

CLIENT SERVICE AGREEMENT

THIS CLIENT SERVICE AGREEMENT "Agreement" is made this the ____ day of _____, 20____, by and between Laborchex, Inc., a Mississippi Corporation, Affiliates and Subsidiaries, hereinafter referred to collectively as "Corporation" and _____, Affiliates and Subsidiaries, hereinafter referred to as "Client". Client wishes to contract for, and the Corporation desires to furnish, employment screening services. In consideration of the terms and conditions herein contained, the parties hereto agree as follows:

1. Employment Screening Services Search and Retrieval. The Corporation will provide employment screening services by maintaining an information services organization that searches various data sources and legally retrieves accessible information for Client. The Corporation will subscribe to and pay all access fees to all such sources it deems necessary to fulfill its mission.
2. Qualified and Trained Screening Staff. The Corporation will provide qualified personnel to accept, document and research all incoming Client screening requests.
3. Confidentiality of Requests. The Corporation will use its best efforts to maintain confidentiality of Client's screening requests, to the extent permitted under applicable law. Except as required by applicable law, the Corporation will not divulge the information obtained by Corporation on Client's behalf nor the contents of the report(s) it prepares to third parties.
4. Corporation Reporting and Documentation. The Corporation will document all search requests. These requests will be assigned a control number, which will identify the request for reporting, billing and tracking. Unless mutually agreed upon in writing in advance and as allowed by law, search retrievals will be returned to the requester without editorial comment via electronic mail. Corporation agrees to provide Client with secure, encrypted access to applicant information utilizing a login and password to gain access to Corporation's web-site. Client agrees not to provide the login and password to any employee of Client unless an Electronic Access Agreement is executed by the employee and is on file with the Corporation.

Payment Policies and Fee Schedule. SEE ATTACHED EXHIBITS A AND B.

5. Renewal. The initial term of this Agreement shall be for a term of one (1) year, commencing upon the above-indicated Effective Date ("Term"). The Term shall automatically renew for additional one (1) year terms ("Renewal Terms") unless either party gives thirty (30) days written notice before the expiration of the Term or the Renewal Term.
6. Termination. This Agreement may be terminated by either party ("non-breaching party"), upon written notice of termination, in the event that the other party ("breaching party") fails to perform or observe any material term or provision of this Agreement, and does not cure such breach in all material respects within thirty (30) days following written notice from the non-breaching party demanding correction of such breach. Such notice shall describe the breach in sufficient detail to permit the breaching party to correct such breach.

This Agreement may be terminated by Corporation without notice to Client if Corporation has sufficient reason to believe that Client has ordered, used or disseminated any report on any applicant or individual, in whole or in part, contrary to this Agreement or in violation of any federal, state, or local law or regulation.

7. No Warranty. The Corporation agrees to use its best and most precise efforts to furnish Client with accurate, current, complete, and reliable information based on such information as it is reasonably available and obtained via applicable public record sources and/or information services utilized by the Corporation. The Corporation, however, does not guarantee the accuracy, timeliness, or completeness of such information reported from verification sources, and does not guarantee that all details requested by the Client will be obtained. Accordingly, the Corporation's sole obligation and Client's exclusive remedy for nonconformity in the services provided to Client shall be, at Corporation's election, re-performance of the nonconforming activity or refunding to Client the amounts paid by Client for the nonconforming activity. Corporation shall not be liable to Client for lost profits, business goodwill, direct, indirect, special, consequential or other similar types of damages, arising out of or in any way connected with Corporation's breach of this agreement, except as to those matters wherein the Corporation is finally adjudicated liable for gross negligence or willful misconduct.

8. **Indemnification.** Client agrees that it shall be responsible for all actions, employment or otherwise, it takes based on any reports provided to it by Corporation. Each party shall defend, indemnify and hold the other harmless from any and all losses, claims, demands, liability, causes of action, judgments, costs and attorney's fees arising out of the indemnifying party's negligence.
9. **Performance Assurance Provisions.** In consideration of Corporation agreeing to render services to Client pursuant to the this Agreement, all the undersigned, hereby jointly and severally, guarantee(s) the performance by Client of all the covenants, terms, and conditions of such Contract to be performed by Client thereunder. The undersigned hereby jointly and severally agree to indemnify and hold Corporation, its successors, and assigns, harmless from and against all liability and expense, including reasonable attorney's fees, sustained by Corporation by reason of the failure of Client to fully conform and comply with the terms and conditions of this Agreement. Corporation may agree to allow Client to modify its performance under this Contract without notice to the undersigns and without affecting the undersigns' liability under this guaranty. This guaranty and indemnity shall survive the death or incapacity of the undersigns and should be signed by the President, Chief Executive Officer, or Managing Partner of Client, and by any owner representing more than ten percent (10%) ownership of Client.
10. **Duties of Client.** Client agrees that it was provided with and that it shall order, receive and use information provided by the Corporation in compliance with all federal and state statutes and regulations including, but not limited to, the Fair Credit Reporting Act (FCRA) and its states' analogues, the Americans with Disabilities Act (ADA) and its states' analogues, and the Drivers Privacy Protection Act (DPPA) and its states analogues and statutes and regulations governing fair information practices, and such information will be requested specifically for employment purposes only, which may include the evaluation of an employee for the purpose of hiring, promotion, transfer, security-related issues, etc. Such requests must be accompanied by a release signed by the applicant, acknowledging his/her understanding that his/her background may be investigated (based on details of the job application and/or resume provided by the applicant).

