

STATE OF MICHIGAN
COURT OF APPEALS

LEVERN L. TUCKER,

Plaintiff-Appellant,

v

ESTATE OF ABE BUDMAN, Deceased,
PROCOPIA VITALE, a/k/a PETE VITALE,
FRANCES M. VITALE, RICHARD TUCKER,
and GERTRUDE TUCKER,

Defendants-Appellees,

and

SHIRLEY NUSHOLTZ, DEAN NUSHOLTZ,
NEAL NUSHOLTZ, and GUY NUSHOLTZ,

Defendants-Counterplaintiffs-
Appellees/Cross-Appellants,

and

LEVERN L. TUCKER and MARGUERITE ANN
HANES, jointly and severally,

Counterdefendant-Appellees.

Before: Murphy, P.J., and Cooper and C. L. Levin*, JJ.

PER CURIAM.

Two married couples each owned an undivided 50% of vacant land. The husband of one couple leased the land for farming pursuant to a written lease without his wife's signature. The primary question presented is whether the plaintiff lessee presented sufficient evidence that the signer's wife, by her conduct, ratified the lease, and that the cotenant in common is equitably

* Former Supreme Court justice, sitting on the Court of Appeals by assignment.

estopped from denying the validity of the lease. We conclude that he did, and that the circuit court erred in granting summary disposition dismissing this case.

I

Plaintiff, Levern L. Tucker, farmed land owned by defendants Budman and Nusholtz beginning in 1991.

Abe Budman alone signed a lease dated January 1, 1994, authorizing Tucker to farm the land through December 31, 1999, i.e., for an additional six years. Tucker agreed to pay \$1,080 quarter-annually for “the five (5) years during lease.” Tucker paid the rent, and continued to farm the land.

The Budmans and Shirley Nusholtz¹ sold the land to defendant Pete Vitale in February, 1997. The land contracts, signed by the Budmans, Shirley Nusholtz and Vitale, stated: seller provides no assurances “as to the tenant rights of Levern Tucker.”

A few months after the land contracts were entered into, in April 1997, a real estate agent informed Tucker that Vitale had instructed him to tell Tucker that the “lease agreement previously signed only with Mr. Budman is an invalid lease, therefore let this letter be an official notification that you cannot enter this property at any time but only to remove the equipment left on the premises from the previous harvest.” Tucker removed his farm equipment from the land, and no longer sought to possess or farm the land.

Vitale and Tucker’s brother, Richard, signed a writing, not signed by their wives, that authorized Richard Tucker to farm the land, beginning in January 1998.

The Third Amended Complaint in this action named as defendants the Estate of Abe Budman, Deceased,² Shirley Nusholtz, individually and as attorney in fact for her children, also her children individually, Vitale, and Richard Tucker and his wife.

Tucker’s Complaint alleged wrongful eviction, and sought money damages. The circuit court granted summary disposition dismissing this action. We reverse and remand for trial.

A

The Budmans owned an undivided one-half interest in the land, and the Nusholtzes owned the other undivided one-half interest in the land. The Budmans and the Nusholtzes were, thus, tenants in common, of their undivided one-half interests. Each one-half was held by the husband and wife as tenants by the entireties.

¹ Phil Nusholtz predeceased Shirley Nusholtz.

² Shirley Budman died shortly after the land was sold to Vitale, and Abe Budman died a few months later.

Because the Nusholtzes owned an undivided 50% of the land, the Budmans did not have the power to grant a lease of 100% of the land. All the co-owners must sign a lease of the entire estate.³

Abe Budman did not, however, in signing the January 1994 lease, purport to grant the right to farm the entire estate. The lease that Budman signed, in January 1994, for the five (six) year period, beginning January 1994, was for “an undivided 50% interest in property described as follows.” Then followed a description of Parcel 1, and a description of Parcel 2,⁴ owned by the Budmans and the Nusholtzes, each an undivided 50%, as tenants in common.

B

This Court has said:

A tenancy in common is a legal estate, MCL 554.43; with each tenant having a separate and distinct title to an undivided share of the whole. Each is entitled to possession of the whole and every part thereof, subject to the same right in the other cotenants. 20 Am Jur 2d, § 98, p 198; Callaghan’s Michigan Civil Jurisprudence, Tenants in Common and Joint Tenants, §§ 7 and 10, pp 146, 150-151; *Merritt v Nickelson*, 407 Mich 544, 555; 287 NW2d 178 (1980) (Moody, J., concurring).

