

COMMERCIAL REAL ESTATE BROKER'S LIEN ACT (EXCERPT)
Act 201 of 2010

570.585 Escrow account; establishment to satisfy lien; release.

Sec. 5. (1) If a claim of lien recorded under section 4 would otherwise prevent the closing of a transaction involving commercial real estate, the parties to the transaction shall, subject to subsection (2), establish an escrow account from the proceeds of the transaction in an amount sufficient to satisfy the lien. A buyer or seller shall not refuse to close the transaction because of the requirement of establishing an escrow account under this subsection. The money shall remain in the escrow account until the rights to the money have been determined by a written agreement of the parties, a judgment or order by a court of competent jurisdiction, or any other method agreeable to the parties.

(2) An escrow account is not required under subsection (1) if either of the following circumstances exists:

(a) Alternative procedures are available that will allow the transaction to close and that are acceptable to all the parties to the transaction.

(b) The proceeds from the transaction are insufficient to satisfy all liens against the commercial real estate under this act.

(3) If an amount sufficient to satisfy a commercial real estate broker's lien is escrowed under subsection (1), the lien is extinguished and the real estate broker shall provide a release of lien that meets the requirements of 1937 PA 103, MCL 565.201 to 565.203, and is substantially in the following form:

RELEASE OF LIEN

The undersigned is the claimant under a claim of commercial real estate broker's lien recorded on _____ [date] in the office of the register of deeds of _____ County, Michigan, at Liber _____, Page _____, or at _____ [enter other unique identifying numbers]. The undersigned releases the lien on the following described property:
[Legal description]

[Name of Claimant]

By: _____

Its Authorized Agent

Signed and sworn to before me in _____ County, Michigan,
on _____, _____ [year].

[Notary's name, county, acting
in county, state, and date
commission expires]

Prepared By:

Return To:

History: 2010, Act 201, Imd. Eff. Oct. 5, 2010.