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,

Plaintiff,

v.

CITY OF DETROIT,
a municipal corporation,

Defendant.

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

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CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement ("Agreement") is made this 18th day of June 2026, by and between the following (all of which are hereinafter referred to individually as a "Party," and collectively as the "Parties"): the Plaintiff Ajax Metal Processing, Inc. ("Named Plaintiff"), individually, and on behalf of a class of similarly situated persons and entities (as more specifically defined in Paragraph 2 below, the "Class"), acting by and through its counsel, Kickham Hanley PLLC ("Class Counsel"), and the Defendant City of Detroit, by and through its Water and Sewerage Department (the "City").

WHEREAS Plaintiff commenced the above captioned lawsuit (the "Lawsuit") in Wayne County Circuit Court challenging 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.

WHEREAS the Complaint alleges that the Lawsuit should be maintained as a class action on behalf of a class consisting of certain persons or entities who or which have consumed certain levels of water and paid the City for this water service under the Tiered Rates since August 1, 2022 and/or at any time during the pendency of this action, and the Court entered an order granting class certification on September 12, 2025 as described more specifically in Paragraph 2 below.

WHEREAS the City denies that the City's Tiered Rates and resulting Charges are improper or materially in excess of the actual expenses of providing water service to certain customers; denies that the Tiered Rates preference certain high-volume users over others; denies that it has intentionally or negligently committed any unlawful, wrongful, or tortious acts or omissions, violated any constitutional provision or statute, or breached any duties of any kind whatsoever; denies that it is in any way liable to any member of the Class; and states that the claims asserted in the Lawsuit have no substance in fact or law, and the City has meritorious defenses to such claims. **The Court has made no final adjudication concerning the merits of the lawsuit at this time**.

WHEREAS the Parties 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 the developed factual record, and thus, have each agreed to enter into this Agreement to avoid the risks, expense, and inconvenience of continued, protracted litigation, and, as to the City, to obtain total and final peace, satisfaction, and protection from the claims asserted against it in the Lawsuit.

WHEREAS the Named Plaintiff in the Lawsuit and Class Counsel also have been provided with discovery and have conducted investigations into the facts of the Lawsuit, have made a thorough study of the legal principles applicable to the claims in the Lawsuit and assessed the likelihood of recovery of the requested relief (i.e., Plaintiff's calculated refunds and proposed single uniform rate), and, after several private mediation sessions with mediator Thomas McNeill, Esq., have concluded that a class settlement with the City in the amount and on the terms hereinafter set forth (the "Settlement") is fair, reasonable, and adequate, and is in the best interest of the Class.

WHEREAS the Parties desire to compromise their differences and to resolve and release all of the claims asserted by the Named Plaintiff and the Class in the Lawsuit.

NOW, THEREFORE, in consideration of the covenants and agreements herein, and intending to be legally bound, the Parties hereby agree as follows:

IMPLEMENTATION OF AGREEMENT

1. The Parties agree to cooperate in good faith, to use their best efforts, and to take all steps necessary to implement this Agreement and the Settlement provided for herein.

CLASS CERTIFICATION

2. On September 12, 2025, the Court entered an order certifying a class of plaintiffs consisting of all persons and entities who/which have used an average of at least 1 MCF per month and paid the City for water service at any time since August 1, 2022 or who/which pay the City for water service during the pendency of this action (the "Class"). For settlement purposes, the Parties

agree that the Class shall consist of all persons and entities who/which have used an average of at least 1.0 MCF per month and paid or incurred Charges for water service from the City between August 1, 2022 and May 31, 2026 (the "Class Period"), and who do not request to be excluded from the Class pursuant to MCR 3.501(D). This Agreement is intended to settle all of the claims of the members of the Class (the "Class Members").

