

**CONDOMINIUM ACT (EXCERPT)**  
**Act 59 of 1978**

**559.244 Contract to settle by arbitration; execution; option; period of limitations; allocation of costs; conduct; appointment of arbitrator; procedures; rules; arbitration award as binding.**

Sec. 144. (1) A contract to settle by arbitration may be executed by the developer and any claimant with respect to any claim against the developer that might be the subject of a civil action.

(2) At the exclusive option of a purchaser, co-owner, or person occupying a restricted unit under section 104b, the developer shall execute a contract to settle by arbitration any claim that might be the subject of a civil action against the developer, involves an amount less than \$2,500.00, and arises out of or relates to a purchase agreement, condominium unit, or project.

(3) At the exclusive option of the association of co-owners, the developer shall execute a contract to settle by arbitration any claim that might be the subject of a civil action against the developer, arises out of or relates to the common elements of a condominium project, and involves an amount of \$10,000.00 or less.

(4) The period of limitations prescribed by law for the bringing of a civil action applies to the execution of a contract to settle by arbitration under this section.

(5) All costs of arbitration under this section shall be allocated in the manner provided by the arbitration association.

(6) A contract to settle by arbitration under this section shall specify that the arbitration be conducted by the arbitration association.

(7) The arbitrator or arbitrators of an arbitration under this section shall be appointed as provided by reasonable rules of the arbitration association.

(8) Arbitration under this act shall proceed according to the uniform arbitration act. The procedures of the uniform arbitration act may be supplemented by reasonable rules of the arbitration association.

(9) An arbitration award entered in an arbitration under this section is binding on the parties to the arbitration.

**History:** Add. 1982, Act 538, Imd. Eff. Jan. 17, 1983;—Am. 2012, Act 369, Eff. July 1, 2013.