

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2004

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file number: 000-50285

FIRST ADVANTAGE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

61-1437565

(I.R.S. Employer
Identification Number)

One Progress Plaza, Suite 2400

St. Petersburg, Florida 33701

(Address of principal executive offices, including zip code)

(727) 214-3411

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Class A Common Stock

(Title of each class)

Nasdaq National Market

(Name of each exchange on which registered)

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) Yes No and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (17 C.F.R. Section 229.405) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of stock held by non-affiliates was \$65,296,608 as of June 30, 2004.

There were 7,281,765 shares of outstanding Class A Common Stock of the registrant as of March 7, 2005.

There were 16,027,286 shares of outstanding Class B Common Stock of the registrant as of March 7, 2005.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement related to the 2005 annual meeting of stockholders are incorporated by reference in Part III of this report. The definitive proxy statement will be filed no later than 120 days after the close of the registrant's fiscal year.

CERTAIN STATEMENTS IN THIS ANNUAL REPORT ON FORM 10-K, INCLUDING THOSE RELATING TO RELATIONSHIPS WITH DATA SUPPLIERS, TERMINATION OF SUPPLIER RELATIONSHIPS, PRODUCT DEMAND, ACQUISITION TARGETS, INTERNATIONAL MARKETS, LITIGATION, EXPENSES, AND CASH FLOW AND LIQUIDITY ARE FORWARD LOOKING. RISKS AND UNCERTAINTIES EXIST THAT MAY CAUSE RESULTS TO DIFFER MATERIALLY FROM THOSE SET FORTH IN THESE FORWARD-LOOKING STATEMENTS. FACTORS THAT COULD CAUSE THE ANTICIPATED RESULTS TO DIFFER FROM THOSE DESCRIBED IN THE FORWARD-LOOKING STATEMENTS INCLUDE: GENERAL VOLATILITY OF THE CAPITAL MARKETS AND THE MARKET PRICE OF THE COMPANY'S CLASS A COMMON STOCK; THE COMPANY'S ABILITY TO SUCCESSFULLY RAISE CAPITAL; THE COMPANY'S ABILITY TO IDENTIFY AND COMPLETE ACQUISITIONS AND SUCCESSFULLY INTEGRATE BUSINESSES IT ACQUIRES; CHANGES IN APPLICABLE GOVERNMENT REGULATIONS; THE DEGREE AND NATURE OF THE COMPANY'S COMPETITION; INCREASES IN THE COMPANY'S EXPENSES; CONTINUED CONSOLIDATION AMONG THE COMPANY'S COMPETITORS AND CUSTOMERS; UNANTICIPATED TECHNOLOGICAL CHANGES AND REQUIREMENTS; THE COMPANY'S ABILITY TO IDENTIFY SUPPLIERS OF QUALITY AND COST-EFFECTIVE DATA; AND OTHER FACTORS DESCRIBED IN THIS ANNUAL REPORT ON FORM 10-K. THE FORWARD-LOOKING STATEMENTS SPEAK ONLY AS OF THE DATE THEY ARE MADE. THE COMPANY DOES NOT UNDERTAKE TO UPDATE FORWARD-LOOKING STATEMENTS TO REFLECT CIRCUMSTANCES OR EVENTS THAT OCCUR AFTER THE DATE THE FORWARD-LOOKING STATEMENTS ARE MADE.

PART I

Item 1. Business

Our Company

First Advantage Corporation is a growing, national provider of risk mitigation solutions. Our Company was formed in the June 5, 2003 merger with The First American Corporation's screening technology division and US SEARCH.com Inc. On June 6, 2003, First Advantage's Class A common stock commenced trading on the Nasdaq National Market under the symbol "FADV".

Prior to June 5, 2003, our activities were limited to participation in the business combination transaction contemplated by the Agreement and Plan of Merger dated December 13, 2002 by and among The First American Corporation, US SEARCH, First Advantage and Stockholm Seven Merger Corp.

On June 5, 2003, HireCheck, Inc., Employee Health Programs, Inc., SafeRent, Inc., Substance Abuse Management, Inc., American Driving Records, Inc. and First American Registry, Inc., each formerly a wholly-owned subsidiary of First American and collectively comprising the First American Screening Technology division, and US SEARCH, a public company whose common shares were, until June 5, 2003, traded on the Nasdaq National Market under the symbol "SRCH", became wholly-owned operating subsidiaries of First Advantage.

Pursuant to the Merger Agreement, on June 5, 2003, First American received First Advantage Class B common stock representing approximately 80% of the economic interest and 98% of the voting interest of First Advantage. The former shareholders of US SEARCH exchanged their outstanding shares of US SEARCH common stock for First Advantage Class A common stock representing, in the aggregate, approximately 20% of the economic interest and 2% of the voting interest in First Advantage. As of December 31, 2004, First American owned approximately 69% of the economic interest and 95% of the voting interest of First Advantage.

Business of First Advantage

Our operations are organized into three business segments: Enterprise Screening, Risk Mitigation and Consumer Direct.

A summary of our revenue, net income (loss) before income taxes and assets for our segments is found in Note 14 to the Consolidated Financial Statements in Item 8, which is incorporated herein by reference.

Enterprise Screening

First Advantage's Enterprise Screening segment helps thousands of companies in the United States manage risk with our employment screening, occupational health, resident screening and tax incentive services. Our Enterprise Screening segment accounted for approximately 68% of our consolidated revenue in 2004.

Our employment screening services generate reports about a prospective employee's criminal record, motor vehicle violations, credit standing and involvement in civil litigation. We also make inquiries of provided references and former employers, verify educational credentials and licenses, verify social security numbers and check industry specific records. A customer can order any of these and other related services individually, as a package with our other employment screening products or with other products we offer. Depending on a customer's preference, orders may be placed and fulfilled directly from the Company, through a secure Internet connection, software, facsimile or through third party vendors.

Our occupational health products generally involve the design and management of drug free workplace programs, including provision for the collection and testing of specimens and interpretation of the results. We also provide physical examination services to employers. Reports of our findings are generally delivered through a secure Internet connection or through other direct means. We also develop and manage employee assistance programs, which provide our customers' employees with access to confidential counseling services and other resources to assist with personal issues that may affect workplace productivity. These programs cover a wide range of personal and workplace issues, including alcohol and drug abuse, marital problems, family matters, bereavement management, depression, stress, retirement and downsizing. First Advantage's employee assistance programs also provide employers with a number of corporate-focused services, including management counseling, critical incident stress management programs, organizational change consulting and intensive specialty training on issues such as violence in the workplace.

Our resident screening offerings generate reports containing information about a prospective renter's eviction record, lease and payment performance history, credit standing, references and criminal records to residential property managers and owners operating in the United States. Depending on a customer's needs, our reports may contain one or any combination of these pieces of information. In serving our customers, we may draw on our database of landlord-tenant records, which is the largest of its kind in the United States, and our database of criminal conviction information, which is one of the largest for use in resident screening in the United States. We also offer a scoring product, which assesses risk of default by a prospective renter based on a statistical scoring model developed exclusively for the multifamily housing industry. Customers generally order and receive the segment's resident screening products through a secure Internet connection or through proprietary software.

Our tax incentive services specialize in identifying primarily employment-related tax incentive programs available under both federal and state legislation, and processing the paperwork required to capture such tax incentives and credits. We also offer comprehensive sales and use tax consulting services to assist clients with compliance with changing laws and regulations affecting sales and use taxes. Additionally, we offer transportation consulting services that are designed to address and resolve asset management and compliance problems for owners and operators of truck fleets.

Our employment screening and occupational health services generally experience seasonality near year-end, which is attributed to decreases in hiring. Our resident screening products experience seasonality during the winter months from November to March.

Our tax incentive services group's ability to obtain certain tax credits, such as the Work Opportunity Tax Credit program or a similar program, is dependent upon the passage of federal legislation that generally must be renewed every two years.

Risk Mitigation

First Advantage's Risk Mitigation segment offers motor vehicle records, transportation industry credit reporting and investigative services. Products and services provided by the Risk Mitigation segment include: driver history reports, vehicle registration, financial responsibility filings, credit reporting, surveillance services, statements and field interviews and due diligence reports. Our Risk Mitigation segment accounted for approximately 28% of our consolidated revenue in 2004.

Our motor vehicle record services provide customers with automated access to motor vehicle records from all 50 states and the District of Columbia. Independent insurance agents operating in the United States represent the core of the customer base for this product, which they use for underwriting purposes. Employers also utilize the product to manage risk associated with employees that require the use of a vehicle in the performance of their duties. For most customers, we receive and fulfill orders through our proprietary Comprise/ZapApp® software, which allows the customer to integrate the process of obtaining motor vehicles reports with other processes utilized by the customer.

As part of the offerings of this segment, we also provide trucking companies with access to a database of payment practice records on more than 60,000 transportation brokers and shippers in North America, which is comprised of client-contributed accounts receivables and public records data. Subscribing clients utilize the Company's services to evaluate the nonpayment (or slow payment) risk of shippers and brokers before agreeing to transport cargo on credit.

Our investigative services help customers with investigative services designed to detect and expose worker's compensation, disability and liability insurance fraud. Purchased mostly by insurance carriers, third party administrators and self-insuring companies, these services generally involve field surveillance and interviews conducted by more than 180 full-time licensed staff investigators. This segment receives orders in a variety of ways, including telephonic or other direct contact with the client, facsimile, e-mail or through the Internet. In most cases, investigation reports, including accompanying video, are sent via mail or courier to the client.

Within this segment we also provide services that assist our customers in business, legal and financial matters, including investigations and litigation arising from trade secret theft, software infringement, financial fraud, employee malfeasance and unfair competition. The segment employs computer forensic and electronic discovery experts and consultants in its bi-coastal state-of-the-art laboratories. We also offer due diligence services for a variety of purposes and have a specialized database of hedge fund managers. Unprecedented emphasis on corporate integrity and compliance, following the wave of corporate scandals and the resulting litigation, has driven growth in the segment's business.

Demand for our motor vehicle records products usually decreases in November and December as a result of reductions in the insurance and employment markets. Our investigative services experience seasonality December through February as a result of the number of holidays that occur during this period and frequent year-end reorganizations of our insurance clients.

Consumer Direct

Our Consumer Direct segment provides location, verification and screening services directly to consumers through the Internet. This segment uses a proprietary software platform and web-based systems to supply customers with services such as individual location, identity verification, criminal record checks, employment and education verifications.

This segment has developed US SEARCH DARWIN™ patent-pending technology, which automates the data management supply chain by accessing, assimilating, and compiling data from disparate sources. The current applications of the technology focus on individual locator and profile services. We are also adapting this technology for use in our Enterprise Screening segment.

Our Consumer Direct segment accounted for approximately 5% of our consolidated revenue in 2004.

Historical Growth

Prior to the June 5, 2003 mergers, HireCheck, Employee Health Programs, SafeRent, Substance Abuse Management, American Driving Records and First American Registry, now wholly-owned subsidiaries of First Advantage, were wholly-owned subsidiaries of First American and made up The First American Corporation Screening Technology (FAST) division.

In the late 1990s, First American initiated a diversification strategy which called for, among other things, the combination of one of its core competencies—data management and analysis—with businesses that are counter-cyclical to its long-standing real estate related products and services. First American also sought businesses that were complementary to its rapidly growing credit reporting business, First American CREDCO. First American management initially focused on the background screening industry—an information-intensive business with a heavy demand for credit reports and a relatively tangential tie to the real estate market.

In September 1998, First American began its entry into the employee screening industry by acquiring HireCheck. HireCheck, headquartered in St. Petersburg, Florida, is today the principal subsidiary through which our Enterprise Screening segment provides employment screening services. In this same month First American also entered the resident screening industry by acquiring First American Registry, headquartered in Rockville, Maryland. First American Registry, which we believe to be the largest resident screening company in the United States, is today the principal subsidiary through which our Enterprise Screening segment provides resident screening products.

Continuing its efforts to provide a comprehensive set of risk management tools to its customers, in August 2001 First American entered the occupational health services business by acquiring Milwaukee, Wisconsin-based Substance Abuse Management.

Five months later, in January 2002, First American further added to the menu of services offered by the FAST division by acquiring American Driving Records, a Rancho Cordova, California-based provider of motor vehicle reports. One of the largest competitors in its industry, American Driving Records brought to the FAST division not only a formidable player in a key area of the risk management industry, but also enhanced the division's access to the motor vehicle records of almost every state in the United States. With American Driving Records, First American purchased ZapApp India Private Limited, a Bangalore, India-based private limited company that provides technology services to American Driving Records and now to all of First Advantage.

In an effort to improve the profitability of the companies then comprising the FAST division, in the second quarter of 2001 First American reorganized the division's management structure by dedicating a single management group to the oversight of all operations. By emphasizing the group as a whole, First American believed this reorganization effort would position the FAST division to pursue cross-selling opportunities, take advantage of mutual supplier relationships and leverage technological developments and resources across the entire division. It also hoped to focus management on efforts to improve the division's operating margins by increasing the volume of transactions performed using the division's existing systems, whether through internal sales growth or by acquiring businesses with complementary product offerings. In January 2002, First American formally created the FAST division and began reporting the division as a segment in its financial statements.

Strategic Acquisitions Following 2001 Reorganization

First American supplemented the division's employee background screening operations by acquiring Factual Business Information, Inc., headquartered in Miami, Florida, in August 2001 and Pretiem Corporation,

headquartered in Princeton Junction, New Jersey, in December of 2001. These acquisitions provided the division with an expanded customer base for employee screening services in three important employment markets: the Miami metropolitan area, New Jersey and New York State.

In the last quarter of 2002, the FAST division completed acquisitions of Employee Health Programs in October and SafeRent in November.

A competitor of Substance Abuse Management, the Bethesda, Maryland-based Employee Health Programs brought critical volume to the FAST division's occupational health business. Through the acquisition of Employee Health Programs, the FAST division also expanded the scope of its existing services to include employee assistance programs, which are designed to help troubled employees resolve personal issues that can affect workplace productivity. Employee Health Programs and Substance Abuse Management are today the principal subsidiaries through which the Enterprise Screening segment provides occupational health services.

SafeRent, headquartered in Denver, Colorado, brought additional key customers to the FAST division's leading resident screening business and increased the division's penetration in key markets, in particular markets in the western United States.

June 5, 2003 Mergers

In the June 5, 2003 mergers, the companies comprising the FAST division and US SEARCH combined under one umbrella. US SEARCH brought to First Advantage not only many important employment screening customers through its Professional Resource Screening, Inc. subsidiary, but also an opportunity to pursue a new market – consumers – with specially tailored versions of our existing products. Ultimately, Professional Resource Screening was combined with the other companies in our Enterprise Screening segment and the other operations of US SEARCH became our Consumer Direct segment.

Strategic Acquisitions

Since becoming a public company in June 2003, we have actively pursued our acquisition strategy. In August 2003 we acquired two employment background screening companies, Liberatore Services, Inc. and Total Information Source, Inc., and an occupational health services company, Continental Compliance Systems. In September 2003 we further expanded our occupational health services with the acquisition of Employee Information Services, Inc. In that same month, we acquired Omega Insurance Services, Inc., which brought a new investigative services product to First Advantage. In November 2003 we made three acquisitions: occupational health services company Greystone Health Sciences Corporation; MedTech Diagnostics, Inc., a provider of both occupational health services and employment screening services; and Agency Records, Inc., a provider of motor vehicle records. In December 2003, we acquired Credential Check & Personnel Services, Inc., an employment screening company.

During the first quarter of 2004, the Company acquired Quantitative Risk Solutions LLC, Proudfoot Reports Incorporated, MVR's, Inc., Background Information Systems, Inc., Infocheck Ltd. and Landlord Protect, Inc. During the second quarter of 2004, the Company acquired U.D. Registry, Inc., CoreFacts, LLC, Realeum, Inc., and CIC Enterprises, Inc. During the third quarter 2004, the Company acquired BackTrack Reports, Inc. and National Background Data, LLC. During the fourth quarter 2004, the Company acquired Business Tax Credit Corporation d/b/a The Alameda Company and Compunet Credit Services, Inc. These acquisitions have been included in the Company's Enterprise Screening and Risk Mitigation segments.

Customers

First Advantage, through its subsidiaries, serves a wide variety of clients throughout the United States, including nearly a quarter of those businesses comprising the Fortune 1000, many major real estate investment trusts and property management companies, many of the top providers of transportation services, insurance

agents, the leading national law firms and non-profit organizations. Dominant categories of customers vary depending on the type of service or product. Insurance carriers, agents and claims adjusters, for example, purchase a substantial proportion of our Risk Mitigation segment's products and services. Transportation companies are major consumers of our occupational health and transportation credit services. Multifamily housing property management companies and landlords of all sizes are represented in the resident screening business' customer base. Larger employers represent the predominant share of the employee background screening and tax incentive services clients. Individual consumers dominate the customer base for our Consumer Direct segment. We derive a nominal amount of revenue from customers in Canada and Puerto Rico.

Excluding our Consumer Direct segment, which has a fluid customer base, we have in excess of 45,000 customers. No single customer is responsible for 2 percent or more of our revenue.

Suppliers

Data represents a key ingredient in most of our products. In obtaining such data, we draw upon a wide variety of sources, including governmental agencies, credit reporting agencies, third parties which compile public record information and on-line search services. Many of our suppliers provide this data in electronic format. We do not anticipate the termination of any significant relationship with any of our data suppliers. Because we believe we could acquire necessary data from other sources, we do not believe that the termination of any supplier relationship would have a material adverse effect on our financial condition or operating results.

In connection with our occupational health services, we depend upon services provided by specimen collection agencies and laboratories. There is significant competition among suppliers of these services and, consequently, we do not believe the termination of our relationship with any of these suppliers would have a material adverse effect on its financial condition or operating results.

Governmental Regulation

Although generally our products or services do not require governmental approvals, our businesses are subject to various federal and state regulations that may impact our products and services. For example, the Federal Fair Credit Reporting Act, Fair and Accurate Credit Transactions Act, the Drivers Privacy Protection Act and various state laws regulate products and services that include disclosure of personal information.

Many state and local laws require certain of our subsidiaries and employees engaged in providing our investigative services products to be licensed as private investigators. Some state and local governments require the same with respect to our employee screening companies.

Historically, we have been able to comply with existing laws and regulations without incurring substantial costs or restrictions on our business.

Competition

A number of companies compete with our service offerings. First Advantage's most significant national competitors in employment background verifications include ChoicePoint, Kroll, U.S. Investigative Services and ADP, although hundreds of local and regional competitors also exist. In occupational health services, we believe that we have only one significant nationwide competitor, ChoicePoint; however, there are a number of local and regional companies in the industry, as well. First Advantage's most significant national competitors in our tax incentive services include ADP, Itax, Mintax and the Big 4 accounting firms, and other small regional companies operating in that market. The resident screening industry is fragmented, with only approximately eight other companies providing significant competition to First Advantage's business on a national level. In motor vehicle record services, there are approximately ten major competitors to First Advantage, the most predominant of which is ChoicePoint. Our new transportation credit services business competes with three significant vendors. First Advantage's insurance fraud investigative services also competes with three other companies on a national

basis, with a broad spectrum of regional and local competitors. First Advantage's due diligence services compete with a handful of small boutiques, Kroll and two or three regional firms across the country. Our computer forensics services mainly compete against the large litigation consulting practices, the Big 4 consulting firms, and Kroll. There is also some competition from small regional companies and sole practitioners. In virtually all of these markets, First Advantage competes foremost on the basis of customer service and secondarily on product and price differentiation.

The primary competitors to our Consumer Direct segment include telephone companies and other third parties who publish free printed or electronic directories, private investigation firms and web-based companies, such as KnowX.com.

Intellectual Property

First Advantage owns a number of items of intellectual property, including trademarks, tradenames, copyrights, patents, domain names and unregistered trade secrets. First Advantage also owns the US SEARCH DARWIN™ software platform, which uses advanced technology to access, assimilate, compile, distribute and present data from public and private databases. The patent application for this technology was published on December 19, 2002 and was issued by the Patent and Trademark Office on January 25, 2005. First Advantage is not dependent upon any single item of intellectual property.

Strategies for Future Growth of First Advantage

First Advantage believes that as the world becomes increasingly risky for individuals and organizations, demand for our products will grow. Our primary goal is to be well positioned to capture not only a substantial portion of the existing market, but also a substantial share of the expected growth. We intend to accomplish this goal in the following manner:

Pursue Strategic Acquisitions. We intend to continue pursuing acquisitions of companies that would enable us to enter new markets as well as increase our share of those markets in which we are already operating. We will pursue companies with assets that will enhance our ability to fulfill orders, including companies with proprietary databases containing information for use in our products or technology that would make order placement or product delivery more efficient. We also expect to pursue acquisition opportunities which would enable us to enter into related product fields. Our recent acquisitions of CIC Enterprises, LLC and The Alameda Company, LLC, both tax incentive services companies, are examples of our efforts to enter into related product fields. Typically, tax incentive services are coordinated with human resource or finance departments within business organizations as are many of our existing services within the Enterprise Screening segment. Additionally, our recent acquisition of Compunet Credit Services, Inc. permitted us to enter in the related product field of transportation. Finally, our recent acquisitions of Corefacts, LLC and Backtrack Reports Inc., allowed us to expand the breath of our product field by introducing high-end investigative services, such due diligence and computer forensics, into our Risk Mitigation segment.

Consolidate Operations. We intend to continue our aggressive efforts to consolidate the operations brought together in the June 2003 mergers and the operations of businesses we have since acquired and will acquire. This includes efforts not only to capture synergies by eliminating personnel and systems duplication, but also to exploit cross-selling opportunities by providing a single platform on which First Advantage can offer its entire menu of services to current and prospective customers.

International Expansion. We intend to pursue opportunities to offer our services outside the United States. Given the risks that face businesses around the world, we believe that international markets provide a substantial opportunity for growth. We expect that by expanding our offerings to other countries we will also enhance our ability to compete in the United States for the business of global companies.

Employees

We employ over 1,700 people, most of which are located in the United States. Of this number, approximately 60 are employed in Bangalore, India.

Risk Factors

You should carefully consider each of the following risk factors and the other information contained in this Annual Report on Form 10-K. We face risks other than those listed here, including those that are unknown to us and others of which we may be aware but, at present, consider immaterial. Because of the following factors, as well as other variables affecting our operating results, past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods.

We are controlled by First American and as a result other stockholders have little or no influence over stockholders' decisions.

As a result of the June 5, 2003 mergers, First American owns 100% of our Class B common stock, which have ten votes per share compared to one vote per share of our Class A common stock. Consequently, First American has over 95% of the total voting power of First Advantage and, therefore, First American has the right to control the outcome of any matter submitted for the vote or consent of First Advantage's stockholders, unless a separate class vote is required under Delaware law. First American has the voting power to control the election of our board of directors and is able to cause an amendment of our certificate of incorporation or bylaws. First American also may be able to cause changes in the business without seeking the approval of any other party. These changes may not be beneficial to us or in the best interest of our other stockholders. For example, First American has the power to prevent, delay or cause a change in control and could take other actions that might be favorable to First American, but not necessarily to other stockholders. Similarly, subject to restrictions contained in the standstill agreement entered into as part of the June 5, 2003 mergers, First American has the voting power to exercise a controlling influence over our business and affairs and has the ability to make decisions concerning such things as:

- mergers or other business combinations;
- purchases or sales of assets;
- offerings of securities;
- indebtedness that we may incur; and
- payments of any dividends.

We cannot assure you that First American's ownership of our common stock or its relationship with us will not have a material adverse effect on our overall business strategy or on the market price of our Class A common stock.

Moreover, under Nasdaq corporate governance rules, if a single stockholder holds more than 50% of the voting power of a company, that company is considered a "controlled company." A controlled company is exempt from the Nasdaq rules requiring that a majority of the company's board of directors be independent directors and that the compensation and nomination committees be comprised solely of independent directors. First American owns more than 50% of the voting power of First Advantage and we may take advantage of such exemptions afforded to controlled companies.

We have very little operating history as an independent company.

Before June 5, 2003, we had no operating history as a separate public company. Due to this lack of operating history as a separate public company, there can be no assurance that our business strategy will be successful on a long-term basis. Several members of our management team have never operated a stand-alone public company.

Pursuant to a standstill agreement entered into between First American and First Advantage, a majority of our "disinterested directors" must approve most future transactions between First American and First Advantage.

We may need additional capital in order to finance operations or pursue acquisitions. Accordingly, we may have to obtain our own financing for operations and perform most of our own administrative functions. There can be no assurance that we will be able to develop successfully the financial and managerial resources and structure necessary to operate as an independent public company, or that our available financing and anticipated cash flow from operations will be sufficient to meet all of our cash requirements.

We are dependent on information suppliers. If we are unable to manage successfully our relationships with a number of these suppliers, the quality and availability of our services may be harmed.

We obtain some of the data used in our services from third party suppliers and government entities. If a number of suppliers are no longer able or are unwilling to provide us with certain data, we may need to find alternative sources. If we are unable to identify and contract with suitable alternative data suppliers and integrate these data sources into our service offerings, we could experience service disruptions, increased costs and reduced quality of our services. Additionally, if one or more of our suppliers terminates our existing agreements, there is no assurance that we will obtain new agreements with third party suppliers on terms favorable to us, if at all. Loss of such access or the availability of data in the future due to increased governmental regulation or otherwise could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to increased regulation regarding the use of personal information.

Certain data and services we provide are subject to regulation by various federal, state and local regulatory authorities. Compliance with existing federal, state and local laws and regulations has not had a material adverse effect on our results of operations or financial condition to date. Nonetheless, federal, state and local laws and regulations in the United States designed to protect the public from the misuse of personal information in the marketplace and adverse publicity or potential litigation concerning the commercial use of such information may increasingly affect our operations and could result in substantial regulatory compliance expense, litigation expense and a loss of revenue.

We face significant security risks related to our electronic transmission of confidential information.

We rely on encryption and other technologies to provide system security to effect secure transmission of confidential or personal information. We may license these technologies from third parties. There is no assurance that our use of applications designed for data security, or that of third-party contractors will effectively counter evolving security risks. A security or privacy breach could:

- expose us to liability;
- increase our expenses relating to resolution of these breaches;
- deter customers from using our services; and
- deter suppliers from doing business with us.

Any inability to protect the security and privacy of our electronic transactions could have a material adverse effect on our business, financial condition or results of operations.

We could face liability based on the nature of our services and the content of the materials provided which may not be covered by insurance.

We may face potential liability from individuals, government agencies or businesses for defamation, invasion of privacy, negligence, copyright, patent or trademark infringement and other claims based on the nature and content of the materials that appear or are used in our products or services. Insurance may not be available to cover claims of these types or may not be adequate to cover us for all risks to which we are exposed. Any imposition of liability, particularly liability that is not covered by insurance or is in excess of our insurance coverage, could have a material adverse effect on our reputation, business and results of operations.

We may not be able to pursue our acquisition strategy.

We intend to grow through acquisitions. We may not be able to identify suitable acquisition candidates, obtain the capital necessary to pursue our acquisition strategy or complete acquisitions on satisfactory terms. A number of our competitors also have adopted the strategy of expanding and diversifying through acquisitions. We likely will experience competition in our effort to execute on our acquisition strategy, and we expect the level of competition to increase. As a result, we may be unable to continue to make acquisitions or may be forced to pay more for the companies we are able to acquire.

The integration of companies we acquire may be difficult and may result in a failure to realize some of the anticipated potential benefits of our acquisitions.

When companies are acquired, we may not be able to integrate or manage these businesses so as to produce returns that justify the investment. Any difficulty in successfully integrating or managing the operations of the businesses could have a material adverse effect on our business, financial condition, results of operations or liquidity, and could lead to a failure to realize any anticipated synergies. Our management also will be required to dedicate substantial time and effort to the integration of our acquisitions. These efforts could divert management's focus and resources from other strategic opportunities and operational matters.

We may not be able to realize the entire book value of goodwill from acquisitions.

As of December 31, 2004, we have approximately \$306 million of goodwill. We have implemented the provisions of Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets," which requires that existing goodwill not be amortized, but instead be assessed annually for impairment or sooner if circumstances indicate a possible impairment. We will monitor for impairment of goodwill on past and future acquisitions. In the event that the book value of goodwill is impaired, any such impairment would be charged to earnings in the period of impairment. There can be no assurances that future impairment of goodwill under SFAS No. 142 will not have a material adverse effect on our results of operations. The goodwill valuation is performed by an independent third party.

We currently do not plan to pay dividends.

We intend to retain future earnings, if any, that may be generated from operations to help finance the growth and development of its business. As a result, we do not anticipate paying dividends to stockholders for the foreseeable future.

Our business depends on technology that may become obsolete.

We use the US SEARCH DARWIN™ technology and other information technology to better serve our clients and reduce costs. These technologies likely will change and may become obsolete as new technologies develop. Our future success will depend upon our ability to remain current with the rapid changes in the technologies used in our business, to learn quickly to use new technologies as they emerge and to develop new technology-based solutions as appropriate. If we are unable to do this, we could be at a competitive disadvantage. Our competitors may gain exclusive access to improved technology, which also could put us at a competitive disadvantage. If we cannot adapt to these changes, our business may be materially adversely affected.

Our results of operations may be affected by the seasonality of our business.

Historically, we have seen a decrease in our volumes in certain segments of our business, in particular our enterprise screening segment, due to the holiday season and inclement weather that results in declines in hiring and apartment rental activity. Accordingly, there may be a decrease in earnings in the first and fourth quarter as compared to the second and third quarter.

First American could sell its controlling interest in us and therefore we could eventually be controlled by an unknown third party.

Subject to certain restrictions, First American could elect to sell all or a substantial or controlling portion of its equity interest in us to a third party without offering to our other stockholders the opportunity to participate in the transaction. If another party acquires First American's interest in us, that third party may be able to control us in the same manner that First American is able to control us. A sale to a third party also may adversely affect the market price of our Class A common stock because the change in control may result in a change in management decisions, business policy and our attractiveness to future investors.

Our Class A common stock will have minimal liquidity due to its small public float.

Although as of December 31, 2004 there were approximately 23 million total shares of First Advantage common stock outstanding, approximately 69% are owned by First American and approximately 9% are held of record by Pequot Private Equity Fund II, L.P. Currently only approximately 22% of our issued and outstanding shares are freely transferable without restriction under the Securities Act. Accordingly, only a small number of shares of First Advantage actually trade – between January 1, 2004 and December 31, 2004 the average daily trading volume of our Class A common stock was approximately 24,000 shares per day. Consequently, our stockholders may have difficulty selling shares of our Class A common stock.

Significant stockholders may sell shares of our common stock which may cause our share price to fall.

Subject to certain restrictions, First American may at any time convert each of its shares of our Class B common stock into a share of Class A common stock. First American or Pequot may transfer shares of our common stock in a privately-negotiated transaction or to affiliates or shareholders. Any transfers, sales or distributions by First American or Pequot of a substantial amount of our Class A common stock in the marketplace, or to shareholders, or the market perception that these transfers, sales or distributions could occur, could adversely affect the prevailing market prices for our Class A common stock.

We cannot assure that our stock price will not fall.

The market price of our Class A common stock could be subject to significant fluctuations. Among the factors that could affect our stock price are:

- quarterly variations in our operating results;
- changes in revenue or earnings estimates or publication of research reports by analysts;
- failure to meet analysts' revenue or earnings estimates;
- speculation in the press or investment community;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- actions by institutional stockholders;
- general market conditions;
- domestic and international economic factors unrelated to our performance; and
- changes in internal controls over financial reporting.

Our capital raising efforts may dilute stockholders interests.

If we raise additional capital by issuing equity securities, the issuance will result in ownership dilution to our existing shareholders. The extent of the dilution will vary based upon the amount of capital raised.

Conflict of interest may arise because certain of our directors and officers are also directors and officers of First American.

Certain persons associated with the Company have a continuing relationship with First American. Parker Kennedy, Chairman of the Board of First Advantage, also serves as Chief Executive Officer and a Director of

First American. David Chatham, Director of First Advantage, also serves as a Director of First American. As such, they may have great influence on our business decisions. These persons, currently associated with First American, were asked to serve as directors and/or officers of First Advantage because of their knowledge of and experience with our business and its operations. Both individuals own stock and options to acquire stock of First American.

These affiliations with both First American and First Advantage could create, or appear to create, potential conflicts of interest when these directors and executive officers are faced with decisions that could have different implications for First American and First Advantage.

We are a party to a stockholders agreement which may impact corporate governance.

First Advantage, First American and Pequot have entered into a stockholders agreement pursuant to which First American has agreed to vote as many of its shares in First Advantage as is necessary to ensure that our board of directors has no more than ten members and that a representative of Pequot that meets certain requirements is elected a director of First Advantage or, at Pequot's request, a board observer of First Advantage. Pequot's right to designate a board member or observer will continue until such time as Pequot and its affiliates' collective ownership of First Advantage stock is less than 75% of the holdings Pequot received in the June 5, 2003 mergers. As a result of this arrangement and First American's dominant ownership position in First Advantage, holders of First Advantage Class A common stock (other than Pequot) will have little or no ability to cause a director selected by such holders to be appointed to our board of directors and, consequently, little or no ability to influence the direction or management of First Advantage.

We may become subject to significant legal proceedings or other adverse claims.

We are subject from time to time to litigation and claims, both asserted and unasserted, incidental to our businesses, some of which may be substantial. For example, those claims may include, but are not limited to, damages asserted by consumers who are screened as part of our business, regulatory agencies, customers, third parties, and various other matters that may arise in the normal course of our business. Final resolution of these matters in the future may impact our results of operations or cash flows.

Available Information

We maintain a website, www.fadv.com, which includes financial and other information for investors. Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available through the investor relations page of our website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. Our website and the information contained therein or connected thereto are not intended to be incorporated into this annual report on Form 10-K, or any other filing with the Securities and Exchange Commission unless we expressly incorporate such materials.

