

**ALLEGHENY COUNTY HEALTH DEPARTMENT  
AIR QUALITY PROGRAM**

**In the Matter of:** In re. Sheraton Pittsburgh Airport Hotel  
ACHD Violation No. 180901  
Asbestos Litigation

**CONSENT ORDER AND AGREEMENT**

This Consent Order and Agreement (hereinafter “Consent Agreement” or “Agreement”) is entered into this 20th day of May 2020 (hereinafter “Effective Date”) by and between the Allegheny County Health Department (hereinafter “ACHD” or “Department”) and Pittsburgh Hotel, LLC, Aimbridge Hospitality f/k/a Interstate Hotels & Resorts, Inc., Maverick Management Group, LLC, and ATC Group Services LLC, (the “Appellants,” and together with the ACHD, the “Parties”).

**I. PROCEDURAL STATEMENT**

A. The Director of the ACHD has been delegated authority pursuant to the federal Clean Air Act, 42 U.S.C. §§ 7401 et seq., and the Pennsylvania Air Pollution Control Act, 35 P.S. §§ 4001 et seq., and the ACHD is a local health agency organized under Local Health Administration Law, Act 315 of August 24, 1951, P.S. 1304, as amended, 16 Pa.C.S. § 12001 et seq., whose powers and duties include the enforcement of laws relating to public health within Allegheny County, including the Allegheny County Health Department’s Rules and Regulations, Article XXI, Air Pollution Control (hereinafter “Article XXI”).

B. The ACHD, through its powers under Article XXI, maintains the authority to regulate all asbestos abatement activity within the boundaries of Allegheny County. With regard to regulations concerning asbestos abatement activity in Allegheny County, Article XXI incorporates the federal asbestos abatement regulations. Article XXI § 2105.62.b.

**II. BACKGROUND**

A. The Sheraton Pittsburgh Airport Hotel (hereinafter “Sheraton Hotel”) is a “facility” as defined by 40 C.F.R. § 61.141 and as a “facility” the building is subject to the asbestos abatement

requirements of Article XXI § 2105.62 and 40 C.F.R. § 61.145.

B. Pittsburgh Hotel, LLC (hereinafter “Pittsburgh Hotel”) is a Delaware limited liability company with a registered business address of 600 N. 2nd Street, Suite 401, Harrisburg, Pennsylvania 17101. At all times relevant to these proceedings, Pittsburgh Hotel owned the Sheraton Hotel located at 1160 Thorn Run Road, Coraopolis, Pennsylvania 15108 (Parcel ID No.: 0596-P-00205-0000-00).

C. Aimbridge Hospitality f/k/a Interstate Hotels & Resorts, Inc. (hereinafter “Interstate”) is a Delaware corporation with a principal place of business at 5851 Legacy Circle, Suite 400, Plano, TX 75024. Interstate is a hotel management company and, at all times relevant to these proceedings, was the property manager for the Sheraton Hotel, and had been since 2016.

D. Maverick Management Group LLC (hereinafter “MMG”) is a New York limited liability company with a primary place of business at 1890 Palmer Avenue, Suite 404, Larchmont, New York 10538. MMG operates a project management company and was retained by the owner of the Sheraton Hotel on May 23, 2017 to provide project management services for the remediation and restoration work performed in the Sheraton Hotel.

E. ATC Group Services LLC (hereinafter “ATC”) is a Delaware limited liability company with a primary place of business at 5750 Johnston Street, Suite 400, Lafayette, LA 70508. ATC operates an environmental consulting and engineering services company and was retained by MMG, as agent for the owner, to provide consulting, environmental sampling, and development of a response protocol services for the cleanup and asbestos abatement work performed in the Sheraton Hotel.

F. On May 19, 2017, a guest of the Sheraton Hotel triggered the sprinkler system in a room on floor six that discharged a large volume of water and caused water damage to areas of floors one to six at the Sheraton Hotel (the “Water Damage Incident”). The Appellants were each involved in the response and remediation related to the Water Damage Incident, which completed

in September 2017.

G. The ACHD issued an Administrative Order against Pittsburgh Hotel, Interstate, and MMG, dated September 21, 2018 (ACHD Violation No. 180901), for several alleged violations of the ACHD's asbestos regulations set forth in Article XXI and the federal asbestos regulations. The Administrative Order assessed a civil penalty against Pittsburgh Hotel, Interstate, and MMG in the amount of \$591,900.00.

H. On October 25, 2018, Pittsburgh Hotel and Interstate filed Notices of Appeal of the Administrative Order, disputing the nature and extent of the allegations and violations set forth within the Order. Pursuant to Article XXI, §§ 2109.06.a.2-3, Pittsburgh Hotel forwarded \$394,866.67 to the ACHD for placement in an escrow account, two-thirds of the civil penalty amount of \$591,900.00, on behalf of both Pittsburgh Hotel and Interstate.

