

FRANCHISE DISCLOSURE DOCUMENT



Prime I.V. Hydration & Wellness, Inc.
A Wyoming Corporation
1434 Kelly Johnson Blvd.
Colorado Springs, CO 80920
Telephone: 719-375-1413
Website: www.PrimeIVHydration.com
Email: Franchising@PrimeIVHydration.com

This disclosure document is for the right to own and operate an Area Representative Business in which you will be responsible for promoting, establishing and supporting Unit Franchises that will own and operate businesses specializing in operating and/or managing IV rejuvenation centers (“Centers”) that provide customized nutrient IV hydration therapy and cryotherapy, along with hormone and peptide therapy, to the general public at a specific location under the word mark “Prime IV Hydration & Wellness®” and such other trademarks we authorize (“Marks”). The term “Area Representative” or “Area Representatives” mean a person or entity that operates one or several Area Representative Businesses. Each Unit Franchise will report to and receive support directly and indirectly from you and/or our corporate headquarters. Unit Franchises are offered under a separate disclosure document (“FDD for Unit Franchises”).

The total investment necessary to begin operations of your Area Representative Business will range from \$191,584 to \$619,284. This includes \$182,000 to \$567,750 that must be paid to the franchisor or an affiliate. Each Area Representative Business must open at least one Unit Franchise. The total investment necessary to begin operation of a Unit Franchise is \$153,902 to \$345,402.

This disclosure document (“Disclosure Document”) summarizes certain provisions of your Area Representative Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, us 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 Amy Neary, Chief Executive Officer, Prime I.V. Hydration & Wellness, Inc., 1434 Kelly Johnson Blvd. Colorado Springs, CO 80920, 719-375-1413.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read your entire 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. 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 on franchising. Call your state agency or visit your public library for other sources of information on franchising. There may be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 4, 2024

ITEM 3
LITIGATION

Washington Department of Financial Institutions, Securities Division Action. Case No. S-23-3663-23- CO01 (December 2023).

We entered into a Development Agreement and two Franchise Agreements with two Washington franchisees and collected Development Fees and Initial Franchise Fees when we were required by the state of Washington to defer payment of these fees until the Centers were operational. After we self-reported this violation, the Washington Department of Financial Institutions, Securities Division concluded that we violated the Washington Franchise Investment Law by accepting the payment of the initial fees. On December 11, 2023, we signed a Consent Order and agreed to pay \$2,000 to the state to cover the costs of the investigation and agreed to cease and desist from violating the terms of our franchise registration permit with the state. We returned the initial fees and offered rescission to the one Washington franchisee that had not yet opened its Center and the franchisee elected not to rescind their Franchise Agreement.

Other than the action listed above, no other litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5
INITIAL FEES

You must pay us an initial Area Representative development fee (“the Development Fee”) upon signing your ARA. The fee will vary depending on a number of factors, including the size of the Development Area, but we expect these fees to range from \$182,000 to \$567,750. The Development Fee is not refundable under any circumstances. The Development Fee is calculated using a combination of algorithms derived from the following: Price per population of the territory, total population, income per capita, growth rates of the designated area, a Designated Market Area advertising analysis, income growth in the area, and real estate costs and availability.

The Development Fee must be paid by wire transfer, cash or certified funds when you sign the ARA. The Development Fee is uniform for all Area Representative Businesses we offer through this Disclosure Document. However, we reserve the right to modify the Development Fee in the future to reflect the changing costs of doing business and changes in the value of an Area Representative Business. We may also discount the Development Fee: (i) if an Area Representative purchases multiple Development Areas, depending on the number of Development Areas purchased and their geographic locations; (ii) if we are unable to locate an Area Representative in a particular region we consider desirable; or (iii) based on other subjective factors we deem important to the System.

