

## SETTLEMENT AGREEMENT AND GENERAL RELEASE

THIS SETTLEMENT AGREEMENT AND GENERAL RELEASE ("**Agreement**") is made and entered into on this \_\_\_\_ day of December, 2014 by and among TCC International LLC, a Delaware limited liability company ("**TCC**"), The Core Group Management LLC, a Delaware limited liability company ("**CGM**"), The Core Club 55<sup>th</sup> Street LLC, a Delaware limited liability company ("**CCF**" and together with TCC and CGM, collectively being "**Core**"), and Jeffrey Epstein, the undersigned "founding member" ("**FM**"). Core and FM shall, together with their respective successors, heirs, executors, and/or assigns, hereinafter, collectively, be referred to as the "**Parties**."

WHEREAS, FM provided a loan to CCF which is evidenced by a subordinated promissory note in the original principal amount of \$\_\_\_\_\_ (the "**Note**");

WHEREAS, CCF operates a club at premises located at 60 East 55<sup>th</sup> Street in New York, New York and known as The Core Club (the "**Club**");

WHEREAS, on or about 2008 or 2009, in connection with a proposed restructuring of the capitalization of CCF which was not consummated, FM was granted certain discounts, privileges and other consideration;

WHEREAS, FM has received discounts, privileges and other consideration having the respective values set forth on Appendix A;

WHEREAS, CCF shall provide or shall cause to be provided to FM certain additional consideration as more specifically set forth on Appendix A (the consideration set forth on Appendix A shall hereinafter be referred to as the "**Consideration**"); and

WHEREAS, FM is willing to forgive the indebtedness outstanding under the Note, if any, in consideration of the Consideration;

NOW THEREFORE, in consideration of the mutual promises and covenants herein contained and the benefits to be derived by each Party, for the payments to be made hereunder, and for other good and valuable consideration (including, without limitation, the Consideration), the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. FM acknowledges and agrees that, effective upon the execution and delivery of this Agreement, and in exchange for the Consideration, the Note (including all accrued interest with respect thereto) shall be forever cancelled, satisfied and discharged in full.
2. In consideration for the discharge of the Note (including all accrued interest with respect thereto), FM acknowledges that FM has received the discounts, privileges and other consideration set forth on Appendix A.
3. CCF will provide or cause to be provided to FM the discounts and privileges at the Club set forth on Appendix A hereto in lieu of the discounts and privileges set forth in any prior oral or written agreements between the Parties.

4. Effective upon the execution and delivery of this Agreement by FM, and for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged as received by FM, FM, on behalf of himself, herself or itself and his, her or its successors, heirs, executors and assigns (collectively, the “**Releasors**”), hereby irrevocably releases, acquits and forever discharges TCC, CGM, CFF, TCC 55 LCC, The Core Club IP, LLC, RFD Steam LLC, AES Holding, LLC, R&F 55<sup>th</sup> Street Retail LLC, RFD 55<sup>th</sup> Street LLC, RFD Holding, LLC, Aby Rosen, Michael Fuchs, Trevor Davis, Davis & Partners LLC, and Davis and Partners, ■■■■■, and all of their respective successors, assigns, parents, subsidiaries, affiliates, predecessors, shareholders, members, directors, managers, officers, employees, agents, professionals, and representatives, as applicable, both present and former (each a “**Released Party**,” collectively, “**Released Parties**”), of and from any and all actions, causes of action, suits, counterclaims, debts, dues, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, contracts, obligations, accounts, defenses, offsets, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, liabilities, claims and demands of whatsoever kind or nature, known or unknown, suspected or unsuspected, contingent or non-contingent, in contract or in tort, at law or in equity or otherwise, which any or all of the Releasors have, may have, ever had, or may hereafter have (including, without limitation, any claims arising from or under or relating in any way to the Note (including all accrued interest with respect thereto) and the Club), against any or all of the Released Parties, individually, jointly or severally, for, or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date hereof.

