

MANAGEMENT AND OPERATION AGREEMENT FOR CONCESSIONS VENUE AT MARKET CENTER
PARK
SOUTHGATE DOWNTOWN DEVELOPMENT AUTHORITY

This Management Agreement ("Agreement") is made and entered into as of the 1st day of April, 2026 ("Effective Date"), by and between:

Southgate Downtown Development Authority, a public body corporate organized under the laws of the State of Michigan ("Authority") acting through its Board of Directors or representative expressly authorized in writing by the Board to act on its behalf under this Agreement; and SOE Inc, a Michigan Corporation organized under the laws of the State of Michigan ("Manager").

Authority and Manager may be referred to individually as a "Party" and collectively as the "Parties."

ARTICLE 1. DEFINITIONS, PREMISES & PURPOSE

1.1 The City Defined – The City refers to the City of Southgate, a Michigan municipal corporation that created the Authority and may provide administrative, financial, maintenance, inspection, and event-related support for the Premises.

1.2 Recreation Department – Refers to the City's Parks Recreation Department which oversees public parks in the City, including Market Center Park, and coordinates park operations with the Manager.

1.3 Premises - Authority hereby engages Manager to manage, operate, and maintain the concessions venue, patio, park space, and related support areas at Market Center Park, located at 13631 Eureka, Southgate, Michigan, including the accessory structure housing concessions, bathrooms, storage, and related site amenities ("Premises") more particularly described on Exhibit A.

1.4 Purpose - The purpose of this Agreement is to grant Manager the right and responsibility to operate a high-quality food and beverage concessions venue, support public and private events, and manage day-to-day operations within Market Center Park as a community gathering space.

1.5 Independent Contractor - Manager is an independent contractor and not an employee, agent, or partner of Authority or the City.

1.6 Relationship Between Authority and City – The City, as the creator of the Authority and its operational support, may provide staffing, administrative, financial, maintenance, inspection, and event-related services on behalf of the Authority. Therefore, the City or its authorized

agents may access the Premises to perform repairs, review records, enforce laws or policies, provide municipal services, and host or coordinate events in the park, whether or not such events are organized or sponsored by the Authority. Manager shall acknowledge City-hosted events and cooperate with the City in scheduling, access, and setup as it would with the Authority.

ARTICLE 2. TERM & RENEWAL

2.1 Initial Term - The term of this Agreement shall commence on April 1, 2026 and continue for eight (8) years ("Initial Term").

2.2 Extensions - Authority and Manager may mutually agree to extend the Agreement for up to two (2) additional two (2) year terms ("Extension Terms"). Any extension must be agreed to by both parties in writing at least 120 days prior to expiration of the then-current term.

2.3 Holdover - Any holdover beyond expiration without a signed extension shall convert to a month-to-month term at Authority's discretion.

ARTICLE 3. MANAGER RESPONSIBILITIES

3.1 Daily Operations - Manager shall:

- a) Operate a food and beverage concessions venue, including properly licensed alcohol service.
- b) Provide high-quality customer service with properly trained and uniformed staff.
- c) Accept cash, credit, and debit payment transactions.
- d) Operate during City or Authority events as requested
- e) Submit annually days and times outside of City and Authority events that the venue will operate.
- f) Use a point of sale (POS) system capable of electronically recording, and producing reports, for all transactions including all food, beverages, alcohol sales, and private and semi-private rentals and bookings

3.2 Sales Restrictions - Manager agrees that:

- a) The facility may not operate as a sports bar in which:
 - i) Sports viewing is advertised or promoted as a primary attraction.
 - ii) Regular broadcasting of sports occurs during peak operating hours.
 - iii) Food and drink specials are tied to sports games or sporting seasons.
- b) The facility may not offer coffee or smoothies as primary menu items.

- i) Coffee, espresso drinks, tea, and smoothies may not make up more than 40% of total menu items offered.
- c) Chicken wings shall not be offered as a menu item.

Any exceptions to this section must be approved by the Authority in writing.

3.3 Facility Maintenance - Manager shall maintain all areas of Market Center Park (Exhibit A) in a clean, safe condition, in compliance with City Codified Ordinances including:

- a) Trash and recycling removal from the Premises including the park, and placed in a dumpster. Dumpster services shall be an expense of the Authority.
- b) Grass cutting, lawn care, and weed control.
- c) Routine upkeep of Premises.
- d) Cleaning and stocking of bathrooms. Bathrooms must be opened, cleaned, and restocked daily (weekend before Memorial Day through Labor Day).
- e) Snow and ice management as needed.
- f) Coordination with Authority regarding major repairs exceeding \$5,000 or requiring structural or utility modifications.