SETTLEMENT FUND

3. The City will create a Settlement Fund (the "Settlement Fund") in the amount of Four Million Four Hundred Fifty Thousand Dollars ($4,450,000 USD). The City will not increase its retail water volumetric usage rates ("Water Rates") or retail water meter charges ("Service Charges") in order to finance the Settlement Fund. Within 14 days after entry of an order preliminarily approving this Settlement, the City shall deposit Two Hundred Thousand Dollars ($200,000 USD) into the IOLTA Trust Account of Class Counsel and such funds will be earmarked to pay costs incurred in administering the Settlement and will ultimately be supplemented in order to pay any Refunds owed to Class Members as set forth in Paragraph 10(c), and remaining costs and attorneys' fees to Class Counsel, as determined by the Court. The City shall retain Four Million Two Hundred Fifty Thousand Dollars ($4,250,000 USD) of the Settlement Fund ("City Administered Portion") and such funds will either be transferred to Class Counsel's IOLTA Trust Account within the time frames set forth in Paragraph 11 and/or be used to apply the credits described in Paragraph 10 below. As set forth in Paragraph 11(b), the amounts deposited in Class Counsel's IOLTA Trust Account will be reconciled with the amounts retained by the City to reflect the total amount of Refunds and Credits distributable to Class Members per the Distribution Report and Determinations approved by the Court. The Settlement Fund other than the City Administered

Portion shall be administered by Class Counsel (the "Claims-Escrow Administrator") with, at Class Counsel's option, the assistance of a third-party administrator ("TPA"). The expenses the Claims-Escrow Administrator incurs to the TPA shall be recoverable by the Claims-Escrow Administrator as a cost of the litigation under Paragraphs 27-30 of this Agreement (subject to Court approval) and payable out of the Settlement Fund. The Claims-Escrow Administrator may from time to time apply to the Court for instructions or orders concerning the administration of the Settlement Fund and may apply to the Internal Revenue Service for such rulings with respect thereto as it may consider appropriate. Disbursements from the Settlement Fund by the Claims-Escrow Administrator and the City shall be expressly conditioned upon an order of the Court permitting such disbursements.

4. Except as set forth in Paragraphs 27 through 30 of this Agreement, the Class and Class Counsel shall not claim any attorneys' fees or costs.

5. Subject to Paragraph 30, distribution of the Settlement Fund (including the City's issuance through the City Administered Portion of the first installment of credits in accordance with the phased approach described in Paragraph 12) shall occur no later than seven (7) days after the completion of the last of all of the following (the "Settlement Date"):

(a) entry of an order of final judicial approval by the Court approving this Agreement and the Settlement pursuant to Michigan Court Rule 3.501(E);

(b) entry of an order adjudicating Class Counsel's motion for an award of attorneys' fees and costs;

(c) entry of a final judgment of dismissal of the Lawsuit with prejudice with respect to the claims of the Named Plaintiff and all Class Members, except those putative Class Members who have requested to be excluded from the Class pursuant to MCR 3.501(D);

(d) the City's deposit of the Settlement Fund described in Paragraph 3 above;

(e) the reconciliation process described in Paragraph 11.b below;

(f) the City's transfer of the funds described in Paragraph 11.c below; and

(g) the expiration of the 21-day time for appeal of all of the aforementioned orders and judgments and final resolution of any and all appeals of such orders and judgments, but only if any Class Member files a timely objection to the Settlement that complies with the requirements of Paragraph 23(b)(iii) of this Agreement and is considered by the Court.

6. As more specifically discussed below, and as provided in Paragraph 5, the Settlement Fund shall be distributed only pursuant to and in accordance with orders of the Court.

7. In the event that this Settlement fails to be consummated pursuant to this Agreement or fails to secure final approval by the Court for any reason or is terminated pursuant to Paragraph 31, any portion of the Settlement Fund not already in the City's possession shall immediately be returned to the City.

DISTRIBUTION OF SETTLEMENT FUND

8. The "Net Settlement Fund" to be distributed to the Class is the Settlement Fund less the combined total of: (a) attorneys' fees and any incentive award to the Class representative awarded pursuant to Paragraphs 27-30; and (b) Class Counsel and Claims-Escrow Administrator expenses reimbursed pursuant to Paragraphs 27-30.

9. All Class Members may participate in the Settlement by (a) receiving an account credit ("Credit") or a cash distribution payment (i.e., "Refund") payable from the Net Settlement Fund and, for Class Members who pay for water supply services on or after January 1, 2027 during the Prospective Relief Period, (b) sharing in the Common Benefit. The "Common Benefit" shall

mean the future value of the "Tier 2 Rate Reduction" during the "Prospective Relief Period," both of which are described further in Paragraphs 15-17 below. Each Class Member's pro rata share of the Net Settlement Fund (the "Pro Rata Share") will be distributed in accordance with Paragraphs 10(b) and (c). The Pro Rata Share to be allocated to each Class Member shall be determined according to Paragraph 10(e). Each Class Member shall participate in the Common Benefit as described in Paragraphs 15-17 below.

