



July 25, 2011

We are extremely pleased with the HydroMassage units we have installed in our clubs. They provide an additional revenue source to our clubs. More importantly they provide us with a unique amenity.

HydroMassage, combined with our infrared sauna, allows us to market our clubs with more of a fitness/spa image which has helped attract a broader base of potential members.

We also created a unique Platinum membership that includes the HydroMassage and Sauna and several other privileges. The Platinum membership dues are 45% higher than our standard dues and we are now selling almost 1 out every 3 members a Platinum membership. This is raising our average dues per member substantially.

I believe HydroMassage to be a solid investment for our women only clubs.

Sincerely,

John Gauthier
Lady of America