WESTERN STATE
COLLEGE OF LAW
REAL ESTATE TRANSACTIONS
SECTION 472A

SYLLABUS, POLICIES, AND READING ASSIGNMENTS
2019 SPRING SEMESTER
Professor Sheppard

CLASS MATERIALS:


COURSE COVERAGE AND OPPORTUNITIES:

You will be presented with opportunities to learn how an interest in residential or commercial real property is bought, sold, financed, refinanced, or developed and the services an attorney might render with respect to a particular type of real estate transaction. You will have the opportunity to review and apply various principles of property law that you first encountered in the basic Property courses (Property I and Property II). You will also have the opportunity to learn principles of property law that were not, or which may not have been, covered in your Property I and Property II classes. Furthermore, you will engage in graded, course exercises that will provide to you the opportunity to employ and hone your legal research, legal analysis, and legal writing skills.

The topics that will be covered in this course are:

- General observations about buying and selling real estate in the United States.
- Deciding whether to rent or to buy, federal income tax considerations, and negotiating pointers
- The marketing of residential or commercial realty: real estate brokers, listing agreements, applicable securities law
- Purchase-and-sale agreements:
  - Parties to such agreements; statutes of frauds
  - Following the money – the purchase price, initial deposits, components of mortgage debt, and financing contingencies; the subject property
  - The subject property – inspections, seller liability for defective conditions, fixtures, risk of loss
  - The quality of a seller’s title – marketable title, alternatives to the marketable title standard, contract provisions, building and zoning codes
Time for performance
- The merger doctrine
- Remedies for breach: mediation, arbitration, judicial review; specific performance; liquidated damages

- Residential mortgage lending
- Commercial mortgage lending
- Prepayment of Mortgage Loans
- The selling or further hypothecating of mortgaged property by the debtor
- Recording Acts
- Title Insurance
- Real estate escrows and closings
- Deeds
- Descriptions of lands and boundary disputes
- The Mortgagee’s interest in the security property
- The Mortgagee’s right to rents before and after foreclosure
- Mortgage foreclosure
- Allocating foreclosure proceeds and anti-deficiency legislation
- Alternatives to foreclosure: Workouts and deeds in lieu of foreclosure
- Development and construction financing
- Construction contracts
- Mechanics’ liens and stop notices
- Alternative mortgage instruments (AMI’s)
- Leases as financing devices
- Commercial leasing
- Obtaining entitlements for real estate development

Topics addressed in the text that are **NOT** part of the assigned reading for this course are:

- Methods of Financial Analysis, etc. (Chapter 27, pp. 591 – 622)
- Tax Matters in Real Estate (Chapter 28, pp. 623 – 659)
- Selecting an Entity for Real Estate Investment (Chapter 29 pp. 661 – 689)
- Public/Private Real Estate Ventures (Chapter 34, pp. 855 – 891)

**SKILLS AND VALUES**

On page 1 of his “Property Law Simulations” text, Professor Sprankling notes: “The McCrate Report had little impact on legal education. But the Carnegie report has been more successful, prompting many law schools to make curricular changes that expand opportunities for experiential learning.” Actually, Western State was one of the few law schools that took special note of the McCrate Report prior to the publication of the Carnegie report as evidenced by its Mission Statement, course offerings, and methods of instruction.

ARGOSY UNIVERSITY INSTITUTIONAL LEARNING OUTCOMES

The Argosy University Institutional Learning Outcomes are:

1. **Analytical Reasoning**
   Analyze issues objectively, interpret and synthesize data and ideas, and develop feasible, flexible, and creative solutions to real world problems.

2. **Effective Communication**
   Identify audiences, assess information provided, interpret needs, and present relevant information using appropriate written, oral, and listening skills and media to meet the needs of the situation.

3. **Information Competency**
   Gather, evaluate, and ethically use information from a variety of relevant technological and library resources to make decisions and take action.

