

MEMORANUDM OF UNDERSTANDING
BETWEEN
UTAH TRANSIT AUTHORITY & DEES CORPORATION
S-LINE EXTENSON DEVELOPMENT PROJECT

This Memorandum of Understanding (this “**MOU**”) is dated and entered into effective as of _____, 2025 (the “**Effective Date**”), by and among UTAH TRANSIT AUTHORITY, a political subdivision of the State of Utah (“**UTA**”), and DEE’S, INC., a Utah corporation (“**Dee’s**”). UTA and Dee’s are sometimes referred to herein individually as a “**Party**” and collectively as the “**Parties**.”

BACKGROUND:

A. Dee’s is the owner of certain real property located at the SE corner of Highland Drive / Simpson Avenue, as generally depicted on Exhibit A (the “**Dee’s Property**”), attached hereto. Dee’s is in the process of planning the redevelopment of the Dee’s Property into a mixed-use commercial development which may include office, retail, and residential use (the “**Dee’s Redevelopment Project**”).

B. UTA, in partnership with Salt Lake City, is pursuing a project to extend its S-Line Streetcar East to Highland Drive.

C. UTA and Dee’s desire to collaborate on establishing an end-of-line station which would extend onto the Dee’s Property (the “**Future S-Line Station**”).

D. The joint vision of UTA and Dee’s is for the Future S-Line Station to be included and incorporated within the Dee’s Redevelopment Project. The joint development of the Future S-Line Station and the Dee’s Redevelopment Project is referred to in this MOU as the “**Project**.”

E. The Parties desire to enter into this MOU to document their mutual understanding concerning the Project.

GENERAL TERMS AND CONDITIONS

1. SCOPE OF THE PROJECT; GROUND LEASE. Dee’s agrees that upon satisfaction of the Funding Contingency (defined below), UTA and Dee’s will execute a ground lease agreement (the “**Ground Lease**”) for the portion of the Dee’s Property depicted on Exhibit A. The purpose of the Ground Lease will be for UTA to extend the existing S-Line onto the Dee’s Property and to operate the Future S-Line Station, and will memorialize the following terms and conditions:

- a. The term of the Ground Lease will be for a period of 50 years. with an automatic extension of an additional 50 years.
- b. As part of the Ground Lease, UTA will also lease a portion of the building enclosed around the Future S-Line Station for the purpose of providing UTA employees a restroom and break room, as well as a control room, with visibility to the S-Line track, to operate the rail improvements (collectively, the “**UTA Building Facilities**”).
- c. UTA will not be required to pay any base rent for use of the Dee’s Property; however, UTA will remain responsible for monthly payments of its proportionate share of

operating costs, real property taxes, and insurance that Dee's may incur as a result of UTA's use of the UTA Building Facilities located within the Dee's Redevelopment Project. The details of these operating costs will be negotiated in the Ground Lease and future operating agreements.

- d. The general lease structure will be a triple net (NNN) lease. UTA will be responsible for maintaining, repairing, and replacing the Future S-Line Station, as well as maintaining and repairing the UTA Building Facilities. To be further addressed in the Ground Lease.
- e. UTA will be responsible for all costs and expenses associated with designing, constructing, and installing the Future S-Line Station. UTA will be responsible for all other costs associated with preparing the UTA Building Facilities for UTA's use.
- f. Dee's and UTA will work collaboratively to implement the Future S-Line Station and the Dee's Redevelopment Project, particularly where construction activities overlap. The Parties recognize the benefit of working on a similar timeframe to reduce the potential impact on both projects. To this end, Parties will closely collaborate on construction schedules, ensuring that conflicts in construction activities are minimized. UTA acknowledges that Dee's may need access to the leased property throughout the construction of the Dee's Redevelopment Project. With sufficient notice, UTA will work with Dee's to provide access to the leased property.
- g. The opening and operations of the Future S-Line Station will be dependent on the timeline for the Dee's Redevelopment Project, as UTA wants to avoid any safety hazards related to vertical construction over the station. Should the Future S-Line Station open before construction commences on the Dee's Redevelopment Project, UTA will work with Dee's to close the station as necessary for construction activities with reasonable advance notice under the circumstances. These closures should be limited to the extent feasible.
- h. In the case that the Dee's Redevelopment Project is significantly behind the schedule of the Future S-Line Station, the Parties will work together to implement as much of the Future S-Line Station as possible to reduce potential inflation costs.
- i. If the Future S-Line Station opens ahead of the Dee's Redevelopment Project, Dee's will use commercially reasonable efforts to provide UTA temporary bathroom and breakroom facilities at Dee's sole cost after completion of the Future S-Line Station but before commencement of the development of the Dee's Redevelopment Project.

2. CONSIDERATION FOR THE PROJECT.

- a. As consideration for Dee's agreeing to (a) incorporate the Future S-Line Station into Dee's Redevelopment Project as contemplated by this MOU, and (b) enter into the Ground Lease, UTA will pay Dee's \$2,300,000 (the "**Consideration Payment**").
- b. UTA and Dee's acknowledge that prior to either party taking any action required under this MOU, UTA requires formal authorization to fund the Future S-Line Station and enter into the Ground Lease. Once UTA has received the funding necessary to deliver the Consideration Payment and final formal approval to (a) enter into the Ground Lease, and (b) design and construct the Future S-Line Station, UTA will deliver the Consideration Payment. For clarification purposes, formal approval to fund the Future

S-Line Station and enter into the Ground Lease will occur when UTA provides Dee's written confirmation from all applicable governmental entities that UTA is authorized to proceed with entering into the Ground Lease and designing and constructing the Future S-Line Station and all applicable appeal periods to challenge the Future S-Line Station have expired. Only until Dee's receives the entire Consideration Payment and written verification of UTA obtaining the formal approvals, will Dee's be obligated to enter into the Ground Lease and fulfill its obligations under this MOU.

