

THE NAME OF THE NEW HOME WARRANTY SECURITY PLAN IN WHICH YOUR BUILDER IS CURRENTLY A PARTICIPANT IS ..... YOU ARE STRONGLY ENCOURAGED TO CALL THE NEW HOME WARRANTY SECURITY PLAN AT ..... TO VERIFY (I) THAT YOUR BUILDER IS IN GOOD STANDING WITH THIS COMPANY, AND (II) THAT YOUR NEW HOME WILL BE COVERED BY A WARRANTY FROM THIS COMPANY.

IF THE BUILDER IS NOT A PARTICIPANT IN GOOD STANDING WITH THIS COMPANY ON THE DATE OF THIS CONTRACT, OR IF THE NEW HOME HAS NOT BEEN REGISTERED IN THE PLAN ON OR BEFORE THE WARRANTY DATE, THEN IT IS A MATERIAL BREACH OF THE CONTRACT AND YOU ARE ENTITLED TO WHATEVER REMEDIES ARE PROVIDED BY LAW, INCLUDING, BUT NOT LIMITED TO, RESCISSION OR CANCELLATION OF THIS CONTRACT AND, EXCEPT IN THE CASE OF A CONSTRUCTION CONTRACT FOR A NEW HOME BUILT ON YOUR OWN PROPERTY, AND A REFUND OF ANY MONEY PAID TO THE BUILDER FOR YOUR NEW HOME.

ON THE DAY THAT YOU FIRST OCCUPY THE NEW HOME, SETTLE ON THE NEW HOME, MAKE THE FINAL PAYMENT TO THE BUILDER ON YOUR NEW HOME, OR OBTAIN AN OCCUPANCY PERMIT FOR A NEW HOME IF THE NEW HOME IS BUILT ON YOUR OWN PROPERTY, WHICHEVER IS EARLIER, YOU WILL BE PROVIDED WITH EVIDENCE THAT A NEW HOME WARRANTY EXISTS FOR YOUR NEW HOME AND THAT COVERAGE BEGINS ON THAT DATE. YOU WILL BE PROVIDED WITH A SIGNED NEW HOME WARRANTY WITHIN 60 DAYS FROM THE DATE THE COVERAGE BEGINS.

THE TERMS USED IN THIS NOTICE SHALL HAVE THE SAME MEANINGS AS PROVIDED IN TITLE 10, SUBTITLE 6 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND.”

10-606.

(A) A NEW HOME WARRANTY SECURITY PLAN SHALL:

(1) PROVIDE FOR THE PAYMENT OF CLAIMS AGAINST A BUILDER FOR DEFECTS WARRANTED UNDER THIS SUBTITLE;

(2) BE OPERATED BY A CORPORATION, PARTNERSHIP, OR OTHER LEGAL ENTITY AUTHORIZED TO DO BUSINESS IN MARYLAND;

(3) DEMONSTRATE TO THE SECRETARY THAT THE PLAN WILL MAINTAIN FINANCIAL SECURITY TO COVER THE TOTAL NUMBER OF CLAIMS THAT THE PLAN REASONABLY ANTICIPATES WILL BE FILED AGAINST PARTICIPATING BUILDERS;