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Attorneys for Plaintiff
ALDEA COMMUNITY ASSOCIATION

9 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
10 **IN AND FOR THE COUNTY OF LOS ANGELES**

11 **ALDEA COMMUNITY ASSOCIATION,**
12 **a California nonprofit, mutual benefit**
13 **corporation,**

14 **Plaintiff,**

15 **vs.**

16
17 **PORTER RANCH DEVELOPMENT CO.,**
18 **a California joint venture comprised of**
19 **SHAPELL INDUSTRIES, INC., a Delaware**
20 **corporation and LIBERTY BUILDING**
21 **COMPANY, a California corporation;**
22 **SHAPELL INDUSTRIES, INC., a Delaware**
23 **corporation;**
24 **LIBERTY BUILDING COMPANY, a**
25 **California corporation;**
26 **TOLL BROTHERS, INC., a Delaware**
27 **corporation;**
28 **PRD INVESTORS, INC., a Delaware**
corporation;
PRD INVESTORS, LLC, a California
limited liability company; and
DOES 1 – 150, inclusive,

Defendants.

CASE NO.: 23STCV20094

COMPLAINT FOR DAMAGES:

1. **Violation of Building Standards (*Civil Code* §§ 895 - 897)**
2. **Negligence (Design Professionals)**
3. **Strict Liability (Components)**
4. **Breach of Fiduciary Duty**
5. **Violation of Governing Documents**

DEMAND FOR JUDICIAL REFERENCE
(*Code of Civil Procedure* § 638(a))

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1 Plaintiff, ALDEA COMMUNITY ASSOCIATION, a California nonprofit, mutual benefit
2 corporation (“ASSOCIATION”) hereby alleges against Defendants, and each of them, and states
3 as follows:

4 **GENERAL AND FACTUAL ALLEGATIONS**

5 1. Plaintiff ASSOCIATION is, and at all relevant times was, a nonprofit, mutual benefit
6 corporation duly organized and existing by virtue of the laws of the State of California, with its
7 principal place of business located in the City of Los Angeles, County of Los Angeles, California.

8 2. The ASSOCIATION was formed under the laws of the State of California for the
9 benefit of its members, to manage the affairs of a common interest condominium project consisting
10 of 130 residential units, common areas and exclusive use areas within the Seville section of the
11 Porter Ranch development, located in the Northridge section of Los Angeles, California
12 (“PROJECT”).

13 3. ASSOCIATION is informed and believes, and thereon alleges, that as part of and
14 pursuant to the Public Reports, Defendants SHAPELL INDUSTRIES, INC. and LIBERTY
15 BUILDING COMPANY, jointly and severally, by and through PORTER RANCH
16 DEVELOPMENT CO., a joint venture comprised of SHAPELL INDUSTRIES, INC., a Delaware
17 corporation LIBERTY BUILDING COMPANY, a California corporation; TOLL BROTHERS,
18 INC., a Delaware corporation; PRD INVESTORS, INC., a Delaware corporation; and PRD
19 INVESTORS, LLC, a California limited liability company, caused and assented to the filing of
20 certain Articles of Incorporation (hereinafter the “Articles”) in the Office of the Secretary of State
21 of the State of California, further caused and assented to the preparation and execution of certain
22 Bylaws (hereinafter the “Bylaws”) pertaining to ASSOCIATION, and further caused and assented
23 to the recordation of a certain original, amended and restated Declaration of Covenants, Conditions,
24 and Restriction of Easements for Aldea at Porter Ranch that are duly recorded for the subject Los
25 Angeles County property and PROJECT.

26 4. On October 18, 2000, Declarants PORTER RANCH DEVELOPMENT CO., a
27 California joint venture comprised of SHAPELL INDUSTRIES, INC., a Delaware corporation and
28 LIBERTY BUILDING COMPANY, a California corporation, were the declarants who caused to be

1 executed and recorded the “First Amendment to the Declaration of Covenants, Conditions, and
2 Restriction of Easements for Porter Ranch Maintenance Association” as Document No. 00-1621367
3 in the Recorder’s Office, County of Los Angeles, State of California.

4 5. On November 10, 2008, Defendants PORTER RANCH DEVELOPMENT CO., a
5 California joint venture comprised of SHAPELL INDUSTRIES, INC., a Delaware corporation and
6 LIBERTY BUILDING COMPANY, a California corporation, were the declarants who caused to be
7 executed and recorded the “Amended and Restated Declaration of Covenants, Conditions, and
8 Restriction of Easements for Aldea at Porter Ranch” as Document No. 2008-1984762 in the
9 Recorder’s Office, County of Los Angeles, State of California.

10 6. On February 14, 2012, Defendants PORTER RANCH DEVELOPMENT CO., a
11 California joint venture comprised of SHAPELL INDUSTRIES, INC., a Delaware corporation and
12 LIBERTY BUILDING COMPANY, a California corporation, were the declarants who caused to be
13 executed and recorded the “Master Homeowner Title 7 Declaration for Aldea” as Document No. 2012-
14 0246428 in the Recorder’s Office, County of Los Angeles, State of California.

15 7. On March 30, 2015, Defendants PORTER RANCH DEVELOPMENT CO., a
16 California joint venture, by and through SHAPELL INDUSTRIES, INC., a Delaware corporation,
17 PRD INVESTORS, INC., a Delaware corporation; and PRD INVESTORS, LLC, a California
18 limited liability company, were the declarants who caused to be executed and recorded the
19 “Supplemental Declaration of Covenants, Conditions, and Restriction of Easements for Aldea at
20 Porter Ranch” as Document No. 2015-0338795 in the Recorder’s Office, County of Los Angeles,
21 State of California.

22 8. On March 30, 2015, Defendants PORTER RANCH DEVELOPMENT CO., a
23 California joint venture, by and through SHAPELL INDUSTRIES, INC., a Delaware corporation,
24 PRD INVESTORS, INC., a Delaware corporation; and PRD INVESTORS, LLC, a California
25 limited liability company, were the declarants who caused to be executed and recorded the “Notice
26 of Addition of Territory and Supplemental Declaration of Covenants, Conditions, and Restriction of
27 Easements for Aldea at Porter Ranch” as Document No. 2015-0338794 in the Recorder’s Office,
28 County of Los Angeles, State of California.

1 9. The above-referenced Declarations of Covenants, Conditions, Restrictions and
2 Reservation of Easements for Aldea at Porter Ranch (hereinafter the “CC&Rs”) and the Articles
3 and Bylaws are hereinafter collectively referred to as the “Governing Documents.”