I. On November 9, 2018, MMG filed a Notice of Appeal of the Administrative Order, similarly disputing the nature and extent of the allegations and violations set forth within the Order. Pursuant to Article XXI, §§ 2109.06.a.2-3, MMG forwarded \$197,033.33 to the ACHD for placement in an escrow account, one-third of the civil penalty amount of \$591,900.00.

J. The ACHD issued an Amended Administrative Order dated November 16, 2018, adding ATC as a potentially liable party.

K. On December 24, 2018, ATC filed a Notice of Appeal of the Administrative Order, similarly disputing the nature and extent of the allegations and violations set forth within the Order. ATC did not pre-pay any of the civil penalty amount of \$591,900.00.

L. Following the issuance of the Administrative Order and the filing of the Appeals by the Appellants, ACHD continued its investigation into the facts which had previously led to the Administrative Order, with the cooperation of the Appellants. As part of that continued investigation, the Appellants produced a significant amount of additional information to ACHD, which Appellants had not initially produced when the ACHD issued the Administrative Order.

M. In light of the results of ACHD's additional investigation, and after a full and complete negotiation of all matters set forth in this Agreement and upon mutual exchange of covenants contained herein, the ACHD and the Appellants agree that settlement of this matter without protracted litigation is in the Parties' best interest and that of the public.

N. The Appellants have denied and continue to deny the facts and violations alleged in the Administrative Order. The Appellants maintain that they are not liable for the civil penalties stated in the Administrative Order and state that they are agreeing to the obligations imposed by this Agreement solely to settle the disputed claims without incurring the time and expense of additional contested litigation.

### **III. AGREEMENT**

A. After full and complete negotiation of all matters set forth in this Agreement, and without admitting to the factual accuracy of any alleged fact or claim contained in the Administrative Order, upon mutual exchange of the covenants contained herein, the Parties intending to be legally bound, it is hereby AGREED to by the Parties as follows:

1. Pittsburgh Hotel, Interstate, and MMG consent to the assessment of a civil penalty of Three Hundred and Sixty-Four Thousand, Five Hundred and Seventy Dollars (\$364,570.00) (the "Civil Penalty"). The Appellants have come to a separate agreement as to how to split the Civil Penalty (the "Ancillary Agreement") and have instructed ACHD to refund the balance of money placed into escrow as described in sections III.A.6 and III.A.7 of this Agreement, below.

2. Because of the production of additional documents to the ACHD and upon additional investigations by the ACHD, some of the findings in the Order are not representative of the full facts and actions of the Appellants.

3. The ACHD agrees to dismiss ATC from the Amended Administrative Order dated November 16, 2018, and ATC shall not be assessed a civil penalty from the ACHD in

connection with the Administrative Order or this Agreement. Within ten (10) days of the execution of this Agreement, ATC or its counsel shall withdraw its Notice of Appeal of ACHD Violation No. 180901.

4. The ACHD agrees that for each alleged violation in the Administrative Order issued against Appellants, with the exception of Section 2105.63.c.2, the ACHD shall remove the adjustment factor for intentional or reckless conduct after finding that there were no violations that were intentional or done with knowledge that the relevant conduct or omission was unlawful or that resulted from a reckless disregard of applicable regulatory or legal requirement or good operating practices.

5. The ACHD further agrees that any work practice violations under Article XXI, § 2105.63, against the Appellants that occurred from May 19 to May 23, 2017, resulted from factors beyond the control of the Appellants, and despite the exercise of due care, caution and diligence.

6. The ACHD shall refund Pittsburgh Hotel the amount of One Hundred and Forty-One Thousand, Eight Hundred and Twenty Dollars (\$141,820.00).

7. The ACHD shall refund MMG the amount of Eighty-Five Thousand, Five Hundred and Ten Dollars (\$85,510.00).

8. The amounts refunded to Pittsburgh Hotel and MMG is the difference between the amounts that Pittsburgh Hotel and MMG forwarded to the ACHD for placement in an escrow account and the Civil Penalty amount

9. ATC did not place any money in an escrow account before its appeal and is not due a refund from ACHD.

10. Upon execution of this Agreement, the ACHD shall be deemed to have fully released each of the Appellants for the violations set forth in the Administrative Order dated September 21, 2018, and amended November 16, 2018, and all other violations or

claims under ACHD's authority related to the Water Damage Incident at the Sheraton Hotel and the response and remediation efforts related thereto, whether or not claimed in the Administrative Order. This release applies to all parents, subsidiaries, affiliates, divisions, successors, heirs, executors, administrators and assigns of each of the Appellants, in all capacities whatsoever, including without limitation, all officers, directors, employees, representatives, designees, agents, and shareholders thereof.

11. Within ten (10) days from the receipt of the refund from the ACHD as described in sections III.A.6 and III.A.7 of this Agreement, Pittsburgh Hotel, Interstate, and MMG or their counsel shall withdraw their Notice of Appeal of ACHD Violation No. 180901.

