foregoing recitals are hereby fully incorporated herein by reference and made a part of the terms of this Agreement.

1. Defined Terms. Except as otherwise defined herein, all capitalized terms which are used in this Agreement and not defined herein shall have the same meanings ascribed to them in the Asset Purchase Agreement.

2. Infrastructure Systems and Equipment.

(a) The following infrastructure systems or equipment (or the right to be operator, in the case of the POTW) ("Infrastructure Assets") which service both the Business and the Excluded Business have been conveyed to Buyer as part of the Business:

i. Catox incineration system ("Catox").

ii. Wastewater treatment system also known as POTW (the "POTW").

iii. Creek water pumping system (the "Creek Water System").

iv. NPDES outfalls (including NPDES permits NC0003395 and NCS000156) (the "NPDES Outfalls)

(b) Incinerator Services. To the extent there is capacity available after the needs of the Business have been fully met, as determined by Buyer in its reasonable discretion, Buyer will accept vent gas from the Excluded Business for treatment in the Catox. The vent gas discharged by Seller from the Excluded Business (i) will be consistent and in compliance with any permit and applicable governmental requirements, as well as the design and operational capability of the Catox, (ii) shall not interfere with, contaminate, cause damage or injury to the Catox and its processes, (iii) shall not cause Buyer to violate any permit or applicable governmental requirement, and (iv) shall meet the specifications set forth in Schedule 2(b) of this Agreement (to the extent not consistent with any of the foregoing requirements of 2(b)(i)-(iv), said vent gas from Seller shall be referred to as "Nonconforming Vent Gas). Buyer reserves the right, without prior notice, to immediately cease accepting Nonconforming Vent Gas from Seller for treatment if the acceptance of such Nonconforming Vent Gas could cause personal injury or damage or injury to the Catox or cause Buyer to violate any permit or applicable governmental requirement. For Catox services rendered, Seller shall pay Buyer a monthly fee calculated by multiplying the total Operating Costs for the Catox by the pro rata percentage of the volume usage for the month by Seller for its Excluded Business. As used herein, "Operating Costs" are defined as the sum of all variable expenses, fixed expenses and accessorial charges as determined according the cost structure attached as Exhibit A hereto, employing Buyer's regular accounting standards, consistently applied. Operating Costs are subject to review and discussion at the monthly Review Meeting held pursuant to Section 23.

(c) Wastewater Treatment Services. To the extent there is any capacity available after the needs of the Business have been fully met as determined by Buyer in its reasonable discretion, Buyer will accept industrial wastewater from the Excluded Business for treatment in the POTW. The industrial wastewater discharged by Seller from the Excluded Business (i) will be consistent and in compliance with any permit and applicable governmental requirements (including any pretreatment requirement), as well as the design and operational capability of the POTW, (ii) shall not interfere with, contaminate, cause damage or injury to the POTW and its processes, (iii) shall not cause Buyer to violate any permit or applicable governmental requirement, and (iv) shall meet the specifications set forth in Schedule 2(c) of this Agreement (to the extent not consistent with any of the foregoing requirements of 2(c)(i)-(iv), said waste water from Seller shall be referred to as "Nonconforming Wastewater"). The Buyer reserves the right, without any prior notice, to immediately cease accepting any Nonconforming Wastewater from Seller if the acceptance of such Nonconforming Wastewater could cause personal injury or damage or injury to the POTW or cause Buyer to violate any permit or applicable governmental requirement. Seller shall be responsible for obtaining any permits required by governmental authorities for the Excluded Business. For wastewater treatment services rendered, Seller shall pay Buyer a monthly fee calculated by multiplying the total Operating Costs for the POTW by the pro rata percentage of the volume usage for the month by Seller for its Excluded Business. Volume usage will initially be determined based on gallons of flow, but Buyer reserves the right to also consider organic loading if flow alone does not accurately allocate the true costs of rendering POTW wastewater treatment services to Seller. Operating Costs are subject to review and discussion at the monthly Review Meeting held pursuant to Section 23. For wastewater that requires pretreatment, Buyer shall, to the extent it can do so in compliance with any permit

and applicable governmental requirements as well as the design and operational capability of the Buyer's equipment, pretreat Seller's wastewater in Buyer's pretreatment systems. For pretreatment services, Seller shall pay Buyer a pretreatment charge equal to Buyer's Operating Costs of providing pretreatment services to Seller. The volume discharged by Seller through Buyer's pretreatment system may include water from the Seller's retained Kelly Pond; provided, however, that capacity is available after the needs of the Business have been fully met as determined by Buyer in its reasonable discretion and the water from the Kelly Pond is compatible with the pretreatment system and after pretreatment will satisfy all of the conditions set forth above in 2(c)(i) through (iv). After a total of One Hundred Thousand Gallons (100,000) of water from the Kelly Pond has been treated, Buyer shall assess and Seller shall pay a 15% surcharge over its regular wastewater service fee for water treated from the Kelly Pond.

(d) Creek Water Services. To the extent there is any capacity available after the needs of the Business have been fully met, as determined by Buyer in its reasonable discretion, Buyer will supply the Excluded Business with creek water from the Creek Water System for the needs of the Excluded Business (including but not limited to make up water for cooling tower #1). For creek water, Seller shall pay Buyer a monthly fee calculated by multiplying the total Operating Costs for the Creek Water System by the pro rata percentage of the volume usage for the month by Seller for its Excluded Business. Operating Costs are subject to review and discussion at the monthly Review Meeting held pursuant to Section 23.

(e) NPDES Outfalls. NPDES permits NC0003395 and NCS000156 for the entire Acme site have been transferred to Buyer and Buyer will manage and maintain all NPDES Outfalls for the entire Acme site. Where an NPDES Outfall lies outside the boundaries of the land of the Business, Buyer shall have an easement and right of access on and through Seller's land for any purpose connected with the management or maintenance of the NPDES Outfalls. The Business and Excluded Business shall continue to drain storm water to the NPDES Outfalls in the existing fashion, but Buyer and Seller will explore reasonable arrangements for separating the storm water of the Business and the Excluded Business. All Operating Costs incurred by Buyer for maintenance of the NPDES Outfalls and for permitting, monitoring or reporting shall be shared by Buyer and Seller on whichever of the following basis is applicable: (i) Buyer shall pay all of the Operating Costs for outfall used only by the Business, (ii) Seller shall pay all of the Operating Costs for outfall used only by the Excluded Business, (iii) for shared outfalls Operating Costs will be shared on the basis of the comparative amount of developed land draining to the affected outfalls and (iv) matters pertaining generally to all outfalls Operating Costs will be shared on the basis of the comparative amount of developed land of the Business versus the Excluded Business. Buyer's easement and right of access for the management and maintenance of the NPDES Outfalls shall survive any expiration or termination of this Agreement.

(f) Routine Maintenance; Capital and Operational Improvements. Buyer will perform and include in Operating Costs for each of the services set forth in Sections 2(b), (c), (d) and (e) above all routine maintenance to the Infrastructure Assets during the term of this Agreement. Should Buyer determine that it is reasonably required to make additional capital and/or operational improvements in order to maintain or improve the integrity or efficiency of any component of the Infrastructure Assets or their compliance with the Legal Requirements, Buyer shall review its plans with Seller and consider comments from Seller. Following such consultations Buyer will be entitled to proceed with such proposed capital and operational improvements and charge Seller its proportionate share of the costs thereof calculated as follows:

i. In the event the total cost of any project or related series of projects is Ten Thousand Dollars ($10,000) or less, the costs shall be expensed and Seller's share shall be charged to Seller as an Operating Cost under the provisions of the applicable of Sections 2(b), (c), (d) and (e), above.

ii. In the event the total cost of any project or related series of projects is more than Ten Thousand Dollars ($10,000), the cost of the project(s), including a required 15 % return on investment, will be amortized over a five (5) year period and prorated annually among the Business and the Excluded Business as follows:

a. The first such annual charge shall be made one year after the capital project is completed and commissioned (and will be due 30 days thereafter) and shall be allocated according to the total volumes of each party during the immediately preceding twelve (12) months.

b. The second, third, fourth and fifth annual charges shall be made on the respective second, third, fourth and fifth anniversaries of the date on which the capital project is completed and commissioned (and will be due 30 days thereafter) and shall likewise be allocated according to the total volumes of each party during the twelve (12) months immediately preceding the appropriate commissioning anniversary date.

(g) Indemnification. In the event that any of the aforementioned water, vent gas, wastewater, storm water or other waste, matter, material or input Seller tenders for handling, treatment or discharge in the Buyer's Infrastructure Assets fails to meet any agreed specifications established hereunder, or otherwise causes contamination or damage or injury to the Infrastructure Assets or the exceedance of any permit, license or other lawful limitation, Seller shall be responsible for and shall indemnify, defend and hold harmless Buyer Indemnified Persons against any and all resultant fine, penalty, damage, loss, cost, expense or liability, including reasonable consultant or attorney's fees, except those arising from Buyer's gross negligence or willful misconduct.

3. Personnel Services.

(a) Seller shall pay Buyer the amount of One Hundred Twenty Five Thousand and No/100 Dollars ($125,000.00) quarterly in arrears (totaling the annual sum of Five Hundred Thousand and No/100 Dollars ($500,000.00) for access to services provided by Buyer's personnel (the "Personnel Services"). The first such quarterly payment shall be made by Seller on December 31, 2006, and shall be prorated for the number of days elapsed between the Effective Date of this Agreement and December 31, each subsequent quarterly payment shall be made on March 31, June 30, August 31 and December 31of each year or the first following working day if that day falls on a weekend or federal holiday. The final such quarterly payment shall be payable on the fifth anniversary of the Effective Date and shall be prorated for the number of days elapsed between September 1, 2011 and such fifth anniversary. In consideration of such quarterly payments, Seller shall be entitled to the following Personnel Services for the Excluded Business performed by employees of Buyer:

i. Hourly mechanics up to 7500 man hours per annum
ii. Hourly electricians up to 2800 man hours per annum
iii Hourly utilities maintenance personnel up to 1020 man hours per annum
iv. Corporate engineer up to 635 man hours per annum
v. Engineers up to 1,270 man hours per annum
vi. CAD Operator up to 635 man hours per annum
vii. Hourly purchasing and transportation up to 1600 man hours per annum
viii. Safety, Personnel and Grounds Department (includes Safety and Environmental Techs and Personnel) up to 2000 man hours per annum
ix. Quality Chemical Lab up to 1000 man hours per annum

(b) The quarterly fee for Personnel Services shall be fixed for the duration of the initial term of this Agreement. If Seller no longer requires any category of Personnel Services or a portion of that category and the cessation or reduction of such category of Personnel Services for Buyer allows Buyer to implement a headcount reduction, Seller shall be entitled to a credit equal to the actual cost to Buyer of the time the severed employee(s) devoted to Seller, after deduction of all severance and separation costs incurred by Buyer.

(c) Buyer and Seller shall use their best efforts to coordinate the usage of Personnel Services by the Business and the Excluded Business so that neither suffers any unreasonable disruption.

(d) In the event Seller requires more time in any category of Personnel Services for the Excluded Business than the maximum number of annual hours set forth in Section 3(a) above, Buyer shall provide such additional hours of Personnel Service provided that there is no adverse impact on the quantity or quality of Personnel Services remaining available to the Business as determined by Buyer in its reasonable discretion. Any additional hours of Personnel Services provided by Buyer shall be invoiced at the rate of Twenty-seven Dollars and Fifteen Cents ($27.15) per hour.

(e) Response Times. Response times for Personnel Services shall be as follows:

i. Maintenance Services – If during normal working hours the appropriate personnel will respond within one hour after request in the case of Emergency and by the next business day in non-Emergency situations. In the case of an Emergency after normal business hours appropriate personnel will be contacted within 30 minutes after request and respond as promptly as they can arrive on the site of the Excluded Business.

ii. Engineering and EH&S - Appropriate personnel will respond within two buisness days after the request in non-Emergency situations or within one hour after request in the case of Emergency during normal working hours. In the case of an Emergency after normal business hours appropriate personnel will be contacted within 30 minutes after request and respond as promptly as they can arrive on the site of the Excluded Business.

iii. An "Emergency" is defined as a condition where persons are or may become exposed to risk of personal injury or death, or plant or equipment is or may become exposed to risk of serious damage or a condition where a key piece of equipment which would cause a loss of production is or is about to become inoperable.

(f) Spare Parts Inventory. As part of the purchase of the working capital of the Business, Buyer has acquired not only the spare parts unique to the Business, but also certain spare parts which are common to both the Business and the Excluded Business (the "Common Spare Parts"). Buyer shall continue to maintain and replenish the Common Spare Parts inventory and make them available to the Excluded Business as part of the Personnel Services. Seller shall be invoiced when any Common Spare Parts are withdrawn for the Excluded Business from this inventory at a price equal to Buyer's replacement cost. Seller shall be responsible for maintaining its own separate inventory of spare parts, which are unique to the Excluded Business.

4. Grinding/Bagging. To the extent there is capacity available after the needs of the Business have been fully met as determined by Buyer in its sole discretion, Buyer will perform and Seller shall pay for grinding/bagging services for the Excluded Business at a price equal to its Operating Costs for this function, plus 15%.

5. Special Projects. (a) To the extent there is capacity available after the needs of the Business have been fully met as determined by Buyer in its sole discretion, Buyer will produce tolled products for the Excluded Business in its Special Projects unit at a price equal to its Operating Costs for this function plus 15%.

(b) Seller will operate cooling tower #1 and shall provide shared cooling water capacity for the needs of Buyer's Special Projects unit. Buyer will provide the make up water for cooling tower #1 as part of its Creek Water Services in Section 2(d). For cooling tower services rendered, Buyer shall pay Seller a monthly fee calculated by multiplying the total Operating Costs for cooling tower #1 by the pro rata percentage of the volume usage for the month by Buyer for its Special Projects Unit.

(c) The cost to Seller of all routine maintenance to cooling tower #1 shall be borne by Seller and included in its Operating Costs. Should Seller determine that it is reasonably required to make additional capital and/or operational improvements in order to maintain or improve the integrity or efficiency of cooling tower #1 or its compliance with the Legal Requirements, the provision of Section 2(e) shall apply as though the roles of Buyer and Seller were reversed.

6. Truck Scale. Seller will be entitled to the use of Buyer's truck scale for the Excluded Business on a first come first served basis, provided that Seller must contribute to the cost of maintenance of the truck scale in proportion to Seller's comparative use (based on truck weight).

