STATE OF MICHIGAN
INGHAM COUNTY CIRCUIT COURT

JAMES HEOS,
individually and as representative
of a class of similarly-situated
persons and entities,

Plaintiff,

v.

CITY OF EAST LANSING,
a municipal corporation,

Defendant.

Case No. 20-199-CZ
Hon. Wanda M. Stokes

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CLASS ACTION SETTLEMENT AGREEMENT

This Class Action Settlement Agreement ("Agreement") is made this ___ day of June 2025, by and between the following (collectively referred to as the "Parties"): Plaintiff James Heos ("Named Plaintiff"), individually, and on behalf of a certified class of similarly situated persons and entities (as more specifically defined in Paragraph 2 below, the "Class"), acting by and through his

counsel, Kickham Hanley PLLC ("KH") and The Abood Law Firm (collectively, "Class Counsel"), Defendant City of East Lansing, Michigan (the "City").

WHEREAS, Plaintiff commenced the above captioned lawsuit (the "Lawsuit") in Ingham County Circuit Court (the "Court") on April 2, 2020 challenging the "Franchise Fees" imposed by the City on citizens whose properties receive electric service from the Lansing Board of Water and Light (the "LBWL"), a municipal utility owned by the City of Lansing, Michigan.

WHEREAS the Complaint alleges (a) the Franchise Fees are not proper user fees, but taxes wrongfully imposed by the City to raise revenue in violation of the Headlee Amendment to the Michigan constitution of 1963; (b) the Franchise Fees violate the Prohibited Taxes By Cities And Villages Act, MCL 141.91 because the Franchise Fees are not ad valorem taxes, but are taxes imposed, levied, or collected after January 1, 1964; (c) by imposing the Franchise Fees, the City has violated state equal protection guarantees; (d) the City has imposed the Franchise Fees in violation of the Foote Act; and (e) that Plaintiff and those similarly situated have been harmed by the City's collection and retention of the Franchise Fees.

WHEREAS, the Complaint alleges that the Lawsuit should be maintained as a class action on behalf of a class consisting of persons or entities who or which have paid or incurred the Franchise Fees during the permitted time periods preceding the filing of this Lawsuit and/or at any time during the pendency of this action.

WHEREAS, the Court certified this matter as a class action on August 5, 2020 and entered an order defining the class for the Headlee Amendment claim as "all persons and entities who/which have paid or incurred the Franchise Fees at any time since March 31, 2019 or who/which pay or incur the Franchise Fees during the pendency of this action," and defining the class for the other claims as "all persons and entities who/which have paid or incurred the Franchise

Fees at any time since June 6, 2017 or who/which pay or incur the Franchise Fees during the pendency of this action."

WHEREAS, the City defended the Lawsuit by: denying that the Franchise Fees are improper; denying 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; denying that it is in any way liable to any member of the Class; and stating that the claims asserted in the Lawsuit have no substance in fact or law.

WHEREAS, on February 3, 2025, the Michigan Supreme Court issued an Opinion finding that the Franchise Fees were unlawful taxes that had been imposed in violation of the Headlee Amendment and that Plaintiff's claims were timely to the extent that they were based upon Franchise Fees collected on or after April 2, 2019.

WHEREAS, on February 3, 2025, the Michigan Supreme Court remanded this case to the Ingham County Circuit Court for additional proceedings consistent with that Court's February 3, 2025 Opinion.

WHEREAS, the parties have agreed to enter into this Agreement to avoid further expense, inconvenience, and distraction and risks of burdensome and protracted litigation, and to obtain total and final peace, satisfaction and protection from the claims asserted in the Lawsuit through the date of the Final Order and Judgment in this action.

WHEREAS, the LBWL informed the City and Class Counsel that it was holding the sum of Eight Hundred Seventy Thousand Nine Hundred Seventy-One Dollars and 13 Cents ($870,971.13) in Franchise Fee revenues that the LBWL had collected between October 1, 2024 and the date of the Supreme Court's Opinion, but which the LBWL had not yet remitted to the City (the "LBWL Funds"). The LBWL has transmitted the LBWL Funds to the City to partially fund the "Settlement Fund," described below.

WHEREAS, the Named Plaintiff in the Lawsuit and Class Counsel 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 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 (including the preamble above), 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 and effectuate this Agreement.

CLASS CERTIFICATION

2. The Parties agree that the class definitions set forth in the Court's August 5, 2020 Order need to be revised to reflect the rulings of the Michigan Court of Appeals and the Michigan Supreme Court concerning the applicable statute of limitations, which rulings limit recovery of the Franchise Fees to the time period after April 1, 2019. For settlement purposes only, the Parties agree that the Court will certify a class consisting of all persons or entities who/which paid Franchise Fees to the City through the payment to the LBWL for electric service ("Electric Service") at any time between April 2, 2019 and April 30, 2025 and who have not already requested to be excluded from the class or do not request to be excluded from the class pursuant to MCR 3.501(D) (the "Class"). The time period from April 2, 2019 to April 30, 2025 shall be referred to herein as the "Class Period." This Agreement is intended to settle all of the claims of the members of the Class

("Class Members"). Excluded from the class are all members of City Council serving on the date of its approval of this Agreement.

SETTLEMENT FUND

3. Per the terms of this Paragraph, the City will create a Settlement Fund (the "Settlement Fund") in the total amount of Seven Million Eight Hundred Thousand Nine Hundred Seventy-One Dollars and Thirteen Cents (**$7,800,971.13**) in order to resolve the claims of the Class. The Settlement Fund will be used to provide refunds to the Class (the "Payments" defined in Paragraph 10 below) and compensation and expense reimbursement to Class Counsel, as determined by the Court. No more than 30 days after the execution of this Agreement the City shall deposit the Settlement Fund into the IOLTA Trust Account of Class Counsel, Kickham Hanley PLLC. The Settlement Fund shall be administered by Kickham Hanley PLLC (the "Claims-Escrow Administrator") with 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 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 31, distribution of the Settlement Fund 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 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 and an incentive award for the Named Plaintiff;

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 deposit by the City of the Settlement Fund described in Paragraph 3 above;

e. the Court's entry of the Distribution Order described in Paragraph 11 below, if required; and

f. 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 any of the aforementioned orders and judgments 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, the amount of the Settlement Fund that is deposited into the Kickham Hanley IOLTA Trust Account by the City 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. The share of each "Claiming Class Member" (as defined in Paragraph 10 below) in the Net Settlement Fund shall be referred to herein as his, her or its "Pro Rata Share," and each Claiming Class Member's Pro Rata Share of the Net Settlement Fund will be distributed via a refund payment. The Pro Rata Share to be allocated to each Class Member shall be determined according to Paragraph 10.