4 10. The ASSOCIATION is empowered under California law with authority to exercise all
5 powers of a non-profit mutual benefit corporation operating for the benefit of and on behalf of the
6 members of ASSOCIATION, consisting of the owners of condominiums within the common
7 interest development. Subject to the provisions of the ASSOCIATION’S Governing Documents,
8 the ASSOCIATION provides for the protection, preservation, maintenance, restoration, and
9 repairs, of common areas and the other separate interests that the ASSOCIATION is obligated to
10 maintain, repair, or replace under the Governing Documents.

11 11. The true names and capacities, whether individual, corporate, associate or otherwise,
12 of Defendants DOES 1 through 150, inclusive, are unknown to ASSOCIATION, who therefore
13 sues said Defendants by such fictitious names pursuant to *Code of Civil Procedure* § 474.
14 ASSOCIATION is informed and believes and thereon alleges that the liability of DOES 1 through
15 150 inclusive, arises out of the same general facts as set forth herein. The ASSOCIATION will seek
16 to amend this Complaint to assert the names and/or theories of liability against said fictitiously named
17 Defendants when those bases have been ascertained.

18 12. The ASSOCIATION is informed and believes, and thereon alleges, that each of said
19 DOE Defendants were and are business entities, organizations, joint ventures, partnerships,
20 associations, public entities, public agencies, individuals and co-conspirators who participated either
21 as investors, construction consultants, inspectors, accountants, brokers, and agents involved in the
22 financing, acquisition, ownership, subdivision, design, development, improvement, incorporation,
23 budget preparation, mass production, construction, inspection, promotion, sale, initial management
24 and/or maintenance of the PROJECT, and are responsible in some manner for the events and
25 happenings herein referred to, and proximately caused the damages alleged by the ASSOCIATION.

26 13. The ASSOCIATION is informed and believes, and thereon alleges, that at all relevant
27 times herein mentioned, each Defendant was the agent and/or employee of the remaining Defendants
28 and was acting within the course and scope of said agency and/or employment with respect to the acts

1 complained of in this Complaint and with the full knowledge, ratification, and consent, either express
2 or implied, of each other. As such and based upon the theories of liability asserted in this Complaint,
3 Defendants are jointly and severally liable to the ASSOCIATION.

4 14. The ASSOCIATION is informed and believes, and thereon alleges, Defendant
5 SHAPELL INDUSTRIES, INC. (“SHAPELL”) is a Delaware limited liability company, registered
6 with the California Secretary of State, with its principal place of business in the State of California.
7 The ASSOCIATION alleges on information and belief, that at all relevant times, SHAPELL has
8 been in the business of developing, building, financing, constructing, marketing, and selling
9 residential condominium units to members of the public, including the PROJECT. SHAPELL is a
10 “Declarant” in the Governing Documents of the PROJECT and the seller of residential units within
11 the PROJECT.

12 15. The ASSOCIATION is informed and believes, and thereon alleges, Defendant
13 LIBERTY BUILDING COMPANY (“LIBERTY”) is a California corporation, registered to do
14 business with the California Secretary of State, with its principal place of business in the State of
15 California. The ASSOCIATION alleges on information and belief, that at all relevant times,
16 LIBERTY has been in the business of developing, building, financing, constructing, marketing,
17 and selling residential condominium units to members of the public, including the PROJECT.
18 LIBERTY is a “Declarant” in the Governing Documents of the PROJECT and the seller of
19 residential units within the PROJECT.

20 16. Together, Defendants SHAPELL and LIBERTY formed “PORTER RANCH
21 DEVELOPMENT CO., a joint venture comprised of SHAPELL INDUSTRIES, INC., a Delaware
22 corporation and LIBERTY BUILDING COMPANY, a California corporation,” along with
23 Defendants TOLL BROTHERS, INC., PRD INVESTORS, INC. and PRD INVESTORS, LLC,
24 which joint venture is the “Declarant” in the Governing Documents of the PROJECT and the seller
25 of residential units within the PROJECT.

26 17. The ASSOCIATION is informed and believes, and thereon alleges, SHAPELL and
27 LIBERTY, individually and collectively by and through their joint venture PORTER RANCH
28 DEVELOPMENT CO., and DOES 1 through 40, and later, with along with Defendants TOLL

1 BROTHERS, INC., PRD INVESTORS, INC. and PRD INVESTORS, LLC (hereinafter collectively
2 referred to as “BUILDER” or ‘BUILDERS”) developed, planned, funded, improved, designed,
3 constructed, promoted, marketed, advertised, and sold units within the PROJECT to individual
4 members of the ASSOCIATION and/or their predecessors, and was in the business of developing
5 and marketing new residential housing to the public. The ASSOCIATION is further informed and
6 believes and alleges based thereon that each BUILDER is a Builder within the meaning of *Civil*
7 *Code* § 911 and is jointly and severally liable to the ASSOCIATION for violation of the building
8 standards of residential construction enumerated in *Civil Code* §§ 895 - 897.

9 18. The ASSOCIATION is informed and believes and thereon alleges that Defendants
10 SHAPPELL and LIBERTY, individually and collectively by and through their joint venture
11 PORTER RANCH DEVELOPMENT CO., TOLL BROTHERS, INC., PRD INVESTORS, INC.,
12 and PRD INVESTORS, LLC, were at all relevant times mentioned herein the alter-ego and/or
13 agents and representatives of DOES 1 through 40, and were undercapitalized, operated as a shell
14 company, and operated as a instrumentality and conduit of DOES 1 through 40 for the purpose of
15 carrying out their business in corporate name only, operated with such unity of interest and
16 ownership that separate business identity, independent management and/or operation was
17 disregarded and they existed and operated as the alter ego of DOES 1 through 40, inclusive, and
18 left the PROJECT insufficient capital to cover foreseeable liabilities.

19 19. On information and belief, the ASSOCIATION alleges that Defendants DOES 41
20 through 70 (sometimes collectively referred to as “DESIGNERS”), are architects, engineers,
21 geologists, consultants, designers and/or design-build contractors, who provided professional services
22 relating to the planning, design, engineering, and construction of the PROJECT. DESIGNERS
23 prepared plans, drawings, specifications, developed timelines, reviewed draw requests, prepared
24 drawings, addressed submittals, responded to requests for information, and observed construction of
25 the PROJECT.

