

EXHIBIT B

January 13, 2015



City of Durham
2011 Fay Street
Durham, North Carolina 27704

Attn: Mr. Joel Reitzer, AIA
Tel: 919-560-4197 ext. 235
Fax: 919-560-4196
Email: Joel.Reitzer@durhamnc.gov

Re: Site Investigation Proposal
Proposed City of Durham Police Headquarters
101 S Elizabeth Street, 113 S Elizabeth Street, 601 E Ramseur Street,
605 E Ramseur Street, 616 E Main Street, and 102 Hood Street
Durham, Durham County, North Carolina
Terracon Proposal No. P70150027

Dear Mr. Reitzer,

Terracon Consultants, Inc. (Terracon) appreciates the opportunity to submit this proposal to the City of Durham (client) to conduct a site investigation at the above-referenced site.

1.0 PROJECT INFORMATION

The site consists of six parcels totaling 4.523 acres located in downtown Durham, Durham County, North Carolina, within the city block formed by S. Elizabeth Street to the north, E. Main Street to the east, Hood Street to the south, and Ramseur Street to the west. Walker Street bisects the east end of the site. Walker Street is included in the site as it is owned by the current site owner and not a public street. The site encompasses the following addresses:

- 113 S. Elizabeth Street;
- 601 E. Ramseur Street;
- 605 E. Ramseur Street;
- 101 S. Elizabeth Street;
- 616 E. Main Street; and
- 102 Hood Street.

The following site features and/or historical uses were identified during completion of a Phase I ESA (Terracon Project No. 70147828 dated December 19, 2014)

Underground Storage Tanks (101 S. Elizabeth Street & 616 E. Main Street)

A former on-site filling station at the corner of S Elizabeth Street & Walker Street, presently 101 S. Elizabeth St) operated during the 1930s until at least the 1950s. Two former underground

Terracon Consultants, Inc. 2401 Brentwood Road, Suite 107 Raleigh, North Carolina 27604
P [919] 873-2211 F [9819] 873-9555 terracon.com

storage tanks (USTs) are depicted on historical Sanborn fire insurance maps along S. Elizabeth St. and one UST is depicted along Walker St. Terracon did not observe evidence of current USTs and the status of the three USTs is unknown. Auto service/repair operations also occurred on-site since the late 1920s which included operation of a paint booth within the building since at least the 1930s.

A former filling station operated at 616 E. Main Street during the 1930s and undocumented removal of up to three 250-gallon USTs in 1988 constitutes a REC to the site. Additionally, an auto sales and service building is depicted on the historical Sanborn fire insurance maps during the 1930s and 1950s. Prior reports depict two 1,000-gallon fuel oil USTs on the parcel. The reported UST use was associated with fueling building furnaces. The tanks (listed below as Tanks 4 and 5) were reportedly removed in 1988, and closure reports are not available as this pre-dates UST closure reporting requirements.

Sumps, cisterns, catch basins and/or dry wells (113 S. Elizabeth Street)

Based on site observations and interviews with Mr. Mark Carpenter, Terracon observed and/or understands the following belowground pits/structures are located at the site:

- One former belowground truck repair pit within the Ciderworks space at 113 S. Elizabeth St. The pit was covered by a refrigeration unit at the time of the site reconnaissance. According to Mr. Carpenter, the pit had a ladder or stairs to access the pit and allowed for large trucks to be parked over the pit while employees worked on trucks from within the pit. He was unaware of any drains within the pit and indicated the pit was mostly filled with concrete years ago.
- One sump pit (or possible oil/water separator) located along the southern wall within the former auto repair area. According to Mr. Carpenter, the trench drains that run the length of the former auto repair area drain to the sump pit.

Hydraulic Lifts & Floor Drains (113 S. Elizabeth Street)

Terracon observed evidence of numerous former in-ground hydraulic lifts within the former auto service area at 113 S. Elizabeth Street. Terracon estimates approximately 15 former lifts, however, an exact number could not be determined due to the presence of objects stored within the building at the time of the site reconnaissance. Each lift contained a small hydraulic oil tank contained in sub-grade concrete vaults. According to Mr. Mark Carpenter the lifts have been abandoned by filling the vaults with sand and covering the vaults with concrete.