10. All Class Members may participate in the Settlement by receiving from the Net Settlement Fund a cash distribution Payment (as defined below). The Net Settlement Fund shall be distributed as follows:

a. The LBWL has provided the Claims-Escrow Administrator with billing and payment records in electronic form which provide the billing address, the service address, account number, billing and payment history and, if available, the email address and phone number, for each Electric Service customer for the time period from April 2, 2019 through April 30, 2025. The Claims-Escrow Administrator will provide notice of the Settlement to the Class Members through first-class mail to the billing addresses provided by the LBWL. 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 C (the "Long Form Notice"). Plaintiff's Counsel shall also cause a mass email to be sent to the Class members' email addresses the LBWL has provided to the Claims-Escrow Administrator (the "Email Notice"), and shall cause an SMS notice to be sent to the Class members' phone

numbers the LBWL has provided to the Claims-Escrow Administrator (the "SMS Notice"). The Email Notice and the SMS Notice shall state: "ATTENTION: If you paid the Lansing Board of Water and Light for electric service in the City of East Lansing between April 2, 2019 and April 30, 2025, you may be entitled to a refund from a $7.8 million class action settlement fund. For more details, go HERE." The "HERE" in the Email Notice and the SMS Notice shall contain a link to the Settlement Website. 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. 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.

b. To qualify to receive a distribution of cash via check (a "Payment") from the Net Settlement Fund, Class Members will be required to submit sworn claims (the "Claims") which identify their names, service and billing addresses, and the periods of time in which they paid the Electric Charges in order to participate in the Settlement. Class Members who submit Claims will hereafter be referred to as the "Claiming Class Members." The Claiming Class Members will be required to submit those 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 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 Electric Charges for the same account for the same time period, after notifying the City of the competing claims and considering any City or LBWL information, documents, and recommendation provided in response to the notice, the Claims-Escrow

Administrator shall have the absolute discretion to determine which party or parties are entitled to participate in the settlement, and the City shall cooperate by providing information in its possession concerning the dispute.

c. The Claims-Escrow Administrator shall calculate each Claiming Class Member's pro rata share of the Net Settlement Fund (the "Pro Rata Share"). Only those Claiming Class Members who paid the LBWL for Electric Service during the Class Period and submit a timely Claim are entitled to distribution by a cash Payment 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 Claiming Class Members. The size of each Claiming Class Member's Pro Rata Share shall be determined by (1) calculating the total amount of Electric Charges the Claiming Class Member paid during the Class Period and then (2) dividing that number by the total amount of Electric Charges the City and the LBWL collectively received from all Claiming Class Members during the Class Period and then (3) multiplying that fraction by the amount of the Net Settlement Fund.

11. No later than 21 days prior to the hearing on the final approval of this settlement (as described in Paragraph 25), the Claims-Escrow Administrator shall submit to the Court a report setting forth the proposed disposition of the Net Settlement Fund including, without limitation, a list of Claiming Class Members and the percentage of the Net Settlement Fund to be paid to each such Claiming Class Member (the "Distribution Report"). Upon the filing of the Distribution Report, the Claims-Escrow Administrator shall serve copies of the Distribution Report on Counsel for the City.

a. The City shall have 14 days to object to the Distribution Report. All objections shall be resolved by the Court at, or before, the final approval hearing. If the City does not object to the Distribution Report, upon final approval, the Claims-Escrow Administrator will

distribute the Net Settlement Fund in accordance with the Distribution Report, without any further order of the Court.

b. If the City objects to the Distribution Report, Class Counsel and Counsel for the City, within seven (7) days after the resolution of any objections by the City to the Distribution Report shall submit to the Court a proposed Distribution Order authorizing distribution from the Settlement Fund to the Claiming Class Members entitled to a Pro Rata Share distribution of the Net Settlement Fund ("Distribution Order") in accordance with the Distribution Report, subject to the Court's final approval of this Settlement.

c. The Parties acknowledge that, because Class Members may have moved or ceased doing business in the City since April 2, 2019, complete and current address and/or contact information may not be available for all Class Members. The City, the LBWI., the Released Parties set forth in Paragraph 26, Named Plaintiff, counsel for any Parties, the Claims-Escrow Administrator and the TPA shall not have any liability for or to any member of the Class 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 entry of the Final Approval Order, the Claims-Escrow Administrator shall distribute from the Net Settlement Fund the Pro Rata Share of each Claiming Class Member. The Claims-Escrow Administrator is authorized to send checks reflecting Payments due to Claiming Class Members to the address provided by each Claiming Class Member in his, her, or its sworn Claim.

13. The Claims-Escrow Administrator is further authorized to transfer the necessary portion of the Net Settlement Fund to the TPA so that the TPA can distribute Payments in accordance with this Agreement.

14. The amounts of money covered by checks distributing the Payment of the Pro Rata Shares 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 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 payment from the Settlement Fund.

15. 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 distributee of funds from the Settlement Fund together with a list of Claiming Class Members entitled to receive a Pro Rata Share but whose distribution checks have been returned or have not been cashed.

16. As a material inducement to Plaintiff and the Class's willingness to enter into this Settlement Agreement, the City has provided a verification of the total amount of Franchise Fees it has received or will receive for the time period beginning on April 2, 2019 and ending on April 30, 2025, along with source documentation from its financial accounting system confirming that amount.

