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09/21/2005 09:07 AM Deputy: KLJ

OFFICIAL RECORD

Requested By:
D C/SHERIFF

Assessor's Parcel Number: N/A

Date: SEPTEMBER 20, 2005

Recording Requested By:

✓ Name: LT PAUL HOWELL/DCSO

Address: _____

City/State/Zip: _____

Real Property Transfer Tax: \$ N/A

CONTRACT #2005.184
(Title of Document)

Douglas County - NV
Werner Christen - Recorder
Page: 1 Of 16 Fee: 0.00
BK-0905 PG-7644 RPTT: 0.00



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This cover page must be typed or legibly hand printed.

FILED

2005.184

CONTRACT FOR SERVICES OF INDEPENDENT CONTRACTOR

2005 SEP 20 PM 2:20

A CONTRACT BETWEEN

DOUGLAS COUNTY
AND
GALENA GROUP, INC.
5310 KEITZKE LANE SUITE 204
RENO, NEVADA 89511

BARBARA REED
CLERK
[Signature]

WHEREAS, Douglas County, a political subdivision of the State of Nevada, from time to time requires the services of independent contractors; and

WHEREAS, it is deemed that the services of the Galena Group (hereinafter Contractor) herein specified are both necessary and desirable and in the best interests of Douglas County; and

WHEREAS, Contractor represents that they are qualified, equipped, staffed, ready, willing and able to perform and render the services hereinafter described;

NOW, THEREFORE, in consideration of the agreements herein made, the parties mutually agree as follows:

1. EFFECTIVE DATE OF CONTRACT. This contract shall not become effective until and unless approved by the Douglas County Board of Commissioners. This Contract will expire on June 30, 2006, unless mutually extended in writing by both parties.

2. INDEPENDENT CONTRACTOR STATUS. The parties agree that Contractor shall have the status of an independent contractor and that this contract, by explicit agreement of the parties, incorporates and applies the provisions of NRS 284.713, as necessarily adapted, to the parties, including that Contractor is not a County employee and that

There shall be no:

- (1) Withholding of income taxes by the County;
- (2) Industrial insurance coverage provided by the County;
- (3) Participation in group insurance plans which may be available to employees of the County;
- (4) Participation or contributions by either the independent contractor or the County to the public employees retirement system;
- (5) Accumulation of vacation leave or sick leave;
- (6) Unemployment compensation coverage provided by the County if the requirements of NRS 612.085 for independent contractors are met.



3. INDUSTRIAL INSURANCE. Contractor further agrees, as a precondition to the performance of any work under this contract and as a precondition to any obligation of the County to make any payment under this contract, to provide the Douglas County with a work certificate issued by a qualified insurer in accordance with NRS § 616B.627. Contractor agrees, prior to commencing any work under the contract, to complete and to provide the following written request to the qualified insurer:

Galena Group has entered into a contract with Douglas County to perform consulting work and requests that an industrial insurance provider qualified and licensed to offer such insurance within Nevada, provide to Douglas County 1) a certificate of coverage issued pursuant to NRS § 616B.627 and 2) notice of any lapse in coverage or nonpayment of coverage that the contractor is required to maintain. The certificate and notice should be mailed to:

Douglas County Manager
Post Office Box 218
Minden, Nevada 89423

Contractor agrees to maintain required workers compensation coverage throughout the entire term of the contract. If contractor does not maintain coverage throughout the entire term of the contract, contractor agrees that County may, at any time the coverage is not maintained by contractor, order the contractor to stop work, suspend the contract, or terminate the contract.

Contractor may, in lieu of furnishing a certificate of an insurer, provide an affidavit indicating that she is a sole proprietor and that:

1. In accordance with the provisions of NRS 616B.659, has not elected to be included within the terms, conditions and provisions of chapters 616A to 616D, inclusive, of NRS; and
2. Is otherwise in compliance with those terms, conditions and provisions.

4. SERVICES TO BE PERFORMED. The parties agree that the services to be performed by the Contractor are as follows:

Contractor will provide a timely analysis of the Douglas County Sheriff's Office Records Management System including technical requirements, financial considerations and operational issues as more fully described in Attachment A.

5. PAYMENT FOR SERVICES. Douglas County will pay Contractor \$100 an hour plus actual expenses as more fully described in Attachment A. Total amount of this contract (Phase 1) is not to exceed \$30,000.

