

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

COLORADO SCHOOL OF MINES
GOLDEN, COLORADO 80401-1887

CSMRI
9.1

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

Gulf Insurance Company
Attn: Jack Wilson
One State Street Plaza, 10th Floor
New York, NY 10004

Re: CSMRI Environmental Assessment and Response Phase 1 contract dated May
13, 2002
Performance Bond No. BE2624009

Notice of Termination

Dear Mr. Spencer and Gulf 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.

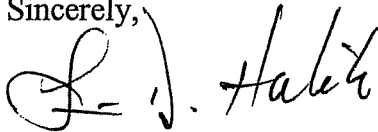
Under my letter dated August 18, 2004, the School gave you notice of its intent to terminate the services of the Contractor, New Horizons Environmental Consultants, Inc., if the matters set forth in the letter were not cleared within ten days. The matters identified in my letter of August 18, 2004 have 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 23 B (a) 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 Surety, whereupon the Surety shall have the right to take over and perform the Contract. If the Surety, does not commence performance of the Contract within ten



(10) days after service 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 shall deem best. In the event of such termination of his service, the Contractor shall not be entitled to any further payment under his 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 any 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 exceed such unpaid balance of the contract price, the Contractor and his 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
Westchester Fire Insurance Company (re. Performance Bond No.
K07056886)