COVID-19 CRISIS TO GREAT POSSIBILITIES

CHANGING THE FUTURE DIRECTION

2 WHAT DOES THE RESEARCH SHOW

- The information that has been used in this report or template on Corona-19 to possibilities was generated from:
 - Weekly REX Calls with the CREW RT
 - Weekly Calls with REX Clubs and Club Solutions
 - Weekly calls that started 4/15 with 20 of the most significant Club Operators through Motionsoft and was provided all the previous documents from the prior two calls
 - Weekly Wellness Wednesday Calls with Medical Fitness Association
 - Presentation notes from Operator of 150 Clubs in China and their re-opening challenges and stats
 - Best practices from top Independent Clubs across the industry
 - Medallia Member Survey on the Covid-19 and their expectations in coming back to Club

3 WHAT HAVE WE DONE

How have we stayed in Contact with our Members

- Members were informed through Initial Mailing to our Members about the Closure that also included online fitness possibilities
- Confirmed when billing for April was issued that every Member was placed on a No Fee Suspension from April until we are able to open
- Sent out letter reviewing all the online support again that we were providing as well as new additional Health and Fitness support to enjoy during the Closure
- Letter sent out inviting our Members to enjoy a TACREWARDS Sweepstakes from 4/16-4/30
- Letter inviting them to participate in the Medallia Member Survey where their concerns will be reviewed and used to provide them the support they may be asking to have in place that would make them comfortable to rejoin the when we reopen. Will respond when we have the strategy to emails sent
- Answered hundreds of Member questions promptly-same day that were provided on Formstack as well as through email
- Future- next 30 days
 - Letter that shows that we listened to their concerns and provide them with our plan in writing and possibly a video on our Sanitizing Plan
 - Letter that shows our Members how the Club is addressing the Social Distancing Plan and how we will be addressing the need to have not only the required distance but more in our Manasquan location
 - Re-opening letter
 - · Possibly an additional TACREWARDS Sweepstakes in May based on response to our April Sweepstakes

4 WHO ARE THE POSSIBLE LOSERS AND WHY

- The Atlantic Club in our current model Space Allocations and Sanitizing
- Planet Fitness- Space Allocations and Sanitizing
- WOW- Space Allocations and Sanitizing
- F45- Space Allocations and Sanitizing
- Orange Theory- Space Allocation and Sanitizing
- Pure Pilates-Space Allocations and Sanitizing
- Yoga Studios- Space Allocations and Sanitizing
- Training Studios- Space Allocations and Sanitizing

5 WHAT IS THE MAJOR HEADLINE

•Gyms Are Eager to OpenBut Are They Safe

6 WHAT ARE THE TWO MAJOR CONCERNS OF GYM MEMBERS IN THE UNITED STATES WITH OVER 500 CLUBS SURVEYED

- The decision to come back to their gym across the United States is clearly based on two Factors:
 - How serious are you about keeping me healthy with your new Sanitizing not simply cleaning Strategies?
 - How are you going to address Social Distances and does that mean that I may not be getting the same benefits of exercise as I had previous to the Corona Virus?

7 HOW CAN THE ATLANTIC CLUB – MANASQUAN USE THIS CRISIS TO GROW ITS BUSINESS IN THE NEXT 12 MONTHS

- The Atlantic Club Manasquan has the potential to provide all the Social Distancing throughout the Club ----provided in first section of report on Social Distancing
- The Atlantic Club- Manasquan has the potential by working with best of breed from the Health and Fitness Industry and our Team to develop new processes, product utilization, new technologies and organizational structure to make our Members and Staff be very confident in all areas of **Sanitizing----**provided in second section

8 HOW CAN THE ATLANTIC CLUB – MANASQUAN USE THIS CRISIS TO GROW ITS BUSINESS IN THE NEXT 12 MONTHS

- The following report provides recommendations based on what other Clubs across the Industry are pursuing in addressing the concerns of their members in these two Key Areas
- The proposed template of changes, will provide The Atlantic Club the opportunity to significantly reduce the impact of this virus on our Membership and Ancillary Services and showcase to our members, the community and the hospital groups that we are the Standard of Excellence in Health, Fitness and Wellness

9 HOW CAN THE ATLANTIC CLUB – MANASQUAN USE THIS CRISIS TO GROW ITS BUSINESS IN THE NEXT 12 MONTHS

- The Atlantic Club Manasquan does not need to be impacted over the next 6 months as others in the industry will be negatively impacted. The anticipated industry shortfall includes:
 - 40-50% reduction in Membership dues with Membership Dues not matching early Monthly Dues in 2020 until early first quarter of 2021. This is especially true in resort areas although the summer season is traditionally a slower month for industry across the United States
 - 50-60% reduction in Ancillary Income such as Personal Training with less members as well as inability to have the proper space and safety distancing levels that the market will require in many clubs
 - There will be higher costs of Sanitizing and Creating comfort levels versus what was budgeted for 2020 as well as
 installation and procurement of new equipment with current membership dues being significantly less for the first
 3-6 months
 - The Atlantic Club Manasquan can actually have a strategy if the proposed template is reviewed and all input provided with implementation plans that will be able to grow our Membership base over the next 6 months and also possibly allow us to raise prices for all new members that join the Club-not to our Members that have stayed with us

10 WHAT ARE THE AREAS THAT THIS REPORT WILL ADDRESS

- Social Distancing
- Sanitizing
- Financial Concerns across the industry

II SOCIAL DISTANCING INITIAL TEMPLATE PRIORITIES

The following section on Social Distancing will cover the initial Key Business Units of the Manasquan Club

- Fitness
- Group Exercise
- Tennis
- Milagro Spa
- Café
- Aquatics Inside and Outside
- Other Business overview
- Amenities