Item 2. Properties

Our principal executive offices are located in approximately 21,000 square feet of leased office space in St. Petersburg, Florida. The lease expires on November 30, 2006. Current monthly rent is approximately \$37,000. First Advantage, through its subsidiaries, maintains 42 other offices in North America and an office in Bangalore, India. These offices, all of which are leased, comprise a total of approximately 298,000 square feet of space.

On January 17, 2005, the Company entered into a lease agreement with 100 Carillon, LLC for approximately 74,000 square feet of office space in St. Petersburg, Florida. This office space will serve as the Company's new corporate headquarters. The Company's Florida based employment background screening group and investigative services group will also reside in this new office space. The lease commences in April 2005 and terminates One Hundred Fifty-Six (156) months from the commencement date.

Item 3. Legal Proceedings

First Advantage's subsidiaries are involved in litigation from time to time in the ordinary course of their businesses. We do not believe that the outcome of any pending or threatened litigation involving these entities will have a material adverse effect on our financial position or operating results.

A subsidiary of the Company is a defendant in a class action lawsuit that is pending in federal court in New York. The plaintiffs allege that our subsidiary, directly and through its agents, violated the Fair Credit Reporting Act, New York's Fair Credit Reporting Act and New York's Deceptive Practices Act by failing to use reasonable procedures to ensure the maximum possible accuracy when issuing tenant reports. The action seeks injunctive and declaratory relief, compensatory, punitive and statutory damages, plus attorneys' fees and costs. The Company does not believe that the ultimate resolution of this action will have a material adverse affect on its financial condition or results of operations.

Two subsidiaries are defendants in separate class action lawsuits that are pending in state court in California. The plaintiffs in both cases allege that our subsidiaries, directly and through their agents, violated the California Consumer Credit Reporting Agencies Act and California Business and Professions Code by failing to use reasonable procedures to ensure the maximum possible accuracy when issuing tenant reports. The actions seek injunctive relief, an accounting, restitution, statutory damages, interest, punitive damages and attorneys' fees and costs. The Company does not believe that the ultimate resolution of these actions will have a material adverse affect on its financial condition or results of operations.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to a vote of security holders during the quarter ended December 31, 2004.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholders Matters and Issuer Purchases of Equity Securities.

Class A Common Stock Market Prices and Dividends

Our Class A common stock is quoted on the Nasdaq National Market under the symbol “FADV”. Our Class A common stock commenced trading on June 6, 2003. The following table sets forth, for the periods indicated, the high and low sale prices of our Class A common stock as reported on the Nasdaq National Market.

	2004		2003	
	High	Low	High	Low
Quarter ended March 30,	\$ 19.90	\$ 13.85	N/A	N/A
Quarter ended June 30,	\$ 22.25	\$ 16.47	\$ 40.00	\$ 16.39
Quarter ended September 30,	\$ 18.97	\$ 14.99	\$ 19.50	\$ 14.06
Quarter ended December 31,	\$ 20.90	\$ 15.50	\$ 20.65	\$ 14.71

The approximate number of record holders of Class A common stock on January 31, 2005 was 50.

Our Class B common stock is not listed or quoted on any exchange or quotation system. The First American Corporation owns all of our outstanding Class B common stock.

We have not paid any dividends on either our Class A common stock or our Class B common stock and we do not anticipate paying any dividends on our common stock in the foreseeable future. We currently intend to retain our future earnings for use in the operation and expansion of our business.

	Number of Securities to be Issued Upon Exercise of Outstanding Options (a)	Weighted-Average Exercise Price of Outstanding Options (b)	Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plan approved by security holders ⁽¹⁾	2,163,639	\$ 18.69	829,437
Equity compensation plan not approved by security holders ⁽²⁾	295,893	\$ 28.33	
Warrants not approved by security holders ⁽²⁾	316,339	\$ 22.83	

⁽¹⁾ Consists of the 2003 First Advantage Incentive Compensation Plan. See Note 13 to the Company’s Notes to Consolidated Financial Statements for additional information.

⁽²⁾ Consists of shares relating to all outstanding options and warrants assumed by the Company in connection with the merger with US SEARCH.com Inc. See Note 13 to the Company’s Notes to Consolidated Financial Statements for additional information.

Recent Sales of Unregistered Securities

In connection with the June 5, 2003 merger of the Company with the Screening Technologies division of The First American Corporation and with US SEARCH.com Inc. we issued 16,027,285 shares of our Class B common stock to First American. We issued these shares to First American in exchange for all of the equity of the companies comprising the Screening Technologies division of First American and certain other covenants of First American.

Each share of Class B common stock is convertible into a single share of Class A common stock at the election of First American, at such time as First American and its affiliates collectively own less than 28% of the

total issued and outstanding shares of our capital stock or upon transfer of any shares of Class B common stock to a person other than First American or an affiliate of First American (excluding distributions by First American to its shareholders in a tax-free "spinoff" under Section 355(a) of the Internal Revenue Code of 1986, as amended, and any subsequent transfers of such shares).

In issuing these shares we relied on exemptions from registration under Section 4(2) of the Securities Act of 1933 and Rule 506 promulgated pursuant to the Securities Act of 1933. We believed the issuance to be exempt from registration because First American, as a corporation with total assets in excess of \$5,000,000, was an accredited investor and the transaction otherwise met the requirements for exemption from registration.

There were no shares purchased, since inception of the Company, as part of a repurchase plan or program.

Item 6. Selected Financial Data

The Company's operating results for the years ended December 31, 2004 and 2003 include results of operations for the acquired entities from their respective dates of acquisition. The FAST division's operating results for the years ended December 31, 2002, 2001, and 2000 include the combined results for companies acquired in those years from their respective acquisition dates.

The Company's operating results for the year ended December 31, 2003, include results for the FAST division from January 2003 and the results for US SEARCH.com from June 2003. The Company's operating results for the years ended December 31, 2002, 2001 and 2000 include results for the FAST division only.

Certain amounts for the years ended December 31, 2003, 2002, 2001 and 2000 have been reclassified to conform with the 2004 presentation.

This selected financial data has been derived from the audited consolidated financial statements of the Company for the years ended December 31, 2004 and 2003, and the combined financial statements of the FAST division for the three years ended December 31, 2002. The combined financial statements for the FAST division for the years ended December 31, 2001 and 2000 are not included in this document. This information is only a summary and should be read in conjunction with the audited financial statements and accompanying notes included in Item 8 "Financial Statements and Supplementary Data".

	For the year ended December 31,				
	2004	2003	2002	2001	2000
Income Statement Data:					
Service revenue	221,938,000	134,910,000	73,040,000	45,832,000	35,230,000
Reimbursed government fee revenue	44,599,000	31,585,000	27,885,000	3,335,000	3,352,000
Total revenue	266,537,000	166,495,000	100,925,000	49,167,000	38,582,000
Cost of service revenue	60,884,000	38,154,000	17,534,000	11,280,000	7,776,000
Government fees paid	44,599,000	31,585,000	27,885,000	3,335,000	3,352,000
Total cost of service	105,483,000	69,739,000	45,419,000	14,615,000	11,128,000
Gross margin	161,054,000	96,756,000	55,506,000	34,552,000	27,454,000
Operating expenses	140,374,000	90,055,000	51,005,000	35,008,000	26,856,000
Impairment loss	—	1,739,000	—	—	—
Income (loss) from operations	20,680,000	4,962,000	4,501,000	(456,000)	598,000
Other (expense) income:					
Interest expense	(2,267,000)	(154,000)	(229,000)	(241,000)	(313,000)
Interest income	30,000	41,000	59,000	59,000	32,000
Total other (expense), net	(2,237,000)	(113,000)	(170,000)	(182,000)	(281,000)
Income (loss) before income taxes	18,443,000	4,849,000	4,331,000	(638,000)	317,000
Provision (benefit) for income taxes	7,762,000	2,046,000	1,629,000	(59,000)	266,000
Net income (loss)	\$ 10,681,000	\$ 2,803,000	\$ 2,702,000	\$ (579,000)	\$ 51,000
Balance Sheet Data:					
Total assets	\$ 431,353,000	\$ 283,900,000	\$ 164,008,000	\$ 62,284,000	\$ 26,628,000
Long-term debt	\$ 85,910,000	\$ 13,473,000	\$ 651,000	\$ 1,159,000	\$ 2,261,000
Stockholders' equity	\$ 290,171,000	\$ 240,336,000	\$ 145,903,000	\$ 53,075,000	\$ 18,491,000
Per Share Information:					
Net income					
Basic	\$ 0.49	\$ 0.14	N/A	N/A	N/A
Diluted	\$ 0.48	\$ 0.14	N/A	N/A	N/A
Weighted average shares outstanding					
Basic	21,906,507	20,260,854	N/A	N/A	N/A
Diluted	22,230,642	20,397,587	N/A	N/A	N/A
Stockholders' Equity	\$ 12.48	\$ 11.50	N/A	N/A	N/A
Total shares outstanding at December 31,	23,254,087	20,893,648	N/A	N/A	N/A

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

First Advantage Corporation (NASDAQ: FADV) ("First Advantage" or the "Company") was created by the June 5, 2003 merger of The First American Corporation's Screening Technologies ("FAST") division with US SEARCH.com Inc. ("US SEARCH"). First Advantage provides global risk mitigation and screening services to enterprise and consumer customers. The Company operates in three primary business segments: Enterprise Screening, Risk Mitigation and Consumer Direct. First Advantage is headquartered in St. Petersburg, Florida, and has more than 1,700 employees in offices throughout North America and in Bangalore, India.

The Enterprise Screening segment includes employment background screening, occupational health services, resident screening services and tax incentive services. The Enterprise Screening segment serves over 35,000 customers, including six of the ten largest multifamily property management companies in the United States and approximately a quarter of the Fortune 1000 companies. Products and services relating to employment background screening include criminal records searches, employment verification, education verification, social security number verification and credit reporting. Occupational health services include drug-free workplace programs, physical examinations and employee assistance programs. Tax incentive services include services related to the administration of employment-based and location-based tax credit and incentive programs, sales and use tax programs and fleet asset management programs. Resident screening services include criminal background and eviction records, credit reporting, employment verification and lease performance and payment histories. Other products and services offered by this division include renters' insurance, property performance analytics and property management software. The Company has a proprietary database of 34 million landlord-tenant records that include eviction court records, rental histories, payment trends and landlord contributed data.

The Risk Mitigation segment includes motor vehicle records, transportation credit services and investigations. Products and services offered by the Risk Mitigation segment include driver history reports, vehicle registration, credit reports on cargo shippers and brokers, surveillance services, field interviews, computer forensics, electronic discovery, due diligence reports and other high level investigations. These services are provided to approximately 11,000 enterprise customers nationwide, including insurance agents, carriers, claims adjusters and risk managers, trucking companies, law firms and financial institutions.

The Consumer Direct segment provides consumers with a single, comprehensive access point to a broad range of public information to assist them in locating, verifying and screening people. Consumer Direct segment customers can obtain addresses, aliases, listed phone numbers, property ownership, court records and other public data through the US SEARCH Web site.

First Advantage intends to continue its efforts to consolidate the operations brought together in the June 2003 mergers and the operations of businesses since acquired. First Advantage also intends to continue pursuing acquisitions of businesses that will enable the Company to enter new markets as well as increase existing market share. First Advantage also expects to pursue acquisition opportunities, which will enable the Company to enter into related product fields.

First Advantage generates revenue in the form of fees from reports created from searches performed and services provided. First Advantage generally enters into agreements with customers that provide for a fixed fee per report or for services provided. For purposes of analyzing operating results, gross margin and operating costs are compared to service revenues, excluding reimbursed government fee revenue. Elimination of inter-segment revenue is included in corporate.

Cost of sales includes fees paid to vendors or agencies for data procurement, specimen collection, laboratory testing, and investigators' compensation, benefits and travel expenses.

First Advantage's operating expenses consist primarily of compensation and benefits costs for employees, occupancy and related costs, other selling, general and administrative expenses associated with operating its

business, depreciation of property and equipment and amortization of intangible assets. First Advantage's expenses are likely to increase with increasing revenue levels.

Critical Accounting Policies and Estimates

First Advantage's discussion and analysis of financial condition and results of operations is based upon its audited consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles. The Company's operating results for the year ended December 31, 2004, 2003 and 2002 include results for the acquired entities from their respective dates of acquisition. The Company's operating results for the year ended December 31, 2003, include results for the FAST division from January 2003 and the results for US SEARCH.com from June 2003. The Company's operating results for the year ended December 31, 2002 include results for the FAST division only.

First Advantage believes the following are the more critical accounting policies that impact its financial statements, some of which are based on management's best estimates available at the time of preparation. Other accounting policies also have a significant effect on First Advantage's consolidated financial statements, and some of these policies also require the use of estimates and assumptions. Although First Advantage believes that its estimates and assumptions are reasonable, actual results may differ.

Revenue Recognition

Revenue is recognized at the time of delivery of the reports, as First Advantage has no ongoing obligation after delivery. Revenue from investigative services is recognized as services are performed. In accordance with generally accepted accounting principles, the Company includes reimbursed government fees in revenue and in cost of service.

Allowance for Uncollectible Receivables

The allowance for all probable uncollectible receivables is based on a combination of historical data, cash payment trends, specific customer issues, write-off trends, general economic conditions and other factors. These factors are continuously monitored by management to arrive at an estimate for the amount of accounts receivable that may ultimately be uncollectible. In circumstances where First Advantage is aware of a specific customer's inability to meet its financial obligations, First Advantage records a specific allowance for bad debts against amounts due to reduce the net recognized receivable to the amount it reasonably believes will be collected. This analysis requires making significant estimates, and changes in facts and circumstances could result in material changes in the allowance for uncollectible receivables.

Capitalized Software Development Costs

First Advantage capitalizes costs associated with developing software for internal use, which costs primarily include salaries of developers. Direct costs incurred in the development of software are capitalized once the preliminary project stage is completed, management has committed to funding the project and completion and use of the software for its intended purpose are probable. First Advantage ceases capitalization of development costs once the software has been substantially completed at date of conversion and is ready for its intended use.

Database Development Costs

Database development costs represent expenditures associated with First Advantage's databases of information for customer usage. The costs are capitalized from the time technological feasibility is established until the information is ready for use.

Impairment of Intangible and Long-Lived Assets

First Advantage carries intangible and long-lived assets at cost less accumulated amortization (where applicable). Accounting standards require that assets be written down if they become impaired. Intangible and

long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset is not recoverable. At such time that an impairment in value of an intangible or long-lived asset is identified; the impairment will be measured as the amount by which the carrying amount of a long-lived asset exceeds its fair value. Fair value is determined by employing an expected present value technique, which utilizes multiple cash flow scenarios that reflect the range of possible outcomes and an appropriate discount rate. In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets," the Company completed a goodwill impairment test, for the year ending December 31, 2004, for all reporting units. A valuation date of September 30, 2004 was used for this impairment test and was performed by a third party. The test determined that each reporting unit had a fair value in excess of carrying value, therefore, no goodwill impairment was recorded.

Purchase Accounting

First Advantage completed nine acquisitions in 2003. The Company has acquired 14 additional businesses in 2004. The purchase method of accounting requires companies to assign values to assets and liabilities acquired based upon their fair values. In most instances, there is not a readily defined or listed market price for individual assets and liabilities acquired in connection with a business, including intangible assets. The determination of fair value for assets and liabilities in many instances requires a high degree of estimation. The valuation of intangibles assets, in particular, is very subjective. First Advantage generally uses internal cash flow models and, in certain instances, third party valuations in estimating fair values. The use of different valuation techniques and assumptions can change the amounts and useful lives assigned to the assets and liabilities acquired, including goodwill and other intangible assets and related amortization expense. Amounts allocated to certain assets and liabilities as of December 31, 2004 are based on preliminary estimates of fair value and may be revised in 2005. The Company does not anticipate that revisions to the amounts allocated to acquired assets and liabilities, if any, will be significant to the Company's financial statements.

Stock Based Compensation

In December 2004, the FASB issued SFAS No. 123R (Revised 2004), "Share-Based Payment." SFAS No. 123R is a revision of FASB Statement 123 "Accounting for Stock-Based Compensation" and supersedes APB Opinion No. 25 "Accounting for Stock Issued to Employees" and its related implementation guidance. The Statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS No. 123R requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). The cost will be recognized over the period during which an employee is required to provide services in exchange for the award. This statement is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005. The Company will adopt the standard in the third quarter of fiscal year 2005. The Company has not determined the impact, if any, that this statement will have on its consolidated financial position or results of operations.

The following is a summary of the operating results by the Company's business segments for the three years ended December 31, 2004.

	Enterprise Screening	Risk Mitigation	Consumer Direct	Corporate and Eliminations	Total
2004					
Service revenue	\$170,095,000	\$41,419,000	\$12,874,000	\$(2,450,000)	\$221,938,000
Reimbursed government fee revenue	10,147,000	34,452,000	—	—	44,599,000
Total revenue	180,242,000	75,871,000	12,874,000	(2,450,000)	266,537,000
Cost of service revenue	47,071,000	15,318,000	945,000	(2,450,000)	60,884,000
Government fees paid	10,146,000	34,453,000	—	—	44,599,000
Total cost of service	57,217,000	49,771,000	945,000	(2,450,000)	105,483,000
Gross margin	123,025,000	26,100,000	11,929,000	—	161,054,000
Salaries and benefits	59,826,000	11,476,000	2,477,000	8,125,000	81,904,000
Other operating expenses	31,762,000	5,019,000	7,403,000	1,744,000	45,928,000
Depreciation and amortization	8,109,000	2,166,000	2,187,000	80,000	12,542,000
Income (loss) from operations	23,328,000	7,439,000	(138,000)	(9,949,000)	20,680,000
Gross margin percentage	72.3%	63.0%	92.7%	N/A	72.6%
	Enterprise Screening	Risk Mitigation	Consumer Direct	Corporate and Eliminations	Total
2003					
Service revenue	\$107,580,000	\$18,285,000	\$10,525,000	\$(1,480,000)	\$134,910,000
Reimbursed government fee revenue	4,384,000	27,201,000	—	—	31,585,000
Total revenue	111,964,000	45,486,000	10,525,000	(1,480,000)	166,495,000
Cost of service revenue	33,976,000	4,537,000	1,121,000	(1,480,000)	38,154,000
Government fees paid	4,384,000	27,201,000	—	—	31,585,000
Total cost of service	38,360,000	31,738,000	1,121,000	(1,480,000)	69,739,000
Gross margin	73,604,000	13,748,000	9,404,000	—	96,756,000
Salaries and benefits	40,191,000	4,976,000	3,031,000	2,980,000	51,178,000
Other operating expenses	20,515,000	2,211,000	5,006,000	2,717,000	30,449,000
Depreciation and amortization	6,269,000	860,000	1,292,000	7,000	8,428,000
Impairment loss	1,739,000	—	—	—	1,739,000
Income (loss) from operations	4,890,000	5,701,000	75,000	(5,704,000)	4,962,000
Gross margin percentage	68.4%	75.2%	89.3%	N/A	71.7%
	Enterprise Screening	Risk Mitigation	Consumer Direct	Corporate and Eliminations	Total
2002					
Service revenue	\$ 63,310,000	\$10,570,000	\$ —	\$ (840,000)	\$ 73,040,000
Reimbursed government fee revenue	3,464,000	24,421,000	—	—	27,885,000
Total revenue	66,774,000	34,991,000	—	(840,000)	100,925,000
Cost of service revenue	17,875,000	499,000	—	(840,000)	17,534,000
Government fees paid	3,464,000	24,421,000	—	—	27,885,000
Total cost of service	21,339,000	24,920,000	—	(840,000)	45,419,000
Gross margin	45,435,000	10,071,000	—	—	55,506,000
Salaries and benefits	28,851,000	3,012,000	—	—	31,863,000
Other operating expenses	13,554,000	1,492,000	—	—	15,046,000
Depreciation and amortization	3,497,000	599,000	—	—	4,096,000
Income (loss) from operations	(467,000)	4,968,000	—	—	4,501,000
Gross margin percentage	71.8%	95.3%	N/A	N/A	76.0%

Enterprise Screening Segment

2004 Compared to 2003

Total service revenue was \$170.1 million in 2004, an increase of \$62.5 million compared to 2003 service revenue of \$107.6 million. Acquisitions accounted for approximately \$53.3 million of the revenue increase. Seven businesses were acquired in the second half of 2003 and eight businesses were acquired in 2004. The organic revenue growth for existing businesses was \$9.2 million, representing a 9.7% increase. The growth rate of 9.7%, excluding acquisitions, is due to expanded market share and an increase in products and services. The tax incentive service businesses significantly contributed to the increase in revenue due to the acquisitions in this line of business and the passing of legislation in October 2004 that renewed the Worker's Opportunity Tax Credits and Welfare to Work Credits.

The gross margin percentage of service revenue increased from 68.4% to 72.3% due to improving margins in the employment screening businesses as a result of volume purchasing discounts and generally higher gross margins on tax incentive service business revenue.

Salaries and benefits increased by \$19.6 million, primarily due to acquisitions. Salaries and benefits were 35.2% of service revenue in 2004 compared to 37.4% of service revenue in 2003. The percentage decrease reflects continued efforts to achieve economies of scale and synergies with the consolidations of the acquired businesses.

Other operating expenses increased by \$11.2 million and were 18.7% of service revenue in 2004 compared to 19.1% in 2003. The dollar increase is primarily related to the acquisitions. The decrease, as a percent of revenue, was partially due to reduction in costs related to space commitments for operations, expenses on a per employee basis and insurance costs.

Depreciation and amortization increased by \$1.8 million. Depreciation and amortization was 4.8% of service revenue in 2004 compared to 5.8% in 2003. Intangible assets increased during 2004 due to acquisitions. A one-time impairment charge of \$1.7 million was recorded in 2003 for capitalized software.

Income from operations was \$23.3 million in 2004, compared to income from operations of \$4.9 million in 2003. The increase in income from operations was the result of continued operating efficiencies derived from the consolidation of businesses and cross sell efforts within the organizations.

2003 Compared to 2002

Total service revenue was \$107.6 million in 2003, an increase of \$44.3 million compared to 2002 service revenue of \$63.3 million. Acquisitions accounted for approximately \$40.2 million of the revenue increase. Two businesses were acquired in late 2002 and seven businesses in 2003. Revenue increased by \$4.1 million, or 6.5%, at businesses owned in 2002. The growth rate of 6.5%, excluding acquisitions, is due to expanded market share and an increase in products and services.

The gross margin percentage of service revenue decreased from 71.8% to 68.4% due to a generally lower gross margin on drug screening revenue and generally higher gross margin on resident screening.

Salaries and benefits increased by \$11.3 million. Salaries and benefits were 37.4% of service revenue in 2003 compared to 45.6% of service revenue in 2002. This decrease reflected economies achieved in 2003 by consolidating certain operations and leveraging databases.

Other operating expenses increased by \$7.0 million and were 19.1% of service revenue in 2003 compared to 21.4% in 2002. This decrease, as a percent of revenue, was the result of economies achieved in 2003 by consolidating certain operations that enabled greater utilization of existing facilities and economies in telecommunication and shipping costs.

Depreciation and amortization increased by \$2.8 million. Depreciation and amortization was 5.8% of service revenue in 2003 compared to 5.5% in 2002. Intangible assets increased in 2003 due to acquisitions made in the fourth quarter of 2002 and during 2003.

An impairment charge of \$1.7 million was recorded in 2003 for capitalized software in connection with the integration of operations.

Income from operations was \$4.9 million in 2003, compared to an operating loss of \$.5 million in 2002. The increase in income from operations was the result of increased revenue, primarily from acquisitions. Operating costs as a percent of revenue declined due to consolidation of businesses and leveraging of databases.

Risk Mitigation Segment

2004 Compared to 2003

Total service revenue was \$41.4 million in 2004, an increase of \$23.1 million compared to 2003 service revenue of \$18.3 million. In 2004, five businesses were acquired in this segment, which expanded the revenue base and mix of products and services.

The gross margin percentage of service revenue decreased from 75.2% to 63.0% primarily due to the acquisition of the investigative service businesses, which generate margin levels lower than the motor vehicle records operations of this segment and the effect of the increased government fees treated as pass-through costs.

Salaries and benefits increased by \$6.5 million. Salaries and benefits were 27.7% of service revenue in 2004 compared to 27.2% in 2003. The percentage increase is primarily due to the acquisitions in 2004.

Other operating expenses increased by \$2.8 million, but consistent with 2003, represented 12.1% of service revenue in 2004 and 2003.

Depreciation and amortization increased by \$1.3 million due to an increase in amortization of intangible assets as a result of the acquisitions.

Income from operations was \$7.4 million in 2004 compared to \$5.7 million in 2003.

2003 Compared to 2002

Total service revenue was \$18.3 million in 2003, an increase of \$7.7 million compared to 2002 service revenue of \$10.6 million. In September 2003, the Company acquired an investigative service business, which accounts for substantially all of the increase in service revenue.

The gross margin percentage of service revenue decreased from 95.3% to 75.2% primarily due to the acquisition of the investigative service business, which generates margin levels lower than the motor vehicle records operations of this segment.

Salaries and benefits increased by \$2 million. Salaries and benefits were 27.2% of service revenue in 2003 compared to 28.5% in 2002. The percentage decrease is primarily due to the acquisition in 2003.

Other operating expenses increased by \$.7 million. Other operating expenses were 12.1% of service revenue in 2003 compared to 14.1% in 2002. The change is primarily due to the acquisition in 2003.

Depreciation and amortization increased by \$.3 million due to an increase in amortization of intangible assets as a result of the acquisition.

Income from operations was \$5.7 million in 2003 compared to \$5 million in 2002. Operating income from existing businesses increased by \$.2 million.

Consumer Direct

2004 Compared to 2003

Total service revenue was \$12.9 million in 2004, an increase of \$2.4 million compared to 2003 service revenue of \$10.5 million for a seven-month period. On an annualized basis, revenue is down due to a reduction in the number of distribution channels available in 2004.

The gross margin percentage of service revenue increased from 89.3% to 92.7% due to vendor negotiations to reduce fulfillment costs relative to the reduced revenue.

Salaries and benefits were 19.2% of revenue for 2004 compared to 28.8% for 2003. Other operating expenses were 57.5% of revenue for 2004 compared to 47.6% for 2003. Loss from operations was \$138 thousand compared to income from operations of \$75 thousand for 2003.

2003 Compared to 2002

This segment was formed in connection with the acquisition in June 2003 of US SEARCH. Operating results for this segment are for the period from June 1, 2003 to December 31, 2003. Revenue for this seven-month period was \$10.5 million. Salaries and benefits were 28.8% of revenue. Other operating expenses totaled \$5 million or 47.6% of revenue. Income from operations was \$75 thousand.

Corporate

2004 Compared to 2003

Corporate costs and expenses represent primarily compensation and benefits for senior management, administrative staff, technology personnel and their related expenses in addition to an administrative fee paid to First American. Additional costs were incurred for professional fees for Sarbanes Oxley compliance and for interest expense related to increased debt levels. The corporate expenses were \$9.9 million in 2004 compared to expenses of \$5.7 million in 2003.

2003 Compared to 2002

Corporate expenses were initially incurred when First Advantage was created by the June 5, 2003 merger of the FAST division with US SEARCH. Corporate costs and expenses represent primarily compensation and benefits for senior management and administrative staff and related general and administrative expenses including an administrative fee paid to First American.

Consolidated Results

2004 Compared to 2003

Consolidated service revenue for the year ended December 31, 2004 was \$221.9 million, an increase of \$87.0 million from 2003. Acquisitions accounted for \$76.4 million of the increase. The consolidated organic revenue growth for existing businesses was \$10.6 million, representing a 10.4% increase.

The consolidated gross margin of service revenue was 72.6% in 2004 compared to 71.7% in 2003.

Salaries and benefits were 36.9% of service revenue in 2004 and 37.9% in 2003. The decrease was primarily due to reductions in salaries and benefits as a percentage of revenue in the Enterprise Screening and Consumer Direct segments offset by an increase in corporate salary and benefits. The Corporate expenses for 2003 represent a seven-month period of costs.

Other operating expenses were 20.7% of service revenue in 2004 compared to 22.6% in 2003. The decrease was due to operating efficiencies in the Enterprise Screening segment offset by corporate expenses that were only incurred for seven months for 2003.

Depreciation and amortization increased by \$4.1 million due to an increase in amortization of intangible assets as a result of fourteen acquisitions.

Income from operations was \$20.7 million in 2004 compared to \$5.0 million in 2003. The increase of \$15.7 million is comprised of an increase in operating income of \$18.4 million in the Enterprise Screening segment, an increase in operating income of \$1.7 million in the Risk Mitigation segment and decrease in operating income of \$.2 million in the Consumer Direct segment. Corporate expenses of \$4.2 million offset this combined increase of \$15.7 million in operating income at the business segments.

2003 Compared to 2002

Consolidated service revenue for the year ended December 31, 2003 was \$134.9 million, an increase of \$61.9 million from 2002. Acquisitions accounted for \$58.4 million of the increase.

The consolidated gross margin of service revenue was 71.7% in 2003 compared to 76% in 2002.

Salaries and benefits were 37.9% of service revenue in 2003 and 43.6% in 2002. The decrease was primarily due to reductions in salaries and benefits as a percentage of revenue in the Enterprise Screening segment offset by an increase in corporate salary and benefits incurred since the creation of First Advantage in June 2003.

Other operating expenses were 22.6% of service revenue in 2003 compared to 20.6% in 2002. The increase was due to acquisitions in 2003 in the Consumer Direct and Risk Mitigation segments and corporate expenses incurred in 2003. The increase was offset in part by operating efficiencies in the Enterprise Screening segment.

Depreciation and amortization increased by \$4.3 million due to an increase in amortization of intangible assets as a result of acquisitions.

An impairment charge of \$1.7 million was recorded in 2003 for capitalized software in connection with the integration of operations in the Enterprise Screening segment.

Income from operations was \$5 million in 2003 compared to \$4.5 million in 2002. The increase of \$.5 million is comprised of an increase in operating income of \$5.4 million in the Enterprise Screening segment, an increase in operating income of \$.7 million in the Risk Mitigation segment and an increase in operating income of \$.1 million in the Consumer Direct segment. Corporate expenses of \$5.7 million offset this combined increase of \$6.2 million in operating income at the business segments.

Liquidity and Capital Resources

The Company's primary source of liquidity is cash flow from operations and amounts available under credit lines the Company has established with a bank and with First American Corporation, the majority shareholder of the Company. Prior to the June 5, 2003 merger with US SEARCH, contributions from First American were also a primary source of liquidity. As of December 31, 2004, cash and cash equivalents were \$7.6 million.

Cash provided by operating activities was \$24.0 million; \$1.8 million; and \$5.5 million for the years ended December 31, 2004, 2003, and 2002, respectively.

Cash provided from operating activities increased by \$22.2 million from 2003 to 2004. The increase was derived from 2004 net income of \$10.7 million in 2004 compared to \$2.8 million in 2003, an increase in depreciation and amortization of \$2.4 million, and a net cash inflow of \$11.9 million due to changes in operating assets and liabilities compared to 2003. The primary changes in operating assets and liabilities were due to increases in accounts payable, accrued liabilities and income taxes, offset by an increase in accounts receivable and a decrease in accrued compensation and other liabilities.

Cash provided from operating activities decreased by \$3.7 million from 2002 to 2003 while net income was \$2.8 million in 2003 and \$2.7 million in 2002. The decrease in cash provided from operating activities was due to

an increase in depreciation and amortization, and an impairment charge totaling \$6.1 million, offset by a net cash outflow of \$9.9 million due to changes in operating assets and liabilities compared to 2002. The primary changes in operating assets and liabilities were mainly due to reductions in accounts payable, accrued liabilities and income taxes offset by an increase in accrued compensation and other liabilities.

Cash used in investing activities was \$63.0 million, \$13.0 million, and \$4.7 million for the years ended December 31, 2004, 2003 and 2002, respectively. In 2004, cash in the amount of \$58.5 million was used for acquisitions. Purchases of property and equipment were \$6.8 million in 2004 compared to \$1.9 million in 2003 and \$3.3 million in 2002. Database development costs were \$1.5 million in 2004 compared to \$2.2 million in 2003 and \$2.8 million in 2002.

Cash provided by financing activities was \$40.9 million, \$10.3 million, and \$4.5 million for the years ended December 31, 2004, 2003 and 2002, respectively. In 2004, proceeds from bank financing were \$72.0 million. Repayment of debt was \$34.8 million in 2004, \$4.3 million in 2003, and \$1.2 million in 2002. Prior to the June 2003 merger with US SEARCH, cash contributions from First American were \$5.3 million in 2003, and \$5.7 million in 2002.

First Advantage also leases certain office facilities, automobiles and equipment under operating leases, which, for the most part, are renewable. The majority of these leases also provide that First Advantage will pay insurance and applicable taxes.

On January 17, 2005, the Company entered into a thirteen-year facilities lease agreement with 100 Carillon, LLC for approximately 74,000 square feet of office space in St. Petersburg, Florida. This office space will serve as the Company's new corporate headquarters. The Company's Florida based employment background screening group and investigative services group will also reside in this new office space. Aggregate minimum lease payments are \$22.8 million over the term of the lease, which commences on April 1, 2005. The monthly lease payment will be prorated based on partial occupancy until August 1, 2005.

On March 18, 2004, the Company entered into a three year \$25 million uncollateralized revolving line of credit with a bank (the "Line of Credit"). The Line of Credit is guaranteed by First American. The Line of Credit bears interest at a rate equal to the 30-day LIBOR Rate plus an applicable margin ranging from 1.29% per annum to 2.29% per annum. Accrued interest is payable monthly. There was \$25 million outstanding as of December 31, 2004.

