

NATURAL RESOURCE PARTNERS LP
Form SC 13D/A
August 29, 2007

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

SCHEDULE 13D/A
(Amendment No 2)
Under the Securities Exchange Act of 1934

NATURAL RESOURCE PARTNERS L.P.

(Name of Issuer)

Common Units

(Title of Class of Securities)

63900P 10 3

(CUSIP Number)

Cline Resource and Development Company

3801 PGA Boulevard, Suite 903

Palm Beach Gardens, Florida 33410

Attn: Donald Holcomb

Phone: 561-626-4999

with a copy to:

Latham & Watkins, LLP

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555 Eleventh Street, N.W., Suite 1000

Washington, D.C. 20004

Attn: David M. McPherson

Phone: 202-637-2200

(Name, Address and Telephone Number of Person
Authorized to Receive Notices and Communications)

August 24, 2007

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Rule 13d-7(b) for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

1. Name of Reporting Person: **Christopher Cline**
I.R.S. Identification No. of above person:
2. Check the Appropriate Box if a Member of a Group
(a) O
(b) X
3. SEC Use Only
4. Source of Funds
OO
5. Check BOX if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) O
6. Citizenship or Place of Organization
United States
7. Sole Voting Power
8. Shared Voting Power
8,910,072 Common Units
9. Sole Dispositive Power
10. Shared Dispositive Power
8,910,072 Common Units
11. Aggregate Amount Beneficially Owned by Each Reporting Person
8,910,072 Common Units
12. Check BOX if the Aggregate Amount in Row (11) Excludes Certain Shares * O
13. Percent of Class Represented by Amount in Row (11)
16.6%
14. Type of Reporting Person*
IN

Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

**INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.**

1. Name of Reporting Person: **Cline Resource and Development Company**
I.R.S. Identification No. of above person: **55-0703311**
2. Check the Appropriate Box if a Member of a Group
(a) O
(b) X
3. SEC Use Only
4. Source of Funds
OO
5. Check box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) O
6. Citizenship or Place of Organization
West Virginia
- | | | |
|---|-----|---|
| | 7. | Sole Voting Power |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8. | Shared Voting Power
8,910,072 Common Units |
| | 9. | Sole Dispositive Power |
| | 10. | Shared Dispositive Power
8,910,072 Common Units |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
8,910,072 Common Units
12. Check BOX if the Aggregate Amount in Row (11) Excludes Certain Shares * O
13. Percent of Class Represented by Amount in Row (11)
16.6%
14. Type of Reporting Person*
CO

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

**INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.**

1. Name of Reporting Person: **Insight Resource, LLC**
I.R.S. Identification No. of above person: **20-1796775**

2. Check the Appropriate Box if a Member of a Group
(a) **O**
(b) **X**

3. SEC Use Only

4. Source of Funds
OO

5. Check box if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) **O**

6. Citizenship or Place of Organization
Nevada

	7.	Sole Voting Power
Number of Shares Beneficially Owned by Each Reporting Person With	8.	Shared Voting Power 8,910,072 Common Units
	9.	Sole Dispositive Power
	10.	Shared Dispositive Power 8,910,072 Common Units

11. Aggregate Amount Beneficially Owned by Each Reporting Person
8,910,072 Common Units

12. Check BOX if the Aggregate Amount in Row (11) Excludes Certain Shares * **O**

13. Percent of Class Represented by Amount in Row (11)
16.6%

14. Type of Reporting Person*
OO (Limited Liability Company)

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7

(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.

1. Name of Reporting Person: **Foresight Reserves, LP**
I.R.S. Identification No. of above person: **20-1797073**
2. Check the Appropriate Box if a Member of a Group
(a) O
(b) X
3. SEC Use Only
4. Source of Funds
OO
5. Check BOX if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) O
6. Citizenship or Place of Organization
Nevada
- | | | |
|---|-----|---|
| | 7. | Sole Voting Power |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8. | Shared Voting Power
8,910,072 Common Units |
| | 9. | Sole Dispositive Power |
| | 10. | Shared Dispositive Power
8,910,072 Common Units |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
8,910,072 Common Units
12. Check BOX if the Aggregate Amount in Row (11) Excludes Certain Shares * O
13. Percent of Class Represented by Amount in Row (11)
16.6%
14. Type of Reporting Person*
PN

