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July 26, 2019

SLS West Loop, LP
2500 West Loop South, Suite 518
Houston, Texas 77027

Re: Proposed Redevelopment
Former Chevron Bellaire Facility
4800 Fournace Place
Bellaire, Harris County, Texas
Document No.: LET-19-0558-005 Rev 1

To Whom It May Concern:

The Site, located on the western portion of 4800 Fournace Place, represents a 3.15-acre tract and a 9.65-acre tract (the Site) of a 33-acre property (the Property) interchangeably addressed as 4800 Fournace Place and 5901 South Rice Avenue in Bellaire, Harris County, Texas. The property is commonly known as the former Chevron Bellaire Facility. The facility began operating in the 1940s to support upstream petroleum research. By 1990, the research activities at the Property had ceased. During Chevron's occupancy of the Site, laboratory and research structures were constructed and/or operated. The laboratory and research buildings, located on the western portion of the Property, were demolished between 2013 and 2016. Chevron occupied other portions of the Property for administrative purposes or office use until 2018.

The Property is registered with the Texas Commission on Environmental Quality (TCEQ) Industrial Hazardous Waste Corrective Action Program (IHW-CAP), a State of Texas administered regulatory program, as IHW-CAP No. 31650. Environmental investigations at the Property associated with participation in the IHW-CAP to date have been substantial.

Chevron is in the final stages of completing assessment activities at the Property. In 2017, Chevron completed the removal of shallow soil on the west side of the Property that was not suitable for direct residential contact. It should be noted that the Property is serviced by a municipal water system and there are no known issues with the potable water supplied to the Site. Groundwater at the Property is affected with chemicals of concern (COCs) sourced from both historic on-site and off-site sources. Based upon discussions with Chevron, a Response Action Plan (RAP) is anticipated for delivery to the TCEQ IHW-CAP by the end of 2019.

Chevron has communicated to SLS West Loop, LP that the anticipated remedy for the property is most likely a Plume Management Zone (PMZ) for the on-site sourced COCs on the west side of the Property, with the possibility for targeted injections of chemical oxidants to aid in source reduction, and an institutional control, in the form of a deed restriction prohibiting the potable use of groundwater at the Property, for the off-site sourced compounds.

Relative to the planned redevelopment of the Site several questions have been posed which are presented and answered below.

1. *Are there environmental issues that would prevent construction at the Site for retail, restaurants, multi-family, office, gym, or entertainment uses?*

   In modern built-up urban settings, environmental contamination like that present at the Property, is not uncommon. Properties with similar issues, that are actively participating in or have completed TCEQ based regulatory programs, are commonly redeveloped for beneficial use. Deed restrictions and/or similar Activity Use Limitations (AULs) are commonly associated with properties that have received or are undergoing risk-based environmental regulatory closure. At the time that Chevron divested the property in 2018, a Specialty Warranty Deed was developed that included certain AULs and restrictions associated with current and future uses of the Property. ESE recommends compliance with the deed restrictions and AULs and that the Site continue to pursue regulatory site closure with the TCEQ via the remedies afforded and/or allowed under the Texas Risk Reduction Program (TRRP). ESE is not aware of an environmental issue that would preclude development of the Site as noted above.

2. *Are there environmental issues that would prevent zoning of the Site for retail, restaurants, multi-family, office, gym, or entertainment uses?*

   ESE is not aware of an environmental issue that would prevent zoning of the Site for retail, restaurants, multi-family, office, gym, or entertainment uses. See response to Question 1 relative to recommended and/or required redevelopment obligations.

3. *Are there environmental issues that would prevent the issuance of building permits to the Site for retail, restaurants, multi-family, office, gym, or entertainment uses?*

   ESE is not aware of an environmental issue that would prevent issuance of building permits at the Site for retail, restaurants, multi-family, office, gym, or entertainment uses. See response to Question 1 relative to recommended and/or required redevelopment obligations.

4. *Do you know of an environmental condition at the Site that would have children playing in contaminated soil?*

   As stated above, Chevron has completed the removal of soil at the Site that was not suitable for residential contact.

If you have any questions, or if you would like to discuss in more detail, please do not hesitate to contact me directly.

Sincerely,

ESE PARTNERS, LLC

Jason Binford
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Senior Geologist