

# REAL PROPERTY LAW SECTION

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## *Newsletter*

**STATE BAR OF MICHIGAN**

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### The Point System

by

Frank S. Sengstock

Editor of Newsletter

When the sale of housing is financed by a mortgage secured by the government through its VA or HUD offices, a lending institution will ordinarily assess points in the transaction. Each point is said to constitute 1% of the mortgage proceeds and all but one of the points must be paid by the seller pursuant to federal law.

The really interesting problem with respect to points is how are they computed. Generally, it is said that they are assessed on the basis of the difference between the market rate of interest and the government ceiling on interest. Additionally, the condition of the property and the credit of the mortgagor have a bearing on the number of points that a lending institution will assess in a given transaction. I do not find these generalities sufficiently satisfying. I think our membership would like to know how does an institution end up with four as opposed to seven points in a given transaction. To what extent does unrestricted discretion in clerical officers in a given lending institution affect the results. I have tried to obtain an article dealing with this topic from several officers of prominent lending institutions in this state. I have not met with success.

If anyone can provide detailed information for publication on how the point system works, I am sure that our membership would find it of tremendous assistance.

A Report on the Annual Meeting

by

G. Norman Gilmore, Chairman

With this issue of the Newsletter, we begin the 1974-75 year. At the Annual Meeting last month, the Council plan of continuing the present officers for another full year was approved, with the idea that, in that way, the program begun during the organizational period could best be carried through. Consistent with that, the Council members whose terms had expired also were reelected.

At the meeting of the Section, Jim Candler of Dickinson, Wright, McKean & Cudlip, who is handling the appeal from Judge Keith's Northrip statutory foreclosure decision, gave us an interesting fill-in on recent developments.

There were two ICLE seminars at the Annual Meeting in which our section was a co-sponsor. The first, on Thursday, September 12th, covered the use of paralegal assistants in real estate transactions. The second, on Friday, was a panel discussion on zoning matters with Norman Hyman, of Honigman, Miller, Schwartz & Cohn, and Harry Tatigian, City Attorney for Livonia, taking part. Barry Stulberg, of Southfield, talked on the 1972 Soil Erosion and Sedimentation Act and its effect on land development in general. Benham Wrigley, Jr. of Grand Rapids, the Chairman of our Committee on Seminars and Workshops, presided and introduced the speakers.

Enclosed with this Newsletter (we hope that so far they have been interesting) is a questionnaire which we should like to have you look over and check off, in the order they would be helpful to you, the topics you'd like to see as the subjects for seminars in the coming year. As of now, we don't know whether ICLE will be able to co-sponsor more than one, probably in April, or thereabouts, but there's no good reason why we can't have two or three others on our own, if there's sufficient interest. Our committees and Council have been doing a pretty good job of digging out current problems, - and some solutions, which merit further discussion. Please fill out the questionnaire and mail it in the enclosed envelope as soon as you can. The deadline is December 1st, but don't wait for that. Get it in the mail.

We are wide open for ideas for general action, too. Any of you who are interested in a particular problem in real estate law that you think is important, please let your chairman know about it. We'll try to cover it, - in a seminar, in the Newsletter, or perhaps personally. We want our Real Property Law Section to be of as much benefit to each of its members as is possible.

STATE OF MICHIGAN

COURT OF APPEALS DIGEST

(MICHIGAN SUPREME COURT CASES INCLUDED)

Many of the members of the Section may not be aware that the Chief Judge T. John Lesinski has developed and maintained, for the internal use of the Michigan Court of Appeals, a digest of all unpublished Michigan Court of Appeals opinions. This digest bridges the gap for the Court between the date of official release of an opinion in "slip" form and the opinion's publication in the advance sheets--a gap approaching three months due to editing, clerical requirements. Recently the digest has been made available to members of the bar at the Court clerks' offices around the State. In addition, the slip opinions are generally available at the Court and at various depository sites such as the Detroit Bar Library.

