

DANNY SORRELLS
DIRECTOR, OIL AND GAS DIVISION
CLAY WOODUL
ASSISTANT DIRECTOR, FIELD OPERATIONS

RAILROAD COMMISSION OF TEXAS

OIL AND GAS DIVISION

February 5, 2019

Mr. Jon Beer The Market at Riverstone, LLC 3200 Kirby Drive, Suite 910 Houston, TX 77098

RE:

VCP Certificate of Completion with Restrictions Regency Riverstone Development – Tract 2 Sugar Land Ranch – Section 2 Approximately 7.30-Acres Sugar Land, Harris County, Texas VCP Application 03-18003

Dear Mr. Beer:

Staff of the Railroad Commission of Texas (RRC) Voluntary Cleanup Program (VCP) is pleased to enclose the Certificate of Completion with restrictions to The Market at Riverstone, LLC. This letter only applies to historical oil and gas exploration and production activities on the property that are subject to RRC jurisdiction. The property consists of a ±7.30-acre tract, located at the southwest corners of South University Boulevard and LJ Parkway in Sugarland, Texas (Site). The Site is part of a larger 52.18-acre parent tract identified as the Sugar Land Ranch Section 2 development, RRC VCP No. 03-60007, that is located along the northern portion of the historic Sugar Land Oil Field. The following reports were reviewed:

RRC voluntary Cleanup Program Revision of Closure Conditions Letter for VCP No. 03-60007, Regency Riverstone Development – Tract 2, Sugar Land Ranch – Section 2, Harris County, TX, dated April 9, 2018;

RRC voluntary Cleanup Program Revision of Closure Conditions for VCP No. 03-60007 – Volume 1, 2, and 3, Regency Riverstone Development – Tract 2, Sugar Land Ranch – Section 2, Harris County, TX, dated April 9, 2018;

History of Site

The Site's parent track is the Sugar Land Ranch Section 2 development was originally used for agriculture, as well as oil and gas exploration as part of the Sugar Land Oil Field. Oil and gas production in the area began around the 1920's and continued into 2001, when the last well was plugged and abandoned. A Phase I Environmental Site Assessment was submitted in June of 2012, which identified several areas of concern (AOC) within the 52.18-acre parent tract. A well site

Mr. Jon Beer 2/5/19 Page 2

located in the southwestern portion of the parent tract was identified as AOC B-22 due to detected concentrations of lead and barium in soil above the soil-to-groundwater protective concentration levels (PCL). Closure of the VCP site associated with the parent tract (03-60007) was granted by the use of a restrictive covenant limiting land use to commercial/industrial purposes and restricting the use of affected groundwater within the 52.18-acre property. In April of 2018, Apex Companies, LLC (Apex), on behalf of the Market at Riverstone, requested that the 7.30-acre tract within the 52.18-acre parent tract be reclassified for residential land use.

Soil

During the site investigation conducted in 2016, eight confirmation samples were collected adjacent to and in the vicinity of soil boring B-22, which had detected exceedances of lead and barium at 1-3 feet deep in May of 2006. Soil samples were collected from the intervals exhibiting the highest organic vapor readings, from immediately above the soil to groundwater interface, and from intervals exhibiting aesthetic impacts, such as staining or odors. Soil samples were analyzed for benzene, toluene, ethylbenzene, and xylenes (BTEX), total petroleum hydrocarbons (TPH), and metals. Lead was not detected above the soil-to-groundwater PCL in any of the eight confirmation samples; however, barium was detected above the PCL in one of the eight samples (B-22 SW). Following the collection of confirmation samples, B-22 SW was analyzed for barium by the Synthetic Precipitation Leaching Procedure (SPLP), which indicated that the barium concentration measured in B-22 SW (1,107 mg/kg) was protective of groundwater. All other constituents of concern (COCs) were below the applicable PCL.

Groundwater

Depth to groundwater at the Site was approximately 17 feet below ground surface and the gradient is to the southwest, towards the Brazos River. Two groundwater samples were collected within the 7.30-acre tract (AOC B-22) in February and March 2016. Groundwater samples were analyzed for BTEX, TPH, chloride, and metals. Analytical data showed no exceedances of COCs from groundwater collected within AOC B-22.

