

**LEGAL NOTICE
NOTICE OF PROPOSED CLASS ACTION SETTLEMENT**

YOU ARE NOT BEING SUED

IF YOU ARE A PERSON OR ENTITY WHO/WHICH HAS RECEIVED WATER SERVICES FROM THE CITY OF DETROIT (THE “CITY”) BETWEEN AUGUST 1, 2022 AND MAY 31, 2026 AND USED AN AVERAGE OF AT LEAST 1.0 MCF PER MONTH DURING THAT PERIOD (THE “CLASS PERIOD”) AND ARE STILL A WATER CUSTOMER OF THE CITY AS OF AUGUST 26, 2026, YOU WILL RECEIVE AN AUTOMATIC CREDIT ON YOUR WATER ACCOUNT. YOU CANNOT FILE A CLAIM AND DO NOT NEED TO TAKE ANY OTHER ACTION TO RECEIVE THIS CREDIT.

IF YOU ARE A PERSON OR ENTITY WHO/WHICH HAS RECEIVED WATER SERVICES FROM THE CITY BETWEEN AUGUST 1, 2022 AND MAY 31, 2026 AND USED AN AVERAGE OF AT LEAST 1.0 MCF PER MONTH DURING THAT PERIOD (THE “CLASS PERIOD”) BUT ARE NOT OR WILL NOT BE A WATER CUSTOMER OF THE CITY AS OF AUGUST 26, 2026 AND WISH TO RECEIVE A CASH REFUND IF YOU QUALIFY FOR SUCH REFUND, YOU MUST SUBMIT THE CLAIM FORM (AVAILABLE AT WWW.DETROITWATERSETTLEMENT.COM) ON OR BEFORE AUGUST 26, 2026 BY MAILING IT TO CITY OF DETROIT WATER SETTLEMENT ADMINISTRATOR, ATTN: CLAIM FORMS, 1650 ARCH STREET, SUITE 2210, PHILADELPHIA, PA 19103 OR SUBMITTING AN ELECTRONIC FORM ONLINE AT WWW.DETROITWATERSETTLEMENT.COM.

WHETHER YOU MAIL THE CLAIM FORM OR SUBMIT THE FORM ONLINE, IT MUST BE RECEIVED BY THE SETTLEMENT ADMINISTRATOR ON OR BEFORE AUGUST 26, 2026.

IF YOU ARE ELIGIBLE TO RECEIVE A REFUND AS PART OF THIS CLASS ACTION SETTLEMENT, YOU ARE REQUIRED TO SUBMIT A WRITTEN CLAIM TO RECEIVE YOUR REFUND.

IF YOU NO LONGER HAVE A WATER BILLING ACCOUNT WITH THE CITY OF DETROIT, YOU MUST SUBMIT A WRITTEN CLAIM IN ORDER TO RECEIVE ANY PORTION OF THE SETTLEMENT FUND.

PLEASE RETAIN THIS NOTICE

A Michigan court authorized this notice.

STATE OF MICHIGAN
WAYNE COUNTY CIRCUIT COURT

AJAX METAL PROCESSING, INC.,
a Michigan corporation, individually
and as representative of a class of
Similarly situated persons and entities,

Case No. 23-015314-CB
Hon. Annette J. Berry

Plaintiff,

v.

CITY OF DETROIT,
a municipal corporation,

Defendant.

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Edward F. Kickham Jr. (P70332)
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**LEGAL NOTICE
NOTICE OF CLASS ACTION SETTLEMENT**

TO: All persons and entities who/which have used an average of at least 1.0 MCF of water per month and paid or incurred charges for the City for water service between August 1, 2022 and May 31, 2026 (the “Class”).