3. DESIGN OF THE PROJECT. UTA will be permitted to design and construct the Future S-Line Station prior to Dee's commencing its design and construction of the Dee's Redevelopment Project; however, UTA acknowledges that it is Dee's intent to design the Dee's Redevelopment Project in such a way that the Future S-Line Station is fully integrated within the Dee's Redevelopment Project. Accordingly, the parties will work together in a mutually cooperative manner to design the Project taking into consideration each of the Party's objectives with respect to the Project, and ensure that the Future S-Line Station is located within one of the buildings and building envelope of the Dee's Redevelopment Project. UTA acknowledges that such design will incorporate Dee's constructing vertical improvements (such as offices or residential units) above the Future S-Line Station. In furtherance of the design of the Future S-Line Station and UTA Building Facilities, the Parties further agree that:

- a. The Future S-Line Station and UTA Building Facilities will not require any parking on the Dee's Property for UTA riders. Dee's will have the right to monitor and enforce any rules and regulations it may deem necessary with respect to any parking facilities located on the Dee's Property, or adjacent property.
- b. UTA will coordinate with Dee's on the design of the Future S-Line Station and UTA Building Facilities to ensure that it is compatible with Dee's vision to redevelop the site.
- c. Dees will allow UTA to be part of the building design as it pertains to S-Line infrastructure.
- d. During the design process, Dee's and UTA will examine and identify which portions of the Project will benefit both the Dee's Redevelopment Project and the Future S-Line Station, such as excavation, retaining walls, stairwells, etc. Thereafter, Dee's will be responsible for constructing such mutually beneficial aspects of the Project, and UTA will pay Dee's its proportionate share of such costs.
- e. The Parties will collaborate on the design and placement of the UTA Building Facilities, which will include a single-user restroom, a small breakroom with access to water, and a room/space for control equipment with visibility to the track. The location of these facilities will take commercial viability and UTA's needs for access into consideration.
- f. Dee's and UTA will examine how the Parties can provide for joint performance of maintenance and security, with Dee's retaining control over the Dee's Property post-completion of the Dee's Redevelopment Project. UTA will work with Dee's to protect the right of riders to access the station.
- g. UTA will require space near the station and UTA buildings with access for maintenance vehicles. The Parties will work through the design to refine the details of this access point.

4. COUNTERPARTS. This MOU may be executed in any number of counterparts, each such counterpart shall be deemed to be an original instrument, and all such counterparts together shall

constitute but one agreement. Any Party may affect the execution and delivery of this MOU by signing the same and sending a copy thereof to the other Party or its attorney by email, portable document format (PDF), any electronic signature complying with the U.S. federal ESIGN Act of 2000 (e.g., www.docusign.com), or other electronic means. Such emailed document, PDF or other electronic document, including the signatures thereon, shall be treated in all respects as an original instrument bearing an original signature.

5. FURTHER ASSURANCES. Each Party shall do and perform or cause to be done and performed, all such further acts and things, and shall execute and deliver all such other agreements, certificates, instruments and documents, as the other Party may reasonably request in order to carry out the intent and accomplish the purposes of this MOU and the consummation of the transactions contemplated hereby.

6. ATTORNEY FEES. If any legal action, including a demand letter, negotiation, or any arbitration or other proceeding (including a proceeding in bankruptcy) is brought for the enforcement of this MOU or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this MOU, each party will be responsible for their own attorney fees, including, without limitation, any attorney fees incurred in any negotiation, alternative dispute resolution proceeding subsequently agreed to by the Parties, if any, litigation, or bankruptcy proceeding or any appeals from any of such proceedings in addition to any other relief to which it may be entitled.

7. SEVERABILITY. If any part of this MOU is construed to be in violation of any law, such part shall be modified to achieve the objective of the Parties to the fullest extent permitted and the balance of this MOU shall remain in full force and effect.

8. MODIFICATION. No supplement, modification, or amendment of this MOU shall be binding upon the Parties hereto unless executed in writing by an authorized representative of each Party, but no such supplement, modification, or amendment needs consideration to be binding.

9. INTERPRETATION. The captions that precede each section of this MOU are for convenience of reference only and shall in no way affect the manner in which any provision herein is construed. Whenever the context so requires, the singular shall include the plural, the plural shall include the singular, the whole shall include any part thereof and any gender shall include the other genders. Unless otherwise provided, references in the Agreement to particular exhibits, articles, sections and subsections are to those respective divisions in the Agreement (including all subparts of such divisions).

10. NATURE OF MOU. The Parties acknowledge that this MOU is not legally enforceable. It is meant to serve as a basis from which to construct a lease agreement and other agreements necessary to implement the Party's vision for the Project. Except as provided herein, neither Party shall be liable for any expenses incurred by the other Party solely due to this MOU

11. ADDITIONAL AGREEMENTS. Additional agreements will be executed between the Parties to specifically define the details of the Project. These subsequent agreements will take precedence over this MOU once executed.

(signatures to follow)

IN WITNESS WHEREOF, each of the Parties hereto has caused this MOU to be executed as of the Effective Date by its authorized representative.

UTAH TRANSIT AUTHORITY

DEE'S, INC.

Name: Jay Fox
Title: Executive Director
Date: _____



Wade Olsen
President
Date: July 1, 2025

Name: _____
Title: _____
Date: _____

Legal Approval:

DocuSigned by:


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EXHIBIT A

