

## AMENDMENT NO. 3

### COMMERCIAL LEASE AGREEMENT

This Amendment is made this day of 10th day of JUNE 2008 to that certain Lease (the "LEASE") dated January 6, 2004, and that certain Amendment to Lease dated July 19, 2004, between CLALLAM TRANSIT SYSTEM (CTS) as LANDLORD, and the CITY OF SEQUIM (City) as TENANT.

For and in consideration of the mutual promises and covenants contained herein, the parties agree as follows:

CTS requests access to the City's Sonitrol cameras and the addition of a PTZ camera on the east side of the transit building. City has also requested the addition of two cameras on the southwest and northwest corners of the building.

City desires additional monitors and appropriate supporting materials in the chambers to provide better viewing opportunities for public and staff.

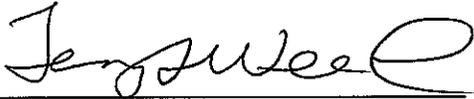
|   |            | CTS         |                    | City          |           |         |
|---|------------|-------------|--------------------|---------------|-----------|---------|
| Additional Sonitrol equipment               | Total cost | \$15,304    | 10% match          | \$1,530.50    |           |         |
|   |            |             | 10% match          | \$1,530.50    |           |         |
|   |            |             | 80% grant coverage | \$12,243      |           |         |
| AV equipment costs                          | Total cost | \$12,509.96 | 80% grant coverage | \$10,007.97   | 10% match | \$1,251 |
|   |            |             |                    |               | 10% match | \$1,251 |
| Totals                                      |            | \$27,813.96 |                    | \$16,311.97   |           | \$2,502 |
| Credit as outlined below                    |            |             |                    | (\$11,538.47) |           |         |
| Totals to be paid by each entity at signing |            | \$27,813.96 |                    | \$ 4,773.50   |           | \$2,502 |

|   |             |
|---|-------------|
| Credit given to CTS for AV grant                | \$10,007.97 |
| Credit for 10% City's portion of Sonitrol costs | \$ 1,530.50 |
| Total credit purchased by CTS                   | \$11,538.47 |

One-half the annual Sonitrol service/maintenance costs are \$1,722. Utilizing the total credit of \$11,538.47 will allow CTS access to the Sonitrol monitoring equipment at no additional costs for a period of 6 years, 9<sup>th</sup> months beginning June 01, 2008 and ending March 1 2015.

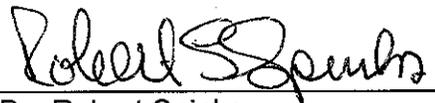
In all other respects the COMMERCIAL LEASE AGREEMENT is ratified and affirmed.

LANDLORD  
CLALLAM TRANSIT SYSTEM



By: Terry G. Weed  
General Manager

TENANT  
CITY OF SEQUIM



By: Robert Spinks  
Interim City Manager