You are hereby notified that a proposed settlement in the amount of \$4,450,000 has been reached with the City of Detroit (the “City”) in a class action lawsuit pending in Wayne County Circuit Court titled *Ajax Metal Processing, Inc. v. City of Detroit*, Case No. 23-015314-CB, presiding Judge Annette J. Berry (the “Lawsuit”). The Lawsuit challenges the City’s tiered retail water volumetric rates (the “Tiered Rates”) applicable to users of its water supply services. Plaintiff alleges that the Tiered Rates (consisting of a Tier 1 rate for water usage less than or equal to .6 MCF, and a Tier 2 rate for water usage above .6 MCF) are inclining block rates that result in charges to certain higher-volume users which allegedly exceed the City’s cost of servicing those users (the “Charges”). The City maintains that its Tiered Rates are not inclining block rates and reflect a fair and proportional allocation of its water costs to both the public-health based lifeline rate (Tier 1 rate) and the uniform rate (Tier 2 rate) based on the monthly water usage by all customers. Plaintiff has brought these claims on behalf of itself, and a class of all others similarly situated.

Plaintiff is an entity which has paid the Charges imposed by the City. The Plaintiff seeks a judgment from the Court against the City which would order and direct the City to disgorge and refund all Charges to which Plaintiff and the Class are entitled and would grant any other appropriate relief.

The City denies that the City’s Charges are improper or materially in excess of the actual expenses of providing water service. Thus, the City denies the Plaintiff’s claims, denies that it acted improperly or unlawfully, denies that the Tiered Rates preference certain high-volume users over others, denies any wrongdoing, and contends that it should prevail in the Lawsuit. The Court has made no final adjudication concerning the merits of the Lawsuit at this time.

On May 17, 2021, the Court entered an order certifying the Lawsuit as a class action. You are receiving this Notice because the City’s records indicate that you are a person or entity who (1) paid or incurred Charges between August 1, 2022 and May 31, 2026 (the “Class Period”) and (2) used an average of at least 1.0 MCF per month during that time period and are, therefore, a Class Member for settlement purposes unless you request to be excluded from the Class.

The Plaintiff and the City each understand the risks of proceeding to trial on the merits of the claims asserted in the Lawsuit and prevailing on their respective positions based on the existing legal principles and developed factual record. To avoid the risks, expense, and inconvenience of continued, protracted litigation, the Plaintiff and the City have entered into a settlement agreement dated June 18, 2026 (“Agreement”) to resolve the Lawsuit. The Plaintiff and the City have agreed to resolve and release all of the claims that were or could have been asserted in the Lawsuit in accordance with the following overarching terms (the “Settlement”).

The City has agreed to create a Settlement Fund (the “Settlement Fund”) in the amount of Four Million Four Hundred Fifty Thousand Dollars (\$4,450,000 USD) for the benefit of the Class (“Settlement Amount”). The Settlement Amount will be utilized, with Court approval, to provide Credits or Refunds (as further defined in the Agreement and below) to the Class, and to pay Class Counsel an award of attorneys’ fees, the total amount of which shall not exceed 40% of the Settlement Amount, and expenses for pursuing the Lawsuit.

The “Net Settlement Fund” is the Settlement Amount less the combined total of: (a) the attorneys’ fees awarded to Class Counsel by the Court; (b) expenses reimbursed pursuant to the terms of the Settlement; (c) out-of-pocket expenses of the Claims-Escrow Administrator, and (d) any incentive award made by the Court to the Class representative in an amount not to exceed \$20,000.

The Net Settlement Fund shall be used to give Credits or Refunds to Class Members as described below.

a. The Claims-Escrow Administrator shall calculate each Class Member’s pro rata share of the Net Settlement Fund (the “Pro Rata Share”). Only those Class Members who paid or incurred Charges during the Class Period are entitled to distribution of a Pro Rata Share of the Net Settlement Fund. Class Counsel has determined that the size of each Class Member’s Pro Rata Share shall be set by (1) calculating the total amount of volumetric water charges the City assessed against the property or properties of that Class Member during the Class Period and then (2) dividing that number by the total amount of volumetric water charges the City assessed against all Class Members during the Class Period and then (3) multiplying that fraction by the amount of the Net Settlement Fund.

b. All Class Members as of May 31, 2026 who remain current water and/or sewer customers of the City as of August 26, 2026 are eligible to receive the Pro Rata Shares of the Net Settlement Fund via the application of a Credit against a Class Member’s water account. The Credit will be applied over a six-month period, utilizing the portion of the Net Settlement Fund retained by the City (the “City Administered Portion”). Class Members do not need to do anything to receive a Credit, but Class Members who have unpaid balances for water Charges that are more 30 days past due as of August 26, 2026 (the “Outstanding Balance”) will have their Credits reduced by the amount of their

water accounts' Outstanding Balance as further set forth in Paragraph 10(e) of the Settlement Agreement.

