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*Attorneys for Respondent Kenco Logistic Service, LLC
And Kenco Group*

SURFACE TRANSPORTATION BOARD

UTAH CENTRAL RAILWAY COMPANY,
LLC,

Petitioner,

v.

KENCO LOGISTIC SERVICES, LLC, a
Delaware limited liability company, KENCO
GROUP, and SPECIALIZED RAIL
SERVICE, INC.

Respondents.

**KENCO LOGISTIC SERVICE, LLC
AND KENCO GROUP'S RESPONSE
TO PETITION FOR DECLARATORY
ORDER**

Docket No. FD 361310

Respondent Kenco Logistic Services, LLC and Kenco Group (collectively, "Kenco"), through counsel and pursuant to 49 C.F.R. § 1111.4, hereby respond to the petition (the "Petition") filed by Utah Central Railway Company, LLC ("Petitioner" or "URCY"). Kenco responds to the equivalently numbered paragraphs in the Petition, as follows:

PARTIES

1. Kenco admits that UCRY is subject to the jurisdiction of the STB. Kenco is without information or knowledge sufficient to form a belief as to the truth of the remaining allegations contained in paragraph 1 and on that basis, denies the same.

2. Kenco admits the allegations contained in paragraph 2 of the Petition, except denies that Kenco Logistics Services, LLC is organized and existing under the laws of Tennessee, and denies that it is liable to UCRY for all or most of demurrage that has been assessed.

3. In responding to the allegations contained in paragraph 3 of the Petition, Kenco is without information or knowledge sufficient to form a belief as to the truth of the allegations related to co-respondent, Specialized Rail Service, Inc. (“SRS”) and therefore denies the same.

BACKGROUND OF THE ACTION

4. Kenco affirmatively avers that the referenced complaint, attached as Exhibit A to the Petition, speaks for itself and Kenco denies all allegations inconsistent therewith. Kenco further affirmatively avers that in the referenced lawsuit, SRS denied that it was liable to UCRY for assessed demurrage.

5. Kenco affirmatively avers that the referenced complaint, attached as Exhibit B to the Petition, speaks for itself and Kenco denies all allegations inconsistent therewith. Kenco further affirmatively avers that on March 17, 2017, Kenco filed an Answer in the referenced lawsuit in which Kenco denied liability to UCRY for the assessed demurrage and raised various affirmative defenses. Kenco’s Answer is attached hereto as **Exhibit A** and incorporated herein by reference.

6. Kenco admits that it denied the reasonableness of the demurrage charges. As will be discussed below, UCRY improperly charged Kenco demurrage in numerous instances where any delay in releasing cars was not the fault of Kenco. Rather, the delay was a result of, among other things, bunching and insufficient switching services.

7. Admitted.

8. Admitted.

9. Admitted.

10. Kenco does not oppose consolidation of these matters.

DEFENSES

FIRST DEFENSE

For purposes of efficiency and judicial economy, Kenco specifically incorporates herein and refers to the defenses it raised in its Answer, Exhibit A hereto, as if they were fully set forth herein.

SECOND DEFENSE

Kenco incorporates herein SRS's September 14, 2017, Response to UCRY's Petition as if fully set forth herein. Although the specific demurrage charges are different, many of the issues raised in SRS's response are equally applicable to Kenco. This includes, but is not limited to, the issues raised in the email correspondence attached to SRS's Response with respect to bunching, stacking, and UCRY's locomotive and other track problems. Because SRS and Kenco both operate out of the BDO, Kenco experienced the same and/or very similar problems as SRS during the same periods of time.

THIRD DEFENSE

UCRY's demurrage charges are unreasonable because they stem from car hire charges (charges for cars by mileage or time while in another railroad's possession) between the Class I rail line and UCRY. The demurrage charges are directly related to rail cars that were unreasonably bunched as a result of service related and operational challenges between the Class 1 rail carrier and UCRY. (*See* Declaration of Ann Christopher dated September 14, 2017 ("Christopher Decl.")). A true and correct copy of the Christopher Decl. is attached hereto as **Exhibit B** and incorporated herein by reference.

FOURTH DEFENSE

The Petition fails to state a claim upon which relief can be granted. Indeed, UCRY has utterly failed to meet its burden of showing that the demurrage charges assessed on the invoices referenced in its Petition are reasonable. That burden rests solely with UCRY. *See, e.g., Unger – Pet. For Decl. Order – Assessment and Collection of Demurrage and Switching Charges*, NOR 42030, slip op at 9, pg.6 (STB served June 14, 2000) (“[i]n a court action to collect demurrage charges, the burden of proof is on the railroad to provide evidence of actual or constructive dates of car placement and release and to show how the assessed charges were computed.”). Here, UCRY failed to even present the STB with the invoices that UCRY claims provide the basis for the assessed demurrage. (*See* Petition.) Instead, UCRY simply attaches its amended complaint to the Petition, identifies the invoices by reference, and asks that the STB blindly accept its demurrage calculations. (*See generally id.*) UCRY does not provide the STB with any analysis regarding why demurrage was assessed, when cars were placed (constructive or physical), when cars were spotted, whether Kenco had access to cars once they were placed, whether UCRY's interchanges with the Class 1 rail line were so infrequent that railcars earmarked for Kenco were

brought in bunches rather than adequately spaced out as Kenco anticipated and expected, how frequently (or infrequently) cars were switched, or any other factor contributing to the assessment of demurrage. This analysis is completely lacking from the Petition. Kenco will provide its own analysis of these factors below.

