

THIRD AMENDMENT TO NON-PREFERENTIAL REVOCABLE LEASE AGREEMENT

IT IS HEREBY MUTUALLY AGREED, by and between the PORT OF ANACORTES, a Washington municipal corporation, herein referred to as "Lessor", and Frontier Industries, Inc., a Washington Corporation, hereinafter referred to as "Lessee", that this agreement amends the NON-PREFERENTIAL, REVOCABLE LEASE AGREEMENT between the parties hereto, dated April 1, 1986, and subsequently amended by FIRST AMENDMENT dated July, 16, 1986, and further amended by SECOND AMENDMENT dated September 10, 1987, (the "Lease").

WITNESSETH

In consideration of the mutuality of benefit inherent hereto, the parties hereto do mutually agree as follows:

1. **PROPERTY DESCRIPTION:** The property referred to in the Lease as "the Premises" is hereby changed to the property legally described in Exhibit "A" and is depicted and highlighted in Exhibit "B", both of which are attached hereto and incorporated herein as though fully set forth here.

2. **TERM:** The Lease is hereby amended to provide that the term shall be on a month to month basis beginning November 1, 1995, and that the Lease may be canceled by thirty (30) days advance written notice by either party.

3. **RENT:** The Lease is hereby amended to provide that the Lessee shall pay to Lessor, in lawful money of the United States, without any set-off or deduction, in addition to taxes, assessments, and other charges required to be paid hereunder by Lessee, rent for the Premises of :

35,125.Square Feet @ .0033/S.F. per month = \$ 117.08

plus applicable Washington State leasehold tax. Rental payments shall commence beginning November 1, 1995. The rent for each month shall be paid to the Lessor in advance on or before the first day of each and every month, and shall be paid at such place as the Lessor may hereinafter designate.

4.. **ENTIRE AGREEMENT:** All other terms and conditions of the NON-PREFERENTIAL REVOCABLE LEASE AGREEMENT dated April 1, 1986, and subsequently amended by FIRST AMENDMENT dated July, 16, 1986, and further amended by SECOND AMENDMENT dated September 10, 1987, except as herein amended to the contrary, are confirmed, ratified and continued in all respects and are to remain in full force and effect. This agreement shall bind and inure to the benefit of the successors and assigns of the Port, and the successors and assigns of Lessee.

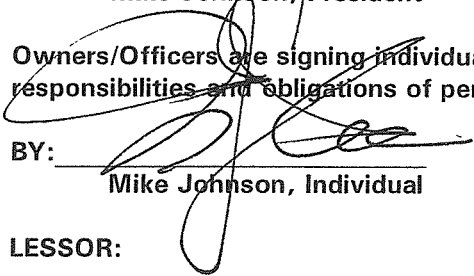
IN WITNESS WHEREOF, the parties hereto have set their hand and seals to this agreement this _____ day of _____, 1995.

LESSEE:

FRONTIER INDUSTRIES, INC.

BY:  11/9/95
Mike Johnson, President Date

Owners/Officers are signing individually and as guarantors of the Lessee corporation as to responsibilities and obligations of performance herein recited.

BY: 
Mike Johnson, Individual

LESSOR:

PORT OF ANACORTES

BY:  11/9/95
Francis Barcott, President Date

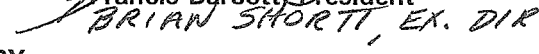
~~BY: Ken Moore, Secretary~~  EX. DIR.
Date

EXHIBIT "A"

LEGAL DESCRIPTION

That portion of property located in the S.W. 1/4 of Section 18; Township 35 North; Range 2 East; W.M. and more particularly described as follows:

Area "A"

Beginning at a point 40 feet north and 40 feet east of the intersection of 4th Street and "R" Avenue; said point being the intersection of the north line of 4th Street and the east line of "R" Avenue; thence easterly along the north line of 4th Street 110 feet to the True Point of Beginning; thence northerly perpendicular to the north line of 4th Street 100 feet; thence easterly parallel to the north line of 4th Street 195 feet; thence southerly perpendicular to the north line of 4th Street; thence westerly 195 feet along the north line of 4th Street; to the True Point of Beginning.

Area "B"

Beginning at a point 40 feet north and 40 feet east of the intersection of 4th Street and "R" Avenue; said point being the intersection of the north line of 4th Street and the east line of "R" Avenue; thence easterly along the north line of 4th Street 405 feet; thence northerly perpendicular to the north line of 4th Street 120 feet to the True Point of Beginning; thence continue northerly perpendicular to the north line of 4th Street 125'; thence easterly parallel to the north line of 4th Street 125 feet; thence southerly perpendicular to the north line of 4th Street 125'; thence westerly 125 feet parallel to the north line of 4th Street to the True Point of Beginning.