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

**INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.**

1. Name of Reporting Person: Adena Minerals, LLC
I.R.S. Identification No. of above person: 20-5728469
2. Check the Appropriate Box if a Member of a Group
(a) O
(b) X
3. SEC Use Only
4. Source of Funds
OO
5. Check BOX if Disclosure of Legal Proceedings Is Required Pursuant to Items 2(d) or 2(e) O
6. Citizenship or Place of Organization
Delaware
- | | | |
|---|-----|--|
| | 7. | Sole Voting Power |
| Number of
Shares
Beneficially
Owned by
Each
Reporting
Person With | 8. | Shared Voting Power
8,910,072 Common Units |
| | 9. | Sole Dispositive Power |
| | 10. | Shared Dispositive Power
8,910,072 Common Units |
11. Aggregate Amount Beneficially Owned by Each Reporting Person
8,910,072 Common Units
12. Check BOX if the Aggregate Amount in Row (11) Excludes Certain Shares * O
13. Percent of Class Represented by Amount in Row (11)
16.6%
14. Type of Reporting Person*
OO (Limited Liability Company)

***SEE INSTRUCTIONS BEFORE FILLING OUT!**

**INCLUDE BOTH SIDES OF THE COVER PAGE, RESPONSES TO ITEMS 1-7
(INCLUDING EXHIBITS) OF THE SCHEDULE, AND THE SIGNATURE ATTESTATION.**

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This Amendment No. 2 to Schedule 13D (this Amendment) amends and supplements the Schedule 13D originally filed on January 12, 2007 by the Reporting Persons, (this Schedule 13D) and Amendment No. 1 to the Schedule 13D filed on June 11, 2007, related to the common units representing limited partner interests (the Common Units), of Natural Resource Partners L.P., a Delaware limited partnership (the Partnership). The purpose of this Amendment is to disclose the Margin Loan Agreement between Foresight Reserves, LP (Foresight), Adena Minerals, LLC (Adena and together with foresight, the Borrowers) and Citibank N.A. (Citibank), dated August 24, 2007 (the Margin Loan Agreement), the Security Agreement between Adena and Citibank dated August 24, 2007 (the Security Agreement) and the Security Account Control Agreement between Adena, Citibank and the custodian dated August 24, 2007 (the Securities Control Agreement and together with the Margin Loan Agreement and the Securities Agreement, the Loan Documents). Pursuant to the Loan Documents, Adena has granted Citibank a security interest in the 8,910,072 Common Units of the Company owned by Adena. The Margin Loan Agreement, the Security Agreement and the Securities Control Agreement are attached hereto as Exhibit B, Exhibit C and Exhibit D, respectively, and are incorporated by reference herein (unless otherwise indicated herein, all capitalized terms used herein shall have the meanings given to them in the Schedule 13D, and unless amended or supplemented hereby, all information previously filed remains in effect):

Item 1. Security and Issuer.

This schedule relates to the Common Units of Partnership, which has its principal executive offices at 601 Jefferson St., Suite 3600, Houston, Texas 77002.

Item 2. Identity and Background.

(a) (c), (f). This statement is being filed jointly by: (i) Christopher Cline (Cline); (ii) Cline Resource and Development Company (CRDC); (iii) Insight Resource, LLC (Insight); (iv) Foresight; and (v) Adena together with Cline, CRDC, Insight and Foresight, the Reporting Persons).

Foresight is the sole member of Adena and Insight is the general partner of Foresight. CRDC is the managing member of Insight and Cline is the sole shareholder and sole director of CRDC. Accordingly, each of Cline, CRDC, Insight, Foresight and Adena are deemed to share voting and dispositive control over the Common Units held of record by Adena.

John Dickinson, Donald Holcomb, J. Matthew Fifield and Michael Beyer are executive officers of CRDC (the CRDC Officers). Each of the CRDC Officers and Cline is a citizen and resident of the United States.

The Reporting Persons are principally engaged in the business of acquiring coal reserves and developing mines and mining infrastructure. The address of the principal business and principal office of the Reporting Persons and the CRDC Officers is c/o Cline Resource and Development Company, 3801 PGA Boulevard, Suite 903, Palm Beach Gardens, Florida 33410.

(d) (e). To the best knowledge of the Reporting Persons, none of the entities or persons identified in this Item 2 has, during the last five years, (i) been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) nor (ii) been a party to any civil proceeding of a judicial or administrative body of competent jurisdiction, and, as a result of such proceeding was or is, subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws, or finding any violation with respect to such laws.

Item 4. Purpose of Transaction.

The Borrowers have entered into a loan facility with Citibank for an aggregate amount not to exceed \$150,000,000 in order to procure capital for general corporate purposes. Pursuant to the Margin Loan Agreement, the Borrowers were required to pledge all of their Common Units held as collateral for the loan.

