

Michael and Elana Laham
22426 Porreras
Mission Viejo, California 92692

January 13, 2003

Robert J. Koretoff
16320 Downey Avenue
Paramount, CA 90723
FAX (562) 220-1048

Dear Robert,

On 10/29/02, 11/3/02, and during a telephone conversation we had with you at the beginning of October 2002, we informed you that the bathroom in the master bedroom was not working properly and it is leaking water. We sent you via FAX from the Santa Margarita Water District on 10/29/02 that the water leak source is the toilet. After doing some research, we have just now discovered on 1/8/03 that, during the months of October 2002 and November 2002, we incurred a monetary loss of \$26.57 because of extra water usage due to the leaking toilet. If we turn on water to the toilet, we will incur additional monetary loss because the water bill will continue to include "extra" water usage due to the above leaking toilet. Therefore, since we do not wish to incur additional monetary loss because of the leaking toilet, we have been forced to shut the toilet off, and render it unavailable for use, from 11/26/02 until you fix it or until our lease expires on 4/30/03.

According to OUR CONTRACT WITH YOU (**which you love to quote so much**) we pay \$1900 per month for TWO TOILETS, not ONE TOILET. Please see paragraph #1 and paragraph #3 of the lease. Therefore, we need you to reimburse us for \$26.57 extra water bill incurred because of malfunctioning toilet and you need to monetarily compensate us for not having ONE TOILET from 11/26/02 to either a) the time you fix the leak in the toilet or b) the time our lease expires.. You also need to fix the leaking toilet as soon as possible. It is not acceptable and it is illegal - a breach of contract - if you expect us to keep our end of the contract while you refuse to keep yours. Also, it is a gross wastage of precious water in the desert of Southern California that you do not take care of the leaking toilet, which is probably why the Santa Margarita Water District put the tag on 10/29/02 on the front door of your property.

Please find enclosed documented evidence of our above claim; this does not include video or photograph. Video and photograph can be obtained upon specific request.

- 1) Santa Margarita Water District Customer/Location Consumption History Inquiry-two pages.
- 2) Santa Margarita Water District Water Bill-two.
- 3) Santa Margarita Water District notice of water leak.

Very sincerely yours,

The Lahams

cc: Santa Margarita Water District, 26111 Antonio Parkway, Rancho Santa Margarita, CA 92688, FAX 949-459-6462

FAYED

Date: 10-29-02 Time: 10

Empl. No. 537

While reading your meter, usage was noted as "above average" for your residence. Reviewing your consumption habits, checking your toilets for leaks, irrigation system (cycles and times), will prevent unnecessary water waste and high water bills. Please contact our office for water saving tips and information.

Today we came to establish/re-establish your water service. Your meter indicated water running inside. Your water has been:

Turned off at the house valve (notice on valve) near your hose bib. **Turn on** yourself.

Turned off at the master valve in the meter box. Please **turn on** yourself.

Turned off at the angle stop. Call customer service. **Do not attempt to turn on yourself.**

While reading your meter, a water leak was detected on your property. Please check for a running/leaking toilet or contact your plumber for further assistance.

*Thank You For Helping Us To
Use Water Wisely!*



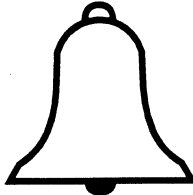
SANTA MARGARITA WATER DISTRICT
26111 Antonio Parkway
Rancho Santa Margarita, CA 92688
Customer Service (949) 459-6420

Santa Margarita Water District

Account Number
898550-81585

Customer Name and Service Address

MICHAEL S. LAHAM
22426 PORRERAS



Billing Date 12/03/02

HOW TO REACH US

949/459-6420
26111 Antonio Pky.
Rancho Santa Margarita, CA.

Last Payment Received 11/05/02 Thank You \$42.90

USAGE

Meter Number	Meter Size	Billing Period	# Days	Usage (ccf)	Prior Year
WD014857991	3/4 INCH METER	10/29/02-11/26/02	28	14	0

PREVIOUS CHARGES

Unpaid Balance	.00
Balance.....	DUE IMMEDIATELY \$0.00

CURRENT CHARGES

Water Base Charge	\$5.74
Water Use Charge	21.74
Power Surcharge	1.40
Sewer	16.17

Please Remit Current Charges by 12/28/02 \$45.05
10 % Penalty Will Be Assessed On Current Charges If Paid After: 1/07/03

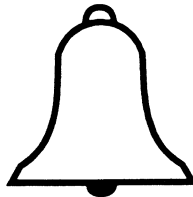
Total Amount Due \$45.05

MESSAGE

Santa Margarita Water District

Account Number
898550-81585

Customer Name and Service Address
MICHAEL S. LAHAM
22426 PORRERAS



Billing Date 1/06/03

HOW TO REACH US

949/459-6420
26111 Antonio Pky.
Rancho Santa Margarita, CA.

