EXHIBIT B

# RECEIVED

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Background

My wife, Terry, and I are current residents of Heasanton. I have lived in Pleasanton for 24 years and have lived in either Dublin or Pleasanton since 1967 - so we have a long history here. We love this city and think it's a perfect location to open our Massage Envy Spa™ franchise.

For fifteen years, I owned and operated a business here — VetEquip, Inc. — which I sold five years ago, and is still going strong. My wife is the co-founder of Pump It Up — The Inflatable Party Zone — the #1 children's party facility in the US according to Entrepreneur Magazine. Pump It Up got its start right here in Pleasanton and has grown into a strong franchise system with more than 160 Pump It Up's and 59 BounceU's open across the United States with intentions of growing into the international market. We both have strong business backgrounds and would like to continue that passion by opening a Massage Envy Spa™ here.

# **Project Description**

Massage Envy Spa™ was founded in 2003 as Massage Envy and is a membership based therapeutic clinic offering professional, convenient, and affordable therapeutic treatments such as massage and facials. Massage Envy has awarded 862 locations in 43 states and has become the largest franchise system in the industry. Franchise wide, there are over one million treatment sessions performed each month. Working with Massage Envy corporate, utilizing their experience with over 680 open facilities, we evaluated many sites before choosing this one.

### **Site Description**

The proposed location is an existing, 5,630 square foot, one story building located at the intersection of Hopyard Road and Valley Avenue and in the Hopyard Village Shopping Center - a 80,000 SF center. Cardinal Jewelers currently occupies 1,810 square feet of this building. Massage Envy Spa™ proposes to occupy the remaining 3,820 square feet that was vacated by Sylvan Learning Center.

We have a long history in Pleasanton. We understand there have been concerns with some of the past tenant mixes that there is not an overflowing abundance of parking at the Hopyard Village Shopping Center. Our son attended La Petite Academy in this center 20 years ago; we have spent many informal business lunches at the Hopyard Grill, had dinners at Zorns, taken our pets to Hopyard Animal Hospital and frequented the Valley Health Mill.

Prior to selecting this site we undertook, along with our brokers, a study of the parking layout and use. This included looking at the property at various times, talking to tenants and neighbors and comparing to other Northern California Massage Envy operations and uses. Massage Envy Spa™ is an ideal fit for this center and community.

#### **Business Operations**

Regular operating hours are from 8:00 am to 10:00 pm Monday through Friday, 8:00 am to 6:00 pm on Saturday, and 10:00 am to 6:00 pm on Sunday. Staff levels fluctuate based upon the number of appointments booked. However, as a general rule, a Massage Envy Spa™ has only 2 to 3 front end employees at any one time. Massage therapists and estheticians are scheduled to meet appointment demand. Our proposed floor plan shows 13 treatment rooms, therefore, that would be the maximum number of therapists and estheticians at any one time. Staff is not allowed to remain on the premises when they not scheduled to work.



## **Parking Solutions**

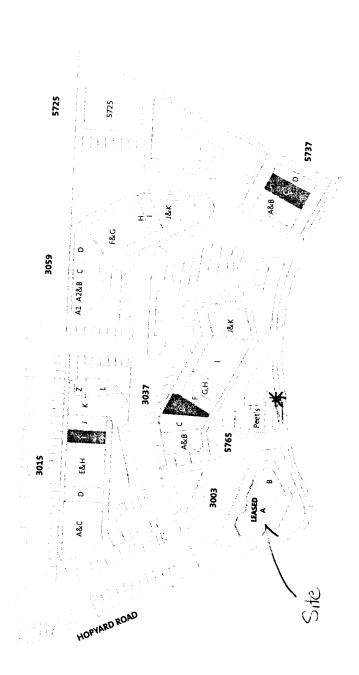
- Massage Envy Spa™ peak times are evenings and weekends when most office-use businesses are closed. In the Hopyard Village this category of businesses includes State Farm, Alexandria's Florist, Gary Stafford DDS, Hopyard Veterinary Hospital, La Petite Academy and Edible Arrangements. We have confirmed that they have limited night and weekend operations and demands on parking. See Exhibit 1 for existing tenants.
- Massage Envy's proven system operates staggered appointment booking. Treatments scheduling on a half hour rotation mitigates any congestion. Treatment rooms are never all occupied at any one time – as we must allow for therapist breaks, and for cleaning and restocking of the rooms.
- Massage Envy is a health-centric business, and as such, encourages all employees to car
  pool or use public transportation. We will post the local Wheels bus schedule for our
  employees Routes 8 & 54 pass right by this location.
- According to several owners of Massage Envy Spa<sup>™</sup>, including Livermore, their
  observation is that approximately one-third of the staff uses public transportation, walks
  or bikes to work, or is dropped off. This industry tends to be more "green" than the
  average population.
- Normal staffing requirements are very light needing only 2-3 people in addition to the therapists.
- Most clients tend to drive themselves to their appointments, but a significant number of them are dropped off.
- Of the 334 parking spaces at the Hopyard Village, 92 of them are in the parking area situated between Hopyard Village and the adjacent Sport Park Complex. These parking spaces belong to Hopyard Village as described in the "Pleasanton Canal Easement Grant of Easement", recorded 11/21/1986. Massage Envy Spa™ staff and therapists will be instructed to park in this area only, freeing up spaces near the store for customers. See Site Plan Exhibit 2.
- There is an existing 1,810 square foot day spa facility already located in the Hopyard Village that is going out of business and will be closed before we open.

