

FRANCHISE DISCLOSURE DOCUMENT



ME SPE Franchising, LLC
a Delaware limited liability company
14350 North 87th Street, Suite 200
Scottsdale, Arizona 85260

Phone: (480) 366-4100

Fax: (480) 366-4200

E-Mail: receptionist@massageenvy.com

Website: www.massageenvy.com

ME SPE Franchising, LLC offers franchises to operate a personal health business under the name “Massage Envy®” that offer professional therapeutic massage services, Massage Envy’s proprietary Total Body Stretch service, hot stone massage therapy, customized facial and/or skin care services (including services such as microdermabrasion and chemical peel), all utilizing a unique process and high-end product line, as well as related products and services through a membership-based program in a distinctive, clean and friendly environment (“Massage Envy Business” or “Business”).

The total investment necessary to begin operation of a Massage Envy Business ranges from \$605,850 to \$1,014,700. This includes an initial franchise fee of \$45,000 that must be paid to ME SPE Franchising, LLC.

This Disclosure Document summarizes certain provisions of your franchise agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our legal department at 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260 or by phone at (480) 366-4100.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “**A Consumer’s Guide to Buying a Franchise**,” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission (the “FTC”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 29, 2024, as amended on October 8, 2024

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Laws and Regulations

Many states require massage therapists and aestheticians to be licensed and you must ensure that your Business and the therapists and aestheticians who work in your Business comply with these requirements. You must ensure that only licensed therapists and aestheticians perform any services for which a license or specialized training is required. You must be aware of and comply with all regulatory requirements to which a massage therapy business in your state or municipality may be subject to, in addition to our policies contained in the Operations Manual, the purpose of which is the prevention and handling of inappropriate conduct during massage therapy sessions. Failure to strictly comply with these laws, regulations, and policies may put your customers at risk and/or increase your risk of litigation associated with inappropriate conduct during massage therapy sessions. It is also your responsibility to investigate thoroughly the applicable business, zoning, state escheat, licensing laws, rules and regulations in your state and municipality before opening your Massage Envy Business. Some state or local laws may require that you file and post a bond if your Business is a “health spa” or “health club.” Health club laws may also regulate other aspects of your Business, including your agreements with your customers. Since you accept credit cards from your customers, you will also have to comply with any laws and regulations relating to the acceptance of credit cards, including the Payment Card Industry (“PCI”) Data Security Standard (“DSS”). Compliance with these laws, regulations or industry standards are your responsibility. We assist with certain aspects of PCI compliance as part of the services you receive in consideration of the Technology Fee, which is more specifically described in Item 11. You must also comply with laws that apply generally to all businesses. You also must comply with all applicable laws, rules, and orders of any governmental authority concerning any pandemic or public health crisis, which may require businesses to materially modify, limit, or cease operations for an indeterminate period. There may be other federal, state and/or local laws or regulations pertaining to your Business with which you must comply. We recommend that you investigate these laws before purchasing a Massage Envy Business and that you seek assistance from professionals who regularly provide advice and counsel in these areas.

ITEM 2 **BUSINESS EXPERIENCE**

President and Chief Executive Officer ME SPE Franchising and MEF: Todd Schrader

Mr. Schrader has served as our CEO since March 2024. From December 2019 to March 2024, Mr. Schrader served as our Chief Operating Officer. From June 2018 to December 2019, Mr. Schrader served as our Vice President of Operations. Mr. Schrader serves in his current position in Scottsdale, Arizona.

Chief Financial Officer ME SPE Franchising and MEF: Paul Malek

Mr. Malek has served as our Chief Financial Officer since March 2019. He has served as MEF’s Chief Financial Officer since February 2017. Mr. Malek serves in his current position in Scottsdale, Arizona.

General Counsel and Secretary ME SPE Franchising and MEF: Kristin Paiva

Ms. Paiva has served as our General Counsel and Secretary since March 2019. She has served as MEF’s General Counsel and Secretary since January 2019. Ms. Paiva serves in her current position in Scottsdale, Arizona.

Chief Information Officer ME SPE Franchising MEF: Ken DeWitt

Mr. DeWitt has served as ~~our~~MEF's Chief Information Officer since January 2020. From July 2013 to December 2018, Mr. DeWitt served as Chief Information Officer for TruGreen in Memphis, Tennessee. Mr. DeWitt serves in his current position in Scottsdale, Arizona.

SVP, Corporate Counsel – Franchise Transactions MEF: Andra Shirilla

Chief Development Officer ME SPE Franchising: Erich Melsheimer

Mr. Melsheimer has served as our Chief Development Officer since March 2023. From August 2018 to February 2023, Mr. Melsheimer served as Vice President Real Estate for Planet Fitness in Hampton, New Hampshire. From October 2014 to March 2018, Mr. Melsheimer served as Sr. Director Real Estate for Gap, Inc. in San Francisco, California. Mr. Melsheimer serves in his current position in Scottsdale, Arizona.

Director of Franchise Development ME SPE Franchising: Samantha Wallace

Ms. Wallace~~Shirilla~~ has served as our Director of Franchise Development since October 2020. From February 2020 to September 2020, she served as our Franchise Development Manager. From April 2019 to January 2020, Ms. Wallace served as Franchise Development Manager for medspa810 in Scottsdale, Arizona. From September 2018 to January 2020, Ms. Wallace served as Director of Franchise Development for HYPOXI USA, LLC in Scottsdale, Arizona. Ms. Wallace~~MEF's Senior Vice President, Corporate Counsel - Franchise Transactions since September 2024. From March 2021 to August 2024, Ms. Shirilla served as Vice President, Corporate Counsel - Franchise Transactions. From April 2018 to February 2021, Ms. Shirilla served as Corporate Counsel – Franchise Transactions. Ms. Shirilla serves in her current position in Scottsdale, Arizona.~~

The business experience of our Regional Developers is contained in Exhibit G.

ITEM 3
LITIGATION

ACTIVE MATTERS

Grosso v. Massage Envy Franchising, LLC, Case No. 4:24-cv-05585-JST, United States District Court for the Northern District of California, (filed August 21, 2024)

On September 18, 2024, ME SPE Franchising, LLC, MEF and its affiliates were served with a putative class action by members of two separate independently owned and operated franchised locations in California, and on behalf of persons nationwide alleging that ME SPE Franchising, LLC, MEF, or one of its affiliates charged a monthly membership fee after a franchisee entity location closed. The complaint asserts claims for (1) conversion, (2) violation of California's Unfair Competition Law, (3) violation of California's Automatic Purchase Renewals Law, (4) Violation of Electronic Funds Transfer Act ("EFTA"), and (5) Money Had and Received, Money Paid, and Unjust Enrichment. Plaintiffs seek unspecified actual damages, statutory damages of \$1,000 per EFTA class member, restitution, injunctive and declaratory relief, attorneys' fees, and costs. The defendants deny the allegations and intend to vigorously defend these actions. Both named plaintiffs assented to a Terms of Use Agreement that included a class action waiver and mandatory arbitration provision. Defendants' responsive pleading is due November 18, 2024, at which time Defendants will move to compel arbitration of Plaintiffs' individual claims and dismissal of their putative class claims.

