

FRANCHISE DISCLOSURE DOCUMENT



Fas-Tes Franchise Systems, LLC a Texas limited liability company 5718 University Heights, Suite 105 San Antonio, TX 78249 Phone: 210-522-9675 Fax: 210-696-5526 Email: dave@fastestlabs.com www.fastestlabs.com

Fastest Labs businesses provide drug testing for regulatory compliance, employment compliance, safety and personal purposes and workplace safety purposes for commercial businesses and consumers ("FT Businesses").

The total investment necessary to begin operation of a FT Business is from \$79,900 to \$94,150. This includes \$49,500 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a FT Business with an additional reserved territory is from \$99,900 to \$114,150. This includes the \$69,500 that must be paid to the franchisor or its affiliates.

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 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 to vou. To discuss the availability of disclosures in different formats, contact Dave Claflin, President, Fas-Tes Franchise Systems, LLC, 5718 University Heights, Suite 105, San Antonio, TX 78249, 210-522-9675.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract in this disclosure document to an advisor, such as a lawyer or accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. 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 (the "FTC"). 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.

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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 a franchise 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 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 ARBITRATION/LITIGATION/MEDIATION ONLY IN TEXAS. **OUT-OF-STATE** ARBITRATION/LITIGATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE/MEDIATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. IF YOU FAIL TO DO SO. YOU COULD LOSE ANY TERRITORIAL RIGHTS YOU ARE GRANTED AND/OR THE FRANCHISOR COULD TERMINATE YOUR AGREEMENT RESULTING IN THE LOSS OF YOUR INVESTMENT, OR BOTH.
- YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR 4. ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Dates: See next page for state effective dates



STATE EFFECTIVE DATES

The following states require the 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 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:

STATE	EFFECTIVE DATE
CALIFORNIA	PENDING
HAWAII	NOT REGISTERED
ILLINOIS	PENDING
INDIANA	PENDING
MARYLAND	PENDING
MICHIGAN	PENDING
MINNESOTA	PENDING
NEW YORK	PENDING
NORTH DAKOTA	NOT REGISTERED
RHODE ISLAND	NOT REGISTERED
SOUTH DAKOTA	NOT REGISTERED
VIRGINIA	PENDING
WASHINGTON	PENDING
WISCONSIN	PENDING

Effective Dates for States Requiring Registration and Notice Filings:

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