

END-USER AGREEMENT

THIS END-USER AGREEMENT ("Agreement") is made and entered into by and between I.Q. Data Systems, dba Backgrounds Online ("Company"), and Town of Apex ("End-User"). This Agreement shall be effective as of May 6, 2025 (the "Effective Date").

General

End-User is engaged in the business of background screening volunteers and/or employees for its parks, recreation, and cultural departments. End-User represents that it is a legal entity in good standing in its state of formation as well as all jurisdictions in which it conducts business, with a legitimate permissible purpose for requesting the services and information products offered by Company.

Pursuant to the terms of this Agreement, Company strives to deliver accurate and timely information products ("consumer reports" and/or "investigative consumer reports" (collectively "consumer reports")) to assist End-User in making intelligent and informed decisions for a permissible purpose under applicable law. To this end, Company assembles information from a variety of sources, including databases maintained by consumer reporting agencies containing information from public records, other information repositories and third-party researchers. End-User understands that these information sources and resources are not maintained by Company. Therefore, Company cannot be a guarantor that the information provided from these sources is absolutely accurate or current. Nevertheless, Company has in place reasonable procedures designed to respond promptly to claims of incorrect or inaccurate information in accordance with applicable law.

End-User's Certification of Fair Credit Reporting Act (FCRA) Permissible Purpose(s)

End-User hereby certifies that, each time a consumer report is requested, all of its orders from Company shall be made, and the resulting consumer reports shall be used, for the following Fair Credit Reporting Act, 15 U.S.C. § 1681 *et seq.* ("FCRA") permissible purposes only: for employment purposes under Section 604(a)(3)(B), including contractors, volunteers or evaluating a consumer for employment, promotion, reassignment, retention as an employee, where the consumer has given prior written permission.

End-User's Certification of Legal Compliance

End-User certifies to Company that the consumer reports it receives will not be used in violation of any applicable federal, state or local laws, including, but not limited to the FCRA and Title VII of the Civil Rights Act of 1964. End-User accepts full responsibility for complying with all such laws and for using the consumer reports it receives from Company in a legally acceptable fashion. To that end, End-User agrees to comply with and provide all statutorily required notices in Section 615 of the FCRA or other state laws when using consumer reports. End-User further accepts full responsibility for any and all consequences of use and/or dissemination of those consumer reports. End-User further agrees that each consumer report will only be used for a one-time use.

End-User agrees to have reasonable procedures for the fair and equitable use of consumer reports and to secure the confidentiality of private information. End-User agrees to take precautionary measures to protect the security and dissemination of all consumer report or investigative consumer report information including, for example, restricting terminal access, utilizing passwords to restrict access to terminal devices, and securing access to, dissemination and destruction of electronic and hard copy reports. End-User agrees to abide by **Addendum A** attached hereto which is incorporated into and is part of this Agreement.

As a condition of entering into this Agreement, End-User certifies that it will comply with all applicable local, state and federal laws, including but not limited to the FCRA and state law equivalents. Company will only keep information it provides to End-User for the lesser of two (2) years or as required by applicable law. End-User certifies that it will retain information it receives from Company in accordance with applicable law and will make such information available to Company upon request. In addition, End-User agrees to abide by all state and local "ban the box" laws and certifies that it will not conduct a background check until after a conditional offer of employment has been provided, if required by

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applicable law. End-Users seeking credit information certify to Company that it has provided all disclosures required by applicable federal, state or local laws, regulations and ordinances to the consumer in connection with such requests and must provide information described in and sign **Addendum B** before Company can provide credit information to End-User. **Addendum B** is incorporated into and is part of this Agreement, if applicable. End-User acknowledges, and agrees to notify its employees that End-User can access credit information only for the permissible purposes listed in the FCRA.