7. Conference Rooms; Phone Services.

(a) Conference Rooms. Buyer and Seller shall each have the right to reasonable use of the other's conference rooms at the Acme, North Carolina site, with reasonable advance notice and depending upon prior scheduled availability.

(b) Phone Services. Buyer and Seller shall agree upon mutually acceptable arrangements for the pro rata sharing of costs and maintenance expenses of the existing telephone system which is currently shared between the Business and the Excluded Business.

8. Steam. To the extent there is steam produced by the Business in excess of the needs of the Business as determined by Buyer in its reasonable discretion, Buyer will sell the steam to Seller for the Excluded business at a price to be determined based on btu content as set forth in Schedule 8 of this Agreement.

9. Rail Siding. (a) Seller shall be entitled to use Buyer's acquired "Eastern" rail siding for its Excluded Business; provided, however, that it schedules such use in advance with Buyer and such use does not conflict with Buyer's own needs for the Business. Seller shall remove any railcars placed by or on behalf of it within the time so scheduled with Buyer and shall not block or obstruct the rail siding. Seller shall be required to contribute to the cost of maintenance of the rail siding in proportion to Seller's comparative use (based on railcar weight). Seller shall be responsible for the prompt clean up, remediation and removal of spillage from any railcar placed by or on its behalf on the rail siding, and will indemnify Buyer for any and all resultant fine, penalty, damage, loss, cost, expense or liability, including reasonable consultant or attorney's fees, except those arising from Buyer's gross negligence or willful misconduct.

(b) Buyer shall be entitled to use Seller's retained "Western" rail siding for its Business; provided, however, that it schedules such use in advance with Seller and such use does not conflict with Seller's own needs for the Excluded Business. Buyer shall remove any railcars placed by or on behalf of it within the time so scheduled with Seller and shall not block or obstruct the rail siding. Buyer shall be required to contribute to the cost of maintenance of the rail siding in proportion to Buyer's comparative use

(based on railcar weight). Buyer shall be responsible for the prompt clean up, remediation and removal of spillage from any railcar placed by or on its behalf on the rail siding, and will indemnify Seller for any and all resultant fine, penalty, damage, loss, cost, expense or liability, including reasonable consultant or attorney's fees, except those arising from Seller's gross negligence or willful misconduct

10. Hazmat/Firefighting Equipment. Buyer shall own and maintain the portable hazmat/firefighting equipment for the Acme site, excluding fire extinguishers located in the Excluded Business. The cost of maintaining and replacing the hazmat/firefighting equipment shall be split between the Business and the Excluded Business based on the pro rata square footage of the Buyer's acquired, developed land comprising its Business versus that of Seller's retained, developed land comprising, in part, its Excluded Business which the parties agree is 20% Seller and 80% Buyer. The parties hereby acknowledge and agree that (i) the hazmat/firefighting personnel shall be staffed by employees of Seller and Buyer pro rata to the total number of employees of Seller and Buyer located on the site of the Business and Excluded Business and (ii) the hazmat/firefighting team for the Seller and Buyer will be managed by Marvin Freeman, an employee of Seller who is anticipated to be retained by Seller as part of the Excluded Business.

11. Roads. Buyer shall reasonably maintain in harmony and consistent with Seller's former maintenance those roadways at the Acme, North Carolina site, which are in common use by the Business and the Excluded Business. Seller agrees to contribute to the cost of reasonable maintenance of the common roadways in proportion to Seller's comparative use (based on total truck weight).

12. Employee Parking. Buyer shall reasonably maintain the parking lot(s) which is/are in common use by the employees of Business and the Excluded Business, in harmony and consistent with Seller's former maintenance. Seller agrees to contribute to the cost of reasonable maintenance of said parking lot(s) in proportion to the comparative number of employees engaged in the Excluded Business.

13. Marvin Freeman. Seller anticipates retaining and intends to retain Mr. Marvin Freeman as one of its retained employees and shall use its best efforts to continue to secure Mr. Freeman's employment with Seller following the Closing for Seller's Excluded Business. Assuming Mr. Freeman continues his employment with Seller following the parties' Closing, Buyer shall pay to Seller the sum of Fifteen Thousand One Hundred Eight-Six and 25/100 Dollars ($15,186.25.00) quarterly (for an annual sum of Sixty Thousand Seven Hundred Forty-Five and No/100 Dollars ($60,745.00) in order to receive at total of 1,200 annual hours of personal services from Mr. Freeman related to personnel, ground and safety services (in addition to any services rendered by Mr. Freeman for Seller and its Excluded Business pursuant to Section 10 of this Agreement). In the event Mr. Freeman becomes incapacitated or otherwise terminates his employment with Seller, Seller shall replace Mr. Freeman with another employee of comparable skills and experience who is reasonably acceptable to Buyer and whose cost to Buyer is comparable.

14. Raw Materials. For the Initial Term of this Agreement, and such extensions thereof (as defined herein) as the parties hereto may agree upon, Seller and Buyer shall sell their respective raw materials to the other for consumption is the Business or Excluded Business as applicable, and not for resale, if so requested and if the requested raw material is reasonably available to the selling party (and the selling party is not prohibited from resale by contract) at the price which is equal to delivered cost plus fifteen (15%) percent in the case of nitrogen; aniline; ammonia; acetone; toluene; methanol; caustic; propane; deionized water; and, #6 fuel oil, or at the following market price for the raw materials hexamine and formaldehyde:

Formaldehyde:

Pricing would be CMAI prior month net transaction methanol price less 9% @ yield of 5.5 pounds of 100% formaldehyde + .065 per pound of 100% formaldehyde. Hexion would expect an annual forecast of demand and would be obligated to provide material plus or minus 20% of forecast.

Hexa:
Pricing for 100% hexa would be based on above formaldehyde pricing at a yield of 1.31 pounds of 100% formaldehyde per pound of hexa +NOLA ammonia plus freight and fuel surcharge (currently ~ $70)/ 4000 + .08 per pound of 100% hexa.

The maximum quantities of Hexamine and formaldehyde which will be sold by Buyer to Seller shall not exceed 5 million ponds per annum of formaldehyde (100% basis) and 300,000 pounds per annum of hexamine. Hexion would also consider, at its discretion, providing another 5 million pounds per year of 100% FOB its Fayetteville facility at the same pricing subject to product availability. "Raw Materials" shall mean and include the following: hexamine; nitrogen; formaldehyde; aniline; ammonia; acetone; toluene; methanol; caustic; propane; deionizded water; and, #6 fuel oil.

15. Dike Maintenance. In the case where tanks or other facilities of the Business and Excluded Business occupy common bermed or diked areas, each party shall contribute to the cost of maintenance of the berms or dikes in proportion to the relative area its tanks or other facilities occupy in the bermed or diked area.

16. Billing and Payment. Except for the quarterly payments to be made pursuant to Section 3 and Section 13, above, all charges shall be billed hereunder at the end of the month in which incurred and shall be payable within forty-five (45) days of the invoice date. If Seller fails to pay any monthly payment within the forty-five (45) days of the relevant invoice date, Seller shall be obligated to pay, in addition to the amount due on such invoice date, interest thereon at the rate of LIBOR plus 250 basis points, compounded monthly from the relevant invoice date.

17. Force Majeure. Neither party shall be responsible or liable for delay or failure to deliver the utilities, benefits or services hereunder, if occasioned by or in consequence of any act of God, strike, lockout, act of the public enemy, war, blockade, insurrection, riot, landslide, earthquake, fire, storm, flood, washout, civil disturbance, explosion, breakage or accident to machinery, equipment or pipelines, temporary failure of gas or electric supply, curtailment of gas or electric supply, shortage of or inability to obtain fuel, power, utilities, water, machinery, equipment, or materials, act of government, governmental regulation or law, whether local, provincial, or national or any other cause or circumstance, whether of the kind enumerated above, or otherwise, not within such party's reasonable control and which by the exercise of due diligence such party is unable to prevent or overcome. In any event, upon the occurrence of any such force majeure event, the party whose performance is affected shall give prompt notice thereof to the other party. If Buyer is unable to provide any of the services due to force majeure, both parties shall exert reasonable best efforts to cooperatively seek a solution that is mutually satisfactory.

18. Liability.

(a) Buyer makes no representation or warranty of any kind, express or implied, as to the accuracy, thoroughness, merchantability, freedom from defects or errors, fitness for a particular purpose, or any other matter with respect to the utilities, services or benefits to be provided hereunder. Seller assumes all liabilities and risks arising from its use or application of such utilities, services or benefits, and shall indemnify and hold harmless Buyer Indemnified Persons from and against all damage, loss, cost or liability arising from such use or application by the Seller, except those arising from Buyer's gross negligence or willful misconduct.

(b) Notwithstanding anything to the contrary in this Agreement, Buyer shall not be liable to Seller under, by reason of or with respect to this Agreement (including but not limited to any performance or breach of this Agreement, or any indemnification obligations contained in this Agreement) for any consequential, incidental, indirect, punitive or special damages, including but not limited to lost revenues or lost profits, whether such damages arise out of contract, tort or any cause whatsoever, except that Seller may recover such damages to the extent they result from the fraud, gross negligence or willful misconduct of Buyer.

(c) The procedures for indemnification and the respective obligations and liabilities of each party and other indemnified persons entitled to indemnification under or obligated to provide indemnification under this Section 16 shall be subject to the terms and conditions set forth in Section 11.7 of the parties' Asset Purchase Agreement.

19. Term. This Agreement shall commence on the date first set forth above and continue for an initial term of five (5) years ("Initial Term"). At the end of the Initial Term, this Agreement may be renewed on a year to year basis, for one year intervals; provided, however, the parties hereto agree in writing on new pricing terms (if any), including the quarterly fee for Personnel Services and the scope of Personnel Services under Section 3 of this Agreement, at least three (3) months in advance of the then prevailing termination date. Notwithstanding the foregoing, Buyer may suspend performance under this Agreement with respect to any one or more of the services provided by it or terminate this Agreement if Seller shall have (i) failed to pay any amount due hereunder and such failure shall have continued for a period of ten (10) days after receipt of written notice of such failure from Buyer, or (ii) otherwise breached its obligation under this Agreement and failed to cure such breach within thirty (30) days of receipt of written notice of such breach from Buyer; provided, however, if such breach cannot be cured by Seller using its best efforts within said thirty (30) days for reasons beyond its control, then provided Seller commences promptly and proceeds diligently with the cure, Seller shall have such additional time as reasonably necessary to effectuate and cure the Seller's default. In addition, either party may terminate this Agreement at the end of the Initial Term or at the end of any one-year renewal term thereafter by giving the other not less than nine (9) months advance written notice of termination. Notice of termination may be total or partial. A partial termination may include some but need not include all of the utilities, services and benefits included under Sections 1 through 14 of this Agreement. In the case of a partial termination, this Agreement shall remain in full force and effect with respect to the remaining unterminated utilities, services and benefits. Sections 2(e), 18, 22, 27, 28, 29 and 30 shall survive termination of this Agreement in accordance with their terms. Termination of this Agreement shall not release either party from any payment obligation that has accrued on or before the termination date.

20 Assignment. This Agreement shall inure to the benefit of, and shall be binding upon, the parties hereto and their respective successors and assigns. This Agreement may be assigned, in whole or in part, by Seller to any subsidiary or affiliate of the Seller or to a party acquiring an interest in that portion of the business or operation to which this Agreement relates. This Agreement may be assigned, in whole or in part, by Buyer to its successors and assigns or to a party acquiring an interest in that portion of the business or operation to which this Agreement relates. Either party may also assign this Agreement, without the consent of any other party, to a lender as a collateral assignment for the sole purpose of securing indebtedness owed to such lender or to one of its subsidiaries or affiliates.

21. Notices. All notices or other communications authorized or required between the parties by any provision of this Agreement shall be in writing and delivered by hand or transmitted by facsimile, Federal Express of equivalent carrier service, addressed to the party to whom the notice is to be given as follows:

If to Seller: Oak-Bark Corporation

102 Orange Street
Wilmington, North Carolina 28401
Attention: Mr. William E. Oakley
Facsimile: (910) 762-9223

With a copy not constituting notice to:

G. Grady Richardson, Jr., Esquire
1213 Culbreth Drive
Wilmington, North Carolina 28405
Facsimile: (910) 509-7167

If to Buyer: Hexion Specialty Chemicals, Inc.
1411 Industrial Drive
Fayetteville, NC 28301
Attention: Bud Lafferty
Facsimile: (910) 483-6066

With a copy not constituting notice to:

Hexion Specialty Chemicals, Inc.
180 East Broad Street
Columbus, Ohio 43215
Attention: Associate General Counsel
Facsimile: (614)225-2108

or at such other address as the party receiving the notice shall have designated in notice sent to the other party. Any notice or other communication shall be deemed given on the date the same is delivered by hand or courier, when the same is delivered by facsimile, as demonstrated by a confirmation report or log.

22. Confidentiality. From time to time during the term of this Agreement, the parties may find it necessary or appropriate to disclose to each other certain confidential information belonging to the other party, including, but not limited to, proprietary drawings, specifications, data, technical reports, business information, processes, formulas, and other materials, which has been identified as confidential or which, in the circumstances, the receiving party should reasonably have known was confidential (hereinafter "Confidential Information"). During the term of this Agreement and for a period of five (5) years after the expiration or termination thereof, each party agrees to maintain in confidence and not to disclose to any third party or use, except for the purposes of this Agreement or any other applicable written agreement between the parties, any Confidential Information belonging to the other party. Each party further agrees to restrict access to the other party's Confidential Information to those of its employees, agents and contractors who reasonably require access to such Confidential Information for the purposes outlined in this Agreement or any other applicable written agreement between the parties and who have been advised of the restrictions imposed by this Agreement and have agreed to abide by such restrictions. The obligations under this Section 20 shall not apply to information which at the time of the disclosure (a) was known by the public or, after disclosure, through no fault of the receiving party, becomes known to the public by publication or otherwise, (b) is furnished or made known to the receiving party by third parties as

a matter of right and without restriction on disclosure, or (c) is developed by or for the receiving party independently of the information disclosed hereunder. In the event that the recipient or any other party to whom the recipient discloses or transmits any Confidential Information pursuant to this Agreement becomes legally compelled to disclose any of such information pursuant to subpoena or other valid legal process, the recipient shall provide the disclosing party with prompt notice so that the disclosing party may seek a protective order or other appropriate remedy. In the event that such protective order or other remedy is not obtained, the recipient may disclose or authorize disclosure of only that portion of such information that is legally required to be disclosed.

