

ORIGINAL

FIRST AMENDMENT TO  
OPERATING AGREEMENT BETWEEN PORT OF ANACORTES  
AND  
FRONTIER INDUSTRIES, INC.

THIS FIRST AMENDMENT TO OPERATING AGREEMENT between PORT OF ANACORTES AND FRONTIER INDUSTRIES, INC., made the 20th day of Feb, 1987, by and between the Port of Anacortes, a Washington municipal corporation hereinafter referred to as "the Port", and Frontier Industries, Inc. a Washington corporation, hereinafter referred to as "F.I." amends original Agreement dated August 21, 1986.

WHEREAS, the Port contracted with F.I. to perform certain work pursuant to the terms and conditions of the original Agreement dated August 21, 1986; and

WHEREAS, the parties desire to amend certain terms and conditions of their original Agreement dated August 21, 1986;

NOW THEREFORE, for and in consideration of the mutual promises and conditions in the original Agreement and in this First Amendment to said original Agreement, the parties agree as follows:

(1) TERM

The term of the Agreement as amended herein shall be from January 1, 1987 to December 31, 1987. Either party shall have the right to terminate this Agreement during the term hereof on one hundred twenty (120) days written notice to the other party or upon any breach of the provisions of the Agreement as herein amended.


(2) COMPENSATION

The Port shall pay F.I. the rate of eight (8) dollars per 1000 board feet for the "basic operation" referred to in Paragraph 1 of the original Agreement. Gross scale will apply and log volume processed shall be determined by scaling bureau summary sheets. This rate shall apply to export and domestic logs with loads or bundles having ten (10) sorts or less. Rates compensating F.I. for services other than the "basic operation" at ten (10) sorts or less are shown on Exhibit "A" and shall be in effect for the term of this Agreement as amended.

(3) All other terms and conditions of the original Agreement, except as herein specifically amended, shall remain the same.

IN WITNESS WHEREOF, the parties have executed this Agreement on the day and year first written above.

  
FRONTIER INDUSTRIES, INC.

  
PORT OF ANACORTES

WHEN SUBMITTING SCALE SHEETS PLEASE REFER TO NUMBER & LETTER CATEGORIES.

02/11/87

LOG YARD RATES

			<u>PORT</u>	<u>FII</u>
1) BASIC OPERATION	A. 10 SORTS	12.75/m	4.75	8.00
	B. 11-20 "	15.75/m	6.55	9.20
	C. 21-30 "	18.75/m	8.35	10.40
INCLUDES: UNLOADING, SORTING, TAGGING MARKING; TALLYING; COLD DECKING				
2) PRE-SORTED LOGS (ALL EXCEPT SORTING FROM ITEM 1)		10.00/m	2.40	7.60
3) A. UNLOADING FROM TRUCK-SCALED		5.00/m	2.50	2.50
B. " " " - NO-SCALE		25.00/LOAD	12.50	12.50
4) A. LOADING TO TRUCK-FROM SORTING YARD-SCALED		5.00/m	2.50	2.50
B. " " " - " STORAGE - SCALED		6.00/m	3.50	2.50
C. " " " - NO SCALE		25.00/LOAD	12.50	12.50
D. LOADING TO RAFT - NO SCALE		25.00/LOAD	12.50	12.50
5) RAFT TO SKIDS - INBOUND				
A. 300 b.f. per log & over		6.00/m	1.50	4.50
B. 300 b.f. per log & less		8.00/m	2.50	5.50
6) RAFTING OUT - OUTBOUND				
A. FROM SORTING YARD		4.25/m	2.00	2.25
B. FROM STORAGE		5.25/m	3.00	2.25
7) BANDING (PORT SUPPLIES BANDING)				
A. SCALED		2.25/m	---	2.25
B. NO SCALE - TO TRUCK		8.00/LOAD	---	8.00
C. NO SCALE - TO RAFT		8.00/LOAD	---	8.00
8) REMANUFACTURING & BUCKING (INCLUDES TRIMMING)		1.50/m	---	1.50
9) TRIMMING ONLY		1.00/m	---	1.00
10) WEIGHING		0.15/ST	---	0.15/ST

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	<u>PORT</u>	<u>FIL</u>
11) EQUIPMENT RATES: HOURLY RENTAL		
A. LOG STACKERS L-80 & L-90	60.00/HR	---
B. SORTING SHOVEL CAT 225	50.00/HR	---
12) PORT WHARFAGE & SERVICES & FACILITIES TARIFFS EX-DOCK TO VESSEL*		
A. 0-8 MILLION B.F.	7.03/m	---
B. 8-16 MILLION B.F.	6.53/m	---
C. 16 - OVER MILLION B.F.	6.03/m	---
* VOLUME DISCOUNT ON CALENDAR YEAR BASIS		
D. EX-WATER TO VESSEL	1/2 EX-DOCK RATE	---
	FOR WHARFAGE & SERVICES & FACILITIES	
E. EX-YARD OR STORAGE TO TRUCK - SCALED	1.25/m	---
F. EX-YARD OR STORAGE TO TRUCK - NO SCALE	0.22/st	---
G. RAFTING FACILITIES - SCALED	1.25/m	---
H. RAFTING FACILITIES - NO SCALE	0.22/st	---
13) DOCKSIDE HANDLING STORAGE TO VESSELSIDE INCLUDES (2) LOG STACKERS W/OPERATORS	3.40/m	

NOTES

- A. All rates based on use of on-site equipment owned by the Port of Anacortes. Additional equipment subject to additional rental and labor charges.
- B. Use of third log stacker or any other equipment for working ship shall be billed at manhour and equipment rental rates.
- C. Items 1-10 on Gross Scribner Scale.
- D. Items 12-13 on Net Scribner Scale.
- E. Owner/Supplier to provide for scaling, scaling documents and tags.