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<u>Fee (1)</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Audit Expenses	Cost of audit and inspection plus any reasonable accounting and legal expenses	On demand	Payable if 2% or more discrepancy in amounts owed, or if you fail to submit required reports.
Late Reporting Fee	\$100	10 th day of the month following any month for which any required report is not timely submitted	Payable if any report or other information required to be submitted to us is received by us after the established deadline.
Additional Training fee	An amount set by us per attendee, per day, plus expenses (not to exceed \$500/day)	On demand	Payable for each person who attends any mandatory or optional additional training program or owners meeting held by us. If you fail to attend any of these required training courses or meetings, we may charge you a non-attendance fee of up to \$500 per day.
Corporate Trainer Fee (3)	\$1000 per day plus expenses	As incurred	Payable whenever you utilize a corporate trainer to train and/or assist franchisees in your Development Area. Whenever you utilize a corporate trainer, you will be responsible for paying a \$1,000 per day fee (plus all living and travel expenses) to cover the cost of the corporate trainer. In the event that your certified trainer leaves, you must replace your certified trainer within ten (10) days. Ate trainer. In the event that your certified trainer leaves, you must replace your certified trainer within ten (10) days.
Renewal Fee	The greater of: a) 10% of the Royalties we actually receive and pay to you during the 12 consecutive months immediately preceding the date of the notice of renewal; or b) 25% of the original Development Fee for your Development Area	Before Renewal	None

Exhibit 4	Owner's Guaranty and Assumption of Obligations
Exhibit 5	State-Specific Addenda
Exhibit 6	Area Representative Questionnaire

Confidentiality Agreement (**Exhibit E**)

ITEM 23

RECEIPTS

Exhibit H includes Receipts acknowledging that you received this Disclosure Document. Please return one Receipt to us and retain the other for your records. If you are missing these Receipts, please contact us at this address or telephone number:

Prime I.V. Hydration & Wellness, Inc.
Attention: Amy Neary, CEO
1434 Kelly Johnson Blvd.
Colorado Springs, CO
Telephone: 719-375-1413

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MINNESOTA ADDENDUM TO AREA REPRESENTATIVE AGREEMENT

1. The Area Representative Agreement is amended to add the following:

“We will protect your right to use the Marks and/or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the Marks.”

2. The Area Representative Agreement contains a provision requiring a general release as a condition of renewal and transfer of the franchise. Such release will exclude claims arising under the Minnesota Franchise Law.

3. The Area Representative Agreement is amended to add the following:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C. 14, Subds., 3, 4 and 5, which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for nonrenewal of the Area Representative Agreement.

4. The Area Representative Agreement is amended as follows:

Pursuant to Minn. Stat. § 80C.17, Subd. 5, the parties agree that no civil action pertaining to a violation of a franchise rule or statute can be commenced more than three years after the cause of action accrues.

5. The Area Representative Agreement is amended to add the following:

Minn. Stat. Sec. 80C.2 1 and Minn. Rule 2860.4400J prohibit us from requiring litigation or arbitration to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Area Representative Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

6. The Area Representative Agreement is amended to add the following:

Minn. Rule Part 2860.4400J prohibits us from requiring you to waive your rights to a jury trial or waive your rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction, or consenting to liquidated damages, termination penalties or judgment notes.

7. Each provision of this Agreement will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without reference to this Addendum to the Agreement.

8. Items 5 and 7 of the FDD, along with the Agreement, are hereby amended to state:

“The Minnesota Department of Commerce has required that all initial franchise fees be deferred until the franchise opens for business.”

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“The Minnesota Department of Commerce has required that all initial franchise fees be deferred until the franchise opens for business.”

REQUIRED BY STATE OF NEW JERSEY

Liquidated damages are void if unreasonable under the totality of the circumstances, including whether a statute governs the relationship and concerns liquidated damages clauses; and the common practice in the industry.

REQUIRED BY THE STATE OF NEW YORK

The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK, 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THE DISCLOSURE DOCUMENT.

The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and size, nature or financial condition of the franchise system or its business operations.
- C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud, embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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	Exempt
Hawaii	Not Registered April 9, 2024
Illinois	Not Registered April 9, 2024
Indiana	Not Registered
Maryland	Not Registered
Michigan	September 8, 2023
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered April 22, 2024
South Dakota	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered April 9, 2024

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.