End-User understands that the credit bureaus require specific written approval from Company before the following persons, entities and/or businesses may obtain credit reports: private detectives, private detective agencies, private investigative companies, bail bondsmen, attorneys, law firms, credit counseling firms, security services, members of the media, resellers, financial counseling firms, credit repair clinics, pawn shops (except companies that do only Title pawn), check cashing companies (except companies that do only loans, no check cashing), genealogical or heir research firms, dating services, massage or tattoo services, businesses that operate out of an apartment, individuals seeking information for their own private use, adult entertainment services of any kind, companies that locate missing children, companies that handle third party repossession, companies seeking information in connection with time shares, subscriptions companies, individuals involved in spiritual counseling or persons or entities that are not an End-User or decision maker.

End-User represents that, if it orders credit reports, End-User will have a policy and procedures in place to investigate any discrepancy in a consumer's address when notified by the credit bureau that the consumer's address, as submitted by End-User, substantially varies from the address the credit bureau has on file for that consumer.

End-User understands and agrees that access to certain types of information (e.g., credit, motor vehicle records, I-9 verification, etc.) may require End-User to execute a separate contract, agreement, or addendum (as applicable) with Company or with Company's vendors or service providers. End-User understands that Company will not provide to End-User or allow End-User access to such information unless and until it executes the relevant contract(s), agreement(s) or addenda (as applicable).

End-User hereby acknowledges that it has received a copy of the "A Summary of Your Rights Under the Fair Credit Reporting Act" (**Appendix A**) and "Notice of Users of Consumer Reports" (**Appendix B**).

End-User hereby certifies that, under the Investigative Consumer Reporting Agencies Act ("ICRAA"), California Civil Code sections 1786 *et seq.*, and the Consumer Credit Reporting Agencies Act ("CCRAA"), California Civil Code sections 1785.1 *et seq.*, if the End-User is located in the State of California and/or the End-User's request for and/or use of information products pertains to a California resident, applicant or employee, End-User will do the following:

- (a) Request and use information products solely for permissible purpose(s) identified under California Civil Code sections 1785.11 and 1786.12.
- (b) When, at any time, information products are sought for employment purposes other than suspicion of wrongdoing or misconduct by the consumer who is the subject of the investigation, provide a clear and conspicuous disclosure in writing to the consumer, which solely discloses: (1) that an investigative information product may be obtained; (2) the permissible purpose of the investigative information products; (3) that information on the consumer's character, general reputation, personal characteristics and mode of living may be disclosed; (4) the name, address, telephone number, and website of the Consumer Reporting Agency conducting the investigation; and (5) the nature and scope of the investigation requested, including a summary of the provisions of California Civil Code section 1786.22.
- (c) When, at any time, information products are sought for employment purposes other than suspicion of wrongdoing or misconduct by the consumer who is the subject of the investigation, only request an information product if the applicable consumer has authorized in writing the procurement of the information product.
- (d) When information products are sought in connection with the hiring of a dwelling unit, notify the consumer in writing that an information product will be made regarding the consumer's character, general reputation,

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personal characteristics. The notification shall include the name and address of the consumer reporting agency as well as a summary of the provisions of California Civil Code section 1786.22, no later than three days after the date on which the information product was first requested.

- (e) When information products are sought in connection with the underwriting of insurance, clearly and accurately disclose in writing at the time the application form, medical form, binder, or similar document is signed by the consumer that an information product regarding the consumer's character, general reputation, personal characteristics, and mode of living may be made, or, if no signed application form, medical form, binder, or similar document is involved in the underwriting transaction, the disclosure shall be made to the consumer in writing and mailed or otherwise delivered to the consumer not later than three days after the report was first requested. The disclosure shall include the name and address of consumer reporting agency, the nature and scope of the investigation requested, and a summary of the provisions of California Civil Code section 1786.22.
- (f) Provide the consumer a means by which he/she may indicate on a written form, by means of a box to check, that the consumer wishes to receive a copy of any information products that are prepared.
- (g) If the consumer wishes to receive a copy of the information products, the End-User shall send (or contract with another entity to send) a copy of the information product to the consumer within three business days of the date that the information product is provided to End-User. The copy of the information product shall contain the name, address, and telephone number of the person who issued the report and how to contact him/her.
- (h) Under all applicable circumstances, comply with California Civil Code sections 1785.20 and 1786.40 if the taking of adverse action is a consideration, which shall include, but may not be limited to, advising the consumer against whom an adverse action has been taken that the adverse action was based in whole or in part upon information contained in the information product, informing the consumer in writing of Company's name, address, and telephone number, and provide the consumer of a written notice of his/her rights under the ICRAA and the CCRAA.
- (i) Comply with all other requirements under applicable California law, including, but, not limited to any statutes, regulations and rules governing the procurement, use and/or disclosure of any information products, including, but not limited to, the ICRAA and CCRAA.

