

BUSINESS

ROB REUTEMAN, BUSINESS EDITOR, 303.892.5177, E-MAIL: BUSINESS@ROCKYMOUNTAINNEWS.COM

Award: \$2.6 million

Owners of Uptown condos plagued by mold win judgment

By John Accola
ROCKY MOUNTAIN NEWS

Owners of a mold-plagued, loft-condo complex in Denver's trendy Uptown neighborhood have won a \$2.6 million judgment against the project's developer.

A March 2002 lawsuit brought by three homeowner associations had sought as much as \$7 million to repair leaky rooftops, water-saturated drywall, cracked brickwork and rust-corroded stairwells.

The case at a glance

- **Award:** \$2.6 million against Triton Development
- **Who will pay:** Unresolved. Triton has three insurance carriers — Admiral, Insurance Company of State of Pennsylvania/AIG and Royal Specialty Underwriting, which has denied any liability.

- **The dispute:** Involves three three-story buildings, each with 24 units, at 1727, 1747 and 1767 Pearl St. in Denver.
- **HOA claims:** \$7 million in actual property damage, most of it to common areas in the buildings. It includes water intrusion and mold.

Plaintiff attorney Jesse Witt said his clients had tried to get the developer, Triton Development, to address water intrusion problems within a year after taking title to the property, which is in the leafy 1700 block of Pearl Street east of downtown's high-rises.

"It's probably not going to be enough to fix everything, but it will go a long way toward getting them started," Witt said of the award reached by a private arbitration panel.

Denver District Judge John Walter Coughlin entered the award as a judgment against Triton last

Wednesday.

"To the best of my knowledge, neither side is going to appeal the arbitration award," Triton's defense attorney Teresa Thrailkill said.

In court documents, Triton has stated that its insurance won't cover the entire \$2.6 million.

Thrailkill said litigation is pending against the potential liability of Triton's subcontractors.

"We still have litigation going on for amounts we may be able to collect from our subcontractors," she said.

The 72-unit, three-building brick-and-stucco complex — known as Pearl of the City — was billed during its construction four years ago as a symbol of the area's second renaissance.

Flip to AWARD on 5B

Award: Conditions at condos are 'getting worse day by day'

Continued from 1B

Greenwood Village-based Triton sought a design to complement a cluster of historic homes across the street, incorporating underground parking and a three-story height limit. Most of the project is composed of two-bedroom, 1,300-square-foot luxury condos that initially were priced from \$230,000 to \$300,000.

Triton principals Michael Hilbert and William Lyons, whose attorneys successfully argued last year to have the case arbitrated, could not be reached for comment.

Witt said he expects to begin garnishment proceedings against Triton and related insurance companies, despite the developer's unresolved claims against subcontractors.

"The exterior looks terrible," said Witt, referring mostly to crumbling concrete and rust. "The conditions

are getting worse day by day."

Witt said Triton proposed "Band-Aid" repairs that could be fixed for a few hundred thousand dollars. When owners balked, the company then accused them of not honoring the developer's warranty, he said.

Real estate broker Karin Fischer said ongoing mold and water damage appears to be limited to the common areas and not the individual condos.

Even so, she said the lack of repairs and the litigation have hurt sales for even the swankiest units.

"Some people put a lot of money into them and now they can't sell them," she said. "We get lots of showings, but once they see inside, people don't care for it."

accolaj@RockyMountainNews.com
or 303-892-2666