



Greetings,

## 2018 Second Quarter Communication

We would like to provide an update to our situation under the Companies' Creditors Arrangement Act (CCAA) and the current environmental assessment, monitoring and remediation activities that are ongoing in the Hounsfield Heights-Briar Hill Community (HH-BH).

### CCAA Proceedings

Sears remains in the process of selling off its remaining assets, principally our owned real estate for which the timing to complete is still unknown but expected to occur over the next few months. Our principal concern, and that of our court-appointed Monitor (FTI Consulting Canada), continues to be to maximize the recovery for our creditors, including employees and retirees. The Monitor continues to have oversight of our operations, including approving all our expenditures. We remain under court-ordered protection from our creditors.

### Environmental Update

When we last communicated with you in April 2018, we informed you of the environmental protection order issued against Sears and Concord North Hill GP Ltd., the owner of the former Sears department store in the North Hill Centre by Alberta Environment and Parks (AEP) to continue with the existing Remedial Action Plan (RAP) previously approved by AEP.

Sears is in compliance with the EPO, and continues to engage its consultant Clifton, which completed its semi-annual soil vapour monitoring and groundwater sampling in May and delineating the extent of the plume to the southwest in June. The soil vapour monitoring, implemented as an additional means of assessing the risk to human health within the Community, did not produce results that would indicate any changes to previous assessments and risks to human health remain low and unlikely. Also the groundwater monitoring report showed improvements to contamination levels in areas on 11<sup>th</sup> avenue where we are piloting a bioremediation strategy "PlumeStop". More work is ongoing to develop this remediation strategy in the next quarter so that Sears and Concord can submit a written plan to the Director of Environment by mid-December for the remediation of hydrocarbon residuals and benzene within the area of the Community.

All of these reports have been forwarded to the relevant stakeholders, including AEP and the Briar Hill-Hounsfield Heights Plume Committee for posting to the community website.

The Dual Phase Vapour Extraction System (DPVE) that was previously shut down for maintenance and repairs during the spring sampling period has been reinstated and continues to extract contaminants from the site, as a part of the RAP.

For copies of current or historical documentation, please visit the Environmental Site Assessment Repository (ESAR) website at [www.esar.alberta.ca/esarmain.aspx](http://www.esar.alberta.ca/esarmain.aspx) > and enter a PBL Search for Plan: 8210266





We intend to continue to communicate quarterly to residents, by way of written update posted on the HH-BH website, and more frequently should significant new developments arise. Sears and Clifton appreciate the opportunity to provide this update to the residents of the HH-BH Community. If you have any questions or concerns, please feel free to contact one of the Sears or Clifton representatives listed below.

Yours sincerely,

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