Remediation Activities

Based on soil and groundwater samples collected within the 7.30-acre tract, soil at the Site was deemed to be protective of residential land use. An Institutional Control document with the following provisions was filed in the Fort Bend County Clerk's Office on November 20, 2018. The document is filed as 2018129702 and includes the following limitations:

- 1. Use of the groundwater beneath the Affected Property shall not be allowed except for monitoring purposes.
- 2. These restrictions shall be a covenant running with the land.

On behalf of the RRC, staff of the Site Remediation Section thank you for your participation in the VCP. I can be reached at 512-463-6823 or leslie.bruce@rrc.texas.gov.

Sincerely,

Leslie Bruce

Mr. Jon Beer 2/5/19 Page 2

Site Remediation Technical Coordinator

Enclosure- VCP Certificate of Completion

cc: Peter Fisher, Director, District 3 RRC Office, Houston (via email)
Al Narvaez, Apex Companies, LLC (via email)
Mark Gentry, Apex Companies, LLC (via email)
VCP Reading File

VOLUNTARY CLEANUP PROGRAM FINAL CERTIFICATE OF COMPLETION RELYING ON INSTITUTIONAL CONTROLS

As provided for Chapter 91, Subchapter 0, Texas Natural Resource Code.

I, PETER G. POPE, ASSISTANT DIRECTOR OF THE SITE REMEDIATION SECTION, OIL AND GAS DIVISION, RAILROAD COMMISSION OF TEXAS, CERTIFY UNDER CHAPTER 91, SUBCHAPTER 0, TEXAS NATURAL RESOURCE CODE, THAT NECESSARY RESPONSE ACTIONS HAVE BEEN COMPLETED FOR VOLUNTARY CLEANUP PROGRAM SITE VCP NO.03-18003 FOR THE TRACT OF LAND DESCRIBED IN EXHIBIT "A", BASED ON THE AFFIDAVIT OF COMPLETION OF RESPONSE ACTION, EXHIBIT "B" AND WHICH ARE FURTHER DESCRIBED IN THE APPROVED FINAL REPORT FOR THE SITE. THE APPLICANT WAS NOT A RESPONSIBLE PARTY UNDER SECTION 91.113. ON THE DATE OF ISSUANCE OF THIS CERTIFICATE THE APPLICANT IS QUALIFIED TO OBTAIN THE PROTECTION FROM LIABILITY PROVIDED BY CHAPTER 91, SUBCHAPTER 0, TEXAS NATURAL RESOURCE CODE.

EXECUTED on 05 February 2019

Peter G. Pope, Assistant Director

Site Remediation Section

STATE OF Texas

COUNTY OF Travis

BEFORE ME, personally appeared Peter G. Pope, Assistant Director, Site Remediation Section, of the Railroad Commission of Texas, known to me to be the person and agent of said commission whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 5th Day of February 2019.

RESHMA S. CHARLES
Notary Public-State of Texas
Notary ID #12958027-4
Commission Exp. OCT. 02, 2021

Notary without Bond

Notary Public in and for the State of Texas

EXHIBIT "A" RAILROAD COMMISSION OF TEXAS VOLUNTARY CLEANUP PROGRAM LEGAL DESCRIPTION 7.30-ACRE TRACT

VCP No. 03-18003

EXHIBIT "A" RAILROAD COMMISSION OF TEXAS VOLUNTARY CLEANUP PROGRAM LEGAL DESCRIPTION 7,30-ACRE TRACT

The Village at Riverstone LLC is the current landowner of the property and premises, and appurtenances thereto, located in Fort Bend County, Texas, consisting of a ±7.30 Acre Tract of land situated in the Williams Little Survey, Abstract 54, as recorded in Clerks File No. 2006092799 of the Official Records of Fort Bend County (O.R.F.B.C); said 7.30 acre tract being more particularly described by metes and bounds as follows. All bearings are based on the Texas Coordinate System, South Central Zone and references to the west Right-of-Way (R.O.W) line of LJ Boulevard as recorded in Plat Number 20120039 of the Fort Bend Plat Records;

Beginning at a 5/8-inh iron rod with cap stamped "COSTELO INC" found at the southeast corner of CVS Riverstone, a subdivision recorded in Plat Number 20130323 of the Fort Bend County Plat Records (F.B.C.P.R.), same being on the west R.O.W. of said L.J Parkway;