Through the good offices of Chief Judge T. John Lesinski, the Newsletter has obtained the most recent edition of the digest and access to all future editions. With the Chief Judge's permission we are reprinting the digest headnotes covering recent opinions of interest to the Section.

The editor also wishes to acknowledge his gratitude to Mr. David Haron of the firm of Barris, Sott, Denn & Driker for making the arrangements with Judge Lesinski for the publication of the digest of property cases.

ANDERSON v RICHTER (Rev'd in part: Aff'd in part) July 25, 1974 17708

APPEAL AND ERROR - EQUITY - REVIEW - DE NOVO An Action to partition land is equitable in nature as is a suit to quiet title and reform a deed. Therefore the Court hears the appeal de novo on the record.

PROPERTY - JOINT ESTATE - SURVIVORSHIP - DEED - LANGUAGE It is the well established law of this state that the language "to A and B, or survivor" creates joint life estates in A and B with the remainder in fee to the survivor?

PROPERTY - DEED - JOINT ESTATE - SURVIVORSHIP The deed executed by the defendant conveyed a joint life estate with a right of survivorship and did not merely create an ambulatory estate in expectancy. The language used was legally sufficient to transfer such an interest: a layman would recognize by the terms of the deed that some form of title was conveyed: defendant acknowledged the plaintiff's interest by jointly executing with the plaintiff a deed conveying a portion of the parcel: and the defendant is guilty of laches in failing to contest the effect of the deed at the time of the joint conveyance.

PROPERTY - PARTITION - JOINT ESTATE - SURVIVORSHIP Partition is improper where there are joint life estates with the remainder to the survivor. PANEL: Gillis, Holbrook, VanValkenburg (P.C.)

DUNLAP v CITY OF SOUTHFIELD (Aff'd) July 23, 1974 17649

JUDGMENT - COLLATERAL ATTACK It is a well settled rule that a judgment of a court of competent jurisdiction cannot be collaterally attacked. This principle applies to all judgments, irrespective of whether they be consent judgments or those entered after any amount of contentious litigation.

SUPERINTENDING CONTROL - INFERIOR TRIBUNALS - DEFINITION When exercising superintending control over inferior tribunals, the inferior tribunals referred to include administrative agencies which act in judicial or quasi-judicial proceedings.  
STATUTE: MCLA 600.615; GCR 1963, 711.3

SUPERINTENDING CONTROL - PROPRIETY A court will not grant superintending control where no action is taken and there is accordingly no record to review.

ZONING - INJUNCTION - PROPRIETY An injunction will not be upon the mere apprehension of future injury or where the threatened injury is speculative or conjectural. Since the City Council had taken no action on a proposed high rise site plan, any threatened injury or harm due to traffic or invasion of privacy was speculation. The complaint that the site plan violated city zoning ordinances was also premature.  
PANEL: Gillis, Holbrook, DENEWETH

MURRAY v BUIKEMA (Aff'd) July 23, 1974 17364

PROPERTY - DESCRIPTION - RULES OF CONSTRUCTION The primary rule which the courts apply in construing and interpreting a conveyance where the location of the boundary lines of the land is uncertain by reason of inconsistent or conflicting descriptive calls in the conveyance which cannot be explained by any competent evidence, is that the intention of the parties controls and is to be followed.

PROPERTY - DESCRIPTION - RULES OF CONSTRUCTION In construing a property conveyance containing inconsistent calls, terms of description repugnant to the identifiable description may be rejected.

PROPERTY - DESCRIPTION - RULES OF CONSTRUCTION It is a well settled law in this state that monuments control courses and distances, and that, when monuments and measurements vary, the monuments always control.

PROPERTY - MONUMENT - DEFINITION A monument when used in describing land has been defined as any physical object on the ground which helps establish the location of the line called for, and the term "monument" when used with reference to boundaries indicates a permanent object which may be either a natural or an artificial one.

