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## LETTERS OF INTENT: The Real Estate Prenuptial Agreement

### Part 1

By Donald R. Wenig, Esq. & Robert J. Downs, Jr., Esq.

#### INTRODUCTION

When used at the appropriate time and drafted properly, a Letter of Intent can be a major asset in securing a needed property and in guiding a transaction to a successful conclusion. But overused or poorly drafted Letters of Intent have often guided companies down the path of litigation or into transactions that are costly and poorly structured. While this article focuses on Letters of Intent regarding a lease, the same issues and precautions apply with equal weight in many other real estate and business areas.

This article is the first of a two-part series on this controversial topic. Part I of the series will examine the why's and when's behind Letters of Intent along with a suggested format and Part II will examine the critical elements and drafting ideas for a Letter of Intent. Although many attorneys cringe at the mere mention of a Letter of Intent, it is often an important arrow in the corporate real estate quiver. While having its incumbent risks, a Letter of Intent can be a valuable and often necessary tool for many reasons, including securing the property, resolving key business terms and hastening the completion of the transaction and project.



**Donald R. Wenig, Esq.**  
*Director, Corporate Services*

Mr. Wenig represents companies nationally as a tenant's advocate. His clients have ranged in size up to 650,000 square feet including Citizens Insurance, Executone Information Systems, General Accident Insurance, Octel Communications, PRC Inc. and State Farm Insurance. He has authored articles and lectured to numerous professional groups on lease negotiating. Prior to joining Pollina Corporate, Mr. Wenig practice law for one of Chicago's leading law firms. Mr. Wenig graduated from DePaul University and obtained his Juris Doctorate from John Marshall Law School.



**Robert J. Downs, Jr., Esq.**  
*Montgomery, McCracken, Walker & Rhoads, LLP*

Robert J. Downs, Jr. is an Associate in the Real Estate Department at the Philadelphia law firm of Montgomery, McCracken, Walker & Rhoads, LLP. He devotes a substantial portion of his practice to the representation of landlords and tenants in commercial real estate transactions throughout the United States. Mr. Downs received his undergraduate degree from Villanova University, his MBA from the University of North Carolina and his law degree from Temple University, *cum laude*.