4. **Interpersonal Effectiveness**
   Develop individual and group interpersonal skills to improve and foster participation and interaction critical for achieving individual and group goals.

5. **Personal and Professional Integrity and Ethical Behavior**
   Demonstrate a multi-dimensional awareness of individual and social responsibility to act ethically and with integrity in a diverse, global society.

6. **Professional Competence**
   Apply skills appropriate to program objectives and employ critical reasoning to contribute to one’s field and profession.

WESTERN STATE COLLEGE OF LAW – PROGRAMMATIC LEARNING OUTCOMES

Western State College of Law’s curriculum is designed so that every student achieves a level of competency prior to graduation in each of the eight Programmatic Learning Outcomes listed below:

(1) **Doctrinal Knowledge**
   Students will demonstrate knowledge of substantive and procedural law in the core curriculum subjects, including Contracts, Criminal Law, Criminal Procedure, Torts, Real Property, Business Associations, Evidence, Civil Procedure,
Constitutional Law, Estates, Community Property, Remedies, and Professional Responsibility.

(2) **Practice Skills**
Students will demonstrate the development of other law practice skills. Each student’s chosen outcomes within this category will be varied based on the student’s particular interests, coursework and work experiences. They may include, but are not limited to, the following topics: oral presentation and advocacy; interviewing; counseling; client service and business development; negotiations, mediation, arbitration, or other alternative dispute resolution methods; advanced legal research and writing (excluding purely academic papers and the first four units earned in introductory first-year legal research and writing class); applied legal writing such as drafting contracts, pleadings, other legal instruments; law practice management or the use of technology in law practice; cultural competency; collaboration or project management; financial analysis, such as accounting, budgeting project management, and valuation; cost benefit analysis in administrative agencies; use of technology, data analyses, or predictive coding; business strategy and behavior; pre-trial preparation, fact investigation, such as discovery, e-discovery, motion practice, assessing evidence, or utilizing experts; trial practice; professional civility and applied ethics; a law clinic that includes a classroom component; or a legal externship that includes a classroom component.

(3) **Legal Analysis**
Students will demonstrate the ability to identify the factual and legal issues implicated by a fact pattern and to appropriately use cases (including identifying the salient features of an appropriate precedent case, identifying legally significant similarities and differences between the precedent case and a fact pattern and explaining why those are legally significant) and rules (including the ability to connect legally significant facts in a fact pattern to the rule) to predict how a court would decide the issue. Students will also demonstrate the ability to identify and evaluate the public policies of a precedent case or rule, and to evaluate how public policy can impact the application of a rule to the legal issue.

(4) **Legal Research**
Students will demonstrate the ability to locate relevant legal authority using a variety of book and electronic resources, and to properly cite to such legal authority.

(5) **Communication**
Students will demonstrate the ability to communicate both orally and in writing in a manner appropriate to a particular task to effectively convey the author’s or speaker’s ideas. This includes audience sensitivity in written and oral communication (the ability to adopt a tone, style and level of detail appropriate to the needs, knowledge and expertise of the audience); and written communication basic proficiency (the ability to use the conventions of grammar, spelling, punctuation, diction and usage appropriate to the task and sufficient to convey effectively the author’s ideas).
Advocacy of Legal Argument
Students will demonstrate the ability, in both oral and written formats, to evaluate the legal, economic and social strengths and weaknesses of a case and use case and statutory authority as well as public policy to persuade others. Making policy-based arguments includes the ability to identify and evaluate the public policies of a precedent case or rule and their implications, and be able to assert such appropriate arguments to resolution of the application of a rule to the legal controversy.

Client Sensitivity and Cultural Competency
Students will demonstrate an awareness of clients’ needs and goals, including a sensitivity to clients’ backgrounds and circumstances (including, but not limited to, socio-economic, gender, race, ethnicity, educational, disability and/or religious background(s)), the ability to make decisions that reflect an appropriate focus on those needs and goals, and awareness that cultural issues may affect the relevance of facts and application of the law.