PROPERTY - MARKETABLE TITLE ACT The plaintiff's claim to the property at issue is not defeated by the Marketable Record Title Act. An examination of the description of the plat which was excepted from the property conveyed to the defendants would have revealed that a portion of the plat extended into the section claimed by the defendants. As there was something of record purporting to divest the defendants of any interest in the platted land, the defendants may not claim an unbroken chain of title under the Act. STATUTE: MCIA 565.102 PANEL: Allen, T. M. Burns, SMITH

STARLINE CONSTRUCTION CO v CITY OF SWARTZ CREEK (Aff'd) July 25, 1974 17715

MUNICIPALITIES - ORDINANCE - SEWERS - FEE A city ordinance providing that homes constructed and occupied after the effective date of the ordinance would be liable for a \$500 fee for tapping into the sewer lines does not violate either equal protection or due process. STATUTE: Swartz Creek City Ordinance 76 PANEL: Bronson, Holbrook, O'Hara (P.C.)

BRYCE v JONES (Rev'd & Rem'd) August 13, 1974 17352

PROPERTY - DEED - ABSOLUTE ON FACE - EQUITABLE MORTGAGE It is the well-settled law of this state that the one asserting that a deed absolute is in reality an equitable mortgage must establish that claim by clear and convincing proof that a mortgage was intended by the parties at the time the deed was executed. The belief on the part of one party that the deed was to operate as a mortgage is not sufficient to change the nature of the written instrument, since the necessary indicia of proof is that both parties intended the deed to have that effect.

AGENCY - AGENT - KNOWLEDGE - PRINCIPAL - IMPUTED While normally knowledge on the part of an agent is imputable to the principal, where the interest of the agent is adverse to that of his principal, the agent's knowledge is not imputable to the principal. PANEL: Gillis, Holbrook, VAN VAIKENBURG

DAVIS v TOWNSHIP OF BRIDGEPORT PLANNING COMMISSION (Rev'd & Rem'd) August 14, 1974 17936

APPEAL AND ERROR - ZONING - REVIEW - DE NOVO In zoning cases this Court reviews the decisions of trial courts "de novo," although the Court accords great weight to the trial judge's decision.

ZONING - ORDINANCE - REASONABLENESS In attacking the constitutionality of the zoning ordinance in question, the plaintiffs bear the burden of proving the defendant city, by its action, violated one of the plaintiffs' constitutional rights and thus acted unreasonably. They must show that the city, via its ordinance, denied them substantive or procedural due process, equal protection of the laws, or deprived them of their property without just compensation. To each of these claims the court will apply their proofs presented and determine if they have met their burden in showing the ordinance in question to be unreasonable, for reasonableness is the test of its validity.

ZONING - ORDINANCE - REASONABLENESS The record in the present case substantiates the trial court's findings that the land in question, zoned single-family agricultural, cannot be developed for single family residential use. The industrial complex, brine pond and sewage treatment plant all being in close proximity to the land in question effectively forecloses such development. However, as the trial court focused on only one permitted use, the case is remanded for a determination of the economic feasibility of using the land for agricultural purposes as zoned. PANEL: McGregor, R. B. Burns, O'Hara

KAR v HOGAN (Aff'd) August 13, 1974 16953

JURY - ADVISORY - OPINION - EFFECT An advisory jury's opinion does not bind a chancellor in equity.

APPEAL AND ERROR - EQUITY - REVIEW - DE NOVO This Court ordinarily reviews chancery cases de novo giving considerable weight to the trial judge's findings. Only if we find, upon examination of the entire record, that we would have been required to reach a different result had we been in the chancellor's position, will we disturb those findings.

PROPERTY - DEED - CONFIDENTIAL RELATIONSHIP - BURDEN OF PROOF In a suit to set aside a deed because of a confidential relationship, the burden of proof shifts to the defendant upon proof of the existence of the relationship.

