

Condo owners win \$8.4 Million?

Chris G. Denina, Our Times: A supplement to the Los Angeles Times

Builders Settles with Oak Park Homeowners in lawsuit over shoddy work

April 12, 1999 - Oak Park – Julie DeBenedictis was overwhelmed Friday by the news that the leaks in her roof would finally be fixed.

She had just learned here homeowners association had won \$8.4 million in a settlement by guilders of their homes. The settlement agreement was filed in Orange County Superior Court Friday.

"It's over with, thank God," she said. "It means that now I won't have my garage leaking and everything will be fixed now."

When DeBenedictis, 30, moved into her townhouse in the Shadow Ridge development east of Oak Canyon Park four years ago, she thought she was moving into a picture-perfect community with two pools, two tennis courts and lots of happy neighbors.

But as soon as it started raining, water started leaking through her patio and in through the garage roof. She later found out that other residents had the same problems, including water seeping through windows, sliding doors and roofs.

Thomas E. Miller, attorney for the association of 440 homeowners, said they filed suit in 1997 against developer Regis Construction Co. and its 40-plus subcontractors after they realized the common water leaks, bad plumbing and electrical problems might stem from poor construction.

"Unbeknownst to the homeowners in 1996, the developer had already turned around and sued some of their subcontractors because they recognized in a separate lawsuit that some of these subcontractors screwed up," Miller said.

Attorney Richard Glucksman, who represents Regis Construction, would not discuss the other lawsuit but said subcontractors hired by Regis will pay most of the settlement.

"There's no admission of liability or acknowledgment of defects," Glucksman said. "It's really expensive to litigate these kinds of cases. That made it the time to settle."

No resident seemed as happy as Gerald Kline, community association president, who bought his condominium seven years ago and has had ceiling leaks ever since.

"It's a lot of Money," Kline said. "The association is going to be extremely strong financially. We'll not only have the money to fix the problems but keep the place [well maintained] for a number of years," Kline said. "It means that everybody is going to have a property that's

more valuable."

Miller said the association should have its money within 30 days. At that time, Kline said, it will hire an architect and engineer to inspect the units and a contractor to make the repairs.

"The work is only now starting," he said.