

ANCHORAGE RECORDING DISTRICT

**SIXTH ADDENDUM TO  
"OPTION TO LEASE LADD LANDING"**

This document is executed by and between the KENAI PENINSULA BOROUGH, an Alaska municipal corporation, whose address is 144 North Binkley, Soldotna, Alaska 99669, and PACRIM COAL, LP, a Delaware Limited Partnership, whose address of record is 711 H Street, Suite 600, Anchorage, Alaska 99501, as the Sixth Addendum to the OPTION TO LEASE LADD LANDING dated March 10, 1987.

1. On March 10, 1987, the Kenai Peninsula Borough, as Optionor, and Tidewater Services Corporation, as Optionee, entered into an agreement entitled "Option to Lease Ladd Landing." A Memorandum of Option to Lease was recorded in the records of the Anchorage Recording District at Book 1577, Pages 0333-337.

2. Effective on April 10, 1992, the Kenai Peninsula Borough, as Optionor, and Tidewater Services Corporation, as Optionee, entered into an agreement entitled "Addendum to Option to Lease Ladd Landing" amending the "Option to Lease Ladd Landing." A Memorandum of Addendum to Option to Lease was recorded in the records of the Anchorage Recording District at Book 2470, Pages 254-264.

3. On December 21, 1994, Tidewater Services Corporation was merged with and into Midgard Energy Company, a Delaware corporation, with Midgard Energy Company as the surviving corporation. Effective upon said merger, all of the estate, property, rights, privileges, powers and franchises of Tidewater Services Corporation were vested in, and held and enjoyed by, Midgard Energy Company.

4. By an Assignment of Option effective as of December 27, 1994, recorded in the records of the Anchorage Recording District at Book 03076, Page 022, Midgard Energy Company assigned the Option to Richard D. Bass, William Herbert Hunt, and William Herbert Hunt Trust Estate, as tenants in common.

5. Effective as of April 9, 1997, Optionor and entered into an agreement entitled "Second Addendum to 'Option to Lease Ladd Landing,'" recorded in the records of the Anchorage Recording District at Book 03156, Page 889.

6. Effective as of April 9, 2002, Optionor and Richard D. Bass, William Herbert Hunt, and William Herbert Hunt Trust Estate, as Optionee, entered into an agreement entitled "Third Addendum to 'Option to Lease Ladd Landing,'" recorded in the records of the Anchorage Recording District under Recording Number 2002-041575-0.

7. Effective as of April 9, 2007, Optionor and Richard D. Bass, William Herbert Hunt, and William Herbert Hunt Trust Estate, as Optionee, entered into an agreement entitled "Fourth Addendum to 'Option to Lease Ladd Landing,'" recorded in the records of the Anchorage Recording District under Recording Number 2007-021241-0.

8. By an Assignment of Option effective as of January 28, 2008, recorded in the records of the Anchorage Recording District under Recording Number 2008-007294-0, Richard D. Bass, William Herbert Hunt, and William Herbert Hunt Trust Estate, as tenants in common assigned the Option to PacRim Coal, LP (hereinafter "Optionee").

9. Effective as of April 9, 2008, Optionor and Optionee entered into an agreement entitled "Fifth Addendum to 'Option to Lease Ladd Landing,'" recorded in the records of the Anchorage Recording District under Recording Number 2008-020280-0. The "Option to Lease Ladd Landing," as amended by the "Addendum to Option to Lease Ladd Landing," the "Second Addendum to 'Option to Lease Ladd Landing'", the "Third

Addendum to 'Option to Lease Ladd Landing'", the "Fourth Addendum to 'Option to Lease Ladd Landing'", and the "Fifth Addendum to 'Option to Lease Ladd Landing'" are hereinafter collectively referred to as "the Option."

10. Optionor and Optionee desire to further amend the Option as follows:

a. Section 3.1 of the Option is hereby amended to remove the ninety (90) day requirement for giving written notice of exercise so that, effective as of the date hereof, it will read:

“3.1 The Option may be exercised with respect to one or more of the Parcels at the same or different times at Optionee’s sole election, upon written notice from Optionee to Optionor given prior to the expiration of the Option Period.”

b. All of the other terms and conditions of the Option which are not expressly amended by this Sixth Addendum to Option Lease Ladd Landing shall remain unchanged and in full force and effect for the duration of the Option as amended and extended.

c. This Sixth Addendum shall be effective as of \_\_\_\_\_, 2008 upon execution by both parties.

11. On November 18, 2008, the Kenai Peninsula Borough Assembly enacted Ordinance 2008-\_\_\_\_, authorizing this Sixth Addendum to the Option to Lease Ladd Landing, amending the Option as provided herein.

**WITNESS OUR HANDS THIS \_\_\_\_ DAY OF OCTOBER 2008.**

**OPTIONOR:**

**Kenai Peninsula Borough**

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**John J. Williams  
Borough Mayor**

**OPTIONEE:**

**PacRim Coal, LP, a Delaware Limited  
Partnership**

**By: PacRim Coal GP, LLC, a Delaware Limited  
Liability Company, its General Partner**

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**W. J. Lucas  
Vice President**

STATE OF ALASKA )  
 ) ss.  
THIRD JUDICIAL DISTRICT )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2008, by John J. Williams, Mayor of Kenai Peninsula Borough, and an Alaska Municipal Corporation, for and on behalf of the Corporation.

Notary Public in and for Alaska  
My commission expires:\_\_\_\_\_

STATE OF ALASKA )  
 ) ss.  
ANCHORAGE RECORDING DISTRICT )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2008, by W. J. LUCAS in his official capacity as Vice President of PacRim Coal-GP, LLC, the General Partner of PacRim Coal, LP, acting for and on behalf of said Partnership.

Notary Public in and for Alaska

My commission expires: \_\_\_\_\_