Item 5. Interest in Securities of the Issuer.

(a) Foresight is the sole member of Adena, and Insight is the general partner of Foresight. CRDC is the managing member of Insight, and Cline is the sole shareholder and sole director of CRDC. Accordingly, each of Cline, CRDC, Insight, Foresight and Adena are deemed to share voting and dispositive control over the 8,910,072 Common Units held of record by Adena representing approximately 16.6% of the outstanding Common Units (percentage based on the denominator of 53,537,502 Common Units). The number of Common Units reported takes into account a 2 for 1 split of the Common Units effective April 19, 2007. See also the information contained on the cover pages to this Schedule 13D which is incorporated herein by reference.

(b) The number of Common Units as to which there is sole power to vote or to direct the vote, sole power to dispose or direct the disposition, or shared power to dispose or direct the disposition for the Reporting Persons is set forth on the cover pages of this Statement on Schedule 13D, and such information is incorporated herein by reference.

(c) The Reporting Persons have not engaged in any transactions in any Common Units during the past sixty days, other than the acquisition of Common Units pursuant to the Conversion of the Class B Units reported herein.

(d) Not applicable.

(e) Not applicable.

Item 6. Contracts, Arrangements, Understandings or Relationships with respect to Securities of The Issuer.

As described above, Adena has pledged 8,910,072 Common Units to Citibank pursuant to the terms of the Margin Loan Agreement. The Loan Documents provide that Adena retains all voting power with respect to the pledged Common Units unless and until an Event of Default occurs. According to the terms of the Margin Loan Agreement, an Event of Default will occur if, among other things, (a) either of the Borrowers fails to pay any amount of principal of, or interest on, any loan or any other amounts payable under the Loan Documents or (b) the Borrowers fail to perform any covenant contained in the Margin Loan Agreement. In the event that an Event of Default occurs, Citibank may elect to take legal title to the pledged Common Units.

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Item 7. Material to be Filed as Exhibits.

- Exhibit A. Joint Filing Agreement
- Exhibit B. Margin Loan Agreement
- Exhibit C. Security Agreement
- Exhibit D. Securities Account Control Agreement

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: August 29, 2007

Christopher Cline

/s/ Christopher Cline

Cline Resource and Development Company

By: /s/ Christopher Cline

Insight Resources, LLC

By: Cline Resource and Development Company, its
Managing Member

By: /s/ Christopher Cline

Foresight Reserves, LP

By: Insight Resources, LLC, its General Partner

By: Cline Resource and Development Company, its
Managing Member

By: /s/ Christopher Cline

Adena Minerals, LLC

By: Foresight Reserves, LP, its Managing Member

By: Insight Resources, LLC, its General Partner

By: Cline Resource and Development Company, its
Managing Member

By: /s/ Christopher Cline

JOINT FILING AGREEMENT

In accordance with Rule 13d-1(f) promulgated under the Securities Exchange Act of 1934, as amended, the undersigned hereby agree to the joint filing with all other Reporting Persons (as such term is defined in the Schedule 13D referred to below) on behalf of each of them of a statement on Schedule 13D (including amendments thereto) with respect to the Common Units of Natural Resource Partners L.P., a Delaware limited partnership, and that this Agreement may be included as an Exhibit to such joint filing. This Agreement may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned hereby execute this Agreement as of the 11th day of January, 2007.

Christopher Cline

/s/ Christopher Cline

Cline Resource and Development Company

By: /s/ Christopher Cline

Insight Resources, LLC

By: Cline Resource and Development Company, its
Managing Member

By: /s/ Christopher Cline

Foresight Reserves, LP

By: Insight Resources, LLC, its General Partner

By: Cline Resource and Development Company, its
Managing Member

By: /s/ Christopher Cline

Adena Minerals, LLC

By: Foresight Reserves, LP, its Managing Member

By: Insight Resources, LLC, its General Partner

By: Cline Resource and Development Company, its
Managing Member

By: /s/ Christopher Cline

MARGIN LOAN AGREEMENT

Dated as of August 24, 2007

among

FORESIGHT RESERVES, LP,

ADENA MINERALS, LLC

and

CITIBANK, N.A.

