

## 2025 Boat Slip Lease Agreement

**Date:** \_\_\_\_\_

**Designated Boat Slip:**

Town of Milton Dock (the "Dock"), Slip \_\_\_\_\_

**Lessee:** \_\_\_\_\_

Address: \_\_\_\_\_

Primary Phone: \_\_\_\_\_

Alternate Phone: \_\_\_\_\_

Email Address: \_\_\_\_\_

**Lessee's Craft:**

Boat Name: \_\_\_\_\_

Make: \_\_\_\_\_

Model & Year: \_\_\_\_\_

Delaware Registration Certificate Number: \_\_\_\_\_

**Eligibility and Fees:** Except as otherwise provided herein, boat slips will be allocated exclusively to a bona fide primary resident of the Town, with an annual fee of \$1,200 due no later than January 10<sup>th</sup> of the lease year. This fee must be paid in full.

**Annual Documentation:** Proof of residency, boat registration, and insurance must be submitted each year. This requirement ensures responsible use of the boat slip.

**Term:**

Beginning date: \_\_\_\_\_

End date (subject to Section 2): \_\_\_\_\_

This Boat Slip Lease Agreement (this "Agreement") is made on the date set forth above by and between the Town of Milton, a municipal corporation of the State of Delaware, with its office at 115 Federal Street, Milton, Delaware 19968 ("Lessor"), and Lessee.

**Section 1. Grant of Lease:** Lessor hereby grants to Lessee the right to occupy and use, for or in connection with the berthing of Lessee's Craft (but no other maritime vessel) subject to the terms of this Agreement, (a) the Designated Boat Slip, and (b) the dock appurtenant to such Designated Boat Slip, to the extent reasonably required to provide access from the land to Lessee's Craft. Lessor also hereby grants to Lessee the right to use, on a non-exclusive and non-guaranteed basis, the parking area at the Dock and other amenities appurtenant to the Designated Boat Slip. The grant of rights by Lessor to Lessee under this Section 1 is sometimes herein referred to as the "Lease".

**Section 2. Term of Lease:** The Lease is subject to early termination by Lessor as elsewhere described in this Lease.

**Section 3. Returned Check Fee-** Lessee shall be assessed a separate fee for any returned check according to the Town's annual fee schedule.

**Section 4. Insurance.** Lessee shall maintain in force, throughout the Term, and with carriers licensed to do business and in good standing in the State of Delaware, (a) fire and casualty insurance, with coverage at full replacement value, on Lessee's craft and all personal property located on Lessee's Craft, and (b) comprehensive general liability insurance with minimum coverage amounts of \$500,000 per occurrence and in the aggregate, insuring against death or injury to any person and damage or loss or loss of use of any property. Lessee shall cause Lessee's insurer to issue endorsements to both such policies (x) naming Lessor as an additional insured, and (y) waiving any right of subrogation against Lessor. Within 10 business days of the commencement of the Term, Lessee and shall furnish to Lessor certificates of insurance evidencing such coverage (and evidencing that subrogation against Lessor has been waived and that Lessor is named as an additional insured). Upon the written request of Lessor at any time during the Term, Lessee shall, within 10 business days of such request, furnish to Lessor certificates of insurance evidencing that all of the coverage (including waivers of subrogation and the inclusion of Lessor as an additional insured) remains in full force and effect.

**Section 5. Lessee's Maintenance & Related Obligations:** Lessee shall maintain Lessee's Craft and the Designated Boat Slip in a safe and clean condition, and shall keep the Dock free and clear of obstructions that could pose any danger to others using such Dock. Without limiting the foregoing, Lessee shall secure and safely route all utility hoses and cables so as not to pose any hazard across any area of the dock or along any fender. Lessee shall not discharge or otherwise dispose of sewage, trash, fuel oil, or any other contaminant in or on the Dock property, or into the water surrounding the Dock property, except in a manner and at a time expressly approved by Lessor. In Lessee's use of the Designated Boat Slip and Lessee's Craft, Lessee shall comply with all applicable local, state, and federal environmental and other rules, regulations, and laws. Lessee shall promptly, at its sole cost and expense, cause to be repaired in a good and workmanlike manner any damage caused by Lessee to the Designated Boat Slip, or the appurtenances thereto, or to the Dock. Lessee shall not modify or alter any portion of the Designated Boat Slip or any of the Dock or facilities appurtenant to the Designated Boat Slip without the prior written consent of Lessor, which consent may be withheld or denied in Lessor's sole discretion.

