

**FIRST AMENDMENT TO
WATER AND SANITARY SEWER SERVICE AGREEMENT**

between the

**CITY OF GRAND RAPIDS
(the "City")**

and

**CASCADE CHARTER TOWNSHIP,
GRAND RAPIDS CHARTER TOWNSHIP
CITY OF KENTWOOD
TALLMADGE CHARTER TOWNSHIP,
CITY OF WALKER and
WRIGHT TOWNSHIP**

**(individually a "Customer Community" and
collectively the "Customer Communities")**

**FIRST AMENDMENT TO WATER AND SANITARY SEWER
SERVICE AGREEMENT**

THIS FIRST AMENDMENT TO WATER AND SANITARY SEWER SERVICE AGREEMENT made and executed as of this ____ day of _____, 2000 (hereinafter referred to as the "First Amendment"), by and between the **CITY OF GRAND RAPIDS**, Kent County, Michigan, a Michigan municipal corporation (hereinafter referred to as the "City"), and **CASCADE CHARTER TOWNSHIP**, Kent County, Michigan, a Michigan charter township, **GRAND RAPIDS CHARTER TOWNSHIP**, Kent County, Michigan, a Michigan charter township, the **CITY OF KENTWOOD**, Kent County, Michigan, a Michigan municipal corporation, **TALLMADGE CHARTER TOWNSHIP**, Ottawa County, Michigan, a Michigan charter township, and the **CITY OF WALKER**, Kent County, Michigan, a Michigan municipal corporation, and **WRIGHT TOWNSHIP**, Ottawa County, Michigan, a Michigan general law township (hereinafter referred to individually as a "Customer Community" and collectively as the "Customer Communities").

RECITALS

A. The City and some or all of the Customer Communities have entered into a Water and Sanitary Sewer Service Agreement dated as of January 1, 1999, for the provision public water and/or sanitary sewer service to Users within certain designated service areas on a retail basis.

B. The City and the Customer Communities who have executed this First Amendment have determined to amend Section 5.C of the Agreement related to the imposition of integrated connection fees.

NOW, THEREFORE, in consideration of the respective representations and agreements contained herein, the parties hereto agree as follows:

Section 1. Amendment to Section 5.C of Agreement. Subsection C of Section 5 of the Agreement is amended in its entirety to read as follows:

C. Integrated Connection Fees. Persons in the Utility Services District in each of the Customer Communities connecting to the Water System and the Sewer System shall pay integrated connection fees established and determined in accordance with Exhibit C attached hereto and incorporated herein.

Integrated connection fees required to be paid pursuant to this subsection shall be due and payable at the time a User receives a permit to connect to the Water System or Sewer System. A permit issued by the City to connect to the Water System or Sewer System shall expire one hundred eighty (180) days from the date the permit was issued. Integrated connection fees collected pursuant to this subsection shall promptly be forwarded to the City and be applied to integrated system costs of the Water System or Sewer System, respectively, so as to reduce such costs in connection

with the preparation of the applicable annual Rate Study for water and sanitary sewer service for those Users in Customer Communities where integrated connection fees are collected.

A User of the Water System or Sewer System, who has previously paid an integrated connection fee for water or sewer service and who subsequently applies for a larger meter than the one presently in service, shall pay an integrated connection fee which is the difference in the current integrated connection fee for the meter size in service and the one applied for. No credit or rebate shall be given in the case of application for a smaller sized meter.

Except as otherwise provided in the immediately succeeding paragraph, the integrated water service and sanitary sewer service connection fee for single-family and multi-family residential dwelling units shall be adjusted upward and downward as follows: A single family residential dwelling unit located on a parcel containing 30,000 square feet in calendar year 2000, 28,000 square feet in calendar year 2001, 26,000 square feet in calendar year 2002, 24,000 square feet in calendar year 2003, 22,000 square feet in calendar year 2004, and 20,000 square feet in calendar year 2005 and each year thereafter shall pay the applicable integrated connection fee in accordance with the schedule in the attached Exhibit C. To the extent such parcel is greater than or less than the applicable square footage, one-half the applicable integrated connection fee will increase or decrease by the same percentage increase or decrease in the parcel above or below the applicable square footage. In the case of multi-family residential dwellings, in order to determine the size of the parcel assigned to each dwelling unit for purposes of calculating the integrated connection fee to be paid by each multi-family residential dwelling unit, the total square footage of the parcel on which the multi-family residential dwelling is located shall be divided by the total number of residential units. Notwithstanding any other provision in this subsection, the integrated connection fee for a single family residential dwelling unit or multi-family residential dwelling unit shall not exceed four and one-half times the applicable base integrated connection fee set forth in the attached Exhibit C.

There shall be no upward adjustment in the integrated water service and sanitary sewer service connection fees payable for a single-family residential dwelling unit connecting to the Water System or Sewer System if (a) each of the following conditions are met (i) a building permit shall have been obtained, (ii) the dwelling unit shall have been constructed, and (iii) a certificate of occupancy shall have been issued prior to January 1, 2000 or (b) local building permit fees have been paid to the local governmental unit prior to January 1, 2000 for a single-family residential dwelling unit to be constructed on or after January 1, 2000. When connecting to the Water System or Sewer System, Users living in or owning such single-family residential dwelling units shall pay the applicable base integrated connection fee set forth in the attached Exhibit C adjusted downward, if applicable, in accordance with the immediately preceding paragraph.

Section 2. Definitions. All terms not specifically defined in this First Amendment shall have those meanings as defined in the Agreement.