TRIAL COURT'S CONDUCT - PREJUDGMENT The trial judge did not prejudge the present case. He strove to balance justice's scales throughout the proceedings, accurately and carefully assessing the proofs supporting each side, and concluded, against the advisory jury, that the deed was the voluntary act of the grantor. PANEL: GILLIS; Holbrook (dissenting); VanValkenburg

MICHIGAN STATE HIGHWAY COMMISSION v VANDERKLOOT (Aff'd & Rem'd) August 2, 1974 54427

DUE PROCESS - AGENCY - DISCRETION - STANDARD One of the requirements of substantive due process is the existence of reasonably precise standards to be utilized by administrative agencies in the performance of delegated legislative tasks. The standard "necessity" prescribed in the Highway Condemnation Act for the exercise of the power of eminent domain is sufficiently precise to satisfy state condemnation proceedings and provides the highway commission with the flexibility essential to an area of administrative practice involving a great number of factors. STATUTE: US Const, Am 14 Sec 1; Const 1963, Art I Sec 17; MCLA 213.368

HIGHWAYS - COMMISSION - PURPOSE The highway department's purpose is not to take property but in general it is the business of the commission to build and maintain highways.

APPEAL AND ERROR - HIGHWAY COMMISSION - SCOPE Although there can be no review of the decision of the State Highway Department to make a particular improvement, the determination of the property on which such improvement is made is subject to judicial review for "fraud or abuse of discretion." STATUTE: MCLIA 213.368

HIGHWAYS - COMMISSION - CONDEMNATION - REVIEW - DUE PROCESS The Highway Condemnation Act satisfies due process and provides an adequate standard of judicial review in stipulating that decisions of the Highway Commission as to the necessity for the taking of land are reviewable for an abuse of discretion. STATUTE: MCLIA 213.368

CONSTITUTION - CONSTRUCTION - STATUTORY RULES - INAPPLICABLE Construction of a constitution is a special situation where technical rules of statutory construction do not apply.

CONSTITUTION - CONSTRUCTION There are three traditional rules of constitutional construction. The primary rule is that language is to be judged by common understanding. Secondly, the circumstances surrounding the adoption of the constitutional provision and the purpose sought to be accomplished may be considered. Finally, wherever possible, an interpretation that does not create constitutional invalidity is preferred to one that does.

STATUTES - CONSTRUCTION - PARI MATERIA Legislation need not specifically refer to other legislation it affects to be read in pari materia.

ENVIRONMENT - LEGISLATURE - DUTY TO ACT The Michigan Constitution of 1963 created a mandatory duty on the part of the Legislature to act to provide for the protection of the air, water and other natural resources of the state from pollution, impairment and destruction. The Legislature, however, is not under a duty to make specific inclusion of environmental protection provisions in every piece of relevant legislation. The responsive action of the Legislature can be in specific provisions in pertinent enactments or in the form of generally applicable legislation.  
STATUTE: Const 1963, Art 4 Sec 52

STATUTES - ENVIRONMENTAL PROTECTION ACT - PURPOSE The Environmental Protection Act is designed to accomplish two distinct results: (1) to provide a procedural cause of action for protection of Michigan's natural resources and (2) to prescribe the substantive environmental rights, duties and functions of subject entities.  
STATUTE: MCLIA 691.1201

STATUTES - ACT - TITLE - INTEGRAL PART The title to an act is required by our Constitution. As a result, the title is as much a part of the act as the body thereof.