Typical rail tariffs, including freight tariffs PRC1000 and PRC6004-3 (collectively, the “Tariffs”) at issue here, which UCRY did not attach to its Petition, provide that when a car cannot be physically “placed” due to a condition attributable to the consignor or consignee, the railroad will hold the car and begin charging demurrage. True and correct copies of the Tariffs are attached hereto as **Exhibit C**. As will be evident in this case, many of the conditions upon which demurrage was assessed stem from conditions that are not attributable to Kenco. Indeed, while demurrage was accruing on cars held by UCRY, Kenco had empty space and/or empty cars sitting on its spur waiting to be switched. These are conditions attributable to UCRY and/or the Class 1 rail line. Demurrage should not have been assessed in those situations. Thus, UCRY’s claims fail under its own Tariffs.

FIFTH DEFENSE

UCRY’s demurrage charges are unreasonable, due primarily to insufficient switching and bunching. Kenco operates in a warehouse located at the Business Depo Ogden (“BDO”), a large industrial facility spanning over 1,100 acres. (*See* Declaration of Brett Fisher dated September 14, 2017 (“Fisher Decl.”) at ¶ 7.) The Fisher Decl. is attached hereto as **Exhibit D** incorporated herein by reference. There are over 115 businesses currently located at BDO. (*Id.*) Kenco’s customers ship materials to Kenco at the BDO in railcars via Class I rail. (*Id.* ¶ 8.) The railcars destined for BDO are removed from the main Class I rail line and moved to “spurs” adjacent to unloading facilities via short lines. (*Id.*) Kenco tries to track cars in transit through Rail Connect

software, so as to make sure it is prepared to unload all cars in a timely and efficient manner—thus eliminating and/or reducing all possible demurrage. (*Id.* ¶¶ 8-9.) Kenco’s unloading dock can fit approximately six railcars at a time. (*Id.* ¶ 10.) UCRY asked Kenco to use the Rail Connect software system commencing in approximately the last quarter of 2014. (*Id.* ¶ 8.) It is worth noting that prior to UCRY asking Kenco to use Rail Connect to track car deliveries, Kenco rarely experienced issues with bunching or demurrage. (*Id.* ¶ 8, *see also* Christopher Decl. at Ex. A thereto.)

UCRY is the exclusive short line rail company authorized to operate at the BDO. (Fisher Decl. ¶ 11.) As such, UCRY is solely responsible for interchanging with the Class I rail line to bring cars earmarked for Kenco to the BDO. (*Id.*) Although Kenco diligently tracks its orders, Kenco has no control over how frequently UCRY and the Class I rail line interchange and actually bring the cars. (*Id.* ¶¶ 8-11.) Moreover, there are times when UCRY delivers cars without giving Kenco any notice of the delivery until after the cars have been constructively placed. (*Id.* ¶ 9.) UCRY is further solely responsible for moving, “switching” or “placing” cars at the various unloading locations within the BDO, including at Kenco’s unloading dock. (*Id.* ¶ 11.) At best, during all times relevant hereto, UCRY provided switches three times per week. (*Id.* ¶ 12.) However, often times, UCRY provided less switches, and sometimes went a full week without providing any switches. (*Id.*)

Attached hereto as **Group Exhibit E** are the ten invoices (the “Invoices”) allegedly giving rise to UCRY’s unpaid demurrage claims against Kenco. In large part, the demurrage stems from cars that were allegedly “constructively” placed by UCRY at the BDO and to a lesser degree, railcars that sat empty by Kenco’s loading dock awaiting a switch by UCRY. (*Id.* ¶ 13, *see also* Ex. E.) The problem with UCRY’s alleged constructive placement, among other things,

is that UCRY failed to provide sufficient switching services to allow Kenco to access the “constructively placed” cars and unload them in a timely manner. (*Id.* ¶¶ 14-15, *see also* Ex. E.) Cars sat in supposed constructive placement, sometimes for weeks at a time, because UCRY failed to switch them to Kenco’s unloading dock. (Fisher Decl. ¶¶ 14-15, *see also* Ex. E.) Kenco has no ability to access cars that are “constructively placed” given how far they are from Kenco’s unloading dock – *i.e.*, approximately one mile away. (Fisher Decl. ¶¶ 14-15.) In most all cases, while cars were held by UCRY in “constructive” placement, Kenco had room on its spur for cars and/or had empty cars that needed to be removed by UCRY and replaced with full cars. (*Id.* ¶¶ 14, 21.)

This situation was exacerbated when UCRY bunched the “constructively” placed cars. (Fisher Decl. ¶¶ 17-19, *See* Ex. E.) Kenco’s unloading dock can only accommodate six cars at a time, which UCRY was aware of. (Fisher Decl. ¶ 10.) Unless UCRY timely switches out the empty cars, UCRY’s delivery of a high volume of cars for Kenco will stack up in supposed “constructive” placement, due to no fault of Kenco. (*Id.* ¶ 19.) Railcar bunching is due, upon information and belief, to insufficient interchanges between UCRY and the Class I rail line. (*Id.* ¶¶ 18-19, Christopher Decl. at Ex. A thereto.) Kenco has no control over how often UCRY and the Class I rail line interchange. Although Kenco tracks its inbound deliveries, if UCRY and the Class I rail line do not frequently interchange, the result will be Kenco receiving more cars at one time than it anticