SECOND AMENDMENT TO

PREDEVELOPMENT REIMBURSEMENT AGREEMENT

CONTRACT NO. AO8-PSC-837

THIS SECOND AMENDMENT TO PREDEVELOPMENT REIMBURSEMENT AGREEMENT (this "Amendment") is entered into as of the 31st day of July, 2008 (the "Effective Date"), by and between The State of Washington ("State"), acting by and through the Department of Information Services ("DIS") and Wright Runstad Associates Limited Partnership, a Washington limited partnership ("Developer") (hereinafter together the "Parties").

State and Developer are parties to that certain Predevelopment Reimbursement Agreement dated December 27, 2007 (the "Agreement") with respect to the proposed project to be developed on the Capitol Campus in Olympia Washington known as the DIS-Wheeler Project. Defined terms used in this Amendment shall have the meanings given them in the Agreement.

State and Developer previously amended the Agreement to extend the period of performance through July 31, 2008.

State and Developer now wish to further amend the Agreement to address, among other things, changes in the scope and development schedule of the Project.

Accordingly, State and Developer now agree:

SECTION 1. PHASE 2 OF PROJECT

State has elected to change the scope and size, and delay the development schedule for the Project due to unanticipated circumstances beyond the contemplation of either party at the time the original Agreement was negotiated. The State has determined that Office Building #2, that would have contained approximately 175,000 gross square feet of area, will not be constructed, and that the underground parking garage will be reduced to a capacity of approximately 300 cars. The "Project" as originally described in the Agreement is hereinafter referred to as "Phase 1." The "Project" as revised by State pursuant to this Section 1 is hereinafter referred to as "Phase 2." All references in the Agreement to the "Project" shall now refer to Phase 2.

SECTION 2. PERIOD OF PERFORMANCE

The Period of Performance defined in Section 1 of the Agreement is hereby extended to June 30, 2009, unless this Agreement is further extended or terminated earlier by State pursuant to the terms and conditions contained in the Agreement.

SECTION 3. SCOPE OF WORK

Developer shall perform the Predevelopment Activities set forth in Exhibit A to this Amendment. The Exhibit A attached to this Amendment shall amend and supersede in its entirety the Exhibit A attached to the Agreement, and all references to Predevelopment Activities shall mean the predevelopment activities more fully identified on Exhibit A to this Amendment.

SECTION 4. PROJECT TOTAL REIMBURSEMENT

A. The Agreement provided for a Total Reimbursement for Phase 1 of $6,976,000, as detailed in the budget attached to the Agreement as Exhibit B (the "Original Budget"). Only a portion of the Original Budget amounts have been spent to date. Attached as Exhibit B to this Amendment is a revised budget (the "Revised Budget") setting forth the following on a line item basis: (1) the Original Budget; (2) the amount ($4,616,300) of the Original Budget spent to date; (3) the unspent balance of the Original Budget ($2,359,700); (4) the amounts ($3,812,700) that are budgeted for the completion of the Predevelopment Activities for Phase 2 (the "Total Phase 2 Reimbursement"); and (5) the Phase 2 Change Order amount ($1,453,000) required for the completion of the Predevelopment Activities for Phase 2 (i.e., the Total Phase 2 Reimbursement less the unspent portion of the Original Budget, as shown on Exhibit B). The Total Phase 2 Reimbursement equals $3,812,700 and is shown in the Revised Budget under three columns: the portion allocable to the schematic redesign, the portion allocable to the design development redesign, and the total amount for Phase 2.

B. Subject to the provisions set forth in the Agreement, as modified by this Amendment, State shall pay Developer on a monthly basis for authorized and satisfactorily completed Predevelopment Activity work and services rendered under the Agreement, as modified by this Amendment. Such payment shall be made in accordance with and subject to the terms of the Agreement and this Amendment and shall not exceed the Total Phase 2 Reimbursement (which amount is exclusive of amounts previously paid under the Original Budget as of the date of this Amendment, as shown on Exhibit B). In the event the cost of the Predevelopment Activities performed by Developer hereunder exceeds the Total Phase 2 Reimbursement, Developer shall pay such excess costs from its own funds, and State shall not be required to pay any part of such excess costs and Developer shall have no claim against State for excess costs.

