

HEALTH

FITNESS

DYNAMICS INC.

*“Planning, marketing and
managing health spas for
fine hotels & resorts, day spas
and mixed-use developments”*

HFD is owned by Judy Singer and Patty Monteson. As recognized trendsetters and authorities in their field, Dr. Singer and Ms. Monteson have published numerous articles in consumer and trade magazines and have been quoted in noted publications such as *USA Today*, *The New York Times*, *Condé Nast Traveler*, *Vogue*, *American Health*, *The Chicago Tribune* and *John Naisbitt's Trend Letter*, as well as being featured on *CNN Travel Guide*. They are also actively involved in speaking at conferences. In 1996 they were featured in the book *Joining the Entrepreneurial Elite* and the corresponding PBS television special.

When HFD works on a project, both Singer and Monteson are personally involved in every aspect. This hands-on approach and attention to detail is one reason why HFD is considered to be the respected leader and complete resource company for every facet of spa development, design, marketing and management.



Judy Singer



Patty Monteson

REPRESENTATIVE LIST OF CLIENTS

- The Salish Lodge
Snoqualmie, Washington
- The Disney Institute
Orlando, Florida
- Miraval, Life in Balance™
Tucson, Arizona
- Harbour Village Beach Resort
Bonaire, Netherland Antilles
- agua at Delano
Miami Beach, Florida
- Greystone Inn
Lake Toxaway, North Carolina
- Safety Harbor Resort & Spa
Safety Harbor, Florida
- Grand Geneva Resort & Spa
Lake Geneva, Wisconsin
- Paradise Village Beach Resort & Spa
Nuevo Vallarta, Mexico
- Bonaventure Resort & Spa
Fort Lauderdale, Florida
- The Coeur d'Alene
Coeur d'Alene, Idaho
- Boca Raton Resort and Club
Boca Raton, Florida
- Manele Bay Hotel
Lanai, Hawaii
- Grand Wailea Resort
Maui, Hawaii
- Hanbury Manor
Hertfordshire, England
- The Homestead
Hot Springs, Virginia
- Sonesta Hotel Cairo
Cairo, Egypt
- Topnotch at Stowe Resort and Spa
Stowe, Vermont
- Canyon Ranch in the Berkshires
Lenox, Massachusetts
- The Williamsburg Lodge
Williamsburg, Virginia
- Scottsdale Princess
Scottsdale, Arizona
- The Greenbrier
White Sulphur Springs, West Virginia
- Ponte Vedra Inn & Club
Ponte Vedra Beach, Florida
- Doral Golf Resort & Spa
Miami, Florida
- Sonesta Beach Hotel
Southampton, Bermuda
- Four Seasons Resort Hawaii
at Hualalai
Kona-Kohala, Hawaii
- Sanibel Harbour Resort & Spa
Fort Myers, Florida

PHILOSOPHY & COMMITMENT

In 1983 we began to specialize in the development, design, marketing and management of health spas. There was no blueprint to follow, no previous company to pattern ourselves after, no examples. We thought the future would bring about a heightened awareness of spas and, therefore, an increase in their numbers and usage. As a result, we saw there was an unmet need for a company to offer spa-related consulting and management services to developers, investors, owners and operators. We decided to be that company.

We believe in the team approach and encourage communication, challenge, collaboration and camaraderie. Our goal is to give our clients the best possible chance to be successful. As an integral member of the development, marketing and management team, HFD offers accurate, valuable and timely advice. We look for and create opportunities to position the spa as a marketable and profitable asset.

HFD is a small company by choice. This enables us to have maximum contact and flexibility with our clients... and, more importantly, a fresh, personalized approach for each project. Our clients benefit from our seasoned business know-how, coupled with the creativity and intuition that come from years of experience.

We offer unconditional quality and take pride in being thorough, objective and insightful. Our integrity is important to us. We are not satisfied to say, "It's always been done that way," but rather are always looking for new ways to define and improve the spa experience.

We choose to work with clients who want to offer their guests the ultimate experience and who appreciate our

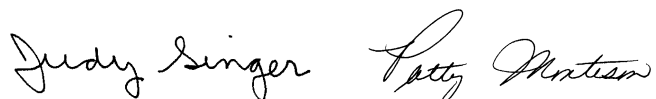
uncompromising attention to detail and service. A significant investment in time, money and reputation goes into the planning, marketing and operation of a spa, and we take our contribution seriously. Because of this, we have long-standing relationships with our clients.

