



**CONSTRUCTION
ENERGY
MAINTENANCE**



October 23, 2014

Sears Canada Inc (Sears) and Clifton Associates Ltd. (Clifton), are pleased to provide the following status update on the active investigation within the community of Hounsfield Heights.

Since the previous Beacon posting dated July 28th, 2014, Sears and Clifton have begun implementing the proposed work plan presented in the Draft Updated Site Management Plan (2014) with the contractors All Service Drilling and AGAT Laboratories. To date, the monitoring well decommissioning is over 75% complete and the borehole drilling and monitoring well installation has now begun. We are anticipating that the borehole drilling/monitoring well installation program will be completed by the end of 2014/early 2015, followed immediately by our first round of groundwater monitoring and sampling. Once the borehole drilling is completed and samples taken, Clifton will begin using this information to revise the Conceptual Site Model and provide information to Intrinsik to complete the revised Health Risk Assessment.

An incident occurred on August 14th during the borehole decommissioning program. A sensor failed in the drive train of the drilling rig, resulting in the rig moving independently on a portion of 15th Street NW. While no one was injured, the equipment damaged a handrail located at the intersection of 11th Avenue and 15th Street NW. A full investigation was completed. All parties were contacted and fully informed of the incident, including the City of Calgary and a resident of 15th Street. The mechanical error on the drilling rig was immediately corrected, and additional safety measures were implemented to ensure that this type of incident does not occur again. The City of Calgary considers the matter closed.

The Dual Phase Vapor Extraction system has been operating well over the past several months, removing petroleum hydrocarbons from the subsurface. Recently, there has been a two week shut down due to a mechanical failure with the burner unit. Sequoia, the contractor maintaining the system, has been on top of this issue since it occurred and the equipment was back up and running once the burner unit was corrected. It is expected that it will continue operating throughout the remainder of the borehole drilling and monitoring well installation program.

Lastly, Sears and Clifton were also pleased to submit to the Community a comprehensive list of answers to questions that were received both during the Open House and via email in the weeks that followed. We hope that you found this information helpful and, as always, if you have any further questions, please do not hesitate contacting Clifton or Sears directly.

Sears and Clifton appreciate the opportunity to provide this information to the residents of Hounsfield Heights and look forward to being able to issue our next progress report in the coming months.

Sincerely,

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