**Section 6.** (Section reserved for future amendments).

**Section 7. Indemnity:** Lessee shall fully and forever indemnify, hold harmless, and defend Lessor from and against any and all claims, demands, causes of action, liabilities, damages, and costs (including court costs and attorneys' fees) in connection with, related to, or arising out of any action or omission by Lessee – or by any of Lessee's invitees, agents, contractors, or subcontractors – in any way related to Lessee's Craft and/or the Designated Boat Slip. **Lessee's indemnity, hold harmless, and defense obligations shall apply even in instances in which Lessor or any third party is negligent; accordingly, Lessee hereby acknowledges that Lessee is obligated to indemnify, hold harmless, and defend Lessor even against the consequences of Lessor's own negligence.** However, notwithstanding the foregoing, Lessee shall have no obligation to indemnify, hold harmless, or defend Lessor in instances in which Lessor is solely negligent.

**Section 8: Lessor's Disclaimers and Lessee's Waivers.** Lessee acknowledges that: (a) Lessor

shall have absolutely no obligation to provide any security to persons or property at the Dock; (b) Lessor shall have absolutely no obligation to carry any insurance of any nature, for its own benefit or for the direct or indirect benefit of any other party, including Lessee; (c) Lessee shall have absolutely no liability to Lessee or to any of Lessee's invitees, agents, contractors, or subcontractors for any claim, liability, or damage to person or property; (d) Lessee acknowledges that Lessee is not relying in any way upon the skill or intervention of Lessor to protect Lessee's Craft, including in the event of foul or dangerous weather; and (e) Lessee accepts the Designated Boat Slip, the appurtenances thereto, and any and all other portions of the Dock "as is, where is," with all faults and defects, whether latent or patent. Lessee waives any such claim it may have against Lessor arising out of any of the foregoing.

**Section 9: Rules & Regulations:**

- (a) Lessee shall neither use nor permitted to be used Lessee's Craft or the Dock as a residence or as a place of abode.
- (b) No person, including without limitation Lessee, shall be permitted on Lessee's Craft if docked or in the waters or on the property surrounding the Dock between the hours of 11 p.m. and 4 a.m.
- (c) Lessee's Craft must at all times display a current State-issued decal that provides a registration number and date of expiration;
- (d) Lessee's Craft must be operational; provided, however, that Lessor shall have a 72-hour period of repairs commencing from the time Lessee's Craft ceases functioning and is at the Dock; Lessee acknowledges that there is no pump-out station and that Lessee is personally liable for environmental incidents (both fuel/chemical and human waste);
- (e) Lessor's rules regarding the use of the adjoining Park are applicable to Dock use.
- (f) Lessee acknowledges that Lessor has adopted or may adopt additional reasonable Rules & Regulations for the Dock, and Lessor agrees to comply with such Rules & Regulations, as same may be adopted and/or amended from time to time.
- (g) Occupancy Requirements: The boat slip must be occupied by the registered motorized vessel for a minimum of six months, unless a written notice of good cause is provided to and accepted by the Town.

**Section 10. Assignment and Subletting:** The Lease created by this Agreement and the rights granted hereunder are personal to Lessee. Lessee may not assign all or any part of its rights under this Agreement, or otherwise sublet the Designated Boat Slip or any part thereof, without the prior written consent of Lessor, which consent may be withheld or denied in Lessor's sole discretion. This Lease shall be binding upon and inure to the benefit of Lessor and its successors and assigns.