6. TERMINATION OF CONTRACT. This contract may be revoked without cause by either party prior to completion of the Contract, provided that a revocation shall not be effective until 15 days after a party has served written notice upon the other party. The Contractor shall submit invoices for work performed to the date notice was given.

7. CONSTRUCTION OF CONTRACT. This contract shall be construed and interpreted according to the laws of the State of Nevada.

8. APPLICABLE LAWS. Contractor shall fully and completely comply with all applicable local, state and federal laws, regulations, orders, or requirements of any sort in carrying out the obligations of this contract, including, but not limited to, all federal, state, and local accounting procedures and requirements and all immigration and naturalization laws.

9. ASSIGNMENT. Contractor shall neither assign, transfer nor delegate any rights, obligations or duties under this contract without the prior written consent of the County.

10. COUNTY INSPECTION. The books, records, documents and accounting procedures and practices of Contractor related to this contract shall be subject to inspection, examination and audit by the County, including, but not limited to, the contracting agency, the County Manager, the District Attorney, and, if applicable, the Comptroller General of the United States, or any authorized representative of those entities.

11. DISPOSITION OF CONTRACT MATERIALS AND COPYRIGHT. Any books, reports, studies, photographs, negatives or other documents, data, drawings or other materials prepared by or supplied to Contractor in the performance of its obligations under this contract shall be the exclusive property of the County and all such materials shall be remitted and delivered, at Contractor's expense, by Contractor to the County upon completion of the project, or termination or cancellation of this contract. Contractor shall not use, willingly allow or cause to have such materials used for any purpose other than the performance of Contractor's obligations under this contract without the prior written consent of the County.

12. PUBLIC RECORDS LAW. Contractor expressly agrees that all documents ever submitted, filed, or deposited with the County by Contractor (including those remitted to the County by Contractor pursuant to ¶¶ 4, 5 10 and 11), unless designated as confidential by a specific statute of the State of Nevada, shall be treated as public records pursuant to NRS

ch. 239 and shall be available for inspection and copying by any person, as defined in NRS § 0.039, or any governmental entity. Contractor expressly and indefinitely waives all of its rights to bring, including but not limited to, by way complaint, interpleader, intervention, or any third party practice, any claims, demands, suits, actions, judgments, or executions, for damages or any other relief, in any administrative or judicial forum, against the County or any of its officers or employees, in either their official or individual capacity, for violations of or infringement of the copyright laws of the United States or of any other nation.

13. INDEMNIFICATION. Contractor agrees to indemnify and save and hold the County, its agents and employees harmless from any and all claims, causes of action or liability arising from the performance of this contract by Contractor or Contractor's agents or employees.

14. MODIFICATION OF CONTRACT. This contract constitutes the entire contract between the parties and may only be modified by a written amendment signed by the parties and approved by the Board of County Commissioners.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be signed and intend to be legally bound thereby.

St B Loan President 9/15/05
Galena Group (Date)

Kelly O. [Signature] 9/8/05
Chairman (Date)
Douglas County Board of Commissioners

ATTEST:

Barbara Reed
County Clerk

Approved As To Form:

Robert J. Maringer
Scott W. Doyle
District Attorney

HEALTH INFORMATION PORTABILITY AND ACCOUNTABILITY ACT

1. DEFINITIONS.

- 1.1 Contractor shall mean the Galena Group.
- 1.2 Covered Entity shall mean Douglas County.
- 1.3 Individual shall have the same meaning as the term "individual" in 45 CFR 164.501 and shall include a person who qualifies as a personal representative in accordance with I 45 CFR 164.502(g).
- 1.4 Privacy Rule shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.
- 1.5 Protected Health Information shall have the same meaning as the term "protected health information" in 45 CFR 164.501, limited to the information created or received by Contractor from or on behalf of Covered Entity.
- 1.6 Required by Law shall have the same meaning as the term "required by law" in 45 CFR 164.501.
- 1.7 Secretary shall mean the Secretary of the Department of Health and Human Services or his designee.
- 1.8 Service Agreement or Agreement shall mean that certain agreement between Contractor and Covered Entity.

All other capitalized terms not defined herein shall have the meanings assigned in the Privacy Rule.