On July 31, 2003, the Company entered into a \$15 million loan agreement (the "Note") with a bank (the "Loan Agreement"). On September 7, 2004, the Loan Agreement was amended whereby the Company's available borrowings thereunder were increased from \$15 million to \$20 million. The Note matures July 31, 2006. The outstanding principal balance under the related Note cannot exceed the lesser of \$20 million or 80% of eligible accounts receivable, as defined in the Loan Agreement. The Note bears interest at the 30-day LIBOR rate plus an applicable margin ranging from 1.25% per annum to 2.5% per annum. The Loan Agreement provides that the Company must adhere to certain financial covenants. One of the financial covenants requires the maintenance of a "Funded Debt to EBITDA" ratio not to exceed 2.5 to 1.0. Funded Debt is defined as all outstanding liabilities for borrowed money and other interest bearing liabilities less the non-current portion of subordinated liabilities. EBITDA, as defined in the Loan Agreement, means net income less income or plus losses from discontinued operations and extraordinary items, plus all of the following: income taxes, interest expense, depreciation, amortization, depletion and other non-cash charges. A second financial covenant requires that the Company maintain a "Debt Service Coverage Ratio", as defined in the Loan Agreement, of at least 1.5 to 1. At December 31, 2004, the Company was in compliance with the financial covenants of the Loan Agreement.

In July 2003, First Advantage entered into a Promissory Note with The First American Corporation. The loan evidenced by the Promissory Note is a \$10 million uncollateralized revolving loan with interest payable monthly. The principal balance of the Promissory Note is payable on July 31, 2006. The Promissory Note is

subordinated to the \$20 million bank debt and bears interest at the rate payable under the \$20 million bank debt plus 0.5% per annum. There was \$10 million outstanding at December 31, 2004.

On April 27, 2004, the Company entered into a Promissory Note with First American. The loan evidenced by the Promissory Note is a \$20 million unsecured revolving loan, with interest payable monthly. The principal balance of the Promissory Note is due on July 31, 2006. The Promissory Note is subordinated to the bank Loan Agreement and Line of Credit and bears interest at the rate payable under the \$20 million bank Loan Agreement plus 0.5% per annum. There was \$12.5 million outstanding as of December 31, 2004.

At December 31, 2004 the Company had unused lines of credit of \$15.0 million.

First Advantage filed a Registration Statement with the Securities and Exchange Commission for the issuance of up to 4,000,000 shares of our Class A common stock, par value \$.001 per share, from time to time as full or partial consideration for the acquisition of businesses, assets or securities of other business entities. The Registration Statement was declared effective on July 14, 2003. A total of 2,225,704 of the 4,000,000 shares were issued for acquisitions as of December 31, 2004.

In 2004 and 2003, First Advantage sought to acquire other businesses as part of its growth strategy. The Company will continue to evaluate acquisitions in order to achieve economies of scale, expand market share and enter new markets. The extent of future acquisitions, however, is dependent upon the availability of capital and liquidity to fund such acquisitions.

While uncertainties within the Company's industry exist, management is not aware of any trends or events likely to have a material adverse effect on liquidity or the accompanying financial statements. The Company believes that, based on current levels of operations and anticipated growth, the Company's cash flow from operations, together with available sources of liquidity, will be sufficient to fund operations, anticipated capital expenditures, make required payments of principal and interest on debt, and satisfy other long-term contractual commitments. However, any material adverse change in our operating results from our business plan, or acceleration of existing debt obligations or in the amount of investment in acquisitions, technology or products could require the Company to seek other funding alternatives including raising additional capital.

The following is a schedule of long-term contractual commitments (as of December 31, 2004) over the periods in which they are expected to be paid.

	2005	2006	2007	2008	2009	Thereafter	Total
Advertising commitments	\$ 24,000	\$ 24,000	\$ —	\$ —	\$ —	\$ —	\$ 48,000
Minimum contract purchase commitments	681,000	429,000	461,000	490,000	520,000	—	2,581,000
Operating leases	7,523,000	6,369,000	4,685,000	3,343,000	3,069,000	7,466,000	32,455,000
Long-term debt	19,859,000	50,025,000	30,885,000	5,000,000	—	—	105,769,000
Capital leases	11,000	—	—	—	—	—	11,000
Total	\$ 28,098,000	\$ 56,847,000	\$ 36,031,000	\$ 8,833,000	\$ 3,589,000	\$ 7,466,000	\$ 140,864,000

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The Company considered the provision of Financial Reporting Release No. 48 "Disclosure of Accounting Policies for Derivative Financial Instruments and Derivative Commodity Instruments, and Disclosure of Quantitative and Qualitative Information about Market Risk Inherent In Derivative Financial Instruments, Other Financial Instruments and Derivative Commodity Instruments." The Company had no holdings of derivative financial instruments at December 31, 2004 and our total liabilities as of December 31, 2004 consist primarily of notes payable, accounts payable and accrued liabilities. Although the Company has operations in certain foreign countries, these operations, in the aggregate, are not material to the Company's financial condition or results of operations.

The Company's fixed rate debt consists primarily of uncollateralized term notes. In addition, the Company has \$60 million of variable rate debt outstanding. A 1% increase in interest rates, due to increased rates nationwide, would result in \$600,000 additional annual interest payments which could be significant to the Company. The table below provides information about certain liabilities that are sensitive to changes in interest rates and presents cash flows and the related weighted average interest rates by expected maturity dates.

	2005	2006	2007	2008	Total	Fair Market Value
Long Term Debt						
Fixed Rate	\$19,870,000	\$15,025,000	\$ 5,885,000	\$5,000,000	\$ 45,780,000	\$ 45,462,000
Average Interest Rate	4.14%	4.61%	4.76%	5.00%	4.47%	
Variable Rate	\$ —	\$35,000,000	\$25,000,000	\$ —	\$ 60,000,000	\$ 60,000,000
Average Interest Rate		3.99%	3.67%		3.86%	
Total	\$19,870,000	\$50,025,000	\$30,885,000	\$5,000,000	\$105,780,000	\$105,462,000

Item 8. Financial Statements and Supplementary Data.**Report of Independent Registered Certified Public Accounting Firm**

To the Board of Directors and Shareholders of First Advantage Corporation:

In our opinion, the consolidated financial statements listed in the index appearing under Item 15(a)(1) present fairly, in all material respects, the financial position of First Advantage Corporation and its subsidiaries at December 31, 2004 and 2003, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2004 in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedule listed in the index appearing under Item 15(a)(2) presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and financial statement schedule based on our audits. We conducted our audits of these statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP

Tampa, Florida
March 9, 2005

First Advantage Corporation
Consolidated Balance Sheets

	December 31, 2004	December 31, 2003
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,637,000	\$ 5,637,000
Accounts receivable (less allowance for doubtful accounts of \$1,782,000 and \$1,327,000 in 2004 and 2003, respectively)	43,124,000	23,672,000
Income taxes receivable	—	1,282,000
Prepaid expenses and other current assets	2,141,000	2,512,000
Total current assets	52,902,000	33,103,000
Property and equipment, net	22,049,000	19,719,000
Goodwill	305,539,000	204,710,000
Intangible assets, net	40,987,000	18,528,000
Database development costs, net	8,257,000	7,162,000
Other assets	1,619,000	678,000
Total assets	\$ 431,353,000	\$ 283,900,000
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 10,190,000	\$ 4,211,000
Accrued compensation	9,922,000	9,373,000
Accrued liabilities	9,113,000	6,327,000
Due to affiliates	161,000	992,000
Income taxes payable	4,381,000	—
Current portion of long-term debt and capital leases	19,870,000	7,231,000
Total current liabilities	53,637,000	28,134,000
Long-term debt and capital leases, net of current portion	85,910,000	13,473,000
Other liabilities	1,635,000	1,957,000
Total liabilities	141,182,000	43,564,000
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.001 par value; 1,000,000 shares authorized, no shares issued or outstanding	—	—
Class A common stock, \$.001 par value; 75,000,000 shares authorized; 7,226,801 and 4,866,362 shares issued and outstanding as of December 31, 2004 and December 31, 2003, respectively	7,000	5,000
Class B common stock, \$.001 par value; 25,000,000 shares authorized; 16,027,286 shares issued and outstanding as of December 31, 2004 and 2003	16,000	16,000
Additional paid-in capital	271,995,000	233,101,000
Retained earnings	17,895,000	7,214,000
Accumulated other comprehensive income	258,000	—
Total stockholders' equity	290,171,000	240,336,000
Total liabilities and stockholders' equity	\$ 431,353,000	\$ 283,900,000

The accompanying notes are an integral part of these consolidated financial statements.

First Advantage Corporation
Consolidated Statements of Income and Comprehensive Income
For the Years Ended December 31, 2004, 2003 and 2002

	2004	2003	2002
Service revenue	\$ 221,938,000	\$ 134,910,000	\$ 73,040,000
Reimbursed government fee revenue	44,599,000	31,585,000	27,885,000
Total revenue	266,537,000	166,495,000	100,925,000
Cost of service revenue	60,884,000	38,154,000	17,534,000
Government fees paid	44,599,000	31,585,000	27,885,000
Total cost of service	105,483,000	69,739,000	45,419,000
Gross margin	161,054,000	96,756,000	55,506,000
Salaries and benefits	81,904,000	51,178,000	31,863,000
Other operating expenses	45,928,000	30,449,000	15,046,000
Depreciation and amortization	12,542,000	8,428,000	4,096,000
Impairment loss	—	1,739,000	—
Total operating expenses	140,374,000	91,794,000	51,005,000
Income from operations	20,680,000	4,962,000	4,501,000
Interest (expense) income:			
Interest expense	(2,267,000)	(154,000)	(229,000)
Interest income	30,000	41,000	59,000
Total interest (expense), net	(2,237,000)	(113,000)	(170,000)
Income before income taxes	18,443,000	4,849,000	4,331,000
Provision for income taxes	7,762,000	2,046,000	1,629,000
Net income	10,681,000	2,803,000	2,702,000
Other comprehensive income, net of tax:			
Foreign currency translation adjustments	258,000	—	—
Comprehensive income	\$ 10,939,000	\$ 2,803,000	\$ 2,702,000
Per share amounts:			
Basic	\$ 0.49	\$ 0.14	N/A
Diluted	\$ 0.48	\$ 0.14	N/A
Weighted-average common shares outstanding:			
Basic	21,906,507	20,260,854	N/A
Diluted	22,230,642	20,397,587	N/A

The accompanying notes are an integral part of these consolidated financial statements.

First Advantage Corporation
Consolidated Statement of Changes in Stockholders' Equity
For the Years Ended December 31, 2004, 2003 and 2002

	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Retained Earnings	Total
Balance at January 1, 2002	—	\$ —	\$ 51,366,000	\$ —	\$ 1,709,000	\$ 53,075,000
Net income for 2002	—	—	—	—	2,702,000	2,702,000
Contribution from First American - Operations	—	—	84,458,000	—	—	84,458,000
Contribution from First American - Cash	—	—	5,667,000	—	—	5,667,000
Capitalization of entity	1	—	1,000	—	—	1,000
Balance at December 31, 2002	1	\$ —	\$141,492,000	\$ —	\$ 4,411,000	\$145,903,000
Net income for 2003	—	—	—	—	2,803,000	2,803,000
Contribution from First American - Operations	—	—	10,696,000	—	—	10,696,000
Contribution from First American - Cash	—	—	5,269,000	—	—	5,269,000
Class A Shares issued in connection with US SEARCH.com acquisition	3,974,761	4,000	60,147,000	—	—	60,151,000
Class B Shares issued to First American in connection with US SEARCH.com acquisition	16,027,285	16,000	—	—	—	16,000
Class A Shares issued in connection with other acquisitions	864,082	1,000	15,149,000	—	—	15,150,000
Class A Shares issued in connection with stock option plan and employee stock purchase plan	27,519	—	348,000	—	—	348,000
Balance at December 31, 2003	20,893,648	\$21,000	\$233,101,000	\$ —	\$ 7,214,000	\$240,336,000
Net income for 2004	—	—	—	—	10,681,000	10,681,000
Class A Shares issued in connection with other acquisitions	1,361,622	1,000	23,179,000	—	—	23,180,000
Class A Shares issued in connection with stock option plan, employee stock purchase plan and warrants	243,767	—	3,704,000	—	—	3,704,000
Class A Shares issued in connection with convertible notes payable	755,050	1,000	12,011,000	—	—	12,012,000
Other comprehensive income	—	—	—	258,000	—	258,000
Balance at December 31, 2004	23,254,087	\$23,000	\$271,995,000	\$ 258,000	\$17,895,000	\$290,171,000

The accompanying notes are an integral part of these consolidated financial statements.

First Advantage Corporation
Consolidated Statements of Cash Flows
For the Years Ended December 31, 2004, 2003 and 2002

	2004	2003	2002
Cash flows from operating activities:			
Net income	\$ 10,681,000	\$ 2,803,000	\$ 2,702,000
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,542,000	8,428,000	4,096,000
Impairment loss	—	1,739,000	—
Change in operating assets and liabilities, net of acquisitions:			
Accounts receivable	(9,468,000)	(1,851,000)	(390,000)
Prepaid expenses and other current assets	655,000	(5,000)	(82,000)
Other assets	8,824,000	1,291,000	216,000
Accounts payable	4,236,000	(7,167,000)	(1,030,000)
Accrued liabilities	(3,178,000)	(7,938,000)	(6,154,000)
Due to affiliates	(866,000)	213,000	—
Income taxes payable	2,749,000	(1,798,000)	2,976,000
Accrued compensation and other liabilities	(2,211,000)	6,076,000	3,145,000
Net cash provided by operating activities	23,964,000	1,791,000	5,479,000
Cash flows from investing activities:			
Database development costs	(1,477,000)	(2,156,000)	(2,835,000)
Purchases of property and equipment	(6,751,000)	(1,867,000)	(3,321,000)
Cash paid for acquisitions	(58,455,000)	(10,930,000)	—
Net book value of businesses acquired by First American	—	—	(2,693,000)
Cash balance of companies acquired	3,721,000	1,967,000	4,111,000
Net cash used in investing activities	(62,962,000)	(12,986,000)	(4,738,000)
Cash flows from financing activities:			
Proceeds from long-term debt	72,000,000	9,000,000	—
Repayment of long-term debt	(34,768,000)	(4,299,000)	(1,182,000)
Cash contributions from First American	—	5,269,000	5,668,000
Proceeds from Class A Shares issued in connection with stock option plan and employee stock purchase plan	3,704,000	348,000	—
Net cash provided by financing activities	40,936,000	10,318,000	4,486,000
Effect of exchange rates on cash	62,000	—	—
Increase (decrease) in cash and cash equivalents	2,000,000	(877,000)	5,227,000
Cash and cash equivalents at beginning of period	5,637,000	6,514,000	1,287,000
Cash and cash equivalents at end of period	\$ 7,637,000	\$ 5,637,000	\$ 6,514,000
Supplemental disclosures of cash flow information:			
Cash paid for interest	\$ 2,063,000	\$ 170,000	\$ 116,000
Cash paid for income taxes	\$ 224,000	\$ 62,800	\$ —
Non-cash investing and financing activities:			
Operations contributed by First American	\$ —	\$ 10,696,000	\$84,458,000
Common stock issued in connection with US SEARCH.com acquisition	\$ —	\$ 60,167,000	\$ —
Class A Shares issued in connection with other acquisitions	\$ 23,180,000	\$ 15,150,000	\$ —
Class A Shares issued in connection with convertible debt	\$ 12,012,000	\$ —	\$ —
Debt issued in connection with acquisitions	\$ 58,970,000	\$ 11,250,000	\$ —

The accompanying notes are an integral part of these consolidated financial statements.

First Advantage Corporation
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2004, 2003 and 2002

1. Organization and Nature of Business

In June 2003, First Advantage Corporation (the "Company"), a newly formed holding company, acquired US SEARCH.com and six operating subsidiaries of The First American Corporation ("First American") that formerly comprised its First American Screening Technologies ("FAST") division. The operating subsidiaries included HireCheck, Inc., First American Registry, Inc., Substance Abuse Management, Inc., American Driving Records, Inc., Employee Health Programs, Inc., and SafeRent, Inc. First American owns approximately 69% of the shares of capital stock of the Company as of December 31, 2004. The Class B common stock owned by First American is entitled to ten votes per share on all matters presented to the stockholders for vote.

The Company provides best-in-class single-source solutions for global risk mitigation and enterprise and consumer screening needs. The Company operates in three primary business segments; Enterprise Screening, Risk Mitigation and Consumer Direct.

The Enterprise Screening segment includes employment background screening, occupational health services, resident screening services and tax incentive services.

The Risk Mitigation segment includes motor vehicle records and investigative services.

The Consumer Direct segment provides consumers with a single, comprehensive access point to a broad range of information to assist them in locating people and other public data searches.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Company's operating results for the year ended December 31, 2004, 2003 and 2002 include results for the acquired entities from their respective dates of acquisition. The Company's operating results for the year ended December 31, 2003, include results for the FAST division from January 2003 and the results for US SEARCH.com from June 2003. The Company's operating results for the year ended December 31, 2002 include results for the FAST division only.

Certain amounts for the year ended December 31, 2003, and 2002 have been reclassified to conform to the 2004 presentation.

Principles of Consolidation

The consolidated financial statements for the year ended December 31, 2004 include the accounts of the Company and all majority owned subsidiaries. All significant inter-company transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the statements. Actual results could differ from the estimates and assumptions used.

Fair Value of Financial Instruments

The carrying amount of the Company's financial instruments at December 31, 2004 and 2003, which includes cash and cash equivalents and accounts receivable, approximates fair value because of the short maturity

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of those instruments. The Company considers the variable rate debt to be representative of current market rates and, accordingly, estimates that the recorded amounts approximate fair market value. Fair value estimates of the fixed rate debt were determined using discounted cash flow methods with a discount rate of 5.25% and 4.0%, which is the rate that similar instruments could be negotiated at December 31, 2004 and 2003, respectively.

The estimated fair values of the Company's financial instruments, none of which are held for trading purposes, are summarized as follows:

	December 31, 2004		December 31, 2003	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Cash and cash equivalents	\$ 7,637,000	\$ 7,637,000	\$ 5,637,000	\$ 5,637,000
Accounts receivable	43,124,000	43,124,000	23,672,000	23,672,000
Long-term debt and capital leases	(105,780,000)	(105,462,000)	(20,704,000)	(20,554,000)

Cash Equivalents

The Company considers cash equivalents to be all short-term investments that have an initial maturity of 90 days or less.

Accounts Receivable

Accounts receivable are due from companies in a broad range of industries located throughout the United States. Credit is extended based on an evaluation of the customer's financial condition, and generally, collateral is not required.

The allowance for all probable uncollectible receivables is based on a combination of historical data, cash payment trends, specific customer issues, write-off trends, general economic conditions and other factors. These factors are continuously monitored by management to arrive at the estimate for the amount of accounts receivable that may be ultimately uncollectible. In circumstances where the Company is aware of a specific customer's inability to meet its financial obligations, the Company records a specific allowance for bad debts against amounts due, to reduce the net recognized receivable to the amount it reasonably believes will be collected. This analysis requires making significant estimates, and changes in facts and circumstances which could result in material changes in the allowance for uncollectible receivables. Management believes that the allowance at December 31, 2004 and 2003 is reasonably stated.

Property and Equipment

Property and equipment are recorded at cost. Property and equipment includes computer software acquired and developed for internal use. Software development costs are capitalized from the time technological feasibility is established until the software is ready for use.

The Company follows Statement of Position ("SOP") 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use." SOP 98-1 requires the Company to capitalize interest costs incurred and certain payroll-related costs of employees directly associated with developing software in addition to incremental payments to third parties.

Depreciation on leasehold improvements is computed on the straight-line method over the shorter of the life of the asset, or the lease term, ranging from 3 to 10 years. Depreciation on data processing equipment and

First Advantage Corporation
Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

furniture and equipment is computed using the straight-line method over their estimated useful lives ranging from 3 to 10 years. Capitalized software costs are amortized using the straight-line method over estimated useful lives of 3 to 5 years.

Database Development Costs

Database development costs represent the cost to develop the proprietary databases of information for customer usage. The costs are capitalized from the time technological feasibility is established until the information is ready for use. These costs are amortized using the straight-line method over estimated useful life of 7 years.

Goodwill and Other Intangible Assets

Other intangibles, which include customer lists and covenants not to compete, are amortized over their estimated useful lives, ranging from 2 to 20 years. The Company regularly evaluates the amortization period assigned to each intangible asset to ensure that there have not been any events or circumstances that warrant revised estimates of useful lives. The Company has selected September 30 as the annual valuation date to test goodwill for impairment. The valuation is performed by a third party.

The Statement of Financial Accounting Standards (“SFAS”) No.142, “Goodwill and Other Intangible Assets,” impairment testing process includes two phases. The first phase (Test 1) compares the fair value of each reporting unit to its book value. The fair value of each reporting unit is determined by using discounted cash flow analysis, market approach valuations and third-party valuation advisors. If the fair value of the reporting unit exceeds its book value, the goodwill is not considered impaired and no additional analysis is required. However, if the book value is greater than the fair value, a second test (Test 2) must be completed to determine if the fair value of the goodwill exceeds the book value of the goodwill. The fair value of the goodwill is determined by discounted cash flow analysis and appraised values.

Purchase Accounting

The purchase method of accounting requires companies to assign values to assets and liabilities acquired based upon their fair values. In most instances there is not a readily defined or listed market price for individual assets and liabilities acquired in connection with a business, including intangible assets. The determination of fair value for assets and liabilities in many instances requires a high degree of estimation. The valuation of intangible assets, in particular is very subjective. The Company generally uses internal cash flow models and in certain instances third party valuations in estimating fair values. The use of different valuation techniques and assumptions could change the amounts and useful lives assigned to the assets and liabilities acquired, including goodwill and other intangible assets and related amortization expense. Amounts allocated to certain assets and liabilities as of December 31, 2004 are based on preliminary estimates of fair value and may be revised in 2005. The Company does not anticipate that revisions to the amounts allocated to acquired assets and liabilities, if any, will be significant to the Company’s financial statements.

Income Taxes

Taxes are based on income for financial reporting purposes and include deferred taxes applicable to temporary differences between the financial statement carrying amount and the tax basis of certain of the Company’s assets and liabilities. The tax provision has been calculated on a separate return basis. The Company’s income tax returns are filed either on a separate company basis or as part of the consolidated income tax returns of First American, depending on when an operating subsidiary was acquired and the rules of the

First Advantage Corporation
Notes to Consolidated Financial Statements—(Continued)
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jurisdiction. The Company has a tax sharing arrangement with First American whereby the Company will fund any tax liabilities due related to its operations and First American will repay any refunds received related to the Company's operations.

Impairment of Long-Lived Assets

With respect to long-lived assets to be held and used, an asset (or group of assets) will be considered impaired when the expected undiscounted cash flows from use and/or disposition are less than the asset's carrying value. The amount of any impairment charge will be based on the difference between the carrying and fair value of the asset. The determination of fair values considers quoted market prices, if available, and prices for similar assets and the results of other valuation techniques.

For assets to be sold, an asset (or group of assets) that meets the criteria established by SFAS No. 144, "Accounting for the Impairment of Disposal of Long Lived Assets," for classification of assets held for sale will be carried at the lower of carrying amount or fair value less cost to sell.

Revenue Recognition

Revenue is recognized at the time of delivery of the reports, as the Company has no ongoing obligation after delivery. Revenue from investigative services is recognized as services are performed. In accordance with generally accepted accounting principles, the Company includes reimbursed government fees in revenue and in cost of service.

Comprehensive Income

SFAS No. 130, "Reporting Comprehensive Income", governs the financial statement presentation of changes in stockholders' equity resulting from non-owner sources. Comprehensive income includes all changes in equity except those resulting from investments by owners and distribution to owners.

Stock Based Compensation

The Company adopted SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure," as of January 1, 2003 with respect to the disclosure requirements. The Company has elected to continue accounting for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations. The fair value for each option grant is estimated using the Black-Scholes pricing model assuming a dividend yield of 0%; expected volatility of 34%; a weighted-average risk free interest rate of 4.13% and an expected life of nine years. If the Company had elected or was required to apply the fair value recognition provisions of SFAS No. 123, "Accounting for Stock Based Compensation," to stock-based employee compensation, net income and net income per share would have been reduced to the pro forma amounts indicated in the following table.

	Year Ended December 31, 2004	Year Ended December 31, 2003
Net income, as reported	\$ 10,681,000	\$ 2,803,000
Less: stock based compensation expense, net of tax	3,197,000	1,428,000
Pro forma net income	<u>\$ 7,484,000</u>	<u>\$ 1,375,000</u>
Earnings per share:		
Basic, as reported	\$ 0.49	\$ 0.14
Basic, pro forma	\$ 0.34	\$ 0.07
Diluted, as reported	\$ 0.48	\$ 0.14
Diluted, pro forma	\$ 0.34	\$ 0.07

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In December 2004, the FASB issued SFAS No. 123R (Revised 2004), "Share-Based Payment." SFAS No. 123R is a revision of FASB Statement 123 "Accounting for Stock-Based Compensation" and supersedes APB Opinion No. 25 "Accounting for Stock Issued to Employees" and its related implementation guidance. The Statement focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions. SFAS No. 123R requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). The cost will be recognized over the period during which an employee is required to provide services in exchange for the award. This statement is effective as of the beginning of the first interim or annual reporting period that begins after June 15, 2005. The Company will adopt the standard in the third quarter of fiscal year 2005. The Company has not determined the impact, if any, that this statement will have on its consolidated financial position or results of operations.

3. Acquisitions

During 2004, the Company acquired fourteen businesses. The acquisitions have been included in the Company's Enterprise Screening and Risk Mitigation segments. The preliminary allocation of the purchase price is based upon estimates of the assets and liabilities acquired in accordance with SFAS No.141, "Business Combinations."

The aggregate purchase price of these acquisitions is as follows:

Cash	\$ 58,455,000
Notes payable	47,197,000
Convertible notes payable	11,773,000
Class A Shares issued	23,180,000
	<hr/>
Purchase price	\$ 140,605,000
	<hr/>

As of December 31, 2004, all convertible notes payable have been converted to Class A shares.

The allocation of the aggregate purchase price of the acquisitions in 2004 is as follows:

Goodwill	\$ 109,716,000
Identifiable intangible assets	26,001,000
Net assets acquired	4,888,000
	<hr/>
	\$ 140,605,000
	<hr/>

The changes in the carrying amount of goodwill, by operating segment, for the year ended December 31, 2004 are as follows:

Operating Segment	Enterprise Screening	Risk Mitigation	Consumer Direct	Consolidated
	<hr/>	<hr/>	<hr/>	<hr/>
Balance, at December 31, 2003	\$ 115,595,000	\$ 63,539,000	\$ 25,576,000	\$ 204,710,000
Acquisitions	72,972,000	36,744,000	—	109,716,000
Adjustments to net assets acquired	577,000	348,000	153,000	1,078,000
Utilization of pre-acquisition tax loss carryforwards	(6,562,000)	—	(3,403,000)	(9,965,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance, at December 31, 2004	\$ 182,582,000	\$ 100,631,000	\$ 22,326,000	\$ 305,539,000
	<hr/>	<hr/>	<hr/>	<hr/>

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Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

In June 2003, the Company acquired US SEARCH.com for a total purchase price of approximately \$60.2 million. The purchase price was based upon an estimate of the fair value of the net assets of the FAST division contributed by First American to the Company in the mergers and estimated direct costs of the mergers. The allocation of the purchase price is based upon estimates of the assets and liabilities acquired in accordance with SFAS No.141, "Business Combinations." In connection with the acquisition of US SEARCH.com, approximately \$2.4 million of severance costs were accrued and included in net assets acquired in the allocation of the purchase price. In 2003, approximately \$1.2 million of these severance costs were paid and charged to the accrual. The balance of the severance costs were paid in 2004. A full determination of the purchase price allocation was made concurrent with the effective acquisition date based on internal cash flow models and third party valuation analysis of tangible and intangible assets.

The allocation of the purchase price of the acquisition is as follows:

Fair value of FAST Division net assets	\$ 173,000,000
Fair value of 20% of the FAST Division net assets contributed	\$ 34,600,000
Net cash infusion from First American	295,000
Merger related closing costs	6,772,000
Cash loaned to US SEARCH.com by First American	1,448,000
Total consideration paid by First American for 80% of US SEARCH.com	\$ 43,115,000
Value of 100% of US SEARCH.com	\$ 53,894,000
Value of vested options and outstanding warrants of US SEARCH.com	6,273,000
Purchase price	\$ 60,167,000

In applying the purchase method of accounting, management undertook a comprehensive review of the acquired entities to ensure that all identifiable assets and liabilities are properly recorded at their fair value. The acquisition of these companies was based on management's consideration of past and expected future performance as well as the potential strategic fit with the long-term goals of First Advantage. The expected long-term growth, market position and expected synergies to be generated by inclusion of these companies are the primary factors which gave rise to an acquisition price which resulted in the recognition of goodwill.

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Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

In determining fair value, the Company utilizes a variety of valuation techniques including discounted cash flow analysis and outside appraisals to the extent necessary given materiality and complexity. All excess purchase price is appropriately recorded as goodwill. The useful lives for all assets recorded in purchase accounting are based on market conditions, contractual terms and other appropriate factors.

Unaudited pro forma results of operations assuming all of the acquisitions were consummated on January 1, 2003 are as follows:

	2004	2003
Total revenue	\$ 291,281,000	\$ 274,367,000
Net income (loss)	\$ 11,302,000	\$ (1,467,000)
Earnings (loss) per share:		
Basic	\$ 0.49	\$ (0.06)
Diluted	\$ 0.49	\$ (0.06)
Weighted-average common shares outstanding:		
Basic	23,142,604	22,999,122
Diluted	23,299,219	23,135,935

4. Goodwill and Intangible Assets

The Company's reporting units for purposes of allocating goodwill and testing for impairment are the following: (i) employment background screening, occupational health services and tax incentive services; (ii) resident screening; (iii) risk mitigation services, and (iv) consumer direct.

In accordance with the adoption of SFAS No.142, "Goodwill and Other Intangible Assets," the Company completed the transitional goodwill impairment test for all reporting units and determined that each reporting unit had a fair value in excess of carrying value, therefore, no goodwill impairment was recorded. The annual test for impairment was again performed in 2004, by a third party (using the September 30 valuation date) and the results were the same. Each reporting unit had a fair value in excess of carrying value and no goodwill impairment was recorded.

The Company has approximately \$41 million of intangible assets at December 31, 2004, with definite lives ranging from 2 to 20 years.

Goodwill and other intangible assets for the years ended December 31, 2004 and 2003 are as follows:

	2004	2003
Goodwill	\$ 305,539,000	\$ 204,710,000
Intangible assets:		
Customer lists	\$ 42,234,000	\$ 19,179,000
Noncompete agreements	3,356,000	1,306,000
Other	911,000	12,000
	46,501,000	20,497,000
Less accumulated amortization	(5,514,000)	(1,969,000)
Intangible assets, net	\$ 40,987,000	\$ 18,528,000

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Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

Amortization expense of other intangible assets was approximately \$3,542,000, \$1,310,000 and \$390,000 for the years ended December 31, 2004, 2003 and 2002, respectively. Amortization expense relating to intangible asset balances as of December 31, 2004 is expected to be as follows over the next five years:

2005	\$ 4,865,000
2006	4,789,000
2007	4,304,000
2008	4,016,000
2009	4,009,000
Thereafter	19,004,000
	<u>\$ 40,987,000</u>

The change in the carrying amount of intangible assets is as follows for the year ending December 31, 2004:

	<u>Intangible Assets</u>
Balance, at December 31, 2003	\$18,528,000
Acquisitions	26,001,000
Amortization	<u>(3,542,000)</u>
Balance, at December 31, 2004	<u>\$40,987,000</u>

5. Property and Equipment

As of December 31, 2004 and 2003, property and equipment is as follows:

	<u>2004</u>	<u>2003</u>
Furniture and equipment	\$ 5,546,000	\$ 4,737,000
Data processing equipment	7,395,000	6,639,000
Capitalized software	26,691,000	19,407,000
Leasehold improvements	2,623,000	2,230,000
	<u>42,255,000</u>	<u>33,013,000</u>
Less accumulated depreciation	<u>(20,206,000)</u>	<u>(13,294,000)</u>
Property and equipment, net	<u>\$ 22,049,000</u>	<u>\$ 19,719,000</u>

Depreciation and amortization expense was approximately \$7,281,000, \$5,767,000 and \$2,708,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

An impairment charge of approximately \$1.7 million was recorded in 2003 for capitalized software that is in the process of being replaced by a new operating system for the Enterprise Screening segment. The carrying value of the software was reduced to \$524,000, its estimated fair value. There is no active market for this proprietary software. The fair value was determined by management and is based upon estimated replacement cost and the remaining useful life of the software.

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Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

The capitalized cost of equipment under capital leases, which is included in data processing equipment in the accompanying consolidated balance sheets, was as follows at December 31:

	2004	2003
Property and equipment	\$ 619,000	\$ 619,000
Less accumulated depreciation	(578,000)	(530,000)
	<u>\$ 41,000</u>	<u>\$ 89,000</u>

6. Database Development Costs

Database development costs for the years ended December 31, 2004 and 2003 are as follows:

	2004	2003
Eviction data	\$ 11,892,000	\$ 9,617,000
Criminal data	2,094,000	1,586,000
Less accumulated amortization	(5,729,000)	(4,041,000)
Database development costs	<u>\$ 8,257,000</u>	<u>\$ 7,162,000</u>

Amortization expense relating to database development costs was approximately \$1,719,000, \$1,351,000 and \$998,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

7. Debt

On July 31, 2003, the Company entered into a \$15 million loan agreement (the "Note") with a bank (the "Loan Agreement"). On September 7, 2004, the Loan Agreement was amended whereby the Company's available borrowings thereunder were increased from \$15 million to \$20 million. The Note matures July 31, 2006. The outstanding principal balance under the related Note cannot exceed the lesser of \$20 million or 80% of eligible accounts receivable, as defined in the Loan Agreement. The Note bears interest at the 30-day LIBOR rate plus an applicable margin ranging from 1.25% per annum to 2.5% per annum. The Loan Agreement provides that the Company must adhere to certain financial covenants. One of the financial covenants requires the maintenance of a "Funded Debt to EBITDA" ratio not to exceed 2.5 to 1.0. Funded Debt is defined as all outstanding liabilities for borrowed money and other interest bearing liabilities less the non-current portion of subordinated liabilities. EBITDA, as defined in the Loan Agreement, means net income less income or plus losses from discontinued operations and extraordinary items, plus all of the following: income taxes, interest expense, depreciation, amortization, depletion and other non-cash charges. A second financial covenant requires that the Company maintain a "Debt Service Coverage Ratio", as defined in the Loan Agreement, of at least 1.5 to 1. At December 31, 2004, the Company was in compliance with the financial covenants of the Loan Agreement.