26 20. On information and belief, the ASSOCIATION alleges that Defendants DOES 71
27 through 120 (sometimes collectively referred to as “CONTRACTORS”) were contractors,
28 subcontractors, testing companies and consultants who conducted and/or oversaw construction of the

1 PROJECT.

2 21. Upon information and belief, the ASSOCIATION alleges that during the development
3 and construction of the PROJECT, BUILDERS, DESIGNERS and CONTRACTORS acted in
4 concert, and worked jointly in the development and construction of the PROJECT. Said Defendants
5 attended joint meetings, jointly reviewed plans, submitted and responded to change order requests,
6 made proposals, recommended materials, options and alternatives, discussed and engaged in electronic
7 and written communications with each other and other third parties concerning the development,
8 design and/or construction of the PROJECT.

9 22. Upon information and belief, Defendants DOES 121 through 130 (sometimes
10 collectively referred to as "SUPPLIERS") selected and supplied materials and components to be used
11 in the construction and/or sale of units within the PROJECT to the public, including but not limited to
12 the ASSOCIATION'S members and their predecessors.

13 23. Upon information and belief, Defendant DOES 131 through 150 (sometimes collectively
14 referred to as "MANUFACTURERS") manufactured materials and/or component parts used in the
15 construction of the PROJECT.

16 24. ASSOCIATION is informed and believes and thereon alleges that BUILDERS formed
17 the ASSOCIATION, and caused it to accept management, operation, and control of the common
18 areas and various aspects of the PROJECT.

19 25. On information and belief, BUILDER'S business includes setting up and funding
20 homeowner associations for new residential developments and operating such associations
21 through BUILDER-controlled directors, management companies, accountants, vendors.

22 26. In connection with the preparation of budgets and reserves, the BUILDERS omitted
23 necessary information about foreseeable costs and expenses related to the corrections of poor
24 construction, underestimated the scope and magnitude of foreseeable expenses and/or the cost of
25 replacement of PROJECT components, and understated the cost of repair of long-term
26 components and capital improvements requiring repair and/or replacement before the normal
27 expiration of the useful life of the components that the ASSOCIATION is required to maintain,
28 repair and replace, and, exaggerated the expected useful life of components they were required to

1 properly review, investigate and examine as part of their reserve budget preparation.

2 27. The residential PROJECT was built with multiple deficiencies and Building Standard
3 Violations, as more fully described in **Exhibit “A”** attached to this Complaint and incorporated
4 herein by reference. The construction defects and Building Standard Violations referenced in
5 **Exhibit “A,”** in addition to other currently unascertained defects existing at the PROJECT, are
6 collectively referred to as the “PROJECT DEFECTS.” The PROJECT DEFECTS were
7 proximately caused by Defendants’ actions and/or omissions, jointly and severally during planning,
8 design and/or construction of the PROJECT.

9 28. The ASSOCIATION has been damaged as a result of PROJECT DEFECTS. PROJECT
10 DEFECTS have caused physical damage to the PROJECT, including damage to ASSOCIATION
11 common areas and areas which the ASSOCIATION is obligated to maintain, repair or replace.
12 PROJECT DEFECTS and the resulting repair process impair habitability of residential units and the
13 use of community amenities. Upon information and belief, the PROJECT DEFECTS and necessary
14 repairs have and will continue to result in relocation and storage expenses, loss of business income,
15 and reasonable investigative expenses.

16 29. The ASSOCIATION has incurred, and will continue to incur, costs and expenses to
17 investigate and evaluate the nature and extent of the PROJECT DEFECTS, the nature and extent
18 of resulting damage, and the scope and cost of repairing such matters.

19 30. BUILDER, DESIGNERS, CONTRACTORS, MANUFACTURERS and
20 SUPPLIERS designed, supplied, installed, constructed, tested, managed, and developed the
21 PROJECT, including buildings, structures, improvements, recreational facilities, HVAC
22 equipment, and their component parts, in a deficient and defective manner and/or in violation of
23 the Building Standard Violations, and caused the ASSOCIATION to be damaged. The damages to
24 the ASSOCIATION exceed the minimum jurisdiction of this Court.

25 31. Pursuant to California *Civil Code* § 5980, the ASSOCIATION has standing to institute
26 litigation "in its own name as the real party in interest and without joining with it the members, in
27 matters pertaining to the following: ... (b) Damage to the common area. (c) Damage to a separate
28 interest that the association is obligated to maintain or repair [or] (d) Damage to a separate interest

1 that arises out of, or is integrally related to, damage to the common area or a separate interest that
2 the association is obligated to maintain or repair." (See *Windham at Carmel Mountain Ranch Assn.*
3 *v. Superior Court*, 109 Cal. App. 4th 1162, 1175 (2003), ("the legislative intent of section [5980]
4 is to give associations the standing to sue as real parties in interest in all types of actions for damage
5 to common areas").

6 32. The ASSOCIATION, by and through its board of directors, is authorized pursuant to
7 its CC&Rs, California *Civil Code* § 5980 and applicable California case law, to bring all of the
8 causes of action alleged in this Complaint against Defendants for the damages to the common areas,
9 for damages to the separate interests that the ASSOCIATION is obligated to maintain or repair,
10 and for damages to separate interests that arise out of, or that are integrally related to, damage to
11 the common areas or separate interests that the ASSOCIATION is obligated to maintain or repair.
12 The ASSOCIATION has fulfilled all conditions and requirements under the *Civil Code* and the
13 Governing Documents. As such, the ASSOCIATION brings this action in part to recover monetary
14 damages that are sufficient to repair all defective conditions and damages noted above.

15 33. In compliance with the claim procedures set forth in Article 12, Section 12.13 of the
16 CC&Rs, on or about July 20, 2023, the ASSOCIATION served both SHAPELL and LIBERTY
17 with an initial Notice of Dispute pursuant to Civil Code sections 910 and 6000.

18 34. In accordance with the Governing Documents, the ASSOCIATION'S action against
19 Defendants and declarants SHAPELL, LIBERTY, TOLL BROTHERS, INC., PRD INVESTORS,
20 INC., and PRD INVESTORS, LLC, and DOES 1 through 150 shall be tried as Judicial Reference
21 in accordance with California *Code of Civil Procedure* §§ 638 *et seq.* Accordingly,
22 ASSOCIATION hereby requests Judicial Reference of this Complaint.