All such information shall be maintained by the Client in strict confidence, and disclosed only to employees whose duties are reasonably related to the legitimate business purposes for which the information is requested. Client agrees not to sell, disseminate or otherwise distribute, in whole or in part, information provided by the Corporation to any third party. Client shall order, receive and use information provided by the Corporation solely as an end user.

If Client denies employment or takes other adverse actions based on information provided by the Corporation, Client will do so in accordance with provisions of the FCRA, and include in its "adverse action" statement notification that the Corporation did not take or recommend the adverse action and is unable to provide the applicant with any reasons as to why the adverse action was taken. In addition, when such adverse action is taken, Client agrees to provide the applicant with a copy of the Consumer Bill of Rights, which includes the Corporation's telephone number and address.

Client warrants that it has accurately represented the type and nature of Client's business and specifically warrants that Client is not in business as a private investigative agency, a detective agency, a law firm or a government law enforcement agency.

Client also agrees to accurately and correctly enter all information when placing orders over the Corporation's website, and will take appropriate measures to ensure that information forwarded to the Corporation via the website, email, or FAX about persons who are to be screened is accurate. Client will be responsible for any charges resulting from the processing of inaccurate or incorrect information that was submitted to the Corporation by their designated personnel.

11. **Violations.** Any violation of the Fair Credit Reporting Act, or any other applicable local, state or federal law by the Client with respect to requests for, use of, or dissemination of information, will result in the suspension of Corporation's services to the Client.

Violations of the Fair Credit Reporting Act giving rise to immediate suspension of Corporation's services to the Client include, but are not limited to the following:

- a) Requesting a consumer report without a permissible purpose.
- b) Requesting a consumer report without an authorization signed by the applicant.
- c) Failure to disclose to applicant(s) if a consumer report was instrumental in the decision to not employ the applicant(s).

12. Proprietary Rights and Confidentiality. Corporation regards, and hereby identifies as proprietary and confidential those methods and processes for collecting, decoding, assembling and assessing its services. Client agrees to exercise due and reasonable care in protecting the Corporation's confidential and proprietary information from unauthorized use or disclosure.

The existence of this Agreement shall not be considered confidential, but the terms and conditions of this Agreement, including price information, shall be kept confidential and shall not be disclosed by either party to any third party, excluding an affiliate or subsidiary of such party, without the prior written consent of the other party, except pursuant to proper judicial process. The obligations of this Section 13 shall survive any termination of this Agreement.

14. Legal Notices. All legal notices under this Services Agreement shall be sent by certified mail to the client's billing address and to: Ms. Debbie Holmes, President, LABORCHEX Companies, 2506 Lakeland Dr. #200, Jackson, MS 39232.

15. Force Majeure. Neither party shall be responsible for any delay or failure in performance resulting from acts beyond the control of such party. Such acts shall include but not be limited to: an act of God; an act of war; a riot; an epidemic, fire, flood or other disaster; an act of government; a strike or lockout.

16. Entire Agreement. This Agreement constitutes the entire Agreement between the parties and supersedes all prior Agreements and understandings with respect to the matters contained in it. This Agreement may be amended or modified in whole or part by agreement, in writing, and executed in the same manner as this Agreement and making specific reference thereto.

17. Counterparts. This Agreement may be executed simultaneously in one or more counterparts with the same effect as if the parties executing the several counterparts had executed one counterpart; provided, however that the several executed counterparts shall together constitute one and the same instrument.

18. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Mississippi, without regard to its conflict of rules. Any and all actions brought to enforce the provisions of this Agreement shall be brought in a court of competent jurisdiction located in Rankin County, Mississippi.

19. Attorneys Fees. Should any court action be filed by any party as a result of the breach of any terms of this Agreement, the prevailing party in such action shall be entitled to reimbursement of attorneys fees incurred by that party in such action.

IN WITNESS THEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first written.

LABORCHEX, INC.

FOR CLIENT

 By: Debbie Holmes
 Its: President

 By: _____
 Its: _____

EXHIBIT A

Payment Procedures & Collection Policies

Corporation will invoice Client weekly. Billing is cutoff at the close of business on Thursday, and invoices are generated and mailed on Friday. Invoices are due upon receipt. Balances are carried forward on subsequent invoices. Monthly statements are provided, but are for Client management use, and are not be used for payment purposes.

Several forms of payment are accepted: Credit cards, ACH (electronic funds transfer), bank drafts, prepayment (per purchase order), and checks. If a check is returned due to insufficient funds, a returned check fee up to the amount permitted by law will be charged to Client's account.

Partial payments are not accepted. Any credits due will appear on future invoices.

A service charge of twelve percent (12%) ARP will be added to invoices which remain unpaid on the 30th day. Services will be suspended on the 45th day for non-payment. Corporation will make customary efforts to obtain timely payment from clients, which may include contact by phone, email, or FAX. Should client misplace an invoice or not receive one which was expected, the Client should immediately contact the Corporation by phone or email.

If Client wishes to dispute any charges, such dispute should be made immediately by phone and/or in writing via email or FAX to Corporation. Disputes will not be considered for charges on invoices over ninety (90) days old.