

Kolter Signature Homes lawsuit settled for \$22.5M

Six-year case was settled just days after jury selection began in Palm Beach County

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By James Teeple

Six years of legal maneuvering in one of the longest running cases over faulty construction in Florida came to swift end on Thursday, when a settlement was announced that will pay plaintiffs \$22.5 million that will go towards fixing years of construction defects at San Matera at the Gardens, located just off PGA Boulevard in Palm Beach County.

The case pitted the San Matera Condominium Association against Kolter Signature Homes and other defendants for alleged sub-standard architecture, engineering and construction work at San Matera.

As the case went to jury selection earlier this week, David Haber of Haber Slade, the Miami-based firm that represented the San Matera Condo Association, said his firm was seeking \$36 million from Kolter and other defendants.

But Haber told *The Real Deal* the settlement reached on Thursday will benefit his clients at San Matera who he said faced years of potential appeals.

"We don't know if it will be sufficient to fully fund all of the repairs, but it is a huge step in getting it done," he said. "And one of the reasons the settlement was achieved from our side was to avoid years of appeals, followed by years of declaratory relief actions filed in federal courts by the insurance carriers to try and avoid paying, based upon exclusions exceptions in their insurance policies."

Haber said there was "no admission of liability or guilt, but we believe the settlement speaks for itself." He said \$11.8 million of the settlement will be paid by insurance carriers on behalf of the Kolter entities, with the rest of the money coming from other parties including the architect and sub-contractors.

Michael Hornreich, of the Orlando-based firm Weinberg Wheeler who represented Kolter Homes was unavailable to comment on the case following the settlement announcement.

The case was presided over by Circuit Court Judge Jack Cox. Jury selection began this Tuesday in downtown West Palm Beach. The trial was scheduled to begin next week in a specially built courtroom in Delray Beach designed to accommodate the large number of defendants, lawyers and plaintiffs.

Haber said the case was complicated because Kolter Signature Homes reorganized behind The Grand at Palm Beach Gardens, a limited liability Delaware-based corporation, but that Kolter served as both the developer and contractor on the project.

Kolter itself has sued a number of sub-contractors on the project, but Haber said ultimately Kolter was responsible for what happened at San Matera.

Residents of San Matera complained for years about shoddy construction and extensive water leaks in many of the 676-units at the complex, making it impossible to sell their units.

Homeowners were also hit with large assessments over the years for nearly constant repairs.

Jackie Durham, president of the San Matera Condominium Association, told *TRD* on Thursday that it will take several years to get all of the buildings at San Matera repaired, but it will be “a time of healing for us. We’ll heal the buildings of their problems like rotting walls and we’ll heal the association — it will be a time of healing in the community. “