

El Paso Community College
Syllabus
Part II
Official Course Description

SUBJECT AREA	<u>Business Management</u>
COURSE RUBRIC AND NUMBER	<u>RELE 1311</u>
COURSE TITLE	<u>Law of Contracts</u>
COURSE CREDIT HOURS	<u>3 3 : 0</u> Credits Lec Lab

I. Catalog Description

Discusses the elements of a contract, offer and acceptance, statute of frauds, specific performance and remedies for breach, unauthorized practice of law, commission rules relating to use of adopted forms, and owner disclosure requirements. **3:0.**

II. Course Objectives

- A. Unit I. Basics of Real Estate Law/Real Property and the Law
 - 1. Explain the difference between land, real estate, and real property
 - 2. List the “Bundle of Legal Rights”
 - 3. Enumerate subsurface, air, and water rights as related to real property
 - 4. Discuss the differences between real property and personal property
 - 5. Identify the classifications of fixtures
 - 6. Explain the characteristics of real property
 - 7. Review the forms of real estate ownership and explain the differences between condominiums, cooperatives, town houses, and time shares

- B. Unit II. Limitations on Ownership Rights
 - 1. List the various governmental powers that limit ownership of real estate
 - 2. Explain the different estates in land
 - 3. Discuss the difference between encumbrances and easements
 - 4. Discuss the various water rights issues
 - 5. Identify environmental issues

- C. Unit III. Contracts Used in Real Estate
 - 1. Explain Express and Implied contracts
 - 2. Discuss the differences between Bilateral and Unilateral contracts
 - 3. Review Executed and Executory contracts
 - 4. Identify the essential elements of a valid contract
 - 5. Explain what things constitute performance of a contract and breach of a contract
 - 6. Discuss the reasons for termination of contracts
 - 7. List the contracts used in the real estate business
 - 8. Explain Leasehold Estates and review lease agreements and types of leases

- D. Unit IV. The Sales Contract
 - 1. Describe the process of offer and acceptance of a sales contract
 - 2. Explain the process of making a counter offer

3. Define the statute of frauds and discuss its use
 4. Review the sales contract document
 5. Identify the three methods used for a legal description of property
 6. Describe financing options and earnest money
 7. Discuss the ramifications of default or breach of contract.
- E. Unit V. Contingencies, Addenda, and Amendments
1. Define contingencies and identify contingencies in sales contracts
 2. Describe various contingencies
 3. Explain an inspection contingency and identify types of hazardous substances frequently covered in an inspection contingency
 4. Review the benefits and risks of allowing a sale of property contingency.
 5. Compare an addendum to an amendment
- F. Unit VI. Financing Real Estate
1. Distinguish among title, lien, and modified lien theories
 2. Identify the basic components of a promissory note
 3. Describe loan origination fees, discount points, and prepayment penalties
 4. Explain the use of a land contract and owner financing
 5. Identify the three types of foreclosure proceedings
 6. Differentiate between equitable and statutory periods of redemption
 7. Describe the primary and secondary mortgage markets and identify the types of institutions that make up these markets
 8. Discuss the various types of financing techniques available and describe the significance of mortgage insurance on financing
 9. Compare Conventional, FHA, and V.A. loans
- G. Unit VII. Conveyance of Title
1. Describe the most common deeds and list the requirements for each
 2. Explain how property may be transferred through voluntary and involuntary alienation and discuss adverse possession
 3. Illustrate the difference between someone dying testate and intestate
 4. Review the legal requirements for making a will and the purpose and procedures of probate
 5. Distinguish between chain of title and abstract of title
 6. Explain the process and purpose of a title search and what is included in title insurance policies
- H. Unit VIII. Transaction Process and Closing
1. Describe the steps involved in the transaction process from contract to closing
 2. Describe the preparation for closing by the agent
 3. List the tasks to be done by the buyer and seller before closing.
 4. Identify the disclosures required by the Real Estate Settlement Procedures Act
 5. Identify items that are typically prorated at closing
- I. Unit IX. Texas Contract Law
1. Describe the composition and duties of the Texas Real Estate Commission (TREC)
 2. Discuss the unauthorized practice of law and how to avoid it
 3. Describe the Broker-Lawyer Committee of TREC
 4. Review TREC's rules regarding the use of promulgated forms
 5. Identify the requirements for sellers to provide buyers a written notice of a property's condition
- J. Unit X. Common Contract Mistakes
1. Identify and describe issues with identification of the parties and the Property in a sales contract

2. Utilizing the TREC promulgated contract 20-11, point out mistakes in marking the appropriate checkboxes, signatures, effective dates, and addenda.
3. Discuss the proper and improper use of the Special Provisions Paragraph of the sales contract.
4. Explain what makes property real or personal and how to address these issues in the sales contract.

III. THECB Learning Outcomes (WECM)

1. Discuss the elements of a contract.
2. Differentiate the legal effects of a contract.
3. Describe the statute of frauds.
4. Explain specific performance and remedies of breach.
5. Identify practices that would constitute unauthorized practice of law.
6. Examine the owner disclosure requirements.

IV. Evaluation

- A. Class Grading:
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|---------------------|-----|
| 1. Attendance | 10% |
| 2. Quizzes | 30% |
| 3. Major Exams..... | 60% |

There will be a minimum of three major exams during the course. **Students must take the final exam to pass the course.**

- B. Grade Schedule:
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| A | 90-100 |
| B | 80-89 |
| C..... | 70-79 |
| D | 60-69 |
| F..... | 59 and below |

V. Disability Statement (Americans with Disabilities Act) ADA

EPCC offers a variety of services to persons with documented sensory, mental, physical or temporary disabling conditions to promote success in classes. If you have a disability and believe you may need services, you are encouraged to contact the Center for Students with Disabilities to discuss your needs with a counselor. All discussions and documentation are kept confidential. Offices are located: VV Rm C-112 (831-2426); TM Rm 1400 (831-5808); RG Rm B-201 (831-4198); NWC Rm M-54 (831-8815); and MDP Rm A-125 (831-7024)

VI. 6-Drop Rule

Students who began attending Texas public institutions of higher education for the first time during the Fall 2007 semester or later are subject to a 6-Drop limit for all undergraduate classes. Developmental, ESL, Dual Credit and Early College High School classes are exempt from this rule. All students should consult with their instructor before dropping a class. Academic assistance is available. Students are encouraged to see Counseling Services if dropping because exemptions may apply. Refer to the EPCC catalog and website for additional information.