17. The City will not rely in any way on the provisions of the Judgment Levy Act, MCL 600.6093, in order to finance the Settlement Fund. The Settlement Fund may be funded solely by any lawful method not prohibited by this Paragraph 17.

18. The Class Members shall release the City and the LBWL as provided in Paragraph 26 below.

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 Payments, determining the Pro Rata Shares, distributing the Payments to Claiming Class Members receiving a Pro Rata Share, and filing a Distribution Report consistent with Paragraph 11. 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; (c) providing the City with a copy of all opt-out responses received by the TPA; and (d) making any necessary and required 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 responsibilities to the TPA except only the Claims-Escrow Administrator may determine the final eligibility of Class Members to receive Payments and Credits, if contested.

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 34, shall not be admissible for any purpose in any judicial proceeding, except as required to determine whether the claim of any Claiming 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 seven (7) 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, substantially in the form attached as Exhibit "B," including the following terms:

a. scheduling of a Settlement approval hearing to be held as soon as practicable after the entry of such Order but in no event later than one hundred twenty (120) 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 "C," be given to the members of the Class 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 members of the Class 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 sixty (60) 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 of members of the Class 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 forty-five (45) 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 "C," and mailed by Class Counsel (or the TPA) to the Class Members at the addresses provided by the LBWL within seven (7) days of entry of the Order Regarding Preliminary Approval of this Agreement.

25. After the notice discussed in Paragraphs 23 and 24 has been mailed or otherwise provided, the Court shall, consistent with Paragraph 23, conduct a hearing at which it rules on any objections to this Agreement and 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 "A," 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 attorneys' fees, costs and expenses as granted by the Court upon motion of Class Counsel, and awarding the Named Plaintiff an incentive award 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 executed 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 (collectively, the "Releasing Parties"), 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 the Lansing Board of Water and Light ("LBWL"), and each of its successors and assigns, present and former agents, officials, representatives, employees, insurers, affiliated entities, attorneys and administrators (collectively, the "Released Parties"), 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 April 2, 2019 through the date of this Final Order and Judgment concerning the City's or the LBWL's assessment, collection or remittance of the Franchise Fees. In executing the Release and Covenant Not to Sue, the Releasing Parties also covenant 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, the Releasing Parties will refrain from commencing any action or suit, or prosecuting any pending action or suit, in law or in equity, against the City or the LBWL 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) the Releasing Parties accept and assume 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.

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. Plaintiff and Class Counsel waive any statutory right to recover fees from the City under MCL 600.308a.

28. The attorneys' fees to be paid to Class Counsel shall be determined by the Court by applying legal standards and principles applicable to awards of attorneys' fees from common fund

settlements in class action cases. Class Counsel agrees that they will not seek an award of attorneys' fees in excess of Thirty-Three Percent (33%) of the Settlement Fund. Class Counsel will file and serve a motion to approve attorneys' fees, costs and expenses, and to approve an incentive award to the Named Plaintiff, no later than seven (7) days before the hearing for final approval of the Settlement. The City will not join in that motion, however 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 James Heos in an amount not to exceed Thirty Thousand Dollars ($30,000) to be paid solely from the Settlement Fund.

29. The award of attorneys' fees 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 or The Abood Law Firm acting in their capacities as Class Counsel and/or Claims-Escrow Administrator. Kickham Hanley PLLC and The Abood Law Firm shall make a separate application for such expenses, which if awarded will be paid solely from the Settlement Fund.

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 James Heos 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 James Heos 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 "B" within twenty-eight (28) days after its submission to the Court; if a final judgment on the terms set forth in Paragraph 26 is not entered within one hundred eighty (180)

days after the entry of the Order substantially in the form attached as Exhibit "B"; 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. At the election of any party to this Agreement provided in writing within seven days after the occurrence of any of the events set forth in Paragraph 31 above, 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 any Settlement Fund in its possession to the City

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 dispositive 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 extend any or all of the deadlines stated in Paragraph 31. Such extension must be memorialized in a writing signed by the City's Counsel and Class Counsel and delivered via certified mail to all counsel of record, or it will have no force or effect.

33. 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 not be publicly disclosed, discoverable or offered into evidence or used in the Lawsuit or any other

action or proceeding for any purpose. In such event, all Parties to the Lawsuit shall stand in the same position as if this Agreement had not been negotiated, made or filed with the Court.

USE OF THIS AGREEMENT

34. 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 LBWL; 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; or

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.

WARRANTIES

35. Class Counsel further warrants that in its opinion the Settlement Fund represents fair consideration for and an adequate settlement of the claims of the Class released herein.

36. 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.

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

38. The Parties intend this Agreement to be a final and complete resolution of all disputes between them with respect to the claims giving rise to the Lawsuit.

39. 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

40. 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.

41. 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.

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

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

44. Before filing any 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.

45. 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

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

47. 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.

48. 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.

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
32121 Woodward Avenue, Suite 300
Royal Oak, MI 48073
(248) 544-1500

Dated: 6/18/2025

CITY OF EAST LANSING, MICHIGAN

By: _____

Its: Mayor

Dated: 6/17/2025

_____
Amy Gordon, Clerk

EXHIBIT A

STATE OF MICHIGAN
INGHAM COUNTY CIRCUIT COURT

JAMES HEOS,
individually and as representative
of a class of similarly-situated
persons and entities,

Plaintiff,

v.

CITY OF EAST LANSING,
a municipal corporation,

Defendant.