THE FITNESS ROOM - SELECTORIZED EQUIPMENT, CARDIO EQUIPMENT AND FREE WEIGHT AREA CONCERNS AND OPPORTUNITIES

• The Atlantic Club - Manasquan as with other Fitness Clubs in the marketplace with our current set-up will be asked to reduce the amount of usage on all the equipment due to Social Distancing by approximately 50%. This may be able to be accomplished with the user of every other piece of equipment with even more constraints in the area of social distancing in the Free Weight Area...This will require limiting the number of Members that can use the Club

Concerns into Possibilities to Market Leadership

- Create a new future for Fitness at The Atlantic Club Manasquan that will eliminate the need to reduce Membership in the short term or limited access to the Atlantic Club Manasquan
- Provide the social distancing that exceeds regulations with three distinct studio possibilities that will address the needs of the marketplace and make us industry leaders by launching the following:
 - Largest Cardio opportunity in marketplace with no loss of Member Usage. It will also include Virtual Classes on many pieces of our Cardio Equipment
 - Strength and Free Weight Studio
 - Selectorized Strength Studio
 - Stretching area in main Club as well as Free Weight Studio

- 13 MARKET LEADERSHIP FROM A COVID -19 CONCERN OPPORTUNITY TO GROW OUR MEMBERSHIP AND ALSO BE ABLE TO MAINTAIN PERSONAL TRAINING
 - When other Facilities in the marketplace and in the industry will be limiting the availability of equipment or space for The Free Weight Usage and Personal Training-The Atlantic Club- Manasquan will be able to have a new Fitness Model that can best position Personal Training and Fitness Offerings at The Atlantic Club not only through this current crisis but also be able to continue to be enhanced in the future....
 - It will also broaden our demographic reach while being able to address our current members needs

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MARKET LEADERSHIP FROM A COVID-19 CONCERN OPPORTUNITY TO GROW OUR MEMBERSHIP AND ALSO BE ABLE TO MAINTAIN PERSONAL TRAINING

Three studios

Studio #I Free Weight/ Strength and Personal Training Studio and Social Distancing and Sanitizing

- · Current Free weight Area is very tight and limited in Space and will have limited access
- We fortunately have just recently upgraded many of our major pieces and will show well in a new Free Weight Studio that is the most spacious Free Weight and Strength studio in the tri-State area that would be located in the Fieldhouse. The area that would be provided to this new Free Weight Studio will be half of the current Fieldhouse Turf area. This will provide opportunity for numerous stations to be incorporated into the plan that would not only meet and exceed Social Distancing but also provide our members the opportunity to have a large turfed area to do sleds, weighted balls, tires and battleropes as well as TRX
- We also would need to make a few no cost modifications to our Boxing Studio for Social Distancing which is currently located at The Fieldhouse
- The second half of the Fieldhouse turf which is separated by the Curtain system will be available during busy member hours for members as well as Group Exercise ,Atlantis Prep and Sports Rentals. It will be following a schedule
- Members will access the Free Weight/Strength and Personal Training Studio at the main entrance to the Fieldhouse which in the future can be renamed to reflect its new market positioning
- If approved, the move can be accommodated by Fitness Solutions a Fitness Equipment Moving Company who we have recently used to deliver and install our Free Equipment and be completed in one day with all the equipment being reinstalled and bolted down as required in a future design plan that would be developed under Kathy Guibord's guidance
- The benefit of the new Free Weight Studio and moving the strength equipment and machines over to the Fieldhouse is that there are minimal costs due the equipment not requiring electricity
- We can also consider moving the 3-4 Skill Mills which require low voltage from the second Floor outside Group exercise and place the remainder into the Cardio Studio on the first floor- this workout area on the second floor can still remain a nice setting to have a workout with a trainer later in year
- There can also be the potential of a circular indoor track that is mostly installed to be on the outside of the current Turfed areas for walking or running inside----

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MARKET LEADERSHIP FROM A COVID - 19 CONCERN OPPORTUNITY TO GROW OUR MEMBERSHIP AND ALSO BE ABLE TO ELIMINATE USAGE LIMITS TO OUR CLUB- MANASQUAN

 Concern is that we would need to eliminate approximately 50% of the usage of our Cardio Equipment and Technogym Selectorized Equipment which is similar to what all Fitness Centers may be experiencing

Possible Solution-Two Additional New Studios- Existing Space

- Cardio Studio- would now be located on main Fitness Floor as well as upper desk
- Technogym Selectorized Strength Studio –to be moved to the current free weight area
- The Atlantic Club Social Distancing Possibilities to Market Leadership
 - If this plan is approved and Free Weight, Strength except The Technogym Selectorized Equipment and most of Personal Training are moved to the Fieldhouse- we then can create two spacious studios that will address an outstanding Cardio Studio as well as the new Technogym Selectorized Studio- which also addresses the needs of Seniors, deconditioned as well as members that may want to have some Strength Training with their Cardio

16 MARKET LEADERSHIP FROM A COVID-19 CONCERN OPPORTUNITY TO GROW OUR MEMBERSHIP AND ALSO BE ABLE TO ELIMINATE USAGE LIMITS TO OUR CLUB-MANASQUAN

The Technogym Selectorized Studio

- The Technogym Selectorized Studio moving to the current Free weight area will require minimal electricity since it is only for the Readers on the Selectorized Equipment
- The Technogym Selectorized Studio will be moved by Fitness Solutions after they complete the move and installation of all the Free Weight equipment to the Fieldhouse, if plan is approved
- The Technogym Selectorized Studio will have ample space for Social Distancing which is critical in addressing the needs of Seniors and well as others in our Membership
 - This ability to address the deconditioned as well as the Senior Population is also important
- Personal Trainers will also be able to work with their clients in this area when the need occurs understanding that all the best training tools are in the Training Studio at The Fieldhouse which may provide diversity to the workout and better utilization of the Campus