Thus, while a cotenant’s lease of his own interest in the property is not binding on the other cotenants, in the absence of authorization or ratification, it is not void and may bind the lessor’s undivided interest. 20 Am Jur 2d, § 96, pp 195-196; see *Walker v Marion*, 143 Mich 27; 106 NW 400 (1906), and *Shell Oil Co v Estate of Kert*, 161 Mich App 409, 424; 411 NW2d 770 (1987). Simply put, the lessee steps into the shoes of the cotenant-lessor and may enter and use the premises subject to the same right of the other cotenants. [*Quinlan Investment Co v The Meehan Cos, Inc*, 171 Mich App 635, 639; 430 NW2d 805 (1988).]

At common law, “the only unity essential to a tenancy in common is the unity of possession.”⁵ “Each of the tenants is entitled to possession of the entire property subject to a reciprocal right in his cotenants.”⁶ All the cotenants “are entitled to possession of all parts of the land at all times.”⁷

³ 20 Am Jr 2d, Co-Tenancy and Joint Ownership, § 109.

⁴ “Total of both Parcels: 90 plus 18 equals approximately 108 acres, more or less.”

⁵ Moynihan, *Introduction to the Law of Real Property*, p. 224. A survey of the Michigan cases can be found in Cameron, *Michigan Real Property Law*, 2d Edition, § § 9.3-9.7/

⁶ *Id.*, p 225.

⁷ Shoebuck, Whitman, *The Law of Property*, 3d Ed (2000), § 5.8, p. 203.

“Sole possession by the occupying tenant or appropriation of all of the rents and profits, without more, is not an ouster.”⁸ There is an exclusion or “ouster” when, among other things, the “cotenant in possession refuses to allow another cotenant to share the possession after the latter has made a demand for possession.”⁹ “Notice is required because, absent notice, each cotenant is entitled to assume that the possession of any other cotenant is consistent with the rights of all the cotenants to concurrent possession and use.”¹⁰

A cotenant may, thus, “lease his undivided interest in the common property, either with or without the consent of other cotenants.”¹¹ The lessee acquires the rights of the lessor, including the lessor’s right to occupy and enjoy the entire premises.¹²

Putting aside for a moment that Shirley Budman did not join Abe Budman in signing the lease,¹³ the lease of the Budmans’ undivided 50% interest conferred on Tucker the Budmans’ “full right to occupy and enjoy the premises”, and Tucker, as lessee, became, as against the Nusholtzes, the other co-owners, “equally entitled to the possession and use of the whole property,” and became “for the term of the lease substantially a tenant in common” of the Nuscholtzes, the non-joining owners,¹⁴ for the purpose of farming the land pursuant to the lease.

Accordingly, although the Budmans could not grant a lease of 100% of the entire estate,¹⁵ they could confer on Tucker, as a tenant in common with the Nusholtzes, the Budman’s right of possession, the right to farm 100% of the land.

C

The common law rule that a cotenant in sole possession of property held in concurrent ownership was not accountable to other cotenant(s) for actual net income he received from the property was changed by an English statute, the principle of which is found in MCL 554.138, which provides that a tenant in common may maintain an action against his “cotenant for receiving more than his just proportion of the rents or profits of the estate owned by them” as tenants in common.

⁸ n 5, p 225.

⁹ fn 7, supra

¹⁰ *Id.*, pp 203-204.

¹¹ n 3, § 110, p. 201.

¹² *Id.*

¹³ In *Rogers v Rogers*, 136 Mich App 125, 134 (1984), this Court said that where real estate is held by husband and wife as tenants by the entireties, neither the husband nor the wife has “an individual, separate interest in entireties property, and neither has an interest in such property which may be conveyed, encumbered or alienated without the consent of the other.”

¹⁴ n 11.

¹⁵ n 3 *supra* and accompanying text.

II

The January 1994 lease was, indeed, signed only by Abe Budman, and was not signed by his wife, Shirley. Nor was it signed by cotenants Phil or Shirley Nusholtz. Although we agree with the circuit court's determination that the statute (MCL 557.71) requires that a spouse join in the lease, we agree with Tucker that there are genuine issues of material fact concerning his ratification and estoppel arguments,¹⁶ and that he has a valid claim for breach of contract against the estate of Abe Budman.

