

LANCE LITIGATOR and ASSOCIATES, LLP
Attorneys at Law

January 21, 2008

Ms. Tre` Hugger
Chief Executive Officer
Galactic Environmental Corporation
1000 Galactic Environmental Way
Scio OR 97377

Re: Cal Careful vs. Galactic Environmental Corporation, et. al.
Linn County Circuit Court No. 08-0001
Preservation of Electronically Stored Information

Dear Ms. Hugger:

This letter accompanies the service of the Summons and Complaint for damages for wrongful termination of employment, age discrimination and sexual harassment in this matter and constitutes a formal notice that, because Cal Careful, the plaintiff, believes that electronically stored information will be a critical source of discovery and evidence in this matter, *Cal Careful vs. Galactic Environmental Corporation, et. al.*, as a result, on behalf of our client, we demand that you, as chief executive officer of Galactic Environmental Corporation, as well as any of its subsidiaries, divisions, agents, and employees, must preserve any those electronically stored materials created during the period from January 1, 2006 to the date of receipt of this letter and for the duration of this litigation or until further written notice is provided by the court in this matter or by this office, as attorneys for Mr. Careful.

This letter is also notice that it would be improper for you, or Galactic Environmental Corporation, to continue operation of your computer systems in the regular course of business to the extent that normal operations may potentially result in the destruction of relevant evidence due to the fact that electronic evidence can be easily altered, deleted, or otherwise modified. The failure to preserve and retain the electronically stored information described in this notice may constitute the spoliation of evidence that could subject you, the corporation, or any of its subsidiaries, divisions, agents, and employees to sanctions by the court, legal claims for damages, or both.

1. For purposes of this notice, the term "electronically stored information" includes, but is not limited to, the following: text files (including word processing files and file fragments); spread sheets; electronic mail (including message contents, attachments, header information, logs of e-mail system usage, and "deleted" files); data in the information management system, containing the indexes of all databases; the databases themselves, including all records and field and structural information in them; logs of activity on any computer system that may have processed or stored electronic data containing litigation information; data created by financial, accounting, billing, and spreadsheet programs; files and file fragments from electronic calendars and scheduling programs; Internet history files and preferences; graphical image format ("GIF") files; all file fragments and backup files containing electronic data; telephone logs; voice mail files; contact manager information; and all other electronic data containing information about the litigation.
2. Any pertinent information stored online--whether stored in direct-access storage devices attached to a mainframe or minicomputer hard drives, personal computers (PCs), or laptops--must be preserved. If any files must be altered for any reason, a true and correct copy of each data file pertinent to the litigation must be made, and the copy should be preserved and made accessible.

3. Any activity that could result in the loss of relevant "off-line" data or removable data storage--such as backups and archives or other disaster recovery systems, servers, floppy disks, zip drives and zip files, optical disks, tapes, compact disks or diskettes, laptops, handheld devices, disconnected hard drives, and other removable electronic media, as well as personal digital assistants, handheld wireless devices, mobile telephones, paging devices, and audio systems (including voice mail)--must be halted. This includes rotation, destruction, overwriting, or erasure of such media, including the disposal of any electronic data storage devices or media that has failed or had to be replaced for other reasons.
4. Relevant information contained on any fixed hard drives of stand-alone PCs and network workstations must not be altered or erased. Procedures such as data compression, disk defragmentation, or optimization routines must not be performed without first creating and preserving true and correct copies of active files. Also, true and correct copies of completely restored versions of deleted electronic files and file fragments, as well as directory and subdirectory lists, including hidden files, must be created and retained.
5. Copies of all applications and utilities that process pertinent information must be preserved and retained.
6. Passwords, decryption procedures, including accompanying software, network access codes, ID names, manuals, tutorials, written instructions, and decompression or reconstruction software must be preserved.
7. Any modifications made by employees or third parties to any electronic data-processing systems that may affect the system's capacity to process data relevant to the instant litigation should be logged and made available.
8. All relevant hardware must be preserved and not disposed of unless a true and correct copy of all files (a mirror image) is first created and preserved.
9. With regard to any electronic data created after receipt of this letter that might be relevant to this litigation, proper steps must be taken to avoid destroying or altering such potentially relevant evidence, including following the above procedures.
10. A copy of this letter should be provided to all individuals or organizations that are responsible for any of the procedures described above.

Please contact me, or your attorney, if you have any questions regarding this request.

Sincerely,

s/ Lance Litigator

Attorney for Cal Careful