**ITEM 6
OTHER FEES**

TYPE OF FEE ¹	AMOUNT	DUE DATE	REMARKS
Royalty	6% of Gross Sales ²	Due on the day of each week we specify ³	Based on Gross Sales during the previous week
P4 Technology Fees ⁴	Charges for all available services will be approximately \$705 per month if the Business has cable-enabled internet (Businesses without cable-enabled internet will see an increase in the total per month cost).	Due on the 24 th day of the month following the install or receipt of each component associated with the P4 Technology	See note 4 below for a general description of the P4 technology components and associated fees.
Centralized Tech Solutions & Support Fee	\$390	Due on 1st of the month following the Franchisee's "go live" date for Meevo Software (defined below)	This fee supports the centralized technology support services, the help desk, and technology compliance program.
Marketing Fund/NAF Contributions	2% of Gross Sales	Due on the day of each week we specify	See Item 11 for information regarding the Marketing Fund/NAF. This Fund is interchangeably referred to as Marketing Fund or NAF.
Supplemental Marketing Fund	2% of Gross Sales	Due on the day of each week we specify	<u>This is an optional contribution.</u> See Item 11 for information regarding the Supplemental Marketing Fund.
Regional Advertising Cooperative Contributions ⁵	Established by advertising cooperative members	Established by advertising cooperative members	See Item 11 for information regarding Regional Advertising Cooperatives. Franchisees are not required to contribute to the Regional Advertising Cooperative as long as the <u>Franchisee is contributing to the Supplemental Marketing Fund-remains in effect.</u>
Regional Advertising Cooperative Accounting Fee	1% of Total Monthly Contributions	Due on the day of each month we specify	This fee is charged to the Regional Advertising Cooperative if the cooperative requests and we agree to provide accounting services for the cooperative.
Additional Training or Assistance Fee	\$250 per person per day plus expenses, but could increase if our costs increase	As incurred	You will be provided initial training at no additional charge, but we may charge you for (i) training newly-hired personnel, (ii) training materials in addition to those initially issued, (iii) refresher training courses, (iv) conventions and (v) any additional or special assistance or training you need or request.

FEE	AMOUNT	DESCRIPTION	PAYMENT OF FEE BEGINS:
Managed Network & Internet Fee	\$114 per month	24x7 monitoring services for network equipment, landline internet, wireless backup, managed switch, dedicated backup IP address, troubleshooting, dispatch and maintenance of network hardware	24th of the month following the cutover to the network equipment and enhanced "P4 ready" internet circuit
Enhanced Security Fee	\$37 per month	Additional security services including security incident and event monitoring and email filtering	24th of the month following the cutover to the network equipment and enhanced "P4 ready" internet circuit
App Development & Maintenance Fee	\$122.50 per month	Use and maintenance of proprietary digital applications and enhancements	24th of the month following the receipt of P4 ready iPads

5. We may designate that a regional advertising cooperative will be instituted in any geographic area in which two or more Massage Envy Businesses are located (a "Regional Advertising Cooperative"). The Regional Advertising Cooperative's members include all Massage Envy Businesses operating within the applicable geographic region, including us and our affiliates, if applicable. All material decisions of the Regional Advertising Cooperative will require the affirmative vote of 51% of all Massage Envy Businesses operating within the Regional Advertising Cooperative's area (including those that we and our affiliates operate, if applicable), with each Massage Envy Business receiving one vote. We do not, and will not, have controlling voting power in any Regional Advertising Cooperative. Your Regional Cooperative may, with the majority vote of its members, engage in activities other than advertising and marketing including, but not limited to, therapist recruitment and promotion of massage therapy as a career, regional employee appreciation events, and joint purchasing or vendor arrangements. While the Marketing Fund and Supplemental Marketing Fund remain in effect and provided you ~~make your required contributions to the Funds~~ comply with Section 9 of the Franchise Agreement, you will not be required to contribute funds to any Regional Cooperative and you may choose, without any obligation, to spend amounts on advertising, marketing, and promotional programs for your Business in addition to your required contributions to the Marketing Fund and Supplemental Marketing Fund. However, should either the Marketing Fund and/or the Supplemental Marketing Fund be terminated for any reason, (a) you will be required to spend the amounts you were otherwise required to contribute to the terminated Fund(s), on advertising, marketing and promotional programs for your Business, which could include you deciding to make contributions to your Regional Cooperative and/or (b) we have the right to require that you make contributions to your Regional Cooperative in the same amounts as you previously contributed to the now-terminated Fund(s).

6. Over time some of the fees listed in dollar amounts in this Item 6 may be increased in situations where our costs have increased. Any such increase will be implemented on a going forward basis. The increase is not applied retroactively.

during consultations at our office or your Massage Envy Business. (Franchise Agreement, Sections 4(C) & 4(D))

3. Provide you, at your request and expense, additional or special guidance, assistance and training in exchange for the Additional Training or Assistance Fee. (Franchise Agreement, Section 4(B))

4. Periodically modify the Operations Manual to maintain the integrity of our brand and proper operation of the Franchise System as a whole. If there is a dispute over its contents, our master copy of the Operations Manual controls. The Operations Manual is confidential, and you may not copy, duplicate, record or otherwise reproduce any part of the Operations Manual. (Franchise Agreement, Section 4(D))

5. Issue and modify mandatory System Standards for Massage Envy Businesses. We may periodically modify mandatory System Standards and these modifications may require you to invest additional capital in your Business and/or incur higher operating costs. (Franchise Agreement, Sections 8(B), 8(C) & 8(J)). See section entitled “Massage Envy Business Requirements” for additional information.

6. Let you use our confidential information, which is more fully described in Item 14. (Franchise Agreement, Section 6)

7. Let you use our Marks, which are more fully described in Item 13. (Franchise Agreement, Section 5)

8. Periodically, and at our option, offer refresher training courses and required conventions, in which case you must pay us the Additional Training or Assistance Fee. (Franchise Agreement, Section 4(A))

9. Maintain and administer a formal Marketing Fund (the “Marketing Fund”) and a separate supplemental marketing fund (the “Supplemental Marketing Fund”) to pay for advertising, marketing, marketing materials, public relations programs, research and development and such other Franchise System development programs and activities that we deem appropriate from time to time. (Franchise Agreement, Section 9(A)). See Supplemental Marketing Fund Program Amendment, a copy of which is attached as Exhibit L to this Disclosure Document. The Supplemental Marketing Fund was established on January 1, 2022, and then current Massage Envy Businesses were given the option to contribute to the Supplemental Marketing Fund at that time. See Supplemental Marketing Fund Program Amendment attached as Exhibit L to this Disclosure Document. Prior to the establishment of the Supplemental Marketing Fund, since 2017, Massage Envy Businesses contributed between \$1,100 - \$1,500 to a National Marketing Cooperative, the exact amount determined, at least partially, according to each franchisee’s Gross Sales. The National Marketing Cooperative was discontinued on December 31, 2021. See section below entitled “Supplemental Marketing Fund” for additional information.

