

Imperial Valley Press

THE SOURCE FOR NEWS

ivpressonline.com

10 CENTS

Homeowners settle lawsuit at \$10 million

» SUNSET RANCH:

Defendants admit no fault for construction.

By MICHAEL A. SALORIO
Staff Writer

A \$10 million settlement was approved Monday by a local Superior Court judge in connection with a lawsuit filed on behalf of 162 Sunset Ranch homeowners, who sued the developer and subcontractors of the Imperial subdivision on the grounds of negligence and defective construction.

The crux of the plaintiffs' case was that the construction of the metal-framed homes did not take into account the corrosive salinity of the Valley's soil, which eroded the homes' metal framing and foundation rebar. Plaintiffs also included owners of wood-framed homes in the subdivision whose foundations were cracked because of corroded rebar.

Superior Court Judge Jeffrey Jones approved the settlement with the defendants admitting no fault for the defective construction of the homes.

Fontana-based Western Metal, which supplied the plans and light-gauge metal used for construction of the subdivision, agreed to pay \$2.88 million. The developer, Imperial-based Sunset Ridge Consultants, agreed to pay \$4.75 million. El Centro-based A-1 Concrete agreed to pay \$1.2 million. The remaining settlement funds are to be paid by other subcontractors who worked on the subdivision.

The plaintiffs' lead attorney, Daniel Bacalski Jr. of Ba-

» See CASE/A5

CASE: Sunset Ranch dispute

» From Page 1

calski, Bailey, Koska and Ottoson in San Diego, explained he first was made aware of the defective homes by a homeowner about three years ago. Bacalski was told by the homeowner of his concerns with cracks that appeared in his home's foundation, interior and exterior walls. Engineers inspected the home and discovered the metal framing and foundation rebar were corroded with rust stains found on the exterior walls. Neighbors heard of the engineering analysis and more defective homes were found in the subdivision.

Bacalski explained the developer neglected to perform a soil analysis that would've taken into account

the corrosive effects of the soil and groundwater salt on the metal framing and foundation rebar. Specifically, it was the chlorides and sulfites that caused the corrosion, added Bacalski.

Sunset Ranch was one of the first subdivisions in the Valley to feature metal-framed homes, and faulty plans and training were provided by Western Metal to the developer, explained Bacalski.

After attorney's fees and expenses, owners of metal-framed homes will receive about \$40,000 each and owners of wood-framed homes (whose foundations contained corroded rebar) will receive about \$13,000 each.

Bacalski said his firm is contemplating suing the homeowners' insurance company, National Home Insurance Co., that has denied claims because of a supposed corrosion exclusion clause. Bacalski added his firm thinks its case against the insurer is valid because there doesn't appear to have been such a clause in place when the policies were issued in 1994.

The property values of the Sunset Ranch homes have been affected by the corrosion, and the homeowners require the insurance money to make full payments for the cost of repairs, added Bacalski.

» Staff Writer Michael A. Salorio can be reached at 337-3441 or msalorio@ivpressonline.com