

CSMRI
9.1

Environmental Health and Safety
Colorado School of Mines
Golden, CO 80401-1887
303/273-3316

COLORADO SCHOOL OF MINES
GOLDEN, COLORADO 80401-1887

Certified Mail

Johnathan Spencer, President
New Horizons Environmental Consultants, Inc.
6585 S. Wright Street
Littleton, Colorado 80127-4806

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Westchester Fire Insurance Company
2 Liberty Place
1601 Chesnut T-L 33B
Philadelphia, PA 19103

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Gulf Insurance Company
8501 Turnpike Drive, Suite 200
Westminster, CO 80031

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CoWest Insurance Group Associates
Agent for Gulf Insurance Company and
Westchester Fire Insurance Company
1720 South Bellaire St., Suite 325
Denver, CO 80222

July 2, 2004

Notice of Claim, pursuant to §§ 13-20-802.5 (5) and 13-20-803.5, Colorado Revised Statutes

Gulf Insurance Company Performance Bond No BE26240089; Westchester Fire Insurance Company Performance Bond Number K07056866; Gulf Underwriters Insurance Company Insurance Policy No. GU7119917

Dear Ladies and/or Gentlemen:

On behalf of the State of Colorado acting by and through the Board of Trustees of the Colorado School of Mines ("School"), I am submitting this notice of claim, pursuant to §§ 13-20-802.5 (5) and 13-20-803.5, Colorado Revised Statutes, at the request of Mr. John S. Finn, attorney for New Horizons Environmental Consultants, Inc., ("New Horizons") as set forth in his letter dated June 25, 2004 directed to David S. Harmon, Assistant Attorney General.



Description of the claim in reasonable detail sufficient to determine the general nature of the defect, including a general description of the type and location of the construction that the claimant alleges to be defective and any damages claimed to have been caused by the defect.

The School is the claimant.

This claim relates to construction located at the property commonly known as the Colorado School of Mines Research Institute site ("site") located at the west end of 12th Street, on south side of Clear Creek, Golden, Colorado. The type of construction is divided into two phases. Phase I is the assessment of the site for contamination, the provision of alternatives to clean up the site, the evaluation of the alternatives, and the selection of an effective and economical alternative to clean up the site. Phase II is the implementation of the alternative selected to clean up the site. The School and New Horizons entered into a Design-Build Agreement, dated May 13, 2002, under which New Horizons agreed to perform the Phase I work. The School and New Horizons entered into a Contractor's Agreement, dated April 6, 2004, under which New Horizons agreed to perform the Phase II work.

New Horizons' Phase I and Phase II work is defective in the following respects:

1. New Horizons failed to properly assess the nature and extent of contaminated soils at the site, failed to estimate the volumes of contaminated soils located at the site, failed to provide reasonably reliable estimates of contaminated soils located at the site, failed to properly characterize the site, failed to provide reasonable, effective, and economical alternatives to clean up the site, failed to recommend and evaluate effective and economical alternatives to clean up the site; and

2. New Horizons failed to properly design procedures for implementing the clean up alternative that New Horizons recommended and CSM selected for the site, failed to properly excavate contaminated soils from the site, failed to properly survey and test the soils as to the nature and extent of contamination being excavated, and excavated so much soil from the site so as to render New Horizons' design and procedures to clean up the site uneconomical, cost prohibitive and ineffective.

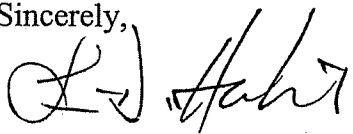
The damages that have been caused by the defects are as follows:

1. Future expenses to correct the defects noted above, including without limitation:

- future expense to maintain, monitor and stabilize the site;

- to obtain a proper assessment and characterization of the site;
 - to obtain estimates of contaminated materials at the site;
 - to obtain a proper remedial investigation and feasibility study of the site;
 - to obtain a proper presentation and evaluation of clean up alternatives at the site;
 - to dispose of or otherwise remedy the soils that New Horizons has excavated at the site;
 - to obtain a proper design of procedures to implement an appropriate clean up action;
 - to implement and obtain an appropriate clean up of the site, to perform risk assessment of the contamination at the Site;
 - to perform risk assessment of potential disposal landfill or landfills, to negotiate with governmental entities and landfill;
 - to amend the Record of Decision;
 - and to seek cost recovery of such additional expenses from Potentially Responsible Parties;
 - any and all attorney's fees, expert witness fees, litigation fees, expenses, costs, consultants, or in-house personnel time, related to the above;
 - and
2. Past payments to New Horizons for its defective work.
 3. Any and all expenses and consequences relating to a loss of the use of the property.

Sincerely,



Linn D. Havelick
Director, Environmental Health and Safety
Colorado School of Mines

cc: John S. Finn
Maki P. Iatridis
Anne Stark Walker
David S. Harmon