23 35. The ASSOCIATION has performed all pre-litigation conditions and obligations
24 required of it under the CC&Rs and California law, including but not limited to the provisions of
25 *Civil Code* §§ 895 through 945.5 and 6000 *et seq.*

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1 **FIRST CAUSE OF ACTION**

2 ***(Violations of the Residential Building Standards as set forth in***
3 ***California Civil Code §§ 895 - 897)***
4 ***Against All Defendants and DOES 1 through 150***

5 36. The ASSOCIATION incorporates and realleges, as though fully set forth in this cause
6 of action, each of the preceding paragraphs of this Complaint.

7 37. The ASSOCIATION is informed and believes, and thereon alleges, that BUILDERS,
8 CONTRACTORS, SUPPLIERS and MANUFACTURERS provided services and/or materials as
9 developer, builder, seller, general contractor, subcontractor, architect, engineer, consultant,
10 manufacturer, and/or material supplier and developed, planned, advised, managed, built, installed,
11 constructed, improved, graded, performed work at, supplied and/or manufactured materials for the
12 development, construction, marketing and sale of the PROJECT.

13 38. The PROJECT was constructed in violation of the residential building standards set
14 forth in California *Civil Code* §§ 895-897, as more thoroughly described in **Exhibit "A"** hereto.

15 39. The PROJECT DEFECTS have caused physical damage to the common areas and
16 areas of the PROJECT which the ASSOCIATION is obligated to maintain, repair, and/or replace
17 under the Governing Documents. Upon information and belief, the separate interests of unit owners
18 have been damaged because of Building Standard Violations integrally related to property which
19 the ASSOCIATION is obligated to maintain and repair. The ASSOCIATION's investigation is
20 continuing, and additional Building Standard Violations may be discovered as this Complaint
21 proceeds.

22 40. As a direct and proximate result of the Building Standard Violations, the
23 ASSOCIATION has sustained and will continue to sustain damages, for the value of repairing any
24 violation of the standards set forth in *Civil Code* § 895-897, the reasonable cost of repairing any
25 damages caused by the repair efforts, the reasonable cost of repairing and rectifying any damages
26 resulting from the failure of the units to meet the standards, the reasonable cost of removing and
27 replacing any improper repair by the BUILDER, reasonable relocation and storage expenses, lost
28 business income if the unit was used as a principal place of business licensed to be operated from

1 the unit, reasonable investigative costs for each established violation, and all other costs or fees
2 recoverable by contract or statute, all as set forth in California *Civil Code* § 944.

3 41. Notwithstanding having been provided the opportunity to do so, BUILDER has failed
4 to correct PROJECT DEFECTS, failed to repair physical damages resulting from such Building
5 Standard Violations, and failed to reimburse the ASSOCIATION for its investigative fees. The
6 ASSOCIATION has performed all conditions precedent required of it under California Law and/or
7 pursuant to its Governing Documents.

8 WHEREFORE, the ASSOCIATION prays for judgment as hereinafter set forth.

9 **SECOND CAUSE OF ACTION**

10 ***(Negligence of Design Professionals)***

11 ***Against DESIGNERS and DOES 41-70***

12 42. The ASSOCIATION incorporates and re-alleges each allegation contained in the
13 preceding paragraphs as if set forth fully herein.

14 43. The ASSOCIATION is charged with the responsibility to maintain and repair
15 ASSOCIATION property and common area improvements within the PROJECT. The
16 ASSOCIATION is informed, believes, and thereon alleges that DESIGNERS entered into
17 agreements, whether in writing or oral, with the other Defendants herein for the purpose of
18 providing architectural services in connection with the development of the PROJECT and the
19 construction of the subject improvements, and conducted construction project management for, the
20 construction of the PROJECT.

21 44. The ASSOCIATION is informed, believes, and thereon alleges that BUILDERS and
22 CONTRACTORS entered into written contracts with other Defendants herein to provide design,
23 work, labor, and materials, in connection with the construction of the PROJECT.

24 45. DESIGNERS, and each of them, drew the plans and specifications, and/or engaged in
25 periodic site observations and contract administration respecting the design, development, and
26 construction of the PROJECT and the improvements thereon with the knowledge that said property
27 would be sold to and used by members of the public, including the members of the ASSOCIATION.
28 In so doing, DESIGNERS, and each of them, caused the property and the improvements thereon to

1 be constructed through their own services. The ASSOCIATION is informed and believes and
2 thereon alleges that DESIGNERS were paid for their services on the PROJECT, making it fair and
3 equitable for these parties to have a duty of care to the ASSOCIATION. The exact amount of
4 compensation received by these parties is presently unknown but will be proven at trial.

5 46. DESIGNERS, and each of them, were under a duty to conform to minimal standard of
6 care of professional engineers, architects, waterproofing consultants, and contract administrators,
7 and to avoid foreseeable injury, including property damage and loss of use, to users and purchasers
8 of the property and improvements, and knew or should have foreseen with reasonable certainty that
9 the PROJECT would suffer property and monetary damage set forth herein if said Defendants, and
10 each of them, failed to perform their duty to cause the property and improvements to be developed,
11 designed, and constructed in a proper and workmanlike fashion.

12 47. In performing the works of an engineer, architect, designers, and project manager,
13 DESIGNERS performed their services in a manner that was below the applicable standard of care
14 for architects, engineers, designer, and project managers. Said Defendants negligently planned and
15 designed the buildings and the common areas for the PROJECT in that the details provided were
16 insufficient, and incapable of being properly executed; negligently failed to warn that their designs
17 would result in conditions as described and alleged herein, cause property damage, and violated
18 statutory requirements including but not limited to *Civil Code* §§ 895-897; negligently failed to
19 properly observe the work in progress; and negligently failed to observe and report Building
20 Standard Violations to the other Defendants identified herein. DESIGNERS negligently designed
21 the PROJECT by, among other things, failing to prepare and disseminate adequate: (1)
22 specifications for the application and use of Defendants' products and materials, and/or (2)
23 precautions to be taken in connection with the installation thereof; and (3) failed to employ adequate
24 quality control to ensure that such products and materials were free of Building Standard
25 Violations.

26 48. As a direct and proximate result of Defendants' failure to conform to, and breach of
27 the minimal standard of care of their profession, the PROJECT has sustained damages as set forth
28 herein, the exact amounts of which will be proven at trial.

1 WHEREFORE, the ASSOCIATION prays for judgment as hereinafter set forth.

2 **THIRD CAUSE OF ACTION**

3 ***(Strict Liability - Components)***

4 ***Against MANUFACTURERS, SUPPLIERS and DOES 121 through 150***

5 49. The ASSOCIATION incorporates and re-alleges each allegation contained in the
6 preceding paragraphs as if set forth fully herein.