A

Under Michigan law, it has long been settled that when property is held as tenants by the entirety, neither husband nor wife, acting alone, can convey title to the property. *French v Foster*, 307 Mich 361, 364; 11 NW2d 920 (1943). At common law, the husband otherwise had full control of entirety property during his lifetime, including the right to lease entirety property to a third person without the consent or signature of his wife.¹⁷ The Legislature enacted 1975 P.A. 288, (MCL 557.71), to equalize the income rights of husband and wife in property held by them as tenants by the entirety. The statute provides:

A husband and wife shall be equally entitled to the rents, products, income, or profits, and to the control and management of real or personal property held by them as tenants by the entirety.

Subsequently, in *Rogers v Rogers*, 136 Mich App 125, 134; 356 NW2d 288 (1984), this Court said:

When real property is so held as tenants by the entirety, neither spouse acting alone can alienate or encumber to a third person an interest in the fee of lands so held. Neither the husband nor the wife has an individual, separate interest in entirety property, and neither has an interest in such property which may be conveyed, encumbered or alienated without the consent of the other.¹⁸

A lease is an executory contract that is also a conveyance and an encumbrance. See *Golf Concepts v City of Rochester Hills*, 217 Mich App 21, 30; 550 NW2d 803 (1996). Both spouses must join in a lease of property held by the entirety. The circuit court correctly applied the 1975 amendatory act.¹⁹

¹⁶ Our disposition makes it unnecessary to consider Tucker's agency argument.

¹⁷ *Arrand v Graham*, 297 Mich 559, 561-562; 298 NW 281 (1941).

¹⁸ Although *Rogers* does not refer to the 1975 act, or to the changes it wrought in the law of tenancy by the entirety, the case was published nine years thereafter, and is an accurate statement of the law following the 1975 enactment. A survey of Michigan case law concerning the tenancy by the entirety may be found in *Cameron, supra*, n 5, §§ 9.12 – 9.16.

¹⁹ Tucker cites *Dow v State of Michigan*, 396 Mich 192; 240 NW2d 450 (1976) in support of his assertion that MCL 557.71 requires the signature and consent of only one spouse for a lease of
(continued...)

B

Although the 1994 lease was signed only by Abe Budman, a lease of entireties property signed by only one spouse may be valid, on some other ground, such as ratification, adoption, or equitable estoppel.

The term “ratification” is defined in the Restatement of the Law Second, Agency, § 82, as “the affirmance by a person of a prior act which did not bind him but which was done or professedly done on his account, whereby the act, as to some or all persons, is given effect as if originally authorized by him.” “An affirmance of an unauthorized transaction can be inferred from a failure to repudiate it.” § 94. The receipt (§ 98) or retention (§ 99) of benefits, with knowledge of the facts, may constitute an affirmance. In general “the liabilities resulting from ratification are the same as those resulting from authorization. § 100.

Michigan Law is in accord. Unauthorized acts of a person purporting to act as an agent are deemed ratified if the principal accepts the benefits of the unauthorized acts with knowledge of the material facts.²⁰ Where both parties to a void lease continued to treat the lease as valid, the parties were held to have adopted the lease and the lease was enforceable according to its terms. *Michigan Trust Co v Herpolsheimer*, 256 Mich 589, 598; 240 NW 6 (1932).

Vitale notes that the Supreme Court observed in *Michigan Trust Co, supra*, that “Adoption should be used to apply to void transactions, and ratification should be limited to voidable transactions,” *Id.* The Court also observed:

In all of the cases referred to, however, the parties were denied relief because they had accepted the benefits of the contracts, whether void or voidable, with full knowledge of the facts and at a time when the party so accepting was under the law fully competent and capable of contracting for himself. It therefore does not matter whether the transaction be referred to as an adoption, ratification, or estoppel, as the effect of these holdings, taken together, is to prevent a party from asserting the invalidity of a contract, when such party has accepted the benefits of the contract with the full knowledge of the facts. *Michigan Trust Co, supra*.

C

When Abe Budman signed the 1994 lease purporting to lease Budmans’ undivided 50% interest without Shirley Budman’s signature, he professed to be acting on her account. There is evidence that Shirley Budman accepted the benefits of the 1994 lease, and thereby ratified her

(...continued)

entireties property to be valid. *Dow* concerns the right of each spouse to notice of the redemption period following a tax sale of property held by the entireties. The present case, however, concerns the control of property held by the entireties.