Advertising and Marketing

~~So long as the Supplemental Marketing Fund (defined below) remains in effect, you are required to spend at least 4% of your annual Gross Sales on advertising, marketing and promotional programs for your Business (the “Minimum Marketing Spend”). You will meet your Minimum Marketing Spend Requirement by (x) contributing 2% of your annual Gross Sales to the Marketing Fund, and (y) contributing 2% of your annual Gross Sales to the Supplemental Marketing Fund, so long as the Supplemental Marketing Fund remains in effect.~~

You are required to contribute at least 2% of your annual Gross Sales to the Marketing Fund. Additionally, you are required to spend either (1) 4% of your annual Gross Sales on approved local marketing efforts, or (2) contribute 2% of your annual Gross Sales to the Supplemental Marketing Fund.

(i) Marketing Fund/NAF

Each Massage Envy Business (whether owned by us, a franchisee or a Regional Developer) must contribute to the Marketing Fund the amounts that we periodically require, which will not exceed 2% of the Massage Envy Business's Gross Sales. Massage Envy Businesses that we or our affiliates own must contribute to the Marketing Fund on the same percentage basis as Franchisees. We have the right to contribute to the Marketing Fund any advertising, marketing, or similar allowances paid to us by suppliers who deal with Massage Envy Businesses and who instruct us to use the allowances for advertising or marketing purposes. We will deposit into the Marketing Fund all fines that we collect from Franchisees for non-compliance with mandatory System Standards (we do not intend to profit from these fines). Except as described in this paragraph, we have no obligation to spend our own funds on marketing in your Territory.

We will designate, direct and have complete control over all advertising and marketing programs (including the creative concepts, materials, endorsements and media used for the programs as well as the geographic, market and media placement and allocation of the programs) and all other brand development activities. The Marketing Fund may pay for: (i) preparing and producing video, audio and written materials and digital and electronic media (including Social Media (defined below)); (ii) administering regional and multi-regional marketing and advertising programs, including, without limitation, marketing contests, purchasing trade journal, direct mail, television, radio and other media advertising and using advertising, promotion and marketing agencies and other advisors to provide assistance; (iii) supporting public relations, market research and other advertising, brand promotion and marketing activities; (iv) development and improvements to our Website (as defined herein); (v) research, development and promotion for new products and services that may be offered at or for Massage Envy Businesses; and (vi) research, development and promotion to improve our mandatory System Standards, customer brand loyalty, our franchise system, including, but not limited to, safety and prevention efforts, assessments, and programs related to inappropriate conduct; guest relations and/or member/guest complaint programs (and associated research or analytics); helping you to identify qualified individuals for massage therapist and other positions in the massage therapy and spa industries, and/or the massage therapy, spa, or wellness industry generally. The Marketing Fund will periodically give you samples of advertising, marketing and promotional formats and materials at no cost and will sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges.

We will account for the Marketing Fund separately from our other funds and not use the Marketing Fund for any of our general operating expenses, except to reimburse us for the reasonable compensation and other benefits, administrative costs, travel expenses and overhead we incur in administering the Marketing Fund and/or any of its permissible activities referenced in the prior paragraph, including, without limitation, collecting and accounting for Marketing Fund contributions. The Marketing Fund is not our asset. The Marketing Fund is not a trust, and we do not owe you fiduciary obligations because of our maintaining, directing or administering the Marketing Fund or for any other reason. The Marketing Fund may spend in any fiscal year more or less than the total Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Marketing Fund contributions to pay costs before using the Marketing Fund's other assets. We will not use Marketing Fund contributions for advertising that principally is a solicitation for the sale of franchises, although the Marketing Fund may pay for improvements to our Website, which includes a section containing information for prospective franchisees. We will prepare an annual, unaudited statement of Marketing Fund collections and expenses and give you the statement upon written request. We may incorporate the Marketing Fund or operate it

through a separate entity whenever we deem appropriate. The successor entity will have all rights and duties described here.

For fiscal year ended December 31, 2023, the expenditures by the Marketing Fund fell into the following categories: 18% on production (including internal and external agency fees), 36% on media placement, 17% on administrative expenses, and 29% for other purposes (including industry research, promotion of massage therapy careers, and website design and upgrades). Except for the agency commissions, which are included in the total payments from suppliers disclosed in Item 8, and certain services provided by our personnel on marketing programs, neither we nor our affiliates received payment for providing goods or services related to the Marketing Fund.

We intend the Marketing Fund to maximize recognition of the Marks and patronage of Massage Envy Businesses. Although we will try to use the Marketing Fund, in part, to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit the franchise system. In managing the Marketing Fund, we need not ensure that Marketing Fund expenditures in or affecting any geographic area are proportionate or equivalent to the Marketing Fund contributions by Massage Envy Businesses operating in that geographic area or that any Massage Envy Business benefits directly or in proportion to its Marketing Fund contribution from the development or placement of advertising and marketing materials. We have the right, but no obligation, to use collection agents and institute legal proceedings to collect contributions to the Marketing Funds at the Marketing Funds' expense. We also may forgive, waive, settle and compromise all claims by or against the Marketing Fund. We assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Marketing Fund.

We may at any time defer or reduce the Marketing Fund contributions of a Franchisee (and can later reinstate the Marketing Fund contributions at any time) and, upon 30 days' prior written notice to you, reduce or suspend Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund. Any surpluses remaining in the non-terminated Marketing Fund shall remain in the Marketing Fund for future use. If we terminate the Marketing Fund, we will distribute all unspent monies to our franchisees, and to us and our affiliates, in proportion to their, and our, respective Marketing Fund contributions during the preceding 12-month period.

(ii) Supplemental Marketing Fund

Effective January 1, 2022, we established a Supplemental Marketing Fund for the purposes of funding centralized marketing and advertising efforts. ~~Franchisees with active franchise agreements on the establishment date of the Supplemental Marketing Fund were given an option to participate in the Supplemental Marketing Fund.~~

Participation in the Supplemental Marketing Fund is mandatory. You must optional. At any time during the Franchise Agreement term, you may elect to contribute 2% of your annual Gross Sales to the Supplemental Marketing Fund— two percent (2%) of your Gross Sales, payable in the same manner as the Royalty (or in such other manner as we periodically prescribe) by executing the then-current Supplemental Marketing Fund Amendment. The terms and conditions of your participation in the Supplemental Marketing Fund will be governed by the executed Supplemental Marketing Fund Amendment, including that your election and obligation to contribute to the Supplemental Marketing Fund shall be valid for a 2-year term commencing on the date you first contribute to the Supplemental Marketing Fund (the “SMF Period”) and shall automatically renew for additional 2-year terms (each an “SMF Renewal Period”) unless you provide written notice to us no less than ninety (90) days in advance

of the expiration of the SMF Period or any SMF Renewal Period, as the case may be, that you do not intend to continue your participation in the Supplemental Marketing Fund.

Subject to the Bylaws of the Massage Envy Supplemental Marketing Fund Council (which may be amended from time to time) we will administer the Supplemental Marketing Fund and may use funds in the Supplemental Marketing Fund to pay for a wide array of marketing, advertising, promotional, and public relations expenditures, which may include but are not limited to those expenditures for which the Marketing Fund can be used.

For fiscal year ended December 31, 2023, the expenditures by the Supplemental Marketing Fund fell into the following categories: 13% on production (including internal and external agency fees), 85% on media placement, 1% on administrative expenses, and 1% for other purposes (including industry research, promotion of massage therapy careers, and website design and upgrades). Except for the agency commissions, which are included in the total payments from suppliers disclosed in Item 8, and certain services provided by our personnel on marketing programs, neither we nor our affiliates received payment for providing goods or services related to the Supplemental Marketing Fund.

The Supplemental Marketing Fund is not a trust nor is it our asset and except as expressly provided herein, we do not owe you or any other franchisees contributing to the Supplemental Marketing Fund, any fiduciary obligations relative to its maintaining, directing, or administering the Supplemental Marketing Fund nor do we assume any direct or indirect liability or obligation to you for any other reason with respect to the Supplemental Marketing Fund. The Supplemental Marketing Fund funds will be maintained separately from our other funds. We need not ensure that expenditures from the Supplemental Marketing Fund in or affecting any geographic area are proportionate or equivalent to the contributions by Massage Envy franchised locations operating in that geographic area or that any Massage Envy franchised location benefits directly or in proportion to its contributions to the Supplemental Marketing Fund. We have the right, but not the obligation, to use collection agents and institute legal proceedings to collect contributions to the Supplemental Marketing Fund at the Supplemental Marketing Fund's expense. We may forgive, waive, settle, and compromise all claims by or against the Supplemental Marketing Fund. The Supplemental Marketing Fund may spend in any fiscal year more or less than the total contributions to the Supplemental Marketing Fund in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use any interest earned on contributions to the Supplemental Marketing Fund to pay costs before using the Supplemental Marketing Fund's other assets. We may incorporate the Supplemental Marketing Fund or operate it through a separate entity whenever, and if, we deem appropriate, and any successor entity will have all of the rights and duties described here.

We may at any time defer or reduce contributions to the Supplemental Marketing Fund of a Massage Envy franchised location (and can later reinstate the contributions at any time) and, upon thirty (30) days' prior written notice to you, reduce or suspend contributions to the Supplemental Marketing Fund and operations for one or more periods of any length and terminate (and if terminated, reinstate) the Supplemental Marketing Fund. If we terminate the Supplemental Marketing Fund, we will distribute all unspent monies to the Massage Envy franchised locations in proportion to their respective contributions to the Supplemental Marketing Fund during the preceding twelve (12) month period. We shall have the right in our sole discretion to offset monies owed to you against any unpaid portion of your contribution to the Supplemental Marketing Fund.

You and Regional Cooperatives

While the Marketing Fund and Supplemental Marketing Fund remain in effect and provided you ~~make your required contributions to the Funds~~ comply with Section 9 of the Franchise Agreement, you will not

be required to contribute funds to any Regional Cooperative and you may choose, without any obligation, to spend amounts on advertising, marketing, and promotional programs for your Business in addition to your required contributions to the Marketing Fund and Supplemental Marketing Fund. However, should either the Marketing Fund and/or the Supplemental Marketing Fund be terminated for any reason, (a) you will be required to spend the amounts you were otherwise required to contribute to the terminated Fund(s), on advertising, marketing and promotional programs for your Business, which could include you deciding to make contributions to your Regional Cooperative and/or (b) we have the right to require that you make contributions to your Regional Cooperative in the same amounts as you previously contributed to the now-terminated Fund(s).

We may designate a geographic area in which two or more Massage Envy Businesses are located as an area for a Regional Advertising Cooperative. The Regional Advertising Cooperative's members in any area will include all Massage Envy Businesses operating in the area, including us and our affiliates, if applicable. All Massage Envy Businesses within the Regional Advertising Cooperative must participate in the Regional Advertising Cooperative and are bound by its decisions. All material decisions of the Regional Cooperative will require the affirmative vote of fifty-one percent (51%) of all Massage Envy Businesses operating within the Regional Cooperative's area (including, if applicable, those operated by us and our affiliates), with each Massage Envy Business receiving one (1) vote. Your Regional Cooperative may, with the majority vote of its members, engage in activities other than advertising and marketing including, but not limited to, therapist recruitment and promotion of massage therapy as a career, regional employee appreciation events, and joint purchasing or vendor arrangements.

We may delegate to the Regional Advertising Cooperative's Regional Developer the authority to determine how any Advertising Cooperative is organized and governed, but the Regional Advertising Cooperative's members are responsible for its administration. We recommend that Regional Advertising Cooperatives operate according to written governing documents and prepare periodic financial statements that will be available to the members. We may form, change, dissolve, or merge Regional Advertising Cooperatives in our sole discretion.

Your (and your Regional Advertising Cooperative's) advertising, promotion, and marketing must (i) be completely clear, factual, and not misleading, (ii) conform to the highest standards of ethical advertising and marketing and (iii) comply with all advertising and marketing policies that we periodically prescribe. Before you use them, you must send us samples of all advertising, promotional, and marketing materials that we have not prepared or previously approved within the last 12 months. If we fail to affirmatively approve or disapprove of any materials within 15 calendar days of our receipt, we will be deemed to have approved the materials. You may not use any advertising, promotional, or marketing materials that we have not approved or have disapproved. Further, you may not market or advertise in violation of federal laws regulating advertising, such as the CAN-SPAM Act and the TCPA, and state advertising laws applicable to your franchise.

The restrictions on advertising apply to any information relating to us, you or your Massage Envy Business that you plan to use on a Website (as defined below) and to any changes to any Website information that we previously approved. You may not maintain a Website for your Business without our approval. At our option, you must discontinue any previously approved Website and/or sign any documents, submit any information and do any other things we reasonably require to participate in any Website we administer. We also may require you to obtain your own Website for your Business. For purposes of this Section, the term "Website" means an interactive electronic document, a mobile media or a social media tool or page or other Internet presence, contained in or utilizing a network of computers linked by communications software, including the Internet, World Wide Web and any similar successor technology, including texting, social media promotions, postings or sites, such as Facebook, Twitter,

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breach remains uncured. We will deposit all fines paid by you and other franchisees for non-compliance with our mandatory System Standards into the Marketing Fund.

