

# The Builder's Engineer

## Good Lawyer – Bad Lawyer



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Everyone likes to joke about lawyers, that is until you actually need one.

Lawyers, like all professionals, come in all shapes, colors, and sizes; and in varying degrees of worthiness. The trick, when you need one, is to know who to select. After all, pick up any rock and you'll find a lawyer lurking underneath. (I apologize in advance to my attorney friend, Kevin, for that brief lapse in good taste, who knows I actually have very little taste at all.) Here is a story about a large firm that chose wrong.

An old farmer had owned 50 acres beyond the outskirts of town for many years. He paid \$20,000 for it originally, and as town grew toward him, the value skyrocketed to several million. One day he decided to sell. Two large developers stepped up with offers. Negotiations ensued. The old farmer made it amply clear his desire for a clean and simple sale; he just wanted out.

Fastlane Developers Inc. responded with lots of cajoling words and high-spun stories of instant wealth and happiness for the farmer should he choose their offer.

DTE (Down To Earth) Developers Inc. responded with a bit more sobriety, explaining that the true value in his land would only be maximized after it was rezoned and annexed into the city; a three or four year process. However, a purchase and sale contract could be devised whereby the farmer got significant cash every year DTE held the option to purchase, pending rezone / annexation.

The farmer was not overly pleased to learn it would take several years to get top dollar for his land, particularly with the knowledge that many things could go wrong during the rezone / annexation. But he did appreciate DTE's straightforwardness and had them draw up a contract.

To ensure competition, he also had Fastlane put together a contract. He figured he'd just select the best of the two. Simple, right?.

Land deals are rarely simple.

Fastlane was the first to submit. Their contract was a "three-one" (three pounds of paper, one inch thick). The farmer, being a simple man, though no dummy, knew he

needed his own attorney to help him understand this pile of jargon. Upon review, the farmer's attorney commented that this contract was overly complicated, with many obviously cut and pasted sections, some which contradicted each other, and many which did not even pertain to this specific deal. The farmer confronted Fastlane's attorney, who became belligerent, claiming their contract had been used on hundreds of land deals, many of which were much bigger and more complicated than this one. The farmer listened patiently, then politely asked if there was any way to make it simpler. The attorney said not likely, but if he had to he'd try.

In the meantime, DTE's contract came in. It was a "one-three" (one pound of paper, 1/3 inch thick). The farmer's attorney reviewed it and proclaimed they'd have to negotiate some, but it was reasonable - a solid offer.

By the time Fastlane came back with a "one-three" (what they should have submitted in the first place) the deal was already done with DTE.

Here's why Fastlane's legal team lost them the deal:

- They failed to understand the nature of the farmer. Old farmers are not suit and tie types, in fact, they're usually just the opposite. They distrust slick talkers. To earn the farmer's trust, straightforward, open-book negotiations were needed, not pie in the sky tales of fabulous wealth and riches. Strike one.
- They failed to remember the most important credo in business: "Half of everything you do in business is marketing." When the farmer called to discuss the "overly-complicated" contract, instead of making the farmer feel good, Fastlane's attorney became defensive and made him feel stupid. In short, he did not market his contract, nor his company well. Strike two.
- They failed to act on the farmer's first and most important request: a clean and simple deal. Granted, an option contract by its very nature is not clean and simple, however, there is always excess baggage and dense wording that can be cut from any contract. Fastlane not only didn't cut, they did a sloppy job of assembling. Strike three, yer out.

To summarize, Fastlane Development lost a multi-million dollar deal simply because its legal team failed to work appropriately with the customer. It had nothing to do with their legal expertise or the dollar amount of their offer; it was a marketing blunder pure and simple.

Anyone with customers ought to find a lesson somewhere in this (for the most part true) tale.

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