A. When Information Products are Used for Employment Purposes

If the information products End-User obtains from Company are to be used for an employment purpose, End-User certifies that prior to obtaining or causing a "consumer report" to be obtained, a clear and conspicuous disclosure, in a document consisting solely of the disclosure, has been made in writing to the consumer explaining that a consumer report may be obtained for employment purposes. Such disclosure satisfies all requirements identified in the FCRA. End-User also certifies that the consumer has authorized, in writing, the obtaining of the report by End-User. If an investigative consumer report (as defined by federal law) is obtained, End-User certifies a separate disclosure will be provided. End-User certifies that it also has provided the consumer with any notices or disclosures required under applicable state and local law. End-User understands that Company will not initiate a report for employment purposes in the absence of a written authorization. End-User certifies that each time it orders a report, it is reaffirming the above certifications.

Prior to taking adverse employment action based in whole or in part on the information products provided by Company, End-User will provide to the consumer: (1) a copy of the report, and (2) a description, in writing, of the rights of the consumer entitled: "A Summary of Your Rights Under the Fair Credit Reporting Act." After the appropriate waiting period, End-User will issue to the consumer notice of the adverse action taken, including the statutorily required notices identified in Section 615 of the FCRA. End-User will not initiate the pre-adverse and adverse action notice process until Company has completed all search components of the consumer and/or

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investigative consumer report, Company has provided the complete report to End-User, and End-User has reviewed the consumer report contents.

Before taking adverse action based on a criminal record the EEOC Criminal History Guidance recommends that you perform an individualized assessment and/or other considerations. To obtain a copy of the EEOC Criminal History Guidance please go to the following website: http://www.eeoc.gov/laws/guidance/arrest_conviction.cfm.

B. Reporting of Criminal History

Please note, as it relates to criminal history information, Company only reports conviction records and will report a minimum of seven (7) years of conviction information, where allowed by any applicable fair credit reporting laws. In determining whether a criminal record is reportable, Company does not apply any state or local laws restricting the employer use of criminal history UNLESS END-USER PROVIDES ADDITIONAL REPORTING RESTRICTIONS TO BE APPLIED TO CONSUMER REPORTS. End-User assumes full responsibility for determining whether reported information may be used in the jurisdiction where the consumer lives, works, or is applying for work. Company does not report non-conviction information unless a case is pending with a next court date scheduled and also does not report information relating to infractions, summary offenses, violations or other sub-criminal information.

C. Intentionally Deleted

D. Investigative Consumer Reports

In addition to the disclosure requirements identified above, if the consumer makes a written request within a reasonable amount of time, End-User will provide: (1) information about whether an investigative consumer report has been requested; (2) if an investigative consumer report has been requested, written disclosure of the nature and scope of the investigation requested; and (3) Company's contact information, including complete address and toll-free telephone number. This information will be provided to the consumer no later than five (5) days after the request for such disclosure was received from the consumer or such report was first requested, whichever is the latter.

E. International Criminal Record Searches

End-User understands that searches of international background screening will be conducted through the services of a third-party independent contractor. Because of differences in foreign laws, language, and the manner in which foreign records are maintained and reported, Company cannot be either an insurer or guarantor of the accuracy of the information reported. End-User therefore releases Company and its affiliated companies, officers, agents, employees, and independent contractors from any liability whatsoever in connection with erroneous information received as a result of an international background screening report.

F. National/Multi-State Database Searches

Company recommends that End-User screen its applicants or employees at the county court-house or online system, federal, and multi-state/nationwide database levels. End-User understands that if it chooses not to conduct searches at these levels, Company cannot be held responsible for any records that exist that are not included in the End-User's coverage requested. End-User further understands that the multi-state/nationwide database report will only be offered in conjunction with a county-level verification of any records found and that End-User will bear any additional costs associated with this verification.

