

SOP Template: Lease Agreement Preparation and Execution

This SOP details the process for **lease agreement preparation and execution**, covering the drafting of lease terms, review and negotiation procedures, legal compliance checks, approval workflows, and final signing protocols. The objective is to ensure clear, legally binding agreements that protect the interests of all parties involved in the leasing transaction.

1. Purpose

To establish a standardized procedure for the efficient, accurate, and legally compliant creation and finalization of lease agreements.

2. Scope

This SOP applies to all employees involved in the lease agreement lifecycle including the drafting, review, approval, and signing of new lease contracts or renewals.

3. Responsibilities

- **Lease Administrator:** Coordinates draft preparation and document management.
- **Legal Counsel:** Reviews for legal compliance and risk mitigation.
- **Management:** Reviews and approves significant terms and conditions.
- **Counterparties:** Reviews and negotiates terms prior to execution.

4. Procedure

1. **Initiation**
 - Receive leasing request and gather all necessary property/tenant details.
2. **Drafting Lease Terms**
 - Prepare initial draft based on agreed terms, using approved templates where available.
 - Include essential clauses (rent, term, deposit, obligations, termination, etc.).
3. **Internal Review**
 - Send draft to Legal Counsel for compliance check and risk analysis.
 - Legal Counsel provides comments and recommended revisions.
4. **Negotiation**
 - Share reviewed draft with counterparty/tenant for feedback.
 - Negotiate and amend terms as needed until both parties reach consensus.
5. **Final Approval**
 - Submit revised agreement to Management for final approval/signoff.
6. **Execution**
 - Arrange for both parties to sign the final lease agreement (wet ink or electronically as permitted).
 - Circulate fully executed copies to all stakeholders.
7. **Recordkeeping**
 - Store executed agreement in accordance with company document retention policy.

5. Documentation & Records

Document	Responsible	Retention Period
Draft Lease Agreement	Lease Administrator	Life of lease + statutory period
Legal Review Notes	Legal Counsel	Life of lease + statutory period
Executed Lease Agreement	Lease Administrator	Permanent
Approval Memos	Management	Life of lease + statutory period

6. Compliance & References

- All lease agreements must comply with applicable local, state, and federal laws.
- Reference: Company's standard lease agreement templates and local statutory requirements.

7. Appendix

- Sample Lease Agreement Template (attach or hyperlink as needed)
- Legal Checklist for Lease Reviews