On March 18, 2004, the Company entered into a three year \$25 million uncollateralized revolving line of credit with a bank (the "Line of Credit"). The Line of Credit is guaranteed by First American. The Line of Credit bears interest at a rate equal to the 30-day LIBOR Rate plus an applicable margin ranging from 1.29% per annum to 2.29% per annum. Accrued interest is payable monthly. The Line of Credit matures in March, 2007.

On July 31, 2003, the Company entered into a Promissory Note with First American. The loan evidenced by the Promissory Note is a \$10 million uncollateralized revolving loan, with interest payable monthly. The principal balance of the Promissory Note is payable on July 31, 2006. The Promissory Note is subordinated to the \$20 million bank debt and bears interest at the rate payable under the \$20 million bank debt plus 0.5% per annum.

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On April 27, 2004, the Company entered into a Promissory Note with First American. The loan evidenced by the Promissory Note is a \$20 million uncollateralized revolving loan, with interest payable monthly. The principal balance of the Promissory Note is due on July 31, 2006. The Promissory Note is subordinated to the bank Loan Agreement and Line of Credit and bears interest at the rate payable under the \$20 million bank Loan Agreement plus 0.5% per annum.

Long-term debt consists of the following at December 31:

	2004	2003
Acquisition notes:		
Weighted average interest rate of 4.5% and 2.4% at December 31, 2004 and 2003, respectively, with maturities through 2008	\$ 45,550,000	\$ 10,031,000
Bank notes:		
\$20 million Loan Agreement, interest at 30-day LIBOR plus 1.25% (3.65% and 2.51% at December 31, 2004 and 2003, respectively), matures July 2006	12,500,000	9,000,000
\$25 million Line of Credit, interest at 30-day LIBOR plus 1.39% (3.79% at December 31, 2004), matures March 2007	25,000,000	—
Promissory Notes with First American:		
\$10 million revolving loan, interest at 30-day LIBOR plus 1.75% (4.15% at December 31, 2004), matures July 2006	10,000,000	—
\$20 million revolving loan, interest at 30-day LIBOR plus 1.89% (4.29% at December 31, 2004), matures July 2006	12,500,000	—
Promissory Note (related to US SEARCH.com acquisition):		
Interest rate of 5%, principal and interest payments monthly of \$127,000, matures December 2004	—	1,430,000
Capital leases and other debt:		
Various interest rates with maturities through 2006	230,000	243,000
Total long-term debt and capital leases	105,780,000	20,704,000
Less current portion of long-term debt and capital leases	19,870,000	7,231,000
Long-term debt and capital leases, net of current portion	\$ 85,910,000	\$ 13,473,000

Aggregate maturities of long-term borrowings over the next four years are as follows:

Year ending December 31,	
2005	\$ 19,870,000
2006	50,025,000
2007	30,885,000
2008	5,000,000
Total	\$ 105,780,000

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Notes to Consolidated Financial Statements—(Continued)
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8. Income Taxes

The provision (benefit) for income taxes are summarized as follows:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Current:			
Federal	\$ (652,000)	\$ (653,000)	\$ 1,036,000
State	711,000	535,000	540,000
	<u>59,000</u>	<u>(118,000)</u>	<u>1,576,000</u>
Deferred:			
Federal	6,330,000	2,272,000	171,000
State	1,373,000	(108,000)	(118,000)
	<u>7,703,000</u>	<u>2,164,000</u>	<u>53,000</u>
Total current and deferred	<u>\$ 7,762,000</u>	<u>\$ 2,046,000</u>	<u>\$ 1,629,000</u>

Income taxes differ from the amounts computed by applying the federal income tax rate of 35.0%. A reconciliation of the difference is as follows:

	<u>2004</u>	<u>2003</u>	<u>2002</u>
Taxes calculated at federal rate	\$ 6,446,000	\$ 1,697,000	\$ 1,516,000
Amortization expense	—	(12,000)	—
State taxes, net of federal benefit	1,355,000	278,000	274,000
Exclusion of certain meals and entertainment expenses	178,000	121,000	74,000
Other items, net	(217,000)	(38,000)	(235,000)
	<u>\$ 7,762,000</u>	<u>\$ 2,046,000</u>	<u>\$ 1,629,000</u>

The primary components of temporary differences that give rise to the Company's net deferred tax liability is as follows:

	<u>2004</u>	<u>2003</u>
Deferred tax assets:		
Federal net operating loss carryforwards	\$ 43,635,000	\$ 40,174,000
State net operating loss carryforwards	5,758,000	6,892,000
State tax	78,000	—
Bad debt reserves	788,000	557,000
Employee benefits	775,000	549,000
Accrued expenses and loss reserves	82,000	1,115,000
Deferred revenue	139,000	—
Less: valuation allowance	(36,720,000)	(38,279,000)
	<u>14,535,000</u>	<u>11,008,000</u>
Deferred tax liabilities:		
Depreciable and amortizable assets	14,370,000	9,156,000
State tax	—	1,852,000
Other	165,000	—
	<u>14,535,000</u>	<u>11,008,000</u>
Net deferred tax liability	<u>\$ —</u>	<u>\$ —</u>

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Notes to Consolidated Financial Statements—(Continued)
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As of December 31, 2004, the Company has federal and state net operating losses of approximately \$124.7 million and \$71.9 million, respectively. The \$124.7 million federal and \$71.9 of state net operating losses were generated by various subsidiaries prior to their acquisition by the Company. The use of these acquired net operating losses is subject to limitations imposed by the Internal Revenue Code and state jurisdictions. The net operating losses begin to expire at various times beginning in 2008. Management's assessment is that the character and nature of the future taxable income may not allow the Company to realize certain tax benefits of net operating losses within the prescribed carry forward periods. Accordingly, an appropriate valuation allowance has been made. To the extent that the acquired net operating losses are used to offset future taxable income, an adjustment to goodwill will be recorded.

9. Employee Benefits

Effective January 1, 2004, the Company created the First Advantage Corporation 401(k) Plan (the "Savings Plan"). All employees of the Company who participated in the First American Corporation 401(k) Savings Plan (the "First American Plan") were transferred into the Company's Savings Plan. A total of 2.0 million shares of First Advantage Class A common stock is reserved for issuance in connection with the Savings Plan. The Savings Plan allows for employee-elective contributions up to the maximum deductible amount as determined by the Internal Revenue Code. The Company makes contributions to the Savings Plan based on profitability, as well as contributions of the participants. The Company's expense related to the Savings Plan amounted to approximately \$898,000 for the year ended December 31, 2004.

Prior to January 1, 2004, employees of the Company were eligible to participate in the First American Plan, which was available to substantially all employees. The Company's expense related to the First American Plan amounted to approximately \$1,506,000 and \$652,000 for the years ended December 31, 2003 and 2002, respectively.

Certain employees of the Company are eligible to participate in First American's defined benefit pension plan. The Company expensed payments to the pension plan of approximately \$268,000, \$210,000 and \$228,000 for the years ended December 31, 2004, 2003 and 2002, respectively. The actuarial present value of accumulated plan benefits and net assets available for benefits to the Company's employees under this plan is not readily available.

In August 2003, the Company's board of directors approved the First Advantage Corporation 2003 Employee Stock Purchase Plan (the "Stock Purchase Plan"). The Stock Purchase Plan, which is intended to qualify under Section 423 of the Internal Revenue Code, allows eligible employees to purchase First Advantage Class A common stock through payroll deductions for 85% of the fair market value of the First Advantage Class A common stock. Participation in the plan is voluntary. Eligible employees may participate by authorizing payroll deductions of up to 15% of their base pay for each payroll period. At the end of each one-month offering period, each participant will receive an amount of First Advantage Class A common stock equal to the sum of that participant's payroll deductions during such period divided by 85% of the fair market value of the common stock at the end of the period. No employee may participate in the plan if such employee owns or would own after the purchase of shares under the plan, 5% or more of the voting power of all classes of First Advantage stock. Shares of First Advantage Class A common stock issued under the Stock Purchase Plan must be held for a period of one year. A total of 1.0 million shares of First Advantage Class A common stock is reserved for issuance under the plan. A total of 19,198 and 3,492 shares have been issued in connection with the plan for the years ended December 31, 2004 and 2003, respectively.

First Advantage Corporation
Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

10. Related Parties

First American provides certain legal, financial, technology, administrative and managerial support services to the Company. Prior to April 1, 2003, the amounts allocated to the Company were based on reasonable assumptions (primarily usage, time incurred and number of employees) as to the proportion of the services used by the Company in relation to the actual costs incurred by First American in providing the services. The Company recognized expenses of approximately \$457,000 and \$1,565,000 in 2003 and 2002, respectively, relating to these services.

The Company and First American entered into a services agreement, which was implemented on April 1, 2003 and continued through December 31, 2003. Human resources systems and payroll systems and support, network services and financial systems were provided at an annual cost of approximately \$300,000. Legal and tax support, human resources support, investor relations and corporate communications support, accounting and financial management support, strategic planning and general management support were provided at an annual cost of approximately \$600,000 plus reasonable out of pocket expenses. In addition, certain other services including pension and 401(k) expenses, corporate and medical insurance, personal property leasing and company car programs were provided at actual cost. The Company incurred approximately \$675,000 in related service fees for the year ended December 31, 2003.

An amended and restated services agreement was entered into on January 1, 2004. Under the terms of the new agreement, human resources systems and payroll systems and support, network services and financial systems are provided at an annual cost of approximately \$300,000. In addition, certain other services including pension and 401(k) expenses, corporate and medical insurance, personal property leasing and company car programs are provided at actual cost. The initial term of the agreement is for one year, and self renews every six months. The Company incurred approximately \$300,000 in service fees for the year ended December 31, 2004.

In 2004, the Company incurred costs of approximately \$150,000 for internal audit services provided by First American.

Effective January 1, 2003, the Company and a subsidiary of First American entered into an agreement whereby the Company will act as an agent in selling renters insurance. The Company receives a commission of 12% of the insurance premiums and 20% of the profits (as defined in the agreement) of the insurance premiums written. Commissions earned in 2004 and 2003 were approximately \$87,000 and \$11,000 respectively.

The Company performs employment screening services for First American. Total revenue from First American was approximately \$422,000, \$353,000 and \$249,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

First Advantage Corporation
Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

Prior to June 2003, First American contributed certain operations relating to businesses acquired and has also forgiven certain amounts owed by the Company in connection with the acquisitions and in the funding of operations of the Company. Net assets, in connection with acquisitions, contributed to the Company by First American totaled approximately \$10,696,000 and \$84,458,000 in 2003 and 2002, respectively. These amounts have been treated as additional paid-in capital in the accompanying financial statements. Amounts contributed to the Company by First American to fund operations are as follows:

	2003	2002
Allocated selling, general & administrative expenses	\$ 457,000	\$ 1,565,000
Cash advances	809,000	2,776,000
Other, net	4,003,000	1,327,000
	\$ 5,269,000	\$ 5,668,000

11. Commitments and Contingencies

Operating Leases

The Company leases certain office facilities, automobiles and equipment under operating leases, which, for the most part, are renewable. The majority of these leases also provide that the Company will pay insurance and taxes. Rent expense under operating leases was approximately \$9,017,000, \$5,082,000 and \$2,860,000 for the years ended December 31, 2004, 2003 and 2002, respectively.

Future minimum rental payments under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of December 31, 2004, are as follows:

Year ending December 31,	
2005	\$ 7,523,000
2006	6,369,000
2007	4,685,000
2008	3,343,000
2009	3,069,000
Thereafter	7,466,000
	\$ 32,455,000

Litigation

The Company is involved in litigation from time to time in the ordinary course of business. The Company does not believe that the outcome of any pending or threatened litigation will have a material adverse effect on the Company's financial position or operating results.

12. Earnings Per Share

Pursuant to the provisions of SFAS No.128 "Earnings Per Share", basic earnings per share is computed by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per share is computed by dividing net income by the weighted average number of shares of common stock and common stock equivalents outstanding during the period. Dilutive common stock equivalents represent shares issuable upon assumed exercise of stock options and warrants. Options and warrants totaling 1,862,494 and 2,140,712 in 2004 and 2003, respectively, were excluded from the weighted average diluted shares outstanding, as they were antidilutive.

First Advantage Corporation
Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

A reconciliation of earnings per share and weighted-average shares outstanding is as follows:

	2004	2003
Net Income - numerator for basic and fully diluted earnings per share	\$ 10,681,000	\$ 2,803,000
Denominator:		
Weighted-average shares for basic earnings per share	21,906,507	20,260,854
Effect of dilutive securities - employee stock options and warrants	324,135	136,733
Denominator for diluted earnings per share	22,230,642	20,397,587
Earnings per share:		
Basic	\$ 0.49	\$ 0.14
Diluted	\$ 0.48	\$ 0.14

13. Stock Option Plans

Incentive Compensation Plan

The Company's board of directors has adopted the 2003 First Advantage Incentive Compensation Plan. The plan is intended to promote the long-term success of the Company and increase stockholder value by attracting, motivating, and retaining key employees of the Company and its subsidiaries and affiliates, and by motivating consultants who provide significant services to the Company and its subsidiaries and affiliates. To achieve this purpose, the plan allows the granting of stock options, stock appreciation rights, restricted stock awards, performance unit awards, performance share awards and cash-based awards to eligible persons.

Subject to adjustment for certain changes in the Company's capitalization, a total of 3.0 million shares of First Advantage Class A common stock is available for issuance under the plan. The plan is administered by the compensation committee of the board of directors of the Company.

Upon the occurrence of a change of control transaction (as defined in the plan), generally all awards under the plan accelerate, all restrictions are lifted and all performance goals are achieved, subject to certain limitations. The committee may provide that any award, the payment of which was deferred under the plan, will be paid or distributed as of, or promptly following, a change of control transaction. The committee may also provide that any awards subject to any such acceleration, payment, adjustment or conversion cannot be exercised after, or will terminate as of, a change of control transaction.

At December 31, 2004, stock options to purchase 2,525,000 shares of the Company's common stock were granted under the First Advantage Corporation 2003 Incentive Compensation Plan, Inc. The Company accounts for these stock options in accordance with APB Opinion No. 25, "Accounting for Stock Issued to Employees" and related Interpretations. Accordingly, the Company does not recognize compensation cost in connection with these plans, as all options granted under these plans had an exercise price equal to the market value of the Company's common stock on the date of grant.

Warrants and Options to Purchase Class A Common Stock, Assumed in the Merger

The Company agreed to assume the obligations of US SEARCH.com contained in all warrants to purchase common stock of US SEARCH.com outstanding on the closing date of the merger. Pursuant to the merger agreement and the terms of the warrants, the holders of the warrants are entitled to receive upon exercise thereof 0.04 of a share of First Advantage Class A common stock for each share of US SEARCH.com common stock that such warrant holder would have been entitled to receive pursuant to the warrant prior to the closing of the

First Advantage Corporation
Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

merger. The Company had outstanding warrants to purchase up to 316,339 and 347,436 shares of its common stock at exercise prices ranging from \$0.25 to \$29.38 per share, as of December 31, 2004 and 2003, respectively.

All outstanding stock options, stock appreciation rights, limited stock appreciation rights and stock purchase rights of US SEARCH.com were assumed by the Company and converted automatically into options to purchase shares of First Advantage Class A common stock calculated in accordance with the exchange ratio, rounded down to the nearest whole share. The exercise price is equal to the exercise price per share of US SEARCH.com common stock divided by the exchange ratio, rounded down to the nearest whole cent. The outstanding stock options, stock appreciation rights, limited stock appreciation rights and stock purchase rights of US SEARCH.com otherwise continue to be exercisable and vest subject to the terms and conditions applicable to them before the mergers. However, all outstanding stock options issued to US SEARCH.com employees and directors pursuant to the US SEARCH.com Amended and Restated 1998 Stock Incentive Plan and all outstanding stock options issued to US SEARCH.com's non-employee directors pursuant to the US SEARCH.com 1999 Non-Employee Directors' Stock Option Plan accelerated and became fully vested upon the occurrence of the mergers. As of December 31, 2004, the Company had outstanding options (previously issued by US SEARCH.com) to purchase up to 295,893 shares of its common stock at exercise prices ranging from \$7.00 to \$242.25 per share.

A total of 217,658 options were exercised at an average price of \$15.71 and 508,294 options were forfeited at an average price of \$45.92 in 2004.

A total of 11,716 options were exercised at an average price of \$12.08 and 132,250 options were forfeited at an average price of \$33.07 in 2003.

A total of 6,810 shares were issued in conjunction with the exercise of warrants at an average price of \$15.44 in 2004. There were no warrants exercised in 2003.

The following table summarizes information about stock options and warrants outstanding at December 31, 2004:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Shares	Weighted Avg Remaining Contractual Life in Years	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price
\$ 7.00 - \$ 12.50	28,814	4.2	\$ 11.15	25,327	\$ 11.29
\$12.51 - \$ 25.00	2,366,763	7.9	\$ 19.05	840,468	\$ 19.81
\$25.01 - \$ 50.00	39,249	3.7	\$ 41.45	37,788	\$ 42.00
\$50.01 - \$242.25	24,706	2.9	\$ 72.57	24,702	\$ 72.54
	<u>2,459,532</u>			<u>928,285</u>	

Range of Exercise Prices	Warrants Outstanding and Exercisable		
	Shares	Weighted Avg Remaining Contractual Life in Years	Weighted Average Exercise Price
\$ 0.25 - \$22.50	96,924	4.15	\$ 15.34
\$22.51 - \$26.00	216,415	1.51	\$ 26.10
\$26.01 - \$29.38	3,000	2.14	\$ 29.38
	<u>316,339</u>		

First Advantage Corporation
Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

14. Segment Information

The Company operates in three primary business segments: Enterprise Screening, Risk Mitigation and Consumer Direct.

The Enterprise Screening segment includes employment background screening, occupational health services, resident screening services and tax incentive services. Products and services relating to employment background screening include criminal records searches, employment and education verification, social security number verification and credit reporting. Occupational health services include drug-free workplace programs, physical examinations and employee assistance programs. Resident screening services include criminal background and eviction searches, credit reporting, employment verification and lease performance and payment histories. Tax incentive services include services related to the administration of employment-based and location-based tax credit and incentive programs, sales and use tax programs and fleet asset management programs. Revenue for the Enterprise Screening segment includes approximately \$82,000 and \$16,000 of sales to the Risk Mitigation segment in 2004 and 2003, respectively.

The Risk Mitigation segment includes motor vehicle records, transportation credit services and investigations. Products and services offered by the Risk Mitigation segment include driver history reports, vehicle registration, credit reports on cargo shippers and brokers, surveillance services, field interviews, computer forensics, electronic discovery, due diligence reports and other high level investigations. Revenue for the Risk Mitigation segment includes approximately \$2,243,000 and \$1,447,000 of sales to the Enterprise Screening segment in 2004 and 2003, respectively.

The Consumer Direct segment provides consumers with a single, comprehensive access point to a broad range of information to assist them in locating people and other public data searches. Revenue for the Consumer Direct segment includes approximately \$86,000 and \$17,000 of sales to the Enterprise Screening segment in 2004 and 2003, respectively.

The elimination of inter-segment revenue and cost of service revenue is included in Corporate. These transactions are recorded at cost.

First Advantage Corporation
Notes to Consolidated Financial Statements—(Continued)
For the Years Ended December 31, 2004, 2003 and 2002

Selected financial information for the Company's operations by segment for each of the past three years is as follows:

	Revenue	Depreciation and Amortization	Income (loss) before income taxes	Assets
2004				
Enterprise Screening	\$ 180,242,000	\$ 8,109,000	\$ 23,296,000	\$ 265,939,000
Risk Mitigation	75,871,000	2,166,000	7,438,000	128,910,000
Consumer Direct	12,874,000	2,187,000	(136,000)	27,165,000
Corporate and Eliminations	(2,450,000)	80,000	(12,155,000)	9,339,000
Consolidated	\$ 266,537,000	\$ 12,542,000	\$ 18,443,000	\$ 431,353,000
2003				
Enterprise Screening	\$ 111,964,000	\$ 6,269,000	\$ 4,818,000	\$ 163,146,000
Risk Mitigation	45,486,000	860,000	5,714,000	79,810,000
Consumer Direct	10,525,000	1,292,000	61,000	39,861,000
Corporate and Eliminations	(1,480,000)	7,000	(5,744,000)	1,083,000
Consolidated	\$ 166,495,000	\$ 8,428,000	\$ 4,849,000	\$ 283,900,000
2002				
Enterprise Screening	\$ 66,774,000	\$ 3,497,000	\$ (667,000)	\$ 117,864,000
Risk Mitigation	34,991,000	599,000	4,998,000	46,143,000
Consumer Direct	—	—	—	—
Corporate and Eliminations	(840,000)	—	—	1,000
Consolidated	\$ 100,925,000	\$ 4,096,000	\$ 4,331,000	\$ 164,008,000

15. Subsequent Events

First Advantage filed a Registration Statement with the Securities and Exchange Commission for the issuance of up to 2,000,000 shares of our Class A common stock, par value \$.001 per share. The proceeds from the issuance of the shares will be used for general corporate purposes. The Registration Statement was declared effective on January 3, 2005.

On January 17, 2005, the Company entered into a thirteen-year facilities lease agreement with 100 Carillon, LLC for approximately 74,000 square feet of office space in St. Petersburg, Florida. This office space will serve as the Company's new corporate headquarters. The Company's Florida based employment background screening group and investigative services group will also reside in this new office space. Aggregate minimum lease payments are \$22.8 million over the term of the lease, which commences on April 1, 2005. The monthly lease payment will be prorated based on partial occupancy until August 1, 2005.

Unaudited Quarterly Financial Data

The following table sets forth certain unaudited financial data of the Company for the eight quarters in the period ended December 31, 2004. The Company's results of operation for the four quarters in the year ended December 31, 2003 include the results of the FAST division from January 2003, and the results for US SEARCH from June 2003. Businesses acquired subsequent to June 2003 are included in the Company's financial data from date of acquisition.

First Advantage Corporation
Notes to Consolidated Financial Statements—(Continued)
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This data has been derived from unaudited financial statements of the Company and the FAST division that, in the opinion of management, include all adjustments (consisting only of normal recurring adjustments) necessary for a fair statement of the information when read in conjunction with the Company's audited financial statements and the notes thereto. The operating results for any quarter are not necessarily indicative of the results for any future period.

	For the quarters ended			
	3/31/2004	6/30/2004	9/30/2004	12/31/2004
Total revenue	\$ 57,433,000	\$ 68,919,000	\$ 71,930,000	\$ 68,255,000
Gross margin	\$ 31,978,000	\$ 41,474,000	\$ 44,054,000	\$ 43,548,000
Net income	\$ 639,000	\$ 3,208,000	\$ 4,151,000	\$ 2,683,000
Per share amounts:				
Basic	\$ 0.03	\$ 0.15	\$ 0.19	\$ 0.12
Diluted	\$ 0.03	\$ 0.15	\$ 0.19	\$ 0.12
Weighted-average common shares outstanding:				
Basic	21,155,223	21,502,035	21,878,468	23,090,715
Diluted	21,346,133	22,104,455	22,323,884	23,229,991

	For the quarters ended			
	3/31/2003	6/30/2003	9/30/2003	12/31/2003
Total revenue	\$ 31,541,000	\$ 37,431,000	\$ 47,634,000	\$ 49,889,000
Gross margin	\$ 17,722,000	\$ 22,613,000	\$ 28,894,000	\$ 27,527,000
Net income (loss)	\$ 330,000	\$ 2,051,000	\$ 1,429,000	\$ (1,007,000)
Per share amounts:				
Basic	N/A	\$ 0.10	\$ 0.07	\$ (0.05)
Diluted	N/A	\$ 0.10	\$ 0.07	\$ (0.05)
Weighted-average common shares outstanding:				
Basic	N/A	20,002,126	20,203,955	20,828,429
Diluted	N/A	20,122,023	20,337,947	21,020,537

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

The Company's Chief Executive Officer and Chief Financial Officer, after evaluating the effectiveness of the Company's disclosure controls and procedures, as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended, have concluded that, as of the end of the fiscal year covered by this report on Form 10-K, the Company's disclosure controls and procedures were effective to provide reasonable assurances that information required to be disclosed in the reports filed or submitted under such Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There was no change in the Company's internal control over financial reporting during the quarter ended December 31, 2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 9B. Other Information.

None.

PART III

The information required by Items 10 through 14 of this report is set forth in the sections entitled "Nominees for Election of Directors," "Information about our Board of Directors," "Compensation Committee Interlocks and Insider Participation," "Report of the Compensation Committee of the Board of Directors on Executive Compensation," "Executive Officers," "Compensation of Executive Officers and Directors," "Security Ownership of Certain Beneficial Owners and Management," "Section 16(a) Beneficial Ownership Reporting Compliance," "Certain Relationships and Related Transactions," "Stock Performance Graph" and "Principal Accounting Fees and Services" in the Company's definitive proxy statement, which sections are incorporated in this report by reference. The definitive proxy statement will be filed no later than 120 days after the close of First Advantage's fiscal year end of December 31, 2004.

PART IV**Item 15. Exhibits and Financial Statement Schedule.**

- (a) 1. The following consolidated financial statements of First Advantage Corporation and its subsidiaries are included in Item 8.

[Report of Independent Registered Certified Public Accounting Firm](#)

[Consolidated Balance Sheets as of December 31, 2004 and 2003](#)

[Consolidated Statements of Income and Comprehensive Income for the Years Ended December 31, 2004, 2003 and 2002](#)

[Consolidated Statements of Changes in Stockholders' Equity for the Years Ended December 31, 2004, 2003 and 2002](#)

[Consolidated Statements of Cash Flows for the Years Ended December 31, 2004, 2003 and 2002](#)

[Notes to Consolidated Financial Statements for the Years Ended December 31, 2004, 2003 and 2002](#)

2. Financial Statement Schedule.

Schedule II – Valuation and Qualifying Accounts

SCHEDULE II – VALUATION AND QUALIFYING ACCOUNTS

For the Years Ended December 31, 2004, 2003 and 2002

Allowance for Doubtful Accounts

Description	Balance at Beginning of Period	Charged to Costs & Expenses	Charged to Other Accounts(1)	Deductions	Balance at End of Period
			(In thousands)		
Year ended December 31, 2004	\$ 1,327,000	\$ 697,000	\$ 131,000	\$ (373,000)	\$ 1,782,000
Year ended December 31, 2003	\$ 788,000	\$ 317,000	\$ 559,000	\$ (337,000)	\$ 1,327,000
Year ended December 31, 2002	\$ 717,000	\$ 266,000	\$ 164,000	\$ (359,000)	\$ 788,000

(1) Allowances established as a result of acquisitions

3. Exhibits

Exhibit	Description
2	Agreement and Plan of Merger, dated December 13, 2002, by and among the Company, The First American Corporation, US SEARCH.com Inc. and Stockholm Seven Merger Corp. (incorporated by reference to Annex A to the prospectus forming a part of the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
3.1	First Amended and Restated Certificate of Incorporation of First Advantage Corporation (incorporated by reference to Exhibit 3.1 to the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
3.2	Bylaws of First Advantage Corporation (incorporated by reference to Exhibit 3.2 to the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
4.1	Form of certificate representing shares of the Registrant's Class A common stock (incorporated by reference to Exhibit 4.1 to the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
4.2	Form of certificate representing shares of the Registrant's Class B common stock (incorporated by reference to Exhibit 4.1 to the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
10.1	First Advantage Corporation 2003 Incentive Compensation Plan (incorporated by reference to Exhibit 4.19 to the amendment to the registration statement on Form S-4 filed by the Company on April 4, 2003 (No. 333-102565))*
10.2	First Advantage Corporation 2003 Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.20 to the amendment to the registration statement on Form S-4 filed by the Company on April 24, 2003 (No. 333-102565))*
10.3	Stockholders Agreement, dated as of December 13, 2002, by and among the Company, The First American Corporation and Pequot Private Equity Fund II, L.P. (incorporated by reference to Annex D to the prospectus forming a part of the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))

<u>Exhibit</u>	<u>Description</u>
10.4	Form of Standstill Agreement by and between the Company and The First American Corporation (incorporated by reference to Annex E to the prospectus forming a part of the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
10.5	Form of Services Agreement between the Company and The First American Corporation (incorporated by reference to Annex F to the prospectus forming a part of the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
10.6	Amended and Restated Services Agreement, dated January 1, 2004, between the Company and The First American Corporation (incorporated by reference to Exhibit 10.6 to the annual report on Form 10-K filed by the Company on March 11, 2004 (No. 000-50285))
10.7	Promissory Note, made July 31, 2003, by First Advantage Corporation to the order of The First American Corporation (incorporated by reference to Exhibit 99.5 to the quarterly report on Form 10-Q filed by the Company on August 13, 2002 (No. 001-31666))
10.8	Employment Agreement, dated August 4, 2003, between First Advantage Corporation and David Wachtel (incorporated by reference to Exhibit 10 to the quarterly report on Form 10-Q filed by the Company on August 13, 2003 (No. 001-31666))*
10.9	Service Agreement for End-User, effective December 31, 2003, by and between First Advantage Enterprise Screening Corporation and The First American Corporation (incorporated by reference to Exhibit 10.9 to the annual report on Form 10-K filed by the Company on March 11, 2004 (No. 000-50285))
10.10	Agency/Company Agreement, effective January 1, 2003, between First American Property & Casualty Insurance Company and Multifamily Community Insurance Agency, Inc. (incorporated by reference to Exhibit 10.9 to the annual report on Form 10-K filed by the Company on March 11, 2004 (No. 000-50285))
10.11	Profit Share Program letter, dated January 1, 2003, from First American Property & Casualty Insurance Company to Multifamily Community Insurance Agency, Inc. (incorporated by reference to Exhibit 10.9 to the annual report on Form 10-K filed by the Company on March 11, 2004 (No. 000-50285))
10.12	Loan Agreement, dated March 18, 2004, between First Advantage Corporation and Bank of America, N.A. (incorporated by reference to Exhibit 10.1 to the quarterly report on Form 10-Q filed on May 10, 2004 (No. 000-50285))
10.13	Linking License Agreement, between First American Real Estate Solutions L.P., and US SEARCH.com (incorporated by reference to Exhibit 10.2 to the quarterly report on Form 10-Q filed on May 10, 2004 (No. 000-50285))
10.14	Promissory Note, made April 27, 2004, by First Advantage Corporation to the order of The First American Corporation (incorporated by reference to Exhibit 99.1 to the quarterly report on Form 10-Q filed on May 10, 2004 (No. 000-50285))
10.15	Amendment to Security Agreement, dated July 28, 2004, between First Advantage Corporation and Bank of America, N.A (incorporated by reference to Exhibit 99.1 to the quarterly report on Form 10-Q filed on August 6, 2004 (No. 000-50285))
10.16	Amendment to Security Agreement, dated July 28, 2004, between SafeRent, Inc., Employee Health Programs, Inc., Substance Abuse Management, Inc., Hirecheck, Inc., American Driving Records, Inc., First American Registry, Inc., US SEARCH.com, Inc. and Bank of America, N.A. (incorporated by reference to Exhibit 99.2 to the quarterly report on Form 10-Q filed on August 6, 2004 (No. 000-50285))
10.17	Amendment to Security Agreement, dated July 28, 2004, between Omega Insurance Services, Inc., Proudfoot Reports, Inc. and Bank of America, N.A. (incorporated by reference to Exhibit 99.3 to the quarterly report on Form 10-Q filed on August 6, 2004 (No. 000-50285))

Exhibit	Description
10.18	Renewal Promissory Note, made July 28, 2004, by First Advantage Corporation to the order of Bank of America, N.A. (incorporated by reference to Exhibit 99.4 to the quarterly report on Form 10-Q filed on August 6, 2004 (No. 000-50285))
10.19	Amendment to Loan Agreement, dated July 28, 2004, between First Advantage Corporation and Bank of America, N.A. (incorporated by reference to Exhibit 99.5 to the quarterly report on Form 10-Q filed on August 6, 2004 (No. 000-50285))
10.20	Amendment to Loan Agreement, dated September 7, 2004, between First Advantage Corporation and Bank of America, N.A. (incorporated by reference to Exhibit 10.1 to the quarterly report on Form 10-Q filed on November 5, 2004 (No. 000-50285))
10.21	Amendment to Security Agreement, dated September 7, 2004, between First Advantage Corporation and Bank of America, N.A. (incorporated by reference to Exhibit 10.2 to the quarterly report on Form 10-Q filed on November 5, 2004 (No. 000-50285))
10.22	Renewal Promissory Note, dated September 7, 2004 between First Advantage Corporation and Bank of America, N.A. (incorporated by reference to Exhibit 10.3 to the quarterly report on Form 10-Q filed on November 5, 2004 (No. 000-50285))
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10.25.1	Lease Agreement, dated January 17, 2005 between First Advantage Corporation and 100 Carillon, LLC.
21	Subsidiaries of the Company
23	Consent of PricewaterhouseCoopers LLP
31.1	Certification pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certifications pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certifications pursuant to Exchange Act Rule 13a-14(b) and 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

* Indicates management contract or compensatory plan, contract or arrangement.

Copies of the Company's Form 10-K that are furnished to stockholders of the Company do not include the exhibits listed above. Any stockholder desiring copies of one or more of such exhibits should write to the Secretary of the Company specifying the exhibit or exhibits required.