17 MARKET LEADERSHIP FROM A COVID - 19 CONCERN OPPORTUNITY TO GROW OUR MEMBERSHIP AND ALSO BE ABLE TO ELIMINATE USAGE LIMITS TO OUR CLUB- MANASQUAN

The Largest and Safest Cardio Studio in the Marketplace

- The Proposed new Cardio Studio would start when you enter the Fitness room and continue up to the Previous Cardio Deck
- This area would achieve all the social distancing and accommodate all the Cardio on this main floor as you walk into the
 previous Fitness Room.. Treadmills will be spaced accordingly so that we are able to maintain and accommodate the member
 usage needs for Treadmills, StepMills, Ellipticals, Bikes and Rowers
- We may also want to have an area have where all equipment that offers Peleton/ Nordic Track Type Classes will be clearly
 identified so that Members can enjoy this experience with our Life Fitness Equipment Expresso Bikes and our New Stages/Les
 Mill Bikes as starters.....This will continue to showcase that we are committed to providing Virtual to our members in the
 Cardio Room and Group Exercise with a very aggressive schedule throughout the day- not requiring Staff to Instruct
 -Because we have the space and we can do it better than anyone in marketplace
- Concept would be a total team approach from Kathy- Fitness Leadership and Rick- Operations since there will be a need to redeploy electrical outlets for some pieces of equipment as well as providing direction to the proposed moving company who was familiar with us since they installed our entire Free Weight Area last fall.

18 FINANCIAL INVESTMENT TO THE DEVELOPMENT OF THREE FITNESS STUDIOS TO REPLACE ONE FITNESS ROOM

•	New Equipment needed for the new Free Weight Studio	\$0
•	Cost to move the Equipment from main Building to Fieldhouse	
	as well as the Heavy Technogym Equipment to the Free weight area	TBD
•	Only outlets needed in Free Weight Studio-low voltage for 4 Skill Mills	Minimal
•	Low voltage outlets for Technogym Selectorized equipment	Minimal

in prior Free Weight Studio

Creatively designing the free weight room that may have treads on First Floor as well as on Deck with
ample space in between and having the Treadmill placed below on main floor that might still be possibly
moving its electrical box---- This will be able to be achieved with creativity and the expectation that this
will not only in the short term met the requirements but also long term in being the best in marketplace

I9 GROUP EXERCISE

Social Distancing Proposal for Group Exercise

20 THE SPINNING SCENARIOS CONCERN TO BEING THE BEST IN MARKETPLACE

Concern:

- Current Spin Room with Social Distancing may accommodate our spin room to a max 15 Bikes
- The Spin Room will suffer the same concerns and lack of available bikes as other studios in the marketplace

SOCIAL DISTANCING POSSIBILITY TO BE MARKET LEASDER

- Close the gymnasium to basketball due to social distancing- It is recommended that initially due to social distancing, the use of a basketball that is spread around others that we initially do not offer Basketball. Later, once Basketball is allowed and we are beyond the virus, the gym will offer basketball in one of the two smaller courts with the middle net down remaining down since Spin Bikes will be located in this area
- The Spin Studio once the divider curtain is down divides the gymnasium into two areas that are equal in size- back area can be a spin studio that can hold 35 bikes and initially the front area will be for Group Exercise as well as possibly basketball in a smaller footprint. The Basketball Court is empty most of day and this will still allow for games to be played and shooting in the other hours when allowed
- Front Area will act also as a Group Exercise Room that can hold larger classes due to Social Distancing on a scheduled basis. This will remain the basketball area when social distancing is relaxed. It will be a smaller court only and maintain its schedule prior to the Closing
- The current Spin Studio will have virtual Classes throughout the day with 30/45/60 minute classes and we will keep 6 -8 of the best remaining Keiser Bikes that Rob feels are in the best condition. These bikes will be Socially Distanced to offer the best and safest Spinning studios in the marketplace. Great Live and Outstanding Virtual with Les Mills

21 MARKETING THE POSSIBILITY OF THE SPIN STUDIO IN GROWING MEMBERSHIP

- The Atlantic Club- Manasquan would have the largest offering of socially distanced Spin Classes and able to accommodate in its Live Classes 35 Participants spaced exceeding the space guidelines that will be mandated
- The Atlantic Club will also have the only virtual studio that will have classes scheduled throughout the day for beginners to advanced Spinners
- Can attract all ages and be safe and comfortable
- Will utilize new cleaning protocols throughout the day

22 SOCIAL DISTANCING – GROUP EXERCISE- MANASQUAN CONCERNS TO BEING THE BEST IN MARKETPLACE

- Similar to other Fitness Centers and Studios, in the marketplace there will be a reduction of the number of Participants that we can have in our Two Group Fitness Studios. The social distancing will require these studios to possibly reduce class sizes by 50%
- Possibilities to be a Market Leader in Group Exercise
 - I. Utilize our 44 acre campus and extra spaces that members will need to see that we have addressed proactively their Needs
 - 2. Install in our two Studios as planned the opportunity to have virtual classes running throughout the day in smaller group sizes
 - Worked with Les Mills and they will be offering Virtual Certifications to our Instructors on our new Classes and are currently starting the plan with Kathy Guibord
 - 3. High attendance Group Exercise Classes will move to the following areas
 - Repurposed Gym during programmed hours in the first basketball court area with area for large classes to be accommodated
 - The Back half of the Fieldhouse Turf Area
 - Outdoor Classes on the back Fields
 - Special Group Exercise Events can be held in Turf Center
 - It will be a new norm