10. The Net Settlement Fund shall be distributed as follows:

(a) On or before June 30, 2026, the City shall provide the Claims-Escrow Administrator with billing and payment records in electronic form that, at a minimum, provide for the Class Period (August 1, 2022 through May 31, 2026) the name, service address, billing address, account number, total actual water usage and volumetric charges, and Outstanding Balance (defined in Paragraph 10(b)) for each active water customer account. The Claims-Escrow Administrator will provide notice to the Class Members ("Notice") through first-class mail through a Postcard Notice which shall state: "ATTENTION: If you paid the City of Detroit for water services between August 1, 2022 and May 31, 2026 and you were billed for an average of at least 1.0 MCF (7480 gallons) per month during that period, you may be entitled to a refund or credit from a $4.45 million class action settlement fund. For more details, go HERE." The "HERE" in any Email Notice shall contain a link to the "Settlement Website" described below. The Claims-Escrow Administrator is authorized to utilize the services of the TPA in disseminating Notices to the Class. In addition, the Claims-Escrow Administrator shall, in collaboration with the TPA, establish a website (the "Settlement Website") containing a Notice substantially in the form attached to this Agreement as Exhibit B (the "Long Form Notice"). Finally, the Claims-Escrow Administrator shall cause Notice to be given to the Class Members by social media in accordance with industry standard practices pursuant to a social media notice plan to be developed by the Claims-Escrow Administrator and the TPA (the "Social Media Notice"). The Social Media Notice shall include a link to the Settlement Website. Neither the Settlement Website nor the Notices to the Class will contain any characterizations about the nature of the claims in the Litigation, the City's arguments and defenses to the claims, and/or the Settlement that have not been approved by the City. Such forms of Notice will not be required to be exclusive, and the Claims-Escrow Administrator will be allowed to use any appropriate means to give notice to Class Members of the Settlement and the opportunity to obtain a Refund, if warranted under Paragraph 10(c).

(b) All persons and entities who are Class Members as of May 31, 2026 and who remain current water and sewer customers of the City as of 30 days prior to the hearing on the final approval of the Settlement as described in Paragraph 25 are eligible to receive Credits against their water accounts, payable in six monthly installments as stated in Paragraph 5. Class Members do not need to do anything to receive a Credit, but Class Members who have unpaid account balances (including any prior unpaid write offs) with the City's Water and Sewerage Department for amounts that are more than 30 days past due as of June 30, 2026 (the "Outstanding Balance") will have their Credits reduced by the amount of their accounts' Outstanding Balance as further set forth in Paragraph 10(e).

(c) Only Class Members who are no longer water customers of the City as of 30 days prior to the hearing on the final approval of the Settlement as described in Paragraph 25 <u>and</u> do not have any unpaid account balances with the City that 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, these Class Members will be required to submit sworn claims (the "Claims") which identify their names, service addresses, the periods of time in which they incurred or paid the Charges, and the addresses where they want their Refund sent. Class Members who submit qualifying Claims will hereafter be referred to as the "Claiming Class Members." The Claiming Class Members will be required to submit Claims no later than 30 days prior to the hearing on the final approval of this Settlement, as described in Paragraph 25 (the "Claims Period"). The Claims-Escrow Administrator will coordinate with the City to confirm that each Claiming Class Member does not have an Outstanding Balance. A Credit will first be applied to the accounts of those Claiming Class Members with any Outstanding Balance before any Claiming Class Member will be eligible for a Refund.

(d) The foregoing is a general outline. The TPA will assist in implementing a process designed to minimize fraud and maximize dissemination of the Refunds to the appropriate parties. In the event that two or more parties claim to have paid or incurred the Charges for the same account, the Claims-Escrow Administrator shall have the absolute discretion to determine which party or parties are entitled to participate in the Settlement. At the Claims-Escrow Administrator's option, it may notify the City of the competing claims and consider any City information, documents, and recommendations that the City may provide in response to the notice. The City shall cooperate by providing information in its possession concerning the disputed account, if any, no later than five business days after receiving notice of conflicting claims from the Claims-Escrow Administrator. In addition, the Parties acknowledge that, in recent years, fraudulent refund claims have been an increasingly significant problem in class action settlements. Therefore, the Parties agree that the Claims-Escrow Administrator shall have absolute discretion to determine whether a claim is fraudulent, with or without requesting or receiving any additional information from the City. Neither the Parties nor the Claims-Escrow Administrator shall have any liability to any Class Member or other person arising out of a determination that a submitted claim is fraudulent or a purported Class Member is otherwise ineligible to participate in the Settlement.

