

Wednesday, January 30, 2008

Albion Home Kitchen & Bath
3640 Sagunto Street Suite 100
Post Office Box 336
Santa Ynez, CA 93460

NOTICE TO PERFORM

Dear Mr. Ratliff:

Please let this letter serve as a formal notice to perform with regards to the steam shower/sauna project at 1403 Alameda Padre Serra, Santa Barbara, CA 93103.

Attached is our original agreement dated October 23, 2007. This agreement states the following:

1. The project cost is \$20,675.00 +/- any unforeseen costs.
 - a. *Subsequent e-mail and text correspondence confirms no unforeseen costs.*
2. The fixtures, steam generator, and sauna are slated at \$9300.10.
3. The project timeline is set at 4 weeks from October 23, 2007 with completion set at or near end of November 2007; or *within reason*.

To date, I have furnished Albion Home with \$18,000.00. Remaining monies owed are \$2675.00

Currently, the project is far from completion and months behind schedule.

You are hereby instructed to perform per our agreement in delivering the aforementioned \$9300.10 in materials immediately to the residence of 1403 Alameda Padre Serra. Please fax immediately the receipts for all of the materials, which you indicated were all purchased in November 2007 via e-mail and verbal correspondence. Alternatively, furnish payment of \$9300.10.

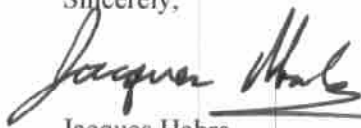
You are hereby instructed to perform all remaining work effective immediately. If no additional/substantive work is performed on the project by February 1st, 2008, please furnish payment of \$4875.00 for the remaining work required to complete job.

Further, please be aware that I have engaged Robert Croteau, Esq., as counsel in this matter. If you do not perform per the agreement as set forth in this notice to perform, I will instruct counsel to pursue every legal measure against you and Albion to recoup undelivered materials, services not supplied, damages, costs, and attorney fees.

Finally, I have been notified by Ron Baird that he plans on filing a lien against my property since he has not been paid in full; nor has TileCo (to whom Ron vouched for credit on your behalf) been paid. Any costs, permit fees, etc that accrue from this event will be added to the claim against Albion and you as an individual.

I look forward to your prompt response.

Sincerely,



Jacques Habra