Case No. 20-199-CZ
Hon. Wanda M. Stokes

Gregory D. Hanley (P51204)
Jamie Warrow (P61521)
Edward F. Kickham Jr. (P70332)
Kickham Hanley PLLC
32121 Woodward Avenue, Suite 300
Royal Oak, Michigan 48073
(248) 544-1500
Counsel for Plaintiff

Andrew Abood (P43366)
Abood Law Firm
246 E Saginaw Street, Suite 100
East Lansing, MI 48823
(517) 332-5900
Counsel for Plaintiff

Charles E. Barbieri (P31793)
Michael Homier (P60318)
Laura J. Genovich (P72278)
Brandon M. H. Schumacher (P82930)
Foster Swift Collins & Smith, PC
313 S. Washington Square
Lansing, MI 48933
(517) 371-8155
Counsel for Defendant

John C. Clark (P51356)
Anthony K. Chubb (P72608)
Giarmarco, Mullins & Horton, P.C.
101 W. Big Beaver Road, 10th Floor
Troy, MI 48084
(248) 457-7049
Counsel for Defendant

FINAL JUDGMENT AND ORDER APPROVING CLASS ACTION SETTLEMENT

At a session of said Court held in the
City of Mason, County of Ingham,
State of Michigan on _____

PRESENT: HON. _____
Circuit Court Judge

WHEREAS, Plaintiff, on behalf of himself and a certified class, and the City of East Lansing

(the "City") have moved this Court, pursuant to MCR 3.501(E), for an order approving the settlement of this class action in accordance with the terms set forth in the Class Action Settlement Agreement ("Agreement") executed by counsel for the parties.

WHEREAS, this Court having held a hearing, as noticed, on September __, 2025, pursuant to the Order Regarding Preliminary Approval of Settlement, Notice and Scheduling, dated June __, 2025 (the "Order"), to determine the fairness, adequacy and reasonableness of a proposed settlement of the Class Action; and due and adequate notice (the "Notice") having been made by mailing and other means in a manner consistent with Paragraphs 5 and 7 of the Order; and all such persons (excluding those who previously requested exclusion from the applicable Class) having been given an opportunity to object to or participate in the settlement; and the Court having heard and considered the matter, including all papers filed in connection therewith and the oral presentations of counsel at said hearing; and good cause appearing therefor.

WHEREAS, the City has funded the settlement by depositing the sum of Seven Million Eight Hundred Thousand Nine Hundred Seventy-One Dollars and Thirteen Cents (**$7,800,971.13**) (the "Settlement Fund") into the Kickham Hanley PLLC Client Trust Account, where those funds remain.

For the reasons stated on the record, IT IS HEREBY FOUND, ORDERED, ADJUDGED AND DECREED AS FOLLOWS:

1. The terms of the Agreement are fair, reasonable and adequate and in the best interests of the members of the Class and are hereby approved.

2. Plaintiff and the City are hereby ordered and directed to perform and consummate the settlement set forth in the Agreement in accordance with the terms and conditions of the Agreement.

3. The notification to the Class members regarding the Settlement is the best notice

practicable under the circumstances and complies with MCR 3.501(E) and the requirements of due process of law.

4. This Lawsuit is hereby dismissed with prejudice, and without costs to any party except as provided for in the Agreement.

5. Kickham Hanley PLLC and the Abood Law Firm, counsel for the Class, are hereby awarded attorneys' fees and costs in the amount of $_____, to be paid as set forth in the Agreement. Plaintiff James Heos is granted an incentive award of $_____, to be paid as set forth in the Agreement.

6. Without any further action by anyone, Plaintiff and all members of the Class as certified by the Order dated June _, 2025, who previously did not submit a timely and valid Request for Exclusion are deemed to have executed the following Release and Covenant not to Sue which is hereby approved by the Court:

> 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 (collectively, the "Releasing Parties"), 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 the Lansing Board of Water and Light ("LBWL"), and each of its successors and assigns, present and former agents, officials, representatives, employees, insurers, affiliated entities, attorneys and administrators (collectively, the "Released Parties"), 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 April 2, 2019 through the date of this Final Order and Judgment concerning the City's or the LBWL's assessment, collection or remittance of the Franchise Fees. In executing the Release and Covenant Not to Sue, the Releasing Parties also covenant 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, the Releasing Parties will refrain from commencing any action or suit, or prosecuting any pending action or suit, in law or in equity, against the City or the LBWL 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) the Releasing Parties accept and assume 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

7. This Court retains continuing jurisdiction to effectuate the provisions of the Agreement and the terms of this Order.

8. The provisions of Paragraph 7 hereof respecting the retention of jurisdiction shall not affect the finality of this judgment as to matters not reserved.

IT IS SO ORDERED.

_____
Circuit Court Judge

STIPULATED TO AND AGREED:

KICKHAM HANLEY PLLC

By: */s/Gregory D. Hanley*
Gregory D. Hanley (P51204)
Jamie Warrow (P61521)
Edward F. Kickham Jr. (P70332)
32121 Woodward Avenue, Suite 300
Royal Oak, Michigan 48073
(248) 544-1500
Attorneys for Plaintiff

GIARMARCO, MULLINS & HORTON, P.C.

By: */s/ John C. Clark*
John C. Clark (P51356)
Anthony K. Chubb (P72608)
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101 W. Big Beaver Road, 10th Floor
Troy, MI 48084
(248) 457-7049
Attorneys for Defendants

EXHIBIT B

STATE OF MICHIGAN
INGHAM COUNTY CIRCUIT COURT

JAMES HEOS,
individually and as representative
of a class of similarly-situated
persons and entities,

Plaintiff,

v.

CITY OF EAST LANSING,
a municipal corporation,

Defendant.