K. SECURITY BREACH.

You are required to notify us immediately if you suspect or become aware of a Security Breach. With the exception of any required notification to the payment card brands under PCIDSS (or other applicable standards), you agree that we will notify affected persons and regulatory authorities in accordance with applicable law. If, after consultation with you, we determine that notification is required or appropriate, you agree that you will bear all costs associated with such notification, which may include, without limitation, any fees or costs for providing credit monitoring to the affected persons. Upon discovery of a Security Breach, you further agree that you will promptly investigate and remediate—at your expense—the source of such Security Breach.

9. MARKETING.

A. MARKETING FUND AND SUPPLEMENTAL MARKETING FUND.

We or our designee will administer a Marketing Fund (the "**Marketing Fund**") to pay for advertising, marketing, marketing materials, public relations programs, research and development and such other Franchise System development programs and activities that we deem appropriate from time to time. We or our designee will also administer a separate supplemental marketing fund (the "**Supplemental Marketing Fund**") to pay for advertising, marketing, marketing materials, public relations programs, research and development and such other Franchise System development programs and activities that we deem appropriate from time to time. For purposes of this Agreement, individually, each of the Marketing Fund and Supplemental Marketing Fund are referred to as the "**Fund**" and collectively, the Marketing Fund and Supplemental Marketing Fund will be referred to as the "**Funds**."

The Supplemental Marketing Fund is governed by the Supplemental Marketing Fund Council, which membership consists of representatives from Massage Envy Businesses, some of whom are elected by franchisees and some of whom are selected by us. The criteria for membership and its operating procedures and authority are described in the Bylaws of the Massage Envy Supplemental Marketing Fund Council, which may be amended from time to time.

You agree ~~(i)~~ to contribute to the Marketing Fund the amounts we periodically prescribe, not to exceed two percent (2%) of your Gross Sales, payable in the same manner as the Royalty (or in such other manner as we periodically prescribe); ~~and (ii)~~;

At any time during the Term, you may elect to contribute to the Supplemental Marketing Fund the amounts we periodically prescribe, not to exceed two percent (2%) of your Gross Sales, payable in the same manner as the Royalty (or in such other manner as we periodically prescribe); by executing the then-current Supplemental Marketing Fund Amendment, the current form of which is attached hereto as Exhibit E. The terms and conditions of your participation in the Supplemental Marketing Fund will be governed by the executed Supplemental Marketing

Fund Amendment, including that your election and obligation to contribute to the Supplemental Marketing Fund shall be valid for a 2-year term commencing on the date you first contribute to the Supplemental Marketing Fund (the “SMF Period”) and shall automatically renew for additional 2-year terms (each an “SMF Renewal Period”) unless you provide written notice to us no less than ninety (90) days in advance of the expiration of the SMF Period or any SMF Renewal Period, as the case may be, that you do not intend to continue your participation in the Supplemental Marketing Fund.

Massage Envy Businesses that we or our affiliates own will contribute to the Funds on the same basis as our franchisees.

Subject to the bylaws of the Supplemental Marketing Fund, we will designate, direct and have complete control over all advertising and marketing programs (including the creative concepts, materials, endorsements and media used for the programs as well as the geographic, market and media placement and allocation of the programs) and all other brand development activities. The Marketing Fund and/or the Supplemental Marketing Fund may pay for: (i) preparing and producing video, audio and written materials and digital and electronic media (including Social Media (defined below)); (ii) administering regional and multi-regional marketing and advertising programs, including, without limitation, marketing contests, promotional events, purchasing trade journal, direct mail, radio and other media advertising and using advertising, promotion and marketing agencies and other advisors to provide assistance; (iii) supporting public relations, market research and other advertising, brand promotion and marketing activities; (iv) development and improvements to our Website (as defined herein); (v) research, development and promotion related to new products and services that may be offered at or for Massage Envy Businesses; and (vi) research, development and promotion to enhance our System Standards, customer brand loyalty, our Franchise System, and Business staffing including, but not limited to, safety and prevention efforts, assessments, and programs related to inappropriate conduct; guest relations and/or member/guest complaint programs (and associated research or analytics), locating qualified individuals for massage therapist and other positions in the massage therapy and spa industries, and/or the massage therapy, spa, or wellness industry generally. The Marketing Fund and/or the Supplemental Marketing Fund will periodically give you samples of advertising, marketing and promotional formats and materials at no cost and will sell you multiple copies of these materials at its direct cost of producing them, plus any related shipping, handling and storage charges.

We will account for the Marketing Fund and Supplemental Marketing Fund separately from our other funds and not use either Fund for any of our general operating expenses, except to compensate us for the reasonable employee salaries (including compensation, bonus, taxes and benefits), administrative costs, travel expenses and overhead we or our designees incur in administering the Funds, and/or any of its or their permissible activities referenced in the prior paragraph including, without limitation, collecting and accounting for Marketing Fund and/or Supplemental Marketing Fund contributions. Neither the Marketing Fund nor Supplemental Marketing Fund will constitute assets of ours. Neither the Marketing Fund nor Supplemental Marketing Fund is a trust, and we do not owe you any fiduciary obligations because of our maintaining, directing or administering the Funds or any other reason. Each of the Marketing Fund and Supplemental Marketing may spend in any fiscal year more or less than the total

contributions each received in that year, and each may borrow from us or others (paying reasonable interest) to cover deficits or invest any surplus for future use. We will use all interest earned on each Fund's contributions to pay such Fund's costs and expenses before using other assets of such Fund. We will prepare an annual, unaudited statement of each Fund's collections and expenditures, and give you copies of such statements upon written request. We may incorporate the Marketing Fund and/or Supplemental Marketing Fund or operate either Fund through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Subsection.

We intend each Fund to maximize recognition of the Marks and patronage of Massage Envy Business and to help improve the overall consumer experience and brand reputation. Although we will try to use the Marketing Fund and Supplemental Marketing Fund, in part, to develop advertising and marketing materials and programs, and to place advertising and marketing, that will benefit all Massage Envy Businesses contributing to the respective Fund, we need not ensure that a Fund's expenditures in or affecting any geographic area are proportionate or equivalent to the contributions made to a Fund by the Massage Envy Business operating in that geographic area or that any Massage Envy Business benefits directly or in proportion to its contributions to a Fund from the development or placement of advertising and marketing materials. We have the right, but not the obligation, to use collection agents and to institute and prosecute legal proceedings to collect contributions owed to a Fund, which fees and charges associated with such actions will be borne by the applicable Fund. We also may forgive, waive, settle and compromise all claims by or against either Fund, without seeking the consent of you or any franchisee. Except as expressly provided in this Subsection, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing or administering the Funds.