23. Review Meetings. The parties agree to hold regular review meetings ("Review Meetings") not less than once a month on a date to be specified and agreed upon by Buyer and Seller. At least one designee of Buyer and Seller shall attend each Review Meeting and shall review and discuss operational, strategic or other issues raised by any participant with respect to the provision of services pursuant to this Agreement. The parties intend that information exchanged at such Review Meeting shall be in addition to ongoing communication between representatives of Buyer and Seller with respect to the provision of services hereunder, including exchanging information, performing true-ups and adjustments.

24. Additional Resources. Buyer and Seller acknowledge and agree that it is the intent of the parties that Buyer will only utilize the Assets and the resources of the Business acquired from Seller to provide the services pursuant to this Agreement. Buyer shall not be obligated to: (i) hire any additional employees, (ii) maintain the employment of any specific employee, or (iii) utilize, purchase, lease or license any additional equipment or software not in use at the Facility on the Closing Date.

25. Subcontractors. Buyer may engage a subcontractor to perform all or any portion of its duties under this Agreement; provided that Buyer shall remain responsible for the performance of such subcontractor.

26. Entire Agreement. This Agreement and the Asset Purchase Agreement constitute the complete and exclusive agreement between the parties regarding use and occupancy of the Acme [and Wilmington], North Carolina sites and the sharing of utilities, services and benefits in connection therewith and supersedes any and all previous agreements (whether oral or written) regarding such subject matter. In the event of any conflict between the terms of this Agreement and the parties' Asset Purchase Agreement, the provisions of the Asset Purchase Agreement shall control.

27. Applicable Law. All questions relating to the validity, interpretation or performance of this Agreement shall be determined in accordance with the law of the State of North Carolina.

28. Jurisdiction; Venue; Waiver of Jury Trial.

(a) Each of the parties hereto irrevocably submits to the exclusive jurisdiction of any court of competent jurisdiction located in New Hanover County, North Carolina for the purpose of any action or proceeding arising out of or relating to this Agreement, and each of the parties hereto irrevocably agrees that all claims in respect to such action or proceeding may be heard and determined exclusively in any court of competent jurisdiction sitting in New Hanover County, North Carolina. Each of the parties hereto agrees that a final judgment in any action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

(b) Each of the parties hereto irrevocably consents to the service of any summons and complaint and any other process in any other action or proceeding relating to this Agreement or any of the transactions contemplated hereby, on behalf of itself or its property, by the personal delivery of copies of such process to such party. Nothing in this Section 28 shall affect the right of any party hereto to serve

legal process in any other manner permitted by law.

(c) The parties hereby knowingly, voluntarily and intentionally waive any right they may have to a trial by jury in respect to any litigation arising out of, under or in connection with this Agreement, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party hereto. This provision is a material inducement for Seller and Buyer entering into this Agreement.

29. Relationship. Neither party shall act as a legal representative, agent, joint venturer, partner or employee of the other for any purpose, or has any right or power to act for, or on behalf of, or bind the other party in any respect. Buyer shall in all respects be considered to be an independent contractor of Seller. At all times and for all purposes, Buyer employees providing the services pursuant to this Agreement shall be employees of Buyer and shall not be, nor deemed to be, employees of Seller.

30. Nonwaiver. The waiver of any breach of the terms of this Agreement shall not constitute the waiver of any other or further breach hereunder, whether or not of a like kind or nature.

31. No Third Party Beneficiary. No person or entity other than a party hereto shall have any rights or remedies under this Agreement.

32. Counterparts; Interpretation. This Agreement may be executed counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. The headings of the Sections and the subsections of this Agreement are inserted for convenience of reference only and shall not constitute a part hereof. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement.

33 Blue Tech Equipment. The Business excludes the Blue Tech bagging/delumping equipment (the "Blue Tech Equipment") which is located in Buyers Hexamine plant but exclusively used by Seller in its Excluded Business. Within three (3) months after the Effective Date of this Agreement Buyer shall determine whether the Blue Tech Equipment can be operated by Seller in place without interference or risk to the Business, and shall negotiate in good faith with Seller concerning the terms and conditions of such use. If the parties fail to reach mutual agreement, Seller shall remove the Blue Tech Equipment within an additional twelve (12) months. Seller shall perform this removal in a good and workmanlike manner and shall repair and restore any damage of injury to Buyer's buildings or equipment. In the meantime, the space occupied by the Blue Tech Equipment within Buyer's Hexamine plant shall be considered leased by Buyer to Seller and Seller shall be entitled to use the Blue Tech Equipment in place for purposes of its Excluded Business; provided that (i) such use is at Seller's sole risk and expense and Seller shall retain risk of loss or injury to the Blue Tech Equipment and Seller's personnel, (ii) Seller will indemnify and hold harmless Buyer Indemnified Persons from and against all damage, loss, cost or liability arising from such use of the Blue Tech Equipment by the Seller, except those arising from Buyer's gross negligence or willful misconduct and (iii) Seller shall reimburse Buyer at cost plus 15% for any utilities provided by Buyer for the operation of the Blue Tech Equipment.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written.

HEXION SPECIALTY CHEMICALS, INC.

Michael C Schuler

By: Michael C. Schuler
Title: Director, Corporate Strategy and Development

OAK-BARK CORPORATION

By:
Title:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the day and year first above written.

HEXION SPECIALTY CHEMICALS, INC.

_____

By:
Title:

OAK-BARK CORPORATION

_____

By: WILLIAM E OAKLEY
Title: CHIEF EXECUTIVE OFFICER

Exhibit A

Cost Structure

Hexion Operating Cost Structure

row	Cost Element	Description
1	Electricity	All utility costs are accrued monthly based on volume and estimated (non-invoiced) consumption. Not all lines apply at all locations
2	Natural Gas	
3	Water	
4	Heating Oil	
5	Steam	
6	Other	
7	Total Utilities	sum rows 1-6
8	Chemicals	HCHO catalyst cost is amortized from the balance sheet to this line each month
9	General Expenses	consumable supplies for shipping (filters, labels, jars, etc.)
10	Total Variable Expenses	sum rows 7-9
11	Salaries	actual cost/month direct from payroll
12	Salaries-Overtime	actual cost/month direct from payroll
13	Salaries Expense	sum rows 11-12
14	Wages	actual cost/month direct from payroll, last week is accrued
15	Wages-overtime	actual cost/month direct from payroll, last week is accrued
16	Wage Expense	sum rows 14-15
17	Benefits and Taxes	actual cost
18	Personnel Expense	travel, uniforms, recruiting, medical monitoring, etc
19	Employee Related Expenses	sum rows 13, 16-18
20	Office Expense Total	postage, telephone, computers, etc
21	Health & Safety	actual
22	Services and Supplies	outside services, mobile equipment costs, lab supplies, boiler expenses
23	Cost Center Allocations	Regional overheads split out to Sites by volume
24	Property Overhead	property taxes, insurance
25	Depreciation	driven by capital expenditures
26	Equipment Expense	maintenance
27	Environmental Expense	waste disposal, permits, PSM, etc
28	Total Fixed Expenses	sum rows 19-27
29	Total Processing Costs	sum rows 10 + 28
30	Non-operating Costs	accessorial charges
31	Total Operating Costs	sum rows 29-30

Schedule 2(b)

Incinerator Specifications

There is incorporated herein by reference the specifications and provisions of the Air Quality Permit No. 0139T37 issued April 28, 2006 by the Division of Air Quality of the North Carolina Department of Natural Resources, as the same my be revised or reissued from time to time.

Schedule 2(d)

Wastewater Treatment Specifications; Loading Charge

There is incorporated herein by reference the specifications and provisions of the Industrial User Pretreatment Permit (IUP) with Columbus County, North Carolina dated July 1, 2006, as the same may be revised or reissued from time to time.

Once, if ever, Seller begins selling its Kelly Pond hexamine wastewater to any existing or future new customers, Buyer shall allow Seller to fortify Seller's Kelly Pond hexamine wastewater in Seller's former wax plant equipment and ship to said customer of Seller from Buyer's Business.

Schedule 8

Steam Pricing

If steam condensate is returned: Thousands of pounds of steam (metered) multiplied by NYMEX monthly gas price multiplied by 1.3.

If no steam condensate is returned: Thousands of pounds of steam (metered) multiplied by NYMEX monthly gas price multiplied by 1.6.

SUBLEASE AGREEMENT

(Hoods)

THIS SUBLEASE AGREEMENT, ("Sublease") is made as of July 22, 2010 (the "Effective Date"), by and between **SILAR, LLC**, a Delaware limited liability company, hereinafter called "Sublandlord", and **OAK-BARK CORPORATION**, a North Carolina corporation, hereinafter called "Subtenant".

RECITALS

A. By that certain Ground Lease (the "Ground Lease") dated as of the Effective Date, Sublandlord, as tenant, is leasing from Subtenant, as landlord, certain property; which property includes the Premises (as defined below).

B. Sublandlord does, as of the Effective Date, sublease unto Subtenant, and Subtenant does hereby sublease from Sublandlord, on a non-exclusive basis, and subject to the terms and conditions of this Sublease, the bank of three (3) hoods, labeled as hood numbers 12, 13 and 14, located on the south side of the 50 Liter Production Lab at 333 Neils Eddy Road, Reigelwood, North Carolina 28456, and, on an exclusive basis, two (2) reasonably sized storage cabinets and one (1) reasonably sized desk in the adjacent area of the three (3) described hoods within which Subtenant may store its chemicals (collectively, the "Premises") to be used and occupied by Subtenant solely for the purposes specified below, for the Term (as defined below) and in consideration of the rent described below.

C. Subtenant accepts the Premises in "as is" condition, and acknowledges that Sublandlord makes no representation or warranty, express or implied in fact or by law, as to the condition of the Premises or of title to the Premises.

AGREEMENT

NOW, THEREFORE for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Sublandlord and Subtenant, Sublandlord and Subtenant agree to as follows:

The foregoing Recitals are fully incorporated herein by reference and made a binding part of this Sublease. Capitalized terms referenced herein that are not otherwise defined shall have the meanings ascribed to them in the parties' Asset Purchase Agreement dated 9 January 2009, as amended.

1. Term. The term of this Sublease (the "Term") shall commence on the Effective Date and shall expire July 21, 2014, unless sooner terminated as provided for in this Sublease.

Subtenant shall have a one (1) time right to extend the Term for a period of up to ten (10) years, commencing July 22, 2014, and ending on a date that is no later than July 21, 2024 (the "Extension Option"). In order to exercise the Extension Option, Subtenant shall (i) have not previously defaulted under any of its obligations under this Sublease and (ii) provide written notice of such election to Sublandlord no sooner than April 21, 2014 and no later than May 21, 2014. Subtenant acknowledges that Sublandlord shall have no obligation to notify Subtenant of any upcoming Extension Option.

2. Rent. Subtenant shall pay Sublandlord the annual fixed rent of $1.00 ("Fixed Rent") per year for each sublease year of the Term, as the same may be extended pursuant to **Section 1** of this Sublease, with the first payment payable within ten (10) days of the parties' execution of this Sublease, and then payable thereafter on July 22 of each sublease year during the Term and Extension Option period. Notwithstanding the foregoing, Subtenant may, at its option pay all Fixed Rent for the entire Term or the Extension Option at the beginning of the Term or the Extension Option, as the case may be. It is intended that the annual installment of Fixed Rent shall be completely net to Sublandlord and Subtenant shall be responsible for all costs and expenses relating to the Premises, including (without limitation) utilities, real and personal property taxes and assessments, insurance, maintenance, repairs and improvements with respect to the Premises, all of which shall be considered additional rent ("Additional Rent") due under this Sublease. Subtenant shall be responsible to pay for its proportionate share of Additional Rent based upon Subtenant's pro rata use of the Premises, as mutually determined by Sublandlord and Subtenant. Sublandlord may bill Subtenant for Additional Rent on an annual basis.

Notwithstanding anything to the contrary herein, Subtenant shall only pay Additional Rent based on its pro rata share, which shall only be calculated by the number of days during any one year period during the Term of this Sublease that Subtenant actually, physically used the Premises, if any; it being expressly understood and agreed that (1) there may be extended periods of time during the Term of this Sublease that Subtenant never uses the Premises even though it has the right and ability to do so under this Sublease and said non-use shall not constitute abandonment or default by Subtenant and shall not expose Subtenant to Additional Rent; and, (2) only Subtenant's actual use of the three (3) hoods described in Recital A above shall trigger the possibility of Additional Rent to be paid by Subtenant to Sublandlord.

3. Uses. Subtenant, and only Subtenant, shall use the Premises, on a nonexclusive basis, solely for the purposes of utilizing the hoods located on the Premises in connection with the production of chemical products that are unique and not competitive in any nature, as determined by Sublandlord in its sole discretion, with any products now or hereinafter manufactured by Sublandlord, MPD or any affiliate or subsidiary of MPD. Subtenant covenants and agrees that (i) at no time shall more than four (4) employees, contractors, agents, consultants, and/or representatives of Subtenant be at the Premises, (ii) at no time shall its use of the Premises infringe upon any space, utilities, resources or materials in the 50 Liter Production Lab other than those that are directly used in connection with the Premises and (iii) at no time shall Subtenant interfere with Sublandlord's business operations at the Premises, in the 50 Liter Production Lab or at any other facilities located on land adjacent to the Premises that is owned by Sublandlord or otherwise used in connection with Sublandlord's businesses. Subject to the provisions of **Section 6** of this Sublease, Subtenant shall have the right to use the Premises at reasonable times on a non-exclusive basis only upon 14 days prior written notice to Sublandlord

that Subtenant intends to use the Premises (a "Use Notice"). A Use Notice shall include the reason that Subtenant intends on using the Premises and the expected duration that Subtenant will Use the Premises and such other information as reasonably requested by Sublandlord. Subtenant may only use the Premises on days and at times when the laboratory building that the Premises is located in are open for business by Sublandlord. Notwithstanding the foregoing sentence, Sublandlord covenants and agrees that if the Premises can be made available to Subtenant prior to 14 days after receipt of a Use Notice, at no additional cost or expense to Sublandlord, then if requested in writing by Subtenant, Sublandlord will use commercially reasonable efforts to make the Premises available to Subtenant prior to 14 days after receipt of a Use Notice.

4. No Assignment. Subtenant shall not assign this Sublease, nor sublet the Premises, or any part thereof, nor use the Premises, or any part thereof, nor permit the Premises, or any part thereof, to be used for any other purpose than as above stipulated in **Section 3** of this Sublease. If Subtenant does assign this Sublease, sublet the Premises or any part thereof, or sells its business then this Sublease shall immediately and automatically terminate without any further notice to Subtenant.

