

# Commercial Restaurant Lease Agreement

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This **Commercial Restaurant Lease Agreement** ("**Agreement**") is made and entered into as of the date of execution by the parties, by and between the following parties;

**The Landlord**

**The Tenant**

The Landlord is a commercial property owner operating as a legal business entity and the Tenant is a restaurant operator conducting business as a legal entity. Landlord and Tenant may be referred to individually as a "**Party**" and collectively as the "**Parties**".

## Terms and Conditions

### 1. Premises

The Landlord hereby leases to the Tenant a commercial restaurant space consisting of a fully enclosed, designated unit within a commercial building ("**Premises**"). The Premises include interior customer areas, kitchen and food preparation areas, storage areas, utility rooms, and any fixtures or improvements permanently attached to the space. The Premises are leased exclusively for the operation of a food and beverage service business, including sit-down dining, take-away services, and all related restaurant activities.

### 2. Term of Use

The term of this Agreement commences on the date the Parties execute this Agreement and continues for a fixed commercial leasing period. The Parties agree that the lease term automatically renews for successive equal periods unless either Party issues a written non-renewal notice within a reasonable period prior to the expiration of the current term. Renewal occurs under the same terms unless the Parties formally amend the Agreement.

### 3. Rent and Payment Terms

Tenant shall pay to Landlord a fixed monthly rent of \_\_\_\_\_ ("**Base Rent**") for the duration of the lease term. Rent is due on a monthly basis, payable in advance, and must be remitted through a payment method accepted by the Landlord.

In addition to the base rent, Tenant is responsible for all operating expenses associated with the restaurant's use of the Premises, including but not limited to utility charges, common area maintenance fees, security and monitoring fees, regulatory inspection fees applicable to restaurant operations.

Rent not paid within the Landlord's defined grace period constitutes a late payment. Late payments may incur a late fee calculated at a commercially reasonable rate determined by the Landlord.

### 4. Security Deposit

Tenant shall provide a security deposit of \_\_\_\_\_, held by the Landlord for the duration of the lease. The deposit serves as security for the Tenant's performance of its obligations, including rental payments, repair costs for damages beyond ordinary wear and tear, and compliance with all lease terms. The Landlord may apply the deposit as necessary during or after the lease term and shall return any remaining balance within a commercially reasonable time after Tenant vacates the Premises.

### 5. Use of Premises

The Premises shall be used solely for operating a full-service restaurant business. Permitted activities include food preparation, sale of meals and beverages, seating of customers, delivery services, and other lawful food service functions.

Tenant shall comply with all applicable regulations, including health and sanitation codes, fire safety standards, food handling and storage regulations, employment and occupational safety rules, business licensing and restaurant operation permits, tenant is solely responsible for obtaining, maintaining, and renewing all permits required for its restaurant operations.

Tenant shall not use the Premises for activities unrelated to restaurant service, illegal or hazardous operations, storage of dangerous materials or excessive noise or nuisances disrupting neighboring properties.

## **6. Alterations and Improvements**

Tenant may perform interior improvements and modifications reasonably necessary for restaurant operations, provided that all work complies with applicable building and health codes, alterations do not affect structural components, tenant obtains prior written consent from Landlord for material modifications and all improvements permanently affixed to the Premises become the Landlord's property upon installation.

Tenant is responsible for ensuring that improvements do not compromise building safety or disrupt adjacent units.

## **7. Maintenance and Repairs**

Tenant shall maintain the interior of the Premises, including kitchen equipment, plumbing fixtures, ventilation and grease trap systems, flooring, counters, and interior walls. Food preparation and storage units, tenant must keep the Premises clean and sanitary at all times, consistent with restaurant industry standards.

Landlord shall maintain structural components and building systems not under Tenant's control, including foundations and exterior walls, roof and load-bearing structures, main plumbing, electrical, and HVAC distribution systems and common areas and exterior lighting.

Tenant shall promptly notify Landlord of any condition requiring repair that falls under the Landlord's responsibility. Tenant shall remedy any damage caused by its operations, employees, customers, or contractors.

## **8. Utilities**

Tenant is responsible for contracting, paying for, and maintaining all utility services necessary for restaurant operations, including electricity, gas, water, waste removal, grease-trap maintenance, high-volume refrigeration power needs, and internet or communications services.

## **9. Insurance Requirements**

Tenant shall maintain commercially appropriate insurance coverage, including commercial general liability insurance, property and contents insurance covering Tenant's equipment and inventory and fire and hazard insurance. Landlord may request proof of insurance from Tenant at any time during the lease term.

## **10. Indemnification**

Tenant shall indemnify, defend, and hold harmless the Landlord from and against all claims, losses, damages, liabilities, expenses, or causes of action arising from Tenant's restaurant operations, food handling or customer service activities, negligence or misconduct of Tenant or employees, Violations of law or regulation occurring on or arising from the Premises.