23 SOCIAL DISTANCING – GROUP EXERCISE- MANASQUAN CONCERNS TO BEING THE BEST IN MARKETPLACE- CONTINUED

Recap on Group Exercise Opportunities for Market Leadership

- The HIIT classes will be moved to the Back area of Fieldhouse with equipment and program times...Can hold 50+
- The Turf Center can also be used for Group Exercise Classes- Can hold 100 plus whatever we need
- Outdoor classes- possibly in the area between Tennis Center 2 and Turf Center- Possibly a Tent
- The outdoor Fields with designated space- possibly a tent that is open and can have industrial storage bins if we need to
- Clean up the Walking Trails and make initial enhancements to simply provide another exercise opportunity that is not offered anywhere also
- The Group Exercise Schedule will start with a limited number of Live classes plus virtual

24 SUMMARY OF COSTS FOR GROUP EXERCISE PROPOSED TEMPLATE FOR FUTURE

- We have already paid for the new Stages Spin Bikes that are ready to be delivered when we want them installed
 Fully Pre-paid
 - Worked with Stages and their President in having a Virtual Certification for our Instructors Kathy will now be working with their Director of Training who will work with our Instructors to get them Certified
- Installation of new sound systems and virtual for Spin Studio, Studio A and Studio B %0% deposit paid and most of the equipment \$15,000-\$18,000
 - Will be able to repurpose the old sound system and speakers in The Fieldhouse and Proposed Spin Studio in back half of gym
 - Jan was previously working with Eric and Kyle on this project and will continue later in May

25 SUMMARY OF COSTS FOR GROUP EXERCISE PROPOSED TEMPLATE FOR FUTURE

 There is no additional costs to the studios to move them to the Fieldhouse, Turf Center or the front half of Gym
 No Costs

 Allocate approximately \$15,000 for outdoor equipment and seasonal rental of tent- to be outside during the summer- which can be moved inside the Turf Center during the colder months \$15,000

26 OVERALL COSTS FOR THE TRANSITION OF THE FITNESS STUDIOS AND GROUP EXERCISE

 The Atlantic Club has the opportunity from a Health and Fitness perspective to be Market Leaders in Fitness and Group Exercise for \$33,000 and the electrical expenses and mover expenses which will bring the budget to approximately \$45,000

27 THE NURSERY- SOCIAL DISTANCING AND SANITIZING

- The current Nursery is undersized with the initial phase of the Corona Virus
- Key Concerns for members- Social Distancing, Sick children as well as a guarantee that the toys and room are sanitized throughout the day

Social Distancing- Phase I Nursery Possible Temporary Relocation

- Relocate when we open to a more open and spacious location being the A and B Conference Rooms
- Members will view this as a pro-active step and we can accommodate more children and utilize shelves as dividers. We can also borrow from AP if we need to since AP will not be reopening for the the school year
- We can also add an air purification unit that can kill germs for up to 2,000 square feet and each child can walk through this system prior to entering the Nursery
- Once we decide on the TAC Cleaning protocols, we can commit that the toys are sanitized and sprayed through key periods of the day as well as after closing

RIPTIDE Swim Team

- The Riptide Swim Team in discussions with Stephanie has been informed by US Swimming that there will be no Swim Meets this summer and possibly will reopen meets in October 2020
- The Riptide Swim Team based on their initial feedback from their USA Swimming Leadership will
 probably allow small Group Trainings in the pool that have the social distancing
- More research will be provided when received. Will be on weekly calls with US Swimming and Stephanie
- There will be credits that will need to be issued when reopening and a new strategy for Swim Teams moving forward

Joe Oehme- NJ Swim

- Had a call with Joe to see what he is hearing from his connections in the State and Industry for his Private and Small Group Swim Lessons- nothing yet
- During the summer, our initial Summer Camp plans will not include the use of the Complex pool due to Social Distancing in the Water
- Joe will need to provide TAC with his plan both short term and going into the fall season and how he will be making adjustments

Masters Swim

- Masters Swim is recommended by USA Swimming to be cancelled through the summer
- It is recommended that will follow their recommendation until Mid-September

31 SOCIAL DISTANCING AQUATICS- A PHASED APPROACH- INDOOR AQUATICS CENTER

Indoor Pool- Main Building- Lap Swimming

Concerns

I. Showering of all participants in the Indoor Pool- Recommendation is to lock door from Family Locker Room- only access is from the locker rooms and there will be dividers that lead to the showers that will be overseen by a Pool Safety Attendant/LG

2.All Amenities- Steam, Jacuzzi and Sauna will not be open for the first month of the Club's Reopening- this will probably be mandated and reopen when recommendations are received

3. The benefit of this access plan is that there are no doors to open and our Pool Safety Attendants/LG will be continually monitoring the environment

- Lance's work area along with Josh for Aquatics will be moved from Fieldhouse to the Indoor Pool area to be able to monitor his team for quality as well as to cover shifts initially for the Indoor pool- He will have access to WIFI and Phone as well as laptop Computer within the work area
- There will initially be a guideline that Members will need to accept for the benefits of all the members which is a max of 2 individuals per lane and possibly a 30 minute time allotment ... Lanes will be programmed to start at different times of the hour and will be clearly designated. Members that cause issues with this process will be terminated

Cabana Pool

- Early indications from several states are that there will be very stringent guidelines on the use of social Swim Clubs in Summer 2020
- The initial plan for our Members is that it will be used only for Lap swimming only or water walking in the deep area with a limit to the water walkers
- There would be no master swimming this summer
- No outside large gatherings or music this summer in the plan
- Keep outdoor pool open till Sunday 9/20 for Members and Riptide Swim Team