(e) The Claims-Escrow Administrator shall calculate each Class Member's 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. The Claims-Escrow Administrator is authorized to utilize the services of the TPA to calculate the Pro Rata Shares distributable to the Class Members. 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. The City will distribute the Pro Rata Shares of the Net Settlement Fund via the application of a Credit against a Class Member's water account for Class Members who are water customers of the City as of 30 days prior to the hearing on the final approval of the Settlement as described in Paragraph 25. The Credit will reflect the amount of the Class Member's Pro Rata Share, which will be applied first to any Outstanding Balance in the Class Member's account and then against any future charges that accrue in the Class Member's account until the Credit is exhausted. All other Class Members (i.e., the Claiming Class Members who submit a timely and completed Claim) are eligible for a Refund reflecting their Pro Rata Shares of the Net Settlement Fund. 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.

11. No later than fourteen (14) days prior to the hearing on the final approval of this Settlement (as described in Paragraph 25), the Claims-Escrow Administrator (with the optional assistance of the TPA) shall file with the Court and serve upon the City a Distribution Report, which shall consist of the calculation of the Pro Rata Shares due to each Class Member, along with a list identifying each Class Member's Outstanding Balance and the total payments made by the Class Member during the Class Period. Because the amount of the Net Settlement Fund will not be known at the time the Distribution Report is prepared, the Report shall express each Class Member's Pro Rata Share as a percentage of the Settlement Fund.

(a) The City shall have seven (7) days to object to the Distribution Report. All objections shall be resolved by the Court at or before the final approval hearing.

(b) Within 7 days after entry of the Final Order as set forth in Paragraph 25 of this Agreement, the Claims-Escrow Administrator shall apply the percentages in the Distribution Report against the amount of the Net Settlement Fund to determine the monetary amount of each Class Member's Pro Rata Share and shall determine the amounts of Credits or Refunds due to each Class Member based upon the information contained in the Distribution Report (the "Determinations"). Within fourteen (14) days after the Court's entry of the Final Order, Class Counsel and Counsel for the City shall – in accordance with the Distribution Report and the Determinations – reconcile the amounts in the City Administered Portion (to issue Credits) and the amounts in Class Counsel's IOLTA Trust Account (to issue Refunds and to pay the attorneys' fees, incentive award, and costs awarded by the Court under Paragraphs 27-30).

(c) Within 7 days after the reconciliation set forth in Paragraph 11(b), the City will remit funds from the City Administered Portion to Class Counsel's IOLTA Trust Account in the amount which (when added to the $200,000 USD deposit set forth in Paragraph 3) will fully fund (1) any Refunds in accordance with Paragraph 10(c) and (2) the attorneys' fees payable from the Settlement Fund, and the costs and incentive award set forth in the Final Order.

(d) The Parties acknowledge that, because Class Members may have moved or ceased doing business after August 1, 2022, complete and current address information may not be available for all Class Members. The City, Named Plaintiff, counsel for any Parties, the Claims-Escrow Administrator and the TPA shall not have any liability for or to any Class Member with respect to determinations of the amount of any distribution of the Settlement Fund to any Class Member or determinations concerning the names or addresses of the Class Members.

12. At a time consistent with Paragraph 5, following the events set forth in Paragraph 11(a)-(c), the Claims-Escrow Administrator and the City shall distribute each Class Member's Pro Rata Share of the Net Settlement Fund. The Claims-Escrow Administrator and the City shall cause each Class Member's Pro Rata Share to be distributed in accordance with the Order of the Court. The City will apply the Class Members' Credits to the Class Member accounts in equal installments over a six-month period of time beginning the month after the Court enters a Final Order and Judgment. The Claims-Escrow Administrator is authorized to send checks reflecting Refunds due to Class Members under the Agreement. The Claims-Escrow Administrator is further authorized

to transfer its held portion of the Net Settlement Fund to the TPA so that the TPA can distribute Refunds in accordance with this Agreement.