Drums, barrels, and/or containers >5 gallons (113 S. Elizabeth Street & 218 Hood Street)

Within the Carolina Auto Masters tenant space at 113 S. Elizabeth Street and Durham Auto Center at 218 Hood St, Terracon observed numerous containers including five 55-gallon plastic drums of used oil, one 55-gallon plastic drum of antifreeze, five 19-gallon drums of racing fuel, a parts washer with petroleum solvent, and several smaller containers of petroleum products including hydraulic fluid, transmission fluid, new and used oil, fuel additives, etc. The containers were observed to be stored on the concrete floor of the buildings. Surficial staining was observed on the concrete floor beneath the containers.

Oil/water separators (113 S. Elizabeth Street)

One oil/water separator was observed within the Ciderworks space at 113 S. Elizabeth St. The building was originally constructed in 1948. According to Mr. Carpenter the oil/water separator was formerly associated with the truck repair operations and had not been utilized for many years. He indicated the unit drained to a stormwater drain north of the building.

Interior Floor Drains (101 S. Elizabeth Street)

Interior floor drains were observed within the former service bay areas associated with auto repair operations in the buildings located at 101 S. Elizabeth Street and 113 S. Elizabeth Street. The floor drains reportedly discharge to the municipal sewer or stormwater system.

Stained pavement or similar surface (101 S. Elizabeth Street & 113 S. Elizabeth Street)

Numerous areas of stained concrete were observed within the current and former service bay areas associated with auto repair operations in the buildings located at 101 S. Elizabeth Street and 113 S. Elizabeth Street. The staining appeared to be contained on the concrete floor within the building.

Previous Site Usage

101 S. Elizabeth Street and 113 S. Elizabeth Street were formerly operated as automotive repair including the use and/or disposal of petroleum products and/or solvents. Site usage included an oil/water separator, sump pit, floor drains, and truck repair pit.

Terracon observed evidence of numerous former in-ground hydraulic lifts within the former auto service area at 113 S. Elizabeth Street. Each lift contained a small hydraulic oil tank contained in sub-grade concrete vaults. The vaults have reportedly been filled with sand and the vaults covered with concrete.

601 E Ramseur Street was formerly occupied by P&H Engineering & Mfg. Co. who manufactured and assembled airplane and electronic components during the 1980s. Additionally, a former tenant during the 2000s included auto detailing and collision repair.

2.0 SCOPE OF SERVICES

At the request of the client, Terracon is providing this proposal to conduct investigation activities. The scope is designed to evaluate for potential impacts from the above referenced RECs in an effort to evaluate the potential for impacted soil to be encountered during site redevelopment and construction activities.

The scope of work is not intended to provide complete delineation or develop corrective action costs, but will provide sufficient data to evaluate the RECs and better define potential costs and environmental liabilities associated with potential purchase or lease of the site. The scope of services, budget, and schedule are provided below:

Scope of Work

Task 1 - Health and Safety Plan

Terracon has a 100% commitment to the safety of all its employees. As such, and in accordance with our *Incident and Injury Free® (IIF®)* safety culture, Terracon will prepare a health and safety plan for use by our personnel during field services. Prior to commencement of on-site activities, Terracon will hold a meeting to review health and safety needs for this specific project. At this time, we anticipate performing fieldwork in USEPA Level D work attire consisting of hard hats, safety glasses, protective gloves, and steel-toed boots. It may become necessary to upgrade this level of protection, at additional cost, in the event that petroleum or chemical constituents are encountered in soils or groundwater that present an increased risk for personal exposure.

Task 2 – Utility Location and GPR/EM Survey

Terracon understands that the City of Durham will coordinate site access including completion of an access agreement with the current property owner and occupant prior to beginning site activities.

No later than 72 hours prior to intrusive activities, Terracon will submit a locate request to the public utility locator [NC 811] to arrange for location of underground public utilities from the street up to the utility meter. As an added measure of safety, Terracon will subcontract a private utility locator in an attempt to locate and mark public utilities beyond the meter as well as any additional site utilities identified near the proposed locations.

Task 3 – Soil Investigation

Soil borings will be advanced via direct push technology (DPT) drilling techniques at locations outlined on the attached Sampling and Analysis Plan (Table 1) to evaluate the subsurface conditions. The borings will be placed at locations determined to have the highest potential for contamination based on topography, building configurations, and findings of Terracon's Phase I ESA. Soil samples will be collected continuously, logged for lithology, and will be field-screened with a photoionization detector (PID). The attached Sampling and Analysis Plan (Table 1) outlines sampling locations, depths, and laboratory analysis methods.

