

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 is 711 H Street, Suite 350, 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, Page 333.

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, Page 254.

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 (hereinafter " Prior Optionee").

5. Effective as of April 9, 1997, Optionor and Prior Optionee 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 Prior 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 Prior 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 Assignment of Option effective as of January 28, 2008, recorded in the records of the Anchorage Recording District under Recording Number 2008-007294-0, Prior Optionor assigned the Option to PacRim Coal, LP a Delaware Limited Partnership (hereinafter "Optionee").

9. Effective 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.

10. 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."

11. On _____, 2009, the Kenai Peninsula Borough Assembly enacted Ordinance 2009-02, authorizing amendment of the Option as set forth herein.

Optionor and Optionee desire to amend the Option as set forth herein.

12. The parties agree as follows:

a. The Option Period is extended for an additional five years, such that the Option Period shall expire on April 9, 2014.

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

c. This Sixth Addendum shall have an effective date of April 9, 2009.

13. Each signatory hereto warrants that it has the authority to bind the party to this agreement.

OPTIONOR:
Kenai Peninsula Borough

David R. Carey
Mayor

OPTIONEE:
PacRim Coal, LP

By: PacRim Coal GP, LLC, its General Partner

W.J. Lucas
Vice President

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 2009,
by David R. Carey, Mayor of Kenai Peninsula Borough, an Alaska Municipal
Corporation, for and on behalf of the Corporation.

Notary Public in and for Alaska
My commission expires: _____

STATE OF ALASKA)
) ss.
THIRD JUDICIAL DISTRICT)

The foregoing instrument was acknowledged before me on _____, 2009,
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 PacRim Coal, LP.

Notary Public in and for Alaska
My commission expires: _____

Return To:
Kenai Peninsula Borough
144 N. Binkley St
Soldotna, AK 99669