

(c) *The total amount of deposits considered held by a seller or builder for the purpose of determining the penalty of any blanket bond which the seller or builder shall obtain and maintain in any given calendar year shall be determined as of May 31 of any given calendar year and the penalty of such bond shall be in accordance with the amount of deposits held as of May 31.*

(d) *The State Insurance Department shall adopt such procedural regulations not inconsistent with this subtitle as shall be necessary for the administration, maintenance, collection and distribution of the bonds and bond proceeds provided for in this subtitle.*

(e) *Provided, however, that this subtitle shall not apply to*

(1) *A sale by a seller or builder who, from the time of the contract of sale until completion and conveyance of the residential unit, has or shall have outstanding fewer than ten contracts of sale of single family residential units to be constructed, as to which he has accepted or is contractually entitled to receive sums of money in the nature of deposits, escrow money or binder money.*

(2) *A sale by or through a licensed real estate broker in connection with which all sums of money in the nature of deposits, escrow money or binder money are paid to a broker to be held in the escrow account of said broker.*

(f) *Failure to obtain and maintain a corporate surety bond or to hold sums of money in an escrow account as and whenever required under this subtitle shall be a misdemeanor and shall be punishable upon conviction by a fine not to exceed five hundred dollars (\$500.00) or imprisonment not to exceed six (6) months, or both. In case of a violation by a corporation, any officer, director or employee who has knowingly participated in any act or omission which is part of the violation shall be subject to the penalties of this subsection.*

#### Subtitle 4—Recorded Land Contracts

##### 10-401. *Limitation on Enforcement of Recorded Land Contract.*

(a) *No recorded contract for the sale of real property shall be enforceable or constitute an encumbrance on the title of such property, when the buyer is not in possession, as against persons other than the original parties thereto, unless within five years after the date set out in the recorded contract for the delivery of the deed, an action or proceedings shall have been commenced to enforce such contract. If no date for the delivery of the deed is designated in the recorded contract, then any action or proceedings must have been commenced within five years after the date when, according to the terms of the recorded contract, the final payment or installment of the purchase price was required to be paid. The existence of a disability on the part of either party to the contract at the commencement of this five year period shall not operate to extend such five year period.*

##### 10-402. *Recorded Options as Notice.*

*When a recorded instrument or recorded modification or amendment thereof, has created an option to purchase real property, which according to its terms has expired, and one year has elapsed since*