Family Swim

Initially postponed through Summer 2020 due to Social Distancing and the need to limit use as well as allowing members to have access to the Club for swimming 2 per lane

Can review later in Summer if changes occur and new recommendations are made by State

35 MEMBERSHIP RELATED SOCIAL DISTANCING FITNESS STUDIOS, GROUP EXERCISE AND AQUATICS

- The prior proposals reflect the need to showcase to our Members that we have a plan for Social Distancing that is comprehensive and able to be adjusted in the area of Aquatics as time passes and the Aquatic guidelines become less restrictive
- Understanding that Ancillary Income will be negatively impacted in several of our Business areas such as Tennis, Personal Training and possibly Milagro Spa, Membership will need to play a role in strengthening our position in the marketplace and increase its share of total revenue in Manasquan. This plan provides the potential for this growth to occur at minimal expense

36 HOURS OF OPERATION

- It is recommended that we start with a new schedule of hours that will allow cleaning throughout the day, evening and after closing
- Early Morning at 5:30 am works and closing at 9 versus 10 on weeknights
- Weekends can remain 6 am 6 pm

37 OTHER CLUB AMENITIES

There are a few other businesses that impact our Membership that will need to address the key concerns of the members

- Café
- The Shop
- The Hydro-Chairs

38 OTHER CLUB AMENITIES - CAFE

- In discussions with Sal and the current regulations impacting Restaurant business, it is recommended that the Café offer the following services:
 - Take out only- all tables removed.. Possibly stacked in the back area until we change the model when we feel the business will return with new processes and Technologies established
 - Protein Drinks and Energy Related items will be offered but no grilled items initially
 - Possibly a Special To Go Menu everyday. This would be located in the area where the chairs and Tables had been located
 - Have a skeleton Crew and not rehire the majority of staff until after summer when restrictions are eased...It may work better since their income will be protected for the 13 weeks. This would include all staff positions
 - Reduced hours possibly 7-7 on weekdays and 8-3 on weekends
 - When reopening Café with tables, the chairs will need to be replaced at that time- numerous complaints about cleanliness

39 OTHER CLUB AMENITIES- FRONT DESK

- The Sign in at the Front Desk is no longer optionable by a member. We will be required to show who was at the Club if a person comes down with the Virus. This includes all employees- who now must also check in at front desk
- Prior to the check in there is a TAC Safety Associate that will be taking a member's forehead temperature... If the Member or child has a temperature- they will not be allowed to use the Club
- Members will have space lines that show where they need to line up to get into the Club which shows Social Distancing is important
- Instruct Members to use their QR Code on their Smart Phones to enter into the Club---this is the best check-in way to prevent germs
- Each Member may also step on Shoe Sanitizer Mat upon entering the Club and be exposed to an air Purifying System that kills antibodies, germs and virus's up to 2,000 square feet which will also possibly be located in our Nursery and other key areas of the Club:
 - Milagro Spa
 - Tennis I and 2
 - Fieldhouse
 - Turf Center
- Consider placing a Fiberglass Sneeze guard shield at the front desk and all desks on Campus
 - Tennis I and 2
 - Fieldhouse
 - Atlantis Prep
 - Turf Center
 - Milagro Spa
 - Café and Shop

40 OTHER CLUB AMENITIES- SHOP

- Shop will reopen with a restriction of the number of individuals that will be allowed in Shop
- Recommend opening back the Shop 15-30 days after we reopen the Club
- Deb recommended since we will be reopening during the slower season for the Shop to have reduced hours initially till Membership grows

41 OTHER AMENITIES- HYDRO CHAIRS

 Will either need to close down Chair Number two or move one outlet so we have our Social Distancing

42 OTHER AMENITIES- SOCIAL AREAS- MAIN CLUB

- Industry recommendations are to replace any chairs that have fabric that can be viewed to carry germs as well as carpet
- We would need to provide the visibility clearly that we are avoiding small groups forming and not social distancing and would need to consider the following:
 - Remove Chairs from outside of Fitness
 - Remove chairs and tables by the TV Sets
 - Remove chairs by Racquetball Courts- not sure what they will be allowed to do with Social Distancing and use of touching the racquetball- Recommend that Racquetball not be opened in first phase.. Maintain a few chairs in this area
 - Crest will need to only use the chairs in their office area
 - Chairs outside of Men's and Ladies Locker room
 - Tables outside of Spa for women playing cards as well as social chairs in the Upstairs lobby as well as by Sports Bar

43 OTHER AMENITIES – MAIN CLUB TVS

- TVS are recommended in our lobbies not have news channels but have sports, cooking, home improvements only on the TVS
- Recommended not having stations that will be continually broadcasting Corona Virus or divisive political views during this time. This is the Member's Escape and they can do that when they leave the Club. This is currently being done by LifeTime Fitness and other major Clubs across the Industry. We want to be upbeat and positive!