(b) Reports on Form 8-K

During the three months ended December 31, 2004, the Company:

- (i) filed with the Securities and Exchange Commission a report on Form 8-K on October 14, 2004, with respect to the acquisition of Business Tax Credit Corporation d/b/a The Alameda Company;

- (ii) filed with the Securities and Exchange Commission a report on Form 8-K/A, dated October 22, 2004 (amendment to the Form 8-K filed October 14, 2004, providing the financial statements and pro forma financial information for Business Tax Credit Corporation d/b/a The Alameda Company.);
- (iii) furnished to the Securities and Exchange Commission a report on Form 8-K on October 26, 2004, with respect to the Company's financial results for the quarter ended and the nine months ended September 30, 2004;
- (iv) furnished to the Securities and Exchange Commission a report on Form 8-K on October 28, 2004, with respect to the transcript for the earnings call held on October 26, 2004;
- (v) filed with the Securities and Exchange Commission a report on Form 8-K on November 4, 2004, with respect to the acquisition of Compunet Credit Services, Inc.;
- (vi) filed with the Securities and Exchange Commission a report on Form 8-K on November 10, 2004, with respect to the termination of a material agreement and departure of an officer;
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EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
2	Agreement and Plan of Merger, dated December 13, 2002, by and among the Company, The First American Corporation, US SEARCH.com Inc. and Stockholm Seven Merger Corp. (incorporated by reference to Annex A to the prospectus forming a part of the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
3.1	First Amended and Restated Certificate of Incorporation of First Advantage Corporation (incorporated by reference to Exhibit 3.1 to the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
3.2	Bylaws of First Advantage Corporation (incorporated by reference to Exhibit 3.2 to the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
4.1	Form of certificate representing shares of the Registrant's Class A common stock (incorporated by reference to Exhibit 4.1 to the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
4.2	Form of certificate representing shares of the Registrant's Class B common stock (incorporated by reference to Exhibit 4.1 to the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
10.1	First Advantage Corporation 2003 Incentive Compensation Plan (incorporated by reference to Exhibit 4.19 to the amendment to the registration statement on Form S-4 filed by the Company on April 4, 2003 (No. 333-102565))*
10.2	First Advantage Corporation 2003 Employee Stock Purchase Plan (incorporated by reference to Exhibit 4.20 to the amendment to the registration statement on Form S-4 filed by the Company on April 24, 2003 (No. 333-102565))*
10.3	Stockholders Agreement, dated as of December 13, 2002, by and among the Company, The First American Corporation and Pequot Private Equity Fund II, L.P. (incorporated by reference to Annex D to the prospectus forming a part of the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
10.4	Form of Standstill Agreement by and between the Company and The First American Corporation (incorporated by reference to Annex E to the prospectus forming a part of the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
10.5	Form of Services Agreement between the Company and The First American Corporation (incorporated by reference to Annex F to the prospectus forming a part of the registration statement on Form S-4 filed by the Company on January 17, 2003 (No. 333-102565))
10.6	Amended and Restated Services Agreement, dated January 1, 2004, between the Company and The First American Corporation (incorporated by reference to Exhibit 10.6 to the annual report on Form 10-K filed by the Company on March 11, 2004 (No. 000-50285))
10.7	Promissory Note, made July 31, 2003, by First Advantage Corporation to the order of The First American Corporation (incorporated by reference to Exhibit 99.5 to the quarterly report on Form 10-Q filed by the Company on August 13, 2002 (No. 001-31666))
10.8	Employment Agreement, dated August 4, 2003, between First Advantage Corporation and David Wachtel (incorporated by reference to Exhibit 10 to the quarterly report on Form 10-Q filed by the Company on August 13, 2003 (No. 001-31666))*
10.9	Service Agreement for End-User, effective December 31, 2003, by and between First Advantage Enterprise Screening Corporation and The First American Corporation (incorporated by reference to Exhibit 10.9 to the annual report on Form 10-K filed by the Company on March 11, 2004 (No. 000-50285))

<u>Exhibit</u>	<u>Description</u>
10.10	Agency/Company Agreement, effective January 1, 2003, between First American Property & Casualty Insurance Company and Multifamily Community Insurance Agency, Inc. (incorporated by reference to Exhibit 10.9 to the annual report on Form 10-K filed by the Company on March 11, 2004 (No. 000-50285))
10.11	Profit Share Program letter, dated January 1, 2003, from First American Property & Casualty Insurance Company to Multifamily Community Insurance Agency, Inc. (incorporated by reference to Exhibit 10.9 to the annual report on Form 10-K filed by the Company on March 11, 2004 (No. 000-50285))
10.12	Loan Agreement, dated March 18, 2004, between First Advantage Corporation and Bank of America, N.A. (incorporated by reference to Exhibit 10.1 to the quarterly report on Form 10-Q filed on May 10, 2004 (No. 000-50285))
10.13	Linking License Agreement, between First American Real Estate Solutions L.P., and US SEARCH.com (incorporated by reference to Exhibit 10.2 to the quarterly report on Form 10-Q filed on May 10, 2004 (No. 000-50285))
10.14	Promissory Note, made April 27, 2004, by First Advantage Corporation to the order of The First American Corporation (incorporated by reference to Exhibit 99.1 to the quarterly report on Form 10-Q filed on May 10, 2004 (No. 000-50285))
10.15	Amendment to Security Agreement, dated July 28, 2004, between First Advantage Corporation and Bank of America, N.A (incorporated by reference to Exhibit 99.1 to the quarterly report on Form 10-Q filed on August 6, 2004 (No. 000-50285))
10.16	Amendment to Security Agreement, dated July 28, 204, between SafeRent, Inc., Employee Health Programs, Inc., Substance Abuse Management, Inc., Hirecheck, Inc., American Driving Records, Inc., First American Registry, Inc., US SEARCH.com, Inc. and Bank of America, N.A. (incorporated by reference to Exhibit 99.2 to the quarterly report on Form 10-Q filed on August 6, 2004 (No. 000-50285))
10.17	Amendment to Security Agreement, dated July 28, 2004, between Omega Insurance Services, Inc., Proudfoot Reports, Inc. and Bank of America, N.A. (incorporated by reference to Exhibit 99.3 to the quarterly report on Form 10-Q filed on August 6, 2004 (No. 000-50285))
10.18	Renewal Promissory Note, made July 28, 2004, by First Advantage Corporation to the order of Bank of America, N.A. (incorporated by reference to Exhibit 99.4 to the quarterly report on Form 10-Q filed on August 6, 2004 (No. 000-50285))
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**100 CARILLON
LEASE SUMMARY**

LEASE DATE: January 17, 2005

LANDLORD: **100 CARILLON, LLC**, a Delaware limited liability company

NOTICE ADDRESS OF LANDLORD: 235 Third Street South
Suite 300
St. Petersburg, Florida 33701
Attention: Property Manager

Telephone: (727) 803-8200
Facsimile: (727) 803 1901

TENANT: **FIRST ADVANTAGE CORPORATION**, a Florida corporation

NOTICE ADDRESS OF TENANT: 100 Carillon Parkway
Suite 300
St. Petersburg, Florida 33716
Attention: John Lamson, CFO

Telephone: (727) 214-3411
Facsimile: (727) 214-3422

TENANT'S CONTACT PERSON: Stephen Smith
Vice President, Facilities

Telephone: (727) 214-3450
Facsimile: (727) 214-3453

BUILDING: Office building known as 100 Carillon, located on the Land at 100 Carillon Parkway, St. Petersburg, Florida 33716, as may be expanded or modified.

LAND: That certain tract or parcel of land located in St. Petersburg, Pinellas County, Florida, and described on Exhibit A attached hereto and incorporated herein by reference.

PREMISES: Such areas of space on the first, second and third floors of the Building, all as more particularly described on Exhibit B attached hereto and incorporated herein by reference, upon the earlier of (i) the date of occupation by Tenant, or (ii) the outside date as reflected in said attached Exhibit "B". The Premises Net Rentable Area and the Premises Net Usable Area described below are estimates. Upon completion of the final space plan for the Premises, the actual Rentable Area and Usable Area shall be calculated in accordance with the measurement method promulgated by the Building Owners and Managers Association, International (BOMA), published by the Secretariat and approved June 7, 1996, based upon a common area factor of 1.0225 for full floor users and 1.15 for multi-tenant floors. The Premises Net Rentable Area and the Premises Net Usable Area shall then be adjusted and determined in accordance with such calculations and all other provisions of this Lease which are based upon the Premises Net Rentable Area or the Premises Net Usable Area shall likewise be adjusted. Landlord and Tenant shall execute an amendment to this Lease to evidence all such adjustments.

PREMISES NET
RENTABLE

AREA: 74,065 square feet located on the first, second and third floors in the Building, which includes the "Deli" space.

BUILDING NET
RENTABLE

AREA: 79,660 square feet

LEASE TERM: One Hundred Fifty-Six (156) months, beginning on the Commencement Date. If the Commencement Date is any day other than the first day of a calendar month, the Lease Term shall be extended automatically until midnight on the last day of the calendar month in which the Lease Term otherwise would expire. See Special Stipulations for Extension Option.

COMMENCEMENT

DATE: (a) If there is no occurrence of any Tenant Delay: April 1, 2005. Landlord will achieve Substantial Completion by April 25, 2005, provided there is no Tenant Delay. In the event Substantial Completion is not achieved by April 25th and not caused by a Tenant Delay, Tenant will receive a day of free Base Rental paid for every day Substantial Completion is delayed.

(b) If there is the occurrence of any Tenant Delay: April 1, 2005

BASE RENTAL: Shall mean the rent to be paid to Landlord as provided in Exhibit "C-1" attached hereto and incorporated by reference herein. Florida state sales tax shall be added to Tenant's payment of Base Rental and all other rental or charges paid to Landlord.

BASIC COSTS

EXPENSE STOP: Shall mean the Basic Costs paid or incurred by Landlord during calendar year 2005 (the "Base Year"), subject to adjustment in accordance with the terms of Paragraph 7.

ADVANCE

BASE RENTAL

PAYMENT: Thirty Seven Thousand Five Hundred Forty Six Dollars (\$37,546.00), plus 7% sales tax.

EARLY OCCUPANCY

FEE: The fee to be paid to Landlord as provided in Exhibit "C-2" attached hereto and made a part hereof, if any, which sum shall be deemed "Additional Rent." Florida state sales tax shall be added to Tenant's payment of Additional Rental and all other rental or charges paid to Landlord.

SECURITY

DEPOSIT: None

TENANT

IMPROVEMENTS

ALLOWANCE: Shall be \$21.00 per rentable square foot of the Premises for architectural, mechanical, electrical and construction drawings, permits and hard construction costs. The Tenant Improvements Allowance shall be applied and paid as described in Paragraph 9 and Exhibit D of this Lease.

BROKERS: TRS Commercial Real Estate Services, Inc. ("TRS") and Echelon Real Estate Services, LLC ("ERES"), as transaction brokers.

The foregoing summary (the "Lease Summary") is hereby incorporated into and made a part of the Lease Agreement. In the event, however, of a conflict between the terms of the Lease Summary and the terms of the Lease Agreement, the latter shall control.

Initial: _____ (For Landlord)

Initial: _____ (For Tenant)

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EXHIBITS

A	Description of Land
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C-1	Rental Rate
C-2	Early Occupancy Fee
D	Construction of Improvements
E	Rules and Regulations
F	Special Stipulations

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made and entered into on the date and between the Landlord and Tenant identified in the Lease Summary.

WITNESSETH:

1. Definitions.

Capitalized terms appearing in this Lease, unless defined elsewhere in this Lease or in the Lease Summary, shall have these definitions:

(a) "Additional Rent" shall mean all sums of money in addition to Base Rental which shall become due from Tenant under this Lease, including, without limitation, Tenant's Proportionate Share of Basic Costs in excess of the Basic Costs Expense Stop, as set forth in Paragraph 7 herein.

(b) "Adjustment Date" is not applicable.

(c) "Base Rental" during the Lease Term shall be the amount so designated in the Lease Summary, as same may be adjusted pursuant to the terms of this Lease, together with all taxes (excise, sales, use or other) levied or assessed by any governmental entity on Base Rental, Additional Rent or any other sums payable by Tenant under this Lease.

(d) "Basic Costs" shall mean and include: all expenses relating to the Building and the Building Exterior Common Areas, including all costs of operation, maintenance and management thereof and assessments for public betterments or improvements, any and all assessments or charges that are charged by any property owners association applicable to the Land, including Carillon Property Owners Association, Inc. (the "Association"), ad valorem real estate taxes and any other tax on real estate as such, ad valorem taxes on furniture, fixtures, equipment or other property used in connection with the operation, maintenance or management of the Building and the Building Exterior Common Areas and the costs, including, without limitation, legal and consulting fees, of contesting or attempting to reduce any of the aforesaid taxes, the cost of capital improvements which are required by applicable law or which will improve the efficiency of operating, managing or maintaining the Building or which will reduce Landlord's operating expenses or the rate of increase thereof, the cost of labor, materials, repairs, insurance, utilities and services and such other expenses with respect to the operation (the cost of such capital improvement items and installation shall be amortized over the longer of either the useful life of such improvement or such period as permitted by GAAP), and an administration and management fee equal to four percent (4%) of the Base Rental and Additional Rental due for the same period of time, all of which expenses shall be incurred or paid by or on behalf of Landlord or are properly chargeable to Landlord's operating expenses in accordance with generally accepted accounting principles as applied to the operation, maintenance and management of a first class office building.

Notwithstanding the foregoing, it is agreed that the Basic Costs shall not include: any leasing or marketing or brokerage costs, fees, or commissions; any cost of upfitting space for occupancy by tenants; any amortization of principal or interest on account of any indebtedness; any legal expenses arising out of any misconduct or negligence of Landlord or any person for which Landlord is responsible or arising out of dealings between any principals constituting Landlord or arising out of any leasing, sale or financing of the Building or the Land or any part of either of them; or, except as expressly permitted above, the costs of capital improvements (i.e., the costs of any capital improvements unless such costs

are required by applicable law or which will improve the efficiency of operating, managing or maintaining the Building or which will reduce Landlord's operating expenses or the rate of increase thereof, the cost of labor, materials, repairs, insurance, utilities and services and such other expenses with respect to the operation).

(e) "Basic Costs Expense Stop" shall be the amount so designated in the Lease Summary.

(f) "Brokers" shall be the party or parties so designated in the Lease Summary.

(g) "Building" shall have the meaning set forth in the Lease Summary.

(h) "Building Exterior Common Areas" shall mean (A) the exterior of the Building and all of the improvements and real property on the Land, including, without limitation, all parking areas, enclosed or otherwise, and all streets, sidewalks, signs and landscaped areas located on or within the Land; and (B) all signs and landscaped areas located in public rights-of-way directly contiguous to the Land if and to the extent Landlord maintains such signs and landscaped areas from time to time.

(i) "Building Net Rentable Area" shall have the meaning set forth in the Lease Summary.

(j) "Commencement Date" shall mean that date set forth in the Lease Summary.

(k) "Common Areas" shall mean collectively (i) the Building Exterior Common Areas and (ii) all those areas within the Building devoted to corridors, elevator foyers, restrooms, mechanical rooms, janitorial closets, electrical and telephone closets, vending areas and other similar facilities provided for the common use or benefit of tenants generally and/or the public, including any columns and/or projections located within said areas, except as expressly provided hereinafter. Notwithstanding the foregoing, it is understood and agreed that the delicatessen food service area located on the first floor of the Building which may be utilized by Tenant or its agents or licensees, from time to time for serving food and beverages and any related seating areas (collectively, the "Deli Area"), shall not be deemed to be a part of the "Common Areas", even though other tenants or third parties may utilize the services and/or seating areas of the Deli Area and any food or beverage operation conducted therein.

(l) "Estimated Basic Costs" is defined in Paragraph 7(a) herein.

(m) "Force Majeure Matters" is defined in Paragraph 41 herein.

(n) "Land" shall mean the real property upon which the Building is situated as more particularly described on Exhibit A hereto.

(o) "Lease Term" shall mean the term of this Lease as set forth in the Lease Summary.

(p) "Premises" shall have the meaning set forth in the Lease Summary

(q) "Substantial Completion" of the Tenant Improvements shall occur upon the issuance of a temporary certificate of occupancy or its equivalent for the Premises by the proper governmental entity. The Tenant Improvements shall be Substantially Complete even though there remain to be completed in the Premises punch list items, including but not limited to details of construction, decoration or mechanical adjustment.

(r) "Tenant Delay" shall mean any of the following items, in addition to any other items described as a "Tenant Delay" in the Work Agreement attached hereto as Exhibit "D", which results in an actual delay to the Substantial Completion of the Tenant Improvements:

- (i) Any delay on the part of Tenant to the Design and Construction Timeline attached hereto as Exhibit "D";
- (ii) Tenant's request for any additional Tenant Improvements beyond that initially contemplated by the plans attached hereto as Exhibit "D";
- (iii) changes in the Tenant Improvements work requested by Tenant;
- (iv) any other delay of any kind or nature to the extent caused by Tenant or its agents.

In the event Substantial Completion of the Tenant Improvements is actually delayed as a result of one or more Tenant Delay(s), then the Commencement Date shall be April 1, 2005.

(s) "Tenant Improvements" shall mean the improvements to be constructed and installed in the Premises in accordance with the Tenant Improvements Plans and Specifications, the terms of Paragraph 9 herein and Exhibit D attached hereto.

(t) "Tenant Improvements Allowance" shall mean the allowance to be provided by Landlord to Tenant for the construction of the Tenant Improvements. The amount of the Tenant Improvements Allowance is set forth in the Lease Summary.

(u) "Tenant Improvements Plans and Specifications" shall mean the plans and specifications for the construction of the Tenant Improvements, which plans and specifications shall be prepared pursuant to Exhibit D attached hereto.

(v) "Tenant's Proportionate Share" means that fraction, the numerator of which is the Premises Net Rentable Area and the denominator of which is the total Building Net Rentable Area.

(w) "Utility Costs" shall mean and include all of Landlord's expense for furnishing heat, air conditioning, electricity, water, sewer, gas, garbage disposal and all other utilities to the Building and to the Premises, including the base cost of all such utilities, and any fees, charges and taxes imposed on the same by any governmental agency or third party. The foregoing shall not include the cost of furnishing after-hours HVAC to Tenant.

2. Lease Grant.

Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, upon and subject to the covenants, agreements, provisions and conditions of this Lease, the Premises located in the Building.

3. Lease Term.

This Lease shall continue in force for a term (the "Lease Term") beginning on the Commencement Date and continuing until the expiration of the Lease Term, unless this Lease is sooner terminated or extended to a later date under any other term or provision herein.

4. Use.

The Premises shall be used only for general office use and no other purposes, except as expressly provided in this Lease, it being understood that the anticipated use of the Premises shall be the corporate headquarters of Tenant and its operation center. In addition, Tenant may conduct a deli-style food and non-alcoholic beverage service operation in the "Deli Area", provided that any and all such food and beverages shall be available for sale to all tenants in the Building. Tenant shall occupy the Premises, conduct its business and control its agents, employees, invitees and visitors (to the extent such invitees and visitors are within the Premises) in such a manner as is lawful, reputable and will not create a nuisance. Tenant shall not permit any operation which emits any excessive or offensive odor or matter which intrudes into other portions of the Building, use any apparatus or machine which makes undue noise or causes undue vibration in any portion of the Tenant shall neither permit any waste on the Premises nor allow the Premises to be used in any way which would, in the reasonable opinion of Landlord, be hazardous on account of fire or which would in any way increase or render void the fire insurance on the Buildings. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business in the Premises, including the food and beverage Tenant shall, at its expense, duly procure and thereafter maintain such license or permit and shall at all times comply with the terms and conditions of same. Tenant shall not at any time knowingly suffer the Premises to be used or occupied in violation of (i) the Certificate of Occupancy for the Premises or for the Buildings, (ii) any of the provisions of this Lease, or (iii) zoning ordinances, and rules and regulations of governmental and quasi governmental authorities having jurisdiction over the Building.

5. Base Rental and Early Occupancy Fee.

(a) Commencing as of April 1, 2005 and continuing throughout the Lease Term, Tenant agrees to pay to Landlord, without any setoff or deduction, except as provided in this Lease, the Base Rental, and all such other sums of money as shall become due hereunder as Additional Rent, all of which are sometimes herein collectively called "rent" or "Rent." Base Rental for each calendar year or portion thereof during the Lease Term, together with any applicable adjustment thereto pursuant to Paragraph 6 herein, shall be due and payable in advance, in twelve (12) equal installments on the first day of each calendar month during the Lease Term; provided, however, as set forth in the Lease Summary, Base Rental for the first full calendar month during the Lease Term (the "Advance Base Rental Payment") shall be due and payable upon the full execution of this Lease. Tenant hereby agrees to pay such Base Rental and any adjustments thereto to Landlord at Landlord's address provided herein (or such other address as may be designated by Landlord in writing from time to time) monthly, in advance, and without demand.

(b) Notwithstanding the foregoing, it is contemplated that Tenant shall take occupancy of the Premises in stages. It is assumed that Tenant shall take occupancy of all or a portion of one floor of the Building on the date of Substantial Completion (targeted to be April 25, 2005). Notwithstanding the foregoing, Tenant shall have the right take occupancy of all or a portion of either of the remaining two floors prior to August 1, 2005 ("Early Occupancy"). In the event of any Early Occupancy, Tenant shall pay Landlord, without any setoff or deduction, the "Early Occupancy Fee" as Additional Rent, all as set forth in Exhibit "C-2" attached hereto. To clarify the foregoing, Tenant shall not be obligated to pay any "Early Occupancy Fee" if Tenant occupies all or a portion of one floor of the building on or after the date of Substantial Completion, whether the date of Substantial Completion occurs prior to April 25 or after April 25, 2005, but shall be obligated to pay the Early Occupancy Fee upon and in the event of Tenant's occupancy of all or a portion of either of the remaining two floors prior to August 1, 2005.

6. Adjustments for Increases in Basic Costs.

The parties each acknowledge that the Base Rent specified in Section 3 of this Lease does not provide for increases in Basic Costs which may hereafter affect the Premises, the Building or the Project; accordingly, from and after the first day of the year following the Base Year and thereafter during the Term of this Lease, and any renewals thereof, Tenant shall pay Landlord as Additional Rent, in the manner hereafter provided, Tenant's Proportionate Share of the amount by which Basic Costs paid or incurred by Landlord during such period exceeded the Basic Costs Expense Stop. References in this Paragraph 6 to "Basic Costs" shall be deemed and construed to refer to Basic Costs as adjusted pursuant to the immediately following paragraph. If Tenant shall be obligated to make payments as aforesaid with regard to any partial calendar year during the Lease Term, Basic Costs in excess of the Basic Costs Expense Stop shall be prorated on the basis of the number of days during such calendar year for which Tenant is obligated to make such payments. Notwithstanding the foregoing, however, Landlord agrees that the "Controllable Portion" of Basic Costs shall not increase by more than four percent (4%) from the Base Year to the following calendar year or between any other calendar years during the Lease Term. For purposes hereof, the "Controllable Portion" of Basic Costs shall mean all Basic Costs less and except real estate taxes, Utility Costs, and insurance.

It is acknowledged and agreed that it will not be possible to determine the actual amount of the excess (if any) of Basic Costs over the Basic Costs Expense Stop for a given calendar year until after the end of such calendar year. Therefore, until Tenant's liability for Tenant's Proportionate Share of Basic Costs in excess of the Basic Costs Expense Stop shall have been finally determined for a particular calendar year, Tenant shall make payment on account of excess Basic Costs as follows:

(a) Commencing as of the first anniversary of the Commencement Date and continuing throughout the Lease Term (and any renewal or extension thereof), and subject to the limitation expressed above, Landlord shall make a good faith estimate of Basic Costs for such calendar year and Tenant's Proportionate Share thereof (hereinafter "Estimated Basic Costs" and "Tenant's Estimated Proportionate Share"), and Tenant shall pay to Landlord, as Additional Rent with each monthly installment of Base Rental, an amount equal to one-twelfth (1/12) of Tenant's Estimated Proportionate Share of the amount by which Estimated Basic Costs for the current calendar year are estimated to exceed the Basic Costs Expense Stop. Such payments for any partial month shall be paid in advance at the daily rate equal to the monthly payment divided by the number of days in the month for which the same is due. On or about January 1 of each calendar year in respect of which Tenant shall be obligated to make payments on account of excess Basic Costs during the Lease Term (and any renewal or extension thereof), Landlord shall furnish to Tenant a statement for such calendar year of Tenant's Estimated Proportionate Share and of Estimated Basic Costs and thereupon, subject to the limitations expressed above, as of such January 1, Tenant shall make payments under this Paragraph 7(a) in accordance with such statement.

(b) On or before April 1 (or as soon as practicable thereafter) of each year following a calendar year in which Tenant is obligated to make payments on account of excess Basic Costs during the Lease Term (and any renewal or extension thereof), Landlord shall furnish Tenant with a statement setting forth the total amount of Tenant's Proportionate Share of the amount by which Basic Costs for the preceding calendar year exceeded the Basic Costs Expense Stop. If any such statement shall show an overpayment or underpayment of Tenant's Proportionate Share of excess Basic Costs for the preceding calendar year, any overpayment shall be refunded to Tenant, provided Tenant is not in default under the terms of this Lease, or otherwise such overpayment shall be credited against payments due from Tenant under this Lease. The full amount of any underpayment shall be paid to Landlord by Tenant not later than the first day of the first calendar month after such statement shall have been delivered to Tenant.

7. Sales Tax. Tenant shall be liable and pay to Landlord all rental, sales and use taxes, if any, levied or imposed by any city, state, county or other governmental body having authority, on Base Rental, the Early Occupancy Fee, Tenant's Proportionate Share of the amount by which Basic Costs paid or incurred by Landlord during such period exceeded the Basic Costs Expense Stop, and any other Additional Rental or other fees or charges due to Landlord, such payments to be in addition to all other payments required to be paid to Landlord by Tenant under the terms of this Lease. Any such payment shall be paid concurrently with the payment of the Rent or other charge upon which the tax is based as set forth herein.

8. Services to Be Furnished by Landlord.

Landlord agrees to furnish Tenant the following services:

(a) Hot and cold water at those points of supply as specified in the plans for the Tenant Improvements and to the lavatories in the Common Area restrooms, and cold water to water fountains and to the toilets in the Common Area restrooms.

(b) Electrical service to serve the Common Areas and the Premises.

(c) Routine and scheduled or continuous (as appropriate) maintenance and electric and lighting service for all Common Areas and the Premises in the manner and to the extent usual and customary for Class A office buildings located in the Tampa Bay area. Landlord agrees to provide maintenance service to the Building with the services of a property management company having experience with Class A commercial properties and which shall be dedicated to furnishing services on-site throughout Carillon Park.

(d) Exterior window washing (not less than three times in any calendar year) and routine pest control, landscaping maintenance, and janitorial service (Mondays through Fridays, exclusive of normal business holidays) and otherwise in the manner and to the extent usual and customary for Class A office buildings in the Tampa Bay area.

(e) All Building standard fluorescent and incandescent light bulb replacement in the Common Areas and all light bulb replacement in the Premises; provided, however, Tenant shall promptly pay to Landlord, as Additional Rent, costs incurred by Landlord in replacing light bulbs in the Premises (including the cost of purchasing such light bulbs) if and to the extent such replacement cost exceeds the replacement cost for Building standard light bulbs.

(f) Landlord shall have no liability to Tenant, its employees, agents, invitees or licensees for losses due to theft or burglary or for damages done by unauthorized persons on the Premises, and Landlord shall not be required to insure against any such losses. Tenant shall cooperate fully with Landlord's efforts to maintain controlled access to and in the Building during times other than Normal Business Hours and shall follow all regulations promulgated by Landlord with respect thereto. Tenant may maintain an on-site security service consisting of a desk manned by a licensed security guard located on the ground floor of the Building to govern and monitor ingress and egress to the Premises, only; provided however, Tenant hereby agrees to indemnify and hold Landlord harmless of and from any and all losses, claims or damage incurred by Landlord that may result from Tenant's security employees or agents impeding or limiting, in any fashion, any ingress and egress of Landlord or other tenants, and their respective agents, employees, licensees and invitees, to and from such tenants' premises and the Common Areas.

(g) Except with regard to any heat that may be generated by specialized heat-generating machine or equipment (all normal and customary office equipment associated with general office use and operations center being excluded) and which may affect the temperature otherwise maintained by the Building HVAC, the accommodation of which shall not be Landlord's responsibility and shall be Tenant's responsibility pursuant to Paragraph 11(b) herein, Landlord shall furnish central heat and air conditioning sufficient for the comfortable occupancy of the Premises. Provided, however, central heating and air conditioning service at times other than for "Normal Business Hours" for the Building (which are 8:00 a.m. to 6:00 p.m. on Mondays through Fridays and 8:00 a.m. to 1:00 p.m. on Saturdays, exclusive of normal business holidays identified as New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day), shall be furnished only on the written request of Tenant delivered to Landlord.

Notwithstanding anything herein to the contrary, Tenant shall bear the entire cost (as Additional Rent) of such additional heating and air conditioning used by Tenant at times other than Normal Business Hours, and Tenant shall pay such costs within thirty (30) days following demand by Landlord. The cost to be charged by Landlord to Tenant hereunder for heating and air conditioning service used by Tenant during times other than Normal Business Hours shall be Landlord's then "standard charge" for such service, which Landlord agrees currently is \$30.00 per hour per floor of the Building. Landlord agrees to provide Tenant with an annual reconciliation report reflecting Landlord's actual cost to provide after hours HVAC service. In the event that the amount paid by Landlord to the local electrical utility company for electricity supplied for after-hours HVAC as reflected by the reconciliation report for any given period of time is greater than the amount paid by Tenant as the "standard charge" for after-hours for the relevant period of time, Landlord may submit an invoice to Tenant periodically for the cost of such excess electricity supplied and Tenant shall pay the full invoiced amount (as Additional Rent) to Landlord within ten (10) days after Tenant's receipt of each such invoice. In the event that the amount paid by Landlord to the local electrical utility company for electricity supplied for after-hours HVAC as reflected by the reconciliation report for any given period of time is less than the amount paid by Tenant as the "standard charge" for after-hours for the relevant period of time, Landlord will credit such overage against the rent payment next due to Landlord. In addition, Landlord may adjust its standard charge to reflect the actual costs as so reflected in the reconciliation report.

(h) The failure by Landlord to any extent to furnish, or the interruption or termination of these defined services in whole or in part, resulting from any Force Majeure Matters or from any other causes beyond the reasonable control of Landlord shall not (i) render Landlord liable in any respect, (ii) be construed as an eviction of Tenant, (iii) work an abatement of rent, or (iv) relieve Tenant from the obligation to fulfill any covenant or agreement in this Lease. Should any of the equipment or machinery used in the provision of such services for any cause cease to function properly, Tenant shall have no claim for offset or abatement of rent or damages on account of an interruption in service resulting therefrom. Amounts payable pursuant to this Paragraph 8 shall be deemed to be Additional Rent due from Tenant to Landlord, and any default in the payment thereof shall entitle Landlord to all remedies provided for herein at law or in equity on account of Tenant's failure to pay Base Rental.

(i) Landlord shall have the right with regard to any and all maintenance obligations of Landlord under this Lease, to contract with such person(s) or entity or entities for the performance and accomplishment of such of the obligations as Landlord shall deem proper, including entities in which Landlord may hold an ownership or other interest, provided that such property management company is an experienced Class A property management company. Landlord may incur certain operating,

management and maintenance obligations, costs and expenses pertaining to the Premises, together with or in combination with Landlord's operations, repair, management and maintenance of other properties located in the same development park or project. To the extent such costs and expenses are shared costs or jointly billed to Landlord, Landlord agrees that it shall apportion the costs and expenses among the Premises and the other properties subject to such services, repair or maintenance in a fair and equitable fashion. Landlord must provide a detailed or itemized accounting of shared costs upon written request of Tenant, but not more frequently than once every six months and only within two years following Landlord's statement or billing for such shared costs. If Tenant, in good faith, disputes such charges, Tenant must notify Landlord within three months following its receipt of the detailed accounting therefore and all disputed sums shall be deposited in escrow, pending resolution of such dispute. The parties agree to submit any disputes to arbitration if not resolved within 15 days.

9. Construction of Improvements.

(a) Subject to Force Majeure Matters (as that term is defined in Paragraph 41 herein) and consistent with the terms of Paragraph 3 herein and Exhibit D hereto, Landlord shall pursue diligently and in good faith the completion of the Tenant Improvements.

The Tenant Improvements Allowance shall be applied by Landlord against the costs of designing, planning and constructing the Tenant Improvements. In the event the costs incurred in connection with the design, planning and construction of the Tenant Improvements exceed the Tenant Improvements Allowance, Tenant covenants that it shall pay to Landlord all of such excess costs (the "Excess Costs") on or prior to the date of Substantial Completion. Landlord must provide a detailed or itemized accounting of Excess Costs upon demand and Tenant may, in good faith, dispute any charges for work or costs not previously approved by Tenant. Any and all sums subject to a good faith dispute by Tenant shall be deposited in escrow pending resolution of the same. The parties agree to submit any and all disputes to arbitration in the event the same remain unresolved within 15 days.

The Excess Costs (if any) payable by Tenant under this Paragraph 9 shall be due hereunder at the time specified hereinabove, and failure to make any such payment (less and except disputed charges) when due shall constitute an Event of Default of Tenant under Paragraph 28 herein.

(b) Except as otherwise provided above in this Paragraph 9, all installations and improvements now or hereafter placed on or in the Premises shall be for Tenant's account and at Tenant's cost. Tenant shall also pay ad valorem taxes and increased insurance on or attributable to the Tenant Improvements (to the extent of the cost of the Tenant Improvements is in excess of the Tenant Improvements Allowance), which cost shall be payable by Tenant to Landlord.