3.4 Programming & Events - Manager shall:

- a) Host annual public events, including events described in Exhibit B.
- b) Provide private and semi event rentals. Manager shall report all private and semi-private rentals to Authority within forty-eight (48) hours of booking. Manager shall notify the Authority at least fourteen (14) days in advance for any private event that will restrict access to park amenities, including the splash pad, to ensure adequate public communication regarding temporary closures.
- c) Establish a schedule of rental fees for private and semi private events subject to approval by the Authority.
- d) Meet regularly with Authority to coordinate community events (e.g., Easter Egg Hunt, Market & Concert Series, Heritage Days Festival, Harvest Fest, Holiday Light Up).
- e) Submit to the Authority, no later than January 15th of each year, a proposed event calendar and operating plan for the calendar year, including anticipated programming, events, and promotional initiatives.
- f) Honor and participate with Authority "blocked" dates reserved for City/DDA events.
- g) Provide notice to the DDA regarding the presence of Food Trucks for events, ensure Food Trucks have been certified by Fire Marshal, and follow all parking restrictions.

Manager has exclusive rights to provide tables, tents, food service, and alcohol during normal operations and at private rentals events. Manager's exclusive rights do not extend to the Authority or City for sponsored events, during which the Authority or City may use other vendors or suppliers.

3.5 Marketing & Promotion - Manager shall:

- a) Promote all public and/or Authority-organized events on its website, social media, signage, and printed materials.
- b) Manager shall develop and submit its annual marketing and advertising budget to the Authority for review and approval prior to the start of each calendar year. Manager shall cover marketing and advertising expenses once approved.
- c) Ensure signage is professional and consistent with park aesthetics and City Codified Ordinances.
- d) Manager shall maintain an active Facebook page dedicated to the venue. Manager shall also develop and maintain a website for the venue, consistent with the Authority branding guidelines.

3.6 Reporting & Recordkeeping - Manager shall provide:

- a) Monthly sales reports (with supporting documentation) within fifteen (15) days of month end.
- b) Post event attendance reports for all public events.
- c) Immediate reports of injury, crime, accident, damage, or safety concerns.
- d) Financial statements in formats required by the City Finance Director.
- e) Access to accounting records during normal business hours for audit by Authority.

3.7 Compliance - Manager shall comply with:

- a) All federal, state, and local laws.
- b) Michigan liquor control regulations.
- c) Food safety and health codes.
- d) Fire, building, and safety codes.
- e) Any Authority or City policies governing Public Parks.

3.8 Improvements, Alterations, Modifications, and Ownership of Additions

- a) Any temporary tent or canopy installations and removals shall be coordinated in advance with the Recreation Department and the Authority.
- b) Manager shall not construct, install, modify, remodel, improve, or alter any portion of the Premises without expressed written consent of the Authority, including but not limited to:
 - i) interior or exterior physical improvements;
 - ii) installation of a commercial kitchen or any utility-intensive equipment;
 - iii) permanent or semi-permanent fixtures, signage, lighting, technology, or audio equipment;
 - iv) structural, electrical, gas, plumbing, or mechanical modifications; or
 - v) any improvements affecting building systems, utility usage, or public access, without prior written approval from the Authority.

- c) Requests for improvements must include plans, specifications, cost estimates, and permits as applicable.
- d) Unless expressly agreed in writing before installation, all improvements, fixtures, alterations, and additions made to the Premises—whether installed by Manager or on Manager’s behalf—shall immediately become the sole property of the Authority upon installation and shall remain with the Premises at the termination or expiration of this Agreement. This applies regardless of:
 - i) who paid for the improvements;
 - ii) whether improvements were initially considered “temporary”;
 - iii) whether improvements were intended for Manager’s business operations.
- e) The only improvements that may remain Manager’s property upon termination are:
 - i) Movable personal property (e.g., tables, chairs, portable POS systems, small wares) that are not bolted, plumbed, wired, or permanently integrated;
 - ii) Improvements explicitly designated in a written, pre-installation agreement as Manager-owned and removable; or
 - iii) Items that Authority expressly requires Manager to remove.
- f) Manager’s ownership of any improvement must be documented in a signed writing titled: “Agreement Regarding Ownership of Improvements – Market Center Park.”
- g) No verbal agreement or email alone shall constitute authorization or ownership rights.
- h) Manager shall keep the Premises free from all mechanics’, laborers’, and materialmen’s liens arising from work performed by or on behalf of Manager. If any lien is filed:
 - i) Manager must discharge or bond off the lien within 15 days;
 - ii) Failure to do so constitutes a material breach of this Agreement.

3.9 Right of Inspection – The Authority and or City may enter and inspect the Premises during reasonable hours to ensure compliance with this Agreement.