²⁰ *Bruno v Zwirkoski*, 124 Mich App 664, 668; 335 NW2d 120 (1983), citing *David Stott Flour Mills v Saginaw Co Farm Bureau*, 237 Mich 657, 663; 213 NW 147 (1927), and *Langel v Boscaglia*, 330 Mich 655, 659-660; 48 NW2d 119 (1951).

husband's act in signing the lease, "as if originally authorized by [her]." The checks sent by Tucker in payment of the rent from the first quarter of 1994 through the first quarter of 1997 were deposited in the Budmans joint bank account. Shirley Budman caused the deposit of at least one rent check submitted by Tucker. The front of this check is marked "April pymt 1996 land rent."

Tucker filed an affidavit in response to the motion for summary disposition stating:

2. During the first six to eight months of 1994, I telephoned the Budman residence in Florida on numerous occasions to talk with Mr. Abe Budman.

3. On approximately 4-6 of those occasions, Mrs. Shirley Budman answered the telephone. I routinely identified myself to Mrs. Budman as "Lavern Tucker, the man who rents your farm up here in Michigan" or words substantially to the same effect, such as "This is Lavern Tucker calling from Michigan. I'm the man who rents your farm."

4. I specifically identified myself as such because I wanted to make certain that Mrs. Budman knew exactly who I was in order to convey the message to her husband that I needed to speak to him and to have Mr. Budman call me back.

5. To the best of my recollection it was during the spring and summer of 1995 that I also made numerous calls to the Budman residence in Florida. During this time period Mrs. Budman answered the telephone on perhaps 3-4 separate occasions. Again I routinely identified myself to her as "Lavern Tucker, the man who rents your farm up here in Michigan" or "this is Lavern Tucker calling from Michigan. I'm the man who rents your farm."

6. At no time did Mrs. Budman ever voice any question, concern, or confusion as to who I was. At no time did Mrs. Budman ever voice any objection to me about renting the farm. I have no knowledge of Mrs. Budman ever objecting to my renting the farm from Mr. Abe Budman either.

Viewing the foregoing in the light most favorable to Tucker,²¹ we conclude that Tucker has shown that there is a genuine issue of material fact whether Shirley Budman ratified or adopted the 1994 lease.

D

We also conclude that Tucker has shown that there is a genuine issue of material fact whether Shirley Budman and Shirley Nuscholtz were equitably estopped from denying the 1994 lease.

²¹ *Ritchie-Gamester v City of Berkley*, 461 Mich 73, 76; 597 NW2d 517 (1999).

Equitable estoppel arises when a party, by representations, admissions, or silence, intentionally or negligently, induces another party to believe facts, the other party justifiably relies and acts on this belief, and will be prejudiced if the first party is permitted to deny the existence of those facts.²² It is “a bar which precludes a person from denying the truth of a fact which has in contemplation of law become settled by the act of the party himself, express or implied. If one’s conduct induces another to believe in the existence of certain facts, and the other acts thereon to his prejudice, the former is estopped to deny that the state of facts does in truth exist.”²³

The same evidence that establishes a genuine issue of material fact whether Shirley Budman’s ratified the 1994 lease also establishes a question for the trier of fact whether she was estopped from denying the validity of the lease. See *Michigan Trust Co, supra*.

E

Although the effect of Abe Budman’s signing the 1994 lease, and subsequent ratification by Shirley Budman, would be to entitle Tucker to farm 100% of the land, Abe Budman signed the 1994 lease as to an undivided 50% of the property, not the entire estate; he did not purport to bind the Nuscholtzes. Hence, their acceptance of the benefits of the lease would not, without more,²⁴ constitute an affirmance of an act professedly done on their account and a ratification of the lease.

There is, however, sufficient evidence of equitable estoppel.²⁵ In mid-1995 Shirley Nusholtz telephoned Tucker to complain that the Nusholtzes were not receiving their half of the rent money from the 1994 lease, thus, implicitly acknowledging that the lease was viable. Shirley Nusholtz, in her deposition testimony, acknowledged that, on more than one occasion, she requested payment of defendants Nusholtz’s half of the rent from Abe Budman. Both Shirley Nusholtz and her son, Neal Nusholtz, acknowledged in their deposition testimony that they received from the Budmans their share of the rent money paid under the 1994 lease at the time of closing on the sale of the property to Vitale.

