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Lawyers nail condo settlement

Agreement pleases homeowners, builder

By Darla Welles

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Attorneys for both sides in a dispute between homeowners in a Tier-rasanta condominium complex and the Christiana Cos., builder of the units, lauded the \$35.7 million settlement approved by a superior court judge yesterday and expressed relief that the negotiations are completed.

Approval of the settlement by Superior Court Judge William L. Todd Jr. put an end to five years of negotiations between the builder and homeowners to settle damage claims for soil and construction problems in the 440-unit Villa Martinique complex.

Todd had rejected a settlement offer of \$33 million in November, saying it was too low. The final settlement amount, thought to be the largest of its kind ever reached locally, includes payments of \$34.5 million from Christiana and \$1.2 million from the homeowners' insurance carrier, according to the builder's attorney Dan Bacalski.

Under the agreement, Christiana will buy back 357 of the units from the owners and will pay damages to the homeowners involved in the suit who opted to retain their units. The settlement covers 423 units; 17 were not party to the suit.

"I'm excited that the court has approved what appears to be the largest property damage settlement in

the history of this area, possibly in the state of California," said Brian Gerstel, attorney for the homeowners, who noted that applause broke out among his clients in the courtroom when the ruling was issued.

"The clients are happy with the arrangement. The reaction has been very favorable. We are all pleased that the settlement allows the home-

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owners to select whether to sell their units or keep them and get paid for damages. It is a triumph of the judicial system's ability to settle a mass class-action matter in a way that is selectively beneficial to the individuals involved."

Bacalski, said his client, too, is content with the pact.

"Christiana is very pleased with the settlement," Bacalski said. "We felt this was the best way to settle the matter and we are happy to have it settled. We felt that we were in a better position to do the needed repairs and maintain the project in the

best possible condition."

Bacalski said Christiana will continue its efforts to recover damages from several subcontracting companies the builder has sued, claiming that the subcontractors were negligent in their work. He said Christiana would continue to operate the housing project in much the manner it is now operated, continuing leases with tenants who have been renting from homeowners who have chosen to sell.

Judy Barkley, president of the homeowners association and owner of one of the condominiums, said homeowner dissatisfaction with the terms of the first settlement offer probably influenced Todd's decision for rejection of that offer in November.

But yesterday's settlement had been thoroughly discussed by the homeowners and Todd's action was merely a formality.

A group of the homeowners originally filed suit against the builder and their own homeowners association in 1981, charging that soil and construction defects in the complex had caused cracked floor slabs, roof and window leaks, and broken and stressed sewer and utility lines. The association was named in the suit because it did not initially take action against Christiana.

— Staff writer Vicki Torres contributed to this report