**Section 11. Grant of Security Interest:** To secure all of the obligations of Lessee under this Agreement, Lessee hereby grants unto Lessor a security interest in and to (a) Lessee's Craft and (b) all of Lessee's personal property, fixtures, and equipment located on or used in connection with Lessee's Craft and/or the Designated Boat Slip (collectively, the "Secured Property"). Promptly at Lessor's request, Lessee shall execute and deliver to Lessor all UCC financing statements and other documents requested by Lessor to evidence and perfect the security interest granted herein. Lessor shall have the right to make all UCC filings deemed necessary or appropriate by Lessor to evidence and perfect the security interest granted herein. Upon any Lessee Event of Default (hereinafter defined) by Lessee, Lessor shall have all of the rights of a secured party under the Delaware Uniform Commercial Code in instances where the debtor is in default, including without

limitation the right to sell or cause to be sold, in any one or more public or private sales, or otherwise realize upon the value of, any or all of the Secured Property, subject to the provisions of the Delaware Uniform Commercial Code. Unless otherwise provided by law, any requirement of reasonable notice of any such sale shall be satisfied if Lessor gives to Lessee such notice, in accordance with the notice provisions of this lease, ten days before any such sale. Upon notice by Lessor to Lessee that any Event of Default exists, and for so long as such Event of Default remains uncured, Lessee shall have no right to remove any of the Secured Property from the Designated Boat Slip, and Lessor shall have the right to take possession of such Secured Property, and take steps to hinder any attempt at its removal, without any liability to Lessee for trespass, conversion, or otherwise.

**Section 12. Default by Lessor:** In the event of any default by Lessor, Lessee shall give to Lessor written notice of such default, specifying the nature of the default. Lessor shall have 10 business days within which to cure such default. If Lessor timely fails to cure such default, then Lessee shall have the right, by giving written notice to Lessor, to terminate this Agreement, with such termination begin effective as of the final day of the month on which such notice of termination is given. Lessee's right to terminate shall be Lessee's sole remedy under this Agreement in the event of such a Lessor default, and Lessor shall not on any account be liable in money damages (including without limitation for any attorneys' fees or costs of court) to Lessee. Notwithstanding the foregoing, Lessee shall have no right to give Lessor any notice of default, and shall have no right to terminate this Agreement before the expiration of its stated Term, at any time that Lessee has any Monthly Rental due to Lessor, or is otherwise in default of any of Lessee's other obligations under this Agreement.

**Section 13. Default by Lessee:** If Lessee fails to make payment of any Monthly Rental within five days of delivery by Lessor of notice of any Monthly Rental that is past due, or fails to cure any other default under this Agreement within ten days of delivery by Lessor of such default, then a "Lessee Event of Default" shall exist and Lessor shall have the following remedies, which shall be cumulative rather than exclusive:

- (a) the right to terminate this Agreement, and the grant of the Lease hereunder, which termination right may be exercised by written notice by Lessor to Lessee, and which termination shall be effective as of the date of such notice;
- (b) the right to immediately enter upon and repossess the Designated Boat Slip and all appurtenances thereto, by forcible entry and detainer suit, or otherwise;
- (c) the right to remove Lessee's Craft (and any personal property then inside Lessee's Craft from its mooring, and to store Lessee's Craft (and such personal property), with all risk of loss belonging solely to Lessee, and with no liability whatsoever to Lessor, and with all costs of storage being deemed to be including among the past due Monthly Rental under this Agreement;
- (d) the right to make any required repairs to the Designated Boat Slip, or to expend any other sums required to cure any defaults by Lessee under this Agreement, with all such sums expended being deemed to be included among the past due Monthly Rental under this Agreement;
- (e) the right to terminate Lessee's rights of possession with regard to the Designated Boat Slip and all appurtenances thereto, without demand or notice of any kind and without terminating this Agreement, in which event Lessor may, but shall be under no obligation to, relet all or any part of the Designated Boat Slip for credit to Lessee's account, on such terms and conditions as Lessor in its sole discretion shall deem appropriate; and
- (f) the right to exercise Lessor's rights under the Delaware Uniform Commercial Code with regard to the security interest granted to Lessor in the Secured Property. In the event of any Lessee Event

