

SUPPLEMENTAL TRANSIENT OCCUPANCY ASSESSMENT
ADOPTED BY THE CANYONS RESORT VILLAGE ASSOCIATION, INC.
PURSUANT TO THE CANYONS RESORT VILLAGE MANAGEMENT AGREEMENT
[Effective Date – August 1, 2024]

1. **Introduction.** The Canyons Resort Village Association, Inc. (the “**Association**”) is the master owners association created pursuant to The Canyons Resort Village Management Agreement, dated as of November 15, 1999 and recorded on December 15, 1999 in the Official Records as Entry No. 555285 in Book 1300, at Page 1 (the “**Management Agreement**”). The Management Agreement imposes certain assessments on property located in the Resort Village. Sections 3.2(f) and 3.6(c)(iii) of the Management Agreement provide that the Association’s Board may, by unanimous approval, implement a new assessment (other than those already contained in Article 4 of the Management Agreement). By a resolution adopted on July 2, 2024, the Board has implemented the assessment provided for in this document.

2. **Defined Terms.**

2.1 Capitalized terms used and not otherwise defined in this document will have the meanings given them in the Management Agreement.

2.2 As used in this document, the following terms will have the meanings given them below:

“**Transient Occupancy Rentals**” means, with respect to any Resort Property, all rentals that are subject to the Transient Room Tax Ordinance of Summit County as in effect on the date on which the Management Agreement was recorded.

“**Transient Rental Member**” means any Member owning Transient Rental Property.

“**Transient Rental Property**” means any Resort Property that (a) is used for Transient Occupancy Rentals, and (b) is not “Lodging Resort Property” as that term is defined in the Management Agreement.

3. **Supplemental Transient Occupancy Assessment.**

3.1 Each Transient Rental Member in the Resort Village shall pay to the Association an assessment, which shall be known as a “**Supplemental Transient Occupancy Assessment**” or “**STOA**”, with respect to all Transient Occupancy Rentals of such Transient Rental Member’s Transient Rental Property in the Resort Village. The STOA shall be an amount equal to a percentage of the charge for each Transient Occupancy Rental, which percentage is 2.5 % (two and one-half percent); provided that such percentage may be adjusted by the Board from time to time in the manner provided for adjustment of assessments in Section 3.6(c) of the Management Agreement.

3.2 The STOA due in connection with any Transient Occupancy Rental shall be due and payable to the Association, without notice by the Association, each time and at such time as the transient room tax associated with such Transient Occupancy Rentals is required to be remitted or paid to the State of Utah or to Summit County, as applicable.

3.3 Each Transient Rental Member shall also deliver to the Association, without notice from the Association, true and correct copies of all written reports, returns, statements, records, and declarations, including any supplements adjustments, or amendments thereto (collectively, the “**Lodging Reports**”) made or provided to the State of Utah or to Summit County, as applicable, in connection with any charges occurring at, from, in connection with, or in any way arising out of such Transient Rental Member’s Transient Rental Property under the provisions of the transient room tax ordinance of Summit County, at such times as such Lodging Reports are required to be made to the State of Utah or to Summit County, as applicable. If any subsequent adjustments, additions, or modifications are made to any Summit County transient occupancy tax remitted or paid or any Lodging Report made to the State of Utah or to Summit County, as applicable, with respect to transactions occurring at, from, in connection with, or in any way arising out of Transient Occupancy Rentals of such Transient Rental Member’s Transient Rental Property, such Transient Rental Member shall within 30 days thereafter so notify the Association and provide it with true and complete copies of all Lodging Reports or other written material issued or received by such Member with respect thereto. If any adjustment increases the amount of Summit County transient occupancy tax required to be remitted with respect to a Transient Rental Member's Transient Rental Property or results in a refund of such tax, such Transient Rental Member shall accordingly pay an appropriate additional STOA or receive an appropriate refund from the Association of any excess STOA previously paid.

3.4 Subject to the foregoing, the Association shall have the power and authority to determine all matters in connection with the STOA, including amounts thereof and how and whether the STOA shall be reflected on bills and sales slips rendered in any transaction, rules and regulations or record keeping, and auditing by the Association of such records.

3.5 Each Member shall be obligated to pay the STOA arising from Transient Occupancy Rentals of such Member's Transient Rental Property, even if such Member is not responsible for such Transient Occupancy Rentals, and each Member shall comply with any determinations made by the Board of Trustees with respect to such assessments. Any portion of any STOA not paid by any Member when due and payable by such Member shall become a lien on and against all of the real property owned by such Member in the Resort Village.

3.6 The STOA shall not apply to the right of the owner of a timeshare estate or the guest of such owner to occupy the unit in which the owner retains that interest. "Guest" of an owner includes, without limitation, a person occupying a unit pursuant to any form of exchange program but does not include a person who pays rental charges or other compensation to the owner for the use of the unit.

3.7 For purposes of clarity, no Transient Occupancy Rental that is subject to a Transient Occupancy Assessment will be subject to STOA in addition to such Transient Occupancy Assessment – each Transient Occupancy Rental will be subject to either STOA or the Transient Occupancy Assessment, but not both.

3.8 Each payment of STOA not paid within 30 days after the date on which such payment is due shall accrue interest until fully paid at five percent (5%) per annum over the rate of interest announced from time to time by BankBoston, N.A. (or a successor of BankBoston, N.A.), as its "prime rate" for commercial loans; such interest shall be payable on demand computed monthly, and if unpaid, compounded monthly, not in advance, at the rate so calculated

as of thirty (30) days after the date on which such payment was due, and all accruing interest shall become a part of the assessment due and owing to the Association.

3.9 Funds collected from the STOA shall be used only for (i) transportation expenses as described in the Development Agreement, and (ii) marketing of the Resort Village, unless there are any funds collected in excess of the budgeted annual transportation and marketing expenses, in which case such surplus funds may be used first for maintenance of the Resort Village if there is a shortfall of maintenance funds, and second for capital projects of the Association.

4. **CVMA's Rights and Remedies.** The STOA is an "Assessment" under the Management Agreement, and with respect to the STOA, CVMA shall have all rights, authority and remedies granted to it with respect to all Assessments under the Management Agreement, including but not limited to the rights and remedies set forth in Article IV of the Management Agreement.