c. Only Class Members who are no longer water customers of the City as of August 26, 2026 and do not have any unpaid account balances with DWSD which equal or exceed their Pro Rata Shares are eligible to receive a distribution of cash via check (a "Refund") from the Net Settlement Fund. To qualify to receive a Refund from the Net Settlement Fund, **Class Members must no longer be water and / or sewer customers of the City** and must submit sworn claims (the "Claims") which identify their names, addresses, and the periods of time in which they incurred or paid the Charges in order to participate in the Settlement. Class Members who submit qualifying Claims are referred to as "Claiming Class Members." The Claiming Class Members will be required to submit those claims no later than August 26, 2026. Only Claiming Class Members who submit valid claims are entitled to Refunds. The Claims Escrow Administrator will distribute the Refunds to the Claiming Class Members. Any Claiming Class Members who have an Outstanding Balance that is less than their Pro Rata Shares will have their respective Refunds reduced by an amount equal to any such Outstanding Balance. The reduction will be treated as a Credit that offsets the Outstanding Balance.

d. Class Members thus will be separated into three (3) groups, each of which will benefit from the Settlement as follows.

i. Group 1 – Class Members who are water customers as of August 26, 2026 and have Outstanding Balances equal to or greater than their respective Pro Rata Shares of the Net Settlement Fund. Group 1 Class Members will receive a Credit against their Outstanding Balances in the amount of their Pro Rata Shares paid from the City Administered Portion irrespective of whether the Class Member has submitted a sworn claim. If the Class Member's Pro Rata Share of the Net Settlement Fund is less than such Class Member's Outstanding Balance, the Outstanding Balance will be reduced by the amount of that Pro Rata Share, and the Class Member will still owe any remaining Outstanding Balance.

ii. Group 2 – Class Members who are water customers as of August 26, 2026 and have no Outstanding Balances or whose Outstanding Balances are less than their Pro Rata Shares of the Net Settlement Fund. Group 2 Class Members without Outstanding Balances will receive from the City Administered Portion a Credit to be applied against future charges that accrue in the Class Member's water account until the Credit is exhausted. Group 2 Class Members who have Outstanding Balances will receive a Credit against their Outstanding Balances to the extent of their Outstanding Balances. The Credit will then be applied against any future charges that accrue in the Class Member's water account until the Credit is exhausted.

iii. Group 3 – The Claiming Class Members, i.e., the Class Members who are no longer water customers of the City as of August 26, 2026 and do not have an Outstanding Balance that equals or exceeds their Pro Rata Shares. Group 3 Class Members are eligible to receive a Refund from the Net Settlement Fund. **Group 3 Class Members must submit timely and valid sworn claims to receive a Refund.** However, if the Class Member who is no longer a water customer of the City as of August 26, 2026 has an Outstanding Balance, the Class Member's Refund will be reduced by the amount of the Outstanding Balance before any Refund is issued to the Class Member.

It is very important for any Class Member who paid the Charges *but who is no longer a water customer of the City* as of August 26, 2026 to submit a Claim. The only way for Class Members who are no longer water customers of the City to receive a portion of the Net Settlement Fund is for them to file Claims.

In addition to the Credits and Refunds described above, the parties have agreed that, beginning January 1, 2027 through June 30, 2027, as part of the Settlement, the City will reduce the Tier 2 Volume Rate by \$6.22 per MCF (the "Tier 2 Volume Rate Reduction"). Thus, effective January 1, 2027 (through June 30, 2027), the City will adopt the following Tier 2 Volume Rate:

Tier 2 Volume Rate per MCF:	\$44.99
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The Tier 2 Volume Rate Reduction will be offset by a nominal increase in the monthly Service Charges (the "Service Charge Adjustment") for the same period. For example, for a 5/8" equivalent meter, the monthly Service Charge will increase from \$8.68 to \$11.09.

