
CAROLINA FISHING NEGOTIATION

Confidential Information for Karsen, Inc.

You are Chris Karsen, one of the four siblings who inherited 300 acres of lakeside land in South Carolina. The land extends inland for more than two miles, containing magnificent forests and streams. You recently learned that your brother, Pat, had entered negotiations with Indigogreen Corporation, which is looking to buy the property for a retirement community.

According to Pat, he “didn’t commit anyone to anything” - just talked about possible terms, but purposely avoided the biggest issue - price - before talking to you or your other siblings.

You were outraged when you heard what Pat has been up to. Just because he is a lawyer in a fancy downtown firm doesn’t mean that he can lead everyone else around by the nose. You aren’t interested in selling the land right now – you think it is important to keep it for your children and your grandchildren. The most you would be interested in selling is a dozen or so acres and certainly not on the lake unless you could make an absolute killing on the land. (If you could really make a huge profit on the land, and if the resort community will be a good one, you would talk to your other siblings about the question of buying into the community and investing the rest of the money.)

Leaving sentimental attachments aside, the reason you would only sell for a top dollar is that you are convinced this area of South Carolina will be very “hot real estate” within the next five years or so, as more baby boomers retire. You are confident that the rich New Yorkers will be eager to pour their money into the area, because of its warm winters and natural beauty. Your reading in the regional business magazines indicates that it is being discovered by developers. Indigogreen is just the first one. You can afford to hold on for a while – you have at least five years before your kids go to college. Thus, you have convinced your other siblings not to sell unless you can get \$3,600,000 for the parcel or \$12,000 per acre. This is magnificent land - you’re not going to part with it for less. When your brother Pat told you that Indigogreen had offered \$1,800,000 or \$6,000 per acre, you laughed and said: “Let me handle this. It’s going to be a very short meeting unless they can pay what we want. I’m not going to let big, bad Indigogreen snooker us out of land that’s worth more than that.”

Pat said he was happy to give up the reins and have you negotiate with Indigogreen, and your other siblings agreed. He mentioned that Indigogreen had set up a meeting date to discuss the transaction and, hopefully, reach an agreement on the price. You had the meeting time available. So, Pat sent an email to the Indigogreen representative, stating that he would be out of town and that you would handle the price negotiations on behalf of the family.