



PARTICIPATION AGREEMENT: TYPE 2 CLAIM

This Participation Agreement is entered into between Connecticut Foundation Solutions Indemnity Company, Inc. ("CFSIC") and _____ ("Homeowner") on this ____ day of _____, 20___. (Please Note that if the Dwelling pertains to a condominium or condominiums, the "Homeowner" to this Participation Agreement must be the condominium association, or other legal entity with respect to both, that is responsible for the Dwelling's foundation, or foundations to the extent multiple condominiums are represented, and that by signing this Participation Agreement, that party represents that it has the legal authority to speak and act for the affected owners of the condominium units and to enter into this Participation Agreement.)

WHEREAS, Homeowner has filed an application for a Type 2 (foundation reimbursement) claim with CFSIC regarding a crumbling foundation at Homeowner's eligible residential dwelling located at: _____ (the "Dwelling");

WHEREAS, CFSIC has determined, based on the information provided by the Homeowner, without independent verification, that Homeowner has met the claim eligibility requirements a Type 2 claim for eligible expenses regarding the Dwelling's crumbling foundation and has been assigned CFSIC claim number _____;

WHEREAS, Homeowner entered into the contract (the "Construction Contract") attached hereto with the contractor identified therein (the "Contractor") that was intended to repair or replace the foundation of the Dwelling; and

WHEREAS, Homeowner has agreed to participate in the program established by CFSIC to provide financial assistance to certain homeowners affected by crumbling foundations, and CFSIC has agreed under that program to provide funds to reimburse Homeowner for a portion of the cost of the repair or replacement of Homeowner's foundation, provided Homeowner agrees, by Homeowner's signature below, to all of the terms and conditions of this Participation Agreement.

Accordingly, CFSIC and Homeowner agree as follows:

1. Homeowner hereby certifies that the application filed with CFSIC for the Type 2 claim (the "Application") completed by Homeowner and all information submitted by Homeowner in connection with the Application is true, accurate, and complete in all respects.

Homeowner also understands that the terms and conditions of Homeowner's Application are a material part of this Participation Agreement and that the terms and conditions of that Application are incorporated herein.

2. Homeowner hereby certifies that the copy of the Construction Contract attached to this Participation Agreement is true, accurate, and complete.

3. Homeowner understands and acknowledges that payments made by CFSIC may be offset by any claim payments or settlements made by a homeowner's insurer or other source of insurance, whether such insurer claim payments or settlements were made pursuant to a claim process or as the result of litigation between or among Homeowner, acting individually or as part of a group, and an insurer. The exception to this will be any separate claim payment made by CFSIC at the request of an insurer collaborating with the CFSIC program, to the extent such collaboration exists.

4. Homeowner acknowledges and agrees that with respect to Homeowner's Type 2 claim, in no event will the total of CFSIC's payments exceed the **lesser** of \$_____ (which constitutes the total of the eligible replacement expenses identified in the Construction Contract attached hereto) **or** \$190,000.00 per residential building in accordance with CFSIC's Underwriting and Claims Management Guidelines ("the Guidelines") and all of the terms, conditions, and limitations of the Guidelines.

5. Homeowner acknowledges that Homeowner has read, understands, and agrees to the terms of the applicable Type 2 claim application submitted by Homeowner to CFSIC, as well as all terms and conditions of the Guidelines, and understands and agrees that the following items **are not** eligible for reimbursement by CFSIC:

- (a) replacement of drywall and/or other finishing wall features, including re-framing;
- (b) removal/replacement of porches or decks;
- (c) removal/replacement of gutters;
- (d) removal/replacement of landscaping features such as driveways, walkways, paths, shrubs, lawns, trees, gardens, or other plantings or garden structures;
- (e) any work done to outbuildings, sheds, or barns;
- (f) swimming pools, whether in-ground or above-ground, or any ponds or water features;
- (g) moving or relocation expense;
- (h) temporary housing expense;
- (i) meals, transportation, mileage, and incidentals;
- (j) loss of wages or income or revenue associated with any work or any business, whether such business is home-based or not;

- (k) any liability incurred by the homeowner or any other person on a direct, indirect, or consequential basis.