5. Relocation of the Premises. Upon reasonable notice from Sublandlord to Subtenant, Sublandlord may, in its sole discretion, relocate the Premises to a location that contains three (3) comparable hoods, two (2) storage cabinets and one (1) desk to the hoods to be located on the southern side of the building within which the Premises are located.

6. Nonexclusive Use. Subtenant acknowledges and agrees that its right to use the Premises is not exclusive. Sublandlord and such other parties that are permitted by Sublandlord shall also have the right to use the Premises with Subtenant at all times during the term of this Sublease; provided, however, upon a duly issued Use Notice by Subtenant, Sublandlord shall not prevent, interfere with, or obstruct Subtenant's actual use of the Premises.

7. Operation, Repairs, Alterations. Whenever Subtenant is using the Premises, Subtenant shall, at Subtenant's own cost and expense, keep and maintain the Premises in such manner, condition, and repair as the Premises were immediately preceding Subtenant's use periods of the Premises, ordinary wear and tear excepted. Except as required under this **Section 7**, Subtenant shall make no alterations or improvements of the Premises. At no time during the Term shall Subtenant place, install or cause to be placed or installed any sign upon any part of the Premises.

8. Personal Property. All personal property of Subtenant placed at the Premises shall be at the risk of Subtenant or other owner thereof, and Sublandlord shall not be liable for any damage to such personal property, or Subtenant arising from the bursting or leaking of water pipes, or from any act of negligence of any co-occupants of the building or of any other person whomever. Subtenant agrees that it shall only have personal property at the Premises during such times that Subtenant is using the Premises in accordance with a Use Notice; when Subtenant is completed using the Premises pursuant to a Use Notice, all personal property used by Subtenant for the use set forth in said Use Notice shall be removed by Subtenant and the Premises shall be cleaned and all damage to the Premises caused by Subtenant shall be repaired by Subtenant. If Subtenant fails to remove any and all personal property, clean the Premises and repair all damage to the Premises caused by Subtenant in accordance with this **Section 8**, Sublandlord shall be permitted to remove and dispose of any and all personal property (including

the disposal of any hazardous materials) of Subtenant, clean the Premises and repair all damage to the Premises caused by Subtenant and Subtenant shall promptly reimburse Sublandlord for all costs incurred in the removal of said personal property.

9. Compliance with Laws and Codes. At all times during the Term, Subtenant shall, at Subtenant's own cost and expense, fully perform and comply with all applicable statutes, ordinances, rules, codes, orders, regulations and requirements of the federal, state, city and county government and of any and all of their departments and bureaus applicable to the Premises ("Legal Requirements") for the correction, prevention, and abatement of nuisances or other grievances, in, upon, or connected with the Subtenant's use of the Premises during the Term. At all times during the Term, Subtenant shall not do, permit, or suffer to be done any act, or cause, permit or suffer to exist any condition, upon the Premises, which may (a) be dangerous, unless safeguarded as provided for by the Legal Requirements; (b) constitute a public or private nuisance; or (c) make any insurance on the Premises, or adjacent property owned by Sublandlord, voidable or cause any increase in the insurance premiums. At Subtenant's own cost and expense, Subtenant shall promptly comply with and execute all rules, orders and regulations for the prevention of fires.

At all times during the Term and thereafter, Subtenant shall be responsible for all "Environmental, Health and Safety Liabilities" (as defined in that certain Asset Purchase Agreement dated January 9, 2009 by and among Subtenant, Sublandlord, William E. Oakley and James C. Barker (the "APA")) which affect or relate to the Premises, or the building and real property upon which the Premises are located, and shall indemnify and hold Sublandlord (and all other Buyer Indemnified Parties (as defined in the APA)) harmless for all Losses (as defined in the APA) related thereto. Notwithstanding the foregoing, Subtenant shall not be liable to indemnify and hold Sublandlord harmless for any Environmental, Health and Safety Liabilities arising solely out of Sublandlord's operations if Subtenant demonstrates that the condition giving rise to such Environmental, Health and Safety Liability is not arising out of any pre-existing condition or prior use of the Premises, or the building and real property upon which the Premises are located, or by any prior contamination which has occurred at the Premises, or the building and real property upon which the Premises are located. In such an event, the provisions of Section 2.4 of the APA shall apply. The provisions of this paragraph shall survive the expiration or termination of this Sublease.

10. Insurance. Subtenant shall maintain policies of liability insurance on the Premises in the amount of $300,000 per occurrence and $500,000 in aggregate at all times during the Term. Sublandlord and Subtenant shall be named on such policy as their interests may appear, and such policies shall contain customary waivers of subrogation. Sublandlord shall be named as an additional insured on such insurance policies and certificates of such insurance shall be delivered to Sublandlord, which certificates shall indicate, among other things, that Sublandlord shall receive thirty (30) days prior written notice before the insurance company can cancel or terminate the respective insurance policy. Commercially reasonable evidence that new insurance policies and certificates of said policies are in place shall be delivered to Sublandlord no later than one (1) business day prior to when the then current insurance policy is scheduled to expire. The new insurance policies and certificates of said policies shall be delivered to Sublandlord no later than thirty (30) days after the prior policies terminated or expired. The proceeds of all policies of insurance shall be made jointly payable to Sublandlord and Subtenant; provided

however, in the event that Sublandlord become the fee owner of the Premises, then all such proceeds shall be made payable solely to the Sublandlord.

11. Casualty or Condemnation. In the event the Premises, or any part thereof, shall be (a) destroyed or so damaged or injured by fire or other casualty or (b) subject to any taking, eminent domain, condemnation or similar proceeding so that the Premises shall be rendered unsubtenantable, then Sublandlord shall have the right, but not the obligation, to terminate this Sublease immediately upon notice to Subtenant. Sublandlord shall have no obligation to repair, rebuild or restore the Premises.

12. Default. The prompt payment (defined as being within thirty (30) days of the due date or date of Sublandlord's notice to Subtenant) of the Fixed Rent and Additional Rent, as the case may be, for the Premises when due hereunder, and the faithful observance of the terms and conditions of this Sublease and Sublandlord's rules and regulations which may be applicable to the Premises from time to time, are conditions upon which this Sublease is made and accepted. Any failure of Subtenant to comply with the terms of this Sublease, or any of such rules and regulations shall, at the option of Sublandlord, constitute a default under this Sublease. In the event of such default and upon expiration of the applicable notice period to Subtenant during which Subtenant does not cure the default, Sublandlord, its agents or attorneys, shall have the right to enter the Premises, and remove all persons, forcibly or otherwise and terminate this Sublease effective immediately without any notice to Subtenant. Upon the expiration of the Term, as the same may be extended pursuant to the Extension Option, Subtenant expressly waives any and all notice required by law (including, without limitation, all North Carolina statutory requirements, to the extent waivable) to terminate tenancy, and also waives any and all legal proceedings to recover possession of the Premises.

13. Abandonment. If Subtenant abandons or vacates the Premises before the end of the Term of this Sublease, or suffers the rent to be in arrears or fails to perform its obligations under this Sublease, Sublandlord may, at its option, forthwith cancel this Sublease. It is expressly understood and agreed that Subtenant's mere lack of actual, physical use of the Premises during the Term of this Sublease shall not and will not constitute abandonment, vacation of, or termination of its Sublease of the Premises.

14. Enforcement Costs. Subtenant agrees to pay the cost of Sublandlord in enforcing its rights under this Sublease, in the collection of any amounts due under this Sublease and reasonable attorney's fees and costs in connection therewith.

15. Reentry. Sublandlord, or any of its agents, shall have the right to enter the Premises during all reasonable hours to examine them and to make such repairs, additions or alterations as may be deemed necessary for the safety, comfort, or preservation of the Premises, or to exhibit the Premises, and to post notices or signs advertising the Premises for rent or sale. The right of entry shall also exist for the purpose of removing placards, signs fixtures, alternations, or additions which do not conform to this Sublease or to the rules and regulations. Nothing contained in this **Section 15** shall modify or alter the acknowledgement by Subtenant that its right to use the Premises pursuant to this Sublease is not exclusive (subject to **Section 6** above) and Sublandlord, among others, shall have the right to enter upon and use the Premises at all times during the Term.

16. Condition. Subtenant accepts the Premises (along with the stirrers, heaters and other apparatus directly used with the hoods) in the condition it is in at the beginning of this Sublease and agrees to maintain the Premises in the same condition, order and repair as they are at the commencement of Term, excepting only reasonable wear and tear arising from the use of the Premises under this Sublease. Subtenant agrees to make good Sublandlord immediately upon demand, any damage to the Premises, or of the building in which the Premises are located, caused by any act or neglect of Subtenant, or of any person or persons in the employ or under the control of Subtenant. Sublandlord represents and warrants that the Premises (including stirrers, heaters and other apparatus used exclusively in connection with the Premises) are currently in substantially the same condition as they were as of April 22, 2009. If Sublandlord damages the Premises (including stirrers, heaters and other apparatus used exclusively in connection with the Premises), then Sublandlord shall provide Subtenant with the right to use comparable hoods (including stirrers, heaters and other apparatus used exclusively in connection with said hoods) during the Term and subject to the terms and conditions of this Sublease.

17. No Liability. Sublandlord shall not be liable for any damage or injury, which may be sustained by Subtenant or any other person of for any other damage or injury resulting from the carelessness, negligence, or improper conduct on the part of any other Subtenant or agents, or employees, or by reason of the breakage, leakage, or obstruction of the water, sewer, or other leakage in or about the Premises. None of Sublandlord, its officers, directors, or shareholders shall have any personal liability under this Sublease.

18. No Liens and Financing. Subtenant shall not take any action that will result in a lien being placed on the Premises, any hoods, the building in which the Premises are located, any other property of Sublandlord located in the building in which the Premises are located, any adjacent land owned by Sublandlord or any improvement or item of personal property located thereon. Subtenant shall not permit this Sublease or its interest herein to be secured by any financing or other credit facility.

19. Indemnification. Subtenant shall indemnify and save harmless Sublandlord and Sublandlord's employees, other agents, and contractors from and against any liability, loss, damages, expenses, costs of action, suits, interest, fines, penalties, claims, and judgments from Subtenant's actual, physical use of the Premises for (a) any injury or claim of injury during the Term to person or property of any nature, and any matter or thing, related to or connected with the use and any other use, occupation, possession, management, operation, control, improvement, repair, maintenance, demolition, restoration, replacement, or rebuilding of all of any part of the Premises; (b) any damage to the Premises, any hoods, the building in which the Premises are located, any other property of Sublandlord located in the building in which the Premises are located, any adjacent land owned by Sublandlord or any improvement or item of personal property located thereon resulting from any action of Subtenant or any employee, officer or agent of Subtenant; (c) Subtenant's failure to comply fully and promptly with all Legal Requirements; and/or (d) Subtenant's failure to perform fully and promptly all of the terms and conditions of this Sublease. Subtenant, at Subtenant's own cost and expense for matters related to and arising from out of Subtenant's actual, physical use of the Premises, shall (a) defend by counsel satisfactory to Sublandlord, any suits or actions that may be brought, and claims which may be made, against Sublandlord, or in which Sublandlord may be impleaded or named a third-party defendant, whether or not Sublandlord shall be liable, upon any such liability, loss, damages, expenses, costs of action, suits, interest, fines, penalties, claims, and judgments, and (b)

satisfy, pay, and discharge any judgments which may be recovered against Sublandlord in any such suits or actions, or any suits or actions which may be filed against all or any part of the Premises or any interest in the Premises.

20. Surrender of Premises. At end of the Term and at the end of each time Subtenant uses the Premises, Subtenant shall surrender and deliver the Premises into the possession and use of Sublandlord without delay in "broom clean" condition, good order and repair, free and clear of all letting and occupancies, ordinary wear and tear excepted.

21. Termination of Sublease upon Change in Control. Notwithstanding anything to the contrary in this Sublease, at any time after June 21, 2014, following a Change in Control (as defined below), then upon 14 days written notice from Sublandlord to Subtenant, this Sublease shall automatically terminate and Subtenant shall have no further right to use or occupy the Premises, or any part thereof. "Change in Control" for purposes of this Sublease means the occurrence of any of the following events:

a. A "change in ownership" which shall occur on the date that any one person, or more than one person acting as a group, acquires ownership, directly or indirectly, of membership interests (or such other then applicable equity interest) in the Sublandlord or Sublandlord's parent, MPD Holdings, LLC, a Delaware limited liability company ("MPD"), or any successor by merger, consolidation, reorganization, amalgamation or similar event of either Sublandlord or MPD (a "Successor"), that, either alone or together with membership interests (or such other applicable equity interest) already held by such person or group (but excluding for purposes of this **Subsection 21(a)**, any acquisition by any such person or group whom owned fifteen percent (15%) or more of the outstanding membership interst of the Sublandlord as of the date of this Sublease), constitutes more than 50% of the total fair market value or total voting power of the membership interests (or such other applicable equity interest) of any of the Company, MPD or any Successor;

b. A merger, consolidation, reorganization, amalgamation or similar event shall occur in which the persons who owned the outstanding membership interests (or such other then applicable equity interest) of any of the Sublandlord, MPD or any Successor immediately prior to such event, do not own at least 50% of the outstanding membership interest (or such other then applicable equity interest) of any of the Sublandlord, MPD or any Successor immediately after giving effect to such event;

c. A "change in the ownership of a substantial portion of the Sublandlord's or MPD's assets" which shall occur on the date that any one person, or more than one person acting as a group, acquires (or has acquired during the twelve month period ending on the date of the most recent acquisition by such person or persons) assets of any of the Sublandlord, MPD or any Successor that have a total gross fair market value equal to or more than 60% of the total gross fair market value of all the assets of the Sublandlord, MPD or any Successor, as applicable, immediately prior to such acquisition or acquisitions; or

d. All or a substantial portion of the building in which the Premises are located is sold by the Sublandlord or leased pursuant to a long-term lease with a party who is not an affiliate of the Sublandlord.

For purposes of this Sublease, the term "person" means any person or entity of any nature whatsoever, specifically including an individual, a firm, a company, a corporation, a partnership, a limited liability company, a trust or other entity.

22. Bankruptcy. If Subtenant shall become insolvent or if bankruptcy proceedings shall be begun by or against Subtenant, before the end of the Term, then Sublandlord is hereby irrevocably authorized at its option, to forthwith cancel this Sublease, as for a default.

