

REVISION 01/08/2025

REAL ESTATE TRANSACTIONS

CAPSTONE

2025 CLASS TOPICS/SYLLABUS OUTLINE

I. CLASS DESCRIPTION

COURSE DESCRIPTION: This is a Capstone course on commercial real estate transactions with an emphasis on real estate finance. We will cover all aspects of real estate including acquisition, construction, leasing, sale and foreclosure. It is intended to expose you to “real life” issues in the practice of real estate law and emphasize practical aspects of real estate transactions. This cannot be done in a vacuum, however, and we must mix in a fair amount of substantive law.

CLASS CREDIT HOURS: This course accounts for 3 credit hours and class meets on Monday from 4:55 pm to 7:00 pm.

LEARNING OUTCOMES: The knowledge, skills, and values that students are expected to acquire during this course are as follows:

1. Learning the rules, policies, principles, and elements related to law as set forth in the documentation, cases and statutes.
2. Comprehending legal documents, texts, cases and statutes.
3. Applying practical insights, economics and legal principles to factual situations, including the abilities to spot issues, to formulate issues, to develop potential legal solutions, and to assess their validity.

4. Developing and strengthening critical analysis and problem-solving skills in a real estate transaction context.

5. Developing and strengthening skills necessary to research and solve real estate transaction problems.

6. Developing and strengthening skills to communicate effectively, clearly and concisely in well-organized and professional manner in order that clients, other attorney and courts can appreciate and understand the real estate issues involved in a transaction, dispute, or litigation.

7. Familiarization with the practice of commercial real estate transactions.

GRADING: Class participation will account for 50% of your grade which be measured by in-class discussion and questions, indications of understanding the materials and readings and the raising of pertinent issues; 25% of your grade will be based on performance on research and closing statement projects and other special assignments, and the raising of pertinent issues; 25% of your grade will be based on a final project.

CLASS MATERIALS: We will use the core class documents, as well as the assigned text. Also, from time to time we will supplement with pertinent articles and other documents.

In addition, we will also utilize existing cases to discuss various positions of the respective parties.

CLASS EXPECTATIONS: Each of you is very much expected (if not required) to participate, and to investigate and raise issues for discussion from the materials, current cases,

news articles, publications and the like, or from your own experiences. This is a Capstone class

CONSULTATION: I am at my law office generally during business hours (or longer).

You are free to email at any time, except during class.

COURSE HYPOTHETICAL: The course hypothetical which will be our guiding hypothetical or fact pattern throughout the course. In addition, we will supplement the course hypothetical with certain facts or situations as we discuss various aspects of the hypothetical development, as well as current topics involving real estate and finance.

CLIENT DESIGNATIONS: From time to time, you will be asked to designate yourself as a lawyers for a lender, a developer, a tenant, a landlord, or an investor .

The purpose of the designation will be to discuss issues from the perspective of your presumed client, to consider how you would advise your client on certain situations, and to negotiate various legal and financial positions for your client. We will do our best to swap these designations around such that there is exposure to all interests in a real estate transaction.

GUEST SPEAKERS: We will have several speakers talk on unique areas of the law, non-legal perspective on matters we are covering, or topics of interest.

COURSE THEMES: There are five (5) general themes of the course.

KNOWING THE TRANSACTION. Initially, and most importantly, we will

emphasize understanding and knowing the real estate transaction. The most important corollary for this is “follow the cash”.

UNDERSTAND THE DOCUMENTATION. The second and equally important theme is to understand the documentation and its interaction between various documents involved in a real estate transaction. The corollary is “know the deal as written”.

KNOWING THE BUSINESS OF YOUR CLIENT. Third, we will emphasize knowing the business of your client, and knowing the business aspects and expectations involved in the real estate transaction. The corollary is “know your client’s business”.

BEWARE OF THIRD PARTIES. We will want to be on the watch for implications for, involvement of and impact on third parties. These are those parties on the horizon, or around the corner, or down the road. May be theoretical; may need to think outside the box.

Typically, we have buyer and seller or lender and borrower. But often there are also tenants, sellers, contractors, investors, other third party entities having an interest in the transaction..

THINK CLIENT. Lastly, we will endeavor to “think client” which is not easy for attorneys to do, but we will do our best to keep that at the forefront.

II CLASS HYPOTHETICAL

UpTown Developer, LLC is undertaking an ambitious urban renewal project involving the acquisition and development of a 30-acre site located in downtown Columbia.

The site is largely undeveloped, but some portions are partially abandoned. The site, however, has a number of historical structures and several retail shops which are currently in business.

Prior uses of the abandoned portions of the site include old gas stations, metal finishing operations and dry cleaning operations.

There are established residential neighborhoods located adjacent to the site.

Planned activities and/or uses of the commercial portion include an apartment project, sites for national retail stores, a franchised hotel, a luxury office complex and retail shops.