10. Maintenance and Repair by Landlord.

Except to the extent any such repairs or replacements are the responsibility of Tenant pursuant to the terms of Paragraph 11 or Paragraph 12 herein or any other provision in this Lease, Landlord shall be responsible for maintaining, repairing and replacing, as an item of Basic Costs subject to the terms and conditions set forth in this Lease:

(a) the roof, foundations, exterior walls, and all structural parts of the Building;

(b) all portions of the Premises affected by structural conditions whose source lies outside the Premises;

(c) all Common Areas, including Building Exterior Common Areas;

(d) all utility, sprinkler service, electrical and plumbing lines and general HVAC systems outside the Premises but which serve the Premises on; and

(e) all Building fixtures and equipment owned by Landlord, including but not limited to utility, sprinkler service, electrical and plumbing lines and HVAC systems within the Premises, but not including any of Tenant's fixtures or equipment or other personal property.

11. Maintenance and Repair by Tenant.

In addition to any other provisions in this Lease which obligate Tenant to perform maintenance, repair and replacement duties relative to the Premises and/or the Building, Tenant shall be responsible for the following maintenance, repair and replacement responsibilities:

(a) Tenant shall, at its expense, keep and maintain the Premises in good order and repair and not commit or allow any waste to be committed on any portion of the Premises; and at the termination of this Lease, Tenant agrees to deliver up the Premises to Landlord in as good of a condition as existed on the Commencement Date, excepting only reasonable wear and tear, acts of God and repairs required to be made by Landlord pursuant to the terms of this Lease (it being understood that notwithstanding the foregoing, the flooring on the second and third floors, only, of the Building may be re-delivered in "broom-clean" condition). All repairs and replacements made by Tenant shall be equal in quality and class to the originals thereof and shall be completed in compliance with applicable law. If Tenant fails to make the repairs or replacements, in an emergency promptly after notice, or otherwise fails to make the repairs or replacements within thirty (30) days after notice or in the event that such repair or replacement is of such a nature as cannot with diligent effort be cured within said thirty (30) day period, Tenant shall have failed to commence to cure within said period or failed to diligently prosecute remedial efforts to completion within a reasonable time thereafter, then Landlord may, at its option, make the repairs or replacements, and the cost of such repairs or replacements shall be charged to Tenant as Additional Rent and shall become payable by Tenant with the payment of the rent next due hereunder.

(b) If Tenant elects to install its own separate and exclusive HVAC systems and units in order to accommodate excessive heat generated by any of Tenant's specialized heat-generating machinery or equipment, Tenant shall, at its expense, cause such HVAC systems and units to be maintained, together with any other specialized appliances and equipment owned or installed by Tenant and that serve Tenant or the Premises (or any portion thereof). In the event the Premises (or any portion thereof) is exclusively served by an HVAC system or unit for such specialized equipment or machinery, Tenant shall contract with a qualified heating and air conditioning service company approved by Landlord for the monthly maintenance and the repair and replacement, as necessary, of such HVAC system or unit. Tenant shall provide Landlord with a copy of any contract required under this Paragraph 11(b) within ten (10) days after the Commencement Date and a copy of any subsequent contracts (or any renewal contracts) within ten (10) days after their execution. The cost of all contracts which Tenant is required to maintain under this Paragraph 11(b) shall be borne by Tenant.

(c) Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord to repair or replace any damage done to the Common Areas, the Building, or any part thereof (including the Premises), caused by Tenant or Tenant's agents, employees, invitees, or visitors. Any and all such repairs or replacements shall be effected in compliance with all applicable laws.

(d) Landlord agrees that to the extent any necessary repairs or replacements are covered by one or more warranties furnished or to be furnished to Landlord in connection with the Tenant Improvements to be performed as contemplated by Exhibit D attached hereto, Landlord shall use diligent effort to enforce such warranties.

12. Alterations by Tenant.

Tenant shall not make or allow to be made any alterations to the Premises or install any vending machines in the Premises, without first obtaining the written consent of Landlord in each such instance. Any and all alterations to the Premises, including, without limitation the Tenant Improvements, shall become the property of Landlord upon the termination of this Lease (except for personal property and furniture owned by Tenant).

13. Landlord's Reservation of Common Areas and Right of Further Development.

Landlord shall retain control over the Common Areas in the Building (to the extent located on the first floor, and all vertical penetrations, and the roof and reserving the right to reasonably access the roof) and all Building Exterior Common Areas and shall operate and maintain all Common Areas in such manner as Landlord in its reasonable discretion, shall determine. Without limitation to the foregoing, Landlord shall have the right to construct either an expansion to the Building or to construct another building or parking facility on the Land, as more particularly provided for hereinafter. Landlord agrees that it shall consult with Tenant prior to the exercise of any such control to the extent it would impact Tenant's use and enjoyment of such Common Areas. Tenant acknowledges that, without any liability to Tenant in any respect, Landlord shall have the right to:

(a) Close off any of the Common Areas to whatever extent required, in the opinion of Landlord, to prevent a dedication of any of the Common Areas or the accrual of any rights by any person or the public to the Common Areas, provided such closure does not materially deprive Tenant of the benefit and enjoyment of the Premises for its permitted use;

(b) Except as expressly provided herein, temporarily close not more than fifty percent, at any given time, of the total of the Common Areas (but not more than 90 days in the aggregate for every two year period) for maintenance, alteration, further site development or improvement purposes. Notwithstanding the foregoing, in the event of further site development by Landlord, Landlord shall be entitled to utilize all or any portion of the Building Exterior Common Areas for staging and/or as the site for an additional building or parking facility to be located either on or adjacent to the Land; provided that Landlord continuously provides Tenant with not less than 300 parking spaces on or in the vicinity of the Land during such construction period (provided, however, in the event that such relocated spaces are located at a distance greater than the distance between the Building and the "Town Center Off-Site Parking" (as defined in Paragraph 13, below), then Landlord agrees that it shall furnish a free shuttle service (during Tenant's standard business hours of arrival and departure) to the employees of Tenant between such off-site parking location and the Building;

(c) Select, appoint or contract with any person for the purpose of operating and maintaining the Common Areas, on such terms and conditions as Landlord deems reasonable;

(d) Change the size, use, shape or nature of any such Common Areas (including any of the Building Exterior Common Area and any other Common Area located on the first floor of the Building and the roof top) provided such change does not materially deprive Tenant of the benefit and enjoyment of the Premises and further provided that such change does not increase Tenant's Proportionate Share for purposes of any rental calculations hereunder. So long as Tenant is not thus deprived of the use and benefit of the Premises or adequate parking or access to the Premises, and is not deprived of toilet facilities within the Building, Landlord will also have the right at any time to change the arrangement or location of, or both, or to regulate or eliminate the use of any concourse, elevator, stairs, toilet or other public conveniences in the Building, or any driveways or parking facility, without incurring any liability to Tenant or entitling Tenant to any abatement of rent;

(e) Expand the existing Building or other Building, whether or not the same covers a portion of the Common Areas, convert the Common Areas to a portion of the Building or other building, or convert any portion of the Building (excluding the Premises) or other building to Common Areas. Upon erection or any Building or expansion of the Building, or change in Common Areas, the portion of the Building upon which such structures have been erected will no longer be deemed to be a part of the Common Areas. In the event of any such changes in the size or use of a building or Common Areas, Landlord may make an appropriate adjustment in the Rentable Square Feet of the Building and a corresponding adjustment to Tenant's Proportionate Share;

(f) In addition to the other rights of Landlord under this Lease, Landlord reserves to itself and its respective successors and assigns the right to: (i) change the street address and/or name of the Building; (ii) erect, use and maintain pipes and conduits in and through the Premises; (iii) grant to anyone the exclusive right to conduct any lawful business or undertaking in the Building; (iv) control the use of the roof and exterior walls of the Building and other Building Exterior Common Area; and (vi) use Tenant's name in promotional materials relating to the Building. Landlord may exercise any or all of the foregoing rights without being deemed to be guilty of an eviction or disturbance or interruption of the business of Tenant or Tenant's use or occupancy of the Premises, provided that Landlord uses reasonable efforts to minimize interference with Tenant's benefit and enjoyment of the Premises.

(g) Nothing in this Paragraph 13 is intended to negate or nullify the rights granted to Tenant in Exhibit F, Sections 3 and 4.

14. Graphics and Signage.

All letters and numerals on doors or other signs on the Premises shall be in the standard form of graphics for the Building, and no others shall be used or permitted without Landlord's prior written consent. Furthermore, except as expressly permitted herein, Tenant shall not place signs on or in the Premises which are visible from outside the Premises. Tenant's name and suite number shall be included by Landlord on the lobby directory for the Building and at the main entry for the Premises. Notwithstanding the foregoing, Landlord will permit Tenant to install lighted signage on the Building, either in the form of the existing lighted sign currently installed on the Pasco Building, or be a new channel mounted lighted sign approximately the same size. Any new signage installation, including the size and scope, shall be subject to both Landlord's and Tenant's prior written approval, and furthermore, shall be permitted only upon governmental approval and shall comply with all governmental ordinances, codes and regulations. The cost of the building signage is the sole responsibility of Tenant and may be funded from the Tenant Improvement Allowance.

15. Parking.

During the Lease Term, Tenant shall have, without charge, the non-exclusive right to use, in common with Landlord, other tenants of the Building, and their respective guests and invitees, the automobile parking areas, driveways, and footways located on the Land. Notwithstanding the terms and provisions in the immediately preceding sentence, (i) Tenant and Tenant's guests and invitees shall not, at any given time, be entitled to use more than three hundred (300) non-exclusive parking spaces, and (ii) Landlord shall have the right during the Lease Term to reserve parking spaces on the Land for the exclusive use of other tenants in the Building, provided the reservation of such spaces for the exclusive use of other tenants in the Building does not have the effect of denying Tenant the non-exclusive use of 300 parking spaces. Without limitation to the foregoing, Landlord shall mark all parking spaces that shall be for the exclusive use of the tenant of Suite 100, under the existing "Byrd Lease" (as defined in Exhibit "F" attached hereto). In addition, Landlord shall furnish Tenant with an additional fifty (50) non-exclusive parking spaces ("Off-Site Parking") at either: (a) a parking site located at the southerly portion of the Town Center development ("Town Center Off-Site Parking"); or (b) at an alternative location within Carillon Office Park, provided, however, that Landlord agrees that it shall furnish a free shuttle service (during Tenant's standard business hours of arrival and departure) to the employees of Tenant between such alternative location and the Building in the event that such alternative location is located outside of a diameter having a distance radius equal to the distance between the Building and the Town Center Off-Site Parking. The Off-Site Parking shall be furnished to Tenant without additional costs for the first three years of the term of this Lease. Thereafter, Tenant agrees to pay Landlord a monthly fee equal to \$30.00 per parking space for the Off-Site Parking, plus applicable sales tax, during the fourth year of the term of this Lease. Thereafter, the Off-Site Parking fee shall be increased annually by an amount equal to 1.5% of the previous year's parking fee rate.

16. Compliance with Laws.

Tenant agrees to comply with all applicable laws, ordinances, rules and regulations of any governmental entity or agency having jurisdiction over the Premises. Without limiting the generality of the foregoing, in the event the Premises must be modified or any other action relating to the Premises must be undertaken in the future to comply with the Americans With Disabilities Act of 1990, as amended (the "ADA"), or any similar federal, state or local statute, law, or ordinance, the responsibility for such modification or action (including the payment of all costs incurred in connection therewith) shall belong to Tenant. If the Common Areas, including the Building Exterior Common Areas, must be modified or any other action relating to the Common Areas or the Building Exterior Common Areas must be undertaken in the future to comply with the ADA or any similar federal, state or local statute, law, or ordinance and if such modification or action is required because of (i) any special or unique use or activity in the Premises or (ii) the performance of any alterations within the Premises, the responsibility for such modification or action (including the payment of all costs incurred in connection therewith) shall belong to Tenant. Except as provided in the immediately preceding sentence, in the event the Common Areas, including the Building Exterior Common Areas, must be modified or any other action relating to the Common Areas, including the Building Exterior Common Areas, must be undertaken in the future to comply with the ADA or any similar federal, state or local statute, law, or ordinance, the responsibility for such modification or action (including the payment of all costs incurred in connection therewith, subject to the terms and provisions of this Lease relating to the pass-through of Basic Costs) shall belong to Landlord.

17. Building Rules and Regulations.

Tenant shall comply with the rules and regulations applicable to the Building and the Building Exterior Common Areas (the "Rules and Regulations") adopted and altered by Landlord from time to time and shall cause all of its agents, employees, invitees and visitors to do so; all changes to the Rules and Regulations will be sent by Landlord to Tenant in writing. The initial Rules and Regulations, which have been reviewed and approved by Tenant, are attached hereto as Exhibit E.

18. Entry by Landlord and Emergency Evacuations.

(a) Tenant agrees to permit Landlord and Landlord's agents and representatives to enter into and upon any part of the Premises at all reasonable hours (and in emergencies at all times) to inspect the same, to show the Premises to prospective purchasers, mortgagees, tenants or insurers, to install or maintain devices to determine if Tenant's electrical usage is in excess of design loads and capacities, and to clean or make repairs, alterations or additions thereto, and Tenant shall not be entitled to any abatement or reduction of rent by reason thereof. Landlord must provide reasonable notice for of entry except for emergency circumstances and a tenant appointed escort is required.

(b) Landlord has the right to cause the evacuation of the Building in the event of any emergency or catastrophe. Notwithstanding the foregoing, the Landlord's rights to evacuate due to a hurricane event are granted by and subject to the terms and conditions of Subparagraph 18(c) below.

(c) Notwithstanding the terms of the preceding subparagraph 18(b), Landlord shall have the right to cause the evacuation of the Building in the event of a hurricane, but such right shall be subject to and conditioned upon the issuance of: (i) a hurricane warning issued by the National Hurricane Center or National Weather Service for the evacuation zone in which the Building is located; and/or (ii) a mandatory order to evacuate the evacuation zone in which the Building is located by any governmental or quasi-governmental authority or agency having jurisdiction to order such evacuations in the event of an approaching hurricane (collectively the "Official Order"). Notwithstanding anything in this Paragraph 18 to the contrary, in the event that Tenant fails to evacuate the Building on or before the time set by the Official Order (the "Evacuation Deadline"), with or without a concurrent order of Landlord to evacuate, and provided Tenant's failure to evacuate the Building by the Evacuation Deadline is not the result of any actions or negligence of Landlord and/or its agents and employees, then Tenant assumes all risk and liability, including any increases in insurance costs to Landlord, and hereby releases and waives all claims against Landlord from injury, death, loss or damage to person, property or business sustained in or about the Premises or the Building (including Tenant's personal property and equipment) that arises directly from Tenant's failure to evacuate the Building by the Evacuation Deadline. Provided Tenant's failure to evacuate the Building by the Evacuation Deadline is not the result of any actions or negligence of Landlord and/or its agents and employees, Tenant shall pay all costs, expenses, fines, penalties, or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to evacuate the Building by the Evacuation Deadline and, at Tenant's sole cost and expense, shall indemnify, defend, and hold Landlord harmless (including legal fees and expenses) from and against any claims, actions, damages, liability and expense in connection with loss of life, personal injury, bodily injury, and/or damage to or destruction of Tenant's property arising from such noncompliance or failure to evacuate the Building by the Evacuation Deadline. In the event Landlord shall be made a party to any litigation regarding or arising from Tenant's failure to comply with the Evacuation Deadline, then Tenant shall protect and hold Landlord harmless and pay all costs and attorney's fees incurred by Landlord in connection with such litigation, and any appeals thereof. Tenant shall have the right to suspend payment of any fine or penalty imposed during the period of time Tenant shall have the legal right to contest, in good faith, the imposition of any such fine or penalty, however, Tenant agrees to indemnify and hold

Landlord harmless from any and all claims for losses, expenses, fees, interest, and costs arising out of Tenant's failure to evacuate the Building by the Evacuation Deadline and/or pay any fine or penalty related thereto.

19. Assignment and Subletting.

(a) Tenant shall not, by operation of law or otherwise, (a) assign, transfer, mortgage, pledge, hypothecate or otherwise encumber this Lease, the Premises or any part of or interest in this Lease or the Premises, (b) grant any concession or license within the Premises, (c) sublet all or any part of the Premises or any right or privilege appurtenant to the Premises, or (d) permit any other party to occupy or use all or any part of the Premises (collectively, a "Transfer"), without the prior written consent of Landlord, which consent shall not be unreasonably withheld or delayed beyond 10 business days after receipt by Landlord of all required information reflecting the terms of the Transfer, as set forth hereinbelow. This prohibition against a Transfer includes, without limitation, except as otherwise set forth herein, (i) any subletting or assignment which would otherwise occur by operation of law, merger, consolidation, reorganization, transfer or other change of Tenant's corporate or proprietary structure; (ii) an assignment or subletting to or by a receiver or trustee in any federal or state bankruptcy, insolvency, or other proceedings; (iii) the sale, assignment or transfer of all or substantially all of the assets of Tenant, with or without specific assignment of Lease; (iv) the change in control in a partnership; or (v) conversion of Tenant to a limited liability entity. If Tenant converts to a limited liability entity without obtaining the prior written consent of Landlord: (i) the conversion shall be null and void for purposes of the Lease, including the determination of all obligations and liabilities of Tenant and its partners to Landlord; (ii) all partners of Tenant immediately prior to its conversion to a limited liability shall be fully liable, jointly and severally, for obligations of Tenant accruing under this Lease pre-conversion and post-conversion, and all members and other equity holders in Tenant post-conversion shall be fully liable for all obligations and liabilities of Tenant accruing under the Lease after the date such members and other equity holders are admitted to the limited liability entity as if such person or entity had become a general partner in a partnership; and (iii) Landlord shall have the option of declaring Tenant in default under this Lease. If Tenant requests Landlord's consent to any Transfer, then Tenant shall provide Landlord with a written description of all terms and conditions of the proposed Transfer, copies of the proposed documentation, and the following information about the proposed transferee: name and address; reasonably satisfactory information about its business and business history; its proposed use of the Premises; a copy of the proposed sublease or assignment agreement; banking, financial and other credit information; and general references sufficient to enable Landlord to determine the proposed transferee's creditworthiness and character.

(b) If Tenant requests Landlord's consent to a Transfer, Landlord shall have the option (without limiting Landlord's other rights hereunder) of terminating this Lease with respect to the portion of the Premises subject to the proposed assignment, subletting or transfer upon thirty (30) days' notice and of dealing directly with the proposed assignee, subtenant or transferee. If Landlord should fail to notify Tenant in writing of its decision within a thirty (30) day period after Landlord is notified in writing of the proposed assignment, sublease or other transfer, Landlord shall be deemed to have refused to consent to such assignment, sublease or transfer and to have elected to keep this Lease in full force and effect.

(c) Landlord hereby reserves the right to condition Landlord's consent to any assignment or sublet upon Landlord's receipt from Tenant of a written agreement, in form and substance acceptable to Landlord, pursuant to which Tenant, at Landlord's option, shall pay over to Landlord, as Additional Rent

hereunder, one hundred percent (100%) of all rent or other consideration received by Tenant from any such subtenant or assignee, either initially or over the term of the assignment or sublease, in excess of the Rent called for hereunder, or, in case of the sublease of a portion of the Premises, in excess of such rent fairly allocable to such portion, after appropriate adjustments to assure that all other payments called for hereunder are taken into account, and after taking into account Tenant's reasonable expenses incurred in connection with such subletting or assignment.

(d) Notwithstanding any provision to the contrary, Tenant may assign this Lease or sublet the Premises without Landlord's consent (i) to any corporation or other entity resulting from a merger, acquisition, consolidation of or with Tenant; or (ii) in connection with the sale of all or substantially all of the assets of Tenant; or (iii) to any Affiliate (as that term is defined in this Paragraph 19(h)) of Tenant, so long as Tenant provides evidence to Landlord in writing that such assignment or sublease complies with the criteria set forth in (i) or (ii) above and provided the following conditions are met: (1) the net worth of the transferee is equal to or greater than the greater of Tenant's net worth on the date of this Lease and Tenant's net worth immediately prior to the effective date of the transfer, (2) if Tenant remains in existence as a separate legal entity following the transfer, it shall not be released from liability under this Lease, (3) the transferee shall assume in a writing delivered to Landlord all of Tenant's obligations under this Lease effective upon the consummation of the transfer, and (4) Tenant shall give written notice to Landlord of the proposed transfer at least fifteen (15) days in advance of the consummation thereof. As used herein, "Affiliate" shall mean any entity controlling, controlled by, or under common control with, Tenant. Any subsequent Transfer by such Affiliate shall be subject to Landlord's prior written consent (which Landlord may grant or deny in accordance with this Paragraph 19).

(e) If Tenant assigns, sublets or makes any other transfer of all or any portion of its interest(s) hereunder, Tenant named in this Lease shall remain directly and primarily responsible for the faithful performance and observance of all of the covenants and obligations on Tenant's part to be performed in this Lease. No assignment or subletting shall affect the continuing primary liability of Tenant hereunder (which, following any assignment or sublet, shall be joint and several with the assignee or subtenant), and Tenant shall not be released from performing any of the terms, covenants and conditions of this Lease.

(f) Any assignee or subtenant hereunder shall be bound by and shall comply with all of the terms and provisions in this Lease, including, without limitation, the use restriction set forth in Paragraph 4 herein. As a condition to the effectiveness of any assignment that is permitted hereunder, the assignee shall, by an instrument in writing, assume and agree to perform (for the express benefit of Landlord) the terms hereof; and as a condition to the effectiveness of any sublease that is permitted hereunder, the subtenant shall acknowledge in writing (for the express benefit of Landlord) the existence of this Lease and shall covenant not to do or permit to be done anything that would constitute a breach hereof.

(g) Landlord's consent to any Transfer hereunder shall not waive the requirement of its consent to any subsequent Transfer as required herein.

(h) Tenant covenants that it shall exclusively use the services of Echelon Real Estate Services, LLC (as exclusive agent for Tenant) or its successors or assigns, to market this Lease or any portions of the Premises for subleasing, to third parties. Further, no assignment or subletting shall be made to any person or entity for the conduct of business which is not in keeping with the standards and general character of the Building and appropriate credit standing. All rights and options of Tenant hereunder, if any, to expand the Premises, contract the Premises, extend or renew the Term, shorten the Term, and any right of first refusal shall automatically terminate upon the assignment of this Lease or upon sublet of all or any part of the Premises unless Landlord specifically agrees in writing that such

rights and options shall continue. Tenant acknowledges that the restrictions on assignments and subleases described herein are a material inducement for Landlord entering into this Lease and shall be enforceable by Landlord against Tenant and against any assignee or subtenant or any other party acquiring an interest in this Lease.

20. Liens.

Tenant will not permit any mechanic's lien(s) or other liens to be placed upon the Premises, the Building or the Land and nothing in this Lease shall be deemed or construed in any way as constituting the consent or request of Landlord, express or implied, by inference or otherwise, to any person for the performance of any labor or the furnishing of any materials to the Premises, or any part thereof, nor as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials that would give rise to any mechanics' or other liens against the Premises, the Building or the Land. In the event any such lien is attached to the Premises, the Building or the Land, then, in addition to any other right or remedy of Landlord, Landlord may, but shall not be obliged to, discharge the same. Any amount paid by Landlord for any of the aforesaid purposes shall be reimbursed by Tenant to Landlord on demand as Additional Rent.

The interest of Landlord shall not be subject to liens for improvements made by Tenant in and to the Premises. Tenant shall notify every contractor making such improvements of the provisions set forth in the preceding sentence of this paragraph. The parties agree, should Landlord so request, to execute, acknowledge and deliver without charge to Tenant, a Short Form Lease in recordable form in accordance with Chapter 713, Florida Statutes containing a confirmation that the interest of Landlord shall not be subject to liens for improvements made by Tenant to the Premises.

21. Landlord's Insurance.

Landlord shall maintain property insurance on the Building and the Premises, such policy or policies to cover Landlord's interest in the Building and Premises in amounts and in coverages considered by Landlord to be reasonable and customary. Such insurance shall be maintained at the expense of Landlord (as a part of Basic Costs), and payments for losses thereunder shall be made solely to Landlord or the mortgagees of Landlord relative to the Land and the Building (collectively, "Mortgagees"; each, a "Mortgagee"), as their respective interests shall appear. The insurance required to be obtained by Landlord may be obtained by Landlord through blanket or master policies insuring other entities or properties owned or controlled by Landlord, Landlord shall furnish to Tenant, upon request of Tenant, a certificate or certificates of insurance certifying that the insurance coverage required is in force.

22. Tenant's Insurance.

Tenant shall maintain, at its expense, in an amount equal to full replacement cost, property insurance on all of its personal property, including removable trade fixtures, located in the Premises to be written on a "Special Form" basis. Tenant shall also, at its own expense, maintain a policy or policies of commercial general liability insurance (occurrence coverage) with respect to the respective activities of Tenant on the Land and in the Building with the premiums thereon fully paid on or before the due date, issued by and binding upon an insurance company authorized to conduct such business in the State of Florida. Such commercial general liability insurance to be maintained by Tenant and Landlord under this Paragraph 22 shall afford minimum protection of not less than \$5,000,000 combined single limit coverage of bodily injury, property damage or combination thereof. Such insurance coverage maintained by Tenant also shall include, without limitation, personal injury and contractual liability coverage for the performance by Tenant of the indemnity agreements set forth in this Lease. Landlord shall not be required to maintain

insurance against thefts within the Premises or the Building or on the Land. Tenant shall, at Landlord's request from time to time, provide Landlord with current certificates of insurance evidencing Tenant's compliance with the terms and requirements of this Paragraph 22 herein. All policies required to be maintained by Tenant under this Paragraph 22 herein shall name Landlord and its Mortgagee as an additional insured and shall contain a provision whereby the insurer is not allowed to cancel, fail to renew or change materially the coverage without first giving thirty (30) days prior written notice to Landlord. Tenant shall furnish to Landlord, upon request of Landlord, a certificate or certificates of insurance certifying that the insurance coverage required is in force.

23. Indemnity.

Landlord shall not be liable to Tenant, or to Tenant's agents, servants, employees, customers, or invitees for any injury to person or damage to property caused by any act, omission, or neglect of Tenant, its agents, servants, employees, invitees, licensees or any other person entering the Land, the Building Exterior Common Areas, the Building or the Premises under the invitation of Tenant or arising out of a default by Tenant in the performance of its obligations hereunder. Tenant hereby indemnifies and holds Landlord, its officers, directors, agents, employees and invitees harmless from all liability and claims for any such damage or injury. In case Landlord shall be made a party to any such litigation, then Tenant shall protect and hold Landlord harmless and pay all reasonable costs and attorney's fees incurred by Landlord in connection with such litigation, and any appeals thereof.

Tenant shall not be liable to Landlord, or to Landlord's agents, servants, employees, customers, or invitees for any injury to person or damage to property to the extent caused by any act, omission, or neglect of Landlord, its agents, servants, employees, invitees, licensees or by any other person entering the Land, the Building Exterior Common Areas, the Building or the Premises under the express invitation of Landlord, or arising out of a default by Landlord in the performance of its obligations hereunder. Landlord hereby indemnifies and holds Tenant, its officers, directors, agents, employees and invitees, harmless from all liability and claims for any such damage or injury. In case Tenant shall be made a party to any such litigation, then Landlord shall protect and hold Tenant harmless and pay all reasonable costs and attorney's fees incurred by Tenant in connection with such litigation, and any appeals thereof.

24. Waiver and Waiver of Subrogation Rights.

Anything in this Lease to the contrary notwithstanding (including, without limitation, Paragraph 23 herein), Landlord and Tenant each hereby waive any and all rights of recovery, claim, action, or cause of action, against the other, its agents, officers, or employees, for any loss or damage that may occur to the Premises or a part thereof, or any improvements thereto, or any personal property of such party therein, by reason of fire, the elements, or any other cause(s) which are insured against under the terms of the property insurance policies referred to in Paragraph 21 and Paragraph 22 herein, regardless of cause or origin, including negligence of the other party hereto, its agents, officers, or employees. All insurance policies carried with respect to Paragraph 21 and Paragraph 22 herein, if permitted under applicable law, shall contain a provision whereby the insurer waives, prior to loss, all rights of subrogation against Landlord and Tenant.

25. Casualty Damage.

If the Premises or any part thereof shall be damaged by fire or other casualty, Tenant shall give prompt written notice thereof to Landlord. In case the Building shall be so damaged that substantial alteration or reconstruction of the Building shall be required (whether or not the Premises shall have been damaged by such casualty) or in the event any Mortgagee should require that the insurance proceeds payable as a result of a casualty be applied to the payment of the mortgage debt or in the event of any material uninsured loss to the Building, Landlord may, at its option, terminate this Lease by notifying Tenant in writing of such termination within ninety (90) days after the date of such casualty. If, by reason of such casualty, the Premises are rendered untenable in some material portion, and the amount of time required to repair the damage is reasonably determined by Landlord to be in excess of two hundred forty (240) days from the date upon which Landlord is required to determine whether to terminate this Lease, then Tenant shall have the right to terminate this Lease by giving Landlord written notice of termination within thirty (30) days after the date Landlord delivers Tenant notice that the amount of time required to repair the damage has been determined by Landlord to be in excess of two hundred forty (240) days. If Landlord (or Tenant, if applicable) does not thus elect to terminate this Lease, Landlord shall commence and proceed with reasonable diligence to restore the Building to substantially the same condition as existed immediately prior to the occurrence of the casualty, except that Landlord's obligation to restore shall not exceed the scope of the work required to be done by Landlord in originally constructing the Building Shell Improvements and installing the Tenant Improvements in the Premises. Landlord shall not be obligated to restore the Building Shell Improvements or the Premises if the cost of the restoration work required under this Lease and all other leases of space in the Building exceeds the insurance proceeds actually received by Landlord as a result of the casualty. When the Tenant Improvements have been restored by Landlord, Tenant shall restore Tenant's furniture and equipment. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or the repair thereof, except that, subject to the provisions of the next sentence, Landlord shall equitably abate the Base Rental during the time and to the extent the Premises are unfit for occupancy and Tenant does not, in fact, use such Premises. If the Premises or any other portion of the Building is damaged by fire or other casualty resulting from the fault or negligence of Tenant or any of Tenant's agents, employees, or invitees, the Base Rental hereunder shall not be abated during the repair of such damage and Tenant shall be liable to Landlord for the cost of the repair and restoration of the Building caused thereby to the extent such cost and expense are not covered by insurance proceeds.

26. Condemnation.

If the whole or substantially the whole of the Building or the Premises should be taken for any public or quasi-public use, by right of eminent domain or otherwise or should be sold in lieu of condemnation, then this Lease shall terminate as of the date when physical possession of the Building or the Premises is taken by the condemning authority. If less than the whole or substantially the whole of the Building or Premises is thus taken or sold and the remaining portion of the Building can no longer be operated as a multi-tenant office building on a financially sound basis, in Landlord's sole opinion, or if any Mortgagee should require that the condemnation proceeds payable as a result of such taking or sale be applied to the payment of the mortgage debt, Landlord (whether or not the Premises are affected by the taking or sale) may terminate this Lease by giving written notice thereof to Tenant, in which event this Lease shall terminate as of the date when physical possession of such portion of the Building or Premises is taken by the condemning authority. If this Lease is not so terminated upon any such taking or sale and if a portion of the Premises is affected thereby, the Base Rental payable hereunder shall be equitably abated, and Landlord shall, to the extent Landlord deems feasible, restore the Building and the Premises to substantially their former condition, except Landlord's obligation to restore shall not exceed the scope of the work required to be done by Landlord in originally constructing the Building Shell Improvements and installing the Tenant Improvements, nor shall Landlord in any event be obligated to restore the Building Shell Improvements or the Tenant Improvements if the cost of the restoration work required under this Lease and all other leases of space in the Building exceeds the amount received by Landlord for such taking. All amounts awarded upon a taking of any part or all of the Building or the Premises shall belong to Landlord, and Tenant shall not be entitled to and expressly waives all claims to any such compensation.

27. Damages from Certain Causes.

Landlord shall not be liable to Tenant for any loss or damage to any property or person occasioned by theft, fire, act of God, public enemy, injunction, riot, strike, insurrection, war, national emergencies, court order, requisition, or order of governmental body or authority or by any other Force Majeure Matter, nor shall Landlord be liable for any damage or inconvenience which may arise through repair or alteration of any part of the Building or Premises.

28. Events of Default/Remedies.

(a) The following events shall be deemed to be events of default by Tenant under this Lease (each, an "Event of Default"; collectively, "Events of Default"):

(i) Tenant fails to pay any installment of Base Rental or Additional Rent when due and such failure continues for more than three (3) days after Tenant is given written notice of such failure (provided, however, Tenant shall not be entitled to such notice and cure period more than once in any calendar year during the Lease Term);

(ii) Tenant fails to comply with any provision of this Lease (other than clauses (iii), (iv), (v), (vi) and (vii) in this Paragraph 28(a)), all of which terms, provisions and covenants shall be deemed material and such failure continues for more than fifteen (15) days after Tenant is given written notice of such failure (provided such 15-day notice and cure period for non-monetary defaults shall be decreased or dispensed with, as reasonably required, in cases of emergency or in circumstances where such failure will result in a default by Landlord under other leases of space in the Building);

- (iii) the leasehold hereunder demised is taken on execution or other process of law in any action against Tenant;
- (iv) Tenant fails to take occupancy of the Premises or otherwise deserts, abandons or vacates any substantial portion of the Premises;
- (v) Tenant becomes insolvent or unable to pay its debts as they become due, or Tenant notifies Landlord that it anticipates either condition;
- (vi) Tenant takes any action to or notifies Landlord that Tenant intends to file a petition under any section or chapter of the United States Bankruptcy Code, as amended from time to time, or under any similar law or statute of the United States or any State thereof; or a petition shall be filed against Tenant under any such statute or Tenant or any creditor of Tenant's notifies Landlord that it knows such a petition will be filed or Tenant notifies Landlord that it expects such a petition to be filed; or
- (vii) a receiver or trustee is appointed for Tenant's leasehold interest in the Premises or for all or a substantial part of the assets of Tenant.