2. OBLIGATIONS AND ACTIVITIES OF CONTRACTOR.

- 2.1 Contractor agrees to not use or further disclose Protected Health Information other than as permitted or required by the Agreement or as Required by Law.
- 2.2 Contractor agrees to use appropriate safeguards to prevent use or disclosure of the Protected Health Information other than as provided for by this Agreement.
- 2.3 Contractor agrees to mitigate, to the extent practicable, any harmful effect that is known to Contractor of a use or disclosure of Protected Health Information by Contractor in violation of the requirements of this Agreement.
- 2.4 Contractor agrees to report to Covered Entity any use or disclosure of the Protected Health Information not provided for by this Agreement of which it becomes aware.
- 2.5 Contractor agrees to ensure that any agent, including a subcontractor, to

whom it provides Protected Health Information received from, or created or received by Contractor on behalf of Covered Entity agrees to the same restrictions and conditions that apply through this Agreement to Contractor with respect to such information.

2.6 Contractor agrees to provide access, at the request of Covered Entity, and in the time and manner designated by Covered Entity, to Protected Health Information in a Designated Record Set, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR 164.524.

2.7 Contractor agrees to make any amendment(s) to Protected Health Information in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR 164.526 at the request of Covered Entity or an Individual, and in the time and manner designated by Covered Entity.

2.8 Contractor agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information received from, or created or received by Contractor on behalf of, Covered Entity available to the Covered Entity, or at the request of the Covered Entity to the Secretary, in a time and manner designated by the Covered Entity or the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

2.9 Contractor agrees to document such disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with CFR 164.528.

2.10 Contractor agrees to provide to Covered Entity or an Individual, in time and manner designated by Covered Entity, information collected in accordance with Section 2.9 of this Agreement, to permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of Protected Health Information in accordance with 45 CFR 164.528. ,

3. PERMITTED USES AND DISCLOSURES BY Contractor.

3.1 General Use and Disclosure Provisions: Except as otherwise limited in this I Agreement, Contractor may use or disclose Protected Health Information on behalf of, or to provide services to, a Covered Entity for the following purposes, if such use or



disclosure of Protected Health Information would not violate the Privacy Rule if done by Covered Entity, or violate the minimum necessary policies and procedures of Covered Entity, for the purpose of performing the Service Agreement.

3.2 Specific Use and Disclosure Provisions:

3.2.1 Except as otherwise limited in this Agreement, Contractor may use Protected Health Information for the proper management and administration of the Business

Associate or to carry out the legal responsibilities of the Contractor.

3.2.2 Except as otherwise limited in this Agreement, Contractor may disclose Protected Health Information for the proper management and administration of the Contractor, provided that disclosures are required by law, or Contractor obtains reasonable assurances from the person to whom the information is disclosed that It will remain

confidential and used or further disclosed only as required by law or for the purpose for which it

was disclosed to the person, and the person notifies the Contractor of any instances of which it is aware in which the confidentiality of the information has been breached.

3.2.3 Except as otherwise limited in this Agreement, Contractor may use Protected Health Information to provide Data Aggregation services to Covered Entity as permitted by 42 CFR 164.504(e)(2)(i)(B).

3.2.4 Contractor may use Protected Health Information to report violations of law to appropriate federal and State authorities, consistent with 164.502(j)(1).

4. OBLIGATIONS OF COVERED ENTITY.

4.1 Covered Entity shall notify Contractor of any limitation(s) in its notice of privacy practices to the extent that such limitation may effect Contractor's use or disclosure of Protected Health Information.

4.2 Covered Entity shall provide Contractor with any changes in, or revocation of, permission by Individual to use or disclose Protected Health Information, if such changes affect Contractor's permitted or required uses and disclosures.

4.3 Covered Entity shall notify Contractor of any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with

45 CFR 164.522, to the extent that the same may effect Contractor's use or disclosure of Protected Health Information.



4.4 Permissible Requests by Covered Entity: Covered entity shall not request Contractor to use or disclose Protected Health Information in any manner that would not be permissible under the Privacy Rule if done by Covered Entity (unless permitted for a Contractor under the Rule for data aggregation or the management and administrative activities of Contractor.)

5. TERM AND TERMINATION.

5.1 Term. The Term of this Agreement shall be effective as of the date first written above, and shall terminate when all of the Protected Health Information provided by Covered Entity to Contractor, or created or received by Contractor on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is infeasible to return or destroy Protected Health Information, protections are extended to such information, in accordance with the termination provisions in this Section. Termination of this Agreement shall automatically terminate the Service Agreement.

5.2 Termination for Cause. Upon Covered Entity's knowledge of a material breach by Contractor, Covered Entity shall provide an opportunity for Contractor to cure the breach or end the violation, and Covered Entity shall:

5.2.1 Provide an opportunity for Contractor to cure the breach or end the violation and terminate this Agreement if Contractor does not cure the breach or end the violation within the time specified by Covered Entity, or

5.2.2 Immediately terminate this Agreement if Contractor has breached a material term of this Agreement and cure is not possible.