5. Effective upon the execution and delivery of this Agreement by the Parties, the Parties agree that, to the extent not previously terminated by their terms, (i) that certain letter agreement and attached Proposed Restructuring Term Sheet, dated December 29, 2008, and (ii) The Core Club 55th Street LLC Subscription Agreement, which was executed by FM as "Subscriber" and accepted by CCF in connection with the Note, shall each terminate and no parties thereunder shall have any further rights or obligations under such agreements.

6. The Parties agree that the terms of this Agreement are confidential as between the Parties and their respective attorneys. The Parties will not reveal, and they will instruct their attorneys and any other person or representative acting on their behalves not to reveal, to the general media, or to any other person or entity not a party to this Agreement, the terms or amounts contained in this Agreement, except as otherwise provided herein. Notwithstanding the foregoing, this provision shall not prevent the Parties from (a) communicating with their respective attorneys, insurers, lenders, auditors, accountants, sureties, or tax advisors regarding this Agreement; or (b) responding to a subpoena, court order or other legally enforceable request from a governmental agency, court tribunal, or other entity of competent jurisdiction to reveal facts regarding this Agreement, provided that the Party receiving the request provides written notification of said request to the other Parties prior to providing the requested information. Breach of any provision in this paragraph shall be considered a breach of this Agreement and any and all remedies at law and in equity shall be available.

7. The Parties agree that they will not by conduct or statement, or in writing, disparage the business or business practices of the other or of their respective successors, parents, subsidiaries, affiliates, predecessors, shareholders, members, directors, managers, officers or employees.

Breach of any provision in this paragraph shall be considered a breach of this Agreement and any and all remedies at law and in equity shall be available.

8. This Agreement supersedes all prior oral or written agreements with respect to the subject matter hereof and constitutes the entire, integrated agreement among the Parties hereto relating to the subject matter hereof.

9. No amendment, modification, or waiver of any of the provisions of this Agreement shall be effective unless in writing and signed by the party or parties against whom it is to be enforced, and then any such amendment, modification, or waiver shall be effective only in the specific instance, and for the specific purpose for which given.

10. It is understood and agreed that this Agreement is being entered into by way of compromise of potential claims, counterclaims, cross-claims, and defenses and shall not, in any way, be construed or considered to be an admission of any liability or wrongful conduct by any of the Parties. Furthermore, nothing in this Agreement shall be construed as an admission of any fact by any of the Parties.

11. FM hereby represents and warrants that no other person or entity has or has had any interest in the Note or in any claims, demands, obligations, or causes of action referred to in Paragraph 4 of this Agreement, and that FM has the sole right and exclusive authority to execute, deliver and perform under this Agreement without the consent of any person or entity; that FM has not sold, assigned, encumbered, transferred, conveyed, or otherwise disposed of any rights or interests in the Note or in any claims, demands, obligations, or causes of action referred to in Paragraph 4 of this Agreement.

12. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity and enforceability of any other provision of this Agreement. The provisions of this Agreement shall, to the fullest extent permissible by law, be construed and interpreted to ensure their validity, enforceability and mutual compatibility, and to effectuate the purposes of this Agreement.

13. This Agreement shall be governed and construed in accordance with the laws of the State of New York, without regard to any rules or principles of conflict of laws that might otherwise have required the application of the law in another jurisdiction. The Parties hereto each (a) irrevocably consent and agree that any legal or equitable action or proceeding arising under or in connection with this Agreement, may be brought in any federal or state court located in the County of New York, in the State of New York, (b) agrees that any process in any action commenced in such court with respect to this Agreement may be served upon such Party either (i) personally, by certified or registered mail, return receipt requested, or by an overnight courier service which obtains evidence of delivery, with the same full force and effect as if personally served upon him in such county or (ii) any other method of service permitted by law, and (c) waives any claim that the jurisdiction of any such tribunal is not a convenient forum for any such action and any defense of lack of in personam jurisdiction with respect thereto.

14. The Parties intend for this Agreement to be construed and interpreted neutrally, in accordance with the plain meaning of its language, and not presumptively construed against any actual or purported drafter of any specific language contained in it.