44 OTHER AMENITIES- LOCKER ROOM-TOWELS/LOCKERS/ SEATING/WET AREAS

- There are several recommendations on the use of the Locker rooms:
 - Towels- for the first 60 days, do not offer Towel Service...All Members provide their own towels. This will eliminate the possibility of the towels being comingled
 - All Towels will be used to augment the wipes for cleaning the machines not screens with the Spray and with towel bins- start. New process where towel bins are identified in Laundry room a clean and dirty towels
 - Closing down 2/3 of all lockers so there is ample space to use a locker. This will require our Rental lockers to possibly be relocated into a Rental only area
 - **Removal of benches** in the short term and the use of **White plastic folding chairs** that have a smaller footprint and easily sanitized
 - Sanitary wipes located also in Locker rooms to wipe down their areas
 - Insure that our sinks have enough Social Distance
 - Signage that informs the members how we are cleaning the locker rooms, showers throughout the day
 - Closing of Steam, Jacuzzi and Sauna initially
 - Very visible wet cleaning of floors sinks and lockers 24/7 while open with Cleaning supplies and cleaning activities non stop in LRS

45 SUMMARY OF MEMBER RELATED BUSINESSES AND HOW THE ATLANTIC CLUB IS ADDRESSING EACH AREA

- The Atlantic Club- Manasquan has the opportunity to become the club of the Future through the enhancement of its' Fitness and Group Exercise offerings at Reopening at very minimal costs. This will be our Marketing and Promotional Campaign
- It is anticipated that The Atlantic Club will be negatively impacted with membership dues and ancillary income in the first months of reopening especially with the seasonality of the reopening
- There will be limited member amenities......Hours of Operation, initially not having towel service, social areas with chairs removed, limited swim opportunities and no Group Water Classes initially- which may change as time passes

46 TO ANSWER THE MEMBER'S QUESTION

The Atlantic Club is Eager to Reopen and We Are Safe Social Distancing

47 OTHER KEY REVENUE CENTERS- MILAGRO SPA

Milagro Spa and Salon

- Milagro Spa will be an area where we will need to review Social Distancing
- Salon Side
 - It will be necessary to remove half of the chairs in the Retail area for Social Distancing
 - Nail Stations will need to be scheduled so that every other manicure station is able to be used
 - Pedicure stations with the dividers provide the barriers that are required
 - Hair stations may need to be reviewed since some stations do not meet the social distancing and will not be utilized in the initial phase
 - It is recommended by the Milagro Spa Leadership Team that the Stylist do the Shampooing of the hair since they keeps less individuals connecting with the client in the short term
 - Check out will need to have the correct space/ social distance which will be a problem on the hour and may be able to be addressed with IPADS for services charged to their membership accounts

48 OTHER KEY REVENUE CENTERS – MILAGRO SPA

Milagro Spa Side

- There will be additional Safety protocols for our Massage and Skin Care Team
- We already clean down all the beds after each service and sterilize all of our equipment
- The Massage Team and Skin Care Team are already planning on how to best accommodate the new changes
- The Locker Rooms initially can not be used for Showers since we will initially not have towel services- this may be able to be changed after we are open for a month
- Relaxation Chairs would become more limited with a please do not use signage due to Social Distancing

49 OTHER KEY REVENUE CENTERS- TENNIS CENTER #I

- With the bubbles down and having several discussions with Nancy as well as The USTA, the Tennis Center will be eliminating all USTA Leagues and in-house leagues through September
- They will be focusing on small groups of 4 players and 1 Instructor and private lessons during the Summer as well as a much smaller Summer day Camp
 - The Atlantic Club will follow the strict guidelines from the USTA
 - The Tennis Staff will work to be creative in addressing how all safety requirements can be achievedwork in progress as we await USTA info
 - May be entering the Summer Tennis Court on the outside versus the revolving doors to avoid germs

50 OTHER KEY REVENUE CENTERS- TENNIS CENTER #I

Tennis Center I-Social Area 2nd Floor

- We will not open the viewing area during the Summer- strictly used by the Staff
- Social Distancing will be the highest priority and is not possible with the current set up

51 OTHER KEY REVENUE CENTERS- TENNIS CENTER #2

- Tennis 2 Summer Time Camp and Junior Programs
 - Initially the viewing area in Tennis Center #2 will be closed. Pick up will happen outside on the walkway. In the event of rain, we will have other pick up areas identified that maintains the social distancing

52 OTHER KEY REVENUE CENTERS- ATLANTIS PREP AND SUMMER CAMP

- Allison, Melissa and I are working with State to get their plans on what is required if we are able to run our Summer Camp
- The Rookies will all be in AP with smaller group sizes— these are the younger aged children and many are all day
- The Adventure Camp Campers are older through 6th Grade and will be located on the fields as well as at The Turf Center
- Speaking with Ed Galante and Allison, Sports Camps will all be postponed due to the Social Distancing of Hurley and also the need to use available space more profitably for Camp and Group Exercise also... We will still maintain Softball and Niner's Baseball in a wide field and open space opportunity

53 OTHER KEY REVENUE CENTERS- ATLANTIS PREP AND SUMMER CAMP

 The Atlantic Club will comply and already have many of the processes in place with regard to cleaning but will need much more information when applying for the Camp Application on our Cleaning and Sterilization Processes that will be decided by The Atlantic Club moving forward

54 OTHER KEY REVENUE CENTERS- ATLANTIS PREP FALL 2020/21

- Atlantis Prep will provide all of our AP Families with our Sanitizing and appropriate Social Distancing plans that will be in place in September
- The Parents want Sanitizing as the top priority as well as the handling of sick children to be better monitored
- Atlantis Prep will provide comfort to the parents and social distancing will also be important but expect it will be relaxed by September
- Atlantis Prep will meet all requirements by the State of New Jersey

55 SUMMARY ON BUSINESS UNITS – ANCILLARY INCOME

- The Atlantic Club will be significantly impacted by shortfalls in our profit centers that normally would have had their largest net income months
- The Atlantic Club will hire only essential employees until we are able to hit our stride and afford to rehire our staff

56 THE KEY QUESTION?

Can we be profitable and Deliver the Bank Requirements with 5,000 Members?

