

Rancho Development Awarded \$2.4 Million Settlement

Eric Carpenter, Saddleback Valley News

January 24, 1997 - Rancho Santa Margarita - The Candelero Maintenance Corp. has received a settlement of \$2.4 million for construction defects in 130 condominiums.

The settlement is the third multimillion-dollar construction defect awarded in Rancho Santa Margarita in the last three years.

The lawsuit, filed against Century American Corp. and a series of subcontractors, alleged shoddy workmanship that caused leaking roofs and windows, resulting in dry rot, mold fungus and deterioration to drywall in many homes. The condominiums are located off Antonio Parkway near the Tijeras Creek Golf Course.

"No one likes to have to go through a lawsuit, but it proved to be the only solution for our homeowners association," said Herbert Johnson, president of the Candelero association.

Individual residents will not be awarded money; the association board will allocate the recovered funds to pay for necessary repairs.

Thomas E. Miller, the Newport Beach attorney representing homeowner, recovered the settlement. Miller has represented homeowners in two other lawsuits.

The Vista La Cuesta condominiums reached a settlement in 1995, and the Floramar condominiums won a settlement last year.

In total, the three Rancho Santa Margarita settlements totaled \$11.2 million.

All three lawsuits were filed against Century American, a defunct home builder formerly based in Laguna Nigel.

"I think it's because there are more condensed planned units in Rancho Santa Margarita that there are more lawsuits per capita," Miller said.

Construction defects seem to be an increasing trend in Southern California, he said. Miller is working on several other lawsuits in Laguna Nigel, Aliso Viejo and other growing communities.

"What we're seeing overall is that one in two new housing developments have some kind of serious construction defects," Miller said.

In most cases, experts say, it's difficult to detect those defects early on, when everything is freshly painted and looking new.

Miller said most associations don't have the funds or the foresight to hire an inspector to examine new housing developments for construction defects.