CONDEMNATION - HIGHWAY COMMISSION - ENVIRONMENT - CONSIDERATION As a consequence of the Environmental Protection Act, the State Highway Commission, in exercising its discretion in taking one particular piece of property rather than another in effectuating its pertinent highway purpose, must take into consideration that "there is no feasible and prudent alternative" choice if the taking of a particular piece of property involves environmental "pollution, impairment (or) destruction." Failure of the Commission to reasonably comply with the duties placed upon it by the EPA may be the basis for a finding of fraud or abuse of discretion. STATUTE: MCLIA 691.1201; MCLIA 213.368

HIGHWAYS - COMMISSION - CONDEMNATION - PROPRIETY - BURDEN OF PROOF The Highway Commission's filing of a Declaration of Necessity is considered prima facie evidence of necessity with the property owner having the subsequent burden of proving fraud or abuse of discretion. PANEL: Entire Bench (except Fitzgerald); WILLIAMS; Levin (concurring) (joined by Coleman, T. G. Kavanagh)

MURPHY REAL ESTATE CORP v BARRON (Aff'd) August 27, 1974 16909

CONTRACTS - BROKERAGE - "WILLING PURCHASER" - INTERPRETATION The clause of a listing agreement, providing that payment of a broker's commission is contingent upon the broker producing a purchaser ready, willing and able to purchase the property in question, is interpreted by the Court of Appeals to mean that the purchaser must be ready, willing and able to purchase the property within the listing period. Since the ultimate buyer in the case at bar was not able to purchase the property until nine months after the listing agreement in the case at bar had expired, the plaintiff broker did not produce a purchaser ready, willing and able to purchase the property.

CONTRACTS - INTERPRETATION - AMBIGUITY - AGAINST DRAFTSMAN - Any ambiguity or imperfection in a contract is construed against the party who drafted it.

CONTRACTS - TERMINATION The conclusion of the trial court that the buy and sell agreement terminated prior to the land contract negotiations was proper where the record reveals that the parties mutually intended to terminate the contract, the broker refunded earnest money to the purchaser, and there was a lapse of considerable time without final action.

PROPERTY - BROKER - COMMISSION - PROCURING AGENT - REQUIREMENTS A real estate broker seeking to recover a commission because he was the procuring cause of a sale must show that he was the procuring cause of the sale, that the purchaser learned of the property through him, and that through his efforts the sale was made.

DISMISSAL - MOTION - AVAILABILITY A motion at the close of plaintiff's proof for a dismissal on the ground that upon the facts and the law the plaintiff has shown no right to relief is available only in cases tried without a jury. STATUTE: GCR 1963, 504.2

DISMISSAL - MOTION - EVIDENCE - WEIGHT The court, in ruling on a motion for dismissal at the conclusion of plaintiff's proofs, may exercise its function as trier of facts, weighing the evidence, passing upon the credibility of witnesses, and choosing between conflicting inferences, and if its resulting findings of facts leave plaintiff unqualified for relief, the action is to be dismissed. There is no application of the usual rule on a motion for a directed verdict that plaintiff is to be given the advantage of every inference and the most favorable interpretation of the evidence. PANEL: Holbrook, T. M. BURNS, Smith

THE SECURITY DEPOSITS ACT OF 1973

by

James M. Szkrybalo

The Security Deposits Act of 1973 (C.L. 554.604; MSA 26.1138) drastically altered the rights and responsibilities of both landlords and tenants within the State of Michigan. The Act itself is little understood by the vast majority of landlords and tenants, and the practitioner is, at many times, confronted by the

very complicated procedural requirements of the Act. In this monograph, I will try to explain the many procedural requirements that must be followed to comply with the provisions of the Statute.

The total amount of security deposit shall not exceed 1-1/2 months rent. If a landlord is to require the tenant to pay a security deposit, he must notify the tenant no later than 14 days from the date the tenant takes possession of the rental unit. This notice must be in writing and contain all of the following:

- a) Landlord's name and address for receipt of communications;
- b) Name and address of the financial institution where funds are to be held, or name of the surety for the landlord; and
- c) Notice of the tenants' obligation to provide a forwarding address within 4 days after terminating occupancy.

Specific wording as to the notice to be given the tenant is contained in MCL 554.603; MSA 26.1138(3). Failure of the landlord to give notice to the tenant relieves the tenant of the responsibility for providing a forwarding address.