23. Binding Effect. This Sublease shall bind and inure to the benefit of Sublandlord and Subtenant only. This Sublease shall not be binding to any assignee or successor of either Sublandlord or Subtenant. Notwithstanding anything to the foregoing herein, and subject to the provisions of **Section 21** of this Sublease, if Sublandlord assigns its rights, title and interest in this Sublease, such assignee shall agree to be bound by the terms and obligations of this Sublease.

24. Time of the Essence. It is understood and agreed between Sublandlord and Subtenant that time is of the essence of this Sublease and this applies to all terms and conditions contained in this Sublease.

25. Notices. Each notice to be given under this Sublease shall be deemed to have been properly given (a) when in writing; and, (b) when sent by first-class mail, personal delivery, Federal Express or other widely recognized overnight delivery service, or registered or certified mail; and, (c) upon receipt or refusal of receipt by the person to whom it is addressed; and, (d) when addressed to each applicable person at the applicable addresses set forth as follows: if to Subtenant, to: Oak-Bark Corporation, 102 Orange Street, Wilmington, North Carolina 28401, Attn: Mr. William E. Oakley, with a copy to: G. Grady Richardson, Jr., Law Offices of G. Grady Richardson, Jr., P.C., 1213 Culbreth Drive, Wilmington, North Carolina 28405; and if to Sublandlord, to: Silar, LLC, c/o Addison Capital Partners, 319 Clematis Street, Suite 215, West Palm Beach, Florida 33401, Attn: Brian Miller, with a copy to: Donald E. Thompson, II, Stearns Weaver Miller Weissler Alhadeff & Sitterson, P.A., New River Center, Suite 2100, 200 East Las Olas Boulevard, Fort Lauderdale, Florida 33301.

26. Estoppel Certificates. Each party agrees that at any time and from time to time during the Term, within ten days after request by the other party, it will execute, acknowledge, and deliver to such other party or to any prospective purchaser, assignee, or mortgagee designated by such other party, a certificate which states (a) that this Sublease is unmodified and in full force and effect, or if there have been modifications, that this Sublease is in full force and effect as modified, and identifying the modification agreements; (b) the date to which the Fixed Rent and Additional Rent has been paid; (c) the nature and extent of any existing default by either party as to which a notice has been given to the other party; and (d) whether or not there are any setoffs, defenses, or counterclaims against enforcement of the obligations to be performed under this Sublease existing in favor of the party executing such certificate.

27. Subordination. This Sublease and any rights of Subtenant under this Sublease shall be subordinate to the lien of any mortgage on the Premises granted by Sublandlord, whether now

in place or hereinafter granted at any time (the "Fee Mortgage"), without the need for any further subordination agreement or acknowledgement to be executed. Notwithstanding the fact that Subtenant agrees that the subordination of this Sublease shall be automatic, if the holder of a Fee Mortgage requests that Subtenant execute a subordination agreement, then Subtenant covenants and agrees to execute a subordination agreement that is reasonably acceptable to Sublandlord, Subtenant and the holder of said Fee Mortgage.

28. No Broker. Each party warrants and represents to the other that there are no unpaid real estate brokers, agents, salesmen, or finders involved in this transaction. If a claim for brokerage or similar fees in connection with this transaction is made by any other broker, agent, salesman, or finder claiming to have dealt through or on behalf of one of the parties to this Sublease, then such party shall indemnify, defend, and hold harmless the other party from all liabilities, damages, claims, costs, fees, and expenses (including reasonable attorneys' fees and court costs, including those for appellate matters) with respect to such claim for brokerage. The provisions of this Section shall survive the expiration or termination of this Sublease.

29. Authority. Each party represents to the other that it has full legal right, power, and authority to enter into, execute, and perform this Sublease.

30. Attorneys' Fees. In the event of litigation arising out of this Sublease, the prevailing party shall be entitled to reasonable attorneys' fees, including fees for the services of paralegals and similar persons, and all such expenses and costs incurred by the prevailing party through all appellate levels.

31. Exculpation. Notwithstanding anything to the contrary in this Sublease, neither party shall be liable to the other for any consequential, special or punitive damages to the other for any default under this Sublease.

32. Severability. Every provision of this Sublease shall be valid and be enforced to the fullest extent permitted by law. If any provision of this Sublease, or the application of such provision to any person or circumstance, shall be determined by appropriate judicial authority to be illegal, invalid, or unenforceable to any extent, such provision shall, only to such extent, be deemed stricken from this Sublease as if never included. The remainder of this Sublease, and the application of such provision to persons or circumstances other than those as to which such provision is held illegal, invalid, or unenforceable, shall not be affected.

33. No Waiver. The rights of Sublandlord under this Sublease shall be cumulative, and failure on the part of Sublandlord to exercise promptly any rights given under this Sublease hereunder shall not operate to forfeit any of its rights.

34. Intentionally deleted.

35. Ground Lease. Subtenant, by signing below in its capacity as landlord under the Ground Lease, hereby consents to this Sublease. Subtenant further acknowledges and agrees that, subject to the below **Section 36**, if the Ground Lease is terminated, then this Sublease shall automatically terminate and with exception to the provisions of **Section 9** of this Sublease that expressly survive the termination of this Sublease, neither party shall have any further rights under this Sublease.

36. Acquisition of Fee Interest. If Sublandlord shall acquire a fee simple ownership interest in the Premises, then this Sublease shall automatically be converted into a space lease and any and all references herein to "Sublandlord" shall mean to be to "Landlord" and all any and all references herein to "Subtenant" shall mean to be to "Tenant."

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument for the purpose herein expressed, the day and year above written.

WITNESSES:

_____

_____
As to Sublandlord

SUBLANDLORD:
SILAR, LLC,
a Delaware limited liability company

By: _____

Its: TREASURER

SUBTENANT:
OAK-BARK CORPORATION,
a North Carolina corporation

By: _____

Its: _____

_____

_____
As to Subtenant

#288648 06002-0003

IN WITNESS WHEREOF, the parties hereto have hereunto executed this instrument for the purpose herein expressed, the day and year above written.

WITNESSES:

_____

_____

As to Sublandlord

SUBLANDLORD:
SILAR, LLC,
a Delaware limited liability company

By: _____

Its: _____

SUBTENANT:
OAK-BARK CORPORATION,
a North Carolina corporation

By: William E. Oakley

Its: Chairman

As to Subtenant

#288648 06002-0003

STATE OF FLORIDA)

COUNTY OF PALM BEACH)

Before me, a Notary Public in and for said State and County, personally came _____ _____ *(name)*, the _____ *(title)* of Silar, LLC, on behalf of that limited liability company and who provided _____ as identification.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the _____ day of _____, 2010.

_____
Notary Public, State of Florida at Large
My commission expires: _____

STATE OF NORTH CAROLINA)

COUNTY OF Brunswick)

Before me, a Notary Public in and for said State and County, personally came _____ William E. Oakley *(name)* the Chairman *(title)* of Oak-Bark Corporation, on behalf of that corporation _____ and who provided Drivers' licenses as identification.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the 19th day of July, 2010.

Gail L Wise
Notary Public, ~~State of Florida at Large~~ State of North Carolina
My commission expires: April 30, 2011

#288648 06002-0003

STORMWATER DISCHARGE OUTFALL (SDO)
ANNUAL SUMMARY DATA MONITORING REPORT (DMR)
Calendar Year ____2011_____

Individual NPDES Permit No. NCS 000533 or
Certificate of Coverage (COC) No. NCG☐☐☐☐☐☐

This monitoring report summary of the calendar year is due to the DWQ Regional Office no later than March 1st of the following year.

Facility Name: Silar LLC (Silar Laboratories)
County: Columbus
Phone Number: (_910_) _655-4212_____ Total no. of SDOs monitored ___3_____

Outfall No. __001_____
Is this outfall currently in Tier 2 (monitored monthly)? Yes ☐ No ☒
Was this outfall ever in Tier 2 (monitored monthly) during the past year? Yes ☐ No ☒
If this outfall was in Tier 2 last year, why was monthly monitoring discontinued?
Enough consecutive samples below benchmarks to decrease frequency ☐
Received approval from DWQ to reduce monitoring frequency ☐
Other _____ ☐
Was this SDO monitored because of vehicle maintenance activities? Yes ☐ No ☒

Attachment 4

	Total Rainfall, inches	Parameter, (units)							
		TSS mg/L	TRC mg/L	BOD mg/L	COD mg/L	NH3 mg/L	TKN mg/L	NO3+NO2 mg/L	Total Phosphorus mg/L
Benchmark	*N/A*	*100*	*0.028*	*30*	*120*	*7.2*	*20*	*10*	*2*
Date Sample Collected, mm/dd/yy									
01/17/2011	0.31	7.5	0.002	6	32	54.9	61.4	12.5	1.01
04/05/2011	0.33	24.7	0.004	18	66	62.1	46.5	13.9	1.04
09/20/2011	1.35	231	0	6	55	1.4	3.8	1.96	0.28
11/29/2011	1.4	23.1	0	6	53	2.4	3.3	3.29	0.14

Additional Outfall Attachment

Outfall No. _001___

Is this outfall currently in Tier 2 (monitored monthly)? Yes ☐ No ☒

Was this outfall ever in Tier 2 (monitored monthly) during the past year? Yes ☐ No ☒

If this outfall was in Tier 2 last year, why was monthly monitoring discontinued?

- Enough consecutive samples below benchmarks to decrease frequency ☐
- Received approval from DWQ to reduce monitoring frequency ☐
- Other _____ ☐

Was this SDO monitored because of vehicle maintenance activities? Yes ☐ No ☒

		Parameter, (units)							
	Total Rainfall, inches	Methanol mg/L	Hexamine mg/L	Formaldehyde mg/L	Total Copper mg/L	Total Zinc mg/L	Total Lead mg/L	Non-Polar Oil & Grease mg/L	pH s.u.
Benchmark	***N/A***	***7700***	***25,000***	***0.5***	***0.007***	***0.067***	***0.03***	***15***	***6 - 9***
Date Sample Collected, mm/dd/yy									
01/17/2011	0.31	<10	<10	0.13	<0.010	0.037	<0.010	<5	7.22
04/05/2011	0.33	<10	<10	0.3707	0.012	0.132	<0.010	<5	7.08
09/20/2011	1.35	<10	<10	0.206	0.02	0.062	<0.010	<5	6.73
11/29/2011	1.4	<10	<10	0.066	0.008	0.029	<0.010	<5	6.74

Outfall No. __002____

Is this outfall currently in Tier 2 (monitored monthly)? Yes ☐ No ☒

Was this outfall ever in Tier 2 (monitored monthly) during the past year? Yes ☐ No ☒

If this outfall was in Tier 2 last year, why was monthly monitoring discontinued?

- Enough consecutive samples below benchmarks to decrease frequency ☐
- Received approval from DWQ to reduce monitoring frequency ☐
- Other _____ ☐

Was this SDO monitored because of vehicle maintenance activities? Yes ☐ No ☒

	Total Rainfall, inches	Parameter, (units)							
		TSS mg/L	TRC mg/L	BOD mg/L	COD mg/L	NH3 mg/L	TKN mg/L	NO3+NO2 mg/L	Total Phosphorus mg/L
Benchmark	*N/A*	*100*	*0.028*	*30*	*120*	*7.2*	*20*	*10*	*2*
Date Sample Collected, mm/dd/yy									
01/17/2011	0.31	57.3	0	49	178	23.00	27.1	1.65	0.35
04/05/2011	0.33	66.5	0.018	120	399	1.6	89.8	1.6	0.37
09/20/2011	1.35	19	0.023	32	291	1.7	62.6	0.89	<0.04
11/29/2011	1.4	5.9	0	4	28	0.6	3.6	0.91	<0.04

Outfall No. _002__

Is this outfall currently in Tier 2 (monitored monthly)? Yes ☐ No ☒

Was this outfall ever in Tier 2 (monitored monthly) during the past year? Yes ☐ No ☒

If this outfall was in Tier 2 last year, why was monthly monitoring discontinued?

- Enough consecutive samples below benchmarks to decrease frequency ☐
- Received approval from DWQ to reduce monitoring frequency ☐
- Other _____ ☐

Was this SDO monitored because of vehicle maintenance activities? Yes ☐ No ☒

		Parameter, (units)							
	Total Rainfall, inches	Methanol mg/L	Hexamine mg/L	Formaldehyde mg/L	Total Copper mg/L	Total Zinc mg/L	Total Lead mg/L	Non-Polar Oil & Grease mg/L	pH s.u.
Benchmark	***N/A***	***7700***	***25,000***	***0.5***	***0.007***	***0.067***	***0.03***	***15***	***6 - 9***
Date Sample Collected, mm/dd/yy									
01/17/2011	0.31	<10	21.4	1.85	0.103	0.460	<0.010	<5	8.03
04/05/2011	0.33	10.7	<10	0.75	0.433	0.811	<0.01	<5	7.47
09/20/2011	1.35	<10	217	5.25	0.052	0.144	<0.01	<5	7.42
11/29/2011	1.4	<10	<10	0.3	0.014	0.087	<0.01	<5	7.19

Outfall No. __005_____

Is this outfall currently in Tier 2 (monitored monthly)? Yes ☐ No ☒

Was this outfall ever in Tier 2 (monitored monthly) during the past year? Yes ☐ No ☒

If this outfall was in Tier 2 last year, why was monthly monitoring discontinued?

- Enough consecutive samples below benchmarks to decrease frequency ☐
- Received approval from DWQ to reduce monitoring frequency ☐
- Other _____ ☐

Was this SDO monitored because of vehicle maintenance activities? Yes ☐ No ☒

	Total Rainfall, inches	Parameter, (units)							
		TSS mg/L	TRC mg/L	BOD mg/L	COD mg/L	NH3 mg/L	TKN mg/L	NO3+NO2 mg/L	Total Phosphorus mg/L
Benchmark	*N/A*	*100*	*0.028*	*30*	*120*	*7.2*	*20*	*10*	*2*
Date Sample Collected, mm/dd/yy									
01/17/2011	0.31	123	0	42	155	8.10	7.5	0.66	0.40
04/05/2011	0.33	41.3	0.003	45	167	1.9	29.7	1.48	0.17
09/20/2011	1.35	24.6	0.025	8	66	0.30	1.8	0.72	0.34
11/29/2011	1.4	11.9	0	7	37	0.40	2	0.5	0.15

Outfall No. _005___

Is this outfall currently in Tier 2 (monitored monthly)? Yes ☐ No ☒

Was this outfall ever in Tier 2 (monitored monthly) during the past year? Yes ☐ No ☒

If this outfall was in Tier 2 last year, why was monthly monitoring discontinued?

- Enough consecutive samples below benchmarks to decrease frequency ☐
- Received approval from DWQ to reduce monitoring frequency ☐
- Other _____ ☐

Was this SDO monitored because of vehicle maintenance activities? Yes ☐ No ☒

		Parameter, (units)							
	Total Rainfall, inches	Methanol mg/L	Hexamine mg/L	Formaldehyde mg/L	Total Copper mg/L	Total Zinc mg/L	Total Lead mg/L	Non-Polar Oil & Grease mg/L	pH s.u.
Benchmark	***N/A***	***7700***	***25,000***	***0.5***	***0.007***	***0.067***	***0.03***	***15***	***6 - 9***
Date Sample Collected, mm/dd/yy									
01/17/2011	0.31	<10	<10.0	10.100	0.249	1.04	<0.010	<5	7.27
04/05/2011	0.33	<10	<10	2.450	0.955	1.01	0.011	<5	4.7
09/20/2011	1.35	<10	<10	0.260	0.11	0.255	<0.010	<5	8.21
11/29/2011	1.4	<10	<10	0.200	0.038	0.194	<0.010	<5	7.89

DATA FROM UP-GRADIENT STORMWATER FLOW (MOMENTIVE/OAK BARK)

	Total Rainfall, inches	Parameter, (units)							
		TSS mg/L	TRC mg/L	BOD mg/L	COD mg/L	NH3 mg/L	TKN mg/L	NO3+NO2 mg/L	Total Phosphorus mg/L
Benchmark	***N/A***	***100***	***0.028***	***30***	***120***	***7.2***	***20***	***10***	***2***
Date Sample Collected, mm/dd/yy									
01/17/2011	0.31	170	0	362	2180	476.00	975	15.4	1.2
04/05/2011	0.33	146	0	248	523	1.0	80.5	9.94	0.56
09/20/2011	1.35	46.7	0.005	24	108	1.9	15.6	8.41	0.06
11/29/2011	1.4	19.4	0	>66	1270	1.10	386	11.80	0.05

	Total Rainfall, inches	Parameter, (units)							
		Methanol mg/L	Hexamine mg/L	Formaldehyde mg/L	Total Copper mg/L	Total Zinc mg/L	Total Lead mg/L	Non-Polar Oil & Grease mg/L	pH s.u.
Benchmark	***N/A***	***7700***	***25,000***	***0.5***	***0.007***	***0.067***	***0.03***	***15***	***6 - 9***
Date Sample Collected, mm/dd/yy									
01/17/2011	0.31	96.6	858	41.2	0.49	0.897	<0.010	<5	7.86
04/05/2011	0.33	26.7	52.8	107	0.525	0.999	0.014	<5	7.07
09/20/2011	1.35	<10	<10	17.5	0.093	0.217	<0.010	<5	7.43
11/29/2011	1.4	<10	<10	23.00	0.062	0.243	<0.010	<5	7.03

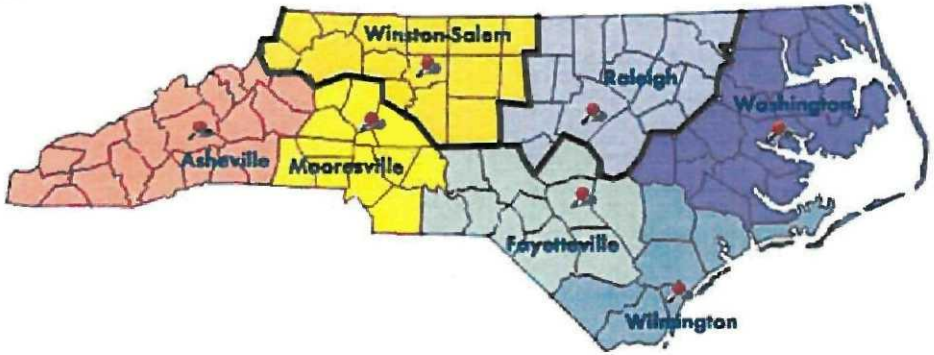
"I certify, under penalty of law, that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fines and imprisonment for knowing violations."

Signature _____

Date _____

Mail Annual DMR Summary Reports to:

DWQ Regional Office Contact Information:



ASHEVILLE REGIONAL OFFICE 2090 US Highway 70 Swannanoa, NC 28778 (828) 296-4500	**FAYETTEVILLE REGIONAL OFFICE** 225 Green Street Systel Building Suite 714 Fayetteville, NC 28301-5043 (910) 433-3300	**MOORESVILLE REGIONAL OFFICE** 610 East Center Avenue/Suite 301 Mooresville, NC 28115 (704) 663-1699
RALEIGH REGIONAL OFFICE 3800 Barrett Drive Raleigh, NC 27609 (919) 791-4200	**WASHINGTON REGIONAL OFFICE** 943 Washington Square Mall Washington, NC 27889 (252) 946-6481	**WILMINGTON REGIONAL OFFICE** 127 Cardinal Drive Extension Wilmington, NC 28405-2845 (910) 796-7215
WINSTON-SALEM REGIONAL OFFICE 585 Waughtown Street Winston-Salem, NC 27107 (336) 771-5000	**CENTRAL OFFICE** 1617 Mail Service Center Raleigh, NC 27699-1617 (919) 807-6300	

"To preserve, protect and enhance North Carolina's water..."

Silar, LLC – STORM WATER SAMPLING REPORT
Certificate of Coverage No.: NCS000533
Columbus County, North Carolina

Personnel Collecting Samples: P. Busovne/D. Maddox/S. Mowery
Certified Laboratories: Envirochem Lab ID: 75

ANALYTICAL RESULTS

		00530	00310	00340	00610	00625	00630	00665	77885	50060		71880	01042	01092	01055	01051	00556	00400	00300
Outfall	Date mo/dd/yr	TSS mg/l	BOD mg/l	COD mg/l	NH3 mg/l	TKN mg/l	NO3+NO2 mg/l	Total Phosphorus mg/l	Methanol mg/l	TRC mg/l	Hexamine mg/l	Formaldehyde mg/l	Total Copper mg/l	Total Zinc mg/l	Total Manganese mg/l	Total Lead mg/l	Non-Polar O&G mg/l	pH s.u.	D.O. mg/l
001-Silar Whse	1/11/2012	81.3	39	93	*26.6	50.3	18.2	2.08	<10	0.032	<10	0.047	0.011	0.058	1.23	<0.010	<5	6.89	
002 - Lab Weir	1/11/2012	113	10	96	*2.7	14.1	1.14	0.37	<10	0	<10	1.26	0.108	0.340	0.059	<0.010	<5	7.82	
005 - Silar Weir	1/11/2012	58.7	6	55	*0.9	2.6	0.36	0.28	<10	0	<10	0.089	0.223	0.485	0.044	<0.010	<5	7.14	10.09
Up the Hill	1/11/2012	95	12	93	1.80	13.1	12.50	0.30	<10	0	<10	0.750	0.097	0.352	NA	<0.010	<5	7.03	
005 Upstream	1/11/2012																	6.98	4.6
005 Downstream	1/11/2012																	4.94	3.77

STORM EVENT CHARACTERISTICS

Total Event Precipitation (ins.): 0.96

Permit Sampling Period: 1

Mail duplicate copies to: Division of Water Quality
Water Quality Section
Attn: Central Files
1617 Mail Service Center
Raleigh, NC 27699-1617

Note: Ammonia Nitrogen analyzed outside of hold time. Lab reported to have analyzed on 02/14/2014.

CERTIFICATION STATEMENT

By this signature, I certify this report is accurate and complete to the best of my knowledge.

Signature of Permittee or Designee

2/20/12
Date

PETER R. YURCEC Plant Manager
Print Name and Title

Company Information
Silar, LLC
333 Neils Eddy Road
Riegelwood, NC 28456
(910) 655-4212
EXT. 100

ETS
Environmental Testing Solutions, Inc.

PO Box 7565
Asheville, NC 28802
Phone: (828) 350-9364
Fax: (828) 350-9368
E-mail: JimSumner@aol.com

Effluent Toxicity Report Form - Chronic Pass/Fail and Acute LC_{50}

Date: April 22, 2011

Facility: **Enviromental Chemists, Inc.** NPDES #: NC-**S000533** Pipe #: **001** County: **Columbus**
Hexion - Momentive

Laboratory Performing Test: Environmental Testing Solutions, Inc.
Signature of Operator in Responsible Charge:
Signature of Laboratory Supervisor:

Comments:
Project: 7050
Sample: 110406.28

Mail Original To: North Carolina Department of Environment and Natural Resources
DWQ/ Environmental Sciences Branch
1621 Mail Service Center
Raleigh, NC 27699-1621

Chronic Test Results
Calculated *t*:
Tabular *t*:
% Reduction:

Percent Mortality	Average Reproduction
Control	Control
Treatment 2	Treatment 2
Control CV	
	Pass / Fail
% control organisms producing 3rd brood	

North Carolina *Ceriodaphnia* Chronic Pass/Fail Reproduction Toxicity Test

Control Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (**L**)ive, (**D**)ead												

Effluent Percentage

Treatment 2 Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (**L**)ive, (**D**)ead												

pH (S.U.)	1st Sample		1st Sample		2nd Sample	
	Start	End	Start	End	Start	End
Control						
Treatment 2						

D.O. (mg/l)	1st Sample		1st Sample		2nd Sample	
Control						
Treatment 2						

Test Start Date: 04-06-11

Collection (Start) Date:
Sample 1 04-05-11 Sample 2

Sample Type/Duration

	Grab	Comp.	Duration
Sample 1	X	.	.
Sample 2			

	Dilution Water	Sample 1	Sample 2
Alkalinity (mg $CaCO_3$/L)	32		
Hardness (mg $CaCO_3$/L)	37		
Conductivity (µmhos/cm)	150	541	
Total Residual Chlorine (mg/L)		< 0.10	
Sample Temp. at Receipt (°C)		0.8	

LC_{50}/Acute Toxicity Test
(Mortality expressed as %, combining replicates.)

Concentration (%)	Control	6.25	12.5	25	50	100
Mortality (%)	0	0	0	0	0	85%

LC_{50} = **75.2%**
95% Confidence Limits
69.6% to 81.2%

Method of Determination
[X] Trimmed Spearman Karber
[ ] Probit
[.] Other: .

	Start	End
Control	7.56	7.61
High Conc.	7.60	7.77
pH (S.U.)		

	Start	End
Control	7.8	7.5
High Conc.	8.1	7.1
DO (mg/L)		

Organism Tested: *Pimephales promelas* **Duration:** **24-hours**

ETS
Environmental Testing Solutions, Inc.

Date: 04-06-11

Acute Whole Effluent Toxicity Test
(EPA-821-R-02-012)
Species: *Pimephales promelas* Duration: 24-hours

Client:	Environmental Chemists, Inc.	NPDES #:	NCS 000533
Facility:	Hexion - MOMENTIVE	County:	COLUMBUS
		Outfall/Pipe:	001
Comments:			

Test organism information:

Organism age:	2 DAYS OLD
Date and times organisms were born between:	04-04-11 1600
Organism source:	ATOX BATCH Pp 04-04-11
Date and time organisms were fed:	04-06-11 0700 + 1300
Approximate transfer vessel volume per replicate (mL):	0.1776 L
Live wet weight of 10 larvae (g):	0.0069 g
Loading (g/L): (acceptance limit < 0.40 g/L at 25°C)	0.0276 g/L
Transfer vessel information:	pH = 7.89 SU Temperature= 25.0 °C

Test information:

Randomizing template:	PURAE
Incubator number:	3E
Control/Dilution water type:	SSW
Control/Dilution water batch:	03-31-11

Full-strength chemistry:

Parameter	Control	Sample
pH (S.U.)	7.56	7.60
DO (mg/L)	7.8	8.1
Conductivity (µmhos/cm)	150	541
Alkalinity (mg $CaCO_3$/L)	32	
Hardness (mg $CaCO_3$/L)	37	
Total Residual Chlorine (mg/L)		<0.10

Sample information:

	Sample
Collection start date:	04-05-11
Collection end time:	0747
Grab/Composite (duration):	GRAB
Temperature (°C) upon receipt:	0.8°C
Physical characteristics:	TAN SLIGHTLY CLOUDY PARTICLES
ETS project number:	7050
ETS sample number:	110406.28

Dilution preparation:

Test concentration:	6.25%	12.5%	25%	50%	100%
mL Sample:	31.25	62.5	125	250	500
mL Dilution water:	468.75	437.5	375	250	0
Total volume (mL)	500	500	500	500	500

ETS
Environmental Testing Solutions, Inc.

Client: Hexion, Outfall 001 *Date:* 04-06-11

Test concentration chemistry:

Day	Parameter	Control		6.25%		12.5%	
		Concentration					
Day 1	pH (S.U.)	7.56	7.11	7.55	7.63	7.57	7.67
Analyst	DO (mg/L)	7.8	7.5	8.0	7.5	8.0	7.5
Initial: MAF	Conductivity (µmhos/cm)	150		172		196	
Final: CDD	Temperature (°C)	24.7	24.7	24.7	24.7	24.7	24.7
		Initial	Final	Initial	Final	Initial	Final

Day	Parameter	25%		50%		100%	
		Concentration					
Day 1	pH (S.U.)	7.59	7.70	7.61	7.77	7.60	7.77
	DO (mg/L)	7.9	7.4	8.0	7.4	8.1	7.1
	Conductivity (µmhos/cm)	240		346		591	
	Temperature (°C)	24.7	24.8	24.7	24.5	24.8	24.5
		Initial	Final	Initial	Final	Initial	Final

Survival Data

Initial Number of Organisms	Concentration					
	Control	6.25%	12.5%	25%	50%	100%
Date: 04-06-11	A 10	E 10	I 10	M 10	Q 10	U 10
Time: 1528	B 10	F 10	J 10	N 10	R 10	V 10
Analyst: JL						

24 hour Survival (number of living organisms)	Concentration					
	Control	6.25%	12.5%	25%	50%	100%
Date: 04-07-11	A 10	E 10	I 10	M 10	Q 10	U 1 Sd
Time: 1525	B 10	F 10	J 10	N 10	R 10	V 2 Sd
Analyst: JL						
Mean Mortality	0%	0%	0%	0%	0%	85%

Test Results:	24-hour
Method:	TSK
Upper control limit:	81.2%
Lower control limit:	69.6%
LC50 (median lethal concentration):	75.2%

Calculations and data reviewed: KEN

Acute Fathead Minnow Test-24 Hr Survival

Start Date:	4/6/2011	Test ID:	PpFRAC	Sample ID:	Enviro Chemists - Hexion Momentive
End Date:	4/7/2011	Lab ID:	ETS-Envir. Testing Sol.	Sample Type:	DMR-Discharge Monitoring Report
Sample Date:		Protocol:	ACUTE-EPA-821-R-02-012	Test Species:	PP-Pimephales promelas
Comments:					

Conc-%	1	2
D-Control	1.0000	1.0000
6.25	1.0000	1.0000
12.5	1.0000	1.0000
25	1.0000	1.0000
50	1.0000	1.0000
100	0.1000	0.2000

			Transform: Arcsin Square Root						1-Tailed		Number	Total
Conc-%	Mean	N-Mean	Mean	Min	Max	CV%	N	t-Stat	Critical	MSD	Resp	Number
D-Control	1.0000	1.0000	1.4120	1.4120	1.4120	0.000	2				0	20
6.25	1.0000	1.0000	1.4120	1.4120	1.4120	0.000	2	0.000	2.830	0.1159	0	20
12.5	1.0000	1.0000	1.4120	1.4120	1.4120	0.000	2	0.000	2.830	0.1159	0	20
25	1.0000	1.0000	1.4120	1.4120	1.4120	0.000	2	0.000	2.830	0.1159	0	20
50	1.0000	1.0000	1.4120	1.4120	1.4120	0.000	2	0.000	2.830	0.1159	0	20
*100	0.1500	0.1500	0.3927	0.3218	0.4636	25.550	2	24.884	2.830	0.1159	17	20

Auxiliary Tests	Statistic	Critical	Skew	Kurt
Normality of the data set cannot be confirmed				
Equality of variance cannot be confirmed				

Hypothesis Test (1-tail, 0.05)	NOEC	LOEC	ChV	TU	MSDu	MSDp	MSB	MSE	F-Prob	df
Dunnett's Test	50	100	70.7106781	2	0.04858263	0.04982834	0.34633574	0.0016779	1.3E-06	5, 6
Treatments vs D-Control										

Trimmed Spearman-Karber

Trim Level	EC50	95% CL	
0.0%			
5.0%			
10.0%			
20.0%	75.170	69.627	81.155
Auto-15.0%	75.170	69.627	81.155

ETS
Environmental Testing Solutions, Inc.

PO Box 7565
Asheville, NC 28802
Phone: (828) 350-9364
Fax: (828) 350-9368
E-mail: JimSumner@aol.com

Effluent Toxicity Report Form - Chronic Pass/Fail and Acute LC_{50}

Date: April 22, 2011

Facility: **Enviromental Chemists, Inc.** NPDES #: NC-**S000533** Pipe #: **002** County: **Columbus**
Hexion - Momentive

Laboratory Performing Test: Environmental Testing Solutions, Inc.
Signature of Operator in Responsible Charge:
Signature of Laboratory Supervisor:

Comments: .
Project: 7050
Sample: 110406.29

Mail Original To: North Carolina Department of Environment and Natural Resources
DWQ/ Environmental Sciences Branch
1621 Mail Service Center
Raleigh, NC 27699-1621

Chronic Test Results
Calculated *t*:
Tabular *t*:
% Reduction:

Percent Mortality	Average Reproduction
Control	Control
Treatment 2	Treatment 2
Control CV	
	Pass / Fail
% control organisms producing 3rd brood	

North Carolina *Ceriodaphnia* Chronic Pass/Fail Reproduction Toxicity Test

Control Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (L)ive, (D)ead												

Effluent Percentage

Treatment 2 Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (L)ive, (D)ead												

pH (S.U.)	1st Sample		1st Sample		2nd Sample	
	Start	End	Start	End	Start	End
Control						
Treatment 2						

D.O. (mg/l)	1st Sample		1st Sample		2nd Sample	
Control						
Treatment 2						

Test Start Date: 04-06-11

Collection (Start) Date:
Sample 1 04-05-11 Sample 2

Sample Type/Duration

	Grab	Comp.	Duration
Sample 1	X		
Sample 2			

	Dilution Water	Sample 1	Sample 2
Alkalinity (mg $CaCO_3$/L)	32		
Hardness (mg $CaCO_3$/L)	37		
Conductivity (µmhos/cm)	150	300	
Total Residual Chlorine (mg/L)		< 0.10	
Sample Temp. at Receipt (°C)		0.8	

LC_{50}/Acute Toxicity Test
(Mortality expressed as %, combining replicates.)

Concentration (%)	Control	6.25	12.5	25	50	100
Mortality (%)	0	0	0	0	0	10%

LC_{50} = **>100%**
95% Confidence Limits
NC to NC

Method of Determination
[ ] Trimmed Spearman Karber
[ ] Probit
[X] Other: Visual Inspection

	pH (S.U.) Start	pH (S.U.) End		DO (mg/L) Start	DO (mg/L) End
	7.56	7.65	Control	7.8	7.6
	7.51	7.48	High Conc.	8.4	7.0

Organism Tested: *Pimephales promelas* **Duration:** **24-hours**

ETS
Environmental Testing Solutions, Inc.

PO Box 7565
Asheville, NC 28802
Phone: (828) 350-9364
Fax: (828) 350-9368
E-mail: JimSumner@aol.com

Effluent Toxicity Report Form - Chronic Pass/Fail and Acute LC_{50}

Date: April 22, 2011

Facility: **Enviromental Chemists, Inc.** NPDES #: NC-**S000533** Pipe #: **005** County: **Columbus**
Hexion - Momentive

Laboratory Performing Test: Environmental Testing Solutions, Inc.
Signature of Operator in Responsible Charge:
Signature of Laboratory Supervisor:

Comments:
Project: 7050
Sample: 110406.30

Mail Original To: North Carolina Department of Environment and Natural Resources
DWQ/ Environmental Sciences Branch
1621 Mail Service Center
Raleigh, NC 27699-1621

Chronic Test Results
Calculated *t*:
Tabular *t*:
% Reduction:

Percent Mortality	Average Reproduction
Control	Control
Treatment 2	Treatment 2
Control CV	
	Pass / Fail
% control organisms producing 3rd brood	

North Carolina *Ceriodaphnia* Chronic Pass/Fail Reproduction Toxicity Test

Control Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (L)ive, (D)ead												

Effluent Percentage [ ]

Treatment 2 Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (L)ive, (D)ead												

pH (S.U.)	1st Sample		1st Sample		2nd Sample	
	Start	End	Start	End	Start	End
Control						
Treatment 2						

D.O. (mg/l)	1st Sample		1st Sample		2nd Sample	
Control						
Treatment 2						

Test Start Date: 04-06-11

Collection (Start) Date:
Sample 1 04-05-11 Sample 2

Sample Type/Duration

	Grab	Comp.	Duration
Sample 1	X		
Sample 2			

	Dilution Water	Sample 1	Sample 2
Alkalinity (mg $CaCO_3$/L)	32		
Hardness (mg $CaCO_3$/L)	37		
Conductivity (µmhos/cm)	150	189	
Total Residual Chlorine (mg/L)		< 0.10	
Sample Temp. at Receipt (°C)		0.8	

LC_{50}/Acute Toxicity Test
(Mortality expressed as %, combining replicates.)

Concentration (%)	Control	6.25	12.5	25	50	100
Mortality (%)	0	0	0	0	75%	100%

LC_{50} = **42.0%**
95% Confidence Limits
36.8% to 48.1%

Method of Determination
[ ] Trimmed Spearman Karber
[ ] Probit
[X] Other: Spearman-Karber

pH (S.U.) Start	pH (S.U.) End		DO (mg/L) Start	DO (mg/L) End
7.56	7.57	Control	7.8	7.6
7.22	7.16	High Conc.	7.5	6.7

Organism Tested: *Pimephales promelas* **Duration:** 24-hours

ETS
Environmental Testing Solutions, Inc.

Date: 04-06-11

Acute Whole Effluent Toxicity Test
(EPA-821-R-02-012)
Species: *Pimephales promelas* **Duration:** 24-hours

Client:	Environmental Chemists, Inc.	NPDES #:	NCS 000533
Facility:	Hexion – MOMENTIVE	County:	COLUMBUS
		Outfall/Pipe:	002
Comments:			

Test organism information:

Organism age:	2 DAYS OLD
Date and times organisms were born between:	04-04-11 1600
Organism source:	ATOX BATCH Pp 04-04-11
Date and time organisms were fed:	04-06-11 0700 + 1300
Approximate transfer vessel volume per replicate (mL):	0.1776 mL
Live wet weight of 10 larvae (g):	0.0069 g
Loading (g/L): (acceptance limit < 0.40 g/L at 25°C)	0.0276 g/L
Transfer vessel information:	pH = 7.89 SU Temperature= 25.0 °C

Test information:

Randomizing template:	PURPLE
Incubator number:	3E
Control/Dilution water type:	SSW
Control/Dilution water batch:	03-31-11

Full-strength chemistry:

Parameter	Control	Sample
pH (S.U.)	7.56	7.51
DO (mg/L)	7.8	8.4
Conductivity (µmhos/cm)	150	300
Alkalinity (mg $CaCO_3$/L)	32	
Hardness (mg $CaCO_3$/L)	37	
Total Residual Chlorine (mg/L)		<0.10

Sample information:

	Sample
Collection start date:	04-05-11
Collection end time:	0739
Grab/Composite (duration):	GRAB
Temperature (°C) upon receipt:	0.8°C
Physical characteristics:	TAN CLOUDY PARTICLES
ETS project number:	7050
ETS sample number:	110406.29

Dilution preparation:

Test concentration:	6.25%	12.5%	25%	50%	100%
mL Sample:	31.25	62.5	125	250	500
mL Dilution water:	468.75	437.5	375	250	0
Total volume (mL)	500	500	500	500	500

ETS Environmental Testing Solutions, Inc.

Client: Hexion, Outfall 002 *Date:* 04-06-11

Test concentration chemistry:

Day	Parameter	Control (Concentration)		6.25%		12.5%	
Day 1	pH (S.U.)	7.56	7.65	7.55	7.64	7.58	7.64
Analyst	DO (mg/L)	7.8	7.6	8.1	7.6	7.9	7.6
Initial: MHF	Conductivity (µmhos/cm)	150		159		170	
Final: CDJ	Temperature (°C)	24.8	24.6	24.8	24.6	24.9	24.6
		Initial	Final	Initial	Final	Initial	Final

Day	Parameter	25% (Concentration)		50%		100%	
Day 1	pH (S.U.)	7.66	7.64	7.62	7.60	7.51	7.48
	DO (mg/L)	7.9	7.4	8.0	7.3	8.4	7.0
	Conductivity (µmhos/cm)	188		227		300	
	Temperature (°C)	24.9	24.5	25.0	24.4	25.0	24.5
		Initial	Final	Initial	Final	Initial	Final

Survival Data

Initial Number of Organisms	Control	6.25%	12.5%	25%	50%	100%
Date: 04-06-11	A 10	E 10	I 10	M 10	Q 10	U 10
Time: 1528	B 10	F 10	J 10	N 10	R 10	V 10
Analyst: JH						

24 hour Survival (number of living organisms)	Control	6.25%	12.5%	25%	50%	100%
Date: 04-07-11	A 10	E 10	I 10	M 10	Q 10	U 9 1d
Time: 1525	B 10	F 10	J 10	N 10	R 10	V 9 1d
Analyst: JH						
Mean Mortality	0%	0%	0%	0%	0%	10%

Test Results:	24-hour
Method:	VISUAL INSP
Upper control limit:	NC
Lower control limit:	NC
LC50 (median lethal concentration):	>100%

Calculations and data reviewed: JH

ETS
Environmental Testing Solutions, Inc.

Date: 04-06-11

Acute Whole Effluent Toxicity Test
(EPA-821-R-02-012)
Species: *Pimephales promelas* Duration: 24-hours

Client:	Environmental Chemists, Inc.	NPDES #:	NCS 000533
Facility:	Hexion - MOMENTIVE	County:	COLUMBUS
		Outfall/Pipe:	005
Comments:			

Test organism information:

Organism age:	2 DAYS OLD
Date and times organisms were born between:	04-04-11 1600
Organism source:	ATOX BATCH Pp 04-04-11
Date and time organisms were fed:	04-06-11 0700 + 1300
Approximate transfer vessel volume per replicate (mL):	0.1776 mL
Live wet weight of 10 larvae (g):	0.0069 g
Loading (g/L): (acceptance limit < 0.40 g/L at 25°C)	0.0216 g/L
Transfer vessel information:	pH = SU Temperature= °C 7.89 ~~7.90~~ 25.0

Test information:

Randomizing template:	RED-ORANGE
Incubator number:	1D
Control/Dilution water type:	SSW
Control/Dilution water batch:	03-31-11

Full-strength chemistry:

Parameter	Control	Sample
pH (S.U.)	7.56	7.22
DO (mg/L)	7.8	7.5
Conductivity (µmhos/cm)	150	189
Alkalinity (mg $CaCO_3$/L)	32	
Hardness (mg $CaCO_3$/L)	37	
Total Residual Chlorine (mg/L)		<0.10

Sample information:

	Sample
Collection start date:	04-05-11
Collection end time:	0744
Grab/Composite (duration):	GRAB
Temperature (°C) upon receipt:	0.8°C
Physical characteristics:	TAN SLIGHTLY CLOUDY PARTICLES
ETS project number:	7050
ETS sample number:	110406.30

Dilution preparation:

Test concentration:	6.25%	12.5%	25%	50%	100%
mL Sample:	31.25	62.5	125	250	500
mL Dilution water:	468.75	437.5	375	250	0
Total volume (mL)	500	500	500	500	500

ETS
Environmental Testing Solutions, Inc.

