

FRANCHISE DISCLOSURE DOCUMENT

Home Options Network LLC
a Delaware limited liability company
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www.baxter.com

We offer licenses under which health care providers such as nephrology practices, in-center hemodialysis centers and hospitals can operate or expand their health care business by offering peritoneal dialysis services and training, home hemodialysis, and related patient training using our “Home Options Network” program. We do not provide medical advice to (or through) the licensed provider, and instead our Home Options Network program offers a business model and operating system to help a healthcare professional more efficiently market and operate its services. Our Home Options Network program includes a “Gold Program” and a “Silver Program.” Our Gold Program is for a provider that will develop a new peritoneal dialysis and/or home hemodialysis facility/program. Our Silver Program is for a provider that has an existing peritoneal dialysis and/or home hemodialysis facility/program and wishes the support of the HON System.

The estimated total initial investment for a Gold Program licensee ranges from \$52,884 to \$229,033. This includes \$2,000 to \$6,000 that a Gold Program licensee must pay to us within 30 days after obtaining your CMS Dialysis Certification. The estimated total initial investment for a Silver Program licensee ranges from \$13,300 to \$42,500. A Silver Program licensee is not required to pay any amount to us before it opens.

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 Joseph Connor at Home Options Network LLC, One Baxter Parkway, Deerfield, Illinois 60015 (tel.: 800-323-4533).

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 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.

The issuance date of this Franchise Disclosure Document is September 13, 2016.

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 THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrators listed in Exhibit C 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 SERVICE AGREEMENT REQUIRES THAT MOST DISPUTES BE SUBMITTED TO ARBITRATION OR LITIGATION IN ILLINOIS. OUT OF STATE 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 ILLINOIS THAN IN YOUR HOME STATE.
- *2. THE SERVICE AGREEMENT STATES THAT THE LAW OF THE STATE OF ILLINOIS GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. FRANCHISOR'S FINANCIAL STATEMENTS REFLECT THAT FRANCHISOR HAD AN OPERATING LOSS DURING ITS PRIOR FISCAL YEAR.
4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

* Local law may supersede these agreement provisions. Certain states require the superseding provisions to appear in an addendum in this disclosure document (see Exhibit H of this disclosure document).

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

STATES	EFFECTIVE DATE
California	Not Filed
Hawaii	
Illinois	September 13, 2016
Indiana	
Michigan	
Minnesota	
New York	September 13, 2016
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Wisconsin	
Washington	

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