

FRANCHISE DISCLOSURE DOCUMENT



UG Franchise Operations, LLC
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<http://www.ufcgy.com>

The franchise is to operate a membership-based, MMA-oriented, physical fitness facility under the UFC GYM® name that, depending on the model of gym developed, offers functional fitness training regimens including, Daily Ultimate Training, mixed martial arts, cardio boxing, cardio kick boxing, TRX training, Jiu Jitsu and Muay Thai boxing, utilizing a weight room, a bag area and an octagon with unique construction and design features.

The total investment will depend on the size of the UFC GYM that you choose. We offer three models. The total initial investment for a Class model UFC GYM ranges from \$199,000 to \$346,000, which includes fees of \$158,500 to \$183,500 that must be paid to the franchisor. The total initial investment for a Core model UFC GYM ranges from \$368,500 to \$1,062,500, which includes fees of \$202,500 to \$326,000 that must be paid to the franchisor. The total initial investment for our Signature model UFC GYM ranges from \$1,080,000 to \$4,213,000, which includes fees of \$646,000 to \$1,466,000 that must be paid to the franchisor. Franchisees who also obtain development rights must pay us the corresponding Initial Franchise Fee for each additional UFC GYM business to be opened.

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 governmental 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 Adam Sedlack at 1501 Quail Street, Suite 100, Newport Beach, CA 92660 and (714) 668-0911. The terms of your Franchise Agreement will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your Franchise Agreement. Read all of your Franchise Agreement carefully. Show your Franchise Agreement and this Disclosure Document to an advisor, like a lawyer or an 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. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 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 19, 2019.

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED OR ENDORSED THAT THE INFORMATION IN THIS DISCLOSURE DOCUMENT IS TRUE, COMPLETE AND NOT MISLEADING.

Call the state franchise administrator listed in the attached Exhibit A for information about the franchisor or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION, ARBITRATION AND LITIGATION WITHIN 10 MILES OF OUR PRINCIPAL BUSINESS ADDRESS, WHICH IS CURRENTLY LOCATED IN ORANGE COUNTY, CALIFORNIA. OUT-OF-STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OUR HOME STATE THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, EXCEPT FOR ANY DISPUTE REGARDING THE ENFORCEABILITY OF THE POST-TERM COVENANT NOT TO COMPETE, IN WHICH CASE THE DISPUTE WILL BE GOVERNED UNDER THE LAWS OF THE STATE IN WHICH THE GYM IS LOCATED AND CALIFORNIA LAW MIGHT NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MIGHT WANT TO COMPARE THESE LAWS.
3. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE, AND LOSS OF YOUR INVESTMENT.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A FRANCHISE BROKER OR REFERRAL SOURCE IS OUR AGENT AND REPRESENTS US NOT YOU. We may pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

For our agent in the state authorized to receive service of process please see Exhibit A attached hereto.

Effective Date: See the next page for state effective dates.

STATE EFFECTIVE DATES

The following states 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 FDD is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

STATE	EFFECTIVE
California	Exempt
Florida	Effective
Hawaii	Pending Registration
Illinois	Exempt
Indiana	Exempt
Maryland	Exempt
Michigan	Effective
Minnesota	Pending Registration
New York	Exempt
North Dakota	Exempt
Rhode Island	Exempt
South Dakota	June 6, 2018
Utah	Effective
Virginia	Exempt
Washington	Exempt
Wisconsin	Pending Registration

In all other states, this Franchise Disclosure Document's effective date is the issuance date of April 19, 2019.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/ufc-gym>