

FRANCHISE DISCLOSURE DOCUMENT



UG Franchise Operations, LLC
1501 Quail Street, Suite 100
Newport Beach, CA 92660
Tel: (714) 668-0911
Fax: (714) 668-9231
<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, core 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 \$199,130 to \$393,130, which includes fees that must be paid to the franchisor for the initial fee, the equipment for the GYM, a retail package and music licensing. Such fees paid to the franchisor will range between \$154,130 and \$196,630, depending on the size of your Class UFC GYM and amenities selected. The total initial investment for a Core model UFC GYM ranges from \$368,130 to \$1,062,130, which includes fees that must be paid to the franchisor for the initial fee, the equipment for the GYM, a retail package and music licensing. Such fees paid to the franchisor will range between \$202,130 and \$325,630 depending on the size of your Core UFC GYM and amenities selected. The total initial investment for our Signature model UFC GYM ranges from \$1,079,630 to \$4,211,630, which includes fees that must be paid to the franchisor for the initial fee, the equipment for the GYM, a retail package and music licensing. Such fees paid to the franchisor will range between \$645,630 and \$1,464,630, depending on the size of your Signature UFC GYM and amenities selected. Franchisees who also obtain development rights must pay us the corresponding Initial 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 Michael Apple 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 23, 2021.

UG Franchise Operations, LLC UFC GYM 2021 FDD

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's discretion. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit H include financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only UFC GYM business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchise have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a UFC GYM franchisee?	Item 20 or Exhibit D list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this Disclosure Document to better understand this franchise opportunity. See the table of contents.

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