The security deposit must be deposited with a regulated financial institution. The landlord can use the moneys so deposited for any purpose as long as he deposits with the Secretary of State a cash bond equaling deposit up to \$50,000.00 and 25% of any amount in excess thereof. This bond shall be for the benefit of the persons making the security deposits. A check of bonding agencies in and around the Detroit area shows that the agents have either never heard of such a bond requirement, or inform me that such a bond is very difficult to obtain. The security deposit is considered the lawful property of the tenant until the landlord establishes a right to the deposit.

The landlord can use the security deposit for only the following purposes:

- a) Reimburse the landlord for actual damages that are a direct result of conduct not reasonably expected in the course of habitation of a dwelling; and
- b) Pay the landlord for arrearages in rent, rent due for premature termination or unpaid utility bills.

A very crucial section (MCL 554.608; MSA 26.1138(8)) deals with inventory check lists both at the commencement and termination of the occupancy. At the commencement of the lease, the landlord is responsible for giving the tenant two copies of an inventory check list. This check list must include the following:

- a) All items in the rental unit owned by the landlord;
- b) A notice to the tenant that he should complete the check list and return it to the landlord within seven days; and
- c) A notice to the tenant that he may have copy of the termination statement listing all damages the landlord claimed against the prior tenant.

At the termination of the occupancy the landlord must complete a termination check list listing all the damages he claims were caused by the tenant. This list must be sent to the tenant within 30 days after termination along with an estimate of the cost of repairs. If the damage is less than the security deposit, a check for the difference shall accompany the termination check list. On the face of the termination check list, the landlord must notify the tenant that he must respond by mail within seven days of receipt of same or he will forfeit the amount claimed

for damages. Failure of the landlord to comply with the notice of damages within 30 days constitutes agreement by the landlord that no damages are due, and he shall remit the full security deposit immediately. Any action by the landlord must be brought within 45 days after termination of the occupancy.

Printed below is a Guide to the Security Deposits Act of 1973. I must thank Mr. Brad Thompson, Publisher of the Detroit Legal News, for permitting me to use this handy Guide.

An analysis of the Security Deposit Act shows the great many pitfalls that can catch even the most sophisticated landlord. Large corporate residential landlords can well afford the cost of attorney fees in compiling adequate notices, check lists and the like. It is the small unsophisticated landlord who is most likely to suffer. Since the requirements of the Act lend themselves to form practice, I suggest that practitioners across the State should compile a file of required forms to lend assistance to the small landlord. Your attention should further be directed to the 12-point boldface requirements of the Act. With adequate legal assistance, the provisions of the Act can be implemented so as to be equitable to both landlord and tenant.

A Guide to the Security Deposits Act of 1973

(C.L. 554.604; MSA 26.1138)

The following is published because so many errors occur in the area of procedure, by failure to explicitly follow rules for landlord and tenant.

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The article was originally prepared for an address by Judge Harold D. Hood)

I. RIGHTS AND RESPONSIBILITIES OF THE PARTIES

A. The Landlord-

1. -in addition to prepayment of rent, may require a security deposit in an amount up to  $1\frac{1}{2}$  months rent (Sec. 2);
2. -must deposit the security deposit in a Regulated Financial Institution (Sec. 4);
3. -may use the money for any purpose, PROVIDED that a cash or surety bond equal to the deposit is deposited with the Secretary of State (Sec. 4);
4. -must notify the tenant, IN WRITING, within 14 days after the tenant takes possession, of:
  - a. the name and address where the landlord will receive any communications about the tenancy;
  - b. -the name of the financial institution where the security is deposited, or the name of the surety; and
  - c. -the statutory requirement that the tenant must furnish the landlord with the tenant's forwarding address within four (4) days after giving up occupancy. Failure to give the tenant this notice IN 12

POINT BOLDFACE TYPE relieves the tenant of his obligation to furnish a forwarding address (Sec. 3).