Last Payment Received	12/09/02	Thank You	\$45.05
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USAGE

Meter Number	Meter Size	Billing Period	# Days	Usage (ccf)	Prior Year
WD014857991	3/4 INCH METER	11/26/02-12/30/02	34	<u>7</u>	0

PREVIOUS CHARGES	
Unpaid Balance	.00
Balance.....	DUE IMMEDIATELY \$0.00

CURRENT CHARGES

Water Base Charge	\$5.74
Water Use Charge	9.84
Power Surcharge	.70
Base Sewer Charge	8.25
Sewer Use	6.16

Please Remit Current Charges by 1/31/03 \$30.69
10 % Penalty Will Be Assessed On Current Charges If Paid After: 2/10/03

Total Amount Due	\$30.69
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MESSAGE

UT300I01

SANTA MARGARITA WATER DISTRICT CXLIB
Customer/Location Consumption History Inquiry

11/07/02
10:27:04

Customer ID: 898550 Name: LAHAM, MICHAEL S.
Location ID: 81585 Addr: 22426 PORRERAS
Cycle/Route: 11 03 Amount due: \$.00
Initiation date : 5/14/02 Pending : \$.00
Termination date: 0/00/00 Customer status: A Customer/Location status: A

Type options, press Enter.

1=Select 5=View detail 6=Display comment codes

Service	Reading	Actual	Actual		Meter	Est	Cmnt	
Opt Code	Type	Date	Consumption	Demand	Days	Number	CD CD	
-	WD	REG	10/29/02	13.00	.00	34	014857991	02
-	WD	REG	9/25/02	7.00	.00	28	014857991	
-	WD	REG	8/28/02	6.00	.00	29	014857991	
-	WD	REG	7/30/02	6.00	.00	33	014857991	
-	WD	REG	6/27/02	6.00	.00	29	014857991	
-	WD	REG	5/29/02	2.00	.00	15	014857991	
-	WD	INT	5/14/02	.00	.00		014857991	

F3=Exit F5=Print history F6=Meter inventory F7=Meter svc info
F8=Pending/history trans F9=Budget trans F24=More keys

UT305I01

SANTA MARGARITA WATER DISTRICT CXLIB
Consumption History Inquiry

11/07/02
10:28:44

Customer ID: 898550 Name: LAHAM, MICHAEL S.
Location ID: 81585 Addr: 22426 PORRERAS

Service/Seq : WD 000 WATER DOMESTIC
Reading date : 10/29/02
Days : 34
Type : REG
User ID : PAULC
Meter reader : RG RICHARD CLOVER
Comment code : 02 LEAK DETECTED
Estimate code :
Meter number/Size . . : 014857991 34
Use of meter : REGULAR

Rdg	Comp	Description	Reading	Billing Multiplier	Consumption
CCF		HUNDRED CUBIC FEET	1706.00	1.0000	13.00

F3=Exit F10=View 2 F12=Cancel F18=Meter reader comments

C17 SE GROUP BLD 41A

TOTAL PAGES

TOTAL TIME

SEND : 0043
RECEIVE : 0026

SEND : 00'24"10
RECEIVE : 00'16"35

	DATE	TIME	TO/FROM	MODE	MIN/SEC	PGS	CMD#	STATUS
01	12/ 6	16:15	5622201048	EC--R	00"38	01		OK
02	12/10	09:22	5622201048	EC--S	00"55	01	98	OK
03		09:24	5622201048	EC--S	00"55	01	99	OK
04		10:11	562 982 7462	EC--S	00"32	01	01	OK
05		17:49		EC--R	00"38	01		OK
06	12/12	09:16	253 983 4430	EC--R	00"26	01		OK
07	12/13	10:55	562 982 7462	EC--R	00"42	01		OK
08		14:44	714 567 2729	EC--R	00"53	03		OK
09	12/14	12:34		----R	00"39	00		INC
10	12/16	15:03	28106	G3--PR	00"06	00		INC
11		15:06	562 982 8106	EC--S	00"47	02	02	OK
12	12/17	17:07		G3--R	00"57	01		OK
13	12/18	09:16	417 866 4115	EC--S	00"24	01	03	OK
14		10:15	562 982 7462	EC--S	00"31	01	04	OK
15		13:59	913-438-9191	G3--R	00"48	01		OK
16		14:16	YWA	EC--R	00"46	01		OK
17	12/19	08:47	562 982 7462	EC--R	00"40	01		OK
18	12/26	17:09		----R	00"37	00		INC
19	12/30	14:53		EC--R	00"38	01		OK
20	1/ 2	10:59	MARKETING DEPT.	G3--R	00"54	01		OK
21	1/ 3	13:51	RightFAX	EC--R	00"42	02		OK
22		13:52	RightFAX	EC--R	00"37	02		OK
23	1/ 8	09:53	19092801098	----S	00"00	00	05	BUSY
24		11:16	FAX	EC--R	00"30	01		OK
25		11:23		EC--R	00"37	01		OK
26	1/ 9	17:27	310 787 1120	EC--R	04"01	06		OK
27	1/12	20:43	Jean A. Leeser	G3--R	00"46	01		OK
28	1/13	09:14	5622201048	EC--S	03"04	06	06	OK
29		09:19	5622201048	EC--S	03"01	06	07	OK
30		09:24	5622201048	EC--S	02"59	06	08	OK
31		09:29	949 459 6463	EC--S	03"42	06	09	OK
32		09:34	949 459 6463	EC--S	03"38	06	10	OK
33		11:27	949 459 6463	EC--S	03"42	06	11	OK