Case No. 20-199-CZ
Hon. Wanda M. Stokes

Gregory D. Hanley (P51204)
Jamie Warrow (P61521)
Edward F. Kickham Jr. (P70332)
Kickham Hanley PLLC
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(517) 332-5900
Counsel for Plaintiff

Charles E. Barbieri (P31793)
Michael Homier (P60318)
Laura J. Genovich (P72278)
Brandon M. H. Schumacher (P82930)
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(517) 371-8155
Counsel for Defendant

John C. Clark (P51356)
Anthony K. Chubb (P72608)
Giarmarco, Mullins & Horton, P.C.
101 W. Big Beaver Road, 10th Floor
Troy, MI 48084
(248) 457-7049
Counsel for Defendant

STIPULATED ORDER FOR PRELIMINARY APPROVAL OF CLASS ACTION SETTLEMENT AGREEMENT, NOTICE AND SCHEDULING

At a session of said Court held in the
City of Mason, County of Ingham,
State of Michigan on _____

PRESENT: HON. _____
Circuit Court Judge

WHEREAS, Plaintiff commenced the above captioned lawsuit (the "Lawsuit") in Ingham County Circuit Court (the "Court") on April 2, 2020 challenging the "Franchise Fees" imposed by the City of East Lansing (the "City") on citizens whose properties receive electric service from the Lansing Board of Water and Light (the "LBWL"), a municipal utility owned by the City of Lansing, Michigan. The LBWL is not a party to the Lawsuit.

WHEREAS the Complaint alleges that (a) the Franchise Fees are not proper user fees, but taxes wrongfully imposed by the City to raise revenue in violation of the Headlee Amendment to the Michigan constitution of 1963; (b) the Franchise Fees violate the Prohibited Taxes By Cities And Villages Act, MCL 141.91 because the Franchise Fees are not ad valorem taxes, but are taxes imposed, levied, or collected after January 1, 1964; (c) by imposing the Franchise Fees, the City has violated state equal protection guarantees; (d) the City has imposed the Franchise Fees in violation of the Foote Act; and (e) that Plaintiff and those similarly situated have been harmed by the City's collection and retention of the Franchise Fees.

WHEREAS, the Complaint alleges that the Lawsuit should be maintained as a class action on behalf of a class consisting of persons or entities who or which have paid or incurred the Franchise Fees during the permitted time periods preceding the filing of this Lawsuit and/or at any time during the pendency of this action.

WHEREAS, the Court certified this matter as a class action on August 5, 2020 and entered an order defining the class for the Headlee Amendment claim as "all persons and entities who/which have paid or incurred the Franchise Fees at any time since March 31, 2019 or who/which pay or incur the Franchise Fees during the pendency of this action," and defining the class for the other claims as "all persons and entities who/which have paid or incurred the Franchise Fees at any time since June 6, 2017 or who/which pay or incur the Franchise Fees during the pendency of this action."

WHEREAS, the City defended the Lawsuit by: denying that the Franchise Fees are improper; denying 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; denying that it is in any way liable to any member of the Class; and stating that the claims asserted in the Lawsuit have no substance in fact or law.

WHEREAS, on February 3, 2025, the Michigan Supreme Court issued an Opinion finding that the Franchise Fees were unlawful taxes that had been imposed in violation of the Headlee Amendment and that Plaintiff's claims were timely to the extent that they were based upon Franchise Fees collected on or after April 2, 2019.

WHEREAS, on February 3, 2025, the Michigan Supreme Court remanded this case to the Ingham County Circuit Court for additional proceedings consistent with that Court's February 3, 2025 Opinion.

WHEREAS, the parties have agreed to enter into this Agreement to avoid further expense, inconvenience, and distraction and risks of burdensome and protracted litigation, and to obtain total and final peace, satisfaction and protection from the claims asserted in the Lawsuit through the date of the Final Order and Judgment in this action.

WHEREAS, the LBWL informed the City and Class Counsel that it was holding the sum of Eight Hundred Seventy Thousand Nine Hundred Thirty-One Dollars and Thirteen Cents ($870,931.13) in Franchise Fee revenues that the LBWL had collected on or after October 1, 2024, but which the LBWL had not yet remitted to the City (the "LBWL Funds"). The LBWL has deposited the LBWL Funds with the City to partially fund the "Settlement Fund," described in the Settlement Agreement.

WHEREAS, the Named Plaintiff in the Lawsuit and Class Counsel 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 have concluded that a class settlement with the City and the LBWL 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 Plaintiff and the City 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.

WHEREAS Plaintiff and the City are submitting this Stipulated Order for Preliminary Approval of Class Action Settlement in this matter;

WHEREAS Plaintiff and the City in this action intend to make application to this Court, pursuant to MCR 3.501(E), for a Final Order approving the settlement of this class action in accordance with the terms set forth in the Class Action Settlement Agreement executed by counsel for Plaintiff and the City on June _, 2025, and attached hereto as Exhibit 1, and they seek preliminary approval of the Agreement for purposes of, among other things, notifying class members of the proposed settlement;

WHEREAS the Court has been made aware of the settlement process leading to the agreement reached, and counsel have demonstrated that the settlement is within a range of reasonableness and is the result of arm's length bargaining of counsel well versed in the issues.

IT IS HEREBY ORDERED:

1. Unless defined otherwise herein, all capitalized terms shall have the definitions and meanings accorded to them in the Agreement.

2. The Court preliminarily approves the terms of the Agreement as fair, reasonable and adequate. The Court finds that the Settlement was reached in the absence of collusion, and is the product of informed, good-faith, arm's length negotiations between the Parties and their counsel. Pursuant to MCR 3.501, the "Class," as defined in Paragraph 2 of the Agreement, is hereby certified for settlement purposes only.

3. A hearing (the "Settlement Hearing") will be held before this Court on September __, 2025, to determine whether the proposed settlement between Plaintiff and the City, on the terms and conditions provided in the Agreement, is fair, reasonable and adequate and should be approved by the Court, to determine whether a final judgment should be entered dismissing this Lawsuit with prejudice, and without costs, and to determine whether to award attorneys' fees and expenses to Class Counsel and the amount of such fees and expenses, and an incentive award to the Named Plaintiff.

4. The Court approves the notification to the members of the Class regarding the Settlement and right to hearing, as authorized in Paragraphs 5 and 7 of this Order, finding that such notification is the best notice practicable under the circumstances, is in compliance with MCR 3.501, and the requirements of due process of law, and will adequately inform Class Members of their rights.