5. -must furnish the tenant, at the commencement of the tenancy, with two blank copies of an INVENTORY CHECK LIST for all items contained in the rental unit, e.g. paint, plumbing, electrical fixtures, etc., to be completed and one copy returned by the tenant within seven (7) days. The tenant must be notified of the time requirement IN 12 POINT BOLDFACE TYPE (Sec. 8);
6. -must advise the tenant of his or her right to see the TERMINATION INVENTORY CHECK LIST of the last tenant (Sec. 8);
7. -must, at termination of the tenancy, complete a termination inventory check list of all damages claimed (Sec. 8);
8. -must mail to the tenant, within 30 days after termination, a list and amount of claimed damage, along with a notice, IN 12 POINT FACE TYPE, that the tenant must raise any objections within seven (7) days after receipt of the list of claimed damages (Sec. 9);
9. -must then bring a lawsuit for damages within 45 days of termination, or return all security deposits, except accrued unpaid rent, unless the tenant did not leave a forwarding address or respond to the notice of claimed damages, or unless the parties have agreed in writing as to the amount of damages (Sec. 13).

B. The Tenant-

1. -has the right to the return of the security deposit unless the landlord complies with all the requirements of the act;
2. -has the responsibility to:
  - a. -return the inventory check list within 7 days, (Sec. 8);
  - b. -notify the landlord of the tenant's forwarding address within four (4) days of moving (Sec. 11);
  - c. -make written objection within seven (7) days after receipt of the landlord's list of claimed damages (Sec. 12).

II. CONSEQUENCES OF FAILURE BY EITHER PARTY TO COMPLY

A. For The Landlord:

1. Failure to comply with the notice requirements of Sec. 3 forfeits the right to require a security deposit, and any security deposits paid must be returned or considered an additional prepayment of rent;
2. Failure to comply with the inventory check list requirements may, depending on the Judge, also be considered subject to the same sanctions as failure to comply with Sec. 3;

3. Failure to comply with the notice of claimed damages provisions constitutes an absolute waiver of any claim for damages (Sec. 10);
4. Failure to file suit or return deposits within 45 days of termination constitutes a waiver of damage claims, and also makes the landlord liable to the tenant for double the security deposit.

B. For The Tenant-

1. Failure to furnish a forwarding address relieves the landlord of the notice of damages requirement, but does NOT prejudice the tenant's claim for return of security deposit (Sec. 11);
2. Failure to respond to a notice of damages constitutes an admission as to the amount of damages (Sec. 13);
3. There are no other specific sanctions contained in the act (Sec. 13).

Report of Land Sales Committee

by

William F. Nern

Chairman, Land Sales Committee

The LAND SALES COMMITTEE has held two meetings. An organizational meeting was held on June 26, 1974 at the State Bar Offices in Detroit. A general discussion was had regarding the purpose of the committee, and it was agreed that the Committee would keep the Real Property Section informed of the administration of the Land Sales Act, pending cases, amendments to the law and recommend any needed changes in the law. It was also suggested that the Michigan Real Estate Association and the Michigan Land Developers be contacted to establish communication with any committee each may have regarding the Land Sales Act. It was also decided to hold the next meeting in Lansing and to invite the Director of the Land Sales Division and Legal Counsel to the meeting.

The second meeting was held on July 30, 1974 at the State Bar Offices in Lansing. Also in attendance were Dwight A. Snyder, Director of the Land Sales Division of the Department of Licensing, Fred Hoffecker, Legal Counsel for the Land Sales Division, as well as Mr. Bradshaw of the Department of Licensing. These gentlemen reported and discussed the functioning of the Land Sales Act.

It was also reported at the second meeting that contact had been made with the Michigan Realtors Association and that the Realtors desire a joint meeting with this committee.

The committee members also discussed whether this committee should merge with the Land Use Committee.