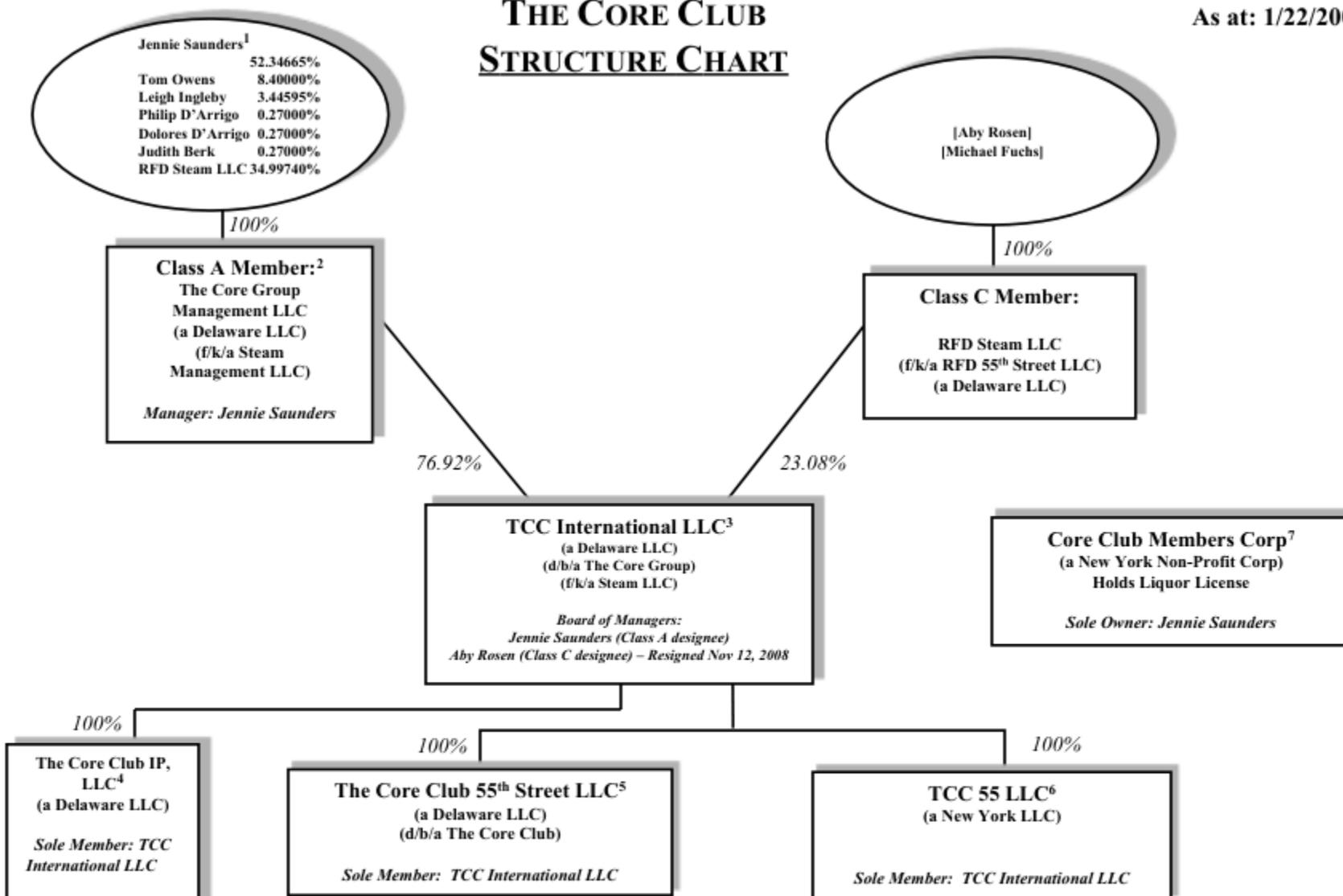


# THE CORE CLUB STRUCTURE CHART

As at: 1/22/2009



1 Jennie Saunders guarantees a \$2.3 million loan by First Republic Bank, \$7.5 million loans from RFR (AES Loans) to The Core Club 55<sup>th</sup> Street LLC. Jennie Saunders is also a guarantor on the club lease.

2 Prior to the date (the "AES Repayment Date") that the AES loan is repaid in full and satisfied, neither TCGM, Jennie Saunders nor any of their respective affiliates may engage in a venture anywhere in the world that competes with the business of TCC International. From and after the AES Repayment Date, TCGM, Jennie Saunders or any of their affiliates shall have the right to engage in ventures anywhere in the world, other than Manhattan, provided that (i) such venture does not have a material adverse impact on TCC International, and (ii) no then-current members or past members of The Core Club are solicited to engage in such venture. In no event, either before or after the AES Repayment Date, may TCGM, Jennie Saunders or any of their respective affiliates compete with the business of TCC International in Manhattan. In addition, in the event that TCGM, Jennie Saunders or any of their affiliates desires to use the name "The Core Club" or any other intellectual property owned by TCC International or any of its subsidiaries or created for use in or by TCC International by TCGM, Jennie Saunders or any of their affiliates ("TCC IP"), they may only do so provided that they enter into a licensing arrangement with TCC International and pay a reasonable licensing fee to TCC International with respect to the contemplated TCC IP.

3 TCC International owns the trademark "The Core Club" in the U.S.

4 The Core Club IP owns the trademark "The Core Club" in China, Hong Kong and Russia.

5 The Core Club 55<sup>th</sup> Street LLC operates a club at 60 East 55<sup>th</sup> Street, New York, NY; issued Founding Member Notes; entered into loan with First Republic Bank (\$2.3 Million) and AES Holdings, LLC (up to \$7.5 Million).

6 TCC 55 LLC is the contract vendor for condominium units 12A, 12B, 12C and 12D at 60 East 55<sup>th</sup> Street, New York, NY; guarantees loan by First Republic Bank.

7 Core Club Members Corp, a NY social non-profit was formed in order to facilitate the issuance of the club liquor license. The Core Club 55<sup>th</sup> Street LLC operates the bar and restaurant as a manager for the non-profit.

# Estate Planning - Action Plan

- Step 1 – Transfer of Jennie’s interest in TCGM LLC to an entity.
  - Form an entity CORE: JD Enterprises LLC (this entity is being formed for the CORE: asset only)
  - Form an entity JS MM LLC (this entity is being formed for the CORE: asset only) owned 100% by JS
  - CORE: JD Enterprises will be owned 2% by JS MM LLC and 98% by Dangene & Jennie Enterprises LLC#2
  - Jennie Saunders, as an individual, will be the managing member of both entities
  - The other owner must be a limited partner with no voting rights
- Step 2 – Form an entity to hold the CORE: asset for Jennie and Dangene’s
  - Form an entity Dangene & Jennie Enterprises LLC#2 (this entity is being formed for the CORE: asset only)
  - This entity will be owned 50% by JS Revocable Trust
  - This entity will be owned 50% by DMB Revocable Trust
  - Jennie Saunders, as an individual, will be the managing member of this entity
  - DMB Revocable Trust will be a non-managing member of this entity
- Step 3 – Assign JS interest.
  - Draft of assignment agreement whereby JS assigns her interest in TCGM LLC to CORE: JD Enterprises LLC

# JS Asset Transfer Ownership Chart

As at: 12/22/2010