5.2.3 If neither termination nor cure are feasible, Covered Entity will report the violation to the Secretary.

5.3 Effect of Termination.

5.3.1 Except as provided in the following paragraph, upon termination of this Agreement, for any reason, Contractor shall return or destroy all Protected Health Information received from Covered Entity, or created or received by Contractor on behalf of Covered Entity. This provision shall apply to Protected Health Information that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the Protected Health Information.

5.3.2 In the event that Contractor determines that returning or destroying the Protected Health Information is infeasible, Contractor shall provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of Protected Health information is infeasible, Contractor shall extend the protections of this Agreement to such Protected Health Information to those

purposes that make the return or destruction infeasible, for so long as Contractor maintains such Protected Health Information.

6. MISCELLANEOUS.

6.1 Regulatory References. A reference in this Agreement to a section in the Privacy means the section as in effect or as amended, and for which compliance is required.

6.2 Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule and the Health Insurance Portability and Accountability Act, Public Law 104-191.

6.3 Survival. The respective rights and obligations of Contractor under Section 5.3 of this Agreement shall survive the termination of this Agreement.

6.4 Interpretation. Any ambiguity in this Agreement shall be resolved in favor of a meaning that permits Covered Entity to comply with the Privacy Rule.

By: St B Coon president 9/15/05
Galena Group (date)
Contractor

By: Jelly O. SOB 9/8/05
Chairman (date)
Douglas County Board of Commissioners



ATTACHMENT A



Galena Group, Inc.
Information Technology / Communications Consulting
5310 Kletzke Ln. Suite 204 Reno, NV 89511

Tel: 775 852-4545
Fax: 775 824-4521
www.GalenaGroup.com

August 1, 2005

Mr. Richard Mirgon, Director
Communications / Emergency Management / Animal Control
Douglas County
Minden, Nevada 89423

Dear Mr. Mirgon:

This Proposal and Statement of Work is to help define the principle activities and responsibilities for Douglas County Communications and Galena Group, Inc. (GGI) regarding the analysis of technical requirements, financial considerations and operational options for the Douglas County Sheriff's Office Jail Management System (JMS)/ Records Management System (RMS).

Background

Douglas County Communications and the Douglas County Sheriff's Office have recognized the need to assess the technological and financial aspects of improving or upgrading the existing Jail Management System and Records Management System within the County. The County's preference is to utilize a third party to help develop a definition of system requirements and provide an impartial review of potential vendors. Galena Group, Inc. has been asked to build a statement of work and formulate estimated costs for services to assist in accomplishing the assessment and implementation of a JMS/RMS for the County.

We have provided a two phased approach in our proposed work plan. Phase 2 is presented as an option for the County. Phase 2 includes contract negotiations and project management through implementation and acceptance testing. We believe that until the requirements are developed and vendors provide their estimate of the resources, responsibilities and timeline involved, it would be difficult for GGI to develop an accurate Statement of Work, timeline and cost for Phase 2. We have structured the first phase to assist the County in accurately developing requirements, formulating a selection process, and selection of a vendor. Phase one should provide all of the necessary information for the County to make a sound business decision as to whether or not the County should move forward with the project.

Work plan

The following presents our work plan. In addition, we have included a detailed breakdown of our estimates for personnel assignments, hours, fees, and project costs

Phase I

Project Initiation Session

As a first step in this project, we will conduct a project kick-off meeting and planning session with representatives from the County Project Team. The key reasons for this meeting are:

- Introduce Galena Group, Inc. and County Project Team members and staff.
- Review the overall project objectives, approach, and timetable
- Formulate recommendations from the Project Team on the composition of the Project Team structure through implementation and operation.

At the completion of this task our personnel should have a complete understanding of the team members, known schedules, and an action item list for the review of associated technologies and interfaces.



Review and Assess Associated Technologies

We understand that the cornerstone to the implementation of new core applications such as JMS and RMS must be carefully integrated into existing and planned ancillary applications and systems. Our proposed methodology would be to incorporate vendor understanding into the planning process as early as possible. In order to minimize integration and interface costs, we would attempt to secure the vendors assistance to identify costs and plan for technical difficulties. This process may be appropriately suited for a Detailed System Design (DSD) phase before final contract purchase. At all times, we would seek to encourage a "partnership" atmosphere with the vendor and the County.