7 50. MANUFACTURERS designed, manufactured, marketed, and sold component parts
8 which were defective, inadequate and/or incompatible with the intended use PROJECT, and which
9 were known and/or reasonably certain to cause physical damage, corrosion and degradation to the
10 components and adjacent building assemblies. MANUFACTURERS of component parts within
11 the PROJECT, knew and/or were reasonably certain that developers and contractors would use and
12 install the MANUFACTURERS' mass-produced components parts within developments such as
13 the PROJECT. MANUFACTURERS of component parts within the PROJECT knew and/or were
14 reasonably certain that end-users of the component parts such as the ASSOCIATION would
15 justifiably rely on the MANUFACTURERS' expertise and would purchase condominium units
16 with such component parts without knowledge of material defects and deficiencies.

17 51. MANUFACTURERS and SUPPLIERS of products and components were an integral
18 part of the overall producing, marketing, and distribution enterprise of the component parts.

19 52. MANUFACTURERS and SUPPLIERS had a duty to provide defect-free products and
20 to warn the end-users such as the ASSOCIATION of defects which foreseeably would cause
21 damage to the ASSOCIATION property or to property it maintains and repairs under the Governing
22 Documents and/or damage to adjacent component systems. As a result, MANUFACTURERS and
23 SUPPLIERS are strictly liable for all damages within the PROJECT from defective and/or
24 incompatible manufactured components parts.

25 53. Components produced by MANUFACTURERS and/or distributed for use in the
26 construction and development of PROJECT by SUPPLIERS contained defects, were not
27 reasonably fit for their intended purpose, and have caused property damage, corrosion and
28 degradation to the components and adjacent building assemblies and components systems.

1 accurate reserve budgets for the ASSOCIATION's use, and to fund the ASSOCIATION's reserve
2 accounts in accordance with an accurate budget such that the ASSOCIATION could carry out its
3 responsibilities in accordance with the Governing Documents and Davis Sterling Act, *Civil Code* §§
4 *4000 et seq.*

5 60. The budgets, reserves and dues schedules prepared by or at the direction of
6 BUILDERS were submitted to the DRE and subsequently provided by the BUILDERS to
7 prospective purchasers with the express and implied representation that the operating and reserve
8 funds were adequate for the immediate and long-term operation, maintenance of common areas,
9 components and those portions of the PROJECT the Association is obligated to maintain, repair
10 and/or replace under the Governing Documents.

11 61. BUILDERS breached their duty of care and duty of loyalty owed to the
12 ASSOCIATION while the ASSOCIATION was under the BUILDERS' control. BUILDERS, their
13 agents and representatives neglected to adequately prepare or evaluate budgets containing both
14 operating funds and reserve funds for maintenance and long-term replacement of common areas,
15 components and those portions of the PROJECT the Association is obligated to maintain, repair
16 and/or replace under the Governing Documents. BUILDERS neglected to adequately evaluate dues
17 payable by the future unit owners to adequately maintain operating and reserve funds. BUILDERS
18 provided inadequate budgets and deficient funding of reserves for the ASSOCIATION, including
19 the funding and maintenance of a secure location for packages and deliveries, and inadequately
20 funded reserves for the ASSOCIATION to fund and maintain surveillance and security of common
21 areas within the PROJECT. As a result, budgets, reserves, and dues did not provide a good faith
22 estimate of protected operating costs or reserve requirements.

23 62. BUILDERS breached their fiduciary duty by omitting components from the
24 ASSOCIATION budgets and reserves they were required to identify and include in the reserve
25 documents; underestimated the cost of repair of long-term components and capital improvements,
26 over-estimated and exaggerated the useful life of long-term components and capital improvements
27 they were required to properly review, to investigate, and to examine as part of their reserve
28 scheduling. As a result, information provided to prospective buyers and owners regarding operating

1 budgets, dues and reserve projections were artificially low, which facilitated marketing and sales of
2 units to the public.

3 63. BUILDERS knew or should have known of deficiencies in construction, design, and/or
4 building performance at the PROJECT, and notwithstanding this knowledge and/or in response to the
5 urging by others, failed to take reasonable and necessary action on behalf of the ASSOCIATION to
6 hold the BUILDER accountable for Building Standard Violations under *Civil Code* §§ 895-897.

7 64. BUILDERS breached their fiduciary duty and violated their relationship of trust and
8 confidence by, among other things, failing to properly estimate, budget and schedule adequate dues
9 and reserves for the future operation and maintenance of the PROJECT, failing to hold the
10 BUILDER accountable for Building Standard Violations under *Civil Code* §§ 895-897 as described;
11 failing to assess and collect dues, and adequately fund the reserves; failing to preserve and protect
12 the interests of the ASSOCIATION and its future members; and failing to properly carry out the
13 duties and responsibilities as an incorporator, as imposed by law and the formal Governing
14 Documents.

15 65. As a direct and proximate result of such conduct, the ASSOCIATION has sustained
16 consequential damages as set forth herein, the exact amounts of which will be proven at the time
17 of trial.

18 WHEREFORE, the ASSOCIATION prays for judgment as hereinafter set forth.

19 **FIFTH CAUSE OF ACTION**

20 ***(For Violation of Governing Documents)***

21 ***Against BUILDERS and DOES 1-40***

22 66. ASSOCIATION repeats and re-alleges each allegation contained in the preceding
23 paragraphs as if set forth fully herein.

24 67. During the time BUILDERS and DOES 1 through 40 owned a majority of
25 condominium units at the PROJECT, BUILDERS and DOES 1 through 40 were members of
26 ASSOCIATION, controlled the Board of Directors of ASSOCIATION, and were required to
27 comply with the Governing Documents as well as all statutes pertaining to nonprofit mutual benefit
28 corporations.

1 68. During the time BUILDERS and DOES 1 through 40 controlled the Board of Directors
2 of ASSOCIATION, each violated various provisions of the Governing Documents including, but
3 not limited to, provisions requiring that ASSOCIATION maintain, repair, and replace the Common
4 Areas in a safe, sanitary, and attractive condition, and provisions requiring that ASSOCIATION
5 prepare operating and reserve budgets that are consistent with ASSOCIATION'S expenses.
6 BUILDERS and DOES 1 through 40 further failed to pay their share of member dues for the units
7 still in their possession as well as other financial obligations owed to ASSOCIATION pursuant to
8 the Governing Documents.

