

SAUDI ARABIAN OIL COMPANY (Saudi Aramco) GENERAL INSTRUCTION MANUAL		G. I. NUMBER Approved 885.000	
ISSUING ORG.: SAUDI ARAMCO CONTRACTING DEPARTMENT		ISSUE DATE 10/01/02	REPLACES
SUBJECT: LEASING OF GOVERNMENT SECTOR IMPROVED/UNIMPROVED REAL PROPERTY		APPROVAL SMD	PAGE NUMBER 1 of 4

CONTENTS:

This Instruction outlines the procedures and responsibilities related to leasing both Improved Real Property with annual rent not exceeding SR250,000, and Unimproved Real Property without rent limitation. It contains the following information:

1. General
 2. Examples of Property Covered
 3. Lease Requests
 4. Responsibilities of Proponent Department
 5. Approval Authority
1. **GENERAL:** The Proponent Department has primary responsibility for the procurement and administration of leases covered by this Instruction. In order to protect Company interests, all requests, inquiries, notifications or any other activity related to subject leases with Government Sectors should be channeled through the Saudi Aramco Affairs – Correspondence Services Division (“Correspondence Services Division”).
 2. **EXAMPLES OF PROPERTY COVERED**
 - 2.1 **Improved Real Property** includes but is not limited to villas, apartments buildings, offices, garages, stores, etc.
 - 2.2 **Unimproved Real Property** includes but is not limited to open storage yards, right of ways, parking areas, bus stops, recreational areas, etc.
 3. **LEASE REQUESTS:** The Proponent Department will initiate a lease request by drafting a letter to the Administrator, Correspondence Services Division. In the letter, the Proponent shall provide a description of the required Property as specified in Supplement 885.00-1, below.
 4. **RESPONSIBILITIES Proponent Department:** The Proponent Department shall ensure that all written communication with the Government Sector regarding the proposed Lease Agreement be done through Correspondence Services Division.

The Proponent Department will normally perform the following:

- 4.1 **Search for properties** as requested, including:
 - 4.1.1 Inspecting properties
 - 4.1.2 Obtaining the layout plan of the property if available.

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		ISSUE DATE 10/01/02	REPLACES
		APPROVAL SMD	PAGE NUMBER 2 of 4

4.2 Negotiate for the required property.

4.3 Review the lease or amendment and obtain approvals, including:

4.3.1 Obtaining the Government Sector's preliminary approval.

4.3.2 Routing to Law department for review and legal opinion.

4.3.3 Request final draft from Government Sector that incorporates all Saudi Aramco comments as well as the legal opinion.

4.3.4 Routing for approval and signature by Proponent Contract Signatory.

4.3.5 Securing lessor's signature.

4.3.6 Distributing copies to concerned parties.

4.4 Ensure payment to the lessor including:

4.4.1 Initiating payment Authorization Form (SA-60) and obtaining approval from Contract Signatory.

4.4.2 Forwarding approval SA-60 to Accounting and collecting the check.

4.4.3 Preparing the transmittal letter with translation and forwarding to lessor via; (i) Saudi Aramco Affairs - Correspondence Services Division, or (ii) Proponent Department Representative to hand carry and obtain Receipt.

4.5 Administer the lease including:

4.5.1 Coordinating all correspondence with lessor via the Correspondence Services Division.

4.5.2 Resolving all issues that require Government correspondence arise during the lease term related to repair, damages or other matters, via the Correspondence Services Division.

4.5.3 Initiating renewal or termination notices to lessors via the Correspondence Services Division.

4.5.4 If necessary, the Proponent Department representative shall attend to finalize release of properties upon termination of the lease agreement.

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		ISSUE DATE 10/01/02	REPLACES
		APPROVAL SMD	PAGE NUMBER 3 of 4

4.6 Notify Government Sector of the desire to renew or terminate leases sufficiently in advance of existing lease expiration or as per the Lease Agreement Termination.

5. APPROVAL AUTHORITY: The authority to sign subject leases on behalf of Saudi Aramco rests with the Proponent Department Contract Signatory.

Concurrence: _____
 Ibrahim A. Al-Hizab, Manager (A)
 Saudi Aramco Affairs Services Department

Approved: _____
 Saad M. Al-Dossary, Manager
 Contracting Department

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		ISSUE DATE 10/01/02	REPLACES
		APPROVAL SMD	PAGE NUMBER 4 of 4

SUPPLEMENT 885.000-1

FORMAT FOR LEASE REQUESTS

CONTENT:

The Proponent Department shall be aware that the intended Lease request should contain the following information:

1. Type of property (Brief description of what is required)
2. Location of property
3. Approximate size in square meters
4. Annual rental acceptable, if known
5. Duration of lease (years)
6. Date required
7. Account to be charged
8. Entry code
9. Department originating request
10. Person to contact (name & telephone number)
11. Others (specify)