



February 12th 2015

Dear Hounsfield Heights-Briar Hill Resident,

Sears Canada Inc. (Sears) and Clifton Associates Ltd. (Clifton) are pleased to provide the following annual letter on the environmental investigation activities related to the clean-up of subsurface hydrocarbons in the community of Hounsfield Heights – Briar Hill. The purpose of this letter is to update the community on the past year's events, and future remedial action plans.

In May of 2014, Sears and Clifton conducted an Open House for the Hounsfield Heights community on the accidental leak which occurred at the former Sears Gas bar at North Hill Shopping Centre. The specific purpose of the Open House was to update the residents on the status of the subsurface clean-up of hydrocarbons and introduce the new Site Management Plan (SMP) that had been sent to Alberta Environment and Sustainable Resource Development (AESRD). At that meeting, representatives from AESRD, Alberta Health Services (AHS), City of Calgary (City), Hounsfield Heights - Briar Hill Community Association Gas Plume Committee and Intrinsik were present, along with Sears and Clifton to answer any questions.

During the presentation, Sears advised the community that although Sears has made good progress with the clean-up, due to the increased standards in AESRD's guidelines for subsurface hydrocarbons, we needed to embark on a new investigation in the community in order to define the extent of the hydrocarbon plume to the current guidelines. This would involve decommissioning some of the old wells that were in the ground and installing new ones in the coming months to extract soil and groundwater samples and collect new data. Once these samples are evaluated, an updated health risk assessment (HRA) would be conducted to determine if the new information has identified any health risk to the area. The previous HRA completed for the site in 2006 indicated that subsurface hydrocarbon exceedances did not pose a health risk. The data would then be analyzed in order to determine what clean-up techniques may be applicable to move forward.

Sears began decommissioning the old wells in July of 2014, after obtaining the necessary permits from the City and engaging a qualified contractor. This work continued into the coming months and, despite some weather delays, we managed to complete the majority of the drilling work by the end of 2014 as anticipated. Not all the drilling work is completed; we still have some work to do on the site adjacent to where the former gas bar was located and may require some additional drilling in the community, depending on the results of the soil and groundwater sampling.

Following the open house, Sears provided a complete list of all the questions and answers posed at the Open House in May as it had committed to do, and continued to update the community quarterly on its progress through the Hounsfield Heights - Briar Hill Beacon newsletter and the community associated Website. If you were unable to access this list of questions and answers, please contact us to arrange a method of delivery of this document that is most suitable for you.

Sears and Clifton would like acknowledge that during the drilling work being conducted at the beginning of January, a Telus Fiber Optic underground utility line was damaged, resulting in the loss of internet and home phone service for some residents. The incident was a direct result of the line not properly being located by Telus and a third-party utility locator. Telus repaired the line immediately and we apologize for any inconvenience this may have caused you.



The Dual Phase Vapour Extraction System (DPVE) located in Lions Park continued to operate in 2014, extracting contaminants from the subsurface, filtering them and discharging water to the City sewer system. The DPVE was part of the previous SMP of the area and continues to operate in 2015. Its future use will be evaluated within the new SMP.

Over the coming weeks and months we are planning to take groundwater and vapour samples from all of the new monitoring wells. This work is expected to be completed by the end of March, 2015. The results will be reported to AESRD, AHS, City, HH-BH Gas Plume Committee, and also sent to Intrinsik in order to conduct a new HRA. The HRA is expected to take 4-8 weeks to complete after which AESRD and AHS will review it. Depending on the findings, Sears and Clifton can look at clean-up options required to move forward.

Sears and Clifton will continue to update the community on a quarterly basis as it progresses through this next phase. Sears reaffirms its commitment to remediate the site to the levels required, ensuring no health risk or impact to the environment.

We want to thank the community for their support and patience during this process, if you have any questions or concerns please feel free to contact one of the Sears or Clifton representatives listed below.

Sincerely

A handwritten signature in black ink, appearing to read "G. Paliouras".

Greg Paliouras, Divisional Vice-President,
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A handwritten signature in black ink, appearing to read "Stephen d'Abadie".

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For copies of current or historical documentation, please visit the AESRD website at
<www.esar.alberta.ca/esarmain.aspx> and enter a PBL Search for Plan: 8210266