

September 19, 2005

To: All Pace Employees

From: Steve Vanderboom

Re: Update on New Orleans

I would like to provide another update on our status in New Orleans. First, we still have not heard from Annie Webster. Please continue to pray for her safety. If Annie is safe, we believe that all of our employees and their families are safe.

The sad news from our staff is that approximately 15 of them now have homes that are totally destroyed or are not livable due to flooding. We have some of our staff offering to share their homes with those who have lost theirs while they rebuild. I am heartened by their spirit, faith and courage. Fortunately, we have been able to keep them all on full salary during this recovery period.

The good news at the laboratory today is having phone and internet service restored, which means that most essential services have returned. We are repairing the damage to the stacks on the roof and we have many people back in the laboratory today preparing the instruments to operate again. We will relocate the data base back to New Orleans from Houston on Wednesday and bring up our systems on Thursday. With some luck, the laboratory will be fully operational by Friday.

We have a total of 62 full time employees in the Gulf Coast region, of which 8 are in the service centers and were not impacted by Katrina. There are 6 employees who are not certain when they can return and where they will live when they do. Of those that worked in the New Orleans lab, 6 have decided to look for employment in other cities where they sought shelter. They have decided that they do not have much to return to. There are 35 employees who have either returned to work or are prepared to return to work this week. There are 7 employees that worked at the Exxon Chaumette refinery and they will be helping fill in for some of those who have decided to leave the area. The Exxon refinery will not be operating again until mid to late October. We will have a well staffed laboratory operating next week in New Orleans and are planning to begin bringing samples back to the lab this week. We feel quite fortunate that all of the technical and managerial leaders of the lab will be returning to work this week.

We are continuing to rely on our Kansas and North Carolina labs to provide backup and this appears to be meeting our customer's most urgent needs. Our customers have been fabulous. They have been very supportive and patient and have committed to staying with us as we rebuild our business in the area.

So, things are moving towards a more normal operation. We are committed to providing essential services to our customers in this area and to those who need testing services to restore their property to a clean and safe condition. I remain confident that our New Orleans laboratory and its staff will survive Katrina and be successful in the future.