Additional Requirements for Motor Vehicle Records and/or Driving Records

End-User hereby certifies that Motor Vehicle Records and/or Driving Records ("MVRs") (which may include medical or mental health information about a consumer) shall only be ordered in strict compliance with the Driver Privacy Protection Act ("DPPA") at 18 U.S.C. § 2721 *et seq.* and any related state laws. End-User further certifies that no MVRs shall be

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ordered without first obtaining the written consent of the consumer to obtain “driving records,” evidence of which shall be transmitted to Company in the form of the consumer’s signed release authorization form. End-User also certifies that it will use this information only in the normal course of business to obtain lawful information relating to the holder of a commercial driver’s license or to verify information provided by an applicant or employee. End-User shall not transmit any data contained in the resulting MVR via the public internet, electronic mail or any other unsecured means.

Warrants

In the course of completing background checks, Company may uncover active arrest warrants which are outstanding against the subject. In these cases, Company may be contacted by the law enforcement agency seeking the subject. End-User understands that Company will furnish to law enforcement any information contained within the subject’s file to assist in the apprehension of the subject. Additionally, Company may contact End-User, and End-User agrees to release to Company, any and all information End-User may have which will further the apprehension of the wanted individual.

General Provisions

End-User agrees not to resell, sub-license, deliver, display or otherwise distribute to any third party any of the information products addressed herein, except as required by law. End-User may not assign or transfer this Agreement without the prior written consent of Company. In addition, End-User shall immediately notify Company of any of the following events: change in ownership of End-User (over 50%), a merger, change in name or change in the nature of End-User’s business. The parties understand that this Agreement is for the sole benefit of Company and End-User and no third party shall be deemed a third party beneficiary of this Agreement. If any of the provisions of this Agreement become invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be impacted. By agreement of the parties, North Carolina law shall guide the interpretation of this Agreement, if such interpretation is required. All litigation arising out of this Agreement shall be commenced in Wake County, North Carolina, and the parties hereby consent to such jurisdiction and venue. Any written notice by either party shall be delivered personally by messenger, private mail courier service, or sent by registered or certified mail, return receipt requested, postage prepaid to the addresses listed below, or may be delivered electronically to the e-mail addresses listed below. This Agreement shall be construed as if it were jointly prepared. Both parties agree that this Agreement constitutes all conditions of service, present and future. Changes to these conditions may be made only by mutual written consent of an authorized representative of End-User and an officer of Company. The headings of each section shall have no effect upon the construction or interpretation of any part of this Agreement.

If End-User is permitted to request consumer reports for employment purposes via Company’s website, then, in addition to all other obligations, End-User agrees to abide by such additional conditions that may be imposed to utilize the website, provide all required certifications electronically, to maintain complete and accurate files containing all required consent, authorization and disclosure forms with regard to each consumer for whom a report has been requested, and maintain strict security procedures and controls to assure that its personnel are not able to use End-User’s Internet access to obtain reports for improper, illegal or unauthorized purposes. End-User agrees to obtain the consumer’s electronic consent to receive any legal or other notices electronically. End-User agrees to allow Company to audit its records or use of Company’s services or ordering systems, including verification that End-User has a permissible purpose to request and obtain consumer and/or investigative consumer reports, at any time , upon reasonable notice given. Breaches of this Agreement and/or violations of applicable law discovered by Company may result in immediate suspension and/or termination of the account, legal action and/or referral to federal or state regulatory agencies.

Confidentiality

Neither party shall reveal, publish or otherwise disclose any Confidential Information to any third party without the prior written consent of the other party. “Confidential Information” means any and all Proprietary Intellectual Property (defined below) or secret data; sales or pricing information relating to either party, its operations, employees, products or services; and, all information relating to any customer, potential customer, Agent, and/or independent sales outlet. “Confidential Information” shall not include “public records” as defined by Chapter 132 of the North Carolina General Statutes. The Parties agree to keep this information confidential at all times during the term of this Agreement, and

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continuing for five years after receipt of any Confidential Information. Notwithstanding anything to the contrary herein, in no event shall Company be required to destroy, erase or return any consumer reports or applicant data related thereto in Company's files, all of which Company shall maintain as a consumer reporting agency in strict accordance with all applicable federal, state, and local laws.

