

COASTAL PLANNING & ENGINEERING OF NORTH CAROLINA, INC.

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November 5, 2014

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

Subject: Invoices 1884053-R8-526 and 1884051-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 1884053-R8-526 reflects our efforts in completing 81.0% of the permitting and design scope of work as of October 1, 2014. The increase from the previously reported completion of 78.0% of the scope reflects CPE-NC's efforts during the month of September, 2014. These efforts are associated with development of environmental documents and coordination with the Town, County, and other 2 Towns.

Invoice 1884051-R8-526 reflects our efforts in completing 75.0% of the marine sand search investigation and borrow area design scope of work as of October 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 72.8% of the scope reflects CPE-NC's efforts during the month of September, 2014. These efforts were associated with data processing of vibracores and planning for the design geophysical survey.

Permitting and Design:

Throughout the month of September we continued to address 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). As of October 1, we were still awaiting final borrow area information to finish the documents. We also attended a meeting of the 3-Towns and the County on September 9th to provide project updates.

Borrow area composite characteristics were finalized in mid-October and were incorporated into the Final BA and EFH at the end of October. These two documents were submitted to the BOEM and USACE on October 29th, which start the 12 month estimated clock for informal consultation with the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS). We anticipate submitting the Draft EA in the coming weeks.

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. During the month of September logging and photographing of all vibracores were completed. Likewise all samples have undergone mechanical sieve analysis. 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 of the date of this letter, all borrow area composites have been completed and integrated into environmental documents. Area A was found to contain approximately 17.0 million cubic yards of beach compatible sand. Area C was found to contain approximately 2.7 million cubic yards of beach compatible

sand. All of this material meets the state sediment criteria standards. During the development of the plans and specifications, we will further refine the borrow area to confirm that the portions designated for use during the 2016 construction events will meet our performance expectations.

Throughout the month of October the final design survey was conducted in Areas A and C. The survey was conducted between October 20th and October 29th. The survey included the collection of bathymetric, magnetometer, sidescan sonar, and subbottom profiler data along 30-meter spaced lines. This data will be used to finalize borrow area designs and to determine the presence/absence of any culturally significant resources in the borrow area that must be avoided.

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