13. The amounts of money covered by checks distributing Refunds which: (a) are returned and cannot be delivered by the U.S. Postal Service after the Claims-Escrow Administrator (i) confirms that the checks were mailed to the identified addresses, and (ii) re-mails any checks if errors were made or it becomes aware of an alternative address or payee; or (b) have not been cashed within six (6) months of mailing, shall be refunded to the City to benefit the City's water system and its customers within thirty (30) days after the expiration of the six (6) month period; and the Class Members to whom such checks were mailed shall be forever barred from obtaining any credit or payment in this Lawsuit. Any such Class Members are still bound by the Release and Covenant Not To Sue in Paragraph 26.

14. Within thirty (30) days after the date on which the remaining Net Settlement Fund is distributed back to the City, the Claims-Escrow Administrator shall file with the Court and serve on counsel for the Parties a document setting forth the names and addresses of, and the amounts paid to, each Class Member who received funds from the Net Settlement Fund in the form of a Refund, together with a list of Class Members entitled to receive a Refund of their Pro Rata Share but whose distribution checks have been returned or have not been cashed.

PROSPECTIVE PROVISIONS

15. As stated in Paragraph 9, the Class Members will also share in the Common Benefit as described herein. The City will continue to impose and collect volumetric water charges through the current tiered structure. In March 2026, the City approved and will implement the following

Tier 2 volumetric rate ("Tier 2 Volume Rate") for the fiscal year beginning July 1, 2026 and ending June 30, 2027:

Tier 2 Volume Rate per MCF: $51.21

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

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. DWSD has confirmed the reasonableness of the Tier 2 Rate Reduction and the Service Charge Adjustment with its external rate consultant.

16. 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.

17. 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).

18. The Class Members shall release the City as provided in Paragraph 26 below. In addition, provided that the City complies with Paragraphs 15 and 16 above during the Prospective Relief Period, the release provided in Paragraph 26 shall extend through the duration of the Prospective Relief Period.

19. The Lawsuit will be dismissed with prejudice.

CLAIMS-ESCROW ADMINISTRATOR

20. The Claims-Escrow Administrator shall not receive a separate fee for its services as Claims-Escrow Administrator. Because Class Counsel is acting as the Claims-Escrow Administrator, the fee awarded to Class Counsel shall be deemed to include compensation for its service as Claims-Escrow Administrator. The Claims-Escrow Administrator, however, shall be entitled to be reimbursed for its out-of-pocket expenses incurred in the performance of its duties (including but not limited to the TPA's charges), which shall be paid solely from the Settlement Fund.

21. The Claims-Escrow Administrator, with the assistance of the TPA, shall have the responsibilities set forth in this Agreement, including, without limitation, holding the Settlement Fund in escrow, determining the eligibility of Class Members to receive Credits and Refunds, determining the Pro Rata Shares, distributing the Refunds to Class Members receiving a Pro Rata Share, filing a Distribution Report and Determinations consistent with Paragraph 11, and refunding to the City portions of the Net Settlement Fund as required by Paragraph 13. The Claims-Escrow Administrator, with the assistance of the TPA, shall also be responsible for: (a) recording receipt of all responses to the Notice; (b) preserving until further Order of the Court any and all written

communications from Class Members or any other person in response to the Notice; and (c) making any necessary filings with the Internal Revenue Service. The Claims-Escrow Administrator may respond to inquiries, but copies of all written answers to such inquiries will be maintained and made available for inspection by all counsel in this Lawsuit. The Claims-Escrow Administrator may delegate some or all of these duties to the TPA except only the Claims-Escrow Administrator may determine eligibility of Class Members to receive Credits and Refunds.

22. Any findings of fact of the Claims-Escrow Administrator and/or the TPA shall be made solely for the purposes of the allocation and distribution of the Pro Rata Shares, and, in accordance with Paragraph 35, shall not be admissible for any purpose in any judicial proceeding, except as required to determine whether the claim of any Class Member should be allowed in whole or in part.