We may at any time defer or reduce the contributions of a Massage Envy Business franchisee to either or both Funds (and can at any time reinstate the obligation to make contributions to either or both Funds) and, upon thirty (30) days' prior written notice to you, reduce or suspend Marketing Fund or Supplemental Marketing Fund contributions and operations for one or more periods of any length and terminate (and, if terminated, reinstate) the Marketing Fund and/or Supplemental Marketing Fund. If we terminate either Fund, we will distribute all monies remaining in such Fund (after paying all outstanding obligations of such Fund) to the then current franchisees who had contributed to such Fund and to us and our affiliates, in proportion to their, and our, respective contributions to such Fund during the preceding twelve (12) the month period.

B. BY YOU AND REGIONAL COOPERATIVES.

(1) In the event you are not contributing to the Supplemental Marketing Fund at any time during the Term (each a "Non SMF Period"), you agree to spend at least four percent (4%) of your annual Gross Sales during such Non SMF Period on advertising, marketing and promotional programs for your Business. You may spend such amounts independently or through a Regional Cooperative (as defined below). You agree that we have the right to audit your records in accordance with Section 11.B. to determine your compliance with this requirement.

(2) ~~(1)~~ While the Marketing Fund and Supplemental Marketing Fund remain in effect and provided you ~~make your required contributions to the Funds~~ comply with this Section 9, you will not be required to contribute funds to any Regional Cooperative (as defined below) ~~and you may choose, without any obligation, to spend amounts on advertising, marketing, and promotional programs for your Business in addition to your required contributions to the Marketing Fund and Supplemental Marketing Fund.~~ However, should either the Marketing Fund and/or the Supplemental Marketing Fund be terminated for any reason, (a) you will be required to spend the amounts you were otherwise required to contribute to the terminated Fund(s), on advertising, marketing and promotional programs for your Business, which could include you deciding to make contributions to your Regional Cooperative and/or (b) we have the right to require that you make contributions to your Regional Cooperative in the same amounts as you previously contributed to the now-terminated Fund(s).

(3) ~~(2)~~ You agree that we may designate a geographic area in which two (2) or more Massage Envy Businesses are located as a region in order to establish an advertising cooperative (a "**Regional Cooperative**"). The Regional Cooperative's members in any area will include all of the Massage Envy Businesses operating in that area (including us or our affiliates, if applicable). Each Regional Cooperative will (i) be organized and governed in a form and manner that we prescribe, (ii) begin operating on a date that we determine in advance, (iii) meet monthly, and (iv) submit to us the agenda and minutes for each meeting in accordance with our procedures. We may change, dissolve, or merge Regional Cooperatives. Each Regional Cooperative's purpose is, with our approval, to administer advertising programs and develop advertising, marketing and promotional materials for the area covered by the Regional Cooperative. If, as of the time you sign this Agreement, we have established a Regional Cooperative for the geographic area in which your Business is located, or if we establish a Regional Cooperative in that area during the Term of this Agreement, you agree to sign the documents we may require in order for you to become a member of the Regional Cooperative and to participate in the Regional Cooperative as those documents may require. You agree to complete and submit to us and the Regional Cooperative any reports that we or it requires. All material decisions of the Regional Cooperative will require the affirmative vote of fifty-one percent (51%) of all Massage Envy Businesses operating within the Regional Cooperative's area (including, if applicable, those operated by us and our affiliates), with each Massage Envy Business receiving one (1) vote. Your Regional Cooperative may, with the majority vote of its members, engage in activities other than advertising and marketing including, but not limited to, therapist recruitment and promotion of massage therapy as a career, regional employee appreciation events, and joint purchasing or vendor arrangements.

(4) ~~(3)~~ You agree that you and your regional cooperative's advertising, promotion and marketing will be completely clear, factual and not misleading and will conform to the highest standards of ethical advertising and marketing and the advertising and marketing policies that we prescribe from time to time. Before you or your regional cooperative uses them, you must send us for approval samples of all advertising, promotional and marketing materials which we have not prepared or previously approved during the last twelve (12) months. If we do not disapprove the

EXHIBIT E
SUPPLEMENTAL MARKETING FUND AMENDMENT TO MASSAGE ENVY
FRANCHISE AGREEMENT (_____)

This Supplemental Marketing Fund Amendment (this “Amendment”) is made and entered into this day of [insert month, day, and year] (the “Effective Date”), by and between
XXX (“Franchisee”) and ME SPE Franchising, LLC (“Franchisor”) and amends that certain Franchise Agreement (“Franchise Agreement”) between the parties dated XXX.

WHEREAS, pursuant to the Franchise Agreement, Franchisor granted Franchisee the right and license to own and operate Massage Envy location _____ within the Territory defined therein (the “Business”). Capitalized terms used but not otherwise defined in this Amendment shall have the meanings as set forth in the Franchise Agreement.

WHEREAS, Franchisor established the Supplemental Marketing Fund (the “SMF”) for purposes of funding centralized marketing and advertising efforts to be implemented by Franchisor or its designee and to which Franchisee has voluntarily agreed to contribute two percent (2%) of its annual Gross Sales to the SMF in accordance with the terms of this Amendment (“SMF Contribution”). The Massage Envy Supplemental Marketing Fund Council (“Council”) will maintain oversight and governance over the SMF in accordance with the Bylaws of the Massage Envy Supplemental Marketing Fund Council (the “Bylaws”) (attached as Exhibit A), which Bylaws may be amended from time to time as set forth therein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements stated in this Amendment, and other valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Franchisee agrees to pay its SMF Contribution (two percent (2%) of its annual Gross Sales) payable to Franchisor in the same manner as the Royalty (or in such other manner as Franchisor periodically prescribes) beginning on [insert date] and ending on [insert date] (the “SMF Period”).

2. Franchisee acknowledges and agrees that Franchisor will administer the SMF and may use funds in the SMF to pay for a wide array of marketing, advertising, promotional, and public relations expenditures, which may include but are not limited to those expenditures identified in Section 9 of the Franchise Agreement (including, but not limited to, reasonable salaries, administrative costs, travel expenses, and overhead Franchisor incurs in administering the SMF and/or any of its permissible activities).

3. Franchisee hereby represents and warrants that it is entering into this Amendment and participating in the SMF voluntarily and based on its own judgment after having had the ability to consult its advisors. Franchisee agrees that it has not been induced to enter into this Amendment by any statement, act or representation of any kind or character on the part of anyone except as expressly set forth in this Amendment. Franchisee acknowledges and agrees that Franchisor does not make any representation or warranty, express or implied, as to the success or benefits the SMF may bring to the Massage Envy franchise system as a whole or to any particular franchisee who contributes to the SMF.