In connection with services provided hereunder, End-User may have access to Confidential Information relating to Company's intellectual property, including but not necessarily limited to trade secrets, service marks, trademarks, trade names, logos, symbols, brand names, software, technology, inventions, processes (that are subject to a patent or otherwise pending) collectively "Proprietary Intellectual Property." End-User acknowledges and agrees that Company is the sole exclusive owner of all right, title and interest in such Proprietary Intellectual Property and it shall not disclose to any third party the nature or details of any such Proprietary Intellectual Property. End-User further agrees that it has no right to publish, reproduce, prepare derivative works based upon, distribute, perform or otherwise display any of Company's Proprietary Intellectual Property.

Independent Contractor

The parties agree that the relationship of the parties created by this Agreement is that of independent contractor and not that of employer/employee, principal/agent, partnership, joint venture or representative of the other. Except as authorized hereunder, neither party shall represent to third parties that it is the employer, employee, principal, agent, joint venture or partner with, or representative of the other party.

Fees and Payment

End-User agrees to pay Company a minimum of \$2500 annually for background check services. This \$2500 is only a minimum and the amount could be more depending on the number of searches or orders End-User requests. In addition to the minimum spend requirement, End-User agrees to pay nonrefundable fees and other charges or costs for Company background check services. Any charges or costs, including but not limited to surcharges and other fees levied by federal, state, county, other governmental agencies, educational institutions, employer verification lines and licensing agencies, incurred by Company in servicing End-User, will be passed onto End-User. At Company's option, payments not received thirty (30) days after the date of the invoice may cause the account to be placed on temporary interruption, with no additional requests being processed until the balance due is paid in full or arrangements have been made with Company's Accounts Payable Department. Accounts with invoices unpaid thirty (30) days or more will be assessed an interest charge of 1.5 % per month, as allowed by applicable law. Any concerns regarding invoices or line items must be brought to the attention of Company's billing department within 15 days of the date of such invoice. A \$25 fee will be charged on all returned checks and non-sufficient funds.

End-User agrees that prices for services are subject to change without notice, although Company will make every reasonable effort to give notice of such change before it becomes effective.

Warranties, Remedies, and Limitation of Liability

End-User understands that Company obtains the information reported in its information products from various third party sources "AS IS", and therefore is providing the information to End-User "AS IS". Company makes no representation or warranty whatsoever, express or implied, including but not limited to, implied warranties of merchantability or fitness for particular purpose, or implied warranties arising from the course of dealing or a course of performance with respect to the accuracy, validity, or completeness of any information products and/or consumer reports, that the information products will meet End-User's needs, or will be provided on an uninterrupted basis; Company expressly disclaims any and all such representations and warranties.

COMPANY WILL NOT BE LIABLE TO END-USER FOR DAMAGES, AND END-USER HEREBY RELEASES COMPANY FROM ANY LIABILITY FOR ANY AND ALL KINDS OF DAMAGES ARISING UNDER ANY THEORY OF LEGAL LIABILITY, EXCLUDING COMPANY'S NEGLIGENCE, TO THE FULLEST EXTENT THAT END-USER MAY LEGALLY AGREE TO RELEASE COMPANY FROM LIABILITY FOR SUCH DAMAGES. NONETHELESS, IN THE EVENT COMPANY IS DETERMINED BY A COURT OF COMPETENT