NOTICE AND APPROVAL OF SETTLEMENT

23. As soon as practicable, but in no event later than five (5) days after the execution of this Agreement, Class Counsel and Counsel for the City shall submit this Agreement to the Court, either by stipulation or joint motion, pursuant to Michigan Court Rule 3.501, for the Court's preliminary approval, and shall request an Order of the Court for preliminary approval of the Settlement, substantially in the form attached as Exhibit "A," including the following terms:

a. scheduling of a Settlement approval hearing to be held as soon as practicable after the entry of such Order for preliminary approval, but in no event later than ninety (90) days thereafter to determine the fairness, reasonableness, and adequacy of this Agreement and the Settlement; whether the Agreement and Settlement should be approved by the Court; and whether to award the attorneys' fees and expenses requested by Class Counsel;

b. directing that Notice, substantially in the form of Exhibit "B," be given to the Class Members advising them of the following:

i. the terms of the proposed Settlement consented to by the Named Plaintiff and the City;

ii. the scheduling of a hearing for final approval of the Agreement and Settlement;

iii. the rights of the Class Members to appear at the hearing to object to approval of the proposed Settlement or the requested attorneys' fees and expenses, provided that, if they choose to appear, they must file and serve at least thirty-five (35) days prior to the hearing 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);

iv. the nature of the release to be constructively entered upon approval of the Agreement and Settlement;

v. the binding effect on all Class Members of the judgment to be entered should the Court approve the Agreement and Settlement; and

vi. the right the Class Members have to opt out of the Class, the procedures for doing so, and the deadlines for doing so, including the deadline with respect to filing and/or serving written notification of a decision to opt out of the Class (such deadline must be at least thirty-five (35) days prior to the hearing);

c. providing that the manner of such Notice shall constitute due and sufficient notice of the hearing to all persons entitled to receive such Notice and requiring that proof of such Notice be filed at or prior to the hearing; and

d. appointing Kickham Hanley PLLC as Claims-Escrow Administrator;

24. Notice to Class Members of the proposed Settlement shall be the responsibility of Class Counsel pursuant to orders of the Court. Class Counsel shall be entitled to be reimbursed for the cost of such notice from the Settlement Fund, and Class Counsel shall make application for costs of notice to the Court at least seven (7) days before the Settlement approval hearing with the Court approving any costs at the time of the Settlement approval hearing. Such Notice shall be substantially in the form attached hereto as Exhibit "B," and mailed by Class Counsel (or the TPA) to the Class Members at the addresses provided to the Claims Escrow Administrator under Paragraph 10(a). Class Counsel will also provide Notice as set forth in Paragraph 10(a) above.

25. After the Notice discussed in Paragraphs 10(a), 23, and 24 has been mailed, the Court shall, consistent with Paragraph 23, conduct a hearing at which it rules on any objections to this Agreement and rules on a joint motion for entry of a Final Order approving of this Settlement and Agreement. If the Court approves this Agreement pursuant to Michigan Court Rule 3.501(E),

a final judgment, substantially in the form of Exhibit "C," shall be entered by the Court: (a) finding that the Notice provided to Class Members is the best notice practicable under the circumstances and satisfies the due process requirements of the United States and Michigan Constitutions; (b) approving the Settlement set forth in this Agreement as fair, reasonable, and adequate; (c) dismissing with prejudice and without costs to any Party any and all claims of the Class Members against the City, excluding only those persons who in timely fashion requested exclusion from the Class; (d) awarding Class Counsel incentive awards, attorneys' fees, costs and expenses as granted by the Court upon motion of Class Counsel; (e) reserving jurisdiction over all matters relating to the administration of this Agreement, including allocation and distribution of the Settlement Fund; and (f) retaining jurisdiction to protect and effectuate this judgment.

RELEASE AND COVENANT NOT TO SUE

26. On the Settlement Date, each Class Member who has not timely requested exclusion therefrom 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.

ATTORNEYS' FEES AND EXPENSES

27. Class Counsel shall be paid an award of attorneys' fees, costs, and expenses from the Settlement Fund. For purposes of an award of attorneys' fees and costs, the Settlement Fund shall be deemed to be a "common fund," as that term is used in the context of class action settlements. Class Counsel shall not make an application for any attorneys' fees and costs which are in addition to the "common fund" attorneys' fees and costs contemplated by this Agreement or

otherwise requires the City to contribute any additional money to fund Class Counsel's requested attorneys' fees and costs.

