

AES HOLDING, LLC
390 Park Avenue, 3rd Floor
New York, New York 10022

July 7th, 2010

Ms. Jennie Saunders
The Core Club 55th Street LLC (d/b/a The Core Club)
TCC International LLC (d/b/a The Core Club)
The Core Group Management LLC
TCC 55 LLC
The Core Club IP, LLC
c/o The Core Club
66 East 55th Street
New York, New York 10022

Re: Loan by AES Holding, LLC to The Core Club 55th Street LLC

Reference is made to the Loan and Loan Documents described on Schedule 1 hereto. Capitalized terms used, but not otherwise defined herein or in Schedule 1, shall have the respective meanings ascribed to such terms in the Loan Documents.

Reference is also made to that certain letter dated July 1st, 2010 (the "**Core Club Parties' Estoppel Letter**") from The Core Club 55th Street LLC d/b/a The Core Club ("**Core Club**"), TCC International LLC ("**TCC**"), The Core Group Management LLC ("**TCGM**"), TCC 55 LLC ("**TCC 55**"), The Core Club IP, LLC ("**Core Club IP**"), and Jennie Saunders ("**Saunders**"; together with the Core Club, TCC, TCGM, TCC 55 and Core Club IP, collectively being the "**Core Club Parties**" and each a "**Core Club Party**"), to R&F 55th Street Retail LLC, RFD 55th Street LLC, AES Holding, LLC, RFD Steam LLC and RFR Holding, LLC (collectively, the "**RFR Parties**"), in which letter the Core Club Parties made certain certifications, representations and warranties to the RFR Parties to induce the RFR Parties to consider whether to enter into and/or continue discussions with the Core Club Parties regarding certain defaults under the Lease, the Loan and the Loan Documents (each as defined in the Core Club Parties' Estoppel Letter).

Reference is further made to that certain letter dated July 1st, 2010 (the "**Tenant Estoppel Letter**") from the Core Club to R&F 55th Street Retail LLC and R&D 55th Street LLC, in which letter the Core Club made certain certifications, representations and warranties to R&F 55th Street Retail LLC and R&D 55th Street LLC to induce them to consider whether to enter into and/or continue discussions with the Core Club regarding certain events of defaults that have occurred under the Lease (as defined in the Tenant Estoppel Letter).

This letter confirms that AES Holding, LLC conditionally agrees to release Saunders from her obligations under the Guaranty, provided that such release shall be void ab initio if any of the following shall occur at any time:

1. Any of the certifications, representations, or warranties made by any of the Core Club Parties in either the Core Club Parties' Estoppel Letter or the Tenant Estoppel Letter shall be false or breached in any way;

2. Any of the Core Club Parties takes any act to disavow, disregard or repudiate in any way any of the provisions in either of the Core Club Parties' Estoppel Letter or the Tenant Estoppel Letter;

3. Any of the Core Club Parties shall directly or indirectly (i) assert any claim or cause of action of any kind or nature against any of the RFR Parties or any affiliates or members thereof; or (ii) take any act to interfere with or delay any of the RFR Parties from exercising any rights or remedies of any of RFR Parties under the Lease, the Loan or the Loan Documents, or collude with, or solicit, directly or indirectly, any person or entity to do either (i) or (ii) above; or

4. Any of the Core Club Parties shall (i) voluntarily file any petition or proceeding for any Core Club Party under any bankruptcy or similar law, or (ii) collude with or solicit, directly or indirectly, any person or entity to file any involuntary petition or proceeding under any bankruptcy or similar law against any Core Club Party, or (iii) consent to any order for relief or fail to use best efforts to oppose any involuntary petition or proceeding under any bankruptcy or similar law filed against any Core Club Party. In the event that any of the RFR Parties causes (other than by reason of the mere existence of obligations due and owing to any of the RFR Parties from any of the Core Club Parties) any of the Core Club Parties to do any of the actions set forth in this Section 4, then such actions shall not void the release provided for in this letter.

5. Saunders fails to fully cooperate with the RFR Parties in any action they may wish to take with respect to the Core Club Parties and with respect to any present or future agreement between or among the Core Club Parties and the RFR Parties, including, without limitation, by voting, or causing any entity, directly or indirectly controlled by Saunders to vote, against any action that an RFR Party proposes that a Core Club Party take.

Each of the Core Club Parties hereby, acknowledges, certifies, represents and warrants to the RFR Parties that:

a. That all of the certifications, representations, or warranties made by each of the Core Club Parties in the Core Club Parties' Estoppel Letter and the Tenant Estoppel Letter, as applicable, are true and correct; and

b. The conditional release given to Saunders pursuant to this Letter does not in any way affect the obligations of the Core Club Parties pursuant to the Lease, the Loan, the Loan Documents or the Core Club Parties Estoppel Letter, all of which are hereby reaffirmed.