9 69. As a direct and proximate cause of the conduct of BUILDERS and DOES 1 through
10 40, ASSOCIATION has actual and consequential damages, in an amount to be proven at the
11 arbitration hearing. Said damages include, without limitation, the costs associated with expert
12 investigation of the major components and systems at the development, the costs associated with
13 temporary repairs of defects and resultant damage during the course of this dispute, the cost to
14 replace building components that have exceeded their useful life, the cost associated with repairing
15 building components to a level commensurate with the existing line item in the reserve budgets,
16 the cost associated with funding the reserves for the repair or replacement of building components
17 that were improperly excluded from the budgets, the costs associated with the repair of physical
18 damage to property that occurred between the dates of non-disclosure of the substantial defect or
19 malfunction and the date ASSOCIATION can afford to proceed with repairs, the costs associated
20 with the relocation of ASSOCIATION's members during the course of repairs to the extent
21 necessary.

22 70. ASSOCIATION is additionally entitled to recover attorney fees in accordance with
23 California *Civil Code* Section 5975.

24 WHEREFORE, ASSOCIATION prays for an award as hereinafter set forth.

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PRAYER FOR RELIEF

FIRST CAUSE OF ACTION

(Violation of the Residential Building Standards as set forth in

California Civil Code §§ 895 - 897)

Against All Defendants and DOES 1 to 150

- 1. For general and special damages in an amount to be determined and according to proof at the time of trial.;
- 2. For prejudgment interest on all sums awarded, at the maximum legal rate;
- 3. For the reasonable cost of correcting building defects and repairing resulting damages;
- 4. For the reasonable cost of removing any improper repair by the builder and/or repairing any damages caused by the repair efforts;
- 5. For reasonable investigative costs;
- 6. For expert fees and costs;
- 7. For loss of use of the property;
- 8. For extra expenses, reasonable relocation and storage expenses;
- 9. For loss of income;
- 10. For costs of suit incurred herein; and
- 11. For such other and further relief as the Referee deems just and proper.

SECOND CAUSE OF ACTION

(Negligence - Design Professionals)

Against DESIGNERS and DOES 41 through 70

- 1. For general and special damages in an amount to be determined and according to proof at the time of trial;
- 2. For prejudgment interest on all sums awarded, at the maximum legal rate;
- 3. For the reasonable cost of correcting and rectifying any damages resulting from the failure of the condominium project and its common elements to meet applicable standards;
- 4. For the reasonable cost of removing any improper repair by the builder and/or repairing any damages caused by the repair efforts;

- 1 5. For reasonable investigative costs;
- 2 6. For expert fees and costs;
- 3 7. For loss of use of the property;
- 4 8. For extra expenses, reasonable relocation and storage expenses;
- 5 9. For loss of income;
- 6 10. For costs of suit incurred herein; and
- 7 11. For such other and further relief as the Referee deems just and proper.

8 **THIRD CAUSE OF ACTION**

9 ***(Strict Liability - Components)***

10 ***Against MANUFACTURERS, SUPPLIERS***

11 ***and DOES 121 through 150***

- 12 1. For general and special damages in an amount to be determined and according to proof at
- 13 the time of trial;
- 14 2. For prejudgment interest on all sums awarded, at the maximum legal rate;
- 15 3. For the reasonable cost of correcting building defects and repairing resulting damages;
- 16 4. For the reasonable cost of removing any improper repair by the builder and/or repairing any
- 17 damages caused by the repair efforts;
- 18 5. For reasonable investigative costs;
- 19 6. For expert fees and costs;
- 20 7. For loss of use of the property;
- 21 8. For extra expenses, reasonable relocation and storage expenses;
- 22 9. For loss of income;
- 23 10. For costs of suit incurred herein; and
- 24 11. For such other and further relief as the Referee deems just and proper.

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1 **FOURTH CAUSE OF ACTION**

2 *(Breach of Fiduciary Duty)*

3 *Against BUILDERS and DOES 1-40*

- 4 1. For consequential damages in an amount to be determined and according to proof at the
5 time of trial;
- 6 2. For special damages in an amount to be determined and according to proof at the time of
7 trial;
- 8 3. For prejudgment interest on all sums awarded, at the maximum legal rate;
- 9 4. For reasonable investigative costs for each established violation;
- 10 5. For expert fees and costs;
- 11 6. For loss of use of the property;
- 12 7. For extra expenses, reasonable relocation costs and storage expenses;
- 13 8. For loss of business income;
- 14 9. For costs of suit incurred herein; and
- 15 10. For such other and further relief as the Referee deems just and proper.

16 **FIFTH CAUSE OF ACTION**

17 *(For Violation of Governing Documents)*

18 *Against BUILDERS and DOES 1-40*

- 19 1. For consequential damages in an amount to be determined and according to proof at the
20 time of trial;
- 21 2. For prejudgment interest on all sums awarded, at the maximum legal rate;
- 22 3. For reasonable investigative costs for each established violation;
- 23 4. For expert fees and costs;
- 24 5. For loss of use of the property;
- 25 6. For extra expenses, reasonable relocation costs and storage expenses;
- 26 7. For loss of business income;
- 27 8. For costs of suit incurred herein; and

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1 9. For such other and further relief as the Referee deems just and proper.

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Dated: August 21, 2023

THE MILLER LAW FIRM

By:  _____

Thomas E. Miller, Esq.
Craig W. Brunet, Esq.
James J. Patrick, Esq.
Attorney for Plaintiff, ALDEA COMMUNITY
ASSOCIATION

EXHIBIT “A”

PRELIMINARY LIST OF BUILDING STANDARD VIOLATIONS
ACTIONABLE VIOLATIONS UNDER
CALIFORNIA *CIVIL CODE* §§ 895 – 897, 1375

PRELIMINARY LIST OF BUILDING STANDARD VIOLATIONS

Pursuant to California *Civil Code* sections California *Civil Code* section 6000, and further pursuant to California *Civil Code* section 910 *et seq.* this Notice of Commencement of Legal Proceedings shall constitute notice and contain a list of deficiencies and violations of the construction standards found in California *Civil Code* sections 895, 896(a)-(g) and 897 (hereafter referred to as “Building Standard Violations”) damaging and/or concerning Common Areas of the Project and areas of the Project which the Homeowners’ Association is obligated to repair and maintain.

