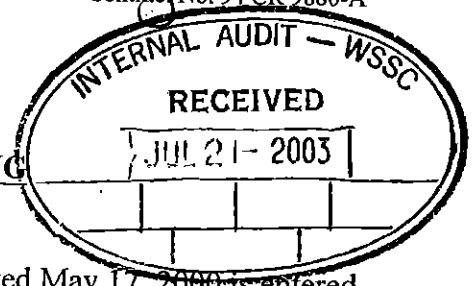


Amendment #2  
MAY 23, 2003  
Contract No. 94 CR 9880-A

AMENDMENT NO. 2

MEMORANDUM OF UNDERSTANDING



This Amendment No. 2 to Memorandum of Understanding dated May 17, 2000 is entered into this 23rd day of MAY, 2003, by and between the WASHINGTON SUBURBAN SANITARY COMMISSION, a public agency of the State of Maryland, hereinafter referred to as "WSSC" and ARCOLA INVESTMENT ASSOCIATES, hereinafter referred to as "Arcola."

WITNESSETH

WSSC is empowered and authorized to construct, maintain and operate systems for water supply and sewage conveyance and treatment in an area designated as the Washington Suburban Sanitary District, encompassing portions of Montgomery and Prince George's Counties, Maryland; and

Arcola is developing a site referred to as Kings Crossing which requires the extension of water and/or sewage systems; and

By a Memorandum of Understanding entered into between the WSSC and Arcola, dated May 17, 2000, ("MOU"), WSSC authorized Arcola to construct a 1.7 MGD Wastewater Pumping Station, hereinafter referred to as "the Project" located in Kings Crossing, Montgomery County, Maryland, in accordance with plans and specifications entitled:

HOYLES MILL WASTEWATER PUMPING STATION  
KINGS CROSSING SUBDIVISION  
PROJECT NO. 94 CR 9880-A

By First Amendment to Memorandum of Understanding dated July 18, 2001, the parties modified the method by which the System Development Charge credits would be made available to qualified properties;

Arcola has requested and WSSC agrees that "Attachment A", SDC Credits Maximum Estimate, should be modified to reflect an updated estimate of the SDC credits to which Arcola may be entitled; and

The parties expressly agree that all other terms, conditions and stipulations contained in the MOU dated May 17, 2000, as amended on July 18, 2001, shall remain in full force and effect and without any change or modification whatsoever, except as modified hereinafter with respect to "Attachment A".

NOW, THEREFORE, in consideration of the premises and the benefits to be received by the parties hereto which are hereby acknowledged, the parties agree that the Memorandum of Understanding dated May 17, 2000, as amended on July 18, 2001, be and the same is hereby modified, altered and changed in the following respect only:

1. "Attachment A" of the Memorandum of Understanding dated May 17, 2000, is hereby modified and amended to read as follows:

ATTACHMENT A

SDC CREDITS ESTIMATE

Arcola Investment Associates

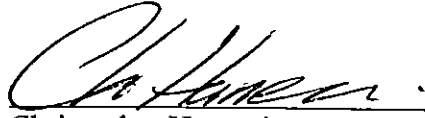
Design	\$ 225,908
Applicant's Administrative Cost and Interest	\$ 305,136
WSSC Costs	\$ 237,721
Construction Costs	<u>\$1,415,779</u>
Total	\$2,184,544

IN WITNESS WHEREOF, the parties hereto have executed Amendment No. 2 to be effective as of the date first hereinabove written.

WITNESS:

ARCOLA INVESTMENT ASSOCIATES

Jeannette Fregato

By:   
Christopher Hanessian  
Senior Vice President

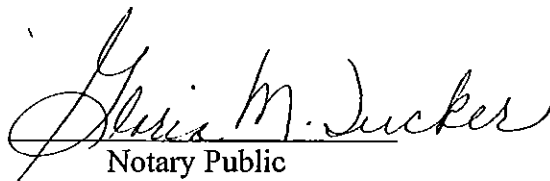
\* \* \*

STATE OF MARYLAND

COUNTY OF PRINCE GEORGE'S

I hereby certify that this 23RD day of MAY, 2003, before me, the subscriber, a Notary Public of the jurisdiction of aforesaid, personally appeared Christopher Hanessian, known to me (or satisfactorily proven) to be the person whose name subscribed to the within instrument and acknowledged that he executed the same for the purposes therein contained.

WITNESS my hand and Notarial Seal.

  
Notary Public

GLORIA M. TUCKER  
(name printed)

My Commission expires 3-1-07.

WITNESS:

WASHINGTON SUBURBAN SANITARY  
COMMISSION

[Signature]

By:

[Signature]  
P. Michael Errico, Deputy General Manager

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STATE OF MARYLAND

COUNTY OF PRINCE GEORGE'S

I hereby certify that this 16<sup>th</sup> day of JULY, 2003, before me, the undersigned officer, personally appeared, P. Michael Errico, who acknowledged himself to be the Deputy General Manager of the Washington Suburban Sanitary Commission, a public corporation, and that he as such General Manager, being authorized so to do, executed the foregoing instrument for the purposes contained therein, by signing the name of the corporation by himself as General Manager.

WITNESS my hand and Notarial Seal.

[Signature]  
Notary Public

ROBERT M. RUSSELL  
(name printed)

My Commission Expires \_\_\_\_\_ **ROBERT M. RUSSELL**  
**NOTARY PUBLIC STATE OF MARYLAND**  
My Commission Expires January 5, 2005

\*\*\*

This Agreement has been reviewed and approved for form and legal sufficiency.

[Signature]  
Robert Drummer, Senior Counsel

7/8/03  
Date

\*\*\*

Review and recommended for approval:

[Signature]  
Richard R. Shagogue, Chief Engineer  
Engineering and Construction Team

7/09/03  
Date