

# LEASING TIMES

## Key leasing phrases and topics to think about.

### LETTERS OF INTENT – PART 2

In our November edition of *Leasing Times*, we discussed some of the concerns raised in the recent Ontario Court of Appeal decision in *Wallace v. Allen*. Here are some of the lessons we can learn to guide us in our use of letters of intent (LOIs):

1. Avoid using words like “agree”, “covenant”, “accept” or “agreement.”
2. Make sure the LOI neither binds the parties nor creates any contract between them.
3. Ensure that the non-binding nature of the LOI continues despite any negotiations or settlement of issues between the parties.
4. Expressly provide that no agreement exists until an agreement is entered into and signed by all parties.
5. Consult with your lawyer before you sign any LOI.

The reluctance to engage your lawyer at the outset in order to avoid costs is, in most cases, a false economy. A properly drafted LOI will avoid an unpredictable result as in *Wallace v. Allen*.

With a whole new decade of *Leasing Times* before us, we hope that our articles will be useful to all of us involved in commercial and industrial leasing. We continue to welcome your questions and thoughts.

Max Maréchaux, C.S.  
Toronto  
mmarechaux@millerthomson.com

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