

Christiana Cos. Unit Agrees to Suit Settlement

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A subsidiary of The Christiana Cos. agreed Wednesday to a \$35.7-million settlement in a civil dispute with homeowners in a Tierrasanta condominium complex built by the company.

**SAN
DIEGO
COUNTY** The settlement, approved by Superior Court Judge William L. Todd, calls for Christiana Community Builders, a subsidiary of San Diego-based Christiana, to pay homeowners \$34.5 million for soil and structural damages.

Two insurance companies for the complex's homeowners association will pay more than \$1 million to the plaintiffs. The insurance firm's payments result from a counter-suit filed by the builder and because the association was allegedly negligent in its maintenance of the complex, according to Christiana attorney Dan Bacalski.

The settlement follows five years of negotiations between the homeowners and builder. The homeowners of the 440-unit Villa Martinique complex filed suit in 1981, alleging that the building's foundations had cracked, sewer lines had broken and the units were structurally defective because of soil and construction problems.

In November, Todd had rejected a settlement offer by Christiana of \$33 million, saying it was too low and included technical problems, according to Bacalski.

Of the 423 units that were party to the lawsuit, Christiana agreed to buy back 357 units for amounts ranging from \$73,000 to \$98,000.

Christiana will pay damages averaging \$12,000 to owners of the 66 units who were part of the suit but decided to keep their units.

In 1984, Christiana purchased one of the complex buildings containing eight units for \$1.1 million. The complex's remaining nine units were not involved in the class-action suit.

Homeowners originally named their own homeowners association in the lawsuit because of its early failure to take action against the builder. But disagreements between the association and plaintiffs were eventually resolved and the groups pooled efforts in their legal action against Christiana.

It will take months for Christiana to acquire the units and complete damage payments, a homeowners representative said.

The counter suit filed in 1981 by Christiana also named 22 subcontractors and is set to be heard next February by Todd.