This Letter may be executed in any number of identical counterparts, and by facsimile or portable data file (pdf) electronic signature, and each of which, when so executed and delivered, shall be deemed to be an original and all of which taken together shall constitute but one and the same instrument.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Very truly yours,

AES HOLDING LLC

By: _____

Name:

Title:

Frank Mangieri
Vice President

CONSENTED AND AGREED TO BY:

JENNIE SAUNDERS, Individually

THE CORE CLUB 55TH STREET LLC,
d/b/a The Core Club

By: TCC International LLC,
its Manager

By: _____

Name: Jennie Saunders
Title: Chief Executive Officer
and President

TCC INTERNATIONAL LLC,
d/b/a The Core Group,
f/k/a Steam LLC

By: _____

Name: Jennie Saunders
Title: Chief Executive Officer
and President

THE CORE GROUP MANAGEMENT LLC,
f/k/a Steam Management LLC

By: _____

Name: Jennie Saunders
Title: Manager

TCC 55 LLC,

By: TCC International LLC,
its Manager

By: _____

Name: Jennie Saunders
Title: Chief Executive Officer
and President

THE CORE CLUB IP, LLC

By: TCC International LLC,
its Manager

By: _____

Name: Jennie Saunders
Title: Chief Executive Officer
and President

SCHEDULE I

1. AES Holding, LLC ("**Lender**") made a loan to The Core Club 55th Street LLC (the "**Borrower**") in the principal amount of \$7,500,000 (the "**Loan**").

2. The Loan is evidenced by, among other things, a Second Amended and Restated Secured Promissory Note, dated May 26, 2006, in the principal amount of \$7,500,000 from the Borrower to the Lender (the "**Note**").

3. The Loan is guaranteed pursuant to, among other things, that certain Joint and Several Guaranty, dated as of November 17, 2005, by Jennie Saunders ("**Saunders**"), TCC International LLC ("**TCC**"), the Core Group Management, LLC ("**TCGM**"), and TCC 55 LLC ("**TCC 55**") (and joined in by The Core Club IP, LLC ("**Core Club-IP**"; and Core Club IP together with TCC, TCGM, TCC 55 and Saunders, collectively, the "**Guarantors**"), for the benefit of the Lender (the "**Guaranty**").

4. The Loan is secured pursuant to, among other things:

a. a Security Agreement, dated as of November 17, 2005, among the Borrower, TCC, TCGM, TCC 55, and the Lender (and joined in by Core Club-IP), pursuant to which the Borrower, TCC, TCGM, TCC 55, and Core Club-IP granted to the Lender a security interest in and a lien on of all of their personal property (the "**Security Agreement**");

b. a Pledge Agreement, dated as of November 17, 2005, by TCC in favor of the Lender pursuant to which TCC granted to the Lender an assignment of and security interest in all of TCC's membership interests in both the Borrower and TCC 55 (the "**First TCC Pledge Agreement**");

c. a Pledge Agreement, dated as of November 17, 2005, by TCGM in favor of the Lender pursuant to which TCGM granted to the Lender an assignment of and security interest in all of TCGM's membership interests in TCC (the "**TCGM Pledge Agreement**");

d. a Pledge Agreement, dated as of April 24, 2006, by TCC in favor of the Lender pursuant to which TCC granted to the Lender an assignment of and security interest in all of TCC's membership interests in Core Club-IP (the "**Second TCC Pledge Agreement**"; and together with the First TCC Pledge Agreement, collectively, the "**TCC Pledge Agreements**"); and

e. an Amended and Restated Leasehold Credit Line Mortgage, dated as of April 24, 2006, by Borrower in favor of Lender pursuant to which the Borrower granted to the Lender a leasehold mortgage on its lease for premises at 60 East 55th Street, New York, New York (the "**Mortgage**"; and together with the Security Agreement, the TCC Pledge Agreements, the and TCGM Pledge Agreement, collectively the "**Collateral Documents**").

5. Borrower and the Guarantors, among other things, reaffirmed their respective obligations under the Note, the Guaranty and the Collateral Documents pursuant to:

a. that letter agreement dated March 13, 2006 between the Lender and the Borrower and joined in by each of the Guarantors (the "**3/13/06 Letter Agreement**");

b. that Joinder Agreement and Affirmation dated April 24, 2006 among the Borrower, each of the Guarantors and the Lender (the "**Joinder Agreement**"), pursuant to which, among other things, Core Club-IP joined in, among other things, the Guaranty and the Security Agreement; and

c. that certain letter agreement dated as of May 26, 2006 between the Lender and the Borrower and joined in by each of the Guarantors (the "**5/26/06 Letter Agreement**").

The Note, the Guaranty, the Collateral Documents, the 3/13/06 Letter Agreement, the 5/26/06 Letter Agreement, the Joinder Agreement and all other instruments executed and delivered to evidence, guaranty and/or to secure the Loan are, collectively, the "**Loan Documents**".