Soil cuttings will be containerized and staged on-site in 55-gallon drums for future off-site disposal. Terracon can assist City of Durham if requested in identifying potential disposal facilities and profiling of the waste, but ultimate ownership, transportation, and disposal of all investigation-derived waste (IDW) is the responsibility of City of Durham. For budget purposes, our proposal includes costs for disposal of one non-hazardous drum.

Task 5 – Preparation of Final Report

Upon completion of site activities and receipt of the laboratory analytical results, a final report will be prepared that will include the following items:

- Documentation of field activities;
- Site plan showing pertinent site features;
- Analytical laboratory results;
- Soil boring logs;
- Data evaluation and presentation of findings;
- Updated Soil Management Cost Estimate, and,
- Recommendations concerning further action, if necessary.

Task 6 – Asbestos Roof Sampling

Terracon previously performed a pre-demolition asbestos survey of the site structures, however sampling of the roofing materials was not permitted at that time. At the request of the client and as part of this scope of services, Terracon will complete sampling of the roof materials to identify and quantify asbestos-containing materials (ACM) present in the site structures. Based on aerial photographs of each site, Terracon assumes the collection of 65 suspect roofing materials samples for laboratory analysis.

Terracon's asbestos services invoice is based on a lump sum estimate with the assumptions made herein. If additional samples are needed they will be collected for a fee of \$15.00 per sample along with the associated labor.

The asbestos surveys will be performed by an Asbestos Hazard Emergency Response Act (AHERA) and State of North Carolina accredited asbestos building inspector as required by 40 CFR Part 61, National Emissions Standards for Hazardous Air Pollutants (NESHAP). Terracon will conduct a visual assessment of the site buildings to identify materials suspected of containing asbestos (suspect ACM). Suspect roofing materials will be physically assessed for friability and evidence of damage or degradation. Samples of suspect ACM will be collected for laboratory analysis. Bulk sample collection will be conducted in general accordance with the sampling protocols outlined in 40 CFR 763.86.

Sample collection will result in some isolated damage to building materials; however, attempts will be made to limit such damage to the extent necessary for sample collection. Reasonable efforts to access suspect materials within known areas of restricted access (e.g., crawl spaces) will be made provided these areas are not determined to be permit-required confined spaces, or to pose a health or safety risk to Terracon personnel. Sampling will not include suspect materials that cannot be safely reached with client provided ladders or man-lifts. Terracon will sample the roof as part of this assessment and patch the sample locations with commercially available roofing sealant materials. Please be advised that roofing patch materials are not considered to be permanent unless inspected by a certified roofing specialist. Terracon will not sample warrantied roofs unless sample locations are repaired by a certified roofing contractor

under contract with the owner. Terracon will subcontract a roofing contractor at the client's request in advance for an additional fee.

The samples will be analyzed for asbestos content by polarized light microscopy (PLM). The percent asbestos, where applicable, will be determined by visual estimation. No other analyses such as point counting or transmission electron microscopy (TEM) will be conducted as part of the proposed scope of services. If PLM results merit re-analysis by the more quantitative point counting or TEM technique, Terracon will contact the client for authorization of additional costs.

Terracon will prepare a separate written report for describing the sampling methodology and the results of the asbestos roofing material sampling. The report will describe the number, type, and location of suspect ACM samples, the analytical results, the estimated quantity and the condition of materials identified as ACM. At the request of the client, drawings depicting the location and extent of ACM and estimates of ACM removal costs can be provided to the client for an additional fee.

Schedule

Terracon is prepared to commence work on this project within five business days following receipt of written notification to proceed and based on our subcontractor's availability and weather conditions. Field work is anticipated to take one week to complete and samples will be analyzed on a standard five to seven business day turnaround. A written report will be available within two weeks of receipt of analytical data.

The findings, comments and recommendations presented in the written report will be based on the information collected as discussed in this proposal.

Terracon's services will be performed in a manner consistent with generally accepted practices of the professional undertaken in similar studies in the same geographic area during the same period. Terracon makes no warranties, expressed or implied, regarding its services, findings, conclusions or recommendations. Please note that Terracon does not warrant the work of laboratories, regulatory agencies or other third parties supplying information used in the preparation of the report.