5. The Court authorizes the Claims-Escrow Administrator, in collaboration with the TPA, to establish a website (the "Settlement Website") containing a notice substantially in the form attached to the Agreement as Exhibit C (the "Long Form Notice"). The Claims-Escrow Administrator shall also cause a mass email to be sent to the Class members' email addresses the LBWL has provided to the Claims-Escrow Administrator (the "Email Notice"), and shall cause an SMS notice to be sent to the Class members' phone numbers the LBWL has provided to the Claims-Escrow Administrator (the "SMS Notice"). The Email Notice and the SMS Notice shall state: "ATTENTION: If you paid the Lansing Board of Water and Light for electric service in the City of East Lansing between April 2, 2019 and April 30, 2025, you may be entitled to a refund from a $7.8 million class action settlement fund. For more details, go HERE." The "HERE" in the Email Notice and the SMS Notice shall contain a link to the Settlement Website. 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. 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.

6. On or before seven (7) days from the entry of this Order, Plaintiff's Counsel shall cause the Long Form Notice, substantially in the form attached to the Agreement as Exhibit "C," to be mailed to members of the Class.

7. The law firms of Kickham Hanley PLLC ("KH") and the Abood Law Firm are hereby appointed as Class Counsel in this Action. KH is further appointed as Claims-Escrow Administrator for this Action. KH is authorized to use the services of a third-party administrator ("TPA"), as provided in the Agreement. KH (with the assistance of a TPA) is authorized to implement the notice requirements set forth in and approved by this Order.

8. The Court directs anyone within the Class definition who wishes to be excluded from the Class and to exercise their right to opt-out of the Class to follow the opt-out procedures and deadlines set forth in the Notice.

9. Any Class Member who does not opt-out may appear personally, or by counsel of his or her own choice and at his or her own expense at the Settlement Hearing to show cause why: (a) the proposed settlement of the claims asserted should or should not be approved as fair, just, reasonable, adequate and in good faith; or (b) judgment should or should not be entered thereon; provided, however, that no Class member will be heard at the Hearing or be entitled to contest the approval of the terms and conditions of the proposed settlement, the judgment to be entered thereon approving the same, or the attorneys' fees and expenses to be paid, or other matter(s) that may be considered by the Court at or in connection with said settlement hearings. If any Class

member chooses to appear, the Class member shall file with the Court and serve upon counsel listed below at least sixty (60) 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):

Gregory D. Hanley
Kickham Hanley PLLC
32121 Woodward Avenue, Suite 300
Royal Oak, Michigan 48073
(248) 544-1500
Counsel for Plaintiff

and

John C. Clark (P51356)
Giarmarco, Mullins & Horton, P.C.
101 W. Big Beaver Road, 10th Floor
Troy, MI 48084
(248) 457-7049
Counsel for the City

9. Any Class member who does not opt out and who does not object in the manner provided above shall be deemed to have waived any and all objections to the fairness, adequacy or reasonableness of the proposed settlements or the award of attorney's fees and expenses, and shall be bound by all determinations and judgments in the Lawsuit concerning the Settlement, including, but not limited to the Release and Covenant set forth in Paragraph 26 of the Agreement.

10. As stated in Paragraph 5, KH is authorized to serve as the Claims-Escrow Administrator. The Claims-Escrow Administrator, with the assistance of a TPA, shall be responsible for holding the Settlement Fund in escrow, determining the eligibility of Class Members to receive payments, determining the size of each allowed claim, distributing the payments to Claiming Class Members with allowed claims, preparing a distribution report along with the monetary amount of each Claiming Class Member's share of the settlement in accordance with Paragraphs 10(c) and 11 of the Agreement. The Claims-Escrow Administrator shall also be responsible for: (a) recording receipt of all responses to the Notice; (b) preserving until further Order of this 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 action.

11. All papers in support of the settlement shall be filed with the Court and served on the other parties no later than seven (7) days prior to the Settlement Hearing.

12. The Court expressly reserves its right to adjourn the Settlement Hearing without any further notice to members of the Class. The Court retains jurisdiction of this action to consider all further applications arising out of or connected with the proposed settlement herein.

13. All pretrial and trial proceedings in the Lawsuit are stayed and suspended until further order of the Court. Pending the final determination of the fairness, reasonableness and adequacy of the settlement, no Plaintiff or member of the class may institute or commence any action or proceeding against the City or LBWL asserting any of the claims asserted in this action.

14. Subject to the terms of Paragraph 15 of this Order, if, as described in Paragraph 31 of the Agreement, the Agreement and Settlement are 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 a final judgment on the terms set forth in Paragraph 26 of the Agreement is not entered within one hundred eighty (180) days after the entry of thisOrder; if the Court (or any appellate court) alters the terms of the Settlement in any material way not acceptable to the City or to Class Counsel; or if the Agreement and Settlement otherwise is not fully consummated and effected:

a. At the election of any party to the Agreement provided in writing within seven days after the occurrence of any of the events set forth in Paragraph 31 of the Agreement, the 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 LBWL, the Named Plaintiff and the Class;

b. The Claims-Escrow Administrator shall immediately return the respective shares of any of the Settlement Fund in its possession to the City;

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 and other documents.

15. 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 of the Agreement. Such extension must be memorialized in a writing signed by the City's Counsel and Class Counsel and delivered via certified mail to all counsel of record, or it will have no force or effect.

16. In the event the Settlement is terminated in accordance with Paragraph 31 of the Agreement, any discussions, offers, negotiations, or information exchanged in association with this Settlement shall not be publicly disclosed, discoverable or offered into evidence or used in the

Lawsuit or any other action or proceeding for any purpose. In such event, all Parties to the Lawsuit shall stand in the same position as if this Agreement had not been negotiated, made or filed with the Court

IT IS SO ORDERED.

_____
Circuit Court Judge

STIPULATED TO AND AGREED:

KICKHAM HANLEY PLLC

By: */s/Gregory D. Hanley*
Gregory D. Hanley (P51204)
Edward F. Kickham Jr. (P70332)
32121 Woodward Avenue, Suite 300
Royal Oak, Michigan 48073
(248) 544-1500
Attorneys for Plaintiff

GIARMARCO, MULLINS & HORTON, P.C.

