

**To:** Jeffrey Epstein[jeevacation@gmail.com]  
**From:** [REDACTED]  
**Sent:** Thur 10/28/2010 6:30:56 PM  
**Subject:** FW: Core Club Update

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**From:** Lesley Rey [mailto:[REDACTED]]  
**Sent:** Thursday, October 28, 2010 2:23 PM  
**To:** Lesley Rey  
**Subject:** FW: Core Club Update

Ladies & gentleman,

Below please find the email that was sent out on October 13<sup>th</sup> from our Chairman of the GTC, Michael Loeb.

Please let me know if you would like to refer someone to CORE: and I will personally take care of them on your behalf. I look forward to hearing from you.

Warm regards,

Lesley

**CORE:** Lesley A. Rey | Director of Membership | 66 East 55th Street New York NY 10022 |  
Direct: [REDACTED]  
[REDACTED]

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**From:** Michael Loeb [mailto:[REDACTED]]  
**Sent:** Wednesday, October 13, 2010 12:35 PM  
**To:** Founding Members2  
**Cc:** Jennie Saunders; Eric Tamm; Daniel Rabia; Stefan De Nooijer  
**Subject:** Core Club Update

Dear CORE: Founding Members,

Hope you've enjoyed a beautiful summer made all the more enjoyable by the cooperating Gods of Weather. And if you haven't visited your favorite club lately, you'll find a rejuvenated CORE: (for which we thank you for your cooperation).

So on to the state-of-play: In sum, the year has been shaping up nicely. Our Financial performance to date is much improved from last year (up almost \$400k) but slightly behind budget (minus \$57k). Renewals, aberrantly low last year, have rebounded sharply to historical levels; food & beverage is up meaningfully. Lagging are new member sales - so reach into those robust rolodexes and send your recommendations to Lesley Rey at [REDACTED].

#### Club Financials – 9 months

(in '000's)

	<u>2010 Actual</u>	<u>2010 Budget</u>	<u>+/-</u>	<u>2009 Actual</u>	<u>+/-</u>
New Member Dues & Fees	\$1,403	\$2,049		\$1,867	
Renewal Dues (incl. FM's)	\$3,759	\$3,478		\$3,373	
Food & Beverage	\$2,409	\$2,301		\$2,202	
Other Revenue	\$ 915	\$ 919		\$ 903	
 Total Revenue	 \$8,486	 \$8,747	 (\$261)	 \$8,345	 \$141
 Cost of Sales	 \$1,636	 \$1,726		 \$1,097	
Labor	\$2,998	\$3,211		\$3,494	
G&A (includes rent)	\$2,463	\$2,425		\$2,624	
Direct Operating Expenses	\$1,034	\$ 973		\$1,160	

Total Cost	\$8,131	\$8,335	\$204	\$8,375	\$244
EBITDA	\$355	\$412	(\$57)	(\$30)	\$385

The good news is that we are starting to generate sufficient cash to catch-up on our obligations, perform the maintenance that we have delayed and invest in systems. If you have been back to CORE: since our Labor Day recess, you would have witnessed our progress through the lens of fresh paint, re-conditioned floors and new rugs and furniture. It is our intent to continue making incremental improvements to enhance the CORE: experience. Not so visibly evident is the installation of our new system - better stated its continuing installation - from which we hope to reap greater efficiencies and customer connectivity.

So ... As the Club passes the milestone of its 5th year (we opened in September 2005) we have the satisfaction of having all helped to put CORE: on a path toward fiscal health exactly when so many of its peers foundered. Our progress continues with new management (Stefan and Daniel), new systems, a new face-lift, improving profitability and a strengthening balance sheet.

Last, we have received a handful of questions regarding the recent WSJ article mentioning our landlord, RFR. Please note that the club's lease (with its extensions) runs through 2039, and contains the customary non-disturbance provisions. Moreover, we believe this insulates the club from any potential changes in building ownership or control.

Thanks all,

Michael Loeb on behalf of the GTC

Liam Culman

Joe DeMatteo

Adam Gottbetter

Jim McCann

Anthony Scaramucci

Rich Vogel (*finance committee*)