

IN THE CIRCUIT COURT OF THE ELEVENTH JUDICIAL CIRCUIT
IN AND FOR MIAMI-DADE COUNTY, FLORIDA

IN RE:

CHAMPLAIN TOWERS SOUTH COLLAPSE
LITIGATION.

Complex Business Division
Case No.: 2021-015089-CA-01
Section: CA 43
Judge: Michael Hanzman

**LIMITED OBJECTION TO ALLOCATION
SETTLEMENT AGREEMENT BY CERTAIN UNIT OWNERS**

Unit Owners Teralba, Inc. (“Teralba”) and Max and Ellen Friedman request clarification of the Allocation Settlement Agreement by way of this limited objection pursuant to the March 6, 2022 Order Preliminarily Approving Allocation Settlement Agreement dated, and state as follows.

1. Teralba owned units 1107 and 1108 and the Friedmans owned unit 1102 at Champlain Towers South Condominium. Teralba is a family-owned entity that has owned the units at Champlain Towers South for approximately thirty years. The Friedmans have owned unit 1102 for approximately fifteen years.

2. They spent a substantial amount of their time and developed relationships over the course of their years of ownership at Champlain Towers South and knew many neighbors who lost their lives in the tragedy. Although they are blessed to have not been injured or killed, the family and the Friedmans were profoundly affected by the tragedy in addition to having suffered significant financial losses.

3. They do not wish to forgo their rights under the Allocation Settlement Agreement and absent unexpected developments at the March 30, 2022 hearing, their present intent is to participate in the Settlement and not opt out. They understand that the Settlement is an important component of the Court’s and Receiver’s plans for a final resolution of the Champlain Towers

South collapse litigation that will avoid the uncertainties and emotional and tremendous financial burdens of protracted litigation for all interested parties.

4. They do seek clarification of or wish to address the following issues at the March 30, 2022 hearing. The extraordinary work performed by the Receiver and his counsel, and class counsel, is acknowledged and lauded by Teralba and the Friedmans under the supervision of the Court. The following comments, questions and objections should not be perceived as a lack of admiration or gratitude for the services rendered.

The rationale for \$67 million settlement by the unit owners

5. Under the Agreement, the Receiver agreed it has a settlement obligation of \$196,000,000 to the wrongful death class and that the unit owners will be contributing \$67 million to the wrongful death class.

6. With the pace of settlements already reached with defendants and potential defendants, many for the value of their insurance policies only, the possibility cannot be discounted that there will never be a trial and final determination by a Court and jury of the cause of the collapse of Champlain Towers South and the identification of the persons, if any, responsible for the tragedy.

7. Teralba and the Friedmans seek an explanation from the Receiver and counsel for the Economic Loss Victims of the rationale for the settlement and \$67 million settlement from the economic loss victims who are indeed victims in this tragedy. Will the \$67 million settlement from the unit owners be the largest settlement to date?

Reduction of the Common Fund by insurance and fees

8. Teralba and the Friedmans object to any further diminution of the Common Fund amount by offsets for personal insurance proceeds they had obtained. They also seek clarification

of the procedures and principles by which the Court would determine whether further deductions for an insurance payment received by the unit owner on account of the collapse (but excluding insurance on personal property) will be made.

9. Would the Court be applying basic principles of equity and address each unit owner's personal situation on a case-by-case basis? For example, the Friedmans purchased Unit 1102 in May 2007, paying **\$610,000**. Unit 1102 enjoyed a view of the ocean and the intra-coastal waterway and had been fully updated with polished marble floors. Yet, according to the Retrospective Market Value Appraisal Reports and Schedule of Values of the residential condominium units at Champlain Towers South as of June 23, 2021, prepared by Appraisal First, the fair market value of Unit 1102, in most likely the hottest residential real estate market in South Florida's last thirty or forty years, is **\$636,725**.

10. The proposition that the unit increased in value by only \$26,725 over fourteen years after the Friedmans first purchased the unit does not make any sense. The mis-characterization of Unit 1102 by Appraisal First results from its reliance on Unit 602 for the fair market value calculation base. The appraisal describes Unit 602 as a unit that faces north that has its view of the ocean and intra-coastal blocked by a timeshare building across the street. That is true.

11. However, as noted earlier, the Friedmans' Unit 1102 enjoyed open views of the ocean and the intra-coastal waterway because it was situated above the roof line of the time-share building and is more properly described as facing northeast-ocean.

12. The Friedmans will not be able to obtain another condominium unit, even in a much older building, that is remotely comparable to the unit they lost in the Champlain Towers South Collapse with whatever funds they eventually receive from the Settlement. The Friedmans who have been in regular attendance at the hearings in this case fully understand the personal and

financial consequences of the Towers collapse and the likelihood they will not be made whole as things currently stand. They wish to know whether they will be able to present their particular circumstances and each unit's contribution to the settlement on an individual basis, in the hope that their substantial losses will not be deepened as a result of further offsets.

13. Regarding attorneys' fees, Teralba and the Friedmans acknowledge and are grateful that counsel have been chosen to represent them. They seek to ascertain the basis upon which counsel may be compensated from the Common Fund, an estimate of the amount of that reduction if possible, and the nature of the proceedings that will determine whether attorneys fees will further reduce their share of the Common Fund and the amount of the reasonable fees to be awarded.

The ability of the Receiver to fund the Common Fund

14. The Agreement provides for funding of the \$83 million Common Fund for the unit owners from the first Fifty Million Dollars (\$50,000,000.00) of the first One Hundred Million Dollars (\$100,000,000.00) recovered from all sources and the first Thirty-Three Million Dollars (\$33,000,000.00) recovered from all sources in excess of One Hundred Million Dollars (\$100,000,000.00).

15. Teralba and the Friedmans ask the Receiver to report the current aggregate amount of recoveries obtained to date and whether that amount has already exceeded the \$133 million necessary to pay the Common Fund to the unit owners.

The Bar Order

16. A broad and general release from the Receiver and from the wrongful death class in addition to the Bar Order is a very important element of the Settlement. Teralba and the Friedmans seek clarification and confirmation that the definition of Barred Claims will mirror the scope of the broad releases given by the Receiver and the wrongful death class and that the *only*