15. The Parties acknowledge and agree that, in entering into this Agreement, they have each relied on or had the opportunity to seek the legal advice of their respective chosen counsel, that the person executing this Agreement, has read and understood and voluntarily accepted the terms and conditions hereof, and that the person executing this Agreement does so in good faith and in the absence of any fraud, duress or undue influence.

16. This Agreement may be executed in multiple counterparts, with each copy being treated as an original. Such counterparts shall together constitute but one and the same Agreement. All executed copies of this Agreement, and photocopies thereof, shall have the same force and effect and shall be as legally binding and enforceable as the original.

17. This Agreement shall be binding on and inure to the benefit of the Parties and their respective past, present and future parent companies, subsidiaries, affiliates, divisions, related companies or entities, stockholders, shareholders, officers, directors, partners, members, agents, principals, servants, employees, affiliates, managers, representatives, attorneys, assigns, insurers, trustees, receivers, administrators, predecessors-in-interest, and successors-in-interest. Each Released Party that is not one of the Parties hereto is intended to be a third party beneficiary of this Agreement and all Released Parties shall be entitled to the rights and benefits of this Agreement.

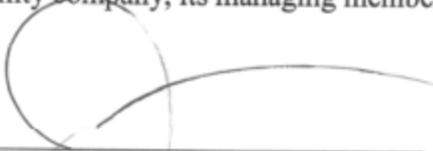
18. Each Party hereto represents, warrants and guaranties that it has received all necessary authorizations and approvals to enter this Agreement and that the individual executing this Agreement is authorized to execute this Agreement on behalf of the party and bind that party to the terms and conditions contained herein. Each Party hereto represents, warrants and guaranties that it has the legal right, power and authority to enter into this Agreement, and that it has made such investigation of the facts pertaining to this Agreement and all of the matters pertaining thereto as it deems necessary prior to entering into this Agreement.

[The next page is the signature page]

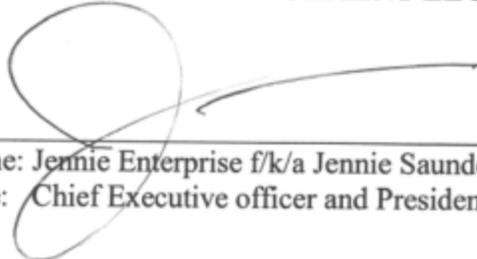
IN WITNESS WHEREOF, this Agreement has been executed by the Parties as of the date first set forth above.

**TCC INTERNATIONAL LLC**

By: The Core Group Management LLC, a Delaware limited liability company, its managing member

By:   
Name: Jennie Enterprise f/k/a Jennie Saunders  
Title: Chief Executive Officer and President

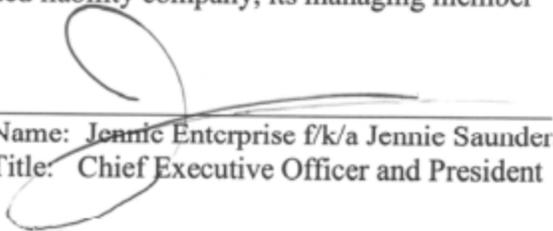
**THE CORE GROUP MANAGEMENT LLC**

By:   
Name: Jennie Enterprise f/k/a Jennie Saunders  
Title: Chief Executive officer and President

**THE CORE CLUB 55<sup>TH</sup> STREET LLC**

By: TCC International LLC, a Delaware limited liability company

By: The Core Group Management LLC, a Delaware limited liability company, its managing member

By:   
Name: Jennie Enterprise f/k/a Jennie Saunders  
Title: Chief Executive Officer and President