of Default, Lessor shall have the right to recover from Lessee, whether by way of sale of the Secured Property, or by means of execution and levy on a judgment, or by means of voluntary payment by Lessee, or by some combination thereof: (a) all Monthly Rental that is past due, including any late payment fees due in connection therewith, (b) all Monthly Rental to come due during the remainder of the Term (assuming that Lessor has not terminated this Agreement and the Lease hereunder), (c) Lessor's reasonable and necessary attorneys' fees and court costs, (d) pre-judgment at the lesser of 10% per annum or the maximum allowed by law, and (e) post-judgment interest at lesser of 10% per annum or the maximum allowed by law.

Additionally, any breach by Lessor of the non-monetary terms of this Agreement or any violation of the Rules & Regulations shall constitute a "Lessee Event of Default", which shall entitle Lessor to the aforementioned remedies.

**Section 14. Notice:** Any notice required or permitted to be given to Lessor shall be given by certified or registered United States mail, postage prepaid, to the address of Lessor set forth on the first page of this Agreement, or to any revised address of which Lessor may from time to time notify Lessee. Such notice to Lessor shall be deemed to have been given on the postmark date or, if any such notice is not postmarked within the State of Delaware, five days after the postmark date. Any notice required or permitted to be given by Lessee may be given either by (a) certified or registered United States mail, postage prepaid, to the address of Lessee set forth on the first page of this Agreement, or to any revised address of which Lessee may from time to time notify Lessor, or (b) via email to the email address of Lessee set forth on the first page of this Agreement. Any mailed notice by Lessor shall be deemed to have been given on the postmark date, and any email notice by Lessor shall be deemed to have been given at the time the email is sent, and shall be deemed to have been properly given and received if sent to the email address of Lessee reflected on the first page of this Agreement, regardless of whether actually received by Lessee.

**Section 15. Relocation of Designated Boat Slip:** Lessor shall have the right, from time to time, upon no fewer than 10 business days' notice to Lessee, to change the location of the Designated Boat Slip; provided, however, that in connection with any such relocation: (a) Lessee shall be entitled to the waiver of one month's Monthly Rental, and (b) Lessor shall offer to Lessee a substitute boat slip of at least equal size and with comparable appurtenances which shall thereupon become Lessee's Designated Boat Slip.

**Section 16. Miscellaneous:**

(a) This Agreement (including the Rules & Regulations, as may be amended, referred to herein) sets forth the entire agreement between Lessor and Lessee, and supersedes and takes the place of all prior representations, warranties, and agreements, and may be amended only by written instrument signed by the party to be bound.

(b) This Agreement shall be governed by the laws of the State of Delaware, and exclusive venue for the adjudication of any dispute arising under this Agreement shall be in a court of competent jurisdiction in Sussex County.

(c) If any provision or portion of a provision of this Agreement is determined to be unenforceable, then the unenforceable provision shall be deemed to have been severed and excised from the Agreement, and the remainder of the Agreement shall remain in full force and effect.

(d) Lessee warrants that Lessee is the owner of Lessee's Craft, free and clear of any adverse liens or claims, save and except claims by any lender of a security interest therein arising prior to the date of this Agreement.

**Section 17. Waitlist Policy:** The Town will maintain a waitlist for bona fide primary residents of the Town. If a slip remains vacant and cannot be filled, the Town will consider applicants from the waitlist of out-of-town residents with a fee of \$1,800 for one lease year. The Town shall provide a waitlist policy, which may be amended.

IN WITNESS WHEREOF, Lessor and Lessee have signed this Agreement.

**LESSOR: THE TOWN OF MILTON**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**LESSEE:** \_\_\_\_\_

Revised and Approved by Town Council 11/4/2024