Findings, conclusions and recommendations resulting from these services will be based upon information derived from on-site activities and other services performed under this scope of work; such information is subject to change over time. Certain indicators of the presence of hazardous substances, petroleum products, or other constituents may have been latent, inaccessible, unobservable, non-detectable or not present during these services, as such, we cannot represent that the site is free of hazardous or toxic substances, petroleum products, or other latent conditions beyond those identified during this investigation. Subsurface conditions may vary from those encountered at specific borings or wells or during other surveys, tests, assessments, investigations or exploratory services; the data, interpretations, findings and our

recommendations are based solely upon data obtained at the time and within the scope of these services.

3.0 COMPENSATION

The Scope of Services outlined in this proposal will be performed on a lump sum basis. If, as a result of these services, additional work is required outside the scope of this proposal, you will be contacted, and upon request, proposed costs for additional work will be provided. Client authorization will be obtained prior to commencement of any additional work outside the scope of this proposal. Estimated project costs are summarized on the last page of this proposal. This proposal and cost estimate were prepared based on the following assumptions:

- Client will provide to Terracon, prior to mobilization, legal right of entry to the site (and other areas if required) to conduct the scope of services.
- Client will notify Terracon, prior to mobilization, of any restrictions, special site access requirements, or known potentially hazardous conditions at the site (e.g., hazardous materials or processes, specialized protective equipment requirements, or unsound structural conditions)
- Work can be performed during normal business hours (Monday through Friday, 7:00 am to 7:00 pm).
- Traffic control services are not required.
- The site is readily accessible by truck.

If any of these assumptions or conditions are not accurate or change during the project, the stated fee is subject to change. Please contact us immediately if you are aware of any inaccuracies in these assumptions and conditions, so we may revise the proposal or fee.

4.0 AUTHORIZATION

This proposal may be accepted by issuing a contract between the City of Durham and Terracon Consultants, Inc., and returning one copy along with this proposal to Terracon's Raleigh, North Carolina, office. This proposal is valid only if authorized within 90 days from the proposal date.

We appreciate the opportunity to provide this proposal and look forward to working with you on this project. If you have any questions or comments regarding this proposal or require additional services, please give me a call.

Sincerely,
Terracon Consultants, Inc.

A handwritten signature in blue ink that reads "Lori C. Denton". The signature is fluid and cursive.

Lori C. Denton, PE
Senior Associate
Environmental Department Manager

A handwritten signature in black ink that reads "Michael T. Jordan". The signature is fluid and cursive.

Michael T. Jordan, PG, RSM
Senior Geologist

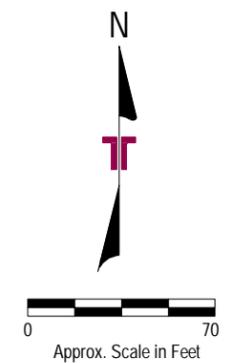
Estimated Project Costs	Fees
Task	
Consulting Labor	\$17,125
Travel, equipment, and supplies	\$743
Soil Laboratory (standard 5-7 day turnaround)	\$5,382
Driller Subcontractor	\$10,350
Subcontract Private Utility Location	\$1,725
Investigative Derived Waste	\$661
Site Investigation Sub-Total	\$35,986
Soil Management Cost Estimate	\$1,650
Asbestos Roof Survey	\$2,000
ESTIMATED PROJECT TOTAL	\$39,636

Table 1
Sampling and Analysis Plan
City of Durham, Proposed Police Headquarters, Durham, Durham County, NC