Landlord shall likewise indemnify Tenant for claims arising from Landlord's negligence or breach of its obligations.

## **11. Assignment and Subletting**

The Tenant shall not assign the Agreement or sublease any part of the Premises to another business, entity, or individual unless prior written consent is granted by the Landlord. Any attempt to assign or sublease the Premises without written approval is considered a material breach of the Agreement and entitles the Landlord to pursue legal remedies and termination if appropriate. The Landlord may attach reasonable commercial conditions to its approval.

## **12. Entry by Landlord**

The Landlord has the right to enter the Premises at reasonable times for legitimate purposes, including inspections, repairs, compliance verification, or showing the property to potential buyers or tenants. The Landlord shall provide reasonable notice prior to entering, except in emergency circumstances where immediate access is required to preserve safety or protect the Premises.

## **13. Damage or Destruction**

If the Premises are partially damaged due to fire, flooding, or other casualty events, and the damage does not render the Premises unusable, the Landlord shall repair the damage in a reasonable amount of time without altering the terms of this Agreement. If the damage is severe enough to prevent the Premises from being used for restaurant operations, rent may be reduced or temporarily suspended while repairs occur. If repair is not commercially feasible, either Party may terminate the Agreement upon written notice.

## **14. Termination of Lease**

This Agreement may be terminated upon the occurrence of any event described in this clause, subject to applicable laws.

### **14.1 Termination of Tenant Default**

The Landlord may terminate this Agreement if the Tenant materially breaches any term of this Agreement and fails to remedy such breach within a commercially reasonable period after receiving written notice of default. A material breach shall include, without limitation: failure to pay rent or required charges; operating the Premises without valid licensing; repeated or serious violations of public health or fire safety regulations; maintaining the Premises in unsanitary or unsafe conditions; unauthorized assignment or subletting; causing material nuisance or damage to the building; or misuse of grease traps, ventilation, or hazardous kitchen equipment. The Landlord may pursue termination without a repair or cure period if the breach constitutes a serious hazard to building safety, public health, or regulatory compliance.

### **14.2 Termination for Regulatory or Licensing Failure**

This Agreement shall terminate automatically if the Tenant permanently loses its right to operate a restaurant due to the revocation, suspension, or non-renewal of required licenses, permits, or health approvals. If such loss is temporary, the Agreement shall continue provided the Tenant's business operations resume within a commercially reasonable restoration period. The Tenant remains responsible for rent during such non-operational periods unless otherwise agreed in writing.

### **14.3 Tenant's Right to Terminate**

The Tenant may terminate this Agreement if the Landlord materially fails to perform structural maintenance, essential building system repairs, or other legal obligations that substantially prevent the Tenant from operating its business. Termination shall occur only if the Landlord fails to cure the defect within a commercially reasonable period after written notice.

### **14.4 Termination Due to Damage or Destruction**

If the Premises are significantly damaged by fire, flood, earthquake, or other casualty and cannot be restored to safe operational condition within a reasonable restoration period, either Party may terminate this Agreement upon written notice. If restoration is feasible, rent may be reduced or suspended in proportion to the Tenant's inability to operate until the Premises are restored.

### **14.5 Duties Upon Termination**

Upon termination, the Tenant shall vacate the Premises, remove its personal property, restore non-permanent alterations if requested by the Landlord, and return possession in clean and sanitary condition, excluding ordinary wear consistent with restaurant use. The Tenant remains responsible for all outstanding rent, charges, and damages lawfully owed up to the date of possession return.

## 15. Governing Law and Dispute Resolution

This Agreement shall be governed by and interpreted in accordance with the commercial leasing laws and general contractual principles of the jurisdiction where the Premises are located. Any dispute arising under this Agreement shall initially be referred to mediation with the intention of reaching an amicable commercial settlement. If mediation fails, either Party may pursue arbitration or litigation consistent with applicable law.

## 16. Notices

Any notice required or allowed under this Agreement shall be made in writing and must be delivered to the other Party using an established communication channel, including electronic communication, commercial courier service, or other recognized delivery method directed to the Parties' business addresses.

## 17. Entire Agreement

This document represents the entire agreement between the Parties concerning the leasing of the Premises for restaurant purposes. No other statements or agreements, whether oral or written, shall modify the terms herein unless both Parties agree to such changes in writing.

## 18. Severability

If any provision within this Agreement is held invalid or unenforceable, such provision shall not affect the validity of the remaining provisions, which shall remain effective and enforceable.

**IN WITNESS WHEREOF**, the Parties have executed this Commercial Restaurant Lease Agreement as of the date of their signatures below, acknowledging that they have read, understood, and agreed to all terms and conditions contained herein, and intending to be legally bound by this Agreement.

**Landlord**

**Name**

**Date**

**Signature**

\_\_\_\_\_

**Tenant**

**Name**

**Date**

**Signature**

\_\_\_\_\_



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