



MICHIGAN NATURAL RESOURCES TRUST FUND PROGRAM ESCROW CLOSING AGREEMENT

Required By Act 451, P.A. 1994, as amended, and Act 227 of 1972. Submission is required for payment/reimbursement.

Grant Number TF	Grantee (Buyer)	Project Name
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INSTRUCTIONS TO TITLE COMPANY/ESCROW AGENT:

The Michigan Department of Natural Resources (DNR) is requesting your assistance to complete a land transaction involving a Grantee (Buyer), Seller, and a grant from the Michigan Natural Resources Trust Fund (MNRTF). See Exhibit A for more details and contact information. By signing this Escrow Closing Agreement (Agreement), you agree to be a neutral party in the land transaction; to provide a title commitment, title search, and title insurance; to assist all parties in completing the requirements for a land transaction in Michigan; to prepare closing documents and to complete the instructions as listed below.

Prior to scheduling a closing, the staff of the DNR Grants Management Section must review the closing package supplied by the Grantee (Buyer) as indicated in the Project Agreement between the DNR and the Grantee (Buyer). This review will take approximately 60 days. The Grantee (Buyer) will need to provide the DNR with draft copies of the closing documents including settlement statements (See Page 27 of "Acquisition Project Procedures" booklet). Once this review has been completed, the DNR will contact the Grantee (Buyer) and a closing date will be determined that is mutually acceptable to all parties.

Your company is requested to complete the following:

1. Verify no new filings or claims against the offered land have been recorded in the public record since the effective date of the commitment. Update the effective date of the title commitment, if necessary.
2. Ensure that all outstanding property taxes (through the most recent tax assessment), special assessments, and liens (including, but not limited to, mortgages) are paid, or will be paid, at closing.
3. Assist in preparing the deed from the Seller to the Grantee (Buyer) if requested by either party. If the deed is prepared by another party, review the deed to ensure it meets the requirements for title insurance. The DNR must review the deed and give approval prior to closing.
4. If the mineral interests are owned by the Seller, the Grantee (Buyer) must provide a Mineral Royalty Interest Deed at closing if the size of the parcel is five acres or larger. The Mineral Royalty Interest Deed conveys to the State of Michigan (State) a perpetual nonparticipating 1/6 royalty interest in all of the rights acquired by the Grantee (Buyer) in coal, oil, gas, sand, gravel and any other minerals in, on or under the land acquired. The Grantee (Buyer) may request your assistance to prepare this deed. The Mineral Royalty Interest Deed must be reviewed and approved by the DNR prior to closing.
5. Prepare the Property Transfer Affidavit for the transaction and submit it to the appropriate taxing assessor after closing.
6. Obtain an Owner's Affidavit properly executed by the Seller.
7. Record the Warranty Deed and the Mineral Royalty Interest Deed with the County Register of Deeds and send the Property Transfer Tax to the County Treasurer. Please e-mail or fax a copy of the recorded Warranty Deed to the DNR staff within 45 days after closing. The original recorded Mineral Royalty Interest Deed must be mailed to the DNR at the address provided in Exhibit A within 45 days after closing.
8. After closing, the executed, notarized Declaration and Notice must be recorded. A copy of the recorded Declaration and Notice must be mailed to the DNR.
9. Furnish a copy of the final title policy showing unencumbered title to the property being purchased by the Grantee (Buyer).
10. If required, please complete the 1099-S form for Internal Revenue Service purposes.
11. Ensure all requirements outlined in your Title Commitment are met.

NOTE: You must be registered in the State's vendor system to receive funds by Electronic Funds Transfer (EFT). Once registered, it is up to you to maintain the information on the State site, including the accurate Federal ID number, vendor name, bank account information, address, etc. To register for the first time or to update your account, please visit <http://www.michigan.gov/budget> and access the Contract and Payment Express site (on the lower portion of the screen).

The funds for this land transaction are being supplied by the MNRTF and the Grantee (Buyer). All funds must be received and guaranteed prior to the date of closing. The maximum amount of funding being supplied by the MNRTF is stated in the Project Agreement between the DNR and the Grantee (Buyer). After the closing date has been determined, payment will be made by the State via EFT directly from the Michigan Department of Treasury to the escrow closing company to be held in escrow. **Closing funds to be provided by the Grantee (Buyer) must be deposited into the escrow account at least three days prior to the date of closing (See Page 20 of "Acquisition Project Procedures" booklet).**

Taxes are to be apportioned pursuant to MCL 211.2, Act 206, Public Acts of 1893, as amended. The Seller is responsible for special assessments and all interest and penalties due on delinquent taxes. Please deduct any delinquent taxes as well as special assessments from the purchase proceeds, if applicable. A sample Tax Pro-Ration Schedule is included on page 17 of the MNRTF "Acquisition Project Procedures" booklet. This method is to be used in calculating tax pro-ration amounts.

Upon receiving an email from the escrow closing agent indicating all required funds have been properly deposited and documents confirmed and executed, the DNR will respond by email giving approval to disperse funds.

If there is a delay of more than 48 hours in the closing, you agree to contact the DNR.

After closing, please provide the following to DNR:

1. Copy of your final closing statement(s).
2. Copies of paid tax bills.
3. Seller's Waiver of Reimbursement of Incidental Expenses, if applicable.
4. Copy of the Property Transfer Affidavit.
5. Copies of all checks issued for closing.
6. Signed Owner's Affidavit.
7. Copy of the recorded Warranty Deed.
8. Original recorded Mineral Royalty Interest Deed with boundary map.
9. Copy of recorded Declaration and Notice.
10. Title insurance policy showing unencumbered title and showing the Grantee/Buyer as the insured party on the policy.

It is agreed by all parties that any errors in the closing and supporting documents, including but not limited to typographical errors or errors of omission, discovered after closing will be corrected and resolved with the assistance of all involved as soon as practical after closing.

Thank you for assisting the DNR, Grantee (Buyer) and Seller with this transaction.

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ACKNOWLEDGMENT

Please sign and date to acknowledge your consent to comply with the terms outlined in this Agreement.

ESCROW CLOSING AGENT

Escrow Closing Agent Printed Name

Signature

Date

GRANTEE (BUYER)

Grantee (Buyer) Printed Name

Signature

Date

SELLER

Seller Printed Name

Signature

Date

DNR

DNR Printed Name

Signature

Date

EXHIBIT A

SELLER INFORMATION

Company Name

Contact Person Name and Title

Address

Telephone Number

E-mail Address

GRANTEE (BUYER) INFORMATION

Company Name

Contact Person Name and Title

Address

Telephone Number

E-mail Address

ESCROW AGENT

Company Name

Contact Person Name and Title

Address

Telephone Number

E-mail Address

State of Michigan Vendor ID Number

Mail completed form to:

Department of Natural Resources
Grants Management
P.O. Box 30425
Lansing, MI 48909-7925
Telephone Number: 517-284-7268

OR

Overnight mailing:

525 West Allegan Street
Lansing, MI 48933