



OLDE KEY TITLE

RESIDENTIAL AND COMMERCIAL CLOSING SERVICES SINCE 1982

MEMORANDUM

From: Olde Key Title

Date: August 4, 2009

Re: New Maryland Condominium Law – Effective June 1, 2009

The following is a summary of a new condominium law that went into effect in Maryland on June 1, 2009, and in order to address this new law, GCAAR has revised its attached forms, Form #1328 (“Condominium Resale Addendum for Maryland”) and #922 (“Condominium – Sellers Statement and Buyers Receipt of Information for Maryland Resale Condominiums”):

- “The new law requires that the Master Insurance Policy covers the Units (at least to a certain extent) in addition to the Common Areas.”
- “In the event there is a loss covered by the Mater Insurance Policy that emanates from a particular unit, the owner of the unit causing the loss is responsible to pay the deductible under the Master Insurance Policy up to a maximum of \$5,000.”
- The Resale Package must advise the buyer(s) that he/she/they may be responsible for payment of that deductible.
- “IN THE EVENT THAT SUCH NOTICE IS NOT INCLUDED IN THE SALES CONTRACT, THE CONTRACT IS UNENFORCEABLE.”
- Form #1328, “Condominium Resale Addendum for Maryland”, is required and must be used with all contracts.
 - The changes to Form #1328 are the following:
 - “Under Paragraph 4 Notice (Applies Only to a Condominium with 7 or More Units), added paragraph (VI)”;
 - “Under Paragraph 5 Notice (Applies Only to a Condominium with Fewer Than 7 Units), added item number (5)”.
- Form #922, “Condominium – Sellers Statement and Buyers Receipt of Information for Maryland Resale Condominiums”, is required for the resale of all condominiums in Maryland.
 - The changes to From #922 are the following:
 - In Item 2 (Acknowledgment of Receipt of Information by Buyer),
 - “Under Resale of Unit in Condominium with 7 or More Units, added paragraph G”;
 - “Under Resale of Unit in Condominium with Less than 7 Units, added item number (5)”.