It is anticipated that certain commercial lots will be graded and site developed and then sold to other developers who will construct the improvements

Other commercial lots will be fully developed by Developer with improvements constructed and leased by Developer to national retail tenants or to local retailers and/or restaurants.

Also, UpTown Developer, LLC is planning a residential development with a condominium building and numerous upscale residential lots to be developed adjoining a planned new lake and with a clubhouse and other amenities. The residential lots and condominium units will be sold to local residents and to out of state investors

To finance the development of the various projects, one or more construction loans will be sought from Bank Construction, NA.

UpTown Developer, LLC is also seeking out of state investors who will provide equity for the various projects, as well as guarantee the loans.

UpTown Developer, LLC is contemplating contracting with Site Construction, Inc. to handle the needed site work and delivery of offsite utilities.

General Construction, Inc. will be the general contractor or prime contractor for the construction of many of the project improvements.

It is assumed both contractors will retain subcontractors.

Upon completion of construction of certain portions of the project, UpTown Developer, LLC will seek one or more permanent, non-recourse loans from Permanent Loan Insurance Company for various projects which it has retained and has not sold.

UpTown Developer, LLC plans to operate the apartment project and the hotel through corporate subsidiaries which will be formed, and may well move its corporate offices into the luxury office complex.

UpTown Developer, LLC will use Bank Construction, NA and Permanent Loan Insurance Company as its primary lenders, but has had discussions with Mezzanine Investors, LLC about possibility of secondary or subordinate financing if needed.

It is anticipated that many of the planned aspects of this ambitious project will be very successful but certain aspects may well not be successful in the near term.

III. COURSE DOCUMENTS

1. Real Property Purchase Agreement
2. Lender Commitment Letter
3. Deed of Real Property
4. Promissory Note
5. Mortgage, Security Agreement and Fixture Filing
6. Guaranty Agreement
7. Loan Agreement
8. Purchase Closing Documents
9. Purchase and Sale Closing Statements and Lender Disbursement Statement
10. Title Insurance Commitment and Lenders and Owners Title Insurance Policies
11. Construction Contract
12. Condominium Master Deed
13. Commercial Lease
14. Subordination, Attornment and Non-Disturbance Agreement (SNDA)
15. Installment Sales Agreement
16. Mortgage Subordination Agreement
17. Management Agreement
18. Deed-in-Lieu of Foreclosure
19. Lis Pendens and Foreclosure Pleadings
20. Receivership Motion and Affidavit in Support
21. Receivership Order

22. Foreclosure Order and Notice of Sale
23. Company Resolution/Consent
24. Opinion of Counsel
25. Lease Consent and Estoppel

COURSE TOPICS OUTLINE

[SUBJECT TO CHANGE]

CLASS #1 JANUARY 13

**INTRODUCTION TO REAL ESTATE;
REAL ESTATE COURSE DOCUMENTATION**

CLASS #2 JANUARY 27

**REAL ESTATE COURSE DOCUMENTATION - LAND ACQUISITION
PURCHASE AGREEMENT; DEED; MORTGAGE, GUARANTY; NOTE,
COMMITMENT LETTER**

CLASS #3 FEBRUARY 3

REAL ESTATE COURSE DOCUMENTATION -II

CLASS #4 FEBRUARY 10

**CLOSING HYPOTHETICAL #1- CLOSING STATEMENT
GUEST SPEAKER: COMMERCIAL LOAN OFFICER**

CLASS #5 FEBRUARY 17

**PROJECT CONSTRUCTION; CONSTRUCTION LENDING;
MECHANICS LIENS**

CLASS #6 FEBRUARY 24

**NATURE OF LEASING; ALLOCATION OF RESPONSIBILITIES;
REPAIR/RESTORATION ISSUES; RELATIONSHIP WITH LENDERS.
GUEST SPEAKER: BULL STREET PROJECT**

CLASS #7 MARCH 3

**SALE OF PROPERTY METHODS; CONDOMINIUMS;
CLOGGING: EQUITY OF REDEMPTION**

SPRING BREAK

CLASS #8 MARCH 17

**CURRENT EVENTS DISCUSSION;
FIXTURES/UCC; TRANSFER BY MORTGAGEE; HOLDER IN DUE COURSE**

CLOSING HYPOTHETICAL #2

CLASS #9 MARCH 24

CLOSING HYPOTHETICAL #2

ENVIRONMENTAL CONTAMINATION ISSUES

GUEST SPEAKER: ENVIRONMENTAL ATTORNEY/CONSULTANT

CLASS #10 MARCH 31

TITLE INSURANCE; TITLE EXCEPTIONS; SURVEYS

CLASS #11 APRIL 7

CLOSING DOCUMENTS; OPINION LETTERS

CLASS 12 APRIL 14

DEFAULT; RECEIVERSHIPS; FORECLOSURES

CLASS #13 APRIL 21

COURSE REVIEW/ FINAL PROJECT