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SCHEDULES

2.05	Spread
5.17	Subsidiaries; Equity Interests in each of the Borrowers
7.02	Existing Indebtedness
9.02	Lending Office, Addresses for Notices

EXHIBITS

Form of

A	Loan Notice
B	Note
C	Compliance Certificate
D-1	Counsel Opinion Matters - Latham & Watkins LLP
D-2	Counsel Opinion Matters - Bailey & Glasser LLP
E	Security Agreement
F	Issuer Consent Letter

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MARGIN LOAN AGREEMENT

This MARGIN LOAN AGREEMENT (Agreement) is entered into as of August 24, 2007 among FORESIGHT RESERVES, LP, a Nevada limited partnership (Foresight), ADENA MINERALS, LLC, a Delaware limited liability company (Adena and together with Foresight, the Borrowers), and CITIBANK, N.A. (the Lender).

The Borrowers have requested that the Lender provide a loan facility, and the Lender is willing to do so on the terms and conditions set forth herein.

In consideration of the mutual covenants and agreements herein contained, the parties hereto covenant and agree as follows:

ARTICLE I.

DEFINITIONS AND ACCOUNTING TERMS

1.01. Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

Act has the meaning specified in Section 9.16.

Adena has the meaning specified in the introductory paragraph hereto.

Affiliate means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified.

Agreement has the meaning specified in the introductory paragraph hereto.

Approved Fund means any Fund that is administered or managed by (a) the Lender, (b) an Affiliate of the Lender or (c) an entity or an Affiliate of an entity that administers or manages the Lender.

Attributable Indebtedness means, on any date, (a) in respect of any capital lease of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

Availability Period means the period from and including the Closing Date to the earliest of (a) the Business Day immediately preceding the Maturity Date and (b) the date of termination of the Commitment.

Banking Day means any day, except a Saturday, Sunday or other day on which commercial banks in New York are required by Law to close, which is also a day on which commercial banks are open for international business (including dealing in Dollar deposits) in London.

Bankruptcy Code means the United States Bankruptcy Code.

Borrowers has the meaning specified in the introductory paragraph hereto.

Business Day means any day other than a Saturday, Sunday or other day on which commercial banks are required or authorized to close under the Laws of, or are in fact closed in, the jurisdiction where the Lending Office is located.

Change in Control shall be deemed to have occurred if at any time (a) the Cline Group ceases to Control either of the Borrowers, (b) Adena ceases to be a direct, wholly owned Subsidiary of Foresight or (c) any person or group (as such terms are used in Sections 13(d) and 14(d) under the Exchange Act), other than Corbin J. Robertson, Jr., Western Pocahontas Properties Limited Partnership, Great Northern Properties Limited Partnership and New Gauley Coal Corporation, and/or one or more of their direct or indirect, wholly-owned subsidiaries, shall become, or obtain rights (whether by means of warrants, options or otherwise) to become, the beneficial owner (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act) directly or indirectly, of, in the aggregate, more than 30% of the total Equity Interests in NRP.

Change in Law means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any Law, (b) any change in any Law or in the administration, interpretation or application thereof by any Governmental Authority or (c) the making or issuance of any request, guideline or directive (whether or not having the force of Law) by any Governmental Authority.

Cline Group means Christopher Cline, Cline Resource and Development Company, Inc. and any Affiliate of Christopher Cline or Cline Resource and Development Company, Inc.

Closing Date means the first date all the conditions precedent in Section 4.01 are satisfied or waived by the Lender in accordance with Section 9.01.

Closing Price means the closing price of the Common Units on the New York Stock Exchange.

Code means the Internal Revenue Code of 1986.

Collateral means any and all Collateral, as defined in any Collateral Document.

Collateral Account has the meaning specified in the Security Agreement.

Collateral Documents means the Security Agreement, the Control Agreement (as defined in the Security Agreement) and any additional pledges or security agreements required to be delivered pursuant to the Loan Documents and any instruments of assignment or other instruments or agreements executed pursuant to the foregoing.

Collateral Requirement means on any date the requirement that:

(a) the Lender shall have received from Adena counterparts of the Security Agreement duly executed and delivered on behalf of Adena;

- (b) all documents and instruments, including Uniform Commercial Code financing statements, required by Law or reasonably requested by the Lender to be filed, registered or recorded to create the Liens intended to be created by the Collateral Documents and perfect or record such Liens to the extent, and with the priority, required by the Security Agreement, shall have been filed, registered or recorded or delivered to the Lender for filing, registration or recording;
- (c) Adena shall have obtained all consents and approvals required to be obtained by it in connection with the execution and delivery of all Collateral Documents to which it is a party, the performance of its obligations thereunder and the granting of the Liens granted thereunder;
- (d) Adena shall have taken all other action required to be taken by it under the Collateral Documents to perfect, register and/or record the Liens granted thereunder; and
- (e) Adena shall be in compliance with the Security Agreement.