57 PRIORITY NUMBER 2- THE SANITIZING PLAN

Overview;

- How Fitness Clubs and The Atlantic Club approached Cleanliness early in 2020 is history
- The Fitness Industry is learning from High End Nursing Homes, Hospitals and Experts in the area of Germ Elimination and State of the Art Processes that are not only required but are a pivotal element of The Atlantic Club's Marketing and Advertising
- Sanitizing not housekeeping is tied with Social Distancing with what is required by our Members moving forward and will be by our competitors also
- Equipment and Programs are not the priorities... There will be a greatly reduced Membership count without The Gold Standard in Sanitizing process for the Corona Virus or the Flu moving forward
- It requires a multi-faceted approach that requires excellence during all parts of the day and a closing cleaning

58 PRIORITY NUMBER 2- THE SANITIZING PLAN

- Clubs that do not have processes that involves a combination of air purification,, Ozone technologies, new HVAC Filtering System, as well as Electrolyzed water, Ultra Violet light cleaning systems- that come in sprays and Foggers. Many systems use city water and wall systems that are able to provide the solution that is used in Sprays or other cleaning techniques versus the traditional cleaning methods.
- Germ and Virus cleaning sprays that can be placed on recently Member used equipment as well as toys in Nursery with new Sprays that can be used throughout the day that kill germs. These are lightweight and can be used following classes or special events
- These items in most part replace the need to fog and remained closed for hours since they do not have the chemicals which can also be harmful

59 PRIORITY NUMBER 2- THE SANITIZING PLAN

- The future of The Atlantic Club rests on being not Good but Great and industry leading in the area of Sanitization and overall Club Cleanliness

 — needs to be to remain the leader in the marketplace
- Failure to be the best and Mistake Proofer in this key area of our business can lead to substantially losing the business... Having a Club being shutdown for the Virus and found not to be fully compliant with what a club has committed and informed to their members will be a business interruption that will be difficult for businesses to overcome
- Employees that see gaps in Sanitization and Cleaning, we be more vocal than ever as well as the Press due to the risks or perceived risks

60 OVERVIEW OF TOP HEALTH AND FITNESS CLUBS ACROSS THE UNITED STATES- NEW SANITIZATION PROCESS

- Here is a listing of current new products that are being incorporated in the Clubs reopening strategies
- East Bank Club.....Fogs every night and Employees sprays key areas, hallways and areas during the day where groups and class activities are completed.. Also works well in Nursery for toys and surfaces. Price is equal to what they were using previously...https://vikingpure.com/It is also used in Nursing homes and features Brandywine Nursing home in Wall, NJ... Uses electrolyzed water that enter the unit from city water and fills a tank that fills the sprayers and the other methods that they require for cleaning throughout the day. There is no measuring and it is the same formula each use...Constantly refills and is lightweight and can be used across East Bank's 450,000 square feet Club. 100% natural and no chemical smells- will not run out of product
- Vida Fitness -10 Clubs in DC Marketplace has ordered Electrio-Static sprayers as well as Tersano SAO System as an alternative to another product Clorox 360

61 OVERVIEW OF TOP HEALTH AND FITNESS CLUBS ACROSS THE UNITED STATES- NEW SANITIZATION PROCESS

- Houstonian and Greenwood Athletic Club are using PURE Aqueous Ozone . This system takes cold tap water and infuses it with Ozone gas to create the the Aqueous Ozone Solution. This technology creates a strong cleaning solution that contains a high concentration of dissolved Nanobubbles.. When sprayed onto a surface it is attracted to soil germs and other contaminants. The Ozone Solution eliminates them converting back to air and water. No storage, mixing or transporting.. One application sanitizes and cleans... safer and healthier path to clean. Similar to East Bank's plan
- Hockessin Health and Fitness will be installing Air Purification units in key areas throughout the Club. They are discussing stand alone units that cover 2,000 square feet in front greeting areas, Nursery and other key member usage areas that will kill germs and viruses....www.beyondbyaerus.com/site/products as well as in the air ducts in key areas

62 RESOURCES FOR OTHER SANITIZING PRODUCTS BEING RESEARCHED BY OTHER REX CLUBS

HERE ARE SOME CHOICES THAT MAY HELP

• Electrostatic Foggers:

-Clorox Total 360 System Electrostatic Sprayer (Andy) <u>https://www.cloroxpro.com/products/clorox/total-360/</u> *most reputable, uses their solution and costs 6K or less. Has to be used with mask and after hours. Below link sells it. <u>https://www.nasscoinc.com/janitorial/chemicals/disinfectantsandsanitizers/cloroxtotal360system/cloroxtotal360system/</u>

Protexus

https://evaclean.com/products/protexus-cordless-electrostatic-sprayersIt can be purchased here for \$700

- https://zogics.com/cleaning/protexus-handheld-electrostatic-sprayer lt's on backorder so I bought the below one while we wait.
- Fogmaster Jr. <u>https://www.fogmaster.com/hand_held_5330.htm</u>
- Other options: <u>www.airphxsports.com</u> (Jeff)
 Chris Mattice: 571-623-4084 <u>chrismattice@airphx.com</u> Biosafe fogs and <u>biosafedistributors.com</u> (Houstonian Hotel) CloroxPro

63 RESOURCES FOR OTHER SANITIZING PRODUCTS BEING RESEARCHED BY OTHER REX CLUBS

<u>Clorox® Total 360® System - Electrostatic Sprayer</u>

The revolutionary Clorox® Total 360® System is an electrostatic sprayer paired with Clorox®trusted solutions.

