

Greetings,

## **2018 Fourth Quarter Communication**

This communication includes an update to our status 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**

On December 3<sup>rd</sup>, 2018 the Ontario Superior Court of Justice (the Court) granted an order extending the stay of proceedings against Sears until May 2<sup>nd</sup>, 2019.

Also on December 3<sup>rd</sup>, the Court granted an order (the Governance Protocol Order) expanding the powers and authorities of the Monitor in order to facilitate the efficient and streamlined administration of the Sears Canada estate. The Governance Protocol Order permits the Monitor to take over the management and supervision of the remaining matters to be resolved in the CCAA Proceedings including:

- the resolution of certain outstanding disputed claims;
- the sale of the remaining owned real estate assets;
- the distribution of proceeds of the Sears Canada Entities; and
- the pursuit of litigation for the benefit of Sears Canada.

For more information on the CCAA, including copies of the orders referred to above, please visit the Monitor's website at <http://cfcanada.fticonsulting.com/searscanada>.

### **Environmental Update**

When we last communicated with you in the fall, we informed you that Suncor had been added as a party to the Environmental Protection Order (EPO) originally issued against Sears and Concord North Hill GP Ltd. The Environmental Appeals Board has since issued a limited stay of the EPO other than the ongoing monitoring and sampling and development of the Remediation Plan. Alberta Environment (AEP) and the Appeals Board are in the process of scheduling a mediation and a hearing to deal with concerns raised by the EPO, including who are proper parties to the EPO.

While these arrangements are being made, Sears, along with its environmental consultant, Clifton, have been continuing the work required to comply with the EPO. This past quarter Clifton continued to evaluate the new remediation technology "PlumeStop" piloted on 11<sup>th</sup> Avenue. The sampling results continue to show positive signs. Groundwater sampling for the site was completed in October and November, with a report to be issued later this month. Currently, a soil vapour monitoring event is in process with the field work expected

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

to be completed by the end of this month. As required by the EPO, we submitted an updated Remediation Plan to AEP in December for their feedback. All of these reports (once completed) will be made available to the relevant stakeholders, including AEP and the Community.

The Dual Phase Vapour Extraction System (DPVE) continues to operate except for limited periods when maintenance and repairs are required. As part of the new Remediation Plan we are proposing to retrofit/upgrade the DPVE to ensure its continued effectiveness until it is no longer required.

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

Yours sincerely,

Greg Paliouras, Divisional Vice-President,  
Construction, Energy and Maintenance Sears Canada Inc.  
700 - 290 Yonge Street, Toronto, Ontario M5B 2C3 T (416) 460 5457  
[Greg.Paliouras@Sears.ca](mailto:Greg.Paliouras@Sears.ca)

Clifton Contact: Stephen d'Abadie, MEng  
Environmental Scientist/Regional Manager Clifton Associates  
2222 – 30th Avenue NE, Calgary, Alberta T2E 7K9 T (403) 263 2556 Ext 4139  
[Stephen\\_dAbadie@Clifton.ca](mailto:Stephen_dAbadie@Clifton.ca)