For the fiscal years beginning July 1, 2027, July 1, 2028, and July 1, 2029, the City shall utilize the current methodology for determining the Tier 2 Volume Rate and Service Charges, and may increase the Tier 2 Volume Rate and the Service Charges to reflect the overall annual increase in the City's Revenue Requirements for its Water Fund. For example, if the City's Revenue Requirement for the fiscal year beginning July 1, 2027 increases by, e.g., 4%, the City may increase the Tier 2 Volume Rate and the Service Charges for the fiscal year beginning July 1, 2027 by 4% each.

Based upon historical Tier 2 volumes of approximately 1.8 million MCF per year, Class Counsel has valued the Tier 2 Volume Rate Reduction at approximately \$39 million USD for (a) the period including and between January 1, 2027 through June 30, 2027 and (b) the duration of the fiscal years beginning July 1, 2027, July 1, 2028, and July 1, 2029 (together, the “Prospective Relief Period,” i.e., January 1, 2027 through and including June 30, 2030).

If the Settlement is approved by the Court, each Class Member who does not timely request exclusion from the Class shall be deemed to have individually executed, on behalf of the Class Member and his or her heirs, successors and assigns, if any, the following Release and Covenant Not To Sue, and the Final Order and Judgment to be entered by the Court in connection with the approval of this Settlement shall so provide:

In executing the Release and Covenant Not To Sue, each Class Member, on behalf of himself, herself or itself, and his, her or its parents, subsidiaries, affiliates, members, shareholders, predecessors, heirs, administrators, officers, directors, successors, assigns, and any person the Class Member represents, intending to be legally bound hereby, for good and valuable consideration, the receipt of which is hereby acknowledged, hereby absolutely, fully and forever releases, relieves, remises and discharges the City, and each of its successors and assigns, present and former agents, representatives, employees, insurers, affiliated entities, attorneys and administrators, of and from any and all manner of actions, causes of action, suits, debts, accounts, understandings, contracts, agreements, controversies, judgments, consequential damages, compensatory damages, punitive damages, claims, liabilities, and demands of any kind or nature whatsoever, known or unknown, which arise from the beginning of time through December 31, 2026 concerning (1) the City’s calculation or assessment of the Water Rates and/or Service Charges; (2) the components of costs included in the Water Rates and/or Service Charges; (3) the City’s efforts to charge and/or collect Water Rates and/or Service Charges; and/or (4) the City’s Water Revenue Requirement. This Release and Covenant Not To Sue is intended to include all claims that were asserted or could have been asserted in the Lawsuit concerning the City’s Water Rates and/or Service Charges and/or the City’s Water Revenue Requirement. This Release and Covenant Not To Sue shall also apply for the duration of the Prospective Relief Period as set forth in Paragraph 18 of the Agreement. In executing the Release and Covenant Not To Sue, each Class Member also covenants that: (a) except for actions or suits based upon breaches of the terms of this Agreement or to enforce rights provided for in this Agreement, he, she or it will refrain from commencing any action or suit, or prosecuting any pending action or suit, in law or in equity, against the City on account of any action or cause of action released hereby; (b) none of the claims released under the Release and Covenant Not To Sue has been assigned to any other party; and (c) he, she or it accepts and assumes the risk that if any fact or circumstance is found, suspected, or claimed hereinafter to be other than or different from the facts or circumstances now believed to be true, the Release and Covenant Not To Sue shall be and remain effective notwithstanding any such difference in any such facts or circumstances. Nonetheless, the Release and Covenant Not To Sue will not apply to any City utility charges other than the Water Rates and/or Service Charges. In addition, the Release and Covenant Not To Sue will not prohibit an individual Class Member from disputing the accuracy of an individual monthly water bill in accordance with the City’s applicable customer policies.

