



Your View

What happened to our members rights

Members at "The Aruban Resort and Casino", formerly known as La Cabana Villas are concerned about the new management and their ownership. Some members at the former La Cabana Villas, who did not form part in the purchase and sale agreement in the bankruptcy proceedings, are very concerned about their legal status now, that the new buyers, KL Holding Company N.V. and operating through their various subsidiary companies:

1 - KL Sales, Marketing & Management Company N.V.

2 - KL Resort Development Company N.V. which in turn are under directorship (management) of KL International, LLC., have heard rumors that the new management is contemplating a special assesment in the amount of US\$ 3000 per unit, payable immediately.

As is custom in Aruba and stated in the articles of cooperative associations of most timeshare resorts, a special assesment has to be approved by the majority of the vote in a general members meeting.

Now all of a sudden appears a "NEW" Cooperative Association called; The Aruban Resort Fractionals Cooperative Association, which nobody knows about, giving the directors of KL International, LLC in a document dated September 4, 2007, the sole discretion to impose a special assesment without the approval of the members of the existing La Cabana Villas Fractionals Cooperarive Association.

Our Question: What happened to the existing La Cabana Villas Fractionals Cooperative Association and who cancelled their rights without approval of its members?

Also the question remains about the legality of these new articles and whether the "NEW" articles of the cooperative association were intentionally prepared in such a way to limit the input and rights of the existing members.

Another issue of concern by the members is that the new management has imposed a 1000 % increase in the transfer fee.

Formerly the transfer fee was US\$ 100,- and has unilatirely been raised to US\$ 1.000,-, again without the approval of the members.

The members are concerned that the increase in transfer fee will make it much more difficult for them to transfer their ownership to their family, loved ones, in divorce situations, etc. and it will lower their proceeds when selling their unit.

In Aruba the transfer fee is normally charged for the administrative costs only involved. Other than that there are no such fees as charged in the USA like closing costs etc.

Futhermore the members are questioning the public auction held on June 2, 2007 and subsequently the public auction held on July 26, 2007. In the auction documents there is mention of a Cooperative Association by the name of "La Cabana Villas Fractionals Cooperative Association", which is the association of all the members of La Cabana Villas and a subsequent sale of the resort/property which has a non-disturbance clause indicating that the new buyers are to respect the existing members.

The big question that the members have is to what association do they belong to and who is responsible for all open questions. Needless to say, the role of the trustees in this case are also to be questioned, considering that there are rumors going around that the purchase price of the auction has not been fully settled.

Furthermore the articles of the new Cooperative Association omit/disregards the right of an owner to receive any proceeds in case of foreclosure for whatever reason, even for non payment of the maintenance fee for one year. Example in case, if you are totally paid up on your unit and you only owe one year of maintenance fees, the "NEW" association can foreclose on your unit, without honoring your equity, instead of only deducting the maintenance fees and cost and return you the difference in your equity

What happened to the member's rights
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