Notwithstanding the foregoing provisions in this Paragraph 28(a), Tenant shall not be entitled to any notice and cure period in connection with Tenant's obligation to vacate the Premises at the end of the Lease Term.

(b) Upon the occurrence under this Lease of any Event of Default by Tenant, whether enumerated in Paragraph 28(a) herein or not, Landlord shall have the option to pursue any one or more of the following remedies:

- (i) terminate this Lease, in which event Tenant shall immediately surrender the Premises to Landlord;
- (ii) terminate Tenant's right to occupy the Premises and re-enter and take possession of the Premises (without terminating this Lease) and relet or attempt to relet the Premises for the account of Tenant and Landlord shall not be deemed to have thereby accepted a surrender of the Premises, and Tenant shall remain liable for all Base Rental, Additional Rent or other sums due under this Lease and for all damages suffered by Landlord because of Tenant's breach of any provision of this Lease;
- (iii) enter upon the Premises and do whatever Tenant is obligated to do under the terms of this Lease, and Tenant agrees to reimburse Landlord on demand for any expense which Landlord may incur in effecting compliance with Tenant's obligations under this Lease, and Tenant further agrees that Landlord shall not be liable for any damages resulting to Tenant from such action;
- (iv) accelerate and declare the entire remaining unpaid Base Rental and Additional Rent for the balance of the Lease Term to be immediately due and payable forthwith, and may, at once, take legal action to recover and collect the same; and

(v) exercise all other remedies and seek all damages available to Landlord at law or in equity, including, without limitation, injunctive relief of all varieties.

In the event Landlord elects to re-enter or take possession of the Premises after an Event of Default by Tenant, Tenant hereby waives notice of such re-entry or repossession and of Landlord's intent to re-enter or take possession. Landlord may, without prejudice to any other remedy which it may have for possession or arrearages in rent, expel or remove Tenant and any other person who may be occupying said Premises or any part thereof. In addition, the provisions of Paragraph 31 herein shall apply with respect to the period from and after the giving of notice of such termination to Tenant. All of Landlord's remedies under this Lease shall be cumulative and not exclusive. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an Event of Default shall not be deemed or construed to constitute a waiver of such default or an election of remedies.

(c) Any installment of Base Rental and any Additional Rent not paid to Landlord within ten (10) days following the date when due and payable shall bear interest from the date due until paid at the lesser of (i) the prevailing prime rate as published from time to time in the Wall Street Journal, plus six percent (6%) or (ii) the maximum lawful contract rate per annum.

(d) This Paragraph 28 shall be enforceable to the maximum extent not prohibited by applicable law, and the unenforceability of any portion thereof shall not thereby render unenforceable any other portion. To the extent any provision of applicable law requires some action by Landlord to evidence or effect the termination of this Lease or to evidence the termination of Tenant's right of occupancy, Tenant and Landlord hereby agree that notice, in writing only and delivered in accordance with Paragraph 37 herein, shall be sufficient to evidence and effect the termination therein provided for.

(e) Any personal property left in the Premises or any personal property of Tenant left about the Building at the expiration or termination of this Lease, the termination of Tenant's right to occupy the Premises or the abandonment, desertion or vacating of the Premises by Tenant, shall be deemed abandoned by Tenant and may, at the option of Landlord, be immediately removed from the Premises or such other space by Landlord and stored by Landlord at the full risk, cost and expense of Tenant. Landlord shall in no event be responsible for the value, preservation or safekeeping thereof. In the event Tenant does not reclaim any such personal property and pay all costs for any storage and moving thereof within thirty (30) days after the expiration or termination of this Lease, the termination of Tenant's right to occupy the Premises or the abandonment, desertion or vacating of the Premises by Tenant, Landlord may dispose of such personal property in any way that it deems proper. If Landlord shall sell any such personal property, it shall be entitled to retain from the proceeds the amount of any Rent or other expenses due Landlord, together with the cost of storage and moving and the expense of the sale. Notwithstanding anything contained herein to the contrary, in addition to the rights provided herein with respect to any such property, Landlord shall have the option of exercising any of its other rights or remedies provided in the Lease or exercising any rights or remedies available to Landlord at law or in equity.

29. Security Deposit; Letter of Credit. (intentionally deleted)

30. Peaceful Enjoyment.

Tenant shall, and may peacefully have, hold, and enjoy the Premises against Landlord and all persons claiming by and through or under Landlord for the Lease Term, subject to the other terms hereof, provided Tenant pays the rent and other sums herein recited to be paid by Tenant and performs all of

Tenant's covenants and agreements herein contained. This covenant and any and all other covenants of Landlord shall be binding upon Landlord and its successors only with respect to breaches occurring during its or their respective periods of ownership of Landlord's interest hereunder.

31. Holding Over.

If Tenant remains in possession of the Premises or any part thereof after the expiration or earlier termination of this Lease, whether with or without Landlord's acquiescence, Tenant shall be deemed a tenant at will. In the event of any such holding over by Tenant after the expiration or other termination of this Lease or in the event Tenant continues to occupy the Premises after the termination of Tenant's right of possession pursuant to Paragraph 28(b) herein, Tenant shall, throughout the entire holdover period, pay Base Rental, for the first three months of such holdover period, equal to one hundred fifty percent (150%) of the applicable Base Rental in effect immediately before the holdover period began, and for each month thereafter, equal to two hundred percent (200%) of the applicable Base Rental in effect immediately before the holdover period, and such payments shall be made together with all applicable Additional Rent which would have been applicable had the Lease Term continued through the period of such holding over by Tenant. Tenant shall also remain liable for any and all damages, direct and consequential, suffered by Landlord as a result of any holdover without Landlord's written consent. No holding over by Tenant after the expiration of the Lease Term shall be construed to extend the Lease Term.

32. Subordination to Mortgage.

Tenant accepts this Lease subject and subordinate to any mortgage, deed of trust, or other lien presently existing or hereafter arising upon the Premises, the Building and/or the Land, and to any renewals, modifications, refinancings and extensions thereof, but Landlord agrees that it shall obtain a non-disturbance and attornment agreement from the holders of such liens in form reasonably acceptable to Tenant. Notwithstanding the foregoing, the failure of Landlord to obtain such agreements from the holders of such liens, after the exercise by Landlord of diligent and good faith efforts, shall not be deemed a default by Landlord under this Lease.

33. Estoppel Certificate.

Tenant agrees that it will, from time to time upon request by Landlord and within ten (10) days of such request, (a) cooperate and execute and deliver to such persons as Landlord shall request an estoppel certificate certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that, to the best knowledge of Tenant, Landlord is not in default hereunder (or if Tenant alleges a default, stating the nature of such alleged default) and further stating such other matters as Landlord shall reasonably require; and (b) deliver to

Landlord audited financial statements of Tenant, including a balance sheet and a profit and loss statement for the most recent two (2) years, all prepared in accordance with generally accepted accounting principles consistently applied and certified by an independent certified public accountant. If this Lease is guaranteed by a guarantor, then upon Landlord's request, Tenant shall cause such guarantor to deliver to Landlord within ten (10) days thereafter, audited financial statements of the guarantor otherwise conforming to the preceding sentence. In the event that Tenant should fail to execute any such estoppel certificate promptly as requested, Tenant hereby irrevocably constitutes Landlord as its attorney-in-fact to execute such estoppel certificate in Tenant's name, place and stead, it being agreed that such power is one coupled with an interest.

34. Attorneys' Fees.

In the event either party defaults in the performance of any of the terms of this Lease and the other party employs attorney(s) in connection therewith, the defaulting party agrees to pay the prevailing party's reasonable attorneys' fees and costs of litigation, whether at the trial level, on appeal or in any bankruptcy or administrative proceedings.

35. No Implied Waiver.

The failure of either party to insist at any time upon the strict performance of any covenant or agreement herein or to exercise any option, right, power or remedy contained in this Lease shall not be construed as a waiver or a relinquishment thereof for the future. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of rent due under this Lease shall be deemed to be other than on account of the earliest rent due hereunder, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or to pursue any other remedy in this Lease provided.

36. Personal Liability.

Any provisions of this Lease to the contrary notwithstanding, Tenant hereby agrees that no personal, partnership or corporate liability of any kind or character (including, without limitation, the payment of any judgment) whatsoever now attaches or at any time hereafter under any condition shall attach to Landlord or any of Landlord's agents, stockholders or partners or any mortgagee for payment of any amounts payable under this Lease or for the performance of any obligation under this Lease. The exclusive remedies of Tenant for the failure of Landlord to perform any of its obligations under this Lease shall be to proceed against the interest of Landlord in and to the Building. The provision contained in the foregoing sentence is not intended to, and shall not, limit any right that Tenant might otherwise have to obtain injunctive relief against Landlord or Landlord's successors in interest or any suit or action in connection with enforcement or collection of amounts which may become owing or payable under or on account of insurance maintained by Landlord. In no event shall Landlord be liable to Tenant, or any interest of Landlord in the Building be subject to execution by Tenant, for any indirect, special, consequential or punitive damages. In no instance whatsoever shall any present, past or future partner, officer, member, manager, director or employee of Tenant have any individual liability to Landlord for the satisfaction of any obligations or liabilities of Tenant under this Lease, all such individual liability, if any, being expressly, unconditionally and irrevocably waived and released by Tenant.

37. Notices.

Any notice, request, approval, consent or other communication required or contemplated by this Lease must, unless otherwise expressly provided herein, be in writing, and may be given or be served by depositing the same in the United States Postal Service, postpaid via certified mail or registered mail, with return receipt requested, or by delivering the same in person to such party (or, in case of a corporate party, to an officer of such party), or by a recognized overnight mail service. For purposes of notice, the addresses of the parties shall, until changed as provided herein, be as provided in the Lease Summary; provided, however, that any notices addressed to Landlord will only be effective if copies thereof are simultaneously sent to the parties stated below or such other address, notice of which has been given to the other party pursuant to this Paragraph 37.

AS TO LANDLORD: To Landlord's address set forth in the Lease Summary

with a copy to: Trenam Kemker Scharf Barkin Frye O'Neill & Mullis, P.A.
101 E. Kennedy Blvd., Suite 2700
Tampa, FL
Attn: Mary H. Quinlan

AS TO TENANT: To Tenant's address set forth in the Lease Summary

with a copy to: First Advantage
100 Carillon Parkway
Suite 300
St. Petersburg, Florida 33716
Attention: Corporate Counsel

Notice deposited in the mail in the manner hereinabove described shall be effective from and after three (3) days (exclusive of Saturdays, Sundays and postal holidays) after such deposit. Notice given in any other manner shall be effective only if and when delivered to the party to be notified or at such party's address for purposes of notice as set forth herein. The parties hereto shall have the right from time to time to change their respective addresses by giving at least fifteen (15) days written notice to the other party in the manner set forth herein.

38. Severability.

If any term or provision of this Lease, or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such

term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and enforced to the fullest extent permitted by law, notwithstanding the invalidity of any other term or provision hereof.

39. Recordation.

Tenant agrees not to record this Lease; provided, however, Landlord and Tenant shall promptly execute and deliver a memorandum or short form of this Lease, in recordable form, and suitable to provide record notice of this Lease.

40. Governing Law and Venue.

This Lease and the rights and obligations of the parties hereto shall be interpreted, construed, and enforced in accordance with the laws of the State of Florida and venue for any actions initiated by Landlord or Tenant shall be in Pinellas County.

41. Force Majeure.

Whenever a period of time is herein prescribed for the taking of any action by either party, such party shall not be liable or responsible for, and there shall be excluded from the computation of such period of time, any delays due to any condition, matter or circumstance beyond the reasonable control of such party (collectively, "Force Majeure Matters"; each, a "Force Majeure Matter"), including, without limitation, the following: strikes; defaults or failures to perform by contractors or subcontractors; unavailability of materials; lockouts; acts of God; governmental restrictions, war, or enemy action or invasion; civil commotion; insurrection; riot; mob violence; malicious mischief or sabotage; fire or any other casualty; adverse weather conditions or unusual inclement weather; a condemnation; failure of a governmental instrumentality to act in a timely fashion; any litigation or other legal proceeding which delays the approval of plans or the issuance of any grading or building permit for construction, including, without limitation, the issuance of an injunction enjoining such approval and/or issuance, as the case may be; any law, order or regulation of any governmental, quasi-governmental, judicial or military authority; or other similar cause. In no event shall the failure or inability to pay rent or other charges or monies due and payable under the terms of this Lease be a Force Majeure Matter or be deemed to be excused by Force Majeure Matters. Without limiting the generality of the foregoing, in the event a Force Majeure Matter affects Landlord's construction and delivery obligation(s) relative to the Premises under this Lease, at Landlord's option, the Commencement Date shall be extended by the same number of days as the number of days of delay caused by such Force Majeure Matter on the critical path of completing such construction and delivery obligation(s).

42. Time of Performance.

Except as expressly otherwise herein provided, with respect to all required acts of Tenant, time is of the essence of this Lease.

43. Transfers by Landlord.

Landlord shall have the right to transfer and assign, in whole or in part, all its rights and obligations hereunder and in the Building and property referred to herein, and in such event and upon such transfer Landlord shall be released from any further obligations hereunder, and Tenant agrees to look solely to such successor in interest of Landlord for the performance of such obligations, except those obligations of Landlord with respect to which a default exists as of the effective date of such transfer or assignment.

44. Commissions.

Landlord warrants and represents to Tenant that Landlord has not engaged or contracted with any person, firm or entity to serve or act as a broker, agent or finder, other than Brokers for the purpose of leasing the Premises or in regard to this Lease. Tenant warrants and represents to Landlord that Tenant has not engaged, contracted with or dealt with any person, firm or entity (other than Brokers) to serve or act as a broker, agent or finder, for the purpose of leasing the Premises or in regard to this Lease. Landlord agrees to be solely responsible for the payment of any commission to Broker s relating to this Lease pursuant to a separate agreement between Landlord and Broker. Tenant shall and does hereby indemnify and hold harmless Landlord from and against any claim for any consulting fee, finder's fee, commission, or like compensation, including reasonable attorneys' fees in defense thereof, payable in connection with this Lease and asserted by any party arising out of any act or agreement by Tenant, excluding the commission payable by Landlord to Brokers as described above.

45. Effect of Delivery of this Lease.

Landlord has delivered a copy of this Lease to Tenant for Tenant's review only, and such delivery does not constitute an offer to Tenant or an option in favor of Tenant. This Lease shall not be effective until an original executed by both Landlord and Tenant is delivered to and accepted by Landlord.

46. Real Estate Investment Trust.

During the Lease Term, should a real estate investment trust become Landlord hereunder, all provisions of this Lease shall remain in full force and effect except as modified by this Paragraph 46. If Landlord in good faith determines that its status as a real estate investment trust under the provisions of the Internal Revenue Code of 1986, as heretofore or hereafter amended, will be jeopardized because of any provision of this Lease, Landlord may request reasonable amendments to this Lease and Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such amendments do not (a) increase the monetary obligations or materially increase the other obligations of Tenant pursuant to this Lease or (b) in any other manner adversely affect Tenant's interest in the Premises.

47. Hazardous Materials.

(a) Throughout the Lease Term, Tenant shall not knowingly cause, permit or allow any Hazardous Materials to be placed, stored, dumped, dispensed, released, discharged, used, sold, transported, or located on or within any portion of the Premises, the Building or the Land by itself or its servants, agents, employees, contractors, subcontractors, licensees, assignees or subtenants; provided, however, minor quantities of Hazardous Materials may be used or stored in the Premises for cleaning purposes only or in connection with the use of office equipment and the normal operation of Tenant's office only, so long as such quantities and the use thereof are permitted by or are exempt from applicable governmental regulation. Tenant agrees to give Landlord prompt written notice of any discovery, discharge, release or threatened discharge or threatened release of any Hazardous Materials on or about the Premises, the Building or the Land. Tenant agrees to promptly clean up any Hazardous Materials which are placed in the Premises or on the Land by Tenant or its servants, agents, employees,

contractors, subcontractors, licensees, assignees or subtenants and to remediate and remove any such contamination relating to the Premises, the Building and/or the Land, as appropriate, at Tenant's cost and expense, in compliance with all applicable laws, ordinances, rules and regulations then in effect and to Landlord's satisfaction, at no cost or expense to Landlord. Additionally, Tenant hereby agrees to indemnify and hold harmless Landlord and Landlord's partners, officers, directors, members, affiliates, employees and agents from and against all loss, cost, damage, liability and expense (including attorneys' fees and expenses) arising from or relating to any Hazardous Materials (other than those permitted above) which are placed in the Premises or the Building or on the Land by Tenant or its servants, agents, employees, contractors, subcontractors, licensees, assignees or subtenants. For purposes of this Lease, the term "Hazardous Materials" means such substances as give rise to remediation requirements, duties or obligations under the Clean Air Act, the Clean Water Act, the Federal Water Pollution Control Act of 1976, the Comprehensive Environmental Response, Compensation Liability Act of 1980, the Toxic Substances Control Act and any other state or federal environmental statutes, ordinances, rules or regulations.

(b) The terms and provisions in this Paragraph 47 shall survive the termination or earlier expiration of this Lease.

48. Landlord's Right of Relocation. [Intentionally Deleted]

49. Evidence of Authority.

If requested by Landlord, Tenant shall furnish appropriate legal documentation evidencing the valid existence and good standing of Tenant and the authority of any parties signing this Lease to act for Tenant. By signing this Lease on Tenant's behalf, the signatory for Tenant hereby represents the truth of such facts to Landlord.

50. Survival of Obligations.

Notwithstanding any term or provision in this Lease to the contrary, any liability or obligation of Landlord or Tenant arising during or accruing with respect to the Lease Term shall survive the expiration or earlier termination of this Lease, including, without limitation, obligations and liabilities relating to (i) rent payments, (ii) the condition of the Premises and the removal of Tenant's property, and (iii) indemnity and hold harmless provisions in this Lease.

51. Confidentiality.

Tenant agrees, on behalf of Tenant and Tenant's employees, agents, contractors, consultants, partners, affiliates, assignees and subtenants, not to disclose the terms of this Lease or the results of any audit of Landlord's books and records under this Lease to any third party except (i) legal counsel to Tenant, (ii) any assignee of Tenant's interest in this Lease or any subtenant of Tenant relative to the Premises (or any portion thereof), (iii) as required by applicable law or by subpoena or other similar legal process, or (iv) for financial reporting purposes.

52. Contractual Landlord's Lien.

Landlord shall have at all times, a valid security interest to secure the payment of Base Rental, Additional Rent, and other sums of money becoming due hereunder from Tenant, and to secure payment of any damages or loss which Landlord may suffer by reason of the breach by Tenant of any covenant, agreement, or condition contained herein, upon all goods, wares, equipment, fixtures, furniture,

improvements, and other personal property of Tenant presently or which may hereinafter situated in the Premises, and all proceeds therefrom. Such property shall not be removed therefrom without the consent of Landlord until all arrearages in rent as well as any and other sums of money to Landlord hereunder shall first have been paid and discharged and all the covenants, agreements, and conditions have been fully complied with and performed by Tenant. In consideration of this Lease, upon occurrence and the Event of Default by Tenant, Landlord may, in addition to any of the remedies provided herein, enter upon the Premises and take possession of any and all good, wares, equipment, fixtures, furniture, improvements, and other personal property of Tenant situated on or in the Premises, without liability for trespass or conversion, and sell the same at public or private sale, with our without having such property at the sale, after giving Tenant reasonable notice of the time and place of any public sale or of the time after which any private sale is to be made, at which sale Landlord or its assigns may purchase. Unless otherwise prohibited by law, and without intending to exclude any other manner of giving Tenant reasonable notice, the requirement of reasonable notice shall be met if such notice is given in the manner described in Paragraph 37 of this Lease at least five (5) days before time of sale. Proceeds of any such disposition, plus any and all expenses connected with the taking of possession, holding and selling of the property (including reasonable attorneys' fees, whether incurred in court, out of court, on appeal or in bankruptcy administrative proceedings and other expenses), shall be applied as a credit against the indebtedness of the secured by the security interest granted in this Paragraph 52. Any surplus shall be paid to Tenant or as otherwise provided by law, and Tenant shall pay any deficiencies forthwith. Upon request by Landlord, Tenant agrees to execute and deliver to Landlord a financing statement in the form sufficient to perfect the security interest of Landlord in the aforementioned property and proceeds thereof under the provisions of the Uniform Commercial Code in force in the State of Florida.

53. Rent a Separate Covenant.

Subject to the terms and conditions of Paragraph 57, below, Tenant shall not for any reason withhold or reduce Tenant's required payments of Base Rental and other charges provided in this Lease, it being expressly understood and agreed contractually by the parties that the payment of Base Rental, Additional Rent, and other charges provided under this Lease is a contractual covenant by Tenant that is independent of the other covenants of the parties under this Lease.

54. Radon.

As required by *Florida Statutes*, 404.056(6) 1995, Landlord notifies Tenant as follows:

"RADON GAS: Radon is a naturally occurring radioactive gas, that when it has accumulated in a building in sufficient quantities, it may present health risk to persons who are exposed to it over time. Levels of Radon that exceed federal and state guidelines have been found in buildings in Florida. Additional information regarding Radon and Radon testing may be obtained from your county public health unit."

55. Miscellaneous Provisions.

The entire agreement, intent and understanding between Landlord and Tenant is contained in the provisions of this Lease and the exhibits attached hereto and any stipulations, representations, promises or agreements, written or oral, made prior to or contemporaneously with this Lease shall have no legal or equitable effect or consequence unless reduced to writing herein or in the exhibits attached hereto. This Lease may not be modified except by a written instrument by the parties hereto. The terms "Landlord"

and "Tenant" and all pronouns relating thereto shall be deemed to mean and include corporations, partnerships and individuals as may fit the context, and the masculine gender shall be deemed to include the feminine and the neuter, and the singular number, the plural.

56. Special Stipulations as to Rights of Expansion and First Refusal.

The Special Stipulations, if any, set forth on Exhibit F attached to this Lease are incorporated herein by reference.

57. Landlord Default and Self-Help Remedy.

The occurrence of any of the following shall constitute a "Landlord Default" hereunder: (i) Landlord shall have failed to pay when due any sum owing from Landlord to Tenant hereunder, and such failure shall continue for a period of more than ten (10) business days after Tenant delivers notice to Landlord of such failure (unless paid into a mutually acceptable escrow because the amount or obligation to pay is in a good faith, bona fide dispute); or (ii) Landlord shall have failed to observe or perform or shall have breached in its observation or performance of, for reasons other than Force Majeure, any of the terms, covenants or conditions contained in this Lease on Landlord's part to be performed or observed, and shall not cure such failure or breach within fifteen (15) days after the failure or refusal, however, should Landlord not reasonably be able to cure the default or breach within such 15-day period, then Landlord shall not be in default or breach so long as Landlord is diligently pursuing remedial efforts to completion within a reasonable time thereafter, not to exceed one hundred twenty (120) days after written notice thereof to Landlord (unless a longer grace period is provided for such breach or failure by Landlord elsewhere in this Lease). If such Landlord Default is not remedied or cured within the time periods provided herein, Tenant may pay or undertake to perform the acts required to be performed by Landlord under this Lease, whereupon all costs and expenses incurred by Tenant shall immediately be paid by Landlord to Tenant. In addition to Tenant's rights contained herein or available in law or at equity, in the event Tenant obtains a final, non-appealable judgment against Landlord arising out of Landlord's default under the Lease, Tenant may, to the extent the judgment is not paid by Landlord, elect to set off the amount of the judgment against the next due installments of Base Rent. The foregoing shall be Tenant's sole remedy.

58. Financial Reports.

Upon the occurrence of any proposed sale or refinance by Landlord of the Building, or in the event of any default hereunder by Tenant beyond any applicable grace period, Tenant will furnish, within 15 days following Landlord's request, Tenant's most recent audited financial statements (including any notes to them) to Landlord, or, if no such audited statements have been prepared, such other financial statements (and notes to them) as may have been prepared by an independent certified public accountant, or, failing those, Tenant's internally prepared financial statements, certified by Tenant.

59. Conditions Precedent.

(a) Landlord's obligations to perform under this Lease are contingent upon Landlord obtaining financing for the Building and the improvement thereof with terms satisfactory to Landlord in Landlord's sole discretion, and obtaining a non-disturbance agreement in form acceptable to Tenant, from the holder of any and all mortgages encumbering the Building.

(b) Tenant's obligations to perform under this Lease are contingent upon Landlord (i) undertaking the sanitization of the interior of all existing HVAC equipment and duct work with an inspection report prepared by a licensed Florida contractor certifying the HVAC equipment and duct work have been sanitized as of the Effective Date (and specifically excluding and HVAC and related ductwork installed as part of the Tenant Improvements); (ii) undertaking the sealing and recaulking/grout work, as needed, of all exterior walls to the Building by a Florida licensed contractor; and (iii) producing an inspection report prepared by a Florida Licensed contractor certifying the roof of the Building is in sound and water-tight condition.

(c) Tenant's and Landlord's obligations to perform under this Lease are both contingent upon Landlord obtaining all necessary approvals or consents to the installation of an adequate fuel tank as an appurtenance to the back-up generator, which fuel tank and generator shall be installed in a location designated by Landlord. To the extent a regulatory agency requires an upgrade to the atrium portion of the Building smoke evacuation mechanical system, both Tenant and Landlord agree to use the planned building generator for this purpose. Tenant agrees that it shall maintain and keep in condition and repair, the generator and fuel tank and all other related equipment, at Tenant's sole cost and expense.

60. Landlord Representations. Landlord hereby represents to Tenant, that, to Landlord's knowledge, as of the Effective Date:

- a. The HVAC system presently serving the Building is in good working order and condition and was installed approximately five (5) years ago. It is Landlord's understanding that the typical useful life of the chiller and condensing units should be approximately twenty (20) years.
- b. All of the restrooms have been refinished and new restrooms that are in compliance with current ADA regulations have been installed in the Building. Landlord has installed all improvements necessary to comply in all material respects with the requirements of city governmental building authorities.

As used herein, the term "to Landlord's knowledge" shall mean the actual present knowledge of Darryl Le Clair, without having conducted any independent investigation or inquiry.

61. Roof Top Equipment.

Tenant shall have the right to install, maintain and operate a satellite dish or other antennae and related equipment (not to exceed 3 feet in overall height) (the "Equipment") on the roof of the Building, but subject to the following terms and conditions:

a. The size and number and location of the Equipment shall be approved by Landlord prior to Tenant's installation of the Equipment. Tenant shall deliver to Landlord Tenant's plans and specifications for the installation of the Equipment and the surrounding screening for review and approval by Landlord's engineer, and by the Federal Aviation Administration and other aviation authorities having jurisdiction thereover, if applicable, and the Carillon Property Owners Association (collectively, the "Authorities") not less than thirty (30) days prior to commencing installation of the Equipment. Tenant shall reimburse Landlord for all costs and expenses incurred by Landlord in connection with Landlord or its designated

agent's or the review and approval by any of the Authorities, if applicable, of such plans and specifications as well as ensuring Tenant's compliance with this provision. Tenant's right to install the Equipment shall be wholly subject to the approval of the Authorities.

b. Tenant shall install the Equipment in an aesthetically pleasing manner and exercise all reasonable steps to shield or screen the Equipment from public view. Tenant shall fence or screen the Equipment so as to minimize any risks to ensure that the Equipment does not create a nuisance.

c. Tenant shall operate the Equipment in compliance with all applicable laws, rules, regulations and ordinances.

d. Landlord shall perform all roof penetrations and modifications necessary for the installation, maintenance or removal of Tenant's Equipment. Tenant will reimburse Landlord for all costs and expenses incurred by Landlord in connection with such roof penetrations and modifications.

e. Tenant hereby agrees to indemnify and hold Landlord, its agents, employees, contractors and representatives, harmless from and against any and all cost, claims, damages (including, but not limited to, any damage to the building, the roof or Landlord's property), causes of action and liability which may arise by reason of any occurrence attributable to or arising out of Tenant's installation, maintenance, repair, operation or removal of any of the Equipment, including without limitation, any claim or cause of action for injury to or death of any person or damage to any property arising therefrom and Tenant agrees to defend any claim or demand against Landlord, its agents or employees arising out of any such occurrence. Tenant shall, upon thirty (30) days prior written notice from Landlord, reimburse Landlord for all costs and expenses incurred by Landlord as a result of Tenant's operation of the Equipment, including damages to the building and the furnishing of electric power for the operation of the Equipment.

f. Upon the expiration or earlier termination of this Lease, Tenant shall promptly remove the Equipment and repair all damage to the Building caused thereby.

g. Tenant's Equipment shall not hinder or unreasonably interfere with any other tenants' or licensees' installation, operation and maintenance or repair of antennae or satellite equipment.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease in multiple original counterparts as of the day and year first above written.

LANDLORD:

100 CARILLON, LLC,
a Delaware limited liability company

Signed, sealed and delivered
in the presence of:

Print Name:

Print Name:

By: _____

Name: _____

Title: _____

TENANT:

FIRST ADVANTAGE CORPORATION
a Florida corporation

Signed, sealed and delivered
in the presence of:

Print Name:

Print Name:

By: _____

Name: _____

Title: _____

EXHIBIT A
Description of Land

All that certain tract or parcel of land lying and being in the City of St. Petersburg, Pinellas County, Florida, and being more particularly described as follows:

LEGAL DESCRIPTION:

Lot 1, Block 8, REPLAT OF CARILLON, according to the map or plat thereof recorded in Plat Book 96, Pages 29 through 36, inclusive, of the Public Records of Pinellas County, Florida.

EXHIBIT B

Designation of Premises

Rentable Square Footage:

20,450 RSF	First floor
26,807 RSF	Second floor
26,808 RSF	Third floor
<hr/>	
74,065 RSF	

Total

Commencing as of the Commencement Date, it is anticipated that Tenant shall take possession of the Premises in stages, until and through August 1, 2005, at which time it is anticipated that Tenant shall be in full occupancy of the entire Premises.

EXHIBIT "C-1"
RENT SCHEDULE

Based upon Rentable Square Footage:

24,689
49,377
74,065

Commencement
Date (assuming
04/01/2005)
06/01/2005
08/01/2005

Term		Months	Total Gross Rent	Term Rent	Monthly Rent
Commencement Date (assuming					
4/1/05)	- 05/31/05	2.0	\$ 18.25	\$ 75,095.71	\$ 37,547.85
06/01/05	- 07/31/05	2.0	\$ 18.25	\$150,188.38	\$ 75,094.19
08/01/05	- 03/31/06	10.0	\$ 18.25	\$901,124.17	\$112,640.52
04/01/06	- 03/31/07	12.0	\$ 19.25	\$ 1,425,751	\$ 118,813
04/01/07	- 03/31/08	12.0	\$ 20.25	\$ 1,499,816	\$ 124,985
04/01/08	- 03/31/09	12.0	\$ 21.25	\$ 1,573,881	\$ 131,157
04/01/09	- 03/31/10	12.0	\$ 22.20	\$ 1,644,243	\$ 137,020
04/01/10	- 03/31/11	12.0	\$ 23.15	\$ 1,714,605	\$ 142,884
04/01/11	- 03/31/12	12.0	\$ 24.10	\$ 1,784,967	\$ 148,747
04/01/12	- 03/31/13	12.0	\$ 25.00	\$ 1,851,625	\$ 154,302
04/01/13	- 03/31/14	12.0	\$ 25.90	\$ 1,918,284	\$ 159,857
04/01/14	- 03/31/15	12.0	\$ 26.80	\$ 1,984,942	\$ 165,412
04/01/15	- 03/31/16	12.0	\$ 27.65	\$ 2,047,897	\$ 170,658
04/01/16	- 03/31/17	12.0	\$ 28.50	\$ 2,110,853	\$ 175,904
04/01/17	- 03/31/18	12.0	\$ 29.00	\$ 2,147,885	\$ 178,990
		156.0			

EXHIBIT C-2

It is contemplated that Tenant shall take occupancy of all or a portion of one of the floors of the Building on the date of Substantial Completion (anticipated to be April 25, 2005). Thereafter, it is contemplated that Tenant may take occupancy of all or a portion of either of the remaining two floors of the Building prior to the scheduled full Building occupancy date of August 1, 2005 ("Early Occupancy").

In the event that Tenant takes Early Occupancy of either or both of the remaining two floors, Tenant shall pay Landlord the Early Occupancy Fee at the daily rate of \$582.02 per floor or portion thereof so occupied, for each day commencing as of the date of the Early Occupancy of such floor, until and through August 1, 2005.

EXHIBIT "D"

TENANT IMPROVEMENTS AND SPACE PLAN
WORK AGREEMENT

This Work Agreement is attached to and made a part of that certain Lease Agreement (the "Lease"), between 100 CARILLON, LLC, its successors and assigns ("Landlord"), and FIRST ADVANTAGE CORPORATION, a Florida corporation ("Tenant"). The terms used in this Exhibit that are defined in the Lease shall have the same meanings as provided in the Lease.

1. GENERAL.

1.1. Purpose. This Agreement sets forth the terms and conditions governing the design, permitting and construction of the leasehold improvements to be installed in the Leased Premises by Landlord either by or for the account of Tenant, pursuant to the terms of attached Schedule "2" to this Work Agreement (the "Tenant Improvements").

1.2. Representatives. Landlord has appointed ECHELON REAL ESTATE SERVICES LLC ("ERES") as its authorized representative ("Landlord's Representative") to act for Landlord in all matters covered by this Work Agreement. Tenant will promptly appoint and notify Landlord of the name, address and telephone number of its authorized representative ("Tenant's Representative") with full power and authority to bind Tenant for all actions taken with regard to the Landlord's Work. Except as otherwise provided in this Work Agreement, including the attached Design and Construction Timeline, within three (3) working days of receipt of any requested approval of any item, document or other matter related to the Tenant Improvements, Tenant's Representative shall approve or disapprove (with sufficient detail) any such request.