Collateral Shortfall means, on any date of determination (which shall be a Business Day), (a) the Five-Day Average LTV Ratio for the period ending on such date is equal to or greater than 65% or (b) the LTV Ratio is equal to or greater than 70% on such date.

Collateral Units means, at any time, the Units then subject to the pledge to the Lender pursuant to the Security Agreement.

Collateral Value means, (a) on any date of determination prior to the date all restrictive legends are removed from the certificates for the Collateral Units, an amount equal to the sum of (i) 90% of the Closing Price on such date, or if such date is not a Trading Day, the preceding Trading Day, of the listed Common Units, multiplied by the number of Common Units that are then Collateral Units plus (ii) the amount of cash, if any, then in the Collateral Account; and (b) on any date of determination on or after the date all restrictive legends are removed from the certificates for the Collateral Units, an amount equal to the sum of (i) 100% of the Closing Price on such date, or if such date is not a Trading Day, the preceding Trading Day, of the listed Common Units, multiplied by the number of Common Units that are then Collateral Units plus (ii) the amount of cash, if any, then in the Collateral Account.

Commitment means the obligation of the Lender to make Loans to the Borrowers pursuant to Section 2.01 in an aggregate principal amount not to exceed \$150,000,000; provided that the parties hereto may mutually agree to increase such amount by amendment pursuant to Section 9.01 in connection with the pledge by the Borrowers of additional collateral satisfactory to the Lender under the Security Agreement and/or another security agreement satisfactory to the Lender.

Common Units means the common units of NRP.

Compliance Certificate means a certificate in the form of Exhibit C.

Contractual Obligation means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

Contribution Agreement means the Contribution Agreement, dated December 14, 2006, among NRP, the Borrowers, NRP (GP) LP and NRP (Operating) LLC.

Control means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. Controlling and Controlled have meanings correlative thereto.

Debtor Relief Laws means the Bankruptcy Code, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

Default means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

Disposition or Dispose means the sale, transfer, license, lease or other disposition (including any sale and leaseback transaction) of any property by any Person, including any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith.

Dollar and \$ mean lawful money of the United States.

Eligible Assignee means (a) an Affiliate of the Lender; (b) an Approved Fund; or (c) any other Person approved by Foresight (such approval not to be unreasonably withheld or delayed); provided that no such approval shall be required if a Default has occurred and is continuing; and provided, further, that notwithstanding the foregoing, Eligible Assignee shall not include the Borrowers or any of their Affiliates.

Environmental, Health or Safety Laws means any and all Laws, judgments, orders, decrees, agreements or governmental restrictions relating to pollution, protection of natural resources or the environment, the generation, use, handling, transportation, storage, treatment, disposal, presence, discharge or release of or exposure to any Hazardous Materials, or human health or safety.

Environmental, Health or Safety Liability means any liability, contingent or otherwise (including any liability for damages, costs of investigation, remediation, monitoring or other response action, fines, penalties or indemnities), of either of the Borrowers or any of Adena's Subsidiaries directly or indirectly resulting from or based upon (a) any Environmental, Health or Safety Laws or Environmental Permits, (b) the generation, use, handling, transportation, storage, treatment, disposal, presence, discharge or release of or exposure to any Hazardous Materials, whether actual or threatened, or (c) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

Environmental Permits means any and all permits, concessions, grants, franchises, licenses or variances required or issued pursuant to any Environmental, Health or Safety Laws.

Equity Interests means, with respect to any Person, all of the shares of capital stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of capital stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of capital stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination.

ERISA means the United States Employee Retirement Income Security Act of 1974.

ERISA Affiliate means any trade or business (whether or not incorporated) under common control with either of the Borrowers within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

Event of Default has the meaning specified in Section 8.01.

Exchange Act means the Securities Exchange Act of 1934.

Excluded Taxes means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrowers hereunder, (a) taxes imposed on or measured by its overall net income (however denominated), and franchise taxes imposed on it (in lieu of net income taxes), by the jurisdiction (or any political subdivision thereof) under the Laws of which such recipient is organized or in which its principal office is located, and (b) any branch profits taxes imposed by the United States or any similar tax imposed by any other jurisdiction in which either of the Borrowers is located by reason of a connection between the Lender and such taxing jurisdiction other than entering into this Agreement and receiving payments hereunder.

