COASTAL PLANNING & ENGINEERING OF NORTH CAROLINA, INC.

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December 30, 2013

Christopher Layton Town Manager Town of Duck P.O. Box 8369 Duck, NC 27949

Subject: Invoice 1629689-R8-526 Project Update

Dear Mr. Layton:

This letter serves as an update to you and your staff on CPE-NC's progress with regards to the Permitting and Design Services for the Town of Duck beach nourishment project.

This invoice reflects our efforts in completing 34.2% of the scope of work as of December 1, 2013. The increase from the previously reported completion of 28.0% of the scope reflects CPE-NC's efforts during the month of November, 2013. These efforts are associated with coordination with Town staff, finalizing the beach profile survey report, and development of environmental documents.

Throughout the month of November, we finalized the survey report, which will be provided to the Town next week. The survey report includes methodology, survey control reports, plan view plots, and cross section plots of the beach profiles. Along with the hard copy of the report, digital copies of the survey data will also be provided.

Through the month of November we also continued to develop baseline information and project specific information for the environmental documentation. As mentioned in previous project updates, we have coordinated with federal and state permitting agencies to create an outline for the Environmental Assessment (EA). Since reaching an agreement on the outline, we have begun the development of the document utilizing the data that is available at this time.

On December 27, 2013 we provided a final report and submittal of geological data associated with the washbore activities authorized by Bureau of Ocean Energy Management (BOEM) Authorization E13-001, which were conducted by CPE-NC through a contract with the Town of Kill Devil Hills. The final submittal includes maps, sample locations, washbore logs, granularmetric reports, and grain size distribution curves. Observations made during the washbore operations as well as data generated from processing sediment samples suggest a high probability of sufficient quantities of beach compatible sand exists within the areas investigated. Based on this reconnaissance investigation, CPE-NC has recommended to local sponsors that a comprehensive marine sand search investigation be conducted to further delineate the quantity and quality of sand resources in these areas.

On Friday November 22, 2013, CPE-NC provided a proposal for the Town of Duck portion of the Marine Sand Search Investigation and Borrow Area Design. We received a signed copy of the agreement from the Town on November 25, 2013, which provides notice to proceed. On December 5, 2013, CPE-NC submitted applications to conduct both geological and geophysical prospecting for sand sources in sub-sections of each of the areas surveyed during the washbore investigation conducted in September.

Please feel free to contact me anytime for further clarification or explanation of the project.

Very truly yours,

COASTAL PLANNING & ENGINEERING OF NORTH CAROLINA, INC.

Kenneth Willson Project Manager