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Homeowners at The Ranch vow to continue legal fight against developer JTS

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Picture this: 226 luxury homes in rural Sacramento County all sharing 400 acres of open space for horseback riding and hiking.

That was the promise Sacramento-based JTS Communities allegedly made in 2004 to sell the homes in its Ranch at Clay Station development in Wilton.

And it's the promise the developer is allegedly breaking as it seeks to sell those 400 acres that residents thought they essentially owned, according to a lawsuit The Ranch's homeowners association filed last year to block the sale. Last week the association filed a new complaint saying JTS breached its fiduciary duty and calling on the court to give the homeowners more control of the open space.

"I've never seen an instance where a developer of a common interest subdivision is trying to steal the land that makes up the common area of a homeowners association," said Clayton Anderson, the lead attorney representing the homeowners against JTS. "I've never seen such a scam."

In court documents, JTS has argued it never promised to give the 400 acres to the homeowners association. As proof, the company cites purchase agreements signed by the original homeowners that included no such guarantees.

JTS says it clearly told the buyers that only a portion of the 400 acres would be considered a common area, and even those acres would not necessarily be owned by the homeowners association. Documents governing The Ranch that were recorded in 2004 show the homeowners were given easements on 209 of the 400 acres, according to JTS. An easement basically means even if the property sells, The Ranch homeowners still have a right to use the land.

"They do have access and they will have access to it," JTS' General Counsel Ian Craig said. "The easement is recorded against the property. It's binding on all potential future property owners."

The homeowners, however, say the language in the agreement is ambiguous and they fear a future buyer could limit their use of the land. They say they had an "oral agreement" with JTS to set aside 400 acres for their permanent use.

The Ranch, as it's called, is a 1,200-acre development whose roots trace back to the late 1980s. The county approved the project in 1993. It wasn't until 2003 that construction started.