²² *Hoye v Westfield Ins Co*, 194 Mich App 696, 705; 487 NW2d 838 (1992), quoting *Southeastern Oakland Co Incinerator Authority v Dep’t of Natural Resources*, 176 Mich App 434, 442-443; 440 NW2d 649 (1989).

²³ *American Electrical Steel Co v Scarpace*, 399 Mich 306, 308; 249 NW2d 70 (1976), quoting *Detroit Savings Bank v Loveland*, 168 Mich 163, 172; 130 NW2d 678 (1911).

²⁴ Tucker’s agency argument is not developed on the record so far made, possibly in part because Abe and Shirley Budman and Phil Nuscholtz died before commencement of this action. Thus their testimony was lost.

²⁵ We recognize that a cotenant might assert her rights under the statute, MCL 554.1381, see Part C preceding Part II *supra*). We need not consider or decide whether assertion of such statutory rights might also constitute ratification or, rather, equitable estoppel, or both. If it is not the former, it is at least the latter.

F

Because there is evidence tending to show ratification by, and equitable estoppel of, Shirley Budman, and equitable estoppel of the Nusholtzes, and that Vitale was aware, from language in the land contracts, that Tucker had, or at least might have, rights as a lessee authorizing him to farm the land, the trier of fact on remand may find that the rights of possession of the land granted by the land contracts were subject to Tucker's rights under the 1994 lease.²⁶

III

Tucker also contends, and we agree, that, without regard to whether the 1994 lease was valid, Abe Budman, and, hence, the Estate of Abe Budman, are subject to liability on the 1994 lease for breach of contract.

The Michigan Supreme Court has held that when a husband alone signs a purchase agreement to sell property owned by himself and his wife as tenants by the entireties, the agreement is void, and the would-be buyer is not entitled to specific performance. *Way v Root*, 174 Mich 418, 426; 140 NW 577 (1913), *Id.*, 424-426. The buyer was not, however, barred from seeking damages on a breach of contract theory. The Court said that “[t]his rule is too well settled to call for further discussion or citation of authorities.” See also *Joyce v Vemulapalli*, 193 Mich App 225; 483 NW2d 445 (1992). Similarly, the Supreme court held in *Bugajski v Siwka*, 200 Mich 415, 420-421; 166 NW 863 (1918), that a would-be buyer could seek breach of contract damages against a purported seller, who lacked legal title to the property, notwithstanding the unavailability of specific performance.

A lease is a contract as well as a conveyance or encumbrance of the property. The principle that an action for breach of contract action may be maintained against a person who purported to sell property without full power to do so applies here by analogy. The Estate of Budman is subject to liability for damages on a breach of contract theory, without regard to whether the lease is invalid as a lease, and whether specific performance is available.²⁷

IV

Shirley Nusholtz contends that Tucker failed to establish a prima facie case of wrongful eviction. To establish a prima facie case of wrongful eviction, a plaintiff must show that a wrongful act occurred, that this act was committed by his landlord or someone acting with the landlord's permission, and that this act resulted in an interference with the plaintiff's beneficial

²⁶ See *Plaza Investment Co v Abel*, 8 Mich App 19, 34; 153 NW2d 379 (1967).

²⁷ The Estate of Budman argues that Tucker knew from the outset that the lease was invalid because Shirley Budman did not sign. If the trier of fact on remand rejects Tucker's claim that Shirley Budman ratified the lease, or that she is equitably estopped from denying the lease, it could still conclude that Tucker was merely mistaken, and not unreasonable, in his belief that the lease was valid.

enjoyment of the use of the property. *Lawrence v Rapaport*, 213 Mich 358, 361-362; 181 NW 1011 (1921).

To be sure, the *Lawrence* Court stated that “[m]ere words, no matter how offensive, and unwarranted demands, cannot constitute an eviction, because the interference with the beneficial enjoyment of the premises must be something of a more permanent nature than a personal altercation between landlord and tenant or the making of a demand that the tenant is not obliged to accede to.”²⁸ *Lawrence* concerned, however, a demand for a tenant to vacate, followed immediately by a rescission of this demand. The question presented was whether such a demand had legal force once it had been rescinded.²⁹ Under the circumstances, the *Lawrence* Court concluded that such a demand, once it had been rescinded, did not retain legal force such as to result in an eviction if the tenant subsequently complied with the rescinded demand. *Id.*

That is not the law when a demand has not been rescinded. In *Grove v Youell*, 110 Mich 285, 291; 68 NW 132 (1896), the Michigan Supreme Court held that

[a]ny act of permanent character done by the landlord, or by her procurement, with the intention and effect of depriving the tenant of the enjoyment of the premises or a part of it, to which he yields and abandons possession, may be treated as an eviction.

