





















WHAT HAPPENS INSIDE A UFC GYM

UFC GYM is a full gym experience that includes everything a customer would need for a total body workout, including weight training, functional fitness, cardiovascular stations, group fitness classes and more. There is something for every gym customer, from every walk of life. UFC Gym concept also fosters a sense of community that brings diverse groups of people together. UFC Gym is a family-friendly fitness center that could very well be called UFC *Family* Gym.

Here is an excerpt from the UFC Gym website speaking to family fitness:

FITNESS FOR THE WHOLE FAMILY

Geared towards creating a courageous and health-conscious younger generation, kids classes and training at UFC GYM are designed to develop strong athletic and motivational skills that your kids will carry throughout their lifetime. Classes—including kids yoga, Brazilian Jiu-Jitsu, wrestling, Mixed Martial Arts, and more—focus on coordination, agility, speed, and strength. Our youth classes are led by experienced, youth and family fitness-certified instructors who consistently reinforce the UFC GYM mentality to never give up, keeping your kids motivated—even outside the gym. UFC GYM also offers family Daily Ultimate Training (D.U.T.)™ classes where kids and parents can train in martial arts and get fit as a team, together.

Inside a gym a customer will find cardio vascular equipment (recumbent bikes, treadmills and elliptical machines), resistance equipment (free weights, dumbbells, Olympic weights and stations, machine weight), bag area (area where heavy bags hand from a flexible rail system allowing the space to be customized for various uses, including not using the bags), turf area (used for cross-fit orientated type training), octagon (used for martial arts, MMA, striking training) and mat area (used for martial arts, grappling training).

UFC Gym is <u>not</u> a fight club nor a fight training club. UFC Gym does not sponsor fights, promote fights nor allow for sparring with in the gym. The typical membership is made up of about equally 45% male and female members with the remaining 10% consisting of kids.

The concept is focused on the whole family and prides itself in being "kid friendly" and offers a family membership. The martial arts classes are very popular with youth members for the ability to teach discipline, self confidence and improve overall health. UFC Gym also has special classes for female members that teach self-defense and sexual assault prevention classes. When possible this has included local law enforcement participating in some of this training/education.

The operational management protocol requires constant supervision of the club by ownership and management (General Manager or Assistant Manager) during all hours of operation. This is unlike Snap Fitness or Anytime Fitness where the management supervision is not continuous during all hours of operation.

The UFC Gym also promotes internally a strong involvement in the community where each gym is located. The franchise model is strong on community involvement that includes opening the gym up for youth groups such as Boy/Girl Scouts, stay-at-home education kid groups, troubled youth groups. The franchise model also involves working in collaboration with local businesses to promote awareness of complimentary services (example: chiropractor, sports physical therapy, etc.).

The management and ownership will involve them selves in local community groups and participate in local events where vendors are allowed to participate. UFC Gym prides itself on creating a sense of community with-in the club and that starts by involving staff and ownership in the community outside the club.

Here are some excerpts describing examples of where UFC Gym has promoted or facilitated strong community involvement:

Example from our UFC Gym in Nashville, TN

UFC GYM franchisee Sean Patton was recently interviewed in *The Tennessean* about how and why he opened his first franchisee in the Nashville, Tennessee, suburb.

Hendersonville residents might be familiar with the Ultimate Fighting Championship (UFC), but a new fitness center carrying the mixed martial arts program's name aims to help individuals of all ages train differently. UFC GYM Hendersonville will open for workouts Nov. 7 at its 261 Indian Lake Blvd. location next to Hobby Lobby. However, gym officials have been enrolling members at their temporary office space at 112 Saundersville Road since June.

"We're really the gym for the everyday person," gym owner Sean Patton said. "A parent can come in with their child and they can both do their fitness activity at the same time and at the same place." In addition to weights, elliptical machines, treadmills and other standard gym amenities, the 10,000-plus-square-foot facility will feature a 24-foot octagon, an area with heavy bags for kickboxing, boxing and cardio as well as an AstroTurf space with an agility ladder.

When it opens, UFC GYM Hendersonville will also employ six full-time coaches and feature a fully accredited International Brazilian Jiu-Jitsu Federation program, in addition to having a competitive jiu-jitsu grappling

team for adults and children.

"You're never going to get bored or hit a glass ceiling (here)," Patton said. "We do it with lower costs and we do it where someone is always learning something."

