

COCONUT BEACH RESORT OWNERS' ASSOCIATION, INC.

Policy for Member Purchase of Association-Owned Timeshare Weeks

Effective Date: March 11, 2026

1. Purpose

This policy establishes a fair, transparent, and orderly process by which members of the Association may purchase timeshare weeks owned by the Association. It ensures that all sales are conducted in the best interests of the Association and its membership.

2. Authority

This policy is adopted pursuant to the Association's governing documents and applicable law. The Board of Directors ("Board") retains full authority to administer, modify, or suspend this policy. The Board designates the Management Company to implement the policy through the offering and sale of timeshare weeks consistent with this policy.

3. Eligible Inventory

The following weeks may be offered for sale under this policy:

- Weeks acquired by the Association through foreclosure, deed-back, surrender, or other lawful means
- Weeks held in the Association's name for operational or financial purposes
- Weeks designated by the Board as surplus to Association needs

The Board may withhold any week from sale if doing so is in the Association's best interest.

As of the Effective Date, the Board has approved the offering to members for purchase of the weeks set forth on **Exhibit "A"** attached hereto (collectively the "**Initial Inventory**"). The Board has established the minimum prices for the purchase of the Initial Inventory on such exhibit. The Board reserves the right to amend said **Exhibit "A"** at any time in the Board's discretion.

4. Member Eligibility

To purchase an Association-owned week, a member must:

1. Be a member in good standing
2. Agree to pay all closing costs, transfer fees, and future assessments
3. Not be subject to any current enforcement action

The Association may deny eligibility based on chronic delinquency or misuse of Association property.

5. Pricing and Minimum Bid Requirements

For each week offered to members, the Board will establish a **minimum acceptable price** (“Minimum Price”).

- **Member bids must be at or above the Minimum Price** to be considered.
 - The Association will accept the **highest qualifying bid** received during the bidding period.
 - The Association may reject any bid that does not meet eligibility requirements or that is below the Minimum Price.
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6. Bidding and Sales Priority Process

6.1 Notice of Availability

The Association will publish available weeks and their Minimum Prices through its website, newsletter, or other communication channels.

6.2 Submission of Bids

Members must submit bids in writing by the deadline specified in the notice. The Management Company may establish a standard bid form for submitting bids, and if it does so, Members must utilize the approved bid form.

6.3 Award of Sale

- The Management Company will review all timely bids.
- The week will be awarded to the **highest qualifying bid at or above the Minimum Price**.

- In the event of identical high bids, priority will be determined by the date and time the bids were received.

6.4 No Qualifying Bids

If **no qualifying bids** are received or if no qualifying bids consummate the purchase of the timeshare week:

1. The Management Company shall seek further Board direction regarding the future offering for sale of such weeks to the Members or the general public.
2. Members may negotiate with the Management Company for the purchase of a week, subject to the minimum prices established by the Board and such other procedures as may be established by the Management Company.
3. The Board may determine in its sole discretion to accept an offer that has been submitted for purchase of a week for less than the minimum price.

7. Closing Costs and Fees

The purchaser is responsible for any and all closing costs associated with the purchase and closing of the transaction, including, without limitation:

- Recording fees
- Documentary stamp taxes
- Title insurance charges
- Escrow or closing fees
- Real estate commissions
- Maintenance fees
- Other normal and customary closing costs and fees

If the closing occurs at a time in the year after the timeshare week, such that the purchaser does not have any occupancy right in the year of closing, then the Purchaser shall not be responsible for paying the maintenance fees associated with the year of closing.

8. Contract Process for Initial Inventory; No Warranty

8.1 Bid Receipt

All bids and required information shall be submitted to and received by the Management Company by such date designated by the Management Company as may be required to facilitate the contract process. The designated date shall be at least fifteen (15) days after the Management Company provides notice to the Association of the available inventory.

8.2 Selection of Highest Bid

The Management Company shall review all bids and select the highest bid for each available timeshare week for which a qualifying bid has been timely delivered to the Management Company. The Management Company shall identify the awarded bids within ten (10) days after the date designated for receipt of the bids, and shall notify Members with awarded bids in a timely fashion thereafter.

8.3 Preparation of Contract

The Management Company shall oversee the preparation and delivery of purchase contracts and closing documents to Members with awarded bids. The Management Company shall use its reasonable efforts to deliver purchase contracts to Members with awarded bids on or before the thirtieth (30) day after a Member has been notified of their awarded bid.

8.4 Return of Contract and Closing Documents, and Delivery of Purchase Funds

Members with awarded bids must return their signed purchase contract, closing documents, and all required funds to the designated closing agent/escrow agent on or before the tenth (10th) day after a Member has been provided the purchase contract and closing documents. If a Member fails to meet such deadlines, the Management Company is authorized to proceed with the next highest qualifying bidder, and the Management Company shall bill the Member who failed to return their closing documents an administrative fee of \$500.

8.5 Closing of the Contract

Contracts will be set for closing within thirty (30) days of return of a Member's signed closing package and purchase funds, with priority provided based on potential for owner use in 2026.

All weeks will be sold utilizing a purchase contract and closing documents in forms prepared for the Association and approved by Management Company. All weeks are sold **as-is**, without warranties or representations except those required by law.

9. Board Discretion

The Board reserves the right to:

- Reject any bid or purchase request
- Modify Minimum Prices
- Withdraw weeks from sale
- Suspend the program
- Establish additional procedures as needed

All Board decisions are final.

10. Recordkeeping

The Association will maintain records of:

- Weeks offered and sold
- Bids received
- Purchase prices
- Closing documentation

Records will be available for inspection in accordance with governing documents.

11. Amendments

This policy may be amended by majority vote of the Board at any duly noticed meeting.

Exhibit "A"

Inventory and Minimum Price List