Class Members who wish to exclude themselves from the Settlement may write to the Administrator, stating that they do not wish to participate in the Settlement and that they wish to retain their right to file an action against the City. This proposed Settlement should not be interpreted, in any way, as suggesting that the claims alleged against the City have legal or factual merit. The City has challenged the validity of Plaintiff’s claims and many of the substantive legal and factual issues have not been resolved. **This request for exclusion must be mailed to: City of Detroit Water Settlement Administrator, Attn: Exclusions, P.O. Box 58220, Philadelphia, PA 19102 or emailed to info@DetroitWaterSettlement.com and must be received by the Settlement Administrator no later than August 21, 2026.**

By remaining a Class Member, you will be bound by the terms of the proposed Settlement and will be barred from bringing a separate action against the City for the claims asserted in the Lawsuit at your own expense through your own attorney. You will, however, receive your Pro Rata Share of the Net Settlement Fund if you do not request exclusion from the Class. If you were to successfully pursue such a separate action to conclusion, recovery might be available to you which is not available in this Settlement. Whether to remain a Class Member or to request exclusion from this Lawsuit to attempt to pursue a separate action at your own expense without the assistance of the Class Counsel in this Lawsuit is a question you should ask your own attorney. Class Counsel cannot and will not advise you on this issue.

Pursuant to the Order of the Court dated July 2, 2026, a Settlement Hearing will be held via Zoom (ID 573-464-2419) at 11 a.m., on September 25, 2026, to determine whether the proposed Settlement as set forth in the Agreement is

fair, reasonable, and adequate and should be approved by the Court, whether the Lawsuit should be dismissed pursuant to the Settlement, and whether Class Counsel should be awarded attorneys' fees and expenses. At the Settlement Hearing, any Class Member may appear in person or through counsel and be heard to the extent allowed by the Court in support of, or in opposition to, the fairness, reasonableness, and adequacy of the proposed Settlement.

No Class Member will be heard in opposition to the proposed Settlement unless, on or before August 21, 2026 they file with the Court and serve upon counsel for Plaintiff and Defendant written objections that set forth the name of this matter as defined in the Notice, the objector's full name, address and telephone number, an explanation of the basis upon which the objector claims to be a Class Member, all grounds for the objection including any known legal support for the objection, the number of times in which the objector has objected to a class action settlement in the past five years and a caption of each case in which an objection was filed, the identity of all counsel representing the objector at the hearing, a statement confirming whether the objector intends to appear and/or testify at the hearing (along with a disclosure of all testifying witnesses) and the signature of the objector (not just the objector's attorney) and serves by first class mail copies thereof upon each of the following attorneys:

Attorneys for Plaintiff

Gregory D. Hanley, Esq.
Kickham Hanley PLLC
40950 Woodward Ave., Suite 306
Bloomfield Hills, Michigan 48084

Attorneys for the City of Detroit

Sonal Hope Mithani, Esq.
Miller, Canfield, Paddock and Stone
101 North Main Street, 7th Floor
Ann Arbor, Michigan 48104

Any Class Member who does not file and serve written objections in the manner provided above shall be deemed to have waived such objections and shall be forever foreclosed from making any objections (by appeal or otherwise) to the proposed Settlement.

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IF YOU ARE ELIGIBLE TO RECEIVE A REFUND AS PART OF THIS CLASS ACTION SETTLEMENT, YOU ARE REQUIRED TO SUBMIT A WRITTEN CLAIM TO RECEIVE YOUR REFUND.

IF YOU NO LONGER HAVE A WATER BILLING ACCOUNT WITH THE CITY OF DETROIT, YOU MUST SUBMIT A WRITTEN CLAIM IN ORDER TO RECEIVE ANY PORTION OF THE SETTLEMENT FUND.

For a more detailed statement of the matters involved in the Lawsuit, including the terms of the proposed Settlement, you are referred to papers on file in the Lawsuit, which may be inspected during regular business hours at the Office of the Clerk of Circuit Court for Wayne County, Michigan. You may also view the Settlement Agreement and other important court documents at www.DetroitWaterSettlement.com.

Should you have any questions with respect to this Notice, or the proposed Settlement of the Lawsuit generally, you should raise them with your own attorney or direct them to counsel for the Class, **IN WRITING OR BY EMAIL TO INFO@DETROITWATERSETTLEMENT.COM, NOT BY TELEPHONE**, identified as Attorneys for Plaintiffs, above. **DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, THE CITY OF DETROIT, OR THE ATTORNEYS FOR THE CITY OF DETROIT.**