By: */s/ John C. Clark*
John C. Clark (P51356)
Anthony K. Chubb (P72608)
Giarmarco, Mullins & Horton, P.C.
101 W. Big Beaver Road, 10th Floor
Troy, MI 48084
(248) 457-7049

EXHIBIT C

LEGAL NOTICE
NOTICE OF CLASS ACTION

IF YOU RECEIVED ELECTRIC SERVICE FROM THE LANSING BOARD OF WATER AND LIGHT ("LBWL") IN THE CITY OF EAST LANSING (THE "CITY"), AND PAID THE "FRANCHISE FEES" IMPOSED BY THE CITY AT ANY TIME BETWEEN APRIL 2, 2019 AND APRIL 30, 2025 AND WISH TO RECEIVE A CASH REFUND, IF YOU QUALIFY FOR SUCH REFUND, YOU MUST SUBMIT THE ATTACHED CLAIM FORM ON OR BEFORE _____ BY MAILING IT TO _____OR SUBMITTING AN ELECTRONIC FORM ONLINE AT _____.

IN ORDER TO RECEIVE A CASH REFUND AS PART OF THIS CLASS ACTION SETTLEMENT, YOU ARE REQUIRED TO SUBMIT A WRITTEN CLAIM.

PLEASE RETAIN THIS NOTICE

STATE OF MICHIGAN
INGHAM COUNTY CIRCUIT COURT

JAMES HEOS,
individually and as representative
of a class of similarly-situated
persons and entities,

Plaintiff,

v.

CITY OF EAST LANSING,
a municipal corporation,

Defendant.

Case No. 20-199-CZ
Hon. Wanda M. Stokes

ATTN: all persons or entities who/which paid Franchise Fees to the City of East Lansing (the "City") through the payment to the LBWL for electric service ("Electric Service") at any time between April 2, 2019 and April 30, 2025 and who do not request to be excluded from the class pursuant to MCR 3.501(D) (the "Class").

You are hereby notified that a proposed settlement in the amount of Seven Million Eight Hundred Thousand Nine Hundred Seventy-One Dollars and Thirteen Cents (**$7,800,971.13**) has been reached with the City in a class action lawsuit pending in Ingham County Circuit Court titled *James Heos v. City of East Lansing,* Case No. 2020-199-CZ, Hon. Judge Wanda Stokes presiding (the "Lawsuit"), which challenges the "Franchise Fees" imposed by the City on citizens whose properties received electric service from the LBWL between April 2, 2019 and April 30, 2025.

Plaintiff is an individual who owns property in the City and who has paid the City's Franchise Fees. Plaintiff contends on behalf of himself, and others similarly situated, that the Franchise Fees: (a) the Franchise Fees are not proper user fees, but taxes wrongfully imposed by the

City to raise revenue in violation of the Headlee Amendment to the Michigan constitution of 1963; (b) the Franchise Fees violate the Prohibited Taxes By Cities And Villages Act, MCL 141.91 because the Franchise Fees are not ad valorem taxes, but are taxes imposed, levied, or collected after January 1, 1964; (c) by imposing the Franchise Fees, the City has violated state equal protection guarantees; (d) the City has imposed the Franchise Fees in violation of the Foote Act; and (e) that Plaintiff and those similarly situated have been harmed by the City's collection and retention of the Franchise Fees.

The City has maintained and continues to maintain that the City's imposition of the Franchise Fees is proper and not unlawful.

On February 3, 2025, the Michigan Supreme Court issued an Opinion finding that the Franchise Fees were unlawful taxes that had been imposed in violation of the Headlee Amendment and that Plaintiff's claims were timely to the extent that they were based upon Franchise Fees collected on or after April 2, 2019. On February 3, 2025, the Michigan Supreme Court remanded this case to the Ingham County Circuit Court for additional proceedings consistent with the Supreme Court's February 3, 2025 Opinion.

Following the Supreme Court remand, the parties executed a Class Action Settlement Agreement dated June _, 2025, the terms of which are described below. Plaintiff and the City in this action intend to make application to this Court, pursuant to MCR 3.501(E), for a Final Order approving the settlement of this class action in accordance with the terms set forth in the Class Action Settlement Agreement.

For settlement purposes, the parties have agreed that the Class will consist of all persons or entities who/which paid Franchise Fees to the City through the payment to the LBWL for electric service at any time between April 2, 2019 and April 30, 2025 (the "Class"). You are receiving this Notice because the LBWL's records indicate that you paid the LBWL for electrical service between April 2, 2019 and April 30, 2025 and thus paid the Franchise Fees and are therefore a member of the Class.

The principal terms of the Settlement Agreement are as follows:

For the purposes of the proposed Settlement, the City expressly denies any and all allegations that it acted improperly, but, to avoid further litigation costs, the parties have agreed to create a settlement fund in the aggregate amount of Seven Million Eight Hundred Thousand Nine Hundred Seventy-One Dollars and Thirteen Cents (**$7,800,971.13**) for the benefit of the Class (the "Settlement Amount") in accordance with the terms of the June __, 2025 Settlement Agreement. The Settlement Amount will be utilized, with Court approval, to pay refunds to the Class, and to pay Class Counsel an award of attorneys' fees, the total amount of which shall not exceed 33% of the Settlement Amount, and expenses for the conduct of the litigation.

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, Kickham Hanley PLLC, and (d) any incentive award made by the Court to the class representative in an amount not to exceed $30,000.

The Net Settlement Fund shall be used to compensate Class Members as described below.

The share of each "Claiming Class Member" (defined below) in the Net Settlement Fund shall be referred to herein as his, her or its "Pro Rata Share," and each Claiming Class Member's Pro Rata Share of the Net Settlement Fund will be distributed via a refund payment.

