

September 21, 2004

Via Fax and Certified Mail

Jonathan Spencer, President  
New Horizons Environmental Consultants Inc  
6585 S. Wright St.  
Littleton, CO 80127

Via FedEx

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

Re: CSMRI Environmental Assessment and Response Phase II contract dated  
April 6, 2004  
Performance Bond No. K07056886

Notice of Termination

Dear Mr. Spencer and Westchester Fire Insurance Company:

I am writing on behalf of the State of Colorado acting by and through the Board of Trustees of the Colorado School of Mines ("School"). Under the contract, the School is also known as the Principal Representative.

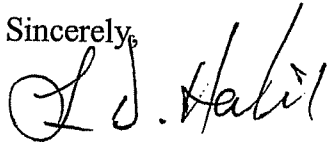
Under my letter dated August 18, 2004, the School gave you notice of its intent to terminate the services of the Contractor, New Horizons Environmental Consultants, Inc., if the matters set forth in the letter were not cleared within ten days. The matters identified in my letter of August 18, 2004 have not been cleared (cured) within the ten days. Therefore, the School/Principal Representative gives further notice that it is now terminating the services of the Contractor, New Horizons Environmental Consultants, Inc., in accordance with Article 49 B (1) of the contract, which Article provides as follows:

The Principal Representative may terminate the services of the Contractor, which termination shall take effect immediately upon service of Notice thereof on the Contractor and his or her Surety, whereupon the Surety shall have the right to take over and perform the Contract. If the Surety does not provide Notice to the Principal Representative of its intent to commence performance of the Contract within ten (10) days after delivery of the Notice of termination, the Principal Representative may take over the Work, take possession of



and use all materials, tools, equipment and appliances on the premises and prosecute the Work to completion by such means as he or she shall deem best. In the event of such termination of his or her service, the Contractor shall not be entitled to any further payment under the Contract until the Work is completed and accepted. If the Principal Representative takes over the Work and if the unpaid balance of the contract price exceeds the cost of completing the Work, including compensation for damages or expenses incurred by the Principal Representative through the default of the Contractor, such excess shall be paid to the Contractor. If, however, the cost, expenses and damages as certified by the Architect/Engineer exceed such unpaid balance of the contract price, the Contractor and his or her Surety shall pay the difference to the Principal Representative.

Sincerely,



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

cc: L. Jay Labe  
Anne Stark Walker  
✓ Maki Iatridis  
David S. Harmon  
Gulf Insurance Co. (re. Performance Bond No. BE2624009)