ARTICLE 4. AUTHORITY RESPONSIBILITIES

4.1 Authority shall:

- a) Provide reasonable coordination on events requiring City resources.
- b) Not unreasonably deny the Manager from booking semi-private or private rentals.
- c) Cover the cost of water.
- d) Cover the cost of dumpster services for a four (4) yard dumpster (serviced once per week).
- e) Make major capital repairs to structural elements unless caused by Manager’s negligence or negligence by agents acting on Manager’s behalf.
- f) Maintain liability and property insurance for Authority-owned structures.
- g) Provide two sets of keys to the Manager that include keys to park gates, and all locking doors to the Premises.
- h) Provide a list of City/DDA events and other black out dates to the Manager annually by January 15 of each year.

- i) Market and promote venue and park public events on Authority Facebook page and on the digital marquee at Eureka and Trenton Roads if space allows.
- j) The City, in cooperation with the, Authority shall maintain a Facebook page for Market Center Park and coordinate with Manager for marketing public events.

ARTICLE 5. FEES & FINANCIAL TERMS

5.1 Initial Building Modifications – The Manager shall, at its sole cost and expense, commence proposed improvements to the building within the first month of the Contract Term and shall substantially complete such improvements within twelve (12) months of April 1, 2026. The total value of such improvements shall be approximately \$48,000. All improvements required under this Section shall remain subject to the approval requirements of Section 3.8. The approved improvements shall include, but are not limited to the following:

- a) installation of new signage, including building sign, wall signage, outdoor signage, and window signage;
- b) installation of grab-and-go refrigeration units and display shelving;
- c) installation of interior furnishing, including tables, barrel tables, chairs, and bar stools
- d) installation of outdoor furnishing and amenities including tables, chairs, fire pits, and lawn games;
- e) painting of building interior; and
- f) installation of a mural on the exterior concessions building wall

5.2 Management Fee - Manager shall pay Authority an initial annual fee of \$4,500, invoiced monthly beginning August 1st in \$900 installments. Beginning in calendar year 2027, and for the remaining duration of the contract, an annual fee of \$9,000 is to be paid across nine (9) equal \$1,000 payments made on the first of the month starting in April through December. The fee shall increase annually on April 1st based on changes in the CPI-U as published by the U.S. Bureau of Labor Statistics, and said increased fee shall be applied to payments owed April through December of each year.

5.3 Additional Consideration paid to Authority - The Manager shall pay the Authority 10% of the annual gross sales over \$75,000 from the beginning of the contract until December 31, 2026. Beginning January 1, 2027 and for the remainder of the contract the Manager shall pay the Authority 10% of the annual gross sales over \$150,000. Gross sales shall be calculated based on POS reports, inclusive of all food, beverage, alcohol, and rental revenue, excluding applicable sales taxes collected.

5.4 Taxes & Costs - Manager shall pay all:

- a) Applicable sales/use taxes.
- b) Staffing, inventory, operating costs.

c) Licensing fees, including liquor license expenses.

5.5 Security Deposits - Manager shall collect and hold event security deposits and return them in accordance with written policy; Authority bears no liability for such deposits.

5.6 Audit Rights - Authority may audit Manager's books once per year or more frequently for cause.

5.7 Utilities – Water service, and dumpster service shall be provided and paid for by the Authority. The Manager shall be responsible for payment of all other services and utilities related to operations of concessions building.

5.8 Due Dates- All payments shall be due thirty (30) days from invoice date.

ARTICLE 6. INSURANCE & RISK MANAGEMENT

6.1 Required Coverages - Manager shall maintain at its expense:

- a) Commercial General Liability – \$1,000,000 per occurrence / \$2,000,000 aggregate
- b) Liquor Liability Insurance – \$1,000,000 minimum
- c) Workers' Compensation – statutory
- d) Commercial Auto (if applicable) – \$1,000,000
- e) Property/Equipment Coverage – replacement cost of Manager-owned assets

Authority and City of Southgate shall be named additional insured on all liability policies.

6.2 Certificates - Certificates must be provided annually and upon renewal.

6.3 Indemnification -Manager shall indemnify, defend, and hold harmless the Authority, City of Southgate, officers, employees, and agents from all claims arising out of:

- a) Manager's operations,
- b) Negligence or misconduct,
- c) Violations of law,
- d) Alcohol service,
- e) Injuries occurring on the Premises related to Manager activities.

6.4 Cooperation in Legal Claims - Manager shall give the Authority all pertinent information and reasonable assistance in the defense of claims in a timely manner.

ARTICLE 7. ALCOHOL SERVICE

7.1 MLCC Approvals - Manager shall obtain and maintain all approvals required by the Michigan Liquor Control Commission (MLCC). Failure to obtain or maintain required approval shall not excuse performance of financial obligations under this Agreement.