28. The amount of attorneys' fees, costs and expenses to be paid to Class Counsel shall be determined by the Court applying legal standards and principles applicable to awards of attorneys' fees and costs from common fund settlements in class action cases. Class Counsel agrees that it will not seek an award of attorneys' fees in excess of Forty Percent (40%) of the Settlement Fund. Class Counsel will file and serve a motion to approve attorneys' fees, costs and expenses, and to approve incentive awards no later than seven (7) days before the hearing for final approval of the Settlement. The City will not join in that motion, but the City will not oppose Class Counsel's motion, provided the motion complies with this Agreement. The City will also not oppose any request for an incentive award on behalf of class representative Ajax Metal Processing, Inc. ("Ajax") in an amount not to exceed Twenty Thousand Dollars ($20,000 USD) to be paid solely from the Settlement Fund.

29. The award of attorneys' fees, costs and expenses to be paid from the Settlement Fund to Class Counsel pursuant to Paragraph 28 does not include any out-of-pocket expenses incurred by Kickham Hanley PLLC acting in its capacity as Claims-Escrow Administrator. Kickham Hanley PLLC shall make a separate application for such expenses.

30. The Court shall determine and approve the award of attorneys' fees and costs to Class Counsel, reimbursement of the expenses incurred by the Claims-Escrow Administrator, and any incentive award to Plaintiff in connection with the final approval hearing. The attorneys' fees, costs and expenses awarded to Class Counsel and the Claims-Escrow Administrator, and any incentive award to Ajax shall be paid from the Settlement Fund upon the Settlement Date.

TERMINATION

31. If this Agreement and Settlement is disapproved, in part or in whole, by the Court, or any appellate court; if dismissal of the Lawsuit with prejudice against the City cannot be accomplished; if the Court does not enter an Order of Preliminary Approval substantially in the form attached as Exhibit "A" within twenty-eight (28) days after its submission to the Court; if a final judgment on the terms set forth in Paragraph 25 is not entered within one hundred fifty (150) days after the entry of the Order substantially in the form attached as Exhibit "C"; if the Court (or any appellate court) alters the terms of this Settlement in any material way not acceptable to the City or to Class Counsel; or if this Agreement and Settlement otherwise is not fully consummated and effected:

(a) This Agreement shall have no further force and effect, and it and all negotiations and proceedings connected therewith shall be without prejudice to the rights of the City, the Named Plaintiff, and the Class;

(b) The Claims-Escrow Administrator shall immediately return to the City the full value of the Settlement Fund;

(c) The Parties shall return to the status quo ante in the Lawsuit as if the Parties had not entered into this Agreement, and all of the Parties' respective pre-Settlement claims and defenses will be preserved; and

(d) Counsel for the Parties shall consent to reasonable continuances of the Lawsuit for the Parties to prepare and file motions, prepare for trial, or prepare and file appellate briefs.

32. The City and Class Counsel may, in their sole and exclusive discretion, elect to waive any or all of the terms, conditions or requirements stated in Paragraph 31. Such waiver must be memorialized in a writing signed by the City and/or its Counsel and Class Counsel and delivered via certified mail to all counsel or it will have no force or effect.

33. The City and Class Counsel may, in their sole and exclusive discretion, elect to extend any or all of the deadlines stated in Paragraph 31. Such extension must be memorialized in a writing signed by the City and/or its Counsel and Class Counsel and delivered via certified mail to all counsel of record, or it will have no force or effect.

34. In the event the Settlement is terminated in accordance with Paragraph 31, any discussions, offers, negotiations, or information exchanged in association with this Settlement shall remain confidential pursuant to MCR 2.412 and shall not be discoverable or offered into evidence or used in the Lawsuit or any other action or proceeding for any purpose.

