Settle for More or Less

**Confidential Information For Bud Branam**

Bud Branam and his spouse own BB, Inc., a corporation which operates eight farmstand style markets selling local vegetables and baked goods. The first BB location is at their home, on a 100 acre parcel Branam inherited from his grandparents. Quality Quarry, Inc. is a large company that operates mining operations. A year ago Quarry purchased 900 acres of land next to the Branams for $2.25 million, or $2500 per acre, to open a limestone quarry.

Quarry provided studies assuring that residents would not be adversely affected and officials informally agreed not to oppose the Quarry’s permit application. The Branams, the only people near the planned quarry location, first protested and then filed suit to block the permit.

The Branams’ lawyer has informed them that, while their claim was not without merit, they are unlikely to succeed, and discovery and expert costs will be $75,000. Mrs. Branam is opposed to paying the lawyer more. In addition, the Branams have located a better location for their business and are actually interested in moving.

Before Quality Quarry came in the Branams would have estimated the value of their property at about $560,000, figuring the house and stand at $260,000 and the remaining 98 acres at $245,000, or $2,500 an acre. The tax assessment last year was at $420,000, but everyone knows these are low. The market has dropped temporarily, perhaps as much as 20%, due to a recession.

Branam has recently learned that the state is planning to build a new highway entrance off Corina Road which runs by their property (see below), increasing traffic and probably further reducing its value. A few days ago Bud Branam received a call from a representative of Quality Quarry, asking if he would consider selling. Branam said he was open to talking and they met a few days later. The initial offers were as follows: Branam opened at $950K, Quarry responded with $250K, Branam dropped to $850K, Quarry declined to move further.

Prepare to continue the negotiation from that point.