12. Nothing in this Agreement shall be interpreted or construed as a release or waiver by the ACHD of the violations against PRISM Response, LLC, and Green Maple Enterprises LLC d/b/a SERVPRO of West Hills set forth in the Administrative Orders against these entities (ACHD Violation Nos. 180902 and 180903) or for any violations of Article XXI that the ACHD has not yet brought against PRISM Response, LLC, and Green Maple Enterprises LLC d/b/a SERVPRO of West Hills.

13. The Appellants hereby waive any right they may have under law to appeal or otherwise challenge the civil penalty assessed by the ACHD pursuant to this Agreement.

#### **IV. GENERAL TERMS**

A. The provisions of this Agreement shall apply to, be binding upon, and inure to the benefit of the ACHD and the Appellants and upon their respective officers, directors, agents, contractors, employees, servants, successors, and assigns.

B. Except to enforce the terms of this Agreement, the Parties do not authorize any other Party or other persons to use the findings in this Agreement in any matter or proceeding.

C. The provisions of this Agreement are severable. If any provisions or part thereof is declared invalid or unenforceable, or is set aside for any reason, the remainder of the Agreement

shall remain in full effect.

D. Except with respect to the Ancillary Agreement, this Agreement shall constitute the entire integrated agreement of the Parties. No prior or contemporaneous communications or prior drafts shall be relevant or admissible for purposes of determining the meaning or extent of any provisions herein in any litigation or any other proceeding.

E. No changes, additions, modifications, or amendments to this Agreement shall be effective unless they are set forth in writing and signed by the Parties hereto.

F. This Agreement shall become effective upon signature by the Parties as of the Effective Date first noted above.

G. Each Party shall bear their own attorney's fees incurred in this matter.

H. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute one and the same Agreement. In addition, signatures sent via facsimile or electronic mail shall constitute original signatures for purposes of this Agreement and a photocopy may be used in place of originals for any purpose.

**THE REMAINDER OF PAGE INTENTIONALLY LEFT BLANK  
SIGNATURE PAGE TO FOLLOW**

**WHEREFORE,** Pittsburgh Hotel, LLC, Aimbridge Hospitality f/k/a Interstate Hotels & Resorts, Inc., Maverick Management Group, LLC, ATC Group Services LLC, and the Allegheny County Health Department enter into this Agreement.

**Date:** June 24, 2020

**FOR PITTSBURGH HOTEL, LLC**



Mary Ann Sigler  
President, Secretary & Treasurer

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Douglas A. Cohen, Esq.  
Brown Rudnick LLP  
Attorney for Pittsburgh Hotel, LLC

**FOR AIMBRIDGE HOSPITALITY f/k/a  
INTERSTATE HOTELS & RESORTS, INC.**

**Date:** \_\_\_\_\_

\_\_\_\_\_  
[NAME]

\_\_\_\_\_  
Douglas A. Cohen, Esq.  
Brown Rudnick LLP  
Attorney for Aimbridge Hospitality f/k/a Interstate  
Hotels & Resorts, Inc.

**WHEREFORE,** Pittsburgh Hotel, LLC, Interstate Hotels & Resorts, Inc., Maverick Management Group, LLC, ATC Group Services LLC, and the Allegheny County Health Department enter into this Agreement.

**FOR PITTSBURGH HOTEL, LLC**

**Date:** \_\_\_\_\_

\_\_\_\_\_  
[NAME]

\_\_\_\_\_  
Douglas A. Cohen, Esq.  
Brown Rudnick LLP  
Attorney for Pittsburgh Hotel, LLC

**FOR INTERSTATE HOTELS & RESORTS, INC.**

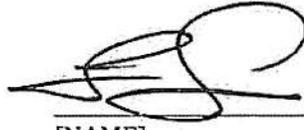
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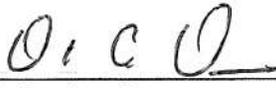
  
[NAME] Greg Moudras, GC

  
Douglas A. Cohen, Esq.  
Brown Rudnick LLP  
Attorney for Interstate Hotels & Resorts, Inc.

**FOR MAVERICK MANAGEMENT GROUP, LLC**

Date: 5.20.20

  
Fred Turk  
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[NAME]

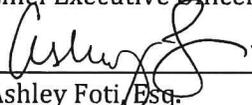
  
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David A. Damico, Esq.  
Burns White Attorneys at Law  
Attorney for Maverick Management Group, LLC

**FOR ATC GROUP SERVICES LLC**

**Date:** 5.22.20



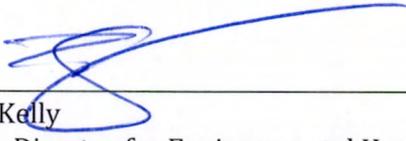
L. Joe Boyer  
Chief Executive Officer



Ashley Foti, Esq.  
General Counsel  
Attorney for ATC Group Services, LLC

**FOR THE ALLEGHENY COUNTY HEALTH  
DEPARTMENT**

Date: May 20, 2020



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James Kelly  
Deputy Director for Environmental Health  
Allegheny County Health Department



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Jeffrey R. Bailey, Esq.  
ACHD Assistant Solicitor  
Allegheny County Health Department