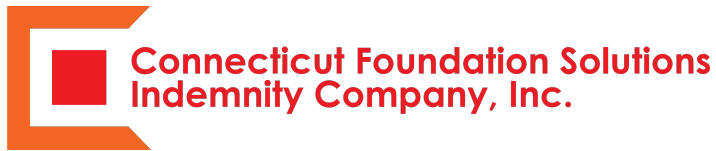
6. For a Type 2 claim, Homeowner understands that Contract costs eligible for reimbursement will be made to the current owner of the Dwelling, who in addition was also responsible for the payment of the eligible costs of the replaced foundation, whether such payment by Homeowner was made in whole or in part with Homeowner funds, and by signing this Participation Agreement, a Type 2 Homeowner certifies that such Homeowner satisfies the foregoing conditions.

7. Homeowner acknowledges and agrees that the Construction Contract for replacement of Homeowner's foundation was solely between Homeowner and Contractor, that CFSIC is not a party to the Construction Contract and has no responsibility whatsoever under it, nor will Homeowner have any recourse against CFSIC for any problems or issues that may arise under the Construction Contract including with respect to the Contractor's work. CFSIC's sole function is to provide economic assistance to the Homeowner and that otherwise, CFSIC has no role or responsibility whatsoever in any way, directly or indirectly, with respect to a Type 2 claim.

8. Notwithstanding anything herein to the contrary, Homeowner acknowledges and agrees that all payments made to Homeowner by CFSIC are expressly conditioned on (i) the truth and accuracy of the information provided by Homeowner to CFSIC, including, without limitation, the information provided in the Application and any supporting documentation provided therewith; (ii) the truth and accuracy of the Construction Contract provided by Homeowner to CFSIC, in support of the claim made to CFSIC and in which the allowable foundation remediation costs are calculated and set forth according to the guidelines governing Type 2 claims; and (iii) the continued compliance by Homeowner with all other rules and regulations promulgated by CFSIC with regard to Type 2 claims (collectively, the "Compliance Conditions"). In the event that the Compliance Conditions are not met or observed by Homeowner at any time, CFSIC may cease making any outstanding payments due to Homeowner immediately upon its discovery of any violation of the Compliance Conditions, and any such outstanding payments to Homeowner shall cease, and CFSIC may seek to recover from Homeowner any payments already made.

9. RELEASE. Homeowner, for himself/herself, and his/her successors and assigns, does hereby forever release, remise, discharge and give up any and all manner of action and actions, cause and causes of action, suits, debts, dues, sums of money, accounts, reckoning, bonds, bills, specialties, covenants, contracts, controversies, agreements, promises, variances, trespasses, damages, judgments, extents, executions, claims and demands whatsoever in law or in equity, which against Connecticut Foundation Solutions Indemnity Company, Inc. Homeowner ever had, now has, or which Homeowner and/or its successors and/or assigns hereafter can, shall, or may have, including, without limitation, any claims or demands arising out of, or in any way related to, this Participation Agreement or Homeowner's Application.

[signature page follows]



IN WITNESS WHEREOF, the parties hereto have signed and delivered this Participation Agreement on the date set forth above.

In the Presence of:

HOMEOWNER:

Witness

(By signing, you acknowledge that you are in agreement with the number entered on this Participation Agreement, which is derived from a construction contract and contract amendment to which you agreed.)

(BELOW THIS LINE FOR SUPERINTENDENT USE ONLY)

In the Presence of:

**CONNECTICUT FOUNDATION
SOLUTIONS INDEMNITY COMPANY,
INC.**

Witness

By: _____

Name: Michael Maglaras & Company

Title: Superintendent

Date: _____