A West Point graduate who served as an Army infantry officer at Fort Campbell and later with the 5th Special Forces Group, Patton had originally looked for locations to open the gym in Nashville, where he owns the franchise territory, but failed to find a space that met his requirements. "I wanted to be in a location where people felt comfortable going to, was a

"I wanted to be in a location where people felt comfortable going to, was a good retail location and had adequate parking," Patton said.

"Hendersonville was always sort of in the back of my mind that it fit from a business perspective, but the area also tends to be an active community." The gym's opening is "another great win" for the city, said Hendersonville Area Chamber of Commerce President Paul Goode.

"A lot of workout facilities specialize to a certain discipline or age groups," Goode said. "UFC has something for every age and at every skill level... not to mention their commitment to our community outside of and beyond the gym in giving back."

Community connection



The women's self-defense class at UFC GYM in Hendersonville, Tennessee

In addition to fitness, the gym will host free women's self-defense and sexual assault prevention classes each month. The initiatives are part of UFC GYM Hendersonville's community service efforts focused on anti-bullying and youth suicide prevention as well as women's self-defense and sexual assault prevention.

The gym will hold its first free women's self-defense seminar, open to members and the public, from 9-11 a.m. on opening day.

UFC GYM caters to all ages

From school-aged children to seniors, our gym is for everyone. UFC GYM is the only family fitness center to have MMA training in a safe, friendly environment for people of all ages. Classes are taught individually or in groups. About 40 percent of members have children, and of those members, 32 percent enroll their children in UFC GYM classes. "Parents can put their kids in our youth program at UFC GYM, where they are learning basic life skills while discovering the importance of good health," says Jennifer Bulger, Vice President, Marketing. "Meanwhile, mom and dad can complete their own training and stay in shape. It's one of the most important reasons why so many families have chosen UFC GYM." At UFC GYM, people of all ages have diverse options — from classes to one-on-one sessions — where they train under the watchful eye of experienced mixed martial artists. Because of this, families join the gym together, which creates more revenue for franchisees. Franchise owners also benefit from recurring revenue in monthly memberships and additional one-on-one training sessions, along with quality merchandise sales. The UFC brand is extremely popular in the U.S. and abroad. It is the largest MMA promoter in the world and the fastest-growing league in professional sports. With more than 125 locations in the U.S. and in Australia, UFC GYM plans to expand domestically and internationally with a goal of reaching 1,000 new gyms over the next several years.

An example of how UFC Gym works to improve obesity with youth:

A sedentary lifestyle causes health problems at any age, but youth are at particular risk

More than 23 million children and teenagers in the U.S. are obese or overweight, according to the CDC, and a lack of physical activity is one of the most prominent causes of this epidemic, says Tony Riccardi, Vice President of Club Operations at UFC GYM.

"In 2015, unfortunately we are seeing schools across the country cutting

PE classes and our country has become more sedentary than ever," he says. "This is extremely disheartening and this trend needs to be reversed. Every September, National Childhood Obesity Awareness Month (COAM) is observed to raise awareness about the obesity epidemic and show people how they can improve the health of today's youth.

To help in these efforts, each UFC GYM franchise offers a variety of exciting classes for the younger generation to enjoy. Their special youth programs are led by youth and family fitness certified instructors who have significant experience and education in the field. Classes are open to kids age 6 to 12 and focus on the core values of martial arts training or cross training.video on www.youtube.com

Childhood obesity puts nearly one third of children at early risk for Type 2 diabetes, high blood pressure, heart disease and even stroke.

"Childhood obesity has reached epidemic



levels in the U.S. and abroad. Twenty-five percent of children in the U.S. are overweight, and 11 percent are obese. Overweight and obesity in childhood are known to have significant impact on both physical and psychological health," Tony adds.

Knowing that children learn exercise habits from their parents, Tony recommends that moms and dads lead by example. At a UFC GYM franchise, they can be sure that their children will receive high-quality instruction in a fun environment.

"At UFC GYM, we are innovative with cutting-edge fitness offerings, are family-centric, and make exercise fun," he says. "We embrace everyone's individual fitness goal and help them to achieve their goals quickly and safely."