Thence, with said west R.O.W. line, 262.84 feet along the arc of a curve to the lest, said curve having a central angle of 07 degrees 20 minutes 14 seconds, a radius of 2,052,50 feet and a chord that bears South 21 degrees 28 minutes 11 seconds East, a distance of 262.66 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set;

Thence, through said 59997.7707 acre tract, South 54 degrees 30 minutes 22 seconds West, a distance of 463.28 feet to 5/8-inch iron rod with a cap stamped "COSTELO INC" set;

Thence, continuing through said 597.7707 acre tract, South 63 degrees 04 minutes 42 seconds West, a distance of 38.07 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set on the east line of Providence at Riverstone Section Two, a subdivision recorded in Plat Number 20130322 of the F.B.C.P.R;

Thence, with said east line, North 32 degrees 03 minutes 16 seconds West, a distance of 552.50 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set;

Thence, continuing with said east line, North 34 degrees 55 minutes 22 seconds West, a distance of 249.69 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set on the south line a 50-foot wide pipeline easement recorded in Clark's File Number 2007093433 of the O.R.F.B.B.C.;

Thence, with said south easement line, North 74 degrees 41 minutes 20 seconds East, a distance of 338.55 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set;

Thence, continuing with said south vestment line, North 77 degrees 40 minutes 47 seconds East, a distance of 114.90 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" found at the northwest corner of aforesaid CVS Riverstone;

Thence, with the west line of said CVS Riverstone, South 12 degrees 19 minutes 13 seconds East, a distance of 317.00 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" found;

Thence, with the south line of said CVS Riverstone, North 77 degrees 40 minutes 46 seconds East, a distance of 250.50 feet to the **Point of Beginning** and containing 7.30 acres of land.

EXHIBIT "B" RAILROAD COMMISSION OF TEXAS VOLUNTARY CLEANUP PROGRAM AFFIDAVIT OF COMPLETION

VCP No. 03-18003

EXHIBIT "B" RAILROAD COMMISSION OF TEXAS VOLUNTARY CLEANUP PROGRAM AFFIDAVIT OF COMPLETION OF RESPONSE ACTION AND INSTITUTIONAL CONTROLS

I, Abe Pacetti , representing The Village at Riverstone LLC, have completed the necessary response
actions, pursuant to Chapter 91, Subchapter O, Texas Natural Resource Code, at the approximately 7.30-
Acre tract of land described in Exhibit "A" (Site) of this certificate pertaining to Voluntary Cleanup
Program (VCP) No. 03-18003 located in Sugar Land, Fort Bend County, Texas. The applicant has
submitted and received approval from the Railroad Commission of Texas (RRC) on all plans and reports
required by the Voluntary Cleanup Agreement. The plans and reports were prepared using a prudent degree
of inquiry of the Site consistent with accepted industry standards to identify all contaminants, waste and
contaminated media of regulatory concern. The response actions for the site have achieved response action
levels as determined by the standards of the RRC and remain protective as long as the following controls
are maintained:

- 1. Use of the groundwater beneath the Affected Property shall not be allowed except for monitoring purposes.
- 2. These restrictions shall be a covenant running with the land.

These restrictions were filed in the Fort Bend County Clerk's office on November 20, 2018, Document No. 2018129702 (Attachment 1). The response actions eliminate substantial present or future risk to public health and safety and to the environment from releases and threatened releases of contaminants at or from the Site. The Applicant has not acquired this certificate of completion by fraud, misrepresentation, or knowing failure to disclose material information. Further information concerning the response actions at this Site may be found in the final report at the central office of the RRC filed under VCP No. 03-60007 and 03-18003.

The preceding is true and correct to the best of my knowledge and belief.

Applicant

By:

Print Name: Abe Pacetti

Vice President, Investments

STATE OF TEXAS COUNTY OF HARRIS

BEFORE ME, personally appeared ______ Abe Pace+ti _____, known to me to be the person and agent of said commission whose name is subscribed to the foregoing instrument, and he acknowledged to me that he executed the same for the purposes and in the capacity therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this 27 day of November 2018.