4. This Amendment and Franchisee’s participation in the SMF shall automatically renew for additional two (2) year terms (each a “Renewal Period”) unless Franchisee provides written notice to Franchisor no less than ninety (90) days in advance of the expiration of the SMF Period or the then-current Renewal Period, as the case may be, that it does not intend to continue its participation in the SMF. Any notice issued under this Section 6 shall comply with the notice provision of the Franchise Agreement.

5. This Amendment shall automatically terminate upon the termination or expiration of the Franchise Agreement.

6. This Amendment is an amendment to, and forms a part of, the Franchise Agreement. If there is an inconsistency between this Amendment and the Franchise Agreement, the terms of this Amendment shall control. This Amendment constitutes the entire agreement among the parties hereto relating to the subject matter of this Amendment, and there are no other oral or written representations, understandings or agreements among them with respect to the SMF. Unless otherwise expressly modified by the terms of this Amendment, the terms and conditions of the Franchise Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the Effective Date stated on the first page above.

<u>ME SPE Franchising, LLC,</u> <u>a Delaware limited liability company</u>	<u>XXXXXXXX</u> <u>a/an XXXXXX</u>
<u>By:</u> _____	<u>By:</u> _____
<u>Name: Kristin Paiva</u>	<u>Name:</u> _____
<u>Title: General Counsel</u>	<u>Title:</u> _____

EXHIBIT L
SUPPLEMENTAL MARKETING PROGRAM FUND AMENDMENT

[See Attached]

**SUPPLEMENTAL MARKETING FUND PROGRAM AMENDMENT TO MASSAGE ENVY
FRANCHISE AGREEMENT (_____)**

This Supplemental Marketing Fund Program Amendment (this “Amendment”) is made and entered into

this day of _____, 20____ [insert month, day, and year] (the “Effective Date”), by and between _____ (“Franchisee”) and **ME SPE FRANCHISING Franchising, LLC** (“Franchisor”) and amends that certain Franchise Agreement (“Franchise Agreement”) between the parties dated _____.

WHEREAS, pursuant to the Franchise Agreement, Franchisor granted Franchisee the right and license to own and operate Massage Envy location _____ within the Territory defined therein (the “Business”). Capitalized terms used but not otherwise defined in this Amendment shall have the meanings as set forth in the Franchise Agreement.

WHEREAS, Franchisor ~~is establishing a new~~established the Supplemental Marketing Fund (the “SMF”) for purposes of funding centralized marketing and advertising efforts to be implemented by Franchisor or its designee and to which Franchisee has voluntarily agreed to contribute two percent (2%) of its annual Gross Sales to the SMF in accordance with the terms of this Amendment (“SMF Contribution”). The Massage Envy Supplemental Marketing Fund Council (“Council”) will maintain oversight and governance over the SMF in accordance with the Bylaws of the Massage Envy Supplemental Marketing Fund Council (the “Bylaws”) (attached as Exhibit A), which Bylaws may be amended from time to time as set forth therein;

~~**WHEREAS**, Section 9.B. of the Franchise Agreement currently requires Franchisee to contribute to the Marketing Fund (the “NAF”) the amounts Franchisor periodically prescribes, not to exceed two percent (2%) of Franchisee’s annual Gross Sales (the “NAF Contribution”);~~

~~**WHEREAS**, Section 9.A. of the Franchise Agreement currently requires Franchisee to spend at least six percent (6%) of its annual Gross Sales on advertising, marketing and promotional programs for its Business (the “Minimum Marketing Spend Requirement”) and which provision also provides, in part, that Franchisor will credit Franchisee’s NAF Contribution toward Franchisee’s Minimum Marketing Spend Requirement; and~~

~~**WHEREAS**, in connection with the establishment of the SMF, Franchisor has agreed that Franchisee’s SMF Contribution will also be credited towards Franchisee’s Minimum Marketing Spend Requirement, as further detailed herein.~~

NOW, THEREFORE, in consideration of the mutual covenants and agreements stated in this Amendment, and other valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties, intending to be legally bound, agree as follows:

1. Franchisee agrees to ~~contribute~~pay its SMF Contribution (two percent (2%) of its annual Gross Sales) payable to Franchisor in the same manner as the Royalty (or in such other manner as Franchisor periodically prescribes) beginning on ~~January 1, 2022~~[insert date] and ending on ~~December 31, 2024~~[insert date] (the “SMF Period”).

~~2. Franchisor agrees that as long as Franchisee fulfills both its SMF Contribution and NAF Contribution obligations during the SMF Period, (x) Franchisee will be deemed to have met its Minimum Marketing Spend Requirement during the SMF Period; and (y) Franchisee shall have no further obligation to spend any additional amounts on advertising, marketing, or promotional programs in order to meet its Minimum Marketing Spend Requirement. For the avoidance of any doubt and notwithstanding anything to~~

~~the contrary in Section 9.A. of the Franchise Agreement, as a contributor to the SMF, the only manner in which Franchisee may satisfy its Minimum Marketing Spend Requirement is by making its full NAF Contribution and SMF Contribution as required by the Franchise Agreement, as amended by this Amendment. Franchisee further acknowledges and agrees that all other payment obligations set forth in the Franchise Agreement (including those payment obligations in the Operations Manual) remain unchanged, including the requirement to pay technology fees. Franchisee further acknowledges and agrees that its payment of technology fees or any other non-marketing expenses shall not be credited to either Franchisee's NAF Contribution or SMF Contribution, regardless of any historical offsets previously permitted by Franchisor.~~

2. ~~3.~~ Franchisee acknowledges and agrees that Franchisor will administer the SMF and may use funds in the SMF to pay for a wide array of marketing, advertising, promotional, and public relations expenditures, which may include but are not limited to those expenditures identified in Section 9.B. of the Franchise Agreement (including, but not limited to, reasonable salaries, administrative costs, travel expenses, and overhead Franchisor incurs in administering the SMF and/or any of its permissible activities).

~~4. With respect to the SMF, the SMF is not a trust nor will it be Franchisor's asset and except as expressly provided herein, Franchisor does not owe Franchisee or the other franchisees contributing to the SMF, any fiduciary obligations relative to its maintaining, directing, or administering the SMF nor does Franchisor assume any direct or indirect liability or obligation to Franchisee for any other reason with respect to the SMF. The SMF funds will be maintained separately from Franchisor's other funds. Franchisee acknowledges and agrees that Franchisor need not ensure that SMF expenditures in or affecting any geographic area are proportionate or equivalent to the SMF Contributions by Massage Envy franchised locations operating in that geographic area or that any Massage Envy franchised location benefits directly or in proportion to its SMF Contributions. Franchisor has the right, but not the obligation, to use collection agents and institute legal proceedings to collect SMF Contributions at the SMF's expense. Franchisor may forgive, waive, settle, and compromise all claims by or against the SMF. The SMF may spend in any fiscal year more or less than the total SMF contributions in that year, borrow from Franchisor or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. Franchisor will use any interest earned on SMF Contributions to pay costs before using the SMF's other assets. Franchisor may incorporate the SMF or operate it through a separate entity whenever, and if, it deems appropriate, and any successor entity will have all of the rights and duties specified in the Franchise Agreement, as amended. Franchisor may at any time defer or reduce SMF Contributions of a Massage Envy franchised location (and can later reinstate the SMF Contributions at any time) and, upon thirty (30) days' prior written notice to you, reduce or suspend SMF Contributions and operations for one or more periods of any length and terminate (and if terminated, reinstate) the SMF. If Franchisor terminates the SMF, Franchisor will distribute all unspent monies to the Massage Envy franchised locations in proportion to their respective SMF Contributions during the preceding twelve (12) month period. Massage Envy franchised locations that Franchisor or its affiliates own will contribute to the SMF on the same basis as the Massage Envy franchisees who are contributing to the SMF.~~

