

CONDOMINIUM ACT (EXCERPT)
Act 59 of 1978

559.183 Preliminary reservation agreement; use; condominium buyer's handbook; placing payment in escrow; cancellation of agreement; refund; treating payment as if made under purchase agreement.

Sec. 83. (1) After filing a notice under section 71, a preliminary reservation agreement may be used by a developer to reserve a condominium unit for a prospective purchaser. During the time reservations are being accepted, a condominium buyer's handbook shall be available at the condominium project for all prospective purchasers.

(2) Upon receipt of payment under a preliminary reservation agreement, the developer shall place the payment in an escrow account with an escrow agent.

(3) A prospective purchaser who has made a payment under a preliminary reservation agreement may cancel that agreement. The developer shall fully refund within 3 business days after notice of cancellation is received all payments made.

(4) If a person who has entered into a preliminary reservation agreement subsequently enters into a purchase agreement, the developer shall treat a payment originally made under the preliminary reservation agreement as if made under a purchase agreement pursuant to section 84.

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