Financial Statements means (a) the consolidated balance sheet of each Borrower and its Subsidiaries as at December 31, 2006, and the related consolidated statements of operations, cash flows and partners' capital for the fiscal year then ended, duly certified by a Responsible Officer of such Borrower, and (b) the consolidated balance sheet of each Borrower and its Subsidiaries as at March 31, 2007 and the related consolidated statement of operations, cash flows and partners' capital for the period then ended duly certified by a Responsible Officer of such Borrower.

Five-Day Average LTV Ratio means, with respect to any period of five consecutive Business Days, the average of the LTV Ratios for each Business Day during such period.

Foresight has the meaning specified in the introductory paragraph hereto.

FRB means the Board of Governors of the Federal Reserve System of the United States.

Fund means any Person (other than a natural person) that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business.

GAAP means generally accepted accounting principles in the United States that are applicable to the circumstances as of the date of determination, consistently applied.

Governmental Authority means, with respect to any Person, the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies) having jurisdiction or authority over such Person.

Guarantee means, as to any Person, (a) any obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any indebtedness or other obligation payable or performable by another Person (the primary obligor) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such indebtedness or other obligation of the payment or performance of such indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) any Lien on any assets of such Person securing any indebtedness or other obligation of any other Person, whether or not such indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such indebtedness to obtain any such Lien). The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith. The term Guarantee as a verb has a corresponding meaning.

Hazardous Materials means all hazardous or toxic substances, materials, wastes, agents or other pollutants, including petroleum or any fraction thereof, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, explosive or radioactive substance or wastes, infectious or medical substances or wastes and all other substances or wastes of any nature regulated pursuant to any Environmental, Health or Safety Laws.

Indebtedness means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers' acceptances, bank guaranties, surety bonds and similar instruments;
- (c) net obligations of such Person under any Swap Contract;
- (d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business and, in each case, not past due for more than 30 days after the date on which such trade account payable was created);
- (e) indebtedness secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse;
- (f) capital leases and Synthetic Lease Obligations;
- (g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and
- (h) all Guarantees of such Person in respect of any of the foregoing.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person. The amount of any net obligation under any Swap Contract on any date shall be deemed to be the Swap Termination Value thereof as of such date. The amount of any capital lease or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

Indemnified Taxes means Taxes other than Excluded Taxes.

Indemnitees has the meaning specified in Section 9.04(b).

Information has the meaning specified in Section 9.07.

Interest Payment Date means the last Business Day of each March, June, September and December commencing on September 28, 2007, and the Maturity Date.

Interest Period means as to each Loan the period commencing on the date such Loan is disbursed (in the case of the initial Interest Period) or on the last day of the next preceding

Interest Period for such Loan (in the case of any subsequent Interest Period) and ending (subject to Section 2.06) on the day numerically corresponding to the first day of that Interest Period in the third month thereafter; provided, that any Interest Period which would otherwise end after the Maturity Date shall end on the Maturity Date.

Interest Rate means, with respect to any Interest Period for a Loan, a per annum rate for each day during such Interest Period equal to the applicable LIBOR for such Interest Period plus the applicable Spread.

IP Rights has the meaning specified in Section 5.18.

IRS means the United States Internal Revenue Service.

Issuer Consent Letter means the Issuer Consent Letter in the form of Exhibit F.

Laws means, with respect to any Person, collectively, all international, foreign, U.S. federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof applicable to such Person, and all applicable administrative orders, directed duties, requests, licenses, authorizations, requirements and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

Lender has the meaning specified in the introductory paragraph hereto.

Lending Office means the office or offices of the Lender described as such on Schedule 9.02, or such other office or offices as the Lender may from time to time notify Foresight.

LIBOR with respect to any Interest Period (or other period determined by the Lender with respect to any overdue amount) means the per annum rate for deposits in Dollars for a term coextensive with such Interest Period (or other period) which appears on Telerate Page 3750 as of 11:00 a.m., London time, on the day that is two Banking Days preceding the first day of such Interest Period (or other period). (For purposes of the preceding sentence, LIBOR for any Interest Period (or other period) of a length for which rates do not appear on Telerate Page 3750 shall be determined through the use of straight line interpolation by reference to two LIBOR rates appearing on Telerate Page 3750, one of which shall be the rate for the period of time next shorter than the length of the Interest Period (or other period) and the other of which shall be the rate for the period of time next longer than the length of the Interest Period (or other period).) If no such rate appears on Telerate Page 3750, LIBOR shall mean the per annum rate, determined on the basis of the rates at which deposits in Dollars for a term coextensive with such Interest Period (or other period) and in an amount approximately equal to the principal amount of the Loan or overdue amount are offered by four major banks in the London interbank market, selected by the Lender, at approximately 11:00 a.m., London time, on the day that is two Banking Days preceding the first day of such Interest Period (or other period). If at least two such quotations are provided, LIBOR for such Interest Period (or other period) shall be the arithmetic mean of the quotations. If fewer than two quotations are provided as requested, LIBOR for such Interest Period (or other period) shall be the arithmetic mean of the per annum