The special youth programs available at UFC Gym include DUT, boxing, kickboxing, wrestling, Brazilian Jiu-Jitsu, Fight Fit, and MMA. Kids who are ready to engage in a whole new experience can improve their speed, agility, and core strength.



The experienced instructors at each UFC GYM franchise will introduce students to a variety of skills in a safe and affirming environment. Each class introduces students to new concepts and techniques, building a steady foundation that can lead to lifelong health.

"These programs teach children self-confidence and important skills like leadership and teamwork," Tony says. "We want to instill a love of this art form while helping them be healthy and strong."

ABOUT UFC GYM

UFC Gym is owned equally by New Evolution Ventures and Zuffa. Zuffa is the parent company of UFC and New Evolution Ventures was started by Mark Mastrov, founder of 24 Hour Fitness.

Currently, UFC Gym has 130 plus franchise locations operating and another 12 corporate (Signature) clubs operating with in the United States. UFC Gym also has operations in Canada,

Australia, United Arab Emirates, Chile, etc. UFC Gym has plans to grow their operations in the United States to 500 clubs and 500 clubs internationally in the next few years.

PARKING ANALYSIS

The current mid box model for UFC Gym is a club size between 8,000-12,000 sq. ft. This concept has been in operation since 2014 and these type of locations can be found in free standing buildings, strip malls, etc. The ideal location for this concept size is near an anchor store (WalMart, Target, Whole Foods, grocery store, etc.). The franchisor looks for parking spaces to be 35 plus spaces to accommodate the membership traffic through out the day.

The Lexington location in Blaine currently has 40 plus parking spaces and handicap spaces. Once the project is complete the proposed final count on parking spaces (see architect parking analysis document) will total 48 spaces. This exceeds UFC Gym standards for parking space count for the mid box concept. The location has already completed UFC Gym franchisor review and provided unanimous approval, which all proposed sites must pass, before a franchisee can enter into lease negotiations. They review several factors that include, but not limited to, demographics, access and parking. The franchisor has already granted naming of the location, UFC Gym Blaine.

The typical UFC Gym membership usage during peak hours' averages 30 members utilizing a mid box club (between 8,000-12,000 sq. ft.). The UFC Gym Blaine club would have a space of approximately 8,500 9,000 sq. ft. allocated to gym usage. The rest of the space will provide restrooms, office, inventory, janitor closet, shower room, front desk and merchandise display.

HOURS OF OPERATION

The typical franchise location operates seven days a week. The hours typically are 6:00 am to 10:00 pm Monday through Friday, Saturday 7:00 am to 6:00 pm and Sunday 10:00 am to 4:00 pm. The membership usage of the facility is that of a typical health club where peak hours of usage is early morning and early evening hours during the week, with weekend usage through spread through the hours of operation. A typical club experiences use by its membership through out the day. The Blaine location would experience similar hours of operations and usage.

OWNER BACKGROUND

Brent Voeller has an extensive background that has helped foster a strong business acumen. It is this business acumen that will enable Brent to be successful with the UFC Gym franchise in Minnesota.

Brent obtained a bachelor's degree in business with a major in marketing from the University of North Dakota. With this degree Brent has built an extensive experience base that he will utilize to be successful owning and operating a UFC Gym location in Minnesota.

Brent has over 21 years of successful selling experience working with individuals at the C-level of business, as well as with physicians and the general public. This experience is derived from both his pharmaceutical sales experience, financial planning experience and public speaking.

Brent has accumulated various management experiences over his career. In this role Brent gained valuable experience in hiring, training, disciplinary action, project management, leadership, etc.

In addition, Brent has a long and successful background in sports, 10 years of youth organization board membership as the athletic director. This experience includes managing all the on ice activities, coach hiring and mentoring, conducting tryouts and player skill development for a youth hockey association with over 400 players. Brent also involved himself in the community by organizing hockey skills camps and power skating clinics over the years.

Brent has been past member with Rotary and Chamber of Commerce in different communities he has been a part of. Community involvement of Brent's employees at UFC Gym will be a critical component of employee expectations.

List of relevant experiences Brent has accumulated that will be applicable to being a successful owner of a UFC Gym franchise location:

- Selling skills
- Sales training
- Management
- Mentoring
- Business plan development and execution
- Leadership
- Athletic coaching

Brent has accumulated a wealth of experiences that will provide the foundation to be successful as a UFC Gym franchisee owner.