
FLOOD ZONE DETERMINATION AGREEMENT

This Agreement is between K-LAK Corporation (Flood Zone Determination Services) and undersigned Company, _____ known as the "Client".

1. Definitions.

- a. Flood Zone Determinations ("FZD's") are based on an examination of the current and available Flood Insurance Rate Map ("FIRM") data as published by, or for, the Federal Emergency Management Agency ("FEMA"), and other data and information as FZDS deems pertinent and practical, and the subject property information provided by the Client. In the event that the information provided by the Client does not allow FZDS to conclusively assess the improvements to the subject property to be in a single flood zone designation, FZDS shall assess and Certify the property to be in the most hazardous zone ("Dual Zone Status"). The designation of Dual Zone Status shall be indicated on applicable Certifications.

- b. The term FZD includes the following services:
 - I Loan Determination Service -- A flood zone assessment and Certification, for improved real property that is intended to secure an extension of credit, which is requested prior to, or as of, such extension of credit.

 - II Recertification Service -- A flood zone assessment and Certification, which is requested subsequent to the performance hereunder of a Loan Determination Service for the subject property, due to the intended extension, increase or renewal of the original loan (same subject property, mortgagor and loan number).

 - III Life of Loan Service -- A flood zone assessment and Certification, for improved real property that is intended to secure an extension of credit, which is requested prior to, or as of, such extension of credit. Subsequent to the initial assessment and Certification hereunder, whenever the applicable FEMA map panel is revised and generally available to FZDS, FZDS shall, within sixty (60) days thereof, again perform an assessment and, in the event of a change in designation of the flood zone in which the subject improved property is located, issue a new Certification. This Service benefits current and subsequent creditors in interest, and terminates as of the date that the loan is paid or otherwise terminates.

- c. Census Tract Information -- Census Tract information is an additional service provided by FZDS in which information from the U.S. Bureau of the Census is used to determine where a specific piece of property is located in a given Metropolitan Statistical Area, as defined by the current decennial census. This Census Tract Information service shall meet federal requirements under the Home Mortgage Disclosure Act ("HMDA"). This service may be conducted independently or in conjunction with FZDS's FZD service.
- d. Portfolio Review -- This service is a review of the flood hazard status of a portfolio of existing loans, and the issuance of determinations on the entire portfolio. This portfolio of loans is presented in FZDS's record layout preferably on magnetic media, (tape, cassette, or cartridge).

2. Term.

- a. The term of this Agreement will begin on the effective date and will remain in effect for on (1) year, followed by automatic renewal for successive one year periods, unless either party gives notice of its intent to terminate the Agreement at least forty-five (45) days before the end of the original one (1) year period, or the end of any subsequent one (1) year period.
- b. Either party may terminate this Agreement for material nonperformance of any services or failure to make payment under this Agreement if the nonperforming party has received written notice of nonperformance and has failed to remedy the nonperformance within thirty (30) days of receipt of notices.

3. Payment.

K-LAK Corporation or its agent, will only invoice the Client for the monthly services delivered to its customers at the prices shown in Exhibit "A". Client agrees to pay K-LAK within (30) days of the date of each invoice. Invoices not paid on time shall be considered past due and are subject to late charge of \$10.00 per month which is equal to \$120.00 per year.

4. Indemnification.

- a. In the event that FZDS incorrectly issues a certification on a property stating that the insurable improvement thereon are not located within a Special Flood Hazard Area, per the Federal Emergency Management Agency ("FEMA") flood map effective at the date of certification, and uninsured flood loss occurs to such insurable improvements, FZDS shall indemnify and hold K-LAK, the lender and its borrow harmless from uninsured flood loss, but only to the extent that such parties would be compensated under a National Flood Insurance Protection

("NFIP") policy as if in effect up to the maximum amount available for such property.