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JURISDICTION TO BE LIABLE TO END-USER FOR ANY MATTER ARISING UNDER OR RELATING TO THIS AGREEMENT, WHETHER ARISING IN CONTRACT, EQUITY, TORT OR OTHERWISE (INCLUDING WITHOUT LIMITATION ANY CLAIM FOR NEGLIGENCE), THE AMOUNT OF DAMAGES RECOVERABLE AGAINST COMPANY FOR ALL SUCH MATTERS WILL NOT EXCEED, IN THE AGGREGATE, THE AMOUNT PAID TO COMPANY BY END-USER FOR THE SPECIFIC SERVICE TO WHICH A GIVEN CLAIM RELATES (BY WAY OF EXAMPLE ONLY, THE AMOUNT PAID BY END-USER FOR A PARTICULAR BACKGROUND REPORT AT ISSUE IN THE UNDERLYING CLAIM); RECOVERY OF THE FOREGOING IS END-USER'S SOLE AND EXCLUSIVE REMEDY HEREUNDER. IN THE EVENT COMPANY IS LIABLE TO END-USER FOR ANY MATTER RELATING TO THIS AGREEMENT, WHETHER ARISING IN CONTRACT, EQUITY OR TORT (INCLUDING WITHOUT LIMITATION ANY CLAIM FOR NEGLIGENCE), AND IN ADDITION TO ANY OTHER LIMITATION OF LIABILITY OR REMEDY SET FORTH IN THIS AGREEMENT, THE AMOUNT OF DAMAGES RECOVERABLE AGAINST COMPANY WILL NOT INCLUDE ANY AMOUNTS FOR INDIRECT OR CONSEQUENTIAL DAMAGES, INCLUDING LOST PROFITS, LOST INCOME, OR LOST SAVINGS, OR ANY OTHER INCIDENTAL, SPECIAL, OR PUNITIVE DAMAGES.

To the extent provided by North Carolina law, End-User shall indemnify, defend and hold harmless Company, its successors and assigns, officers, directors, employees, agents, vendors, credit bureaus and suppliers from and against any and all third-party claims, demands, suits, or proceedings, and any and all actual damages, costs, expenses (including, without limitation, reasonable attorneys' fees and court costs) ("Losses") arising or resulting from, or otherwise in connection with information products provided by Company, including but not limited to the content, compliance, method of delivery or effectiveness of any notices, pre-adverse or adverse action letters, any breach by End-User of any of its representations, warranties, or agreements in this Agreement or End-User's negligence or willful misconduct. Company shall have no responsibility for consequences of the actions of End-User upon the information which Company provides End-User, and End-User will indemnify and hold Company harmless from any loss, liability, damage, judgment, attorney's fees, costs or penalties which may result from the use by End-User of the information provided by Company.

End-User agrees it is solely responsible for having adequate and legally compliant disclosures, adverse action letters, and processes under the FCRA and applicable state and local law. Company does not guarantee End-User's compliance with all applicable laws in its use of reported information, and does not provide legal or other compliance related services upon which End-User may rely in connection with its furnishing of reports. End-User understands that any documents, sample forms and letters, information, conversations or communication with Company's representatives regarding searches, verifications or other services offered by Company are for informational purposes only and not to be considered a legal opinion regarding such use. End-User agrees that (1) it will consult with its own legal or other counsel regarding the use of background screening information, including but not limited to, the legality of using or relying on reported information and to review any sample forms as well as the content of prescribed notices, sample adverse or pre-adverse action letters and any attachments to this Agreement for compliance with all applicable laws and regulations and (2) the provision and content of such notices, pre-adverse or adverse action letters and the contents thereof is the sole responsibility of End-User not Company. End-User acknowledges and agrees that it has no obligation to use, and is solely responsible for independently vetting the contents of, any sample forms, disclosures, or letters that Company has provided to End-User in connection with this Agreement. Company fully disclaims any and all liability relating to the content, compliance or effectiveness of any such certifications, consumer consents, forms, notices, summary of rights, disclosures, authorizations, pre-adverse or adverse action letters, other materials or information. If End-User utilizes Company's candidate entry system and/or its adverse action processing system, End-User agrees that it has had such processes, documents and letters reviewed by its counsel.

