FROM CONDEMNATION TO CLOSING: HOW BERGER SINGERMAN GUIDED A 304-UNIT CONDOMINIUM THROUGH JUDICIAL TERMINATION AND A $20.5 MILLION SALE

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A Condominium in Crisis

When structural deterioration forces an entire 304-unit condominium community to vacate overnight, the legal path forward is anything but straightforward. Heron Pond Condominium in Pembroke Pines, Florida, a 19-building community spread across 25 acres, was shuttered, fenced, and placed under security patrol in the fall of 2024 after the City issued Unsafe Structure Notices on every unit due to extensive wood rot and termite damage.

Berger Singerman LLP represented Daniel J. Stermer as both Receiver and Termination Trustee of the Heron Pond Condominium Association, a role spanning more than two years that required navigating state and federal courts, negotiating with government-sponsored enterprises, defeating a last-minute appeal, and closing a $20.5 million sale of the unified property.

A Rare Legal Path: Judicial Termination Under Section 718.118

Most practitioners know Section 718.117, Florida Statutes, as the standard mechanism for terminating a condominium, a consent-based process requiring specified levels of unit owner and lienholder approval plus a formal plan of termination. For Heron Pond, with over 300 units, numerous absentee and unresponsive owners, and an association in financial distress, that path would have been prohibitively slow and expensive.

Instead, the Receiver pursued termination under Section 718.118, Florida Statutes, a rarely invoked equitable-relief provision that permits a court to order termination and partition where there has been substantial damage to or destruction of all or a substantial part of the condominium property that cannot feasibly be repaired. Critically, it does not require unit owner consensus. The Heron Pond Declaration of Condominium itself contemplated this remedy; its Section XI tracked the statutory language, recognizing equitable relief for substantial, irreparable damage.

This strategic choice enabled a judicially supervised termination on an accelerated timeline, protecting unit owners from mounting costs while maintaining fairness, transparency, and court oversight throughout.

From Receivership to Closing: A Two-Year, Multi-Forum Journey

Receivership Appointment. On April 26, 2024, the Honorable (Ret.) Chief Judge Jack Tuter of the Seventeenth Judicial Circuit appointed Daniel J. Stermer as Receiver with broad authority to manage the Association's assets and petition for termination under Section 718.118.

Judicial Termination. The Receiver filed a Complaint for Judicial Termination, serving approximately 227 summonses on the owners of over 300 units and more than 50 other interested parties. After a hearing on July

30–31, 2025, the Honorable David A. Haimes entered an Amended Final Judgment of Termination, terminating the condominium and appointing Mr. Stermer as Termination Trustee. Fee simple title to the property vested in the Trustee, free and clear of liens.

Removal to Federal Court. In September 2025, Fannie Mae and Freddie Mac, acting under the Federal Housing Finance Agency's conservatorship, removed the case to the U.S. District Court for the Southern District of Florida, raising objections under the Housing and Economic Recovery Act (HERA) concerning eight units securing GSE-backed loans. Berger Singerman negotiated a stipulated resolution ensuring full payoff of the Enterprises' loans at closing without diminishing distributions to any other unit owner or lienholder, preserving the integrity of the sale and the Plan of Termination.

Competitive Sale Process. The Receiver retained Avison Young-Florida LLC and Fisher Auction Co., Inc. to market the property, engaging over 100 prospective parties under confidentiality agreements. Court-approved bidding procedures established a stalking horse bid of $20,500,000 from a well-known South Florida developer. No additional qualified bids were received by the deadline, the auction was cancelled, and the stalking horse bid stood as the winning offer.

Last-Minute Challenge—and Its Defeat. On January 7, 2026, after a 2.5-hour hearing, the federal court approved the sale. A disqualified would-be bidder, Federated Foundation Trust, whose bid package had been rejected as late and incomplete, objected and was given an opportunity to submit a $23.95 million nonrefundable deposit to reopen bidding. Unable to meet that threshold, it appealed to the U.S. Court of Appeals for the Eleventh Circuit. On March 20, 2026, the Eleventh Circuit affirmed the Sale Order in full; its mandate issued on May 13, 2026, rendering the order final and non-appealable.

Closing. On July 22, 2026, the sale closed and the developer took title to the unified property. Proceeds were distributed to lenders, judgment creditors, lienholders, and unit owners per the Plan of Termination's distribution priorities.

Full-Lifecycle Capability in Distressed Real Estate

The Heron Pond matter demonstrates what it takes to bring a distressed condominium from crisis to resolution: deep knowledge of Florida condominium law, a sophisticated legal strategy, fluency in multi-forum litigation, skill in negotiating with institutional counterparties, and the tenacity to defend the process through appellate challenges.

Brian Rich and Michael Niles, along with other Berger Singerman team members, guided this matter from initial appointment through judicial termination, a competitive sale process, multi-forum litigation, appellate defense, closing, and final case closure. For clients facing distressed condominium situations, receiverships, or complex real estate disputes, the Heron Pond case illustrates what experienced, creative counsel can achieve.

If your organization is navigating a distressed condominium, receivership, or complex real estate matter, please contact Berger Singerman's Business Reorganization Team to discuss how our team can help.

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