2. SUBSTANTIAL COMPLETION - TENANT IMPROVEMENTS.

2.1. Substantial Completion – Tenant's Work. "Substantial Completion" of the Tenant Improvements shall be conclusively deemed to have occurred upon the issuance of a temporary certificate of occupancy or its equivalent by the proper governmental entity. Notwithstanding the above, the Tenant's Work shall be considered Substantially Complete even though there remain to be completed in the Premises punch list items, including but not limited to details of construction, decoration or mechanical adjustment, and/or (b) there is a delay in the Substantial Completion of the Tenant Improvements Work due to a "Tenant Delay" as defined below.

2.2. Tenant Delay. The following items shall be referred to individually as a "Tenant Delay", in addition to any other items described as a "Tenant Delay" in this Work Agreement:

- (i) Any delay on the part of Tenant to the Design and Construction Timeline attached hereto as Exhibit "D";
- (ii) Tenant's request for any additional Tenant Improvements beyond that initially contemplated by the plans attached hereto as Exhibit "D";
- (iii) changes in the Tenant Improvements work requested by Tenant;
- (iv) any other delay of any kind or nature to the extent caused by Tenant or its agents.

Tenant Improvements — Performed by Contractor Hired by Landlord

Landlord and Tenant hereby agree as follows:

1. In order to "Substantially Complete" the Leased Premises by April 25, 2005, Landlord and Tenant have agreed to direct their respective schedules of submittals, reviews, responses and bid awards in accordance with the periods of time as reflected by the schedule of dates in the Design and Construction Timeline ("Timeline") attached to and accompanying this Exhibit 5.1 and Schedule "2". Tenant agrees to employ CSJM Architects for the purpose of preparing a space plan which delineates Tenant's functional requirements in the Premises Tenant's architect will, within fifteen (15) working days, submit to Landlord for Landlord's approval, a space plan depicting Tenant's requirements ("Space Plans"). Landlord agrees to pay CSJM within thirty (30) days of Space Plan completion and billing receipt, up to an amount equal to \$.12 per rentable square foot of the Premises. The Space Plans will be prepared in strict accordance with all applicable building codes and ordinances, rules and regulations of applicable governmental authorities and will be subject to Landlord's approval, in Landlord's sole discretion. Tenant and Landlord shall have three (3) business days to mutually comment upon, respond to and approve the Space Plans.

2. Upon receipt and approval of the space plans, Landlord will submit the same to no less than three (3) general contractors (two (2) of which shall be Solutions, Inc. and Ed Taylor Construction) who have significant experience constructing Class A office interior space for detailed line item competitive bids using unit pricing. Landlord will deliver a copy of the bid comparison and preliminary pricing schedule to Tenant.

3. Tenant's architect shall prepare detailed Construction Drawings and MEP's and finish plans based upon the Space Plans, at Tenant's expense, but subject to reimbursement from the Tenant Improvement Allowance, and thereafter submit the same to Landlord for Landlord's approval ("Detailed Plans"), not later than January 31, 2005. The Detailed Plans will be prepared in strict accordance with all applicable building codes and ordinances, rules and regulations of applicable governmental authorities and will be subject to Landlord's approval, in Landlord's sole discretion. If Tenant fails to cause the Detailed Plans to be prepared and submitted to Landlord in a timely fashion, then Tenant agrees that any such delay in approval and delivery of Detailed Plans to Landlord will be a "Tenant Delay." Time is of the essence of Tenant's delivery of the Detailed Plans to Landlord. If, after Landlord's approval of Detailed Plans, Tenant makes changes in the mechanical and electrical plans and specifications to be provided by Landlord, Tenant will pay to Landlord the cost of having such changes made and any delay to the Timeline shall be a Tenant Delay.

4. Upon receipt and approval of the Detailed Plans, Landlord agrees to prepare and deliver to Tenant a spreadsheet report detailing the bids for the cost of constructing Tenant's Work according to Detailed Plans, based upon not less than three (3) competitive bids submitted by three (3) Florida A licensed general contractors having significant experience constructing Class A interior office space (two (2) of which shall be Solutions, Inc. and Ed Taylor Construction), all based solely upon the Detailed Plans. Landlord, Tenant and ERES will work diligently and in good faith to jointly review the bids and mutually agree upon the award of the construction contract, and then jointly award the construction contract to the contractor with a mutually acceptable bid that meets the Timeline, all not later than three (3) business days following delivery of the bid comparison and pricing schedule to Tenant.

5. After jointly awarding the construction contract to the contractor as provided in Section 4, above, Landlord will construct the Tenant's Work in and upon the Premises in accordance with the same. All installations in excess of such scope of work will be for the Tenant's account and Tenant will pay to Landlord, as Additional Rent, any sums in excess of such work promptly. Tenant agrees to pay, as Additional Rent, all amounts due to Landlord in connection with completion of the Tenant Improvements work as provided in Section 9 (b) of the Lease. Any changes in the Tenant Improvements work from the scope, materials or any other features contemplated by the approved Tenant's Plans will be documented by a change order on a form required by Landlord, and paid for in advance in full by Tenant. Time is of the essence in delivery of Tenant's Plans by Tenant to Landlord as provided herein. If, after construction commences, Tenant makes any changes to Tenant's Plans which causes delay in the date that the Substantial Completion of the Tenant Improvements would otherwise have occurred, Tenant agrees that any such delay will be a "Tenant Delay."

6. Landlord will provide a Tenant Improvements Allowance equal to \$21.00 per rentable square foot for the entire Premises (being the total sum of \$1,555,365.00). Any unused Tenant Improvements Allowance may be applied to Tenant's moving expenses, to purchase a generator, cubes, Tenant FF&E to be installed in the Premises, and/or against future installments of Base Rental. Notwithstanding the foregoing, in no event will less than \$1,259,105.00 of the total Tenant Improvements Allowance be expended for hard cost improvements to the Premises, and in no event will more than more than \$296,260.00 be used to offset rent.

7. Landlord will permit Tenant and its agents to enter the Premises prior to April 25, 2005 or the date targeted for Substantial Completion in order for Tenant to perform, through its own contractors, approved in advance by Landlord, such other work and decorations as Tenant may desire, at the same time that Landlord's contractors are working in the Premises. If granted, Landlord's consent will be conditioned upon there being no interference with Landlord's contractors by Tenant's contractors in execution of their respective tasks. Tenant's access pursuant to this subsection will be at all times subject to the direction, control and restrictions of Landlord. Tenant releases Landlord and agrees to defend, indemnify and save harmless Landlord from against any injury, loss or damage which may occur to any of Tenant's decorations or installations so made prior to the Commencement Date of the Term. If any contractor or other person employed by Tenant or any contractor or subcontractor of Tenant causes a delay in completing any work being performed by Landlord, then such delay will constitute a "Tenant Delay."

5. Tenant agrees to pay ERES a construction management fee equal to four percent (4%) of all construction costs and fees.

_____ (initials as to Tenant)

_____ (initials as to Landlord)

100 Carillon
Design and Construction Timeline - REVISED
Includes Competitive Bid

January 13, 2005

Task	Start Date	Completion Date
1. Space Planning Process – 3 weeks	10/25/04	11/30/04
Space planning & design process is conducted by CSJM Architects and affiliated Engineers – St. Petersburg		
a. Partition and Work Station Plan – with multiple revisions		
b. Partition and Work Station Plan Approved by First Advantage Corporation – Steve Smith and Senior Management Team		
2. Preliminary Pricing – 2 weeks	12/01/04	12/17/04
3. Lease Execution		01/05/05
4. Architectural CDs & MEP process – 4 weeks	01/03/05	01/31/05
a. Architectural CDs including finish schedule to First Advantage		
b. First Advantage Corporation signs off on architectural CDs		
c. MEP Engineer Selection	01/10/05	01/12/05
d. Work Station Design & Supplier, with hook-up requirements		01/12/05
e. Generator Info to Engineer		01/12/05
f. Castille Building Standards to CSJM		01/12/05
g. Engineering (MEP) drawings complete		01/31/05
h. First Advantage Corporation signs off on MEP drawings		02/01/05
5. Competitive General Contractor Bid – 3 weeks	02/01/05	02/22/05
a. Approved CDs on Mylar to 3 General Contractors for Bid		
b. General Contractor meets with various subcontractors in building		
c. CD revisions (if any) to all General contractors		
d. Prices back from subcontractors to General Contractors		
e. General Contractors submit bids to ERES		
f. ERES creates bid comparison spreadsheet and asks follow-up questions		
g. First Advantage and ERES award bid to GC with lowest legitimate bid		
6. Early Landlord Demo	02/01/05	03/01/05
a. Architectural Demo Permit drawings completed		01/13/05
b. Demo Permit Set submitted to City of St. Pete	01/14/05	01/21/05
c. Engineering Demo Permit drawings completed		01/17/05
d. Demo Permit Awarded		01/21/05

- 7. **Permitting – 4 weeks.** Permits will be pulled by Permitting Service. Permitting will be done simultaneously with competitive GC bid. 02/01/05 **03/01/05 ***
 - a. Landlord **submits approved CDs to Building Department**
 - b. CD revisions (if any) to Building Department
 - c. Permit award date
 - d. General Contractor picks up permit set
 - e. *** NOTE:** Multiple Permits may be processed to facilitate the staggered completion dates in Section 8 below.

- 8. **Construction – approximately 8 weeks per floor** 03/01/05 04/25/05
 - a. **First Advantage Corporation lease commences** **04/01/05**
 - b. **Substantial Completion - Base Building & 3rd Floor** **04/25/05**
 - c. **Substantial Completion - Generator & 2nd Floor** **06/01/05**
 - d. **Substantial Completion - 1st Floor** **08/01/05**
 - e. **Punch List** – to be completed within 30 days of each floor completion
 - f. **Tenant Workstation & Network Cabling Installation** – to be scheduled with General Contractor & ERES
 - g. **Other Tenant FF&E** - to be installed after Substantial Completion

EXHIBIT E

Rules and Regulations

1. Sidewalks, doorways, vestibules, halls, stairways, and similar areas shall not be obstructed nor shall refuse, furniture, boxes or other items be placed therein by any tenant or its officers, agents, servants, and employees, or be used for any purpose other than ingress and egress to and from premises in the Building, or for going from one part of the Building to another part of the Building. Canvassing, soliciting and peddling in the Building are prohibited.
2. Plumbing, fixtures and appliances shall be used only for the purposes for which constructed, and no unsuitable material shall be placed therein.
3. No signs, directories, posters, advertisements, or notices shall be painted or affixed on or to any of the windows or doors, or in corridors or other parts of the Building, except in such color, size, and style, and in such places, as shall be first approved in writing by Landlord in its discretion. However, the prohibition in the immediately preceding sentence shall not limit or restrict any tenant’s right to maintain within the premises occupied by such tenant any signs, directories, posters, advertisements, or notices so long as such items are not visible from the exterior of the premises occupied by such tenant or from the Common Areas of the Building. Building standard suite identification signs will be prepared by Landlord at each tenant’s expense. Landlord shall have the right to remove all unapproved signs without notice to any tenant, at the expense of the responsible tenant.

4. No tenant shall do, or permit anything to be done, in or about the Building, or bring or keep anything therein or on property kept therein, that will in any way increase the rate of fire or other insurance on the Building (unless Tenant pays for any and all such increased costs and premiums), or otherwise increase the possibility of fire or other casualty.
5. Landlord shall have the power to prescribe the weight and position of heavy equipment or objects which may overstress any portion of the floor. All damage done to the Building by the improper placing of such heavy items will be repaired at the sole expense of the responsible tenant.
6. Each tenant shall notify the Building manager when safes or other heavy equipment are to be taken in or out of the Building, and the moving shall be done after written permission is obtained from Landlord on such conditions as Landlord shall require.
7. All deliveries must be made via the service entrance, when provided, during normal working hours.
8. Each tenant shall cooperate with Landlord's employees in keeping such tenant's premises neat and clean.
9. Each tenant shall not cause or permit any improper noises in the Building, allow any unpleasant odors to emanate from the Premises, or otherwise interfere, injure or annoy in any way other tenants or persons having business with them. However, Landlord acknowledges that, if permitted by the applicable lease, a tenant may operate a food services facility within the premises of such tenant and that such food services facility may emit odors normally associated with the operation of such on-site food services facilities.
10. No animals shall be brought into or kept in or about the Building.
11. When conditions are such that a tenant must dispose of crates, boxes, etc. on the sidewalk, it will be the responsibility of such tenant to dispose of same prior to 7:30 a.m. or after 5:30 p.m.
12. No machinery of any kind, other than ordinary office machines such as personal computers and related servers, voicemail equipment and other communications equipment, typewriters, information processing systems, copy machines, and calculators, shall be operated in any premises in the Building without the prior written consent of Landlord, nor shall any tenant use or keep in the Building any inflammable or explosive fluid or substance or any illuminating materials. No space heaters or fans shall be operated in the Building.
13. No motorcycles or similar vehicles will be allowed in the Building.
14. No nails, hooks, or screws shall be driven into or inserted in any part of the Building, except as approved by Building maintenance personnel. Notwithstanding the foregoing, a tenant may decorate the interior of such tenant's premises at such tenant's sole discretion provided such decorations do not impact the structural integrity of the Building and cannot be seen from the exterior of the Building or from any Common Areas of the Building.
15. Landlord has the right to evacuate the Building when Landlord, using reasonable prudent judgment and in good faith, deems it necessary in the event of a possible emergency or catastrophe, or as may be directed by any governmental authority having jurisdiction thereover. Notwithstanding the foregoing, in the event the Tenant does not evacuate the building Tenant hereby assumes all risk and liability and hereby releases and waives all claims against Landlord, its officers, directors, agents,

employees and invitees (collectively the "Landlord Parties") from injury, death, loss or damage to person, property or business sustained in or about the Premises or the Building (including Tenant's personal property and equipment) that arises directly from Tenant's failure to evacuate the Building in a timely fashion. The foregoing is subject to the terms and conditions of Paragraph 18 of the Lease.

16. No food and/or beverages shall be distributed from any tenant's office without the prior written approval of the Building manager, provided that a tenant may prepare coffee and similar beverages and warm typical luncheon items for the consumption of such tenant's employees and invitees. Furthermore, Landlord acknowledges that, if permitted by the applicable lease, a tenant may operate a food services facility within the premises of such tenant for the sole use and benefit of the occupants of such premises.
17. No additional locks shall be placed upon any doors without the prior written consent of Landlord. All necessary keys or access cards or codes shall be furnished by Landlord, and the same shall be surrendered upon termination of the applicable lease, and each tenant shall then give Landlord or Landlord's agent an explanation of the combination of all locks on the doors or vaults. Replacement keys or access cards or codes (i.e., replacements for keys or access cards or codes previously issued by Landlord) shall be obtained only from Landlord, and Tenant shall pay to Landlord (as Additional Rent, within thirty (30) days after Tenant receives an invoice therefor) the actual costs incurred by Landlord in obtaining and issuing replacement keys or access cards or codes for keys or access cards or codes previously issued.
18. Tenants will not locate furnishings or cabinets adjacent to mechanical or electrical access panels or over air conditioning outlets so as to prevent operating personnel from servicing such units as routine or emergency access may require. Cost of moving such furnishings for Landlord's access will be for the responsible tenant's account. The lighting and air conditioning equipment of the Building will remain the exclusive charge of the Building designated personnel.
19. Each tenant shall comply with reasonable parking rules and regulations as may be posted and distributed by Landlord from time to time.
20. No portion of the Building shall be used for the purpose of lodging rooms.
21. Prior written approval, which shall be at Landlord's sole but reasonable discretion, must be obtained for installation of window shades, blinds, drapes, or any other window treatment of any kind whatsoever.
22. No tenant shall make any changes or alterations to any portion of the Building without Landlord's prior written approval, which may be given on such conditions as Landlord may elect. All such work shall be done by Landlord or by licensed contractors and/or workmen.

EXHIBIT F

Special Stipulations and Rights

1. Extension Options. So long as this Lease is in full force and effect, and Tenant is not in default beyond any applicable notice and cure period in the performance of any of the covenants or terms and conditions of this Lease at the time of notification to Landlord or at the time of commencement of either Extension Period, as that term is hereinafter defined. Tenant shall have the option (the "Extension Option") to extend the Term for the entire Premises for two (2) additional periods of five (5) years each (each being an "Extension Period"), at the Prevailing Market Rate (as hereinafter defined), subject to the following terms and conditions: Tenant shall provide Landlord with twelve (12) months written notice of its desire to extend this Lease for each applicable Extension Period. "Prevailing Market Rate" shall mean the then prevailing market rate for rent for new leases comparable to this Lease for space comparable to the Premises in comparable buildings within a five mile radius of the Building, similar in age, quality and amenities, on a net effective basis by taking into account such factors offered to third party tenants for comparable space as (x) the base services year for pass-through expenses, and (y) rent concessions, tenant improvement or moving allowances or lease commissions saved or incurred. Within fifteen (15) days after Tenant's exercise of the applicable Extension Option, Landlord shall advise Tenant in writing of its determination of the Prevailing Market Rate, on a rentable square foot basis, and the Basic Costs Expense Stop for the payment of Operating Expenses by Tenant as of the beginning of the Extension Period and any escalations of said Prevailing Market Rate during the Extension Period. Within five (5) days of receipt of Landlord's notice, Tenant shall advise Landlord, in writing, whether or not Tenant accepts or rejects the Prevailing Market Rate proposed by Landlord. If Tenant accepts such rate and Basic Costs Expense Stop in writing, then the Base Rent rate and Basic Costs Expense Stop during the applicable Extension Period shall be said rate with escalations as provided in the determination, if any, and Basic Costs Expense Stop. If Tenant rejects in writing the Prevailing Market Rate and Basic Costs Expense Stop proposed by Landlord, Landlord and Tenant shall negotiate in good faith for a period of fifteen (15) days to reach a mutual agreement on the Prevailing Market Rate. If the parties are unable to come to an agreement within such period, Tenant shall have the option, exercisable by written notice delivered to Landlord within five (5) days after the expiration of such fifteen (15) day period, to elect to arbitrate such rate. Tenant shall have the option to specify in such notice its selection of an MAI appraiser, who shall act on Tenant's behalf in determining the Prevailing Market Rate and Basic Costs Expense Stop or elect to allow the then-current Term of this Lease to expire. Within fifteen (15) days after Landlord's receipt of Tenant's selection of an MAI appraiser, Landlord, by written notice to Tenant shall designate an MAI appraiser, who shall act on Landlord's behalf in the determination of the Prevailing Market Rate and Basic Costs Expense Stop. Within fifteen (15) days of the selection of Landlord's appraiser, the two appraisers shall select a third appraiser meeting the qualifications stated below. Each of the parties shall bear one-half (1/2) of the third appraiser's fee. If the three (3) appraisers are unable to agree upon the Prevailing Market Rate and Basic Costs Expense Stop within the fifteen (15) days following the appointment of the third appraiser, then each appraiser shall separately determine the Prevailing Market Rate, they shall average the two (2) closest figures, and within three (3) days after the expiration of such fifteen (15) day period, the appointed third appraiser shall notify Landlord and Tenant of such averaged determination of the Prevailing Market Rate, which averaged determination shall be binding upon both Landlord and Tenant. In the event that one of the three appraisal Prevailing Market Rates is equidistant between the highest and the lowest, then notwithstanding the foregoing sentence, there shall be no averaging, and the equidistant Prevailing Market Rate shall be the final arbitrated rate. In the event that the appraisal process has not been completed prior to the commencement of the applicable Extension Period, then upon commencement of the applicable Extension Period, and until the process is completed (the "Interim Period"), Tenant shall pay Landlord

monthly Base Rental equal to the monthly Base Rental for the immediately preceding Lease year, until the increase in the Base Rental is determined by such process as provided herein; provided, however, that such payments made during the Interim Period shall be subject to adjustment based upon the results of such process. If, as a result of such appraisal process, it is determined that Tenant has underpaid Base Rental during the Interim Period, then such underpaid Base Rental shall be due from Tenant to Landlord within ten (10) days after expiration of the Interim Period. All appraisers selected in accordance with this subparagraph must be licensed in the state of Florida as MAI appraisers and shall have at least ten (10) years prior experience in commercial office leasing in the metropolitan Tampa Bay area. If either Landlord or Tenant fails or refuses to select an appraiser, the other appraiser shall alone determine the Prevailing Market Rate. Landlord and Tenant agree that they shall be bound by the determination of Prevailing Market Rate pursuant to this subparagraph for the then applicable Extension Period. Landlord shall bear the fee and expenses of its appraiser and Tenant shall bear the fee and expenses of its appraiser.

2. Suite 100 Expansion Option. Landlord grants to Tenant the one-time right (the "Suite 100 Expansion Right") to lease the Suite 100 Space, as hereinafter defined, at any time during the Lease Term, on and subject to the following terms and conditions. The Suite 100 Expansion Right is: 1) effective only if the tenant under the "Byrd Lease" (as defined hereinafter) vacates; 2) if Tenant is not in default under this Lease beyond any applicable notice and cure period; and 3) Tenant's financial condition, as revealed by its most recent financial statements, must demonstrate that Tenant's net worth is at least equal to its net worth at the time this Lease was executed and that other financial criteria are at least equal to its current financial condition.

a. As used herein, the term "Suite 100 Space" shall mean that certain office space consisting of approximately 5,567 rentable square feet in the Building, and currently subject to that certain lease between Landlord and The Byrd Corporation (the "Byrd Lease"). Notwithstanding anything herein to the contrary, in the event that Tenant exercises the Suite 100 Expansion Right, it shall be deemed that the Premises, as expanded by the Suite 100 Space, shall consist of a total area of 79,660 rentable square feet.

b. At such time that the Suite 100 Space becomes, or about to become vacant because the Byrd Lease has or will expire without a renewal or extension thereof whether pursuant to an express renewal or extension option or not and Landlord desires to lease the Suite 100 Space, Landlord agrees that it will promptly so notify Tenant in writing of the rental rate offered to a third party ("Third Party Offer") or if no Third Party Offer is outstanding, then Landlord will offer the then current rental rate under the terms of this Lease. Tenant shall have a period of ten (10) business days after the date of the notice to Tenant within which to exercise the Suite 100 Expansion Option (the "Acceptance Period") by delivery to Landlord to written notice of its exercise on or before the last day of the Acceptance Period. If Tenant fails to duly and timely exercise the Suite 100 Expansion Option, or elects not to exercise the Suite 100 Expansion Option, the same shall lapse, and be of no further force and effect, and Landlord shall be free to lease the Suite 100 Space.

c. Within ten (10) business days after the effective date of Tenant's exercise of the Suite 100 Expansion Option, Landlord and Tenant shall enter into an amendment to this Lease adding the Suite 100 Space to the Premises, which amendment shall subject the Suite 100 to the terms and provisions of this Lease, except that the Base Rent and Basic Costs Expense Stop relating to the Suite 100 Space shall be the lesser of either the then current Basic Rent and Basic Expense Stop rate set forth in this Lease or the rates as set forth in the Third Party Offer, and shall contain such other terms or modifications as may be appropriate, all commencing and accruing effective as of the date that the Suite 100 Space is vacated by the tenant under the Byrd Lease. In addition to the foregoing, it shall be stipulated and stated in the lease amendment that: (i) the Premises, as expanded by the Suite 100 Space, shall consist of a total area of

79,660 rentable square feet; (ii) "Tenant's Proportionate Share" shall be 100%; and (iii) there shall be no "Common Area" other than the Building Exterior Common Area and the roof top and such other means of ingress and egress and mechanical or electrical rooms or areas within the Building as may be necessary to permit Landlord to perform its obligations under this Lease or under agreements with third parties for use or space on the roof, or by law. The term with respect to the Suite 100 Space shall be coterminous with this Lease Term. There shall be no tenant allowance. Tenant and Landlord shall use their best efforts to respectively execute and deliver the lease amendment within fifteen days following the delivery of the same to Tenant; provided, however, the terms and provisions of the lease amendment as set forth herein shall be self-effectuating, and failure of the parties to execute such lease amendment shall not negate or nullify the terms and conditions and obligations between the parties hereto as it relates to the Suite 100 Space as provided in this paragraph.

d. The right granted to Tenant under this paragraph is personal to Tenant, and in the event of any assignment of this Lease or sublease of the Premises by Tenant to any party, this right shall thenceforth be void and of no further force and effect.

3. New Construction Expansion Right.

a. Landlord grants to Tenant the one-time right (the "New Construction Expansion Right") to lease the "New Construction Space", as hereinafter defined in the Building, on and subject to the following terms and conditions.

b. The New Construction Expansion Right is not effective or exercisable by Tenant during the existence of a default by Tenant under this Lease beyond any applicable notice and cure period (which cure period may be extended by Landlord in the event that Tenant is not reasonably able to cure the default or breach within such cure period and Tenant is diligently pursuing remedial efforts to completion within a reasonable time thereafter, not to exceed one hundred twenty (120) days). In addition, Tenant's financial condition, as demonstrated by its then most recent financial statements, must show the Tenant's net worth is at least equal to its net worth at the time this Lease was executed and that other financial criteria are at least equal to its current financial condition. In addition, the New Construction Expansion Right shall terminate and be null and void upon the sale or transfer of the Building by 100 Carillon, LLC to third party, or upon the sale or transfer of all of the membership interest in 100 Carillon, LLC by Echelon Development LLC to a third party. Furthermore, the New Construction Expansion Right is not effective or exercisable by Tenant at any time that there is less than five years preceding the expiration of the Lease Term (as may be extended by the exercise of any of the Extension Periods). The term with respect to the New Building Space shall be coterminous with this Lease Term; provided, however, if Tenant exercises this New Construction Expansion Right at any time during the last ten (10) years of the Term or during any Extension Period, then Tenant agrees that the Lease Term for the entire Premises, including the New Construction Space, shall be extended so that there is a minimum of ten (10) years left remaining in the Term, including the exercise of any renewal options.

c. Tenant shall exercise its New Construction Expansion Right by timely delivering written notice to Landlord ("New Expansion Notice").

d. Upon delivery of the New Expansion Notice, Landlord and Tenant each agree that they shall use good faith in reviewing and negotiating plans, drawing, projected construction timeframes, projected costs, and other material terms and conditions for the design, construction and leasing of an additional approximate 30,000 rentable square feet of office space in the Building and

additional parking to provide at least 4 parking spaces per 1,000 rentable square feet of such additional space ("New Construction Space"). In addition, Tenant shall provide Landlord with security or a bond in form and amount satisfactory to Landlord in Landlord's sole discretion, to assure Tenant's performance of its agreement to lease the New Construction Space following the completion of its construction. Notwithstanding the foregoing, any and all obligations hereunder shall be subject to and conditioned upon Landlord obtaining all necessary development rights, platting, permits, governmental and Carillon Property Owners Association approvals, and financing (including, without limitation, the approval or consent of the holder of any lien on the Land to construction financing of the New Construction Space, all at terms acceptable to Landlord, in Landlord's sole discretion. Furthermore, the rental rate and parking charges for such New Construction Space shall be based upon the then current market return on the cost of development of such New Construction Space, and Tenant acknowledges any New Construction Space will require structured parking. The proposed lease or lease amendment must also contain such other mutually acceptable terms and conditions, without regard to the existing terms and conditions set forth in this Lease; provided however, Landlord and Tenant agree that Tenant's allowance for leasehold improvements shall \$21.00 per rentable square foot. Notwithstanding the foregoing, in the event that Landlord and Tenant cannot, in good faith, agree upon the rent, charges, security, and other terms and conditions to govern the construction and lease of the New Construction Space within four months following Tenant's New Expansion Notice, then either party may elect to terminate further negotiations, whereupon all rights and liabilities arising under this Stipulation No. 3 of this Exhibit F shall cease.

e. The right granted to Tenant under this paragraph is personal to Tenant, and in the event of any assignment of this Lease or sublease of the Premises by Tenant to any party, this New Construction Expansion Right shall thenceforth be void and of no further force and effect.

4. New Carillon Building Expansion Right.

In the event that, prior to the two years preceding the expiration of the Lease Term (as may be extended by the exercise of any of the Extension Periods) Landlord elects to construct and own a speculative office-only building in Carillon Park that does not have pre-existing lease commitments for occupancy and sale to any third party or is not intended for development as an office or residential condominium ("New Building"), Landlord shall thereafter grant to Tenant the one-time right (the "New Carillon Building Expansion Right") to lease office space in the New Building ("New Building Space") consisting of not less than 50,000 rentable square feet, on and subject to the following terms and conditions.

a. The New Carillon Building Expansion Right is not effective or exercisable by Tenant during the existence of a default by Tenant under this Lease beyond any applicable notice and cure period (which cure period may be extended by Landlord in the event that Tenant is not reasonably able to cure the default or breach within such cure period and Tenant is diligently pursuing remedial efforts to completion within a reasonable time thereafter, not to exceed one hundred twenty (120) days). In addition, Tenant's financial condition, as revealed by its most recent financial statements, must demonstrate that Tenant's net worth is at least equal to its net worth at the time this Lease was executed and that other financial criteria are at least equal to its current financial condition. In addition, the New Carillon Building Expansion Right shall terminate and be null and void upon the sale or transfer of the Building by 100 Carillon, LLC to third party, or upon the sale or transfer of all of the membership interest in 100 Carillon, LLC by Echelon Development LLC to a third party. Furthermore, the New Carillon Building Expansion Right is not effective or exercisable by Tenant at any time that there is less than five years preceding the expiration of the Lease Term (as may be extended by the exercise of any of the Extension Periods). The New Carillon Building Expansion Right is effective only upon the receipt by Landlord of all development rights, platting, permits, governmental and Carillon Property Owners Association approvals, and financing, all at terms acceptable to Landlord, in Landlord's sole discretion.

b. In the event that Landlord elects to cause the New Building to be constructed prior to two years preceding the expiration of the Lease Term (as may be extended by the exercise of any of the Extension Periods), Landlord shall offer the New Building Space to Tenant in writing ("First Offer Leasing Notice"), which notice shall contain a description of the New Offer Building Space and the projected date of completion of the New Building (excluding any tenant improvements) and the desired terms and conditions of rent and other charges. Tenant shall exercise its New Carillon Building Expansion Right by timely delivering written notice to Landlord ("New Building Notice") not later than thirty days following the receipt of the First Offer Leasing Notice.

c. Upon delivery of the New Building Notice, Landlord and Tenant each agree that they shall use good faith efforts to negotiate the rent, charges, security, and other mutually acceptable terms and conditions of a lease for the New Building Space having a term of not less than ten (10) years, all without regard to the existing terms and conditions set forth in this Lease. Notwithstanding the foregoing, in the event that Landlord and Tenant cannot, in good faith, agree upon the rent, charges, security, and other terms and conditions to govern the lease of the New Building Space within four months following Tenant's New Building Notice, then either party may elect to terminate further negotiations, whereupon all rights and liabilities arising under this Stipulation No. 4 of this Exhibit F shall cease. Notwithstanding the foregoing, in the event that Landlord and Tenant execute and deliver a mutually acceptable lease for New Building Space consisting of not less than 110,000 rentable square feet and containing a lease term of not less than 13 years, then Landlord and Tenant will agree to terminate any and all then remaining obligations arising under the terms of this Lease.

d. The right granted to Tenant under this paragraph is personal to Tenant, and in the event of any assignment of this Lease or sublease of the Premises by Tenant to any party, this New Carillon Building Expansion Right shall thenceforth be void and of no further force and effect.

SUBSIDIARIES OF THE REGISTRANT

<u>Subsidiary</u>	<u>Jurisdiction of Organization</u>
American Driving Records, Inc.	California
BackTrack Reports, Inc.	New York
CIC Enterprises, LLC	Delaware
CompuNet Tax Services, Inc.	Arizona
CoreFacts, LLC	Delaware
Employee Health Programs, Inc.	Florida
First Advantage Enterprise Screening Corporation	Delaware
First Advantage Public Records, LLC	Delaware
First American Indian Holdings LLC	Delaware
Hirecheck, Inc.	Florida
InfoCheck. Ltd	Ontario, Canada
Multifamily Community Insurance Agency, Inc.	Maryland
National Background Data, LLC	Delaware
National Data Registry, LLC	Delaware
Omega Insurance Services, Inc.	Florida
Proudfoot Reports Incorporated	New York
Quantitative Risk Solutions LLC	Arizona
Realeum, Inc.	Delaware
SafeRent, Inc.	Delaware
Seconda LLC (d/b/a Continental Compliance)	California
US SEARCH.com Inc.	Delaware
ZapApp India Private Limited	India

Consent of Independent Registered Certified Public Accounting Firm

We hereby consent to the incorporation by reference in the Registration Statements on Form S-4 (No. 333-106680), Form S-3 (No. 333-121402) and Form S-8 (Nos. 333-105847, 333-105852 and 333-111749) of First Advantage Corporation of our report dated March 9, 2005 relating to the financial statements and financial statement schedule, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP

Tampa, Florida
March 10, 2005

Chief Executive Officer

I, John Long, Chief Executive Officer of FIRST ADVANTAGE CORPORATION, certify that:

1. I have reviewed this annual report on Form 10-K of FIRST ADVANTAGE CORPORATION;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 10, 2005

/s/ JOHN LONG

John Long
Chief Executive Officer

Chief Financial Officer

I, John Lamson, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 10-K of FIRST ADVANTAGE CORPORATION;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and we have:

a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

c) Disclosed in this annual report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 10, 2005

/s/ JOHN LAMSON

John Lamson
Chief Financial Officer

Certification of Chief Executive Officer

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of FIRST ADVANTAGE CORPORATION (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Annual Report on Form 10-K of the Company for the period ended December 31, 2004 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 10, 2005

/s/ JOHN LONG

John Long
Chief Executive Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. ss. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Certification of Chief Financial Officer

Pursuant to 18 U.S.C. ss. 1350, as created by Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of FIRST ADVANTAGE CORPORATION (the "Company") hereby certifies, to such officer's knowledge, that:

- (i) the accompanying Annual Report on Form 10-K of the Company for the period ended December 31, 2004 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and
- (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this statement has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Date: March 10, 2005

/s/ JOHN LAMSON

John Lamson
Chief Financial Officer

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. ss. 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.