Client: Hexion, Outfall 005 *Date:* 04-06-11

Test concentration chemistry:

Day	Parameter	Control		6.25%		12.5%	
		Concentration					
Day 1	pH (S.U.)	7.56	7.57	7.56	7.57	7.56	7.56
Analyst	DO (mg/L)	7.8	7.6	7.7	7.7	7.6	7.7
Initial: MHF	Conductivity (µmhos/cm)	150		154		159	
Final: CDJ	Temperature (°C)	24.7	24.2	24.7	24.7	24.7	24.8
		Initial	Final	Initial	Final	Initial	Final

Day	Parameter	25%		50%		100%	
		Concentration					
Day 1	pH (S.U.)	7.57	7.51	7.30	7.38	7.22	7.16
	DO (mg/L)	7.5	7.6	7.5	7.2	7.5	6.7
	Conductivity (µmhos/cm)	163		170		189	
	Temperature (°C)	24.8	24.8	24.8	24.8	25.0	24.8
		Initial	Final	Initial	Final	Initial	Final

Survival Data

Initial Number of Organisms	Concentration					
	Control	6.25%	12.5%	25%	50%	100%
Date: 04-06-11	A 10	E 10	I 10	M 10	Q 10	U 10
Time: 1543	B 10	F 10	J 10	N 10	R 10	V 10
Analyst: JH						

24 hour Survival (number of living organisms)	Concentration					
	Control	6.25%	12.5%	25%	50%	100%
Date: 04-07-11	A 10	E 10	I 10	M 10	Q 1 dd	U 0 dd
Time: 1540	B 10	F 10	J 10	N 10	R 4 dd	V 0 dd
Analyst: JH						
Mean Mortality	0%	0%	0%	0%	75%	100%

Test Results:	24-hour
Method:	SK
Upper control limit:	48.1%
Lower control limit:	36.0%
LC50 (median lethal concentration):	42.0%

Calculations and data reviewed: KEK

Acute Fathead Minnow Test-24 Hr Survival

Start Date:	4/6/2011	Test ID:	PpFRAC	Sample ID:	Enviro Chemists - Hexion Momentive
End Date:	4/7/2011	Lab ID:	ETS-Envir. Testing Sol.	Sample Type:	DMR-Discharge Monitoring Report
Sample Date:		Protocol:	ACUTE-EPA-821-R-02-012	Test Species:	PP-Pimephales promelas
Comments:					

Conc-%	1	2
D-Control	1.0000	1.0000
6.25	1.0000	1.0000
12.5	1.0000	1.0000
25	1.0000	1.0000
50	0.1000	0.4000
100	0.0000	0.0000

			Transform: Arcsin Square Root						1-Tailed		Number	Total
Conc-%	Mean	N-Mean	Mean	Min	Max	CV%	N	t-Stat	Critical	MSD	Resp	Number
D-Control	1.0000	1.0000	1.4120	1.4120	1.4120	0.000	2				0	20
6.25	1.0000	1.0000	1.4120	1.4120	1.4120	0.000	2	0.000	2.850	0.3271	0	20
12.5	1.0000	1.0000	1.4120	1.4120	1.4120	0.000	2	0.000	2.850	0.3271	0	20
25	1.0000	1.0000	1.4120	1.4120	1.4120	0.000	2	0.000	2.850	0.3271	0	20
*50	0.2500	0.2500	0.5032	0.3218	0.6847	51.002	2	7.918	2.850	0.3271	15	20
100	0.0000	0.0000	0.1588	0.1588	0.1588	0.000	2				20	20

Auxiliary Tests	Statistic	Critical	Skew	Kurt
Normality of the data set cannot be confirmed				
Equality of variance cannot be confirmed				

Hypothesis Test (1-tail, 0.05)	NOEC	LOEC	ChV	TU	MSDu	MSDp	MSB	MSE	F-Prob	df
Dunnett's Test	25	50	35.3553391	4	0.19309754	0.19804875	0.33035333	0.01317462	0.00166126	4, 5
Treatments vs D-Control										

Trimmed Spearman-Karber

Trim Level	EC50	95% CL	
0.0%	42.045	36.764	48.085
5.0%	41.349	35.715	47.872
10.0%	40.730	34.852	47.599
20.0%	39.838	33.945	46.754
Auto-0.0%	42.045	36.764	48.085

Environmental Testing Solutions, Inc.

PO Box 7565
Asheville, NC 28802
Phone: (828) 350-9364
Fax: (828) 350-9368

April 22, 2011

Mr. Jay Baker
Environmental Chemists, Inc.
6602 Windmill Way
Wilmington, NC 28405

RE: ETS PROJECT NUMBER: **7050 and 7051**

Dear Mr. Baker:

Enclosed are toxicity test results for samples from **Hexion - Momentive** received by Environmental Testing Solutions, Inc. on April 06, 2011.

Outfall	Test Procedure	Method Number	Final Results (24-hour LC_{50})
001	Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms, October 2002 (*Pimephales promelas* Acute LC_{50} Toxicity Test)	EPA-821-R-02-012	75.2%
002	Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms, October 2002 (*Pimephales promelas* Acute LC_{50} Toxicity Test)	EPA-821-R-02-012	>100%
003	Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms, October 2002 (*Pimephales promelas* Acute LC_{50} Toxicity Test)	EPA-821-R-02-012	34.2%
004	Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms, October 2002 (*Pimephales promelas* Acute LC_{50} Toxicity Test)	EPA-821-R-02-012	36.9%
005	Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms, October 2002 (*Pimephales promelas* Acute LC_{50} Toxicity Test)	EPA-821-R-02-012	42.0%
006	Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms, October 2002 (*Pimephales promelas* Acute LC_{50} Toxicity Test)	EPA-821-R-02-012	70.7%
009	Methods for Measuring the Acute Toxicity of Effluents and Receiving Waters to Freshwater and Marine Organisms, October 2002 (*Pimephales promelas* Acute LC_{50} Toxicity Test)	EPA-821-R-02-012	> 100%

Note: **24-hour LC_{50} = Median Lethal Concentration.** An estimate of the concentration of effluent, which is lethal to 50% of the test organisms in 24 hours.

If these tests were performed as an NPDES requirement or by Administrative Letter, please enter the respective LC_{50} on each Effluent Discharge Monitoring Form (MR-1) for the collection date **April 05, 2011** using the parameter code **TAE6C**.

Additionally, please sign and submit the original DWQ Aquatic Toxicity Forms (AT-1) by **May 31, 2011.**

If you have any questions concerning these results, please feel free to contact me.

Sincerely,

Jim Sumner
Laboratory Director

This report should not be reproduced, except in its entirety, without the written consent of Environmental Testing Solutions, Inc.
The results in this report relate only to the samples submitted for analysis.

ETS
Environmental Testing Solutions, Inc.

PO Box 7565
Asheville, NC 28802
Phone: (828) 350-9364
Fax: (828) 350-9368
E-mail: JimSumner@aol.com

Effluent Toxicity Report Form - Chronic Pass/Fail and Acute LC_{50}

Date: April 22, 2011

Facility: **Enviromental Chemists, Inc.** NPDES #: NC-**S000533** Pipe #: **001** County: **Columbus**
Hexion - Momentive

Laboratory Performing Test: Environmental Testing Solutions, Inc.
Signature of Operator in Responsible Charge:
Signature of Laboratory Supervisor:

Comments:
Project: 7050
Sample: 110406.28

Mail Original To: North Carolina Department of Environment and Natural Resources
DWQ/ Environmental Sciences Branch
1621 Mail Service Center
Raleigh, NC 27699-1621

Chronic Test Results
Calculated *t*:
Tabular *t*:
% Reduction:

North Carolina *Ceriodaphnia* Chronic Pass/Fail Reproduction Toxicity Test

Control Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												-
Adult Survival: (L)ive, (D)ead												

Effluent Percentage [ ]

Treatment 2 Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (L)ive, (D)ead												

Percent Mortality	**Average Reproduction**
Control	Control
Treatment 2	Treatment 2
Control CV	**Pass** / **Fail**
% control organisms producing 3rd brood	

pH (S.U.)	1st Sample Start	1st Sample End	1st Sample Start	1st Sample End	2nd Sample Start	2nd Sample End
Control						
Treatment 2						

D.O. (mg/l)	1st Sample Start	1st Sample End	1st Sample Start	1st Sample End	2nd Sample Start	2nd Sample End
Control						
Treatment 2						

Test Start Date: 04-06-11

Collection (Start) Date:
Sample 1 04-05-11 Sample 2

Sample Type/Duration

	Grab	Comp	Duration
Sample 1	X	.	
Sample 2			

	Dilution Water	Sample 1	Sample 2
Alkalinity (mg $CaCO_3$/L)	32		
Hardness (mg $CaCO_3$/L)	37		
Conductivity (µmhos/cm)	150	541	
Total Residual Chlorine (mg/L)		< 0.10	
Sample Temp. at Receipt (°C)		0.8	

LC_{50}/Acute Toxicity Test
(Mortality expressed as %, combining replicates.)

Concentration (%)	**Control**	6.25	12.5	25	50	100
Mortality (%)	0	0	0	0	0	85%

LC_{50} = **75.2%**
95% Confidence Limits
69.6% to 81.2%

Method of Determination
[X] Trimmed Spearman Karber
[ ] Probit
[.] Other: .

	pH (S.U.) Start	pH (S.U.) End		DO (mg/L) Start	DO (mg/L) End
	7.56	7.61	Control	7.8	7.5
	7.60	7.77	High Conc	8.1	7.1

Organism Tested: *Pimephales promelas* **Duration: 24-hours**

DWQ form AT-1 (3/87) rev. 11/95

ETS
Environmental Testing Solutions, Inc.

PO Box 7565
Asheville, NC 28802
Phone: (828) 350-9364
Fax: (828) 350-9368
E-mail: JimSumner@aol.com

Effluent Toxicity Report Form - Chronic Pass/Fail and Acute LC_{50}

Date: April 22, 2011

Facility: **Enviromental Chemists, Inc.** NPDES #: NC-**S000533** Pipe #: **002** County: **Columbus**
Hexion - Momentive

Laboratory Performing Test: Environmental Testing Solutions, Inc.
Signature of Operator in Responsible Charge:
Signature of Laboratory Supervisor:

Comments: .
Project: 7050
Sample: 110406.29

Mail Original To: North Carolina Department of Environment and Natural Resources
DWQ/ Environmental Sciences Branch
1621 Mail Service Center
Raleigh, NC 27699-1621

Chronic Test Results
Calculated *t*:
Tabular *t*:
% Reduction:

North Carolina *Ceriodaphnia* Chronic Pass/Fail Reproduction Toxicity Test

Control Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (**L**)ive, (**D**)ead												

Effluent Percentage [ ]

Treatment 2 Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (**L**)ive, (**D**)ead												

Percent Mortality	**Average Reproduction**
Control	Control
Treatment 2	Treatment 2
Control CV	**Pass** / **Fail**
% control organisms producing 3rd brood	

pH (S.U.)	1st Sample Start	1st Sample End	1st Sample Start	1st Sample End	2nd Sample Start	2nd Sample End
Control						
Treatment 2						

D.O. (mg/l)	1st Sample		1st Sample		2nd Sample	
Control						
Treatment 2						

Test Start Date: 04-06-11

Collection (Start) Date:
Sample 1 04-05-11 Sample 2

Sample Type/Duration

	Grab	Comp	Duration
Sample 1	X	.	.
Sample 2			

	Dilution Water	Sample 1	Sample 2
Alkalinity (mg $CaCO_3$/L)	32		
Hardness (mg $CaCO_3$/L)	37		
Conductivity (µmhos/cm)	150	300	
Total Residual Chlorine (mg/L)		< 0.10	
Sample Temp. at Receipt (°C)		0.8	

LC_{50}/Acute Toxicity Test

(Mortality expressed as %, combining replicates.)

Concentration (%)	**Control**	**6.25**	**12.5**	**25**	**50**	**100**
Mortality (%)	0	0	0	0	0	10%

LC_{50} = **>100%**
95% Confidence Limits
NC to NC

Method of Determination
[ ] Trimmed Spearman Karber
[ ] Probit
[X] Other: Visual Inspection

pH (S.U.) Start	End		**DO (mg/L)** Start	End
7.56	7.65	Control	7.8	7.6
7.51	7.48	High Conc.	8.4	7.0

Organism Tested: *Pimephales promelas* **Duration:** 24-hours

DWQ form AT-1 (3/87) rev. 11/95

ETS
Environmental Testing Solutions, Inc.

PO Box 7565
Asheville, NC 28802
Phone: (828) 350-9364
Fax: (828) 350-9368
E-mail: JimSumner@aol.com

Effluent Toxicity Report Form - Chronic Pass/Fail and Acute LC_{50}

Date: April 22, 2011

Facility: **Enviromental Chemists, Inc.** NPDES #: NC-**S000533** Pipe #: **005** County: **Columbus**
Hexion - Momentive

Laboratory Performing Test: Environmental Testing Solutions, Inc.
Signature of Operator in Responsible Charge:
Signature of Laboratory Supervisor:

Comments: .
Project: 7050
Sample: 110406.30

Mail Original To: North Carolina Department of Environment and Natural Resources
DWQ/ Environmental Sciences Branch
1621 Mail Service Center
Raleigh, NC 27699-1621

Chronic Test Results
Calculated *t*:
Tabular *t*:
% Reduction:

North Carolina *Ceriodaphnia* Chronic Pass/Fail Reproduction Toxicity Test

Control Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (L)ive, (D)ead												

Effluent Percentage

Treatment 2 Organisms	1	2	3	4	5	6	7	8	9	10	11	12
Number of Young Produced												
Adult Survival: (L)ive, (D)ead												

Percent Mortality	Average Reproduction
Control	Control
Treatment 2	Treatment 2
Control CV	
	Pass / Fail
% control organisms producing 3rd brood	

pH (S.U.)	1st Sample Start	1st Sample End	1st Sample Start	1st Sample End	2nd Sample Start	2nd Sample End
Control						
Treatment 2						

D.O. (mg/l)	1st Sample		1st Sample		2nd Sample	
Control						
Treatment 2						

Test Start Date: 04-06-11

Collection (Start) Date:
Sample 1 04-05-11 Sample 2

Sample Type/Duration

	Grab	Comp.	Duration
Sample 1	X	.	
Sample 2			

	Dilution Water	Sample 1	Sample 2
Alkalinity (mg $CaCO_3$/L)	32		
Hardness (mg $CaCO_3$/L)	37		
Conductivity (µmhos/cm)	150	189	
Total Residual Chlorine (mg/L)		< 0.10	
Sample Temp at Receipt (°C)		0.8	

LC_{50}/Acute Toxicity Test
(Mortality expressed as %, combining replicates.)

Concentration (%)	Control	6.25	12.5	25	50	100
Mortality (%)	0	0	0	0	75%	100%

LC_{50} = **42.0%**
95% Confidence Limits
36.8% to 48.1%

Method of Determination
[ ] Trimmed Spearman Karber
[ ] Probit
[X] Other: Spearman-Karber

	pH (S.U.) Start	pH (S.U.) End		DO (mg/L) Start	DO (mg/L) End
	7.56	7.57	Control	7.8	7.6
	7.22	7.16	High Conc.	7.5	6.7

Organism Tested: *Pimephales promelas* **Duration:** **24-hours**

DWQ form AT-1 (3/87) rev. 11/95