

CONDOMINIUM ACT (EXCERPT)
Act 59 of 1978

559.184 Section inapplicable to business condominium unit; withdrawal from signed purchase agreement; depositing and retaining funds in escrow; contents of purchase agreement; waiver of right of withdrawal; form.

Sec. 84.

(1) This section shall not apply to a business condominium unit.

(2) Except as provided in subsection (5), a signed purchase agreement shall not become binding on a purchaser and a purchaser may withdraw from a signed purchase agreement without cause and without penalty before conveyance of the unit and within 9 business days after receipt of the documents required in section 84a. The calculation of the 9 business day period shall include the day on which the documents required under section 84a are received if that day is a business day.

(3) Upon receipt of payment under a purchase agreement, the developer shall deposit all funds in an escrow account with an escrow agent. Funds due a developer from the closing of a unit sale need not be deposited in escrow if such funds are not required by other provisions of this act to be retained in escrow after such closing. After the expiration of the withdrawal period provided in subsection (2), the developer shall retain amounts in escrow or provide other adequate security as provided in section 103b to assure completion of only those uncompleted structures and improvements labeled under the terms of the condominium documents, "must be built".

(4) A purchase agreement shall contain all of the following:

(a) A statement that all funds paid by the prospective purchaser in connection with the purchase of a unit shall be deposited in an escrow account with an escrow agent and shall be returned to the purchaser within 3 business days after withdrawal from the purchase agreement as provided in subdivision (b). The statement shall include the name and address of the escrow agent.

(b) A statement that unless the purchaser waives the right of withdrawal, the purchaser may withdraw from a signed purchase agreement without cause and without penalty if the withdrawal is made before conveyance of the unit and within 9 business days after receipt of the documents required in section 84a including the day on which the documents are received if that day is a business day.

(c) A statement that after the expiration of the withdrawal period provided in subsection (2), the developer is required to retain sufficient funds in escrow or to provide sufficient security to assure completion of only those uncompleted structures and improvements labeled under the terms of the condominium documents, "must be built".

(d) The following paragraph:

"At the exclusive option of the purchaser, any claim which might be the subject of a civil action against the developer which involves an amount less than \$2,500.00, and arises out of or relates to this purchase agreement or the unit or project to which this agreement relates, shall be settled by binding arbitration conducted by the American arbitration association. The arbitration shall be conducted in accordance with applicable law and the currently applicable rules of the American arbitration association. Judgment upon the award rendered by arbitration may be entered in a circuit court of appropriate jurisdiction."

(e) A statement that the escrow agreement between the developer and the escrow agent is incorporated by reference.

(5) The right of withdrawal in subsection (2) may be waived in exceptional cases, by a purchaser who is provided all of the documents listed in subsection (4) and who knowingly and voluntarily waives in writing the purchaser's right to the protection provided by the right of withdrawal. The waiver form shall include an explanation of this section.

History: 1978, Act 59, Eff. July 1, 1978 ;-- Am. 1982, Act 538, Imd. Eff. Jan. 17, 1983 ;-- Am. 1983, Act 113, Imd. Eff. July 12, 1983