A. WITH RESPECT TO WATER ISSUES

1. DOORS: Defective construction/installation of mechanical room and balcony doors of the Project to as to allow unintended water to pass beyond, around, or through the door or its designed or actual moisture barriers. *Civil Code* §§ 895; 896(a)(1)(2)(3), 896(g)(3)(A); 897.
2. WINDOWS/DOORS: Defective construction/installation of windows of the Project to as to allow water to pass beyond, around, or through the window or its designed or actual moisture barriers, including, without limitation, internal barriers within the systems themselves and/or allow excessive condensation to enter the structure and cause damage. For purposes of this paragraph, “systems” include, without limitation, windows, window assemblies, framing, substrate, flashings, and trim, if any. *Civil Code* §§ 895; 896(a)(2)(3), 896(g)(3)(A); 897.
3. WINDOWS/DOORS: Windows, exterior and interior doors, patio doors, deck doors, sliding glass deck doors, and their systems throughout the Project allow excessive condensation to pass beyond, around, or through the windows, patio doors, or deck doors or their designed or actual moisture barriers, including, without limitation, internal barriers within the systems themselves. For purposes of this paragraph, “systems” include, without limitation, windows, window assemblies, framing, substrate, flashings, and trim, if any. *Civil Code* §§ 895; 896(a)(2)(3), 896(g)(3)(A); 897.
4. ROOFS: Roofs, roofing systems, and ventilation components of common areas of the Project, allow water to enter the Project or to pass beyond, around or through the designed or actual moisture barriers, including, without limitation, internal barriers located within the systems themselves. For purposes of this paragraph, “systems” include, without limitation, framing, substrate, and sheathing, if any. *Civil Code* §§ 895; 896(a)(4)(5), 896(g)(3)(A); 897.
5. DECKS/BALCONIES: Defective construction of exclusive use deck waterproofing systems and associated integrations results in unintended water passing into the adjacent structure and/or into the waterproofing system itself causing damage. Decks, deck systems, including the podium deck, the topping slab, exclusive use unit decks, rooftop community

1 decks, related deck systems, balconies, balcony systems, exterior stairs, related stair
2 systems and related water proofing and water proofing systems throughout the Project allow
3 water to pass into the Project. For purposes of this paragraph, “systems” include, without
4 limitation, framing, substrate, flashing, and sheathing, if any. *Civil Code* §§ 895;
5 896(a)(5)(6)(10)(11),896(g)(3)(A); 897.

6 6. DECKS/BALCONIES: Decks, deck systems, including the podium deck, the topping slab,
7 exclusive use unit decks, rooftop community decks, related deck systems, balconies,
8 balcony systems, exterior stairs, related stair systems and related water proofing and water
9 proofing systems of the Project allow water to pass into the adjacent structure or within the
10 systems themselves and cause damage to the systems. For purposes of this paragraph,
11 “systems” include, without limitation, framing, substrate, flashing, and sheathing, if any.
12 *Civil Code* §§ 895; 896(a)(5)(6)(10)(11), 896(g)(3)(A); 897.

13 7. HARDSCAPE: Defective construction/installation of hardscape/landscaping/drainage
14 systems in such a way as to cause water to enter into or come in contact with the structure
15 so as to cause damage to another building components. *Civil Code* §§ 895; 896(a)(9); 897.

16 8. HARDSCAPE: Common area hardscape, including paths and patios, irrigation systems,
17 landscaping systems, and drainage systems at the Project that were installed as part of the
18 original construction, were installed in such a way as to cause water or soil erosion to enter
19 into and come into contact with the Project so as to cause damage to other building
20 components. *Civil Code* §§ 895; 896(a)(9); 897.

21 9. HARDSCAPE: Defective construction of soils and engineered retaining walls causes
22 damage to the structure built upon the soil/engineered wall or the land upon which no
23 structure is built to become unsuitable for the purpose represented at the time of original
24 sale by the builder. *Civil Code* §§ 895; 896(a)(9); 897. *Civil Code* §§ 895; 896(a)(9); 897.

25 10. BUILDING ENVELOPE: Defective construction of building Stucco and associated
26 components so as to allow unintended water to pass into the adjoining structure and/or
27 beyond, around or through the designed or actual moisture barriers of the system, and/or
28 cause cracking to exterior siding, exterior stairs and exterior stair wells, exterior walls,
related waterproofing systems, including, without limitation, exterior framing, other
exterior wall finishes and fixtures and components, and horizontal surfaces for the Project
allow unintended water to pass beyond, around, or through the designed or actual moisture
barriers of each system, including any internal barriers located within the system itself. *Civil*
Code §§ 895; 896(a)(10)(11); 897.

11. BUILDING ENVELOPE: Stucco, exterior siding, exterior stairs and exterior stair wells and
exterior walls, allow excessive condensation to pass beyond, around, or through the
designed or actual moisture barriers of each system, including any internal barriers located
within the system itself. *Civil Code* §§ 895; 896(a)(10)(11); 897.

12. RETAINING WALLS: Common area retaining and site walls, perimeter walls and their
associated drainage systems at the Project allow unintended water to pass beyond,
around, or through their designed or actual moisture barriers including, without
limitation, any internal barriers, and cause damage including cracks and displacement,
and soil damage to the retaining wall system. *Civil Code* §§ 895; 896(a)(12); 897.

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13. RETAINING WALLS: Defective construction of site drainage systems causes water to contact the wall system and causes Common area retaining walls and site walls, perimeter walls, metal fences, and their associated drainage systems at the Project to allow water to flow beyond, around, or through the areas not designated by design. *Civil Code* §§ 895; 896(a)(12)(13); 897.

14. PLUMBING: The lines and components of the plumbing system, sewer system and utility systems for the Project leak. *Civil Code* §§ 895; 896(a)(14)(15), 896(g)(3)(A); 897.

15. PLUMBING: Plumbing lines, sewer lines, and utility lines located at the Project are corroded and their useful life has been reduced. *Civil Code* §§ 895; 896(a)(14)(15), 896(g)(3)(A); 897.

16. PLUMBING: Sewer systems were improperly constructed and/or installed and do not allow the designated amount of sewage to flow through the system. *Civil Code* §§ 895; 896(a)(16), 896(g)(3)(A); 897.

17. PLUMBING AND SEWER: Plumbing and sewer systems were improperly constructed and/or installed so as to cause the systems to operate improperly, which impairs their reasonable intended use of the structure by its inhabitants. *Civil Code* §§ 895; 896(e); 897.

18. ELECTRICAL SYSTEMS: Electrical systems fail to operate properly and thereby materially impair the use of the structure by its inhabitants. *Civil Code* §§ 895; 896(f); 897.