USE OF THIS AGREEMENT

35. This Agreement, the Class Period, the Settlement provided for herein (whether or not consummated), and any proceedings taken pursuant to this Agreement shall not be:

a. construed by anyone for any purpose whatsoever as, or deemed to be, evidence of a presumption, concession or an admission by the City of the truth of any fact alleged or the validity of any claims, or of the deficiency or waiver of any defense that has or could have been asserted in the Lawsuit, or of any liability, fault or wrongdoing on the part of the City; or

b. offered or received as evidence of a presumption, concession or an admission of any liability, fault, or wrongdoing, or referred to for any other reason by the Named Plaintiff, Class Members, or Class Counsel in the Lawsuit, or any other person or entity not a party to this Agreement in any other action or proceeding other than such proceedings as may be necessary to effectuate the provisions of this Agreement;

c. construed by anyone for any purpose whatsoever as an admission or concession that the Settlement amount represents the amount which could be or would have been recovered after trial, or the applicable time frame for any purported amounts of recovery; or

d. construed more strictly against one Party than the other, this Agreement having been prepared by Counsel for the Parties as a result of arms-length negotiations between the Parties, with the involvement of a neutral mediator.

WARRANTIES

36. Class Counsel further warrants that in its opinion the Settlement Fund and the Common Benefit represent fair consideration for and an adequate settlement of the claims of the Class released herein.

37. The undersigned have secured the consents of all persons necessary to authorize the execution of this Agreement and related documents and they are fully authorized to enter into and execute this Agreement on behalf of the Parties.

38. Class Counsel deems this Agreement to be fair and reasonable and has arrived at this Agreement in arms-length negotiations considering all relevant factors, present or potential.

39. The Parties intend this Agreement to be a final and complete resolution of all disputes between them with respect to the claims that were or could have been brought in the Lawsuit.

40. The Parties have relied upon the advice and representation of counsel, selected by them, concerning their respective legal liability for the claims hereby released. The Parties have read

and understand fully this Agreement and have been fully advised as to the legal effect thereof by their respective Counsel and intend to be legally bound by the same.

BINDING EFFECT AND ENFORCEMENT

41. All covenants, terms, conditions and provisions of this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the respective predecessors and successors, and past and present assigns, heirs, executors, administrators, legal representatives, trustees, subsidiaries, divisions, affiliates, parents (and subsidiaries thereof), partnerships, and partners, and all of their officers, directors, agents, employees, and attorneys, both past and present, of each of the Parties hereto. It is understood that the terms of this paragraph are contractual and not a mere recital.

42. This Agreement, with the attached Exhibits A through C, constitutes a single, integrated written contract and sets forth the entire understanding of the Parties. Any previous discussions, agreements, or understandings between or among the Parties regarding the subject matter herein are hereby merged into and superseded by this Agreement. No covenants, agreements, representations, or warranties of any kind whatsoever have been made by any Party hereto, except as provided for herein.

43. All of the Exhibits attached hereto are hereby incorporated by reference as though fully set forth herein.

44. This Agreement shall be construed and governed in accordance with the laws of the State of Michigan.

45. Before filing any action or motion in the Court raising a dispute arising out of or related to this Agreement, the Parties shall consult with each other and discuss submitting any disputes to non-binding mediation. The Parties shall also certify to the Court that they have

consulted and either have been unable to resolve the dispute in mediation or are unwilling to submit the dispute to mediation and the reasons why.

46. The Court shall retain jurisdiction with respect to the implementation and enforcement of the terms of this Agreement, and the Parties shall submit to jurisdiction of the Court for purposes of implementing and enforcing the Settlement reflected in this Agreement.

MODIFICATION AND EXECUTION

47. This Agreement may be executed in counterparts, all of which shall constitute a single, entire agreement.

48. Change or modification of this Agreement, or waiver of any of its provisions, shall be valid only if contained in a writing executed on behalf of all the Parties hereto by their duly authorized representatives.

49. This Agreement shall become effective and binding (subject to all terms and conditions herein) upon the Parties when it has been executed by the undersigned representatives of the Parties.

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IN WITNESS WHEREOF, each of the Parties executes this Agreement through his, her or its duly authorized representatives.

KICKHAM HANLEY PLLC

In its capacity as Class Counsel and on behalf of
the Named Plaintiff in the Lawsuit and the Class

By: ______________________________
Gregory D. Hanley (P51204)
Attorneys for Plaintiffs
40950 Woodward Avenue, Suite 306
Bloomfield Hills, MI 48304
(248) 544-1500

Dated: 6/18/2026

CITY OF DETROIT, BY AND THROUGH ITS WATER AND SEWERAGE DEPARTMENT

By: ______________________________

Its: Director

Dated: 6/17/2026