~~5. Franchisor shall have the right, in its sole discretion, to offset the amount of any monies owed to Franchisee against any unpaid portion of its SMF Contribution.~~

3. ~~6.~~ Franchisee hereby represents and warrants that it is entering into this Amendment and participating in the SMF voluntarily and based on its own judgment after having had the ability to consult its advisors. Franchisee agrees that it has not been induced to enter into this Amendment by any statement, act or representation of any kind or character on the part of anyone except as expressly set forth in this Amendment. Franchisee acknowledges and agrees that Franchisor does not make any representation or warranty, express or implied, as to the success or benefits the SMF may bring to the Massage Envy franchise system as a whole or to any particular franchisee who contributes to the SMF.

4. ~~7.~~ This Amendment and Franchisee's participation in the SMF shall automatically renew for additional ~~three~~two (~~3~~2) year terms (each a "Renewal Period") unless Franchisee provides written notice to Franchisor no less than ninety (90) days in advance of the expiration of the SMF Period or the ~~then-current~~then-current Renewal Period, as the case may be, that it does not intend to continue its participation in the

SMF. Any notice issued under this Section ~~7~~6 shall comply with the notice provision of the Franchise Agreement.

5. ~~8.~~ This Amendment shall automatically terminate upon the termination or expiration of the Franchise Agreement.

6. ~~9.~~ This Amendment is an amendment to, and forms a part of, the Franchise Agreement. If there is an inconsistency between this Amendment and the Franchise Agreement, the terms of this Amendment shall control. This Amendment constitutes the entire agreement among the parties hereto relating to the subject matter of this Amendment, and there are no other oral or written representations, understandings or agreements among them with respect to the SMF. Unless otherwise expressly modified by the terms of this Amendment, the terms and conditions of the Franchise Agreement shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment on the Effective Date stated on the first page above.

<u>ME SPE Franchising, LLC,</u> <u>a Delaware limited liability company</u>	<u>XXXXXXXX</u> <u>a/an XXXXXX</u>
<u>By:</u> _____	<u>By:</u> _____
<u>Name: Kristin Paiva</u>	<u>Name:</u> _____
<u>Title: General Counsel</u>	<u>Title:</u> _____

ME SPE FRANCHISING, LLC
a Delaware limited liability company

<u>By:</u> _____	<u>By:</u> _____
<u>Name: Kristin Paiva</u>	<u>Name:</u> _____
<u>Title: General Counsel</u>	<u>Title:</u> _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	Effective Date
California	April 29, <u>2024</u> , as amended on <u>October 8, 2024</u>
Hawaii	May 7, 2024, as amended on <i>Pending</i>
Illinois	April 29, <u>2024</u> , as amended on <u>October 8, 2024</u>
Indiana	April 29, <u>2024</u> , as amended on <u>October 8, 2024</u>
Maryland	May 16, 2024, as amended on <u>October 8, 2024</u>
Michigan	April 29, <u>2024</u> , as amended on <u>October 8, 2024</u>
Minnesota	June 27, 2024, as amended on <i>Pending</i>
New York	April 29, <u>2024</u> , as amended on <u>October 8, 2024</u>
North Dakota	May 1, 2024, as amended on <u>October 8, 2024</u>
Rhode Island	May 9, 2024, as amended on <u>October 8, 2024</u>
South Dakota	April 30, <u>2024</u> , as amended on <u>October 8, 2024</u>
Virginia	May 28, 2024, as amended on <i>Pending</i>
Washington	May 16, 2024, as amended on <u>October 8, 2024</u>
Wisconsin	April 30, <u>2024</u> as amended on <u>October 8, 2024</u>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

RECEIPT #1

(This copy is for the prospective franchise owner and must remain herein)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If ME SPE Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If ME SPE Franchising, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in Exhibit D to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are **(to be completed by franchise seller involved in sales process)**:

Name: _____; Address: _____; Phone: _____

Name : _____; Address: _____; Phone: _____

ME SPE Franchising, LLC’s agent to receive service of process is listed in Exhibit D to this Disclosure Document.

Issuance Date: April 29, 2024, as amended on October 8, 2024.

I have received the ME SPE Franchising, LLC Franchise Disclosure Document that included the following Exhibits:

- Exhibit A Financial Statements
- Exhibit B Franchise Agreement
- Exhibit C List of Franchisees
- Exhibit D List of State Agencies/Agents for Service of Process
- Exhibit E Operations Manual Table of Contents
- Exhibit F State-Specific Additional Disclosures
- Exhibit G List of Regional Developers
- Exhibit H Meevo Subscription Agreement
- Exhibit I General Release
- Exhibit J Technology Investment and Billing Addendum
- Exhibit K Franchisee Questionnaire
- Exhibit L Supplemental Marketing Program Fund Amendment
- Exhibit M Receipts

(State in which proposed franchise to be located)

(Printed Name)

(This receipt should be executed in duplicate. Receipt #1 must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner’s copy. Receipt #2 must be signed and returned to ME SPE Franchising, LLC.)

RECEIPT #2

(This copy must be signed by the prospective franchise owner and returned to ME SPE Franchising, LLC.)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this Disclosure Document and all agreements carefully. If ME SPE Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale.

If ME SPE Franchising, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and

should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in Exhibit D to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are **(to be completed by franchise seller involved in sales process)**:

Name: _____; Address: _____; Phone: _____

Name: _____; Address: _____; Phone: _____

ME SPE Franchising, LLC's agent to receive service of process is listed in Exhibit D to this Disclosure Document.

Issuance Date: April 29, 2024, as amended on October 8, 2024.

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- Exhibit A Financial Statements
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- Exhibit I General Release
- Exhibit J Technology Investment and Billing Addendum
- Exhibit K Franchisee Questionnaire
- Exhibit L Supplemental Marketing Program Fund Amendment
- Exhibit M Receipts

Date

Franchisee (signature)

(State in which proposed franchise to be located)

(Printed Name)

(This receipt should be executed in duplicate. Receipt #1 must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. Receipt #2 must be signed and returned to ME SPE Franchising, LLC.)