

Standard Operating Procedure (SOP)

Lease Agreement Preparation and Execution

This SOP details the process for **lease agreement preparation and execution**, covering the drafting of lease terms, negotiation with tenants or landlords, review of legal and financial conditions, finalization of agreements, obtaining necessary approvals, and formal signing procedures. The objective is to ensure clear, legally compliant, and mutually acceptable lease contracts that protect the interests of all parties involved and facilitate smooth property leasing transactions.

1. Scope

This SOP applies to all personnel involved in the preparation, negotiation, review, approval, and execution of lease agreements for both commercial and residential properties.

2. Responsibilities

| Role | Responsibility |
|----------------------|---|
| Leasing Manager | Initiate lease process, coordinate drafting, and oversee execution. |
| Legal Team | Review, vet, and approve lease agreements for legal compliance. |
| Finance Team | Review and verify financial terms and obligations. |
| Tenant / Landlord | Review, negotiate, and sign the agreement. |
| Authorized Signatory | Provide final approval and sign on behalf of the company/agency. |

3. Procedure

- Lease Data Collection:**
 - Gather key property details, tenant/landlord information, and initial terms.
- Drafting Lease Agreement:**
 - Prepare a draft lease agreement as per organizational templates and legal requirements.
 - Include all relevant clauses (e.g., rent, duration, maintenance, rights and obligations, termination, penalties).
- Internal Review:**
 - Legal team reviews for compliance with applicable laws and organizational policies.
 - Finance team reviews for financial soundness and budget adherence.
- Negotiation with Counterparty:**
 - Share draft with tenant/landlord.
 - Negotiate and amend terms as required to achieve mutual agreement.
- Agreement Finalization:**
 - Finalize the agreement by incorporating all agreed-upon changes.
 - Prepare the clean, final version for signatures.
- Approvals:**
 - Obtain necessary internal and external (if required) approvals and clearances.
- Signing Procedure:**
 - Arrange for authorized representatives from both parties to sign the agreement.
 - Ensure witnesses are present (if legally required).
 - Distribute duly signed copies to all parties involved.
- Record Keeping:**
 - File and maintain signed agreements in both digital and physical records.

4. Documentation & References

- Lease Agreement Template
- Checklists for Legal & Financial Review
- Approval Forms and Signatory Matrix
- Relevant Property Documents

5. Revision History

| Date | Version | Description | Author |
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| 2024-06-20 | 1.0 | Initial release | SOP Team |
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