All Class Members may participate in the Settlement by receiving from the Net Settlement Fund a cash distribution Payment (as defined in Paragraph 10 of the Settlement Agreement). To qualify to receive a distribution of cash via check (a "Payment") from the Net Settlement Fund, Class Members are required to submit sworn claims (the "Claims") which identify their names, addresses, and the periods of time in which they paid Electric Charges to the LBWL in order to participate in the Settlement. Class Members who submit Claims will hereafter be referred to as the "Claiming Class Members." The Claiming Class Members are required to submit those claims no later than _____ 2025 (the "Claims Period").

The Claims-Escrow Administrator shall calculate each Claiming Class Member's pro rata share of the Net Settlement Fund (the "Pro Rata Share"). Only those Class Members who paid the LBWL for Electric Service during the Class Period and submit a timely Claim are entitled to distribution by a cash Payment of a Pro Rata Share of the Net Settlement Fund. **For this reason, it is very important for any Class Member who paid Electric Charges to submit a Claim. The only way for Class Members to receive a portion of the Net Settlement Fund is for them to file a Claim.**

The size of each Claiming Class Member's Pro Rata Share shall be determined by (1) calculating the total amount of Electric Charges the Claiming Class Member paid during the Class Period and then (2) dividing that number by the total amount of Electric Charges the City, through the LBWL, collected from all Claiming Class Members during the Class Period and then (3) multiplying that fraction by the amount of the Net Settlement Fund.

The City will not rely in any way on the provisions of the Judgment Levy Act, MCL 600.6093, in order to finance the Settlement Fund. The Settlement Fund may be funded solely by any lawful method.

The Class Members shall release the City and the LBWL as stated below and as provided in Paragraph 26 of the Settlement Agreement.

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. **This request for exclusion must be received no later than _____ and mailed to: Kickham Hanley PLLC, 32121 Woodward Avenue, Suite 300, Royal Oak, Michigan 48073 or emailed to khtemp@kickhamhanley.com.**

All potential Class Members who/which timely request exclusion from the Class (the "Opt-Outs") shall be barred from receiving recovery under the Settlement.

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, have the right to receive your pro rata share of the Net Settlement Fund via a Refund. **Again, however, the only way for Class Members to receive a portion of the Net Settlement Fund is for them to file Claims.**

If you were to successfully pursue such a separate action to conclusion, recovery might be available to you which is not available in this class action settlement. Whether to remain a member of this class or to request exclusion from this class action to attempt to pursue a separate action at your own expense without the assistance of the City 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 June _, 2025, a Settlement Hearing will be held in the Ingham County Circuit Court, 315 S Jefferson, Mason, MI 48854 at ____ on September _, 2025, to determine whether the proposed Settlement as set forth in the Settlement Agreement dated June _, 2025, is fair, reasonable, and adequate and should be approved by the Court, whether the Lawsuit should be dismissed pursuant to the Settlement, whether counsel for Plaintiff and the Class should be awarded fees and expenses, and whether the Class Representative should receive an incentive award. If you wish to view the hearing remotely, you may view a live stream of the hearing on Youtube by visiting _____. At the Settlement Hearing, any member of the Class 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. However, no Class member will be heard in opposition to the proposed Settlement and no papers or briefs submitted by any such Class member will be accepted or considered by the Court unless on or before _____, such Class member serves by first class mail 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) upon each of the following attorneys:

Gregory D. Hanley
Kickham Hanley PLLC
300 Balmoral Centre
32121 Woodward Avenue
Royal Oak, Michigan 48073

Counsel for Plaintiff

and

John C. Clark (P51356)
Giarmarco, Mullins & Horton, P.C.
101 W. Big Beaver Road, 10th Floor

Troy, MI 48084
(248) 457-7049

Counsel for Defendant

and has filed said notice, objections, papers and briefs, as to the settlement with the Clerk of the Ingham County Circuit Court. Any Class member who does not make 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.

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 Ingham County, Michigan. You may also view the Settlement Agreement and other important court documents at www.kickhamhanley.com.

Should you have any questions with respect to this Notice of 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 KHTEMP@KICKHAMHANLEY.COM, NOT BY TELEPHONE, identified as Attorneys for Plaintiffs, above. **DO NOT CONTACT THE COURT, THE CLERK OF THE COURT, THE DEFENDANT OR THE ATTORNEYS FOR DEFENDANT.**

On the Settlement Date, each member of the Class who has not timely requested exclusion therefrom shall be deemed to have executed the following Release and Covenant Not To Sue:

> 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 (collectively, the "Releasing Parties"), 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 the Lansing Board of Water and Light ("LBWL"), and each of its successors and assigns, present and former agents, officials, representatives, employees, insurers, affiliated entities, attorneys and administrators (the "Released Parties"), 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 April 2, 2019 through the date of this Final Order and Judgment concerning the City's or the LBWL's assessment, collection or remittance of the Franchise Fees. In executing the Release and Covenant Not to Sue, the Releasing Parties also covenant 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, the Releasing Parties will refrain from commencing any action or suit, or prosecuting any pending action or suit, in law or in equity, against the City or the LBWL 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) the Releasing Parties accept and assume 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

IN ORDER TO RECEIVE A CASH REFUND AS PART OF THIS CLASS ACTION SETTLEMENT, YOU ARE REQUIRED TO SUBMIT A WRITTEN CLAIM.

IF YOU RECEIVED ELECTRIC SERVICE FROM THE LANSING BOARD OF WATER AND LIGHT ("LBWL") IN THE CITY, AND PAID THE "FRANCHISE FEES" IMPOSED BY THE CITY AT ANY TIME BETWEEN APRIL 2, 2019 AND APRIL 30, 2025 AND WISH TO RECEIVE A CASH REFUND, IF YOU QUALIFY FOR SUCH REFUND, YOU MUST SUBMIT THE ATTACHED CLAIM FORM ON OR BEFORE _____ BY MAILING IT TO _____ OR SUBMITTING AN ELECTRONIC FORM ONLINE AT _____.