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September 13, 2024

VIA MAIL AND E-MAIL

Jeremy Howe
Technical Programs Unit Supervisor
Air Quality Division
Michigan Department of Environment,
Great Lakes, and Energy
P.O. Box 30260
Lansing, MI 48909-7760
HoweJ1@Michigan.gov

**Re: Loft Holdings, LLC – Response to Second Violation Notice dated
August 13, 2024**

Dear Mr. Howe:

As you know from your email correspondence with my colleague, Mr. Christopher Trebilcock, Clark Hill PLC was very recently retained to assist Loft Holdings, LLC and Audrey Luxury Lofts (collectively, "Loft Holdings") in responding to and resolving your Second Violation Notice ("SVN") dated August 13, 2024. We appreciate your willingness to provide us with the courtesy of a short time extension to put this response together. And, while Loft Holdings disputes the Michigan Department of Environment, Great Lakes, and Energy's ("EGLE") allegations, please be assured that the company is taking EGLE's concerns very seriously and hopes to resolve them promptly.

In your SVN—and as a follow up to your earlier Violation Notices ("VNs") of March 21, 2024, and July 3, 2024—you state that EGLE's Air Quality Division ("AQD") did not find Loft Holdings' response to AQD's July 3, 2024 VN to be sufficient.¹ You note that AQD does not believe that "theft by scrapping and illegal dumping" adequately explains the removal of asbestos floor tile and asbestos pipe insulation from the building prior to Loft Holdings' commencement of asbestos removal by the licensed asbestos abatement contractor that Loft Holdings retained in this matter, Sloan Environmental. And you ask for additional supporting

¹ Distinct from the issues raised in the July 3, 2024 VN, EGLE's VN in March alleged that Loft Holdings failed to conduct and provide an asbestos survey. While Loft Holdings conducted a survey in 2021, it has been unable to obtain that document as previously noted. Nonetheless, Loft Holding obtained a new survey from Sloan Environmental, which has been previously provided to EGLE. We trust that this resolves EGLE's concerns.

information to confirm these causes of the removals alleged by EGLE to have occurred before Sloan Environmental's work at this site.

On that point, please find attached the communications between Mr. Dalen Hanna and local law enforcement identifying an ongoing scrapping concern on March 29, 2024, as well as the pictures taken by Mr. Hanna that demonstrate scrapping in progress. (Ex. A, Text Messages; Ex. B, Photographs.) This incident was reported to Sergeant Law, an officer with the Oakland County Sheriff's Department. Uniformed police responded to this incident on the building site as a result of those text messages. It is unknown whether an official police report was generated as a result, and Loft Holdings does not have a copy. In either event, Mr. Hanna and his employees have witnessed or otherwise have been aware of several such incidents of scrapping as well as illegal dumping that he previously referenced. Unfortunately, this is unavoidable with a vacant building like the one at issue in downtown Pontiac. And it merely highlights the importance of Loft Holdings' redevelopment work on this project. Regardless, we hope that these photographs satisfy EGLE's concerns and adequately confirm for AQD that any removal of asbestos containing floor tile or pipe insulation from the building that occurred notwithstanding Loft Holdings' cessation of work after Ms. Tammy Bell's first visit and prior to Sloan Environmental's engagement was not the result of Loft Holdings' actions but is due to the actions of third parties. Moreover, all asbestos removal that Loft Holdings had undertaken with Sloan Environmental's assistance has been in accordance with the federal regulations and conducted under Ms. Tammy Bell's supervision.

We hope that this response adequately addresses EGLE's immediate concerns. We are happy to answer any questions you may have, and we look forward to discussing this matter with you further to resolve these allegations. In the interim, if you have any questions or concerns, please do not hesitate to call me at (517) 318-3053. Thank you.

Sincerely,

CLARK HILL

/s/ Zachary C. Larsen

Zachary C. Larsen

ZCL:pkm

Enclosures (2): Text Messages with Law Enforcement; Photographs

cc: Dalen Hanna, Loft Holding, LLC
Jason Wolf, AQD Enforcement Unit

EXHIBIT A

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SP



Sgt. Law >

Fri, Mar 29 at 2:51 PM

Hey, I'm sorry to bother you on Good Friday but I have a crew trying to steal scrap metal out of one of our containers in the alley. Do you have anybody you could send out?

2:51 PM

At 28 N. Saginaw

2:51 PM

Sending a deputy over now

3:01 PM

Thank you brother

3:01 PM

NP. Sorry for the delay I was on the phone.

3:01 PM



3:01 PM



3:01 PM



iMessage



EXHIBIT B