Notary Public in and for the State of **Texas**

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Attachment 1 ENVIRONMENTAL RESTRICTIVE COVENANT VCP. No. 03-18003 Institutional Control No. 2018129702



RAILROAD COMMISSION OF TEXAS ENVIRONMENTAL RESTRICTIVE COVENANT

STATE OF TEXAS	§
	§
COUNTY OF FORT BEND	§

This Restrictive Covenant (herein so called) is filed pursuant to the authority of the Railroad Commission of Texas (Commission) to control and clean up pollution caused by activities over which the Commission exercises jurisdiction in accordance with Section 91.113 of the Texas Natural Resources Code, and affects the real property (Property) described as follows:

The Village at Riverstone LLC is the current owner of the property and premises, and appurtenances thereto, located in Fort Bend County, Texas, consisting of a ±7.30 Acre Tract of land (Exhibit A) situated in the Williams Little Survey, Abstract 54, as recorded in Clerks File No. 2006092799 of the Official Records of Fort Bend County (O.R.F.B.C); said 7.30 acre tract being more particularly described by metes and bounds as follows (all bearings are based on the Texas Coordinate System, South Central Zone and referenced to the west Right-of-Way (R.O.W) line of LJ Boulevard as recorded in Plat Number 20120039 of the Fort Bend Plat Records:

Beginning at a 5/8-inh iron rod with cap stamped "COSTELO INC" found at the southeast corner of CVS Riverstone, a subdivision recorded in Plat Number 20130323 of the Fort Bend County Plat Records (F.B.C.P.R.), same being on the west R.O.W. of said L.J Parkway;

Thence, with said west R.O.W. line, 262.84 feet along the arc of a curve to the lest, said curve having a central angle of 07 degrees 20 minutes 14 seconds, a radius of 2,052.50 feet and a chord that bears South 21 degrees 28 minutes 11 seconds East, a distance of 262.66 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set;

Thence, through said 5997.7707 acre tract, South 54 degrees 30 minutes 22 seconds West, a distance of 463.28 feet to 5/8-inch iron rod with a cap stamped "COSTELO INC" set;

Thence, continuing through said 597.7707 acre tract, South 63 degrees 04 minutes 42 seconds West, a distance of 38.07 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set on the east line of Providence at Riverstone Section Two, a subdivision recorded in Plat Number 20130322 of the F.B.C.P.R;

Thence, with said east line, North 32 degrees 03 minutes 16 seconds West, a distance of 552.50 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set;

Thence, continuing with said east line, North 34 degrees 55 minutes 22 seconds West, a

distance of 249.69 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set on the south line a 50-foot wide pipeline easement recorded in Clark's File Number 2007093433 of the O.R.FB.B.C.;

Thence, with said south easement line, North 74 degrees 41 minutes 20 seconds East, a distance of 338.55feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" set;

Thence, continuing with said south vestment line, North 77 degrees 40 minutes 47 seconds East, a distance of 114.90 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" found at the northwest corner of aforesaid CVS Riverstone;

Thence, with the west line of said CVS Riverstone, South 12 degrees 19 minutes 13 seconds East, a distance of 317.00 feet to a 5/8-inch iron rod with a cap stamped "COSTELO INC" found;

Thence, with the south line of said CVS Riverstone, North 77 degrees 40 minutes 46 seconds East, a distance of 250.50 feet to the **Point of Beginning** and containing 7.30 acres of land and, as more fully described on **Exhibit A**, which exhibit is attached hereto and incorporated herein.

This restrictive covenant is required for the following reasons:

The Property, as shown on Exhibit A, was historically identified as part of The Market at Riverstone, LLC Sugar Land Ranch Section 2 development, RRC VCP No. 03-60007, that is located along the northern portion of the historic Sugar Land Oil Field. Environmental investigations and assessments previously completed throughout the undeveloped Property and adjoining tracts and submitted to the RRC include a Phase I ESA (March 1998), a Limited Phase II Environmental Investigation (July 2002), A Site Investigation Report (March 2016), a Remedial Action Plan (April 2016), and a Revised Remedial Action Plan (September 2016). Investigation of historical oil/gas well sites within the Property was conducted to identify and further assess lead and barium detections above regulatory limits as part of the September 2016 Revised Remedial Action Plan (RAP). Confirmation and characterization of barium and lead detections in soil was completed; however, synthetic precipitation leachate procedure (SPLP) laboratory analysis of the exceeding samples indicated that the barium and lead concentrations in Site soils were protective of groundwater. As groundwater was not affected by barium or lead and based on the SPLP results, the applicable critical protective concentration level (PCLs) for barium and lead in soil were determined to be the residential TotSoilComb concentration for each constituent. The maximum barium and lead concentrations encountered at the Property are well below PCLs therefore the soils are protective of human health and the environment and no further investigation or corrective action is required for barium or lead in Property soils. This restrictive covenant limits the use of the shallow groundwater bearing unit (GWBU) for domestic or irrigation uses; however, it allows for residential land end use throughout the 7.30 acre tract.