Section 3. Ratification of Agreement. Except as amended by this First Amendment, the Agreement is in all other respects hereby ratified and confirmed.

Section 4. Effective Date. This First Amendment shall be effective as of the date set forth in the first paragraph hereof.

IN WITNESS WHEREOF, the City and the Customer Communities have caused these presents to be signed by their respective duly authorized officers all as of the day and year first written above.

Executed: _____, 2000

AFFIX
Mayor's Signature
SB 4/7/00
Dept. of Law

CITY OF GRAND RAPIDS

"City"

John H. Logie, Mayor

Mary Therese Hegarty, City Clerk

Executed: 10/24, 01

CASCADE CHARTER TOWNSHIP

"Customer Community"

Michael Julian, Supervisor


Marlene Kleinheksel, Township Clerk

Executed: 9-11-2001

GRAND RAPIDS CHARTER TOWNSHIP


"Customer Community"

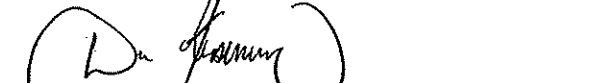
Michael DeVries, Supervisor


Janice Hulbert, Township Clerk

Executed: _____,


CITY OF KENTWOOD
"Customer Community"


Bill Hardiman, Mayor


Dan Kasunic, City Clerk

Executed: _____, 2000

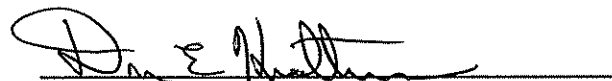
**TALLMADGE CHARTER
TOWNSHIP**
"Customer Community"


William Wiersma, Supervisor


Lenore Cook, Township Clerk

Executed: _____, 2000

CITY OF WALKER
"Customer Community"


Don Knottnerus, Mayor


Sandra Wisniewski, City Clerk

Executed: _____, 2000

Lenore Cook, Township Clerk

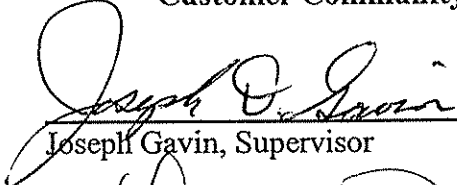
CITY OF WALKER
"Customer Community"

Don Knottnerus, Mayor

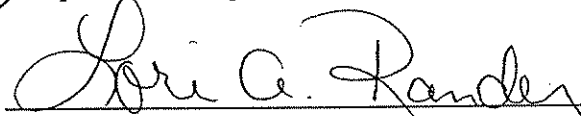
Sandra Wisniewski, City Clerk

Executed: 11/8, 2000

WRIGHT TOWNSHIP
"Customer Community"



Joseph Gavin, Supervisor



Lori A. Rander, Township Clerk

EXHIBIT C **INTEGRATED CONNECTION FEES ***

FOR WATER SERVICE - BASED ON WATER METER SIZE

WATER METER OR EQUIVALENT SIZE SERVICE	CURRENT FEE	SIZE FACTOR**	NEW EFFECTIVE DATE (ON AND AFTER)						1/1/05 AND EACH 1/1 THEREAFTER
			1/1/99	1/1/00	1/1/01	1/1/02	1/1/03	1/1/04	
3/4" or less	\$ 1,650	1.00	\$ 1,700	\$ 1,800	\$ 1,900	\$ 2,000	\$ 2,100	\$ 2,200	***
1"	2,650	1.67	2,850	3,000	3,150	3,350	3,500	3,650	***
1 1/2"	5,400	3.33	5,650	6,000	6,300	6,650	7,000	7,350	***
2"	8,650	5.33	9,050	9,600	10,150	10,650	11,200	11,750	***
3"	18,850	11.67	19,850	21,000	22,150	23,350	24,500	25,650	***
4"	34,050	21.00	35,700	37,800	39,900	42,000	44,100	46,200	***
6" and over	75,550	46.67	79,350	84,000	88,650	93,350	98,000	102,650	***

FOR SEWER SERVICE - BASED ON WATER METER SIZE

WATER METER OR EQUIVALENT SIZE SERVICE	CURRENT FEE	SIZE FACTOR**	NEW EFFECTIVE DATE (ON AND AFTER)						1/1/05 AND EACH 1/1 THEREAFTER
			1/1/99	1/1/00	1/1/01	1/1/02	1/1/03	1/1/04	
3/4" or less	\$ 100	1.00	\$ 100	\$ 500	\$ 900	\$ 1,300	\$ 1,700	\$ 2,200	***
1"	165	1.67	165	800	1,500	2,150	2,800	3,650	***
1 1/2"	330	3.33	330	1,650	3,000	4,350	5,650	7,350	***
2"	400	4.00	400	2,650	4,800	6,950	9,050	11,750	***
3"	NA	NA	NA	5,850	10,500	15,150	19,850	25,650	***
4"	920	21.00	920	10,500	18,900	27,300	35,700	46,200	***
6" and over	1,040	46.67	1,040	23,350	42,000	60,650	79,350	102,650	***

* Integrated connection fees shall be adjusted for single and multi-family dwelling units as provided in Section 5.C of the Agreement

** Equivalency for meters other than "3/4" or less" is based on a factor of πR^2 rounded to nearest \$50.

*** Commencing January 1, 2005, integrated connection fees shall be adjusted annually and increased by the same percent as the percentage increase in the Consumers Price Index (All U.S. Cities) of the most recent 12-month period for which such information is available at the time the annual Rate Study is being conducted