C. Notwithstanding any other provisions of this Agreement and as part of the consideration for Developer's agreement to execute this Amendment and agree to continue to perform the Predevelopment Activities, in the event State elects to terminate this Agreement for convenience pursuant to the provisions of paragraph B of Section 7 of the Agreement, State shall pay (1) to NBBJ and Cochran Electric the cancellation fees shown on Exhibit B hereto; and (2) to Developer a cancellation fee equal to $51,000 per calendar month for the period from December 1, 2007 to July 31, 2008 and $65,000 per calendar month from and after August 1, 2008 to the date which is thirty (30) days after the date Developer has received written notice from the State that it has elected to terminate this Agreement for convenience pursuant to the provisions of paragraph B of Section 7 of this Agreement. .

SECTION 5. FULL FORCE AND EFFECT

Except to the extent expressly provided in this Amendment, all of the terms and conditions of the Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by their respective authorized officers or representatives as of the day and year first above written.

"State"

STATE OF WASHINGTON
Acting through its Department of Information Services

By: _____ 7/31/08
Gary Robinson
Its Director

APPROVED AS TO FORM ONLY:

_____ 7/31/08
Assistant Attorney General
Washington Attorney General's Office

"Developer"

WRIGHT RUNSTAD ASSOCIATES
LIMITED PARTNERSHIP

By: Wright Runstad & Company, its general partner

By: _____
Its: Sr. Vice President

EXHIBIT A
PREDEVELOPMENT ACTIVITIES

The Predevelopment Activities for Phase 1 and Phase 2 of the Project include:

1. Project Design and Budget Updates.

Developer shall consult with DIS and oversee all design work done by architects, engineers, and other design professionals and consultants for the design and development of the Project. Developer shall expeditiously review design documents during their development and provide advice on proposed site use and improvements, selection of materials, building systems and equipment and methods of Project delivery.

Developer shall consult with DIS and oversee architects, engineers, and other design professionals and consultants regarding the site layout concepts, early design documents, schematic design approaches, design development documents and construction documents and make recommendations whenever design details adversely affect constructability, cost or schedules.

Developer shall provide recommendations on relative feasibility of construction methods, availability of materials and labor, and time requirements for procurement, installation, construction and factors related to construction costs including, but not limited to, costs of alternative designs or materials, budgets and possible economics.

Not less than twice each month, by the fifteenth (15th) day and the last day of each month, the Developer shall update and submit the latest estimate of Project Costs, Project Budget and the Project Schedule for DIS approval.

2. Entitlements, Permits & Approvals.

Developer shall select and coordinate all professional services of architects, engineers, surveyors, special consultants and testing laboratories required for development of the Project.

Developer shall apply for and obtain any and all environmental, land use and construction permits and approvals necessary to develop the Project.

3. Project Schedule & Efforts Leading Towards Closing and Construction of the Project.

Developer shall prepare and periodically update the Project Schedule for DIS's acceptance. Developer shall obtain the Architect's approval for the portions of the preliminary Project Schedule relating to the performance of their services. Developer shall coordinate and integrate the Architect's services into the Project Schedule and Developer's and Project Owner's responsibilities with anticipated construction schedules, highlighting critical and long lead time items.

Developer shall prepare a Project Schedule providing for the components of the work and shall consult with the general contractors in connection with the preparation and updating of the

Project Schedule, including phasing of construction, times of commencement and completion required of each Contractor, ordering and delivery of products requiring long lead time, and the occupancy requirements of DIS.

Developer shall cause the general contractors to establish the assignment of responsibilities for temporary Project facilities and equipment, materials and services for common use of the contractors. Developer shall verify that such requirements and assignment of responsibilities are included in the proposed contract documents.

Developer shall cause the general contractors to determine the division of the Project into individual subcontracts for various categories of work, including the method to be used for selecting Subcontractors and awarding subcontractor contracts. Developer shall cause the general contractors to review the Construction Documents as required to provide that (1) the work of the general contractors and their subcontractors is coordinated; (2) all requirements for the Project have been assigned to the appropriate general or subcontractor contract; (3) the likelihood of jurisdictional disputes has been minimized; and (4) proper coordination has been provided for phased construction.

Developer shall work with the general contractors to expedite and coordinate the ordering and delivery of materials requiring long lead times.

Developer shall cause the general contractors to provide an analysis of the types and quantities of labor required for the Project and shall review with the general contractors the availability of appropriate categories of labor required for critical phases. Developer shall make recommendations for actions designed to minimize adverse effects of labor shortages.