Oct 6th, 2018 nasscoinc.com

Clorox Total 360 System | Nassco

Nassco supplies Janitorial and Packaging Supplies to the Industrial, Healthcare Schools/Churches, Hospitality, Food Processing, Government, Building Services/Contractors, Restaurants, and Property Management markets.Zogics

64 RESOURCES FOR OTHER SANITIZING PRODUCTS BEING RESEARCHED BY OTHER REX CLUBS

Protexus Handheld Electrostatic Sprayer

Protexus Electrostatic Sprayer. Touchless Handheld Electrostatic Spray System For Precise Disinfection & Sanitization. 360 Degree Coverage. Electrostatic Delivery. Portable

& Cordless. fogmaster.com

Fogmaster® Jr. 5330

Fogmaster - We make the Foggers that make your life Easier

65 ANOTHER NEW PRODUCT BEING INTRODUCED

 Sani Stride Shoe Sanitizer when Members walk into the Clubs...sanitizes the bottom of the shoes where virus can form....<u>www.Sanistride.com</u>

66 MEDALLIA MEMBER CORONA VIRUS SURVEY

- In first 4 days, we have received 795 Survey Results and will be compiling a review of comments
- Survey showed that 8 Members out of 10 would come back to club eventually if they feel Safe and Comfortable due to our Strategies in the area of Cleanliness and Social Distancing. This survey has Member comments that many have shared with their input which will be responded to when we have our strategy decided
- The Atlantic Club ranks in the 7.5 range out of 10 in the area of perceived Cleanliness
- The members want towels and disinfectants by the equipment but also staff that is visible that is actively
 cleaning equipment and facilities. It will be important to have Staff that is equipped with the latest equipment as
 well as present and visible with stocked Cleaning carts that are used to maintain the safe and healthy
 environment
- Members that use the Club at different times of the day are concerned that the facilities and equipment are cleaned throughout the day and our schedules will need to reflect this is being accomplished
- Members want to know that Cleanliness and Social Distancing is the top Corporate Priority

67 HOW DOES THE ATLANTIC CLUB DEMONSTRATE TO OUR MEMBERS THAT SANITIZATION IS OUR TOP PRIORITY

- How we clean the Club during the day will be very important for our staff to see as well as our Members....How we clean at night is another key area of accountability
- We have to master Conspicuous Cleaning with Uniforms, Equipment and cleaning supplies schedules in all areas of the Club that can not be compromised since it not only endangers the health of our Members and Staff but the financial Health and Stability of The Atlantic Club and the paychecks of 725 employees
- Many Clubs are assigning individuals to be only work in specified areas throughout the day since we would be cleaning more often and be visible to all
- Members will look at our Team responsible for cleaning and sanitizing as the individuals that are making sure that they are safe and not in Danger

68 SUMMARY ON SANITIZATION

- The Atlantic Club needs to be sure that the story we tell on video regarding how we are addressing the Health and Wellness of all our Members and Clients is being delivered flawlessly
- Social Distancing may be adjusted in the future but the Cleanliness and Sanitization of the Club will become the standard that will determine if Members stay, leave or refer the Club. It will also be a key element in our New Member Sales process
- The Atlantic Club and Health Clubs across the country will survive and thrive by investing properly in this area while others will cease to exist

69 OTHER KEY AREAS OF DISCUSSION ON REOPENING STRATEGIES

- Focus on Membership within the four walls of your facility
- Open areas slowly to insure you can handle the commitments that will need to be made in regards to social distancing
- Provide clearly to Members changes that will address Social Distancing and enhancements that you have made and will be making to the Club as well as with Sanitization
- Eliminate all amenities that people can touch or can be comingled initially with the virus as well as Flu in the future Coffee, Water stations and fruit/snacks stations in Spas and Executive Locker rooms will no longer be available
- Watch Cash Flow- it will take time to recover and there will be new significant investments that will be required that were not in the prior plans. Place on hold any capital Improvements on small and medium sized projects while in the rebuilding of the business unless it is 100% member focused since you may need it to cover other financial obligations
- Become profitable at 25% less Members than previously enrolled in your Clubs
- Rebuild your manpower based on what is needed in each of the Club's Rebuilding phases. Be careful not to rehire too many too soon
- Rehire individuals that drive income to the bottom line quickly and are commission based and let others know it may be simply a matter of time
- Rebuilding Ancillary Incomes will be a function of the Members and Clients on Campus being comfortable that they are safe and your procedures are vetted by national or local authorities
- Review the organizational chart for Cleaning and place the appropriate levels of management- more at the beginning to avoid gaps. Although this department was always important, it is now one of the most important areas that current and future Members will decide whether we are their best choice for Health, Fitness and Wellness

70 SUMMARY.....SOCIAL DISTANCING OPTIONS, SANITIZATION POSSIBILITIES AND KEY COMMENTS

- The Atlantic Club- Manasquan has options available with successfully addressing Social Distancing and addressing the Member Fitness Experience this will be a key foundation for Members returning to the Club
- The Atlantic Club's Ancillary Businesses have the opportunity to provide revenues but will be at lower levels than the original 2020 budget. They can still be within the bank's projected revenues that we provided. These businesses will need to work through the stages and phases of the Corona Virus
- The Atlantic Club will be needing to create the new story that will increase our Members current perception of 7.5/10 to achieve scores closer to 10. This will be accomplished by showing our Members and Clients the new technologies that we will be incorporating into our Cleaning and Sanitizing regiment.
- Atlantic Club Membership seeing a cleaning team that may not be wearing Over the Hill shirts and sweatshirts but Club related shirts.
- Increased in-house management and accountability for total cleanliness throughout the day as well as additional individual departmental sanitizing and cleaning responsibilities.
- Availability and increased supplies and locations of supplies for members cleaning their areas before and after their use that is also supported by our cleaning team.
- Additional equipment wipe centers and hand sanitizing centers that are filled continuously throughout the day
- Lastly, learning from others that are going through the Reopening Process across the industry

71 SUMMARY

• The Atlantic Club- Manasquan can work through this challenging time but needs to make many decisions in the key areas of the business and be a stronger Health, Fitness and Wellness Club in the future.....