

FRANCHISE DISCLOSURE DOCUMENT



Fas-Tes Franchise Systems, LLC

a Texas limited liability company 5718 University Heights, Suite 105 San Antonio, TX 78249

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Fastest Labs businesses provide drug testing for regulatory compliance, employment compliance, safety and personal purposes and workplace safety purposes for commercial businesses and consumers ("<u>FT Businesses</u>"). We offer franchises for single FT Businesses and area development franchises ("<u>Area Developer Franchise(s)</u>") for the right to open multiple FT Businesses in a designated development area. Area developers sign individual franchise agreements for each FT Business.

The total investment necessary to begin operation of a franchised FT Business is between \$91,150 and \$122,700. This includes \$49,500 that must be paid to the franchisor or its affiliates.

The total investment necessary to begin operation of two FT Businesses under an Area Development Franchise is between \$174,800 to \$237,900. This includes \$91,500 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of three FT Businesses under an Area Developer Franchise is between \$254,450 to \$349,100. This includes \$129,500 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of four FT Businesses under an Area Developer Franchise is between \$331,100 to \$457,300. This includes \$164,500 that must be paid to the franchisor or its affiliate(s). The total investment necessary to begin operation of five FT Businesses under an Area Developer Franchise is between \$407,750 to \$565,500. This includes \$199,500 that must be paid to the franchisor or its affiliate(s).

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 you. 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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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 E.
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 direction. 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 B includes 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 Fastest Labs 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 franchisor 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 Fastest Labs franchisee?	Item 20 or Exhibit E lists 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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