Legal Ethics
Students will demonstrate the ability to identify ethical issues in law practice contexts and make appropriate decisions to resolve such issues.

COURSE METHODOLOGY:

Classroom instruction and interaction in this course will take the form of in-class discussions and collaborative learning exercises.

Members of the class will be divided into collaborative learning groups (sometimes referred to as firms). The members of the class will be given the opportunity to select their respective partners during the initial class session. If the members of the class cannot agree on the membership of each firm, I will select the membership of each firm using a random selection process. Each firm will be comprised of two to four students depending upon the number of students enrolled in the course. Because your course grade points, which, in turn, will determine your course grade, will be determined by the level of quality of the work product of your collaborative learning group, the goal is for every collaborative learning group to be comprised of the same number of members of the class. For example, if there are twelve students enrolled in the class, there will be four collaborative learning groups with each group comprised of three members of the class. As an additional example, if there are fifteen students enrolled in the class, there will be five collaborative learning groups with each group comprised of three members of the class. As a final example, if there are twenty students enrolled in the class, there will be five collaborative learning groups with each group comprised of four members of the class.
SEMESTER ASSIGNMENTS, COURSE FINAL EXAM, AND GRADING:

Your grade in the course will be determined by the points earned by your collaborative learning group or “firm” regarding each graded, collaborative learning assignment and the quality of the final exam work product submitted by your collaborative learning group. The course final exam will be a take-home exam.

Forty percent of your course grade will be based on the points you receive regarding the collaborative learning assignments. Sixty percent of your course grade will be based on the final exam score earned by your collaborative learning group.

Each member of a collaborative learning group or “firm” will receive the same score regarding a collaborative learning assignment and the course final exam. For example, if I assess the work product submitted by “firm #1” to be worth 80 points out of a possible 100 points, each member of that “firm” will be credited with 80 points for that assignment. Additionally, if I assess the final exam work product submitted by “firm #1” to be worth 95 points, each member of that “firm” will be credited with 95 points as her or his final exam score.

We will discuss this aspect of the course in greater detail during the initial class session.

OFFICE HOURS, OFFICE TELEPHONE, E-MAIL, FAX:

I encourage you to communicate with me regularly. If you are not able to meet with me during my office hours, please do not hesitate to communicate with me via e-mail. If it becomes necessary to do so, you may request that we meet at a time other than my posted office hours.

I plan to maintain the following office hours beginning Monday, January 14, 2019, and ending Monday, April 29, 2019:

Mondays: 9:00 a.m. until 10:00 a.m. and 3:15 p.m. until 6:00 p.m.
(Except 1/21/2019, 2/18/2019, and 3/04/2019)
Tuesdays: 10:00 a.m. until 1:00 p.m.
(Except 2/19/2019, and 3/05/2019)
Wednesdays: 9:00 a.m. until 10:00 a.m. and 3:15 p.m. until 6:00 p.m.
(Except 3/06/2019)
Thursdays: 2:00 p.m. until 5:30 p.m.
(Except 3/07/2019)

Use the “Faculty Appointments Book” to reserve time to meet with me during my office hours. You must reserve time to meet with me during office hours at least 24 hours prior to the time you wish to meet with me. You may reserve a maximum of two consecutive blocks of time (i.e., one-half hour) per office appointment. Appointments for a set of two or more students at a time are encouraged.
I will not have office hours during the semester break (Monday, March 4 through Friday, March 8).

If your schedule of classes or your work schedule will not permit you to meet with me during my posted office hours, send me an email to request to meet with me at a time that will be convenient for both of us.

You may contact me via e-mail by addressing your communication to csheppard@argosy.edu.

You may contact me via telephone by calling (714) 459-1152. The faculty fax number is (714) 525-2786.