Tasks:

Meet with Project personnel to identify any additional ancillary systems for integration:

- Review and discussion of present operations
- Target operational and functional goals
- Interface requirements for each area
- Technical concerns
- Maintenance provisions
- Facility requirements and backup systems
- Review all available documentation from County and any present vendor regarding system requirements, feature functionality, pricing and implementation timeline.

Goal:

Identify systems requirements including functional and integration requirements.

Develop Functional Requirements, Specifications and Selection Criteria

It is our understanding that the County would like to select a Vendor based on interviews, presentations, references and other specific criteria. A full request for proposal process would be replaced with a shorter, but clearly defined selection process. As a part of that process, Galena Group, Inc. will prepare a document identifying functional specifications for the review and approval of the County. The document would be used to help guide the application vendor selection and will contain the following elements.

- Proposed Systems Approach
- System Flexibility and Modularity
- Documentation to be Provided
- Interfaces to Existing Dispatch Equipment
- Proposed Hardware Specifications
- System Security Features
- Training to be Provided
- One-time and Maintenance Costs
- Implementation Plan
- Vendor Expertise
- County and Vendor Responsibilities
- Advantages of Proposed System
- Proposed Contract Terms

In addition, we will develop specific coded response sections that attempt to isolate and examine vendor software capabilities based on user requirements.

Galena Group, Inc. is capable of serving as a primary point of vendor contact at this time. We would coordinate responses to vendor questions and facilitate on-site reviews if required. In addition, Galena Group, Inc. will prepare a list of potential vendors and coordinate their interface with the County.

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Develop Criteria and Evaluate Responses

Once potential vendors have submitted their presentations, our firm will assist with the evaluation and analysis of vendors. We will validate the vendors' presentation of their proposed solution and conduct an economic comparison of the potential solutions. Some of the important features we would consider in our assistance would be:

- Vendor references and record of performance
- Corporate stability
- Technical considerations (e.g. coverage, reliability etc.)
- Objective and subjective review of contractual, and performance responses
- Comprehensive review of their coded responses to the functional specifications
- Technical compliance

A feature of our services is to work with the Project Team to conduct on-site demonstrations of the most qualified vendor's proposed solution. We strongly suggest that all Galena Group, Inc. clients undertake a detailed assessment of the proposed solution through operational "scenarios" which can elicit the peak performance and potential difficulties for many systems.

Based on this research, analysis, and vendor presentations, the Project Team should be able to select finalist vendors for consideration.

Deliverable:

At the conclusion of this task, our firm will produce a final Recommendations Report that summarizes the findings of the Project Team and details all selection steps and data. This report will be designed to document the process and selection for presentation to Management.

Phase 2 (Optional)

Once the vendor, cost and timeline is established, the County will decide if it will move forward in the purchase and installation of the selected Vendor's solution. If the decision is to move forward, the following Phases and Tasks are provided as a recommended approach.

Contract Negotiations and Detailed Design Review

- Review vendor contract and associated documents from a non-legal standpoint
- Provide written correspondence to the County Attorney for review and approval
- Work with the Project Committee to meet and negotiate with the selected vendor
- Assist with drafting performance standards for inclusion in the agreement.
- Propose payment schedule for consideration by the County and presentation to the vendor
- Attend contract negotiation sessions with the County

Carefully focus on constructing a Detailed System Design (optional)

- Should the County decide to pursue a two phased approach for procurement (e.g. One contract for DSD, then one contract for system purchase) we would work with the County to draft objectives for a services contract with the vendor, then for an equipment and services contract. (Please note that we recommend this approach)

Deliverable:

- Contract review of Vendor's Agreement
- Inclusion of terms and conditions, and Statement of Work that covers, at a minimum:
 - System performance criteria (e.g., system response time and overall system uptime, storage capacity,)



- o Acceptance terms and conditions including an acceptance test plan
- o Specific definition of Warranty duration and components covered by the warranty.
- o Installation responsibilities
- o A payment schedule favorable to the County (see above bullet point)
- o Software license terms
- o Definition of known Software modifications and costs
- o Full description of system and application documentation
- o Limitations on expenses
- o The vendor's responsibility in training County personnel
- On-site and off-site assistance as directed by the County's Project Manager and mutually agreed upon
- Bi-weekly, monthly or as needed dissemination of the County's project schedule, status reports and project financial status

Project Management

We will act as the County Project Manager and provide a single point of contact to the Vendor Project Manager. Our responsibilities will include the following:

1. **Serve on the Implementation Project team** - The purpose of this Team is to:
 - Attend Detailed Design Sessions with vendor
 - Lead the County's implementation activities for conformance with the Vendor's established schedule
 - Formally acknowledge and accept completion of project "milestones"
 - Revise priorities as may be necessary
 - Approve modifications to the system as agreed upon with the selected vendor
 - Provide assistance as mutually agreed upon

Deliverable:

- On-site and off-site assistance as required
 - Coordinate and schedule acceptance testing of the project
 - Manage and track all system trouble reports to be submitted to Vendor.
2. **Maintain Project Schedule** - We will maintain an overall project schedule, and note when tasks have been successfully completed and the date of their completion. We will revise tasks, help in estimating completion dates and responsibilities as required. When a task is rescheduled, we will consider the impact rescheduling has on the related tasks.
 3. **Maintain Action Item Database on internet** - Project issues will be entered into the project database on the website (www.galenagroup.com) by the selected Team Members. The items will be reviewed on at least a weekly basis. The items will be discussed during the scheduled project status meetings. Galena Group, Inc. will maintain passwords, and other administrative requirements of the database.
 4. **Provide Technical Assistance and Objective Analysis** - As the implementation proceeds, we will provide project staff with our technical assistance and objective viewpoint regarding project plans and progress. We will work with your Project Team and the system supplier to aid in resolving technical problems as they are encountered.
 5. **Conduct Post-Implementation Review** - Working jointly with your personnel, we will review the performance and installation of each system component to observe if the system satisfies the requirements specified in the vendor's contract. We will report our findings to the team prior to your final acceptance.



6. **Provide Other Assistance as Required** - As you requested, we will assist in other aspects of the project based upon mutual concurrence. Some of these are:

- Chair Project Meetings
- Monthly Status Reports
- Installation Coordination and Supervision
- Reviewing Budget and Financial Aspects of Project
- Assist With Contract Negotiations for Your Acquisition of Additional Equipment and Service
- Coordination and Evaluation of System Testing and Acceptance

The actual time required will be dictated by the circumstances of the implementation, the level of Project Team assistance, the degree of vendor participation, and by your direction. Our assumption is that the implementation (Phase 2) of this project would take place over a time period of approximately six to nine months.

Estimated Costs

Galena Group, Inc. is committed to providing quality services for each of our engagements. As a result, our fees are based on the level of assistance required to render superior performance. Typically, our service fees for a similar assignment range from \$175 to \$200 per hour based on the complexity of the tasks. For this project we have significantly discounted our fees to an average rate of \$100 an hour. We estimate that it will take between 188 and 276 hours to complete Phase 1 of this project. As a result, our professional fees should range from \$18,800 to \$27,600. Additionally, we expect to complete at least two to four trips for product demonstrations for a maximum total of \$4000 in out of pocket expenses for a total range of \$22,800 to \$31,600 for fees and expenses. We will only bill for actual services and expenses incurred.

Again, we have priced Phase 1 of this project and provide a proposed work plan for Phase 2 as an option for the County. We believe that until the requirements are developed and vendors provide their estimate of the resources, responsibilities and timeline involved it would be difficult for GGI to develop an accurate Statement of Work, timeline and cost for the second phase.

Phase 1 is designed to provide all of the necessary information for the County to make a sound business decision on whether or not to move forward with the project. At the end of Phase 1 we would be pleased to provide a full statement of work and proposal for the second phase that will consider the necessary level of effort, and resources required. At that time we will include proposed vendor support and available internal County resources in that calculation.

Mr. Jason Truppi will act as Galena Group, Inc.'s Lead Consultant on this important project. Mr. Stuart Cronan will provide quality assurance and act as a technical resource for the project.

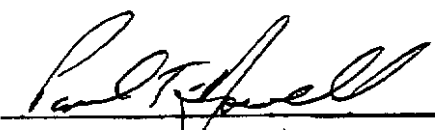
We look forward to working with the Douglas County and having the opportunity to provide this proposal.

Sincerely,



Stuart Cronan
Galena Group, Inc

Approved By Douglas County:



Title licentment

Date 8/17/05



BK- 0905
PG- 7658

COPY

SEAL

CERTIFIED COPY

The document to which this certificate is attached is a full, true and correct copy of the original on file and on record in my office.

DATE: September 20 2005
B. Reed Clerk of the 27th Judicial District Court
of the State of Nevada, in and for the County of Douglas.
By [Signature] Deputy