The maximum concentrations of barium and lead present in soil at the Property are presented in the table below:

Constituent of Concern	Critical PCL (mg/kg)	Maximum Concentration (mg/kg)
Barium	8,100	2,240
Lead	500	21.7

A Railroad Commission of Texas Environmental Restrictive Covenant ("Original Covenant") recorded as Document No. 2016112040, originally filed with Fort Bend County and recorded on October 6, 2016, encompassed a property totaling ± 55.17 Acres in size. The subject of this Restrictive Covenant is a ± 7.30 Acre Tract of land further described in Exhibit A, which was a portion of the Original Covenant. This Restrictive Covenant, its limitations, and amendments are limited to the ± 7.30 Acre Tract of land. Except as modified in this Restrictive Covenant, the Original Covenant remains in full force and effect. If a conflict arises between the terms of this Restrictive Covenant and the Original Covenant, this Restrictive Covenant shall control.

The investigation, assessment, remediation and analytical data are included in the following reports:

Phase I ESA	March 1998
Limited Phase II Environmental Investigation	March 2016
Remedial Action Plan	April 2016
Revised Remedial Action Plan	September 2016
Certificate of Completion with Restrictions (VCP Application No. 03-60007)	October 2016
RRC Voluntary Cleanup Program Revision of Closure Conditions	April 2018
7.3 Acres-Regency Riverstone Development VCP Application Acceptance (VCP Application No. 03- 18003)	May 2018

Copies of the reports may be obtained from the Site Remediation Section of the Railroad Commission of Texas, Oil and Gas Division, William B. Travis Building, 1701 N. Congress, Austin, Texas 78711-2967. The reports are filed under RRC Voluntary Cleanup Program (VCP) No. 03-60007 and 03-18003.

The completed investigations and closure conditions have been approved by the Commission based on the presumption that the groundwater beneath the Property will not be used for any purpose, except monitoring. Upon filing of this document, the Commission has determined

that, subject to the restriction imposed on the use of groundwater, the Affected Property currently meets acceptable recognized standards for residential land use.

For purposes of this Covenant, the term "residential use" means use for dwellings such as single-family houses and multi-family apartments, children's homes, nursing homes, residential portions of government-owned lands (local, state or federal), day care facilities, educational facilities, hospitals, residential portions of ranch and farm land, and parks (local, state or federal).

This restrictive covenant is necessary to assure that all present and future owners of the Affected Property are aware of its condition and do not use the Affected Property in the future in any manner inconsistent with this restriction. If any person desires to use the Affected Property in the future in any manner inconsistent with the restrictions described in this covenant, the Commission must be notified at least 60 days in advance of such use. Additional response action contemplating a change in land use or in the size of the assumed exposure area may be necessary. The additional response action must be approved by the Commission and completed prior to commencement of the new use of the Property.

The Village at Riverstone LLC. is the owner of the Property. In consideration of the completed environmental investigations leading to final approved conditions of the Property, the Owner of the Property has agreed to place the following restrictions on the Property in favor of the Commission and the State of Texas. Now therefore, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the following restrictive covenants in favor of the Commission and the State of Texas are placed on the Property described in Exhibit "A," to-wit:

- 1. Use of the shallow groundwater beneath the Affected Property shall not be allowed except for monitoring purposes.
- 2. These restrictions shall be a covenant running with the land.

For additional information, contact:

Railroad Commission of Texas Site Remediation Section P O Box 12967 1701 N. Congress Austin, Texas 78711-2967 Railroad Commission Voluntary Cleanup No.: 03-18003 As of the date of this Covenant, the record owner of fee title to The Village at Riverstone LLC with an address of 3200 Kirby Drive, Suite 910, in Houston, Harris County, Texas 77098.