B. WITH RESPECT TO STRUCTURAL ISSUES:

1, FOUNDATIONS/SLABS: Foundations, load bearing components and slabs contain significant cracks and/or significant vertical displacement. *Civil Code* §§ 895; 896(b)(1); 897.

2. FOUNDATIONS/SLABS: Defective construction of the Project does not materially comply with the design criteria for earthquake and wind load resistance, as set forth in the applicable governments building codes in effect at the time of the original construction. *Civil Code* §§ 895; 896(b)(3); 897.

C. WITH RESPECT TO SOIL ISSUES:

1. SOILS: Defective construction/preparation of on-site soil resulted in damage to the structure built upon the soil Defective construction/preparation of on-site soil resulting in damage to the structure built upon the soil or engineered retaining walls. *Civil Code* §§ 895; 896(c)(1); 897.

2. SOILS: Soils and engineered retaining walls, in combination or in part, cause the structure to be structurally unsafe. *Civil Code* §§ 895; 896(c)(2); 897.

1 3. SOILS: Soils cause, in whole or in part, the land upon which no structure is built to
2 become unusable for the purpose represented at the time of the original sale by the
3 builder or for which that land is commonly used. *Civil Code* §§ 895; 896(c)(3); 897.

4 **D. WITH RESPECT TO FIRE PROTECTION ISSUES:**

5 1. FIRE PROTECTION: Fire rated assemblies and components within the Project do not
6 materially comply with the design criteria of the applicable building codes,
7 regulations, and ordinances for fire protection of the occupants in effect at the time of
8 the original construction. *Civil Code* §§ 895; 896(d)(1); 897.

9 2. FIRE PROTECTION: Defective electrical and mechanical systems have been
10 constructed and installed in such a way as to cause an unreasonable risk of fire. *Civil*
11 *Code* §§ 895; 896(d)(3); 897.

12 **E. WITH RESPECT TO ISSUES WITH OTHER CONSTRUCTION AREAS:**

13 1. EXTERIOR PATHWAYS: Exterior pathways, driveways, hardscape, sidewalks
14 and patios defectively constructed and/or installed by the original builder contain
15 cracks and have excessive displacement. *Civil Code* §§ 895; 896(g)(1); 897.

16 2. HARDSCAPE: Hardscape and planters were improperly constructed resulting in
17 trapping water against walls of structures of the Project causing damage. *Civil Code*
18 §§ 895; 896(a)(9)(10)(11)(12)(13); 897.

19 3. MANUFACTURED PRODUCTS: Manufactured products, including, but not
20 limited to windows, doors, roofs, pumps, plumbing products and fixtures,
21 fireplaces, electrical fixtures, HVAC units, countertops, cabinets, paint, and
22 appliances shall not be installed so as interfere with the product's useful life, if any.
23 *Civil Code* §§ 895; 896(g)(3)(A); 897.

24 4. ROOFS: The roofs of the Project lack roof top tie points and fail to comply with building
25 standards for safe use and maintenance of the roofs and building exteriors. *Civil Code*
26 §§ 895; 896(d)(1), 896(g)(15); 897.

27 5. ROOFS: The failure to design and install an adequate fall restraint system for the
28 roofs for the Project has caused an unreasonable safety risk. *Civil Code* §§ 895;
896(d)(1), 896(g)(15); 897.

6. ROOFS: Manufactured products within the roofs and the roof systems of the Project
and parapet walls, including, but not limited to waterproofing components, drainage
components, and surface components, have been installed in manner that interferes
with the product's useful life and/utility. *Civil Code* §§ 895; 896(g)(3)(A); 897.

7. ROOFS: The pavers on the common area roof decks were not properly installed
resulting in damage to adjacent building systems and components. *Civil Code* §§
895; 896(g)(3)(A); 897.

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- 8. ROOFS: The ponding of water on the roofs of the Project has caused damage to adjacent building systems and components. *Civil Code* §§ 895; 896(a)(4)(5)(6), 896(g)(3)(A); 897.
- 9. STUCCO: Improper installation of stucco, stucco screed and base metal flashing allows unintended water to pass into the structure or to pass beyond the designed or actual moisture barriers of the system, including any internal barriers located within the system itself and has caused damage to the metal and adjoining structures. *Civil Code* §§ 895; 896(a)(10)(11)(12); 897.
- 10. STUCCO: Stucco attached to the soffits and the soffits themselves in the Project have been installed in such a way to allow unintended water to pass into the structure or to pass beyond, around or through the designed or actual moisture barriers of the system including any internal barriers located within the system itself *Civil Code* §§ 895; 896(a)(10)(11); 897.
- 11. STUCCO: Stucco, exterior siding, and other exterior wall finishes, and fixtures contain significant cracks or separations. *Civil Code* §§ 895; 896(g)(2); 897.
- 12. EXTERIOR SIDING: Improper installation of exterior siding in the Project has allowed unintended water to pass into the structure or pass beyond, around, or through the designated or actual moisture barriers of the system, including any internal barriers located within the system itself. *Civil Code* §§ 895; 896(a)(10)(11); 897.
- 13. MECHANICAL: Mechanical equipment, including, but not limited to, pumps, and rooftop mechanical equipment, is not installed in compliance with the applicable codes and regulations, impairing the useful life of the systems. *Civil Code* §§ 895; 896(g)(3)(A);897.
- 14. MECHANICAL: Condensing units were installed with undersized isolation springs, causing grounding of the condensing units, and resulting in the transmission of vibration and noise into the residential units. *Civil Code* §§ 895; 896(g)(3)(A);897.
- 15. MECHANICAL: Roof-mounted mechanical equipment was not installed in compliance with the applicable codes and regulations, impairing the useful life of the systems. *Civil Code* §§ 895; 896(g)(3)(a);897.
- 16. MECHANICAL: Refrigerant pipe insulation is not protected from ultraviolet radiation and has deteriorated. *Civil Code* §§ 895; 896(g)(3)(A);897.
- 17. CORROSION: Improper installation of mechanical equipment, water heaters and other metal and application of painted and other finished surfaces has resulted in premature corrosion and deterioration. *Civil Code* §§ 895; 896 (g)(3)(A), 896(g)(10);897.

1 The standards set forth above are not intended to address every function or component of the
2 subject structures. To the extent that a function or component of a structure is not addressed by
3 these standards, it shall be actionable if it causes damage. *Civil Code* § 897. It is the intention of
4 the Association to conduct additional investigations into some or all of these areas. The Association
5 reserves the right to supplement its list and notify you of additional building standard violations as
6 additional information is discovered.

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