We believe that spas are still evolving; therefore, we assume a personal responsibility for research and education. We not only look at the past, but also study trends so that the spa can "deliver the promise" to the guests, owners, investors and operators. On a regular basis, HFD funds and conducts studies such as *The HFD Spa-Goer Market Study*, *The HFD Non Spa-Goer Market Study*, *The HFD Spa Economics Study* and *The HFD Spa Operations Study*. Furthermore, we are committed to sharing our knowledge about the intricacies of spa development, marketing and management and do so by publishing articles and conducting seminars both nationally and internationally.

We like to enjoy every project that we work on and want to be proud of the end result just as we want our clients to be pleased and proud that they chose us to assist them.

Although there is no substitute for personal contact, we hope that the information in this brochure will give you an introduction to HFD. If you are planning a spa or need assistance with an existing one, we would welcome the opportunity to be of service.

With healthy regards,

Handwritten signatures of Judy Singer and Patty Matson.

HFD DEFINES THE SPA CONCEPT

Although there is no single definition of a *Spa*, there are some similarities among the various places that call themselves a spa. HFD has been instrumental in defining and developing spas which are marketable to a variety of populations in terms of content, convenience and cost. We have identified five general types of spas:

The ***destination spa*** or ***spa resort*** is a “pure” environment with none of the “distractions or temptations” typically found in a resort. Guests usually have a purpose for their visit and become totally immersed in the spa experience which consists of a fitness component, healthy eating, lifestyle seminars and a variety of spa treatments such as massage, skin care, hair and nail care and body and bath treatments.

The ***amenity spa*** or ***resort spa*** is a spa within a resort. It is generally for social and conference guests who may want to add some spa activities and services to other typical resort activities. Amenity spas are great for people who want a quick getaway to recharge in a spa setting or want a spa-type vacation in a full-service resort environment. This type of spa is also found on cruise ships and in vacation ownership resorts.

The ***day spa*** is usually an extension of a beauty or skin salon, a free-standing facility, or an area within a department store. Day spas provide a convenient mini-escape where people can enjoy various spa services. Most amenity spas and even some destination spas are open to people in the community and offer day spa packages.

Club spas are found in upscale health clubs or hospital wellness centers. The spa is an integrated “feel good” area within the facility and provides members the convenience of “one stop shopping.”

Residential spas are popular amenities for country clubs and planned residential communities due to the social and recreational attributes. Home owners are able to recharge and relax with a multitude of spa services and facilities.

Regardless of the type of spa, HFD helps its clients have:

- Market appeal by providing an experience for their guests that enables each one to “feel good” and have a sense of “purposeful leisure.”
- Profit potential by generating revenues through the sale of spa services and packages, retail products and, where applicable, spa cuisine, memberships, room nights and real estate.



The Salish Lodge

WHAT IS HFD?

Health Fitness Dynamics, Inc. is an innovative full-service spa consulting, planning, marketing and management company. HFD was formed in 1977 and, since 1983, has specialized in health spas for fine hotels and resorts. Due to the increasing interest and popularity of spas, owners and operators of other types of spas have called HFD for assistance. As a result, HFD has broadened its market to include these ventures.

Much of HFD's business comes from "word of mouth" because of our extensive knowledge of spas, expertise in spa development, operational experience and strong reputation for quality and leadership.

HFD recognizes that the total project is only as good as the sum of its parts. A project is always a team effort where the most creative and talented people share and challenge one another in order to design and implement something very special. Therefore, HFD has an extensive network of resource people whom we introduce, on an as-need basis, and/or who call upon HFD for assistance such as:

- Land Planners
- Developers
- Investors
- Hotel Operators
- Accountants
- Appraisers
- Architects
- Interior Designers
- Spa Operators
- Market Researchers
- Quality Assurance/Customer Service Leaders
- Public Relations/Marketing/Advertising Specialists
- Menu Planners
- Manufacturers and Distributors
- Purchasing Agents

HFD's role in a project is customized to what the client needs...there is no duplication of services or unnecessary work. Each project is systematically and creatively analyzed in terms of its immediate and long-term needs and budgetary requirements. With our emphasis on continued support, clients call upon us on an on-going basis.

HFD provides a comprehensive array of cost-effective services which include:

- FEASIBILITY & MARKET STUDIES
- CONCEPT DEVELOPMENT
- FACILITY PLANNING
- EQUIPMENT & PRODUCT SELECTION
- MARKETING STRATEGIES
- STAFFING
- OPERATIONS & MANAGEMENT

Each section in the remaining pages of this brochure will explain, in more detail, the HFD list of services.