This Restrictive Covenant may be rendered of no further force or effect only by a release executed by the Commission and filed in the same Real Property Records as those in which this Restrictive Covenant is filed.

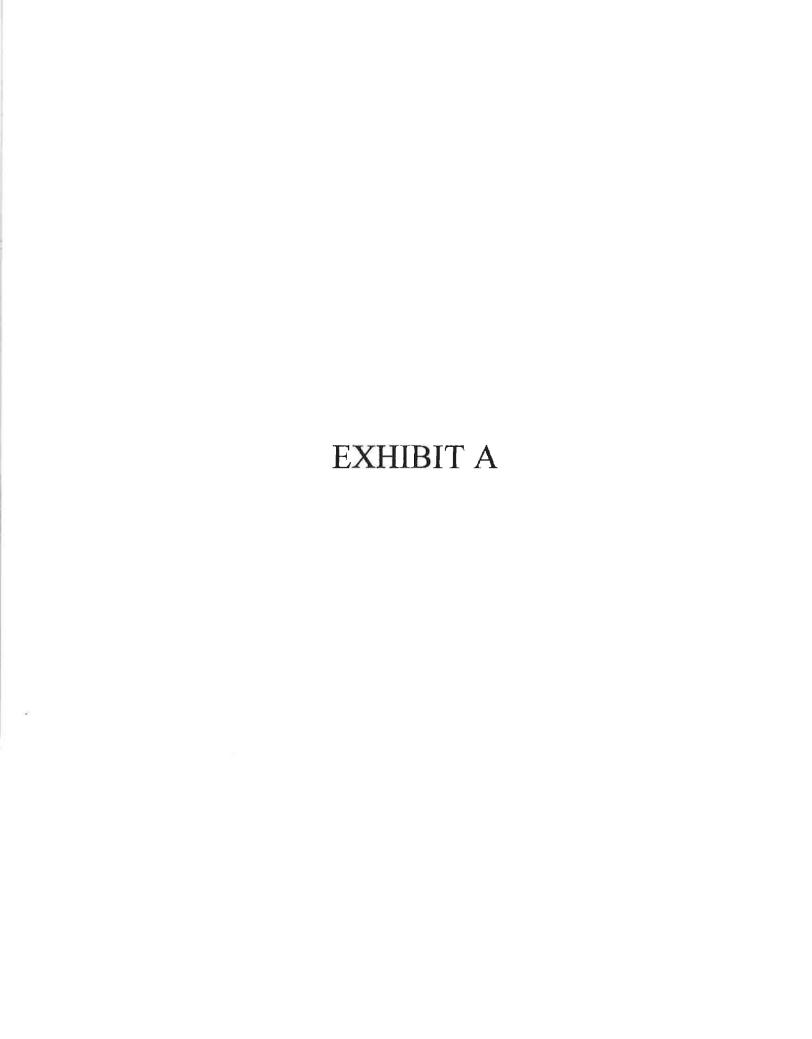
Executed this 30 day of Woke , 20	The Village at Riverstone LLC
	Printed Name: Abe Pacetti Vice President, Investments Title:
STATE OF TEXAS	
foregoing instrument, and they acknowle purposes and in the capacity herein expression	
MEGAN ANN BRUNNER Notary Public, State of Texas Comm. Expires 09-10-2022	OF OFFICE, this the 30 day of October Signature Meyen Because Notary Public in and for the State of Texas

