

(M) "Soil Movement" means subsidence, expansion or lateral movement of the soil (excluding flood and earthquake).

10-2A02.

(A) Prior to the issuance of a building permit to construct a new dwelling, single family, two family, condominium or cooperative, the builder shall obtain a certificate of endorsement or some other similar document signed by an insurance company licensed to do business in the State of Maryland as approved by the Insurance Department. These documents shall state that the builder will be covered by the insurance company for the full purchase price of the dwelling for a period of five years subject to the conditions of the Home Warranty Agreement.

(B) In addition to those ordinances required by any local jurisdiction's code relating to building, electricity, plumbing, fire and heating codes the warranty will require compliance with Quality Standards hereinafter mentioned.

10-2A03.

(A) A warranty agreement guaranteed by a surety company shall be issued to the purchaser/owner as provided in conformity with this Article. A copy of the warranty agreement must be presented to a local jurisdiction's Department of Inspections and Permits prior to the issuance of a Certificate of Occupancy.

(B) The Warranty Agreement shall contain the following:

This agreement must be entered into only by (1) the builder of the dwelling and (2) the purchaser/owner of the dwelling. It must not be signed by the builder unless (a) the builder is the party conveying title to the purchaser/owner or (b) the builder is building a dwelling on the purchaser's own land. This agreement shall be executed only after substantial completion of the dwelling by the builder and inspection of the home by the purchaser/owner. This agreement shall be executed at the time of final settlement on sale of the dwelling, or within 30 days after occupancy, whichever occurs first, except that for dwellings accepted under an agreement granting the purchaser an option to purchase, it shall be executed at the time of final settlement. The builder shall concurrently with the execution of this agreement deliver to the purchaser a descriptive booklet containing general information with respect to the warranty and the benefits available to purchasers. This agreement should be executed in