**FOUNDING MEMBER**

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Name: Jeffrey Epstein

Detailed Description of Past and Future Consideration to Founding Members

**FM Subordinated Note  
Sept 2005 - April 2009**

**FM Subordinated Note  
May 2009 - Dec 2014**

**FM Subordinated Note  
Effective 1/1/2015**

Subordinated Note &  
Unsecured Loan

Principal - \$100,000	Cancellation of Debt (principal & accrued interest) in exchange for equity. Equity has no value.	Cancellation of Debt (principal & accrued interest and penalty interest). Equity cannot be issued. Material issue with respect to NYS advisory opinion and potential material exposure for any FM. Equity has no value.
Interest – 12% simple interest payable at maturity	No penalty interest as note was deemed to be cancelled.	Interest - note accrues penalty interest in accordance with the note terms through 12/31/14
Maturity – 5 years	Maturity – with cancellation of debt	Maturity – with cancellation of debt
No security – unsecured loan	No security – unsecured loan	No security – unsecured loan
Ranking – subordinated to senior debt	Ranking – subordinated to senior debt	Ranking – subordinated to senior debt
Tax treatment – A 1009-OID and a 1099-INT are issued each year for the term of the note which represents passive income to the noteholder related to the waived dues and monthly spending credit	Tax treatment – Each FM should consult with his/her tax advisor in connection with cancellation of the debt and any associated investment loss. [Note: 1099's will no longer be issued.]	Tax treatment – Each FM should consult with his/her tax advisor in connection with cancellation of the debt and any associated investment loss. [Note: 1099's will no longer be issued.]

**FM Membership Plan  
Sept 2005 - April 2009**

**FM Membership Plan  
May 2009 - Dec 2014**

**FM Membership Plan  
Effective 1/1/2015**

Annual Dues

Spending Credit

Annual Stipend

Discount

Membership Rights

Initiation Fee

Guest Visits

Reciprocity

Sale of Membership

Transfer of  
Membership

Founding Member and Spouse – waived for 5 years then same as Regular Members.	\$2,500 for Founding Member and Spouse subject to overall annual increases in lockstep with other members (currently at \$2,700 per year).	\$7,600 per year for Founding Member and Spouse representing a 55% discount to the full rate and this rate will be capped in perpetuity (subject to an adjustment to reflect any increase in CPI, which adjustment will be made every 3 years).
\$700 for all goods and services; unused monthly credit does not roll over except in the case of out of town members who receive the credit quarterly	Eliminated due to tax consequences	N/A
N/A	N/A	An annual stipend of \$5,000 posted to the member club account each year for 10 years. Stipend does not roll over from year to year.
10% on all goods and services for duration of membership	75% of F&B and 20% of all other services to include fitness, spa and suites.	Continued discounts on club goods and services reducing in 2015 to 50% of F&B; 20% off corporate events, suites, spa & fitness and gradually reducing over 3 years to 25% of rate card for F&B, corporate events and suites, and 20% for spa and fitness.
Regular Member benefits and usage rights in addition to benefits under this category	Regular Member benefits and usage rights in addition to benefits under this category	Regular Member benefits and usage rights in addition to benefits under this category
Waived	Waived	Waived
Guests allowed w/o Founding Member being present	Guests allowed w/o Founding Member being present	Guests allowed w/o Founding Member being present
Access to all future CORE: clubs for no additional initiation fee or annual dues	Access to all future CORE: clubs for no additional initiation fee or annual dues	Access to all future CORE: clubs for no additional initiation fee or annual dues
N/A	Secondary Market established but club not actively involved in promoting sale	Club will proactively attempt to facilitate the sale of your membership into the dues paying community.
N/A	Subject to the restrictions that: (i) any transferee of a Founding Member must execute the standard membership agreements and (ii) Club Memberships may only be transferred to relatives or business partners of Founding Members	Subject to the restrictions that: (i) any transferee of a Founding Member must execute the standard membership agreements and (ii) Club Memberships may only be transferred to relatives or business partners of Founding Members
<u>Documentation Required:</u> FM Note FM Membership Agreement	<u>Documentation Required:</u> FM Redemption & Release Agreement FM Membership Agreement - Addendum	<u>Documentation Required:</u> FM Settlement & Release Agreement FM Membership Agreement - Addendum

Value of  
Waived/Discounted  
Dues per FM

**\$49k per FM over the term**

**\$62.5k per FM over the term**

Value of Spending  
Credits/Discounts  
on goods &  
services per FM

**\$17k per FM over the term**

**\$30k per FM over the term**

Total Value of  
Discounts

**\$158.5k per FM over the term**