LEXISNEXIS CLASSROOM WEB COURSE:

Additional course material, information, and other matters are and will be posted to my Real Estate Transactions web course. You will be able to enroll in that web course on and after 9:00 A.M. on Monday, January 14, 2019. The last day to access the web course material is Friday, May 31, 2019. To enroll in the web course:

2. In the Student view, click the Add A Course link found on the right-hand side of the page.
3. Locate my name (Sheppard); then click my name.
4. Locate Select Course to Enroll; locate Real Estate Transactions and click.
5. Follow the instructions to enroll in the Real Estate Transactions Lexis Classroom
6. If you are directed to enter a password, enter: J9KR9H

If you encounter a problem while attempting to enroll in the web course, please contact either Reference Librarian Scott Frey, sfrey@argosy.edu, 714-459-1152; or Faculty Support Administrator Sierra Douglas, sdouglas@argosy.edu, 714-459-1128.

ATTENDANCE, CLASS PARTICIPATION, DECORUM, AND SEATING:

Class attendance is mandatory. If you miss more than six hours of class sessions, you will be subject to being administratively withdrawn from the course. I refer you to the applicable sections of the Western State University College of Law “Student Handbook” (“the Handbook”) regarding attendance. Please take note that those provisions of the Handbook are to be treated as being part of this syllabus as though they were reprinted verbatim in this portion of this syllabus.

You should be prepared to participate in class on a regular basis. In order to be properly prepared for class, you are required to study all portions of the reading assignments. Properly preparing yourself for class includes, but is not limited to, reading and briefing
each of the principal cases included in the assigned reading, making an effort to resolve
each of assigned text questions and reading and reviewing all footnotes included in the
assigned reading.

You are expected to maintain proper decorum when entering, participating in, and leaving
class sessions. You should become familiar with the appropriate provisions of the
Handbook regarding the behavior expected of you as a member of the Western State
community.

A seating chart will be distributed during the initial session of the class.

DISABILITY SERVICES STATEMENT:

Western State College of Law provides accommodations to qualified students with
disabilities. The Disability Services office assists qualified students with disabilities in
acquiring reasonable and appropriate accommodations and in supporting equal access to
services, programs, and activities at Western State College of Law.

To seek reasonable accommodations, a student must contact Senior Assistant Dean of
Student Services and Disabilities Services Coordinator, Donna Espinoza, whose office is
located in the Student Services Suite. Dean Espinoza’s phone number and email address are: (714) 459-1117; despinoza@wsulaw.edu. When seeking accommodations, a student
should notify Dean Espinoza of her or his specific limitations and, if known, her or his
specific requested accommodations. Students who seek accommodations will be required
to supply medical documentation of the need for accommodation. Classroom
accommodations are not retroactive, but effective only upon the student sharing approved
classroom accommodations with the instructor or professor. Therefore, students are
encouraged to request accommodations as early as feasible with Dean Espinoza to allow
for time to gather necessary documentation. If you have a concern or complaint in this
regard, please notify Dean Espinoza or Dean Susan Keller.

EXPECTATION OF THE MINIMUM TIME I EXPECT YOU TO DEVOTE TO
OUTSIDE PREPARATION TIME

I expect you to devote at least 15 hours a week outside of the classroom toward the
completion of assigned course work.

READING ASSIGNMENTS:

You are required to complete the study of all of the text material included in the assigned
reading prior to the commencement of the class during which that material will be
addressed. You will not gain the full benefit of the classroom discussions or other in-class
activities or exercises if you have not actively studied the assigned reading.

