

**SETTLEMENT AGREEMENT**  
**RRD Reference No. AOC-RRD-24-004**

This Settlement Agreement (the “Agreement”) is made and entered into as of the date of the last signature below (the “Effective Date”), by and between the Ford Motor Company (“Ford”) and the Michigan Department of Environment, Great Lakes, and Energy (“EGLE”). The parties hereto may be referred to herein collectively as the “Parties” or individually as “Party” as the context requires.

**RECITALS**

WHEREAS, EGLE filed a Complaint against Ford alleging the release of hazardous substances, contaminants, and wastes at and from Ford’s Livonia Transmission Plant located at 36200 Plymouth Road in Livonia, Michigan in violation of state and federal laws. On July 27, 2017, the Court entered a Consent Decree to resolve all claims alleged by EGLE in the Complaint (*Michigan Dep’t of Env’tl Quality v. Ford Motor Co.*, United States District Court for the Eastern District of Michigan, No. 2:17-12372-GAD-RSW, ECF No. 7).

WHEREAS, on October 27, 2022, EGLE issued to Ford a Notice of Violation and Demand for Payment of Stipulated Penalties (“NOV”) alleging that Ford failed to comply with Paragraph 6.1 of the Consent Decree and stating that penalties accruing since November 9, 2021, had accumulated to \$532,000.00.

WHEREAS, Ford disputes the facts alleged by EGLE in the NOV.

WHEREAS, on September 27, 2023, Ford filed a motion for resolution of its dispute of the facts alleged in the NOV pursuant to Paragraph 16.5 of the Consent Decree in Case No. 2:17-12372 (the “Dispute”). On December 18, 2023, the Parties stipulated to an Order of Stay to allow the Parties to engage in settlement discussions regarding the Dispute. The stay originally expired on February 26, 2024, but on February 15, 2024, the court extended the stay until April 19, 2024. On April 17, 2024, the court further extended the stay until June 18, 2024.

WHEREAS, without admitting any facts or liability regarding the claims asserted in the NOV and in the Dispute, the Parties desire to finally and fully resolve the NOV and the Dispute.

**SETTLEMENT**

NOW, THEREFORE, in consideration of the foregoing recitals, which are a material part of this Agreement and are incorporated herein, and in consideration of the mutual promises and covenants hereinafter set forth, the Parties, intending to be legally bound, agree as follows:

1. **Release and Discharge.**
  - a. In consideration of Ford stipulating to the dismissal with prejudice of the Dispute and paying the Settlement Amount (defined in Section 2) to fund the actions as set forth in Section 2, EGLE hereby deems the NOV resolved and completely releases and discharges Ford from all assessed and accrued stipulated penalties referenced in the NOV. EGLE does not release or discharge any of its other rights under the Consent Decree.

- b. The release and discharge become effective upon Ford's payment in full of the Settlement Amount.
- c. The Parties agree that, upon execution of this Agreement by all Parties, the Parties' attorneys shall execute and file a Stipulation to Dismiss with Prejudice the Dispute, which shall provide for the court's continuing jurisdiction to enforce the terms of this Agreement.

2. **Ford's Funding Obligations.** Within 30 days of the Effective Date, Ford agrees to make a payment to the Livonia School District in the amount of \$115,000 and a payment to the City of Livonia in the amount of \$385,000 (collectively these payments are referred to as the "Settlement Amount"). Promptly after making such payments, Ford shall provide EGLE with evidence of the payments. The funds will be used by the Livonia School District and the City to undertake the actions set forth below that will provide an environmental benefit to the School District and the City:

- a. Payment to Livonia School District – Provide educational materials to support Livonia School District science curriculums (\$115,000).
- b. Payment to City of Livonia – Support future sewer maintenance and cleaning, to include purchase of air monitoring and response equipment, including:
  - i. Equipment
    - 1. Two (2) pole cameras for inspection of manholes and pipes. (\$50,000)
    - 2. Confined space equipment (\$25,000)
    - 3. Sewer cleaning equipment (\$20,000)
    - 4. Rear yard easement machine for jetting/inspecting backyard sewers (\$70,000)
  - ii. Training of Employees
    - 1. Pipeline Assessment Certification Program ("PACP") and Manhole Assessment Certification Program ("MACP") (\$20,000)
  - iii. Sewer pipe relining on Plymouth Road (\$200,000 contribution)
  - iv. Ford will request the City of Livonia provide an accounting that tracks the use of the funds by the City of Livonia and, if received by Ford, Ford will provide EGLE a summary of the expenditures by December 31, 2024.

3. **No Admission.** This Agreement reflects the Parties' compromise and settlement of the NOV and the Dispute. The Parties acknowledge that this Agreement is entered into solely to resolve the NOV and the Dispute and nothing contained herein shall constitute, is intended as, or shall be construed to be an admission of any wrongdoing on the part of Ford, or evidence that any alleged wrongdoing, illegal act, or violation of the Consent Decree occurred.

4. **Attorneys' Fees and Costs.** Each Party will bear its own attorney fees and costs in relation to the NOV, the Dispute, and this Agreement. This provision does not provide grounds to dispute any invoice or payment that was previously made. However, EGLE may not seek to recover any such fees or costs incurred after June 10, 2023.

5. **Advice of Counsel.** The undersigned agree that all Parties and each of them have had the full opportunity, after consultation with independent counsel, to evaluate and enter into this Agreement as a free and voluntary act with full knowledge of its contents and of the binding and conclusive nature thereof.

6. **Entire Agreement and Authority.** This Agreement contains the entire agreement between the Parties with respect to its subject matter, and its terms are contractual and not mere recitals. Each of the Parties to this Agreement warrants and represents that the entity executing this Agreement, and the person executing this Agreement for and on behalf of each entity, is competent to execute this Agreement and has the requisite power and authority to execute this Agreement.

7. **All Parties As Drafters of This Agreement.** All of the Parties hereunder agree that each has reviewed this Agreement and contributed to its drafting. Accordingly, none of the Parties hereunder shall be construed as the drafter of this Agreement and, therefore, this Agreement shall not be construed against any Party as its drafter.

8. **Binding Agreement.** This Agreement shall be binding upon, and inure to the benefit of, the Parties hereto and their successors and assigns.

9. **Severability.** If any term, clause, condition, or provision of this Agreement is determined to be illegal, invalid, or unenforceable under any present or future law by the final judgment of a court of competent jurisdiction, the remainder of this Agreement will not be affected thereby. It is the intention of the Parties that if any such provision is held to be illegal, invalid, or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible to be legal, valid, and enforceable.

10. **Counterparts.** This Agreement may be executed in counterparts. Each counterpart shall be considered collectively as one entire document. Electronic mail transmission ("Email") copies of signatures shall be sufficient to constitute the valid signatures of the Parties.

11. **Amendment; Waiver.** Neither this Agreement nor any of the provisions hereof can be changed, waived, discharged, or terminated, except by an instrument in writing signed by the Parties.

12. **Governing Law and Choice of Law; Consent to Jurisdiction/Venue.** The Parties hereto agree that any action to enforce the terms of this Agreement shall be governed in all respects by the law of the State of Michigan and shall be brought in the United States District Court for the Eastern District of Michigan in Case No. 2:17-12372.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Parties hereto have executed this Agreement on the dates appearing by their names herein.

**FORD MOTOR COMPANY**

By: \_\_\_\_\_  
Name: Jane Regan  
Title: Attorney  
Date: Jun-03-2024

DocuSigned by:  
*Jane Regan*  
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**MICHIGAN DEPARTMENT OF ENVIRONMENT, GREAT LAKES, AND ENERGY**

By: \_\_\_\_\_  
Name: Mike Neller  
Title: Remediation and Redevelopment Director  
Date: June 4, 2024