If requested, Company may apply a client's scoring or hiring criteria to consumer reports based on criteria established and provided by End-User ("Criteria"). Company makes no representations regarding the validity, legality, or appropriateness of the Criteria. These services as well as any administration of notices shall be deemed to be purely clerical in nature and shall be performed by Company on behalf of End-User. All employment-related decisions, including hiring, contracting and site-access decisions, are made exclusively by End-User, not by Company. To the extent provided by North Carolina Law, End-User agrees that End-User assumes full responsibility for such decisions and agrees to indemnify and hold Company harmless from any and all claims, losses, damages, and any costs (including attorneys' fees) that may be related to or arise therefrom.

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Term and Termination

The term of this Agreement shall begin on the Effective Date and shall be in effect for two (2) years thereafter and may be renewed for additional one (1) year terms by a writing signed by both parties.

Except as otherwise provided for herein, either party may cancel this Agreement by giving thirty (30) days written notice to the other party. If End-User desires to terminate this Agreement, End-User agrees that it will pay Company for all services that have been provided prior to the effective date of termination, including the minimum annual amount to which it has committed. Company may terminate or revise the provisions of this Agreement immediately upon written notice if End-User is the debtor in a bankruptcy action or in an assignment for the benefit of creditors or if End-User undergoes a change in ownership. Termination of this Agreement by either party does not release End-User from its obligation to pay for services rendered or other responsibilities and agreements made.

In addition to any and all other rights a party may have available according to law, if a party defaults by failing to perform any provision, term or condition of this Agreement the other party may terminate the Agreement by providing written notice to the defaulting party. This notice shall describe with sufficient detail the nature of the default. The party receiving such notice shall have fifteen (15) days from the receipt of such notice to cure the default(s). Unless waived by party providing notice, the failure to cure the default(s) within such time period shall result in the automatic termination of this Agreement.

Force Majeure

End-User agrees that Company is not responsible for any events or circumstances beyond its control (e.g., including but not limited to war, riots, embargoes, strikes, pandemics, epidemics, and/or natural hazards outside of human control for which no person or persons can be held responsible) that prevent Company from meeting its obligations under this Agreement.

Waiver

The failure of either party to insist in any one or more cases upon the strict performance of any term, covenant or condition of this Agreement will not be construed as a waiver or subsequent breach of the same or any other covenant, term or condition; nor shall any delay or omission by either party to seek a remedy for any breach of this Agreement be deemed a waiver by either party of its remedies or rights with respect to such a breach.

Severability

If any provision of this Agreement, or the application thereof to any person or circumstance, shall be held invalid or unenforceable under any applicable law, such invalidity or unenforceability shall not affect any other provision of this Agreement that can be given effect without the invalid or unenforceable provision, or the application of such provision to other persons or circumstances, and, to this end, the provisions hereof are severable.

Execution

This Agreement and all attachments and exhibits hereto, constitute the entire agreement of the parties and shall supersede any prior agreements governing the subject matter contained herein. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. A signature on a copy of this Agreement received by either party by facsimile is binding upon the other party as an original. The parties shall treat a photocopy of such facsimile as a duplicate original. The individuals signing below represent that they are duly authorized to do so.

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E-Verify

Company certifies that it does not employ twenty-five (25) or more employees in the State of North Carolina. As such, the parties acknowledge that Company does not meet the definition of “Employer” and is not subject to the requirements of Article 2 of Chapter 64 of the North Carolina General Statutes (E-Verify).

Anti-Human Trafficking

To Company’s knowledge, Company warrants that no labor supplied by Company or Company’s subcontractors in the performance of this Agreement shall be obtained by means of deception, coercion, intimidation or force, or otherwise in violation of North Carolina law, specifically Article 10A, Subchapter 3 of Chapter 14 of the North Carolina General Statutes, Human Trafficking.

Nondiscrimination

Pursuant to Section 3-2 of the Town of Apex Code of Ordinances, Company hereby warrants and agrees that Company will not discriminate against a protected class in employment, in subcontracting practices, or in the solicitation or hiring of vendors, suppliers, or commercial customers in connection with this Agreement. For the purposes of this Agreement “protected class” includes age, race, religious belief or non-belief, ethnicity, color, national origin, creed, sex, sexual orientation, gender identity, marital status, natural hair style, genetic information, pregnancy, familial status, disability, veteran or military status, or disabled veteran status.