7.2 Consumption Restrictions

- a) Manager shall implement responsible alcohol service policies including ID checks and staff training.
- b) Alcohol consumption shall be confined to approved areas.

ARTICLE 8. DEFAULT & TERMINATION

8.1 Default by Manager - Manager shall be in default if it:

- a) Fails to pay fees when due.
- b) Violates sales restrictions.
- c) Fails to maintain required licenses or insurance.
- d) Fails to perform obligations after notice.
- e) Engages in conduct endangering public health or safety.
- f) Becomes insolvent or files for bankruptcy.
- g) Fails to provide monthly financial reports when due.

Authority may terminate the Agreement if Manager does not cure a default within 30 days after written notice (or less if public safety is endangered).

8.2 Immediate Termination - Immediate termination may occur for:

- a) Loss of liquor license,
- b) Gross negligence or illegal conduct,
- c) Abandonment of operations, meaning any unauthorized cessation of operations, failure to staff, or failure to maintain the Premises for more than ten (10) consecutive days without prior written approval from the Authority.
- d) Fraud or misuse of funds.

8.3 Obligations Upon Termination - Manager shall:

- a) Return all records, event contracts, deposits, financial documentation.
- b) Remove personal property within 30 days (unless otherwise agreed).

- c) Repair any damage to the property caused during operation of the Premises or during the removal of equipment.

ARTICLE 9. DISPUTE RESOLUTION

9.1 Good-Faith Negotiation - Parties shall first meet for good-faith resolution with the City Administrator.

9.2 Mediation - If not resolved within 30 days, Parties shall engage in nonbinding mediation.

9.3 Arbitration - If still unresolved, disputes shall be settled by binding arbitration with the American Arbitration Association in Wayne County, Michigan.

ARTICLE 10. ASSIGNMENT & SUBCONTRACTORS

10.1 Assignment Restrictions - Manager may not assign, transfer, or subcontract core responsibilities, as described in Article 3 of this Agreement, without Authority's written consent.

10.2 Unauthorized Assignment - Unauthorized assignment is void and constitutes a material breach.

10.3 Third Party Agreements - Manager shall not enter into any service contracts, equipment leases, vendor agreements, or other contractual obligations relating to operation of the Premises that extend beyond the expiration of this Agreement without prior written consent of the Authority.

ARTICLE 11. INTELLECTUAL PROPERTY & DATA

11.1 Rights - Authority retains rights to its name, logo, and branding.

11.2 Authority/City Branding - Manager may not use Authority or City branding without approval.

11.3 Data - All event attendance data, financial reports, and operational records are the property of Authority.

ARTICLE 12. NOTICE

All notices shall be sent via certified mail, hand delivery, or recognized courier to:

Authority:

Southgate Downtown Development Authority
14400 Dix-Toledo Road
Southgate, MI 48195
Attn: City Administrator

Manager:

ARTICLE 13. MISCELLANEOUS

13.1 Entire Agreement – This Agreement constitutes the entire agreement between the Parties, and supersedes all prior agreements, verbal and written.

13.2 Amendments – must be in writing signed by both Parties.

13.3 Governing Law – State of Michigan.

13.4 Severability – invalid provisions do not affect remainder.

13.5 Freedom of Information Act (FOIA) – documents may be subject to public disclosure.

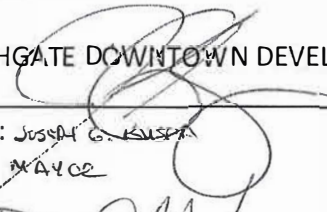
13.6 Non-Discrimination – Manager shall comply with all civil rights laws.

13.7 Public Records – Manager shall retain records for a minimum 7 years.

SIGNATURES

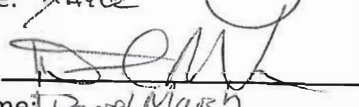
IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first above written.

SOUTHGATE DOWNTOWN DEVELOPMENT AUTHORITY

By: 

Name: Joseph G. Kuspa

Title: Mayor

By: 

Name: Daniel Marsh

Title: City Administrator

MANAGER

By: [Signature]
Name:
Title: President

By: [Signature]
Name:
Title: vice president

EXHIBIT A – PREMISES

EXHIBIT B – TYPICAL ANNUAL DDA EVENT SCHEDULE

April

Easter Eggstravaganza Egg Hunt - Saturday - Week Before Easter (12p-1p)

June

Annual Heritage Days Festival - First Weekend in June

Market & Concert in the Park - Tuesdays

July

Market & Concert in the Park - Tuesdays

August

Market & Concert in the Park - Tuesdays

October

Touch A Truck / Harvest Fest, Saturday

December

Light up the Park - Second Weekend in December through New Year's Day

Noon Year's Eve - December 31st