rates quoted by major banks in New York City, selected by the Lender, at approximately 11:00 a.m., New York City time, on such day for loans in Dollars to leading European banks for a term coextensive with such Interest Period (or other period) and in an amount approximately equal to the principal amount of the Loan or overdue amount. If such rate is not available at such time for any reason, then the rate for that Interest Period (or other period) will be determined by such alternate method as reasonably selected by the Lender.

Lien means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

Loan has the meaning specified in Section 2.01.

Loan Documents means this Agreement, each Note, the Collateral Documents and the Issuer Consent Letter.

Loan Notice means a notice of a borrowing pursuant to Section 2.02(a), which, if in writing, shall be in the form of Exhibit A.

LTV Ratio means, with respect to any date of determination, the percentage determined by dividing (a) the amount equal to the aggregate outstanding principal of all Loans then outstanding, including all accrued and unpaid interest thereon, and all other monetary Obligations then outstanding by (b) the Collateral Value as of such date.

Margin Stock has the meaning given to such term in Regulation U promulgated by the FRB.

Material Adverse Effect means (a) a material adverse change in, or a material adverse effect upon, the operations, business, properties, liabilities (actual or contingent), condition (financial or otherwise) of the Borrowers and Adena's Subsidiaries taken as a whole; (b) a material impairment of the ability of either of the Borrowers to perform its obligations under any Loan Document to which it is a party; (c) a material adverse effect upon the legality, validity, binding effect or enforceability against either of the Borrowers of any Loan Document to which it is a party; or (d) a material adverse effect on the ability of the Lender to exercise its remedies at the times and in the manner contemplated in the Security Agreement.

Material Contract means any Contractual Obligation to which Adena or any Subsidiary of Adena is a party (other than the Loan Documents) for which breach, nonperformance, cancellation or failure to renew could reasonably be expected to have a Material Adverse Effect.

Maturity Date means August 24, 2012.

Note means a promissory note made by each of the Borrowers in favor of the Lender evidencing a Loan made by the Lender, in the form of Exhibit B.

NRP means Natural Resource Partners L.P., a Delaware limited partnership.

NRP LP Agreement means the Third Amended and Restated Agreement of Limited Partnership of NRP, dated April 18, 2007.

Obligations means all debts, liabilities, obligations, indemnities, covenants and duties of and advances to any Borrower arising under any Loan Document or otherwise with respect to any Loan, whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising, and including interest and fees that accrue after the commencement by or against any Borrower or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

Organization Documents means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, each certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

Other Taxes means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made hereunder or under any other Loan Document or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement or any other Loan Document.

Participant has the meaning specified in Section 9.06(c).

Person means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

Plan means any employee benefit plan (as such term is defined in Section 3(3) of ERISA) established by either of the Borrowers or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate.

Related Parties means, with respect to any Person, such Person's Affiliates and the partners, directors, officers, employees, agents and advisors of such Person and of such Person's Affiliates.

Responsible Officer means, with respect to any Person, the president or chief financial officer of such Person. Until otherwise specified in writing by the Borrowers, Donald Holcomb is a Responsible Officer of each of the Borrowers for so long as he is the Person principally responsible for maintaining and preparing the financial statements of the Borrowers. Any document delivered hereunder that is signed by a Responsible Officer of such Person shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or

other action on the part of such Person and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Person.

Restricted Payment means, with respect to any Person, any dividend or other distribution (whether in cash, securities or other property) with respect to any capital stock or other Equity Interest of such Person, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such capital stock or other Equity Interest, or on account of any return of capital to such Person's stockholders, partners or members (or the equivalent Person thereof).

Sarbanes-Oxley means the Sarbanes-Oxley Act of 2002.

SEC means the U.S. Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

Second Contribution Agreement means the Second Contribution Agreement, dated January 4, 2007, among NRP, the Borrowers, NRP (GP) LP and NRP (Operating) LLC.

Second Contribution Transactions means the transactions contemplated by the Second Contribution Agreement, including the issuance to Adena of additional Equity Interests in NRP.

Securities Act shall mean the Securities Act of 1933.