The table of reading assignments begins on the next page.
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<tr>
<th>Wk.</th>
<th>Dates</th>
<th>Reading</th>
<th>Topics</th>
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<tr>
<td>1</td>
<td>Mon: 01-14</td>
<td>pp. 001 – 028</td>
<td>Course admin. Matters &amp; open discussion Buying and Selling Real Estate in the U.S.; Deciding to Own or Rent</td>
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<td>Wed: 01-16</td>
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<td>2</td>
<td>Mon: 01-21</td>
<td>No Class</td>
<td>Martin Luther King, Jr. Day</td>
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<td></td>
<td>Wed: 01-23</td>
<td>pp. 029 - 061</td>
<td>Real Estate Brokers, Listing Agreements, and Applicable Securities Laws</td>
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<td>3</td>
<td>Mon: 01-28</td>
<td>pp. 063 – 095</td>
<td>Parties to Purchase and Sale Agreements; Statute of Frauds; Purchase Price; Financing contingencies; Conditions of the Property; Fixtures; Risk of Loss Financing contingencies; Conditions of the Property; Fixtures; Risk of Loss</td>
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<td></td>
<td>Wed: 01-30</td>
<td>pp. 095 – 126</td>
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<td>4</td>
<td>Mon: 02-04</td>
<td>pp. 127 – 152</td>
<td>The Quality of Seller’s Title; Time for Performance; The Merger Doctrine Mediation, Arbitration, Specific Performance, Lis Pendens (Notice of Pending Action), Liquidated Damages</td>
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<td>Wed: 02-12</td>
<td>pp. 153 – 166</td>
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<td>5</td>
<td>Mon: 02-11</td>
<td>pp. 167 – 184</td>
<td>Residential Mortgage Lending</td>
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<td>Wed: 02-13</td>
<td>pp. 184 – 195</td>
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<td>6</td>
<td>Mon: 02-18</td>
<td>No Class</td>
<td>Presidents’ Day Commercial Mortgage Lending; Prepayment of Mortgage Loans The Sale or Pledge of Mortgaged Property by the Mortgagor</td>
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<td>Tue: 02-19*</td>
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<td></td>
<td>Wed: 02-20</td>
<td>pp. 197 – 223</td>
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<td>pp. 225 – 242</td>
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<td>7</td>
<td>Mon: 02-25</td>
<td>pp. 243 – 263</td>
<td>Recording Acts</td>
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<td>8</td>
<td>Mon: 03-04</td>
<td>No Class</td>
<td>Semester Break – No Class Session Semester Break – No Class Session</td>
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<td>Wed: 03-06</td>
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<td>9</td>
<td>Mon: 03-11</td>
<td>pp. 287 – 310</td>
<td>Title Insurance</td>
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<td>Wed: 03-13</td>
<td>pp. 311 – 334</td>
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<td>10</td>
<td>Mon: 03-18</td>
<td>pp. 335 – 360</td>
<td>Deeds Surveys, Land Descriptions, Boundary Disputes</td>
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<td>Wed: 03-20</td>
<td>pp. 361 – 388</td>
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<td>Wed: 03-27</td>
<td>pp. 409 – 427</td>
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<td>12</td>
<td>Mon: 04-01</td>
<td>pp. 429 – 461</td>
<td>Mortgage Foreclosure Allocating Foreclosure Sale Proceeds; Alternatives to Foreclosure: Workouts and Deeds-in-Lieu of Foreclosure</td>
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<td>Wed: 04-03</td>
<td>pp. 463 – 494</td>
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<td>13</td>
<td>Mon: 04-08</td>
<td>pp. 495 – 523</td>
<td>Development and Construction Financing Construction Contracts</td>
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<td>Wed: 04-10</td>
<td>pp. 525 – 559</td>
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<td>Wed: 04-17</td>
<td>pp. 691 – 723</td>
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<td>15</td>
<td>Mon: 04-22</td>
<td>pp. 725 – 748</td>
<td>The Lease As Financing Device</td>
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<td>Wed: 04-24</td>
<td>pp. 749 – 794</td>
<td>Commercial Leasing</td>
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<td>16</td>
<td>Mon. 04-29</td>
<td>pp. 795 – 814</td>
<td>Obtaining Entitlements for Real Estate Development</td>
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<td>pp. 823 – 841</td>
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* Monday Classes meet on Tuesday, February 19 (“Legislative Day”)