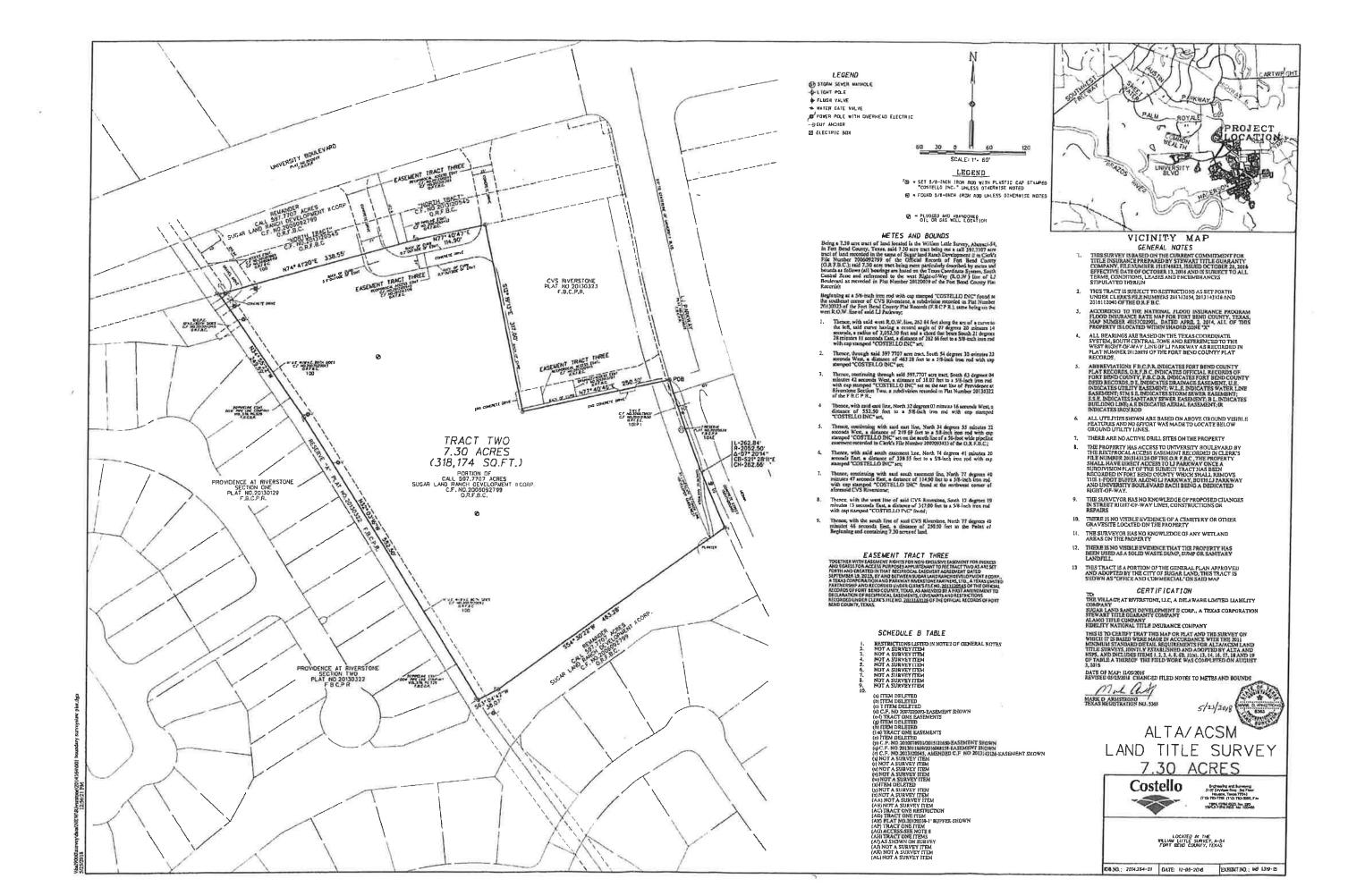
My Commission Expires: 09/10/2022

Comm. Expires 09-10-2022 Notary ID 13171597-3

Accepted as Third Party Beneficiary	this 13th day of November, 2018
	Railroad Commission of Texas Signature: Printed Name: Title:
STATE OF TEXAS	
Division of the Railroad Commission	of November, 2018, personally appeared alf of the Site Remediation Section of the Oil and Gas in of Texas, known to me to be the person whose name is ent, and they acknowledged to me that they executed the city herein expressed.
GIVEN UNDER MY HAND AND S	EAL OF OFFICE, this the 13 day of No venter
~~~~~	Signature Lug Oct
RESHMA S. CHARLES Notary Public-State of Texas	Notary Public in and for the State of Texas
Notary ID #12958027-4	My Commission Expires: October 2 2021
Commission Exp. OCT. 02, 2021	My Commission Expires ( ) ( ) ( )

Notary without Bond





RETURNED	AΤ	COUNTER	TO:

AL NARVAET

11391 MEADONGIEN LN 77082 Houston, TX

FILED AND RECORDED OFFICIAL PUBLIC RECORDS

Laura Richard, County Clerk

Fort Bend County Texas November 20, 2018 03:26:31 PM

JC2 FEE: \$41.00

2018129702