FEASIBILITY & MARKET STUDIES

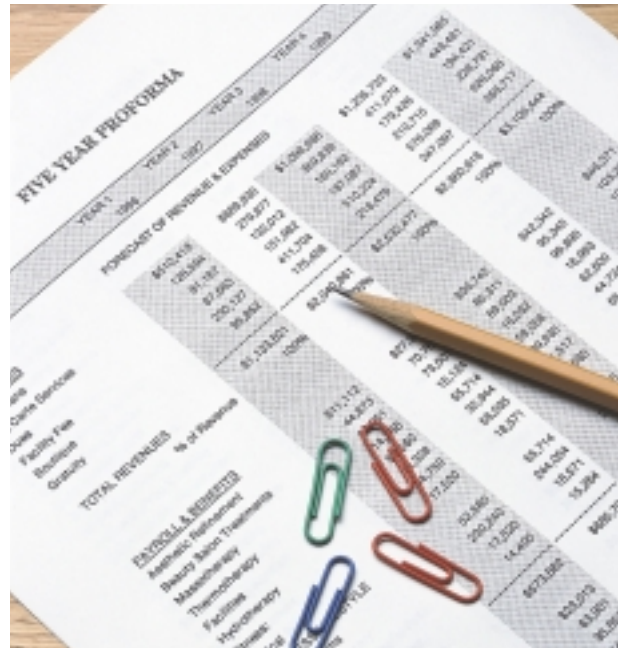
HFD has designed a unique and detailed feasibility and development analysis software program.

This one-of-a-kind program has proven to be a significant asset in helping our clients make sound business decisions.

Using this program, along with our other resources, HFD thoroughly examines, evaluates and forecasts the viability and proper positioning of the spa venture via:

- Site analysis and evaluation
- Market research
- Comparable market analysis
- Determination of highest and best use
- Recognition of trends and opportunities
- Utilization and demand forecasts
- Facility planning
- Start-up and operating expense projections
- Identification of revenue sources

- Payroll expenses and staffing forecasts
- Financial projections and budgets
- Critical path development and analysis



CONCEPT DEVELOPMENT

Every project needs a competitive edge and a personality. Concept development must be market-driven. Whether you cater to people on an ala carte basis, half and full day packages or multi-day packages, you need to offer something that provides an *experience* for each guest.

With a focus on identifying the market niches and understanding the objectives of the owner/ operator, HFD:

- Establishes the concept and mission
- Defines the spa experience
- Selects the appropriate types of and prices for spas services and activities
- Designs marketable packages for leisure and conference guests, people in the community and members
- Analyzes membership potential
- Creates membership packages
- Suggests the spa cuisine options
- Determines the retail opportunities

Possible components of a spa are:

- Massage**
- Skin Care**
- Body/Bath Services**
- Hair/Nail Care**
- Fitness/Recreation**
- Meditation/Relaxation**
- Spa Cafe**
- Retail**
- Lifestyle/Health Promotion**
- Medical/Wellness**
- Sports Medicine/Rehabilitation**

FACILITY PLANNING

It is essential that the spa is planned to create not only an environment that allows the guests to recharge, relax and rejuvenate, but also one that provides for operational efficiency. Spas must be designed to be functional today, while flexible enough for tomorrow's modifications and expansion. Whether it's a renovation or new construction, HFD:

- Evaluates site plans
- Determines the number, size and type of each room and area
- Plans the conceptual flow pattern
- Documents the functional, environmental and performance needs
- Works with the architects and contractors from concept to completion
- Specifies the FF&E items, vendors and prices
- Gives direction to the interior designer on quality, quantity and type of finishes and furniture including signage



EQUIPMENT & PRODUCT SELECTION

HFD specifies all the body, skin, bath, fitness, beauty and salon equipment and products that are not only used in the spa, but also sold in the retail shops. We have strict criteria in terms of quality, guest appeal, durability, price, service and retail potential. Since HFD does not accept "referral fees" from vendors, we are able to maintain integrity and provide objective choices for our clients.

HFD is able to:

- Specify the equipment including price and quantity
- Analyze the cost-effectiveness of professional products and their impact on retail potential
- Recommend the products and supplies to be used by the treatment professionals and sold in the retail shops
- Determine the most reliable, service-oriented vendors
- Create retail and mail order opportunities
- Work with the manufacturing company to develop a "signature" line
- Work with the software company to implement a system for facility management, scheduling, accounting, inventory and point of sale



MARKETING STRATEGIES

Since guests use spas for many different reasons, it is essential that the spa has a philosophy, personality, facility and program that is compatible with their needs, interests and expectations.



In order to plan and operate a spa which will exceed the guests' expectations, HFD:

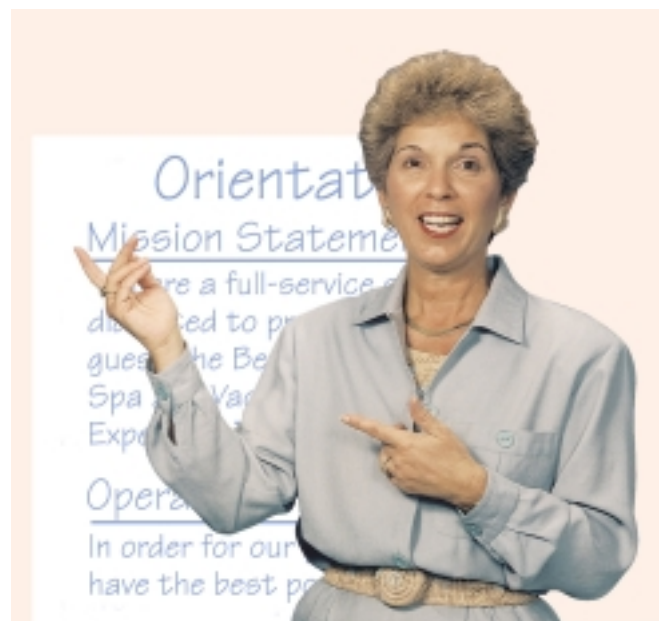
- Conducts market research on consumer profiles, demographics, depth, trends and directions
- Develops strategies to attract the desired market via travel agents, advertising, public relations, media resources, etc.
- Collaborates on the design of collateral materials, spa brochures, videos, special events and programs
- Qualifies and quantifies effectiveness
- Trains all staff as in-house marketing resources

STAFFING

The spa business is one that centers around people and personal service. Since the spa staff are such an important asset, it is essential to recruit, hire, train, motivate and retain those people who can "touch" the guests by creating a memorable experience for them.

In order to assure its clients of having well trained and professional staff, HFD:

- Develops job descriptions
- Provides staffing forecasts and scheduling systems
- Determines payroll, salary and incentive programs
- Recruits, interviews and recommends top level management
- Trains and cross-trains staff
- Conducts performance evaluations



OPERATIONS & MANAGEMENT

A well-designed and implemented system enhances not only the guest experience but also the marketing and financial potential of the spa. The staff need to know how to excel in their performance and anticipate the guests' needs.

When the spa is part of a resort, vacation ownership property, health club or residential/country club development, HFD conducts training programs for all other personnel so that the spa is an integrated, compatible department within the entire operation.

HFD assists its clients in operations and management by developing and/or implementing components such as:

- Operating procedure manuals for every facet of spa operations
- Pre-opening training programs
- Staff evaluation procedures
- Operational reviews
- Detailed business plans
- "Shopper" services
- Management consulting
- On-site, day-to-day management services
- Collateral information for guests
- Guest pre-arrival and orientation programs
- Guest comment cards
- Focus groups and surveys on guest satisfaction



Scottsdale Princess



Grand Geneva Resort & Spa



Ponte Vedra Inn & Club



Sanibel Harbour Resort & Spa



Topnotch at Stowe Resort & Spa

HFD'S VISION

To be the *best* and the *only* spa consulting, marketing and management company which sets the standard for excellence in the conception, development, marketing and operation of high performance spas worldwide and to provide value not only to our clients, but also to their guests and staff.

HFD'S VALUES

We are committed to and energized by being the leading edge resource for pacesetters in the spa industry. We will never compromise in being innovative and will always work toward improving the standards of performance for our clients while we actively assist them in realizing their goals and objectives.

HFD'S GOALS

To look beyond "traditional" ways of thinking about and operating spas by freeing up energies to develop new concepts and superior work products that result in spas which go beyond our clients' highest expectations.



HEALTH FITNESS DYNAMICS, INC.



1305 N.E. 23rd Avenue ■ Suite 2
Pompano Beach, Florida 33062
Phone: 954-942-0049 ■ Fax: 954-941-0854
Email: hfd@hfdspa.com

HEALTH

FITNESS

DYNAMICS INC.

*“The pioneer and premier
spa consulting, marketing
and management firm”*