

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 13TH day of SEPTEMBER, 1989, 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 March 16, 1989.

WHEREAS, the Port contracted with F.I. to perform certain work pursuant to the terms and conditions of the original Agreement dated March 16, 1989; and

NOW THEREFORE, for and in consideration of the mutual benefits of the parties, the Operating Agreement dated March 16, 1989 shall be amended as follows:

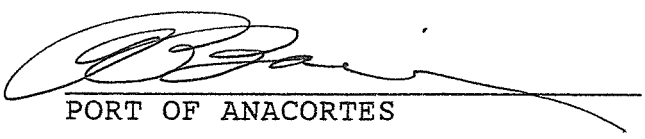
(1) COMPENSATION

Exhibit "A", Appendix "A" of the Operating Agreement setting forth "rates compensating F.I. for services other than the basic operations" is hereby cancelled and superseded by Exhibit "B" attached hereto and made a part hereof and which effective October 1, 1989 reflect the rates for services provided by F.I.

- (2) All other terms and conditions of the original Agreement, except as here in specified 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

PORT OF ANACORTES  
COMBINED LOG CARGO RATES

ITEM:	<u>PORT</u>	<u>FII</u>	<u>TOTAL</u>
<b>1. LOG YARD SERVICE</b>			
A. Unloading of unsorted logs; sort to length; grade & specie; tag; mark; tally; place in storage (cold decking).			
1) 10 SORTS	9.00	8.50	17.50 MBF
2) 11 - 20 SORTS	9.35	10.00	19.35 MBF
3) 21 - 30 SORTS	11.00	11.00	22.00 MBF
B. Pre-sorted Logs - ( all except sorting from 1 (A) above)			
	3.40	7.60	11.00 MBF
C. 1) Unloading from truck-scaled			
2) " " " - no scale	2.50	2.50	5.00 MBF
	12.50	12.50	25.00 PER LOAD
D. 1) Loading to truck-from sorting yard scaled			
2) " " " - " storage - scaled	7.50	2.50	10.00 MBF
3) " " " - no scale	9.50	2.50	12.00 MBF
	37.50	12.50	50.00 PER LOAD
E. Raft to Skids - Inbound			
1) 300 b.f. per log & over	2.50	4.50	7.00 MBF
2) 300 b.f. per log & less	3.50	5.50	9.00 MBF
F. Rafting out - outbound			
1) For Loading at Port of Anacortes			
a. From sorting yard	4.60	3.40	8.00 MBF
b. From storage - Need Longshoreman	6.60	3.40	10.00 MBF
2) For Loading at other locations			
a. From sorting yard	8.60	3.40	12.00 MBF
b. From storage - Need Longshoreman	10.60	3.40	14.00 MBF
c. From sorting - No scale	50.00	25.00	75.00 PER BUNDLE
G. Banding (Port supplies banding - 2 bands)			
1) Scaled	----	2.50	2.50 MBF
2) No scale - to truck	----	8.00	8.00 PER LOAD
3) No scale - to raft	----	8.00	8.00 PER LOAD
H. Weighing			
	----	0.15/st	0.15/st

ISSUED: September 14, 1989  
RESOLUTION NO. 838

EFFECTIVE: October 1, 1989

I. Trimming	----	1.00	1.00 MBF
J. Remanufacturing & Bucking (includes trimming)	----	1.50	1.50 MBF

2. EQUIPMENT RATES: HOURLY RENTAL

A. Log Stackers L-80, L-90 & TEREX	60.00 PER HR.	60.00 PER HR.
B. Sorting Shovel	60.00 PER HR.	60.00 PER HR.

3. PORT WHARFAGE & SERVICES & FACILITY TARIFFS 8.78 MBF 8.78 MBF  
EX-DOCK TO VESSEL

Ex-water to vessel	1/2 Ex-dock Rate
For Wharfage & Services & Facilities	

4. DOCKSIDE HANDLING

Storage to vesselside will be billed  
on a manpower and equipment rental rates

5. LOG STORAGE after expiration of assembly  
time and a 30-day free time passed 3 cents per day  
per thousand (gross)

NOTES

1. All rates based on use of on-site equipment owned by the Port of Anacortes. Additional equipment subject to additional rental and labor charges.
2. Item 1 on Gross Scribner Scale.
3. Item 3 on Net Scribner Scale.
4. Owner/Supplier to provide for scaling, scaling documents and tags.
5. Abbreviations:  
  
MBF - 1000 Board Feet  
HR. - Hour
6. These Combined Log Cargo Rates and the Port of Anacortes Terminal Tariff No. 9 which is filed with Federal Maritime Commission shall apply to the public, to shippers, consignees and carriers using all Port facilities in the handling and shipping of logs.

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Lograte5.wst

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