Securities Laws means the Securities Act, the Exchange Act, Sarbanes-Oxley and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or the Public Company Accounting Oversight Board, as each of the foregoing may be in effect on any applicable date hereunder.

Security Agreement means the Security Agreement in the form of Exhibit E.

Solvent means, with respect to any Person, that as of any date of determination, both (a) (i) the sum of such Person's debt (including contingent liabilities) does not exceed the present fair saleable value of the Person's present assets; (ii) such Person's capital is not unreasonably small in relation to its business as contemplated on the Closing Date and reflected in the projections delivered to the Lender or with respect to any transaction contemplated or undertaken after the Closing Date; and (iii) such Person has not incurred and does not intend to incur, or believe (or reasonably believe) that it will incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (b) such Person is solvent within the meaning given that term and similar terms under applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability.

Spread means, with respect to any Loan and any day in an Interest Period, the applicable basis point spread set forth in Schedule 2.05, which shall be based on the aggregate amount of Loans outstanding as of such day. Any change in the Spread resulting from an

increase or decrease in the aggregate amount of Loans outstanding shall be effective as of the day on which such increase or decrease occurs.

Subsidiary of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise Controlled, directly, or indirectly through one or more intermediaries, or both, by such Person.

Swap Contract means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a Master Agreement), including any such obligations or liabilities under any Master Agreement.

Swap Termination Value means, in respect of any one or more Swap Contracts, after taking into account the effect of any legally enforceable netting agreement relating to such Swap Contracts, (a) for any date on or after the date such Swap Contracts have been closed out and termination value(s) determined in accordance therewith, such termination value(s), and (b) for any date prior to the date referenced in clause (a), the amount(s) determined as the mark-to-market value(s) for such Swap Contracts, as determined based upon one or more mid-market or other readily available quotations provided by any recognized dealer in such Swap Contracts (which may include the Lender or any Affiliate of the Lender).

Synthetic Lease Obligation means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

Taxes means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

Tenancy in Common Agreement means that certain Tenancy-in-Common Agreement dated March 13, 2006, between Deepwater Transport, LLC and Gatling Ohio LLC.

Threshold Amount means \$5,000,000.

Trading Day means any day on which the New York Stock Exchange is open for business.

Transaction Documents means the NRP LP Agreement, the Contribution Agreement and the Second Contribution Agreement.

UCC means the Uniform Commercial Code as in effect from time to time in the State of New York.

Units means any Common Units owned by Adena.

United States and U.S. mean the United States of America.

1.02. Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words include, includes and including shall be deemed to be followed by the phrase without limitation. The word will shall be construed to have the same meaning and effect as the word shall. Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person's successors and permitted assigns, (iii) the words herein, hereof and hereunder, and words of similar import, when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Exhibits and Schedules shall be construed to refer to Articles and Sections of, and Exhibits and Schedules to, the Loan Document in which such references appear, (v) any reference to any Law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such Law and any reference to any Law shall, unless otherwise specified, refer to such Law as amended, modified or supplemented from time to time, and (vi) the words asset and property shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word from means from and including; the words to and until each mean to but excluding; and the word through means to including.

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

1.03. Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP applied on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect the computation of any financial ratio or requirement set forth in any Loan Document, and either the Borrowers or the Lender shall so request, the Lender and the Borrowers shall negotiate in good faith to amend such ratio or requirement to preserve the original intent thereof in light of such change in GAAP (subject to the approval of the Lender); provided that, until so amended, (i) such ratio or requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) each of the Borrowers shall provide to the Lender financial statements and other documents required under this Agreement or as reasonably requested hereunder setting forth a reconciliation between calculations of such ratio or requirement made before and after giving effect to such change in GAAP.

1.04. Rounding. Any financial ratio required to be maintained by the Borrowers pursuant to this Agreement shall be calculated by dividing the appropriate component by the other component, carrying the result to one place more than the number of places by which such ratio is expressed herein and rounding the result up or down to the nearest number (with a rounding up if there is no nearest number).

1.05. Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Eastern time (daylight or standard, as applicable) in the United States.

ARTICLE II.

THE COMMITMENT AND LOANS

2.01. Loans. Subject to the terms and conditions set forth herein, the Lender agrees to make loans (each, a Loan) to either Borrower during the Availability Period in an aggregate principal amount at any time outstanding by the Borrowers not to exceed the amount of the Commitment. Within the limits of the Commitment, and subject to the other terms and conditions hereof, a Borrower may borrow under this Section 2.01, repay pursuant to Section 2.03 and reborrow under this Section 2.01.

2.02. Borrowings of Loans.

(a) &