Location	AOC	Depth (ft bls)	Interior/Exterior	ID #	Matrix	Analysis				Collection Method	
						VOCs - 8260B	TPH GRO	TPH DRO	TPH Oil and Grease	Core + Hand Auger	DPT Marco-Core
113 S. Elizabeth Street											
Cider Works	OWS	8	I	SB-1 (Depth)	soil	1	--	1	1	--	X
Cider Works	OWS	8	I	SB-2 (Depth)	soil	1	--	1	1	--	X
Cider Works	Sump	8	I	SB-3 (Depth)	soil	1	--	1	1	--	X
Carolina Auto Masters	floor drain	8	I	SB-4 (Depth)	soil	1	--	1	1	--	X
NE building corner near Carolina Auto Masters	two 6,000-gallon gasoline USTs	15	E	SB-5 (Depth)	soil	1	-	1	1	--	X
		15	E	SB-6 (Depth)	soil						
		15	E	SB-7 (Depth)	soil						
		15	E	SB-8 (Depth)	soil						
center of parking lot north of Cider Works	one 2,000-gallon gas or diesel UST and/or one 1,000-gallon waste oil UST	12	E	SB-9 (Depth)	soil	1	-	1	1	--	X
		12	E	SB-10 (Depth)	soil						
		12	E	SB-11 (Depth)	soil						
		12	E	SB-12 (Depth)	soil						
center of parking lot north of Cider Works	storm drain	8	E	SB-13 (Depth)	soil	2	-	2	2	-	X
		8	E	SB-14 (Depth)	soil						
east of Durham Collision	one 2,000-gallon waste oil UST	12	E	SB-15 (Depth)	soil	2	-	2	2	--	X
		12	E	SB-16 (Depth)	soil						
		12	E	SB-17 (Depth)	soil						
		12	E	SB-18 (Depth)	soil						
Durham Collision	four northern small hydraulic lifts	8	I	SB-19 (Depth)	soil	-	-	2	-	--	X
Durham Collision	two central large hydraulic lifts	8	I	SB-21 (Depth)	soil	-	-	2	-	--	X
		8	I	SB-22 (Depth)	soil						
Durham Collision	three double piston lifts	8	I	SB-23 (Depth)	soil	-	-	3	-	--	X
		8	I	SB-24 (Depth)	soil						
		8	I	SB-25 (Depth)	soil						
		8	I	SB-25 (Depth)	soil						
Durham Collision/Lo Mo/Custom Stone	trench drains (junctions with discharge pipe)	4	I	SB-26 (Depth)	soil	2	-	2	2	--	X
		4	I	SB-27 (Depth)	soil						
Lo Mo	two central hydraulic lifts	8	I	SB-28 (Depth)	soil	-	-	2	-	--	X
		8	I	SB-29 (Depth)	soil						
Lo Mo	two southern hydraulic lifts	8	I	SB-30 (Depth)	soil	-	-	2	-	--	X
		8	I	SB-31 (Depth)	soil						
Lo Mo	collection sump	8	I	SB-32 (Depth)	soil	2	-	2	2	--	X
		8	I	SB-33 (Depth)	soil						
Custom Stone	wash pit (southern bay)	8	I	SB-34 (Depth)	soil	2	-	2	2	--	X
		8	I	SB-35 (Depth)	soil						
Custom Stone	six bays with hydraulic lift	8	I	SB-36 (Depth)	soil	-	-	2	-	--	X
		8	I	SB-37 (Depth)	soil						
		8	I	SB-38 (Depth)	soil						
		8	I	SB-39 (Depth)	soil						
601 E. Ramseur Street											
Super Graphic	west bay door	8	I/E	SB-40 (Depth)	soil	1	--	--	--	--	X
Super Graphic	north bay door	8	E	SB-41 (Depth)	soil	1	--	--	--	--	X
101 S. Elizabeth Street											
NE building corner Walker St.	former UST	12	E	SB-42 (Depth)	soil	--	1	1	--	--	X
		12	E	SB-43 (Depth)	soil						
Vocational Training	floor drain	8	I	SB-44 (Depth)	soil	1	--	1	--	--	X
Storage	floor drain in paint booth area	8	I	SB-45 (Depth)	soil	2	--	2	--	--	X
		8	I	SB-46 (Depth)	soil						
616 E. Main Street											
NW corner of parcel (former gas station)	two to three gasoline USTs	12	E	SB-47 (Depth)	soil	--	2	2	--	--	X
		12	E	SB-48 (Depth)	soil						
		12	E	SB-49 (Depth)	soil						
central portion of parcel (former auto repair)	two 1,000-gallon fuel oil USTs	12	E	SB-50 (Depth)	soil	--	--	3	3	--	X
		12	E	SB-51 (Depth)	soil						
		12	E	SB-52 (Depth)	soil						
		12	E	SB-53 (Depth)	soil						
12	E	SB-54 (Depth)	soil								
Notes:											



 Approximate Boring Location - Analytical Testing
 Approximate Boring Location - General Lithologic Profile



Note: Diagram for general location only and is not intended for construction purposes