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REPLY TO: ORANGE COUNTY OFFICE

11 June 2008

Mr. John Doe
Acme Company
12345 Main Street
Anytown, California 90000

VIA FACSIMILE: (909) 555-1212

Mr. John Roe
Beta Company
12345 Main Street
Anytown, California 90000

VIA FACSIMILE: (949) 555-1212

Re: Client v. Acme & Beta
Our File No.: ABCD.221201.01

Dear Mr. Doe and Mr. Roe:

This office has the privilege of serving as General Counsel for Client. The above-referred matter has been transmitted to me for handling. Please therefore address all future correspondence on this issue to my attention.

This letter is written with regard to late payment as to the AAAAAA project. My understanding from my client is that they were owed a total of \$49,540.00 for this work performed.

I acknowledge on behalf of Client, with thanks, receipt of payment in the amount of \$27,980.00 on 6 May 2008, of which \$1,080.00 was allocated to finalize the BBBBBB project (which was already, in and of itself, over 120 days past due). This left a balance of \$26,900.00 remaining to be applied to the AAAAAA project, which therefore results in an outstanding balance of \$22,640.00 still due and owing to Client.

My client has impressed upon me the regard they have for Acme and their desire to continue to have a good and ongoing business relationship. Client also understands that Beta is involved as Acme's client for whom these services were rendered. Therefore, there is a desire by Client to work with both Acme and Beta to resolve this issue as best as possible.

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However, that being said, my client has now reached the point of referring this matter to me, and they expect (and deserve) action to be taken quickly. Although Beta may be the ultimate customer, Client's relationship is with Acme, and it is Acme who owes this debt. Whether or not Beta is paying Acme is not really any of Client's concern. Client therefore looks to Acme to make good on its obligations. If this does not happen, then my client reserves its rights to any and all legal means to protect its interests. However, as Beta was the ultimate beneficiary of Client's work, this would involve Beta as well.

Accordingly, in the interests of resolving this matter on a business basis, rather than on a legal basis, Client will still accept the mere principal of the amount owed (\$22,640.00), without any interest or fees. This offer will remain open until 12:00 noon PDT on Friday, 20 June 2008. If full payment of this amount is received by that time, Client will close the books on this issue and will look forward to moving forward to doing many other deals with Acme and/or Beta.

If, however, full payment is not made by this time, then Client will have no choice left but to proceed in a legal arena. In such a case, Client would also seek interest and fees, and would be investigating its lien rights as to Beta. My client and I truly hope that such a form of Court intervention is not necessary.

Should you have any questions or comments, please feel free to contact me at your convenience. I look forward to speaking with you soon, and to a speedy resolution of this matter so all concerned can concentrate together on new projects to their mutual benefit.

Best Regards,

John A. Safyurtlu
General Counsel

cc: Client