

COASTAL PLANNING & ENGINEERING OF NORTH CAROLINA, INC.

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April 15, 2015

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

Subject: Invoices 2065393-R8-526 and 2065398-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 2065393-R8-526 reflects our efforts in completing 93.5% of the permitting and design scope of work as of March 1, 2015. The increase from the previously reported completion of 91.5% of the scope reflects CPE-NC's efforts during the month of February, 2015. These efforts are associated with project management, coordination with agencies on environmental documents and permit applications submitted, and finalizing the draft engineering report.

Invoice 2065398-R8-526 reflects our efforts in completing 98.0% of the marine sand search investigation and borrow area design scope of work as of March 1, 2015. Note that the invoice distinguishes between the base cost of the sand search and the contingency associated with vibrocores that may or may not be needed. The increase from the previously reported completion of 97.0% of the scope reflects CPE-NC's efforts during the month of February 2015. These efforts were associated with finalizing the offshore sand resource investigation and borrow area design report.

Permitting and Design:

Throughout the month of February we continued coordination with 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 Draft EA and a Dept. of the Army Permit Application were submitted on December 9, 2015. The commenting period on the DEA closed on February 23. We are currently working with BOEM and the USACE to address substantive comments. We are also currently finalizing the Major CAMA permit application. In addition, staff continued to finalize the engineering design report.

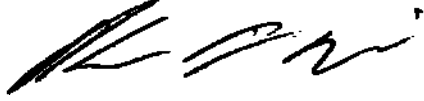
Marine Sand Search and Borrow Area Design:

During the month of February, CPE-NC staff worked on finalizing the offshore sand investigation report. The report is undergoing final review and we expect to provide a draft to the Towns for review early next week.

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', written in a cursive style.

Kenneth Willson
Project Manager