Nonappropriation

Notwithstanding any other provisions of this Agreement, the parties agree that payments due hereunder from the End-User are from appropriations and monies from the Town of Apex Town Council and any other governmental entities. In the event sufficient appropriations or monies are not made available to the End-User to pay the minimum annual commitment amount in accordance with this Agreement, End-User will immediately notify Company and this Agreement shall terminate immediately without further obligation of the End-User or Company.

Signature

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I certify that I am authorized to execute this Agreement on behalf of the company listed below. Further, I certify on behalf of such company, that the above statements are true and correct and agree for the company to the terms and conditions set forth in the Agreement.

On Behalf of End-User:

End-User Name: Town of Apex

End-User Address: _____

End-User E-mail Address: _____

Signature: _____ Date: _____

Print Name: _____ Title: _____

*This instrument has been preaudited in the manner required
By the Local Government Fiscal Control Act.*

Jessica Murphy-Rhem, Interim Finance Director

On Behalf of Backgrounds Online (Company):

Signature: _____ Date: _____

Address: 1915 21st Street, Sacramento, CA 95811

E-mail Address: chris.ballas@backgroundsonline.com

Print Name: Christopher Ballas Title: CEO

ADDENDUM A

Access Security Requirements

The parties acknowledge they must work together to protect the privacy of consumers. The following measures are designed to reduce unauthorized access of consumer reports. In accessing consumer information, End-User agrees to the following:

1. End-User will take reasonable procedures to protect its account number and password so that only key personnel employed by your company know this sensitive information, including not posting this information anywhere in the facility. End-User agrees to request an account password change immediately if a person who knows the password leaves its company or no longer needs to have access due to a change in duties.
2. End-User agrees that system access software, whether developed by your company or purchased from a third party vendor, will have End-User's account number and password "hidden" or embedded and be known only by supervisory personnel. End-User will assign each user of its system access software a unique logon password. If such system access software is replaced by different access software and therefore no longer is in use or, alternatively, the hardware upon which such system access software resides is no longer being used or is being disposed of, or if the password has been compromised or believed to be compromised in any way, End-User will change its password immediately.
3. End-User agrees it will not discuss its account number or password by telephone with any unknown caller, even if the caller claims to be an employee of Company
4. End-User will restrict the ability to obtain consumer information to a few key personnel.
5. End-User agrees to place all terminal devices used to obtain consumer information in a secure location within its facility so that unauthorized persons cannot easily access them.
6. End-User agrees it will turn off and lock all devices or systems used to obtain consumer information.
7. End-User will secure hard copies and electronic files of consumer reports within its facility so that unauthorized persons cannot easily access them.
8. End-User agrees to shred and/or destroy all hard copy consumer reports when they are no longer needed and erase and overwrite or scramble electronic files containing consumer information when no longer needed and when applicable regulation(s) permit destruction.
9. End-User agrees to notify its employees that End-User can access credit information only for the permissible purposes listed in the Fair Credit Reporting Act.

ADDENDUM B

Documents Required Before Requesting Credit Report Information

Before End-User will be allowed to access credit report information, Company requires that End-User provide one (1) of the following items listed below (if End-User is not publicly traded) and also receive an onsite inspection to verify company information and physically review End-User's onsite location. Certain criteria must be met at the onsite inspection per requirements of the credit bureau. The cost for the onsite inspection will be the responsibility of the End-User and End-User will receive from Company an invoice for any related costs and expenses.

1. Business license status from a government web site (please include entire web page print out);
2. Business license, copy or documented verification;
3. Documented corporation verification with state or federal government;
4. Copy of Articles of Incorporation with proof of filing;
5. State and/or federal tax records originating from the state or federal government;
6. FDIC Certification; or
7. 501(c)(3) certificate for non-profit originations.

If End-User is a publicly traded company, the following items are acceptable methods for verifying that the End-User is a bona fide entity:

1. Documentation of ticker symbol information from trading website;
2. Certified copy of audited annual or quarterly statements submitted to the SEC.