



**The Cliffs Club & Hospitality Group, Inc.**

December 12, 2012

Allora, LLC  
Attn: William Santerini  
P.O. Box 25985  
Greenville, SC 29616

Re: Design Fee Agreement, effective August 20, 2010

Dear Mr. Santerini,

Given the long standing relationship between The Cliffs and Allora, LLC and the vast amount of work done between our companies over the years, we entered into the above referenced agreement. Through this agreement, Cliffs Construction, LLC secured architectural design services at favorable, discounted rates for the future design of various amenity projects for The Cliffs Club & Hospitality Group, Inc. Subsequent to this agreement, the real estate market, general economy, and other factors dramatically slowed our pace of construction and we approached your company to discuss a refund of the remaining prepaid fees. According to our accounting records the remaining balance as of this date is \$464,436.00 and we would ask that you confirm your records agree.

Although the agreement contains a Termination for Convenience clause, it is our understanding that Allora, LLC asserts this clause does not necessitate a refund of any remaining prepaid design fees and that Allora, LLC intends to fully honor its commitment to provide the design services as outlined in the original agreement. At this time, we do not believe it is appropriate to engage counsel, or cause you to do the same, to resolve this assertion through the judicial process.

We do request a refund of the prepaid fees which could be addressed through a payment plan which is sensitive to your business's cash flows. In the alternative, we are open to your suggestions.

We look forward to resolving this matter in a mutually agreeable manner and continuing the long-standing, positive relationship between our companies. The Cliffs certainly values the competent expertise of Allora, LLC and fully intends to continue our relationship with your firm. Please contact me at 864-371-1013 or [tcherry@cliffscommunities.com](mailto:tcherry@cliffscommunities.com).

Very truly yours,

Timothy P. Cherry, CPA  
Interim President and CEO  
The Cliffs Club & Hospitality Group, Inc.