#### **Endorsements**

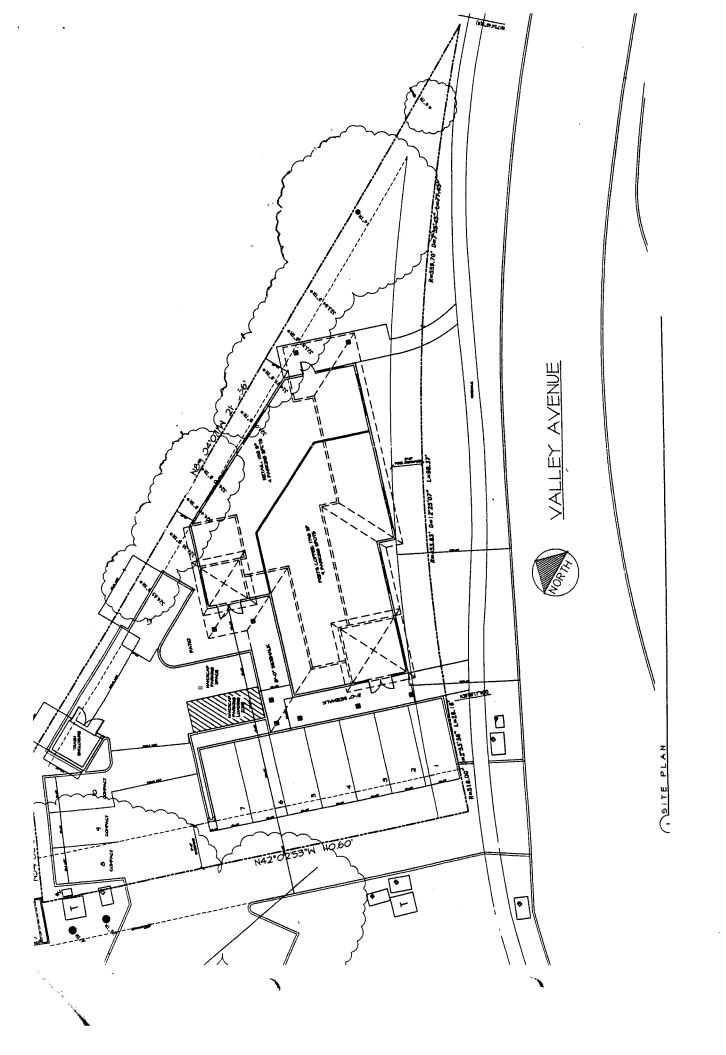
- Massage Envy has been featured on The Today Show, The Early Show and Good Morning America, and in Parent's Magazine, Men's Health, People, ESPN and Reader's Digest, among others. See attached report.
- We have met with Nick Parisi of Goble Properties, owner of Hopyard Village Shopping Center for the last 16 years, and he is enthusiastic about Massage Envy Spa™ coming to this center and believes the Massage Envy Spa™ will be a benefit to the community.
- Locally, Massage Envy locations are already successful in San Ramon, Livermore, Walnut Creek, Concord/Clayton, Pleasant Hill, Brentwood, Tracy, Union City, Fremont, Milpitas, Sunnyvale, Cupertino, Campbell, Redwood City, Mountain View, Foster City, San Mateo and Alameda as well as in the Sacramento, Placer and Solano areas.

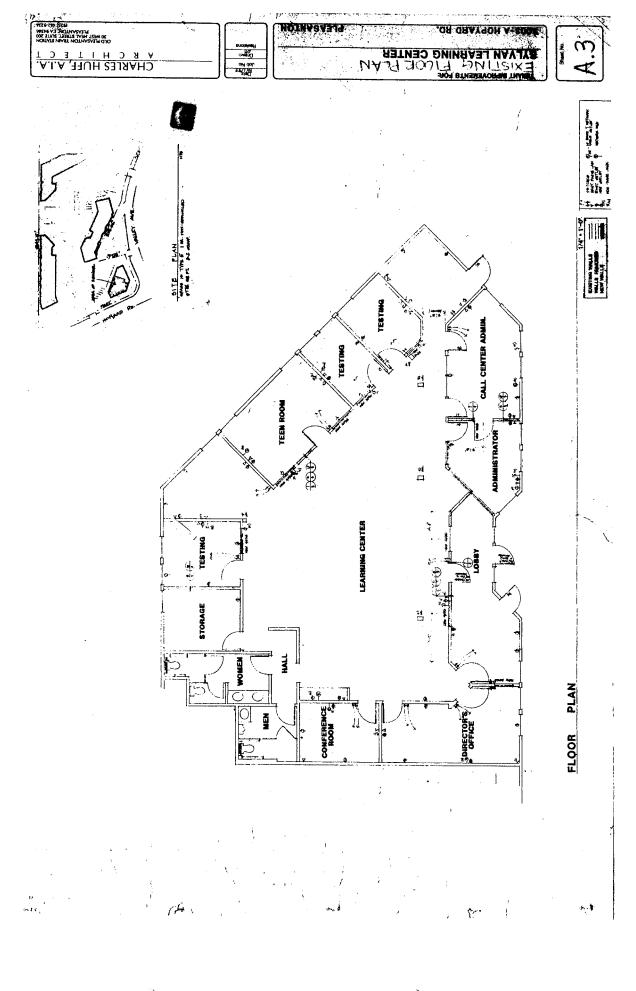
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\* OLD SITE PLAN LAYOUT FOR 5765 VALLEY AVE. SEE SHEET A.2 FOR APPRIMED LAYOUT





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