

COASTAL PLANNING & ENGINEERING OF NORTH CAROLINA, INC.

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September 29, 2014

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

Subject: Invoices 1863929-R8-526 and 1863937-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.

Invoice 1863929-R8-526 reflects our efforts in completing 78.0% of the permitting and design scope of work as of September 1, 2014. The increase from the previously reported completion of 75.0% of the scope reflects CPE-NC's efforts during the month of August, 2014. These efforts are associated with development of environmental documents.

Invoice 186397-R8-526 reflects our efforts in completing 72.8% of the marine sand search investigation and borrow area design scope of work as of September 1, 2014. Note that the invoice distinguishes between the base cost of the sand search and the contingency associated with vibracores that may or may not be needed. The increase from the previously reported completion of 41.4% of the scope reflects CPE-NC's efforts during the month of August, 2014. These efforts were associated with collection of vibracores offshore Dare County and data processing including logging, photographing and sieve analysis.

Permitting and Design:

Throughout the month of August we continued addressed comments received from the Bureau of Ocean Energy Management (BOEM) and the U.S. Army Corps of Engineers (USACE) on the Environmental Assessment (EA), Biological Assessment (BA), and Essential Fish Habitat assessment (EFH). The design alternative has been finalized with the exception of the final borrow area. Borrow area information is expected to be available by mid-October, at which time the final BA and EFH will be submitted, and Draft EA will be submitted.

Marine Sand Search and Borrow Area Design:

Vibracore operations were completed on August 4th resulting in the collection of 100 vibracores within 3 primary investigation areas offshore Duck, Kitty Hawk, and Kill Devil Hills. Throughout the month of August, staff continued photographing, logging, and sampling the vibracores for further analysis. Preliminary results of the vibracore analysis suggest that sufficient, high quality sediment is available to construct all three projects from the main investigation area offshore Kill Devil Hills. At this time, we are still evaluating the sediment characteristics of the areas sampled offshore of the Town of Duck. We have not yet formulated a definitive opinion on the quality and quantity of the material within those 2 investigation areas.

At the time of this letter, all vibracores have been logged and photographed. Likewise all samples have undergone mechanical sieve analysis. Most of the data has been entered into a database that will be used to develop final borrow area composite sediment characteristics. Most of the samples have also undergone carbonate analysis. Borrow area designers are utilizing available vibracore and geophysical data to further delineate boundaries of the proposed borrow areas. Planning is underway for the final field surveys which entail a detailed geophysical survey and cultural resource survey, which is scheduled to begin early next

week. We also finalized our Final report to BOEM describing operations conducted under BOEM Authorization E13-003 (vibracore operations). A copy of the report was provided to you on September 23, 2014.

As previously stated, we are on schedule to have final borrow area composite information ready by the middle of October so that the Final EFH and BA can be submitted, which will start the 12 month clock anticipated for informal consultation between the USACE, BOEM, U.S. Fish and Wildlife Service (US FWS), and the National Marine Fisheries Service (NMFS).

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.

A handwritten signature in black ink, appearing to read 'K Willson', is written over a light gray rectangular background.

Kenneth Willson
Project Manager