- b. In the event that FZDS incorrectly issues a certification on a property stating that the insurable improvements thereon are in a Special Flood Hazard Area, per the FEMA flood map effective at the date of the certification, FZDS shall reimburse the borrower for any non-mandatory NFIP insurance premiums which it paid for such property.
- c. On loans covered by FZDS's Life of Loan program:
 - (i) if the flood hazard status of a property FZDS has certified changes from "not in" to "in", as a result of a FEMA flood map revision, FZDS fails to notify the lender within sixty (60) days of such change, and uninsured flood loss occurs to the insurable improvements on such property after the sixty (60) days period, FZDS shall indemnify and hold Client and its borrower harmless from uninsured flood loss, but only to the extent that such parties would be compensated under an NFIP policy as if in effect up to the maximum amount available for such property.
 - (ii) if the flood hazard status of a property FZDS had certified changes from "in" to "not in" as a result of a FEMA flood map revision, and FZDS fails to notify the lender within sixty (60) days of such change, FZDS shall reimburse the borrower for any non-mandatory NFIP insurance premiums which it paid for such property after FZDS's notification period expired. None of the obligations set forth in paragraph 5[c] shall apply to any FZDS certifications which are not Life of Loan certification.

5. Limitation on Remedies. THE REMEDIES SET FORTH IN SECTION 5 ARE CLIENT'S SOLE AND EXCLUSIVE REMEDIES FOR ANY BREACH BY FZDS OF ANY OBLIGATION UNDER THIS AGREEMENT. IN ANY EVENT, FZDS WILL ONLY BE LIABLE FOR DETERMINATIONS ON PROPERTIES FOR WHICH THE CLIENT MAKE A MORTGAGE LOAN ON OR AFTER THE DATE FZDS COMPLETES ITS NOTIFICATION OF THE RESULTS OF FZDS'S DETERMINATION, NOTWITHSTANDING ANY OTHER PROVISION OF THE AGREEMENT, FZDS SHALL NOT BE LIABLE FOR LOST PROFITS, LOSS OF USE OR INTERRUPTION OF BUSINESS, NOR FOR CONSEQUENTIAL, INDIRECT, SPECIAL, PUNITIVE, OR INCIDENTAL DAMAGES UNDER THIS AGREEMENT.

6. Insurance. FZDS shall carry at all times relevant to this Agreement, an Error and Omission insurance policy, in the amount of \$5,000,000.00

7. Modification/Waiver. No modification of this Agreement (including any additional or different terms) shall be binding on FZDS unless agreed to in writing. No course of dealing or failure by FZDS to strictly enforce any term, right, or condition of this Agreement shall be construed as a waiver of such term, right, or condition.

- 8. Severability.** If any provision of this Agreement is or becomes void or unenforceable by force or operation of law, the other provisions shall remain valid and enforceable.
- 9. Force Majeure.** Neither party to this Agreement shall be considered to be in default of its obligation under this Agreement to the extent that failure to perform any such obligation arises from causes beyond the control and without the fault or negligence of the affected party.
- 10. Assignment.** Client may not assign this Agreement. FZDS may assign this Agreement upon written notice to Client.
- 11. Notice.** Any written notice to FZDS required by this Agreement shall be addressed to K-LAK Corporation, Post Office Box 7033, Wilmington, Delaware 19803. Any written notice to Client required by this Agreement shall be addressed to the authorized Representative at the address provided below.
- 12. Choice of Law.** This Agreement and performance hereunder shall be interpreted in accordance with, and governed by, the laws of the State of Delaware.

AGREED BY CLIENT:

**ACCEPTED: K-LAK CORPORATION -
FLOOD ZONE DETERMINATION SERVICES**

(Name of Client)

By: _____

By: _____
(Signature of Authorized Representative)

Title: _____

(Print name of Representative)

Date: _____

(Print Title of Representative)

(Street Address of Client)

(City, State, and Zip)

(Name and Telephone Number of Client Contact)

Date: _____