With respect to portions of the work which Developer elects to submit to competitive bidding, Developer shall direct the general contractors to develop bidders' interest in the Project, establish bidding procedures, issue bidding documents to bidders and conduct pre-bid conferences with prospective bidders. Developer shall cause the general contractors to submit the list of prospective subcontractors or bidders for review by Project Owner and DIS. DIS shall have the right to reject any bidder if good cause exists for such rejection. Developer shall assist the general contractors with respect to questions from bidders and the issuance of addenda.

Developer and general contractors shall receive bids, prepare bid analyses and award contracts or reject bids. The foregoing shall not obligate Developer to submit any portion of the work to public bidding, and Developer may direct the general contractors to negotiate any portion of the work with qualified subcontractors.

Developer shall cause the general contractors to order materials and perform certain specified pre-construction and construction activities to facilitate the Project as requested by DIS. Developer, with the approval of DIS, may sell any materials that are not required for the Project and negotiate any restocking fees.

Developer agrees to pay or cause its general contractors and subcontractors to pay State prevailing wages as defined in RCW Chapter 39.12.

EXHIBIT B
REVISED PROJECT TOTAL REIMBURSEMENT

WHEELER SITE - DIS
Phase 2 - Redesign

ITEM	PRE-DEVELOP BUDGET	SPENT TO DATE	*PHASE 1 UNSPENT*	SCHEMATIC DESIGN RE-DO	RE-DO DESIGN DEVELOPMENT	TOTAL COST FOR PHASE 2
Architect - Nbbj	2,886,000	1,876,000	*1,010,000*	570,000	940,000	1,510,000
Structural - Kpff	600,000	478,000	*122,000*	55,000	250,000	305,000
Civil - Parametrix	252,000	209,000	*43,000*	95,000	125,000	220,000
Electrical S&C - Cochran	275,000	275,000	-	78,000	116,000	194,000
Mechanical S & C - UMC	600,000	284,000	*316,000*	65,000	95,000	160,000
Oversight Engineer	25,000	-	*25,000*	-	25,000	25,000
Curtainwall	3,000	300	*2,700*	1,200	1,500	2,700
Graphics	9,000	-	*9,000*	-	9,000	9,000
Elevators	40,000	22,000	*18,000*	-	18,000	18,000
Acoustical	8,000	6,000	*2,000*	1,000	4,000	5,000
Lighting	2,000	-	*2,000*	-	2,000	2,000
Traffic SEPA	60,000	96,000	*(36,000)*	16,000	16,000	32,000
Green	35,000	-	*35,000*	-	15,000	15,000
Roofing	4,000	-	*4,000*	-	4,000	4,000
Landscaping	70,000	48,000	*22,000*	20,000	32,000	52,000
Other Consultants	60,000	60,000	-	20,000	35,000	55,000
Reimbursables	45,000	33,000	*12,000*	15,000	20,000	35,000
Survey	45,000	44,000	*1,000*	-	16,000	16,000
Shoring Design	65,000	30,000	*35,000*	-	35,000	35,000
Soils	20,000	110,000	*(90,000)*	12,000	13,000	25,000
Other Survey/Soils	22,000	-	*22,000*	-	-	-
Permits	350,000	-	*350,000*	-	-	-
Tenant Programming	175,000	274,000	*(99,000)*	112,000	105,000	217,000
Tenant Engineering	550,000	524,000	*26,000*	24,000	86,000	110,000
Legal & Accounting	65,000	33,000	*32,000*	32,000	24,000	56,000
Other Miscellaneous	10,000	-	*10,000*	-	10,000	10,000
Contingency	700,000	-	*700,000*	250,000	450,000	700,000
ADDED COSTS:						-
Construction (remediation on existing buildings)		197,000	*(197,000)*	tbd		
Construction Sales Tax	-	17,000	*(17,000)*	tbd		
TOTAL	6,976,000	4,616,300	*2,359,700*	1,366,200	2,446,500	3,812,700
Unspent Phase 1						*2,359,700*
Phase 2 Change Order Amount						**1,453,000**
CANCELLATION FEES:						
Nbbj						550,000
Cochran						185,000
					tbd	

WRC (OH=$51,000/mo from Dec. 1, 2007-July 31, 2008)
WRC (OH=$65,000/mo from Aug. 1, 2008)

CE