In *Bookstein v Dragunaitis*, 239 Mich 65, 66-67; 214 NW 219 (1927), the new owner of land previously leased to a business tenant sent the tenant a letter demanding that the tenant vacate the premises, and, unable to relocate their business, the tenants ultimately were required to purchase the premises from the new owner to avoid eviction. The Court held that there had been an eviction. *Id.* at 68-69.

Nusholtz’ letters sent to Tucker’s bankruptcy counsel in August 1996, stated that the realtor, who informed Tucker, after the sale to Vitale, that he could no longer enter the property, was the listing agent for the Nusholtzes in the sale of the property. The Nusholtzes stress that the letter was sent some two months after the closing on the land contract sale of the property to Vitale, implying that they could not have authorized the letter because the agency had come to an end. In sending the letter, the realtor purported to be acting in behalf of Vitale. Like the circuit court, we, nevertheless, conclude that Tucker established that there is a genuine issue of material fact whether the realtor was also acting with Shirley Nusholtz’ authority in sending the letter.

Shirley Nusholtz argues that Tucker voluntarily vacated the premises. She asserts that the letter had no legal effect because Tucker was not required to accede to the letter. Pursuant to *Grove* and *Bookstein*, under the circumstances of this case the letter might be found to constitute an eviction.

V

²⁸ *Lawrence* at 367

²⁹ *Id.* at 362-363.

Defendant Richard Tucker contends that he should have been granted summary disposition on the ground that plaintiff Tucker failed to record his leasehold interest.³⁰

Plaintiff Tucker countered that defendant Tucker had actual knowledge of Tucker's claim to the land at the time he entered into the lease, and did not take in good faith. Plaintiff Tucker does not dispute that defendant Tucker was a bona fide purchaser, or that he gave valuable consideration.³¹ A person takes in good faith if he or she takes without notice of prior unrecorded interests. *Michigan Nat'l Bank & Trust Co v Morren*, 194 Mich App 407, 410; 487 NW2d 784 (1992).

Plaintiff Tucker provided documentary evidence, in the form of notes from the files of the FSA, that defendant Tucker learned of plaintiff Tucker's lease on or before January 23, 1998, three days before entering into the lease with Vitale on January 26, 1998.

We conclude, based on the foregoing evidence, and other evidence of record, that plaintiff Tucker has shown that there is a genuine issue of material fact whether defendant Tucker had knowledge of plaintiff Tucker's leasehold interest at the time he entered into the lease with Vitale and, therefore, whether defendant Tucker was, in fact, a purchaser in good faith.

We further observe that it appears that because plaintiff Tucker, in response to the letter from the realtor, removed his farm equipment from the land and no longer asserted a right of possession, that Vitale might have been justified in leasing the property to defendant Richard Tucker for a period beginning after plaintiff Tucker no longer asserted a right of possession. Although plaintiff Tucker may be found to have abandoned his leasehold right of possession, that would not relieve Vitale of whatever liability to respond in money damages he might have for wrongful eviction, a separate issue.

³⁰ MCL 565.29 provides:

Every conveyance of real estate within the state hereafter made, which shall not be recorded as provided in this chapter, shall be void as against any subsequent purchaser in good faith and for a valuable consideration, of the same real estate or any portion thereof, whose conveyance shall be first duly recorded.

MCL 565.35 provides:

The term "conveyance," as used in [MCL 565], shall be construed to embrace every instrument in writing, by which any estate or interest in real estate is created, aliened, mortgaged or assigned; or by which the title to any real estate may be affected in law or equity, except wills, leases for a term not exceeding three [3] years, and executory contracts for the sale or purchase of lands.

³¹ We note that under Michigan law, holders of leasehold interests are considered "purchasers for valuable consideration" for purposes of MCL 565.29 (n 30, *supra*). See *Doctor v Muskegon Oil Corp*, 246 Mich 62, 64; 224 NW 398 (1929).

Reversed, and remanded to the circuit court for proceedings not inconsistent with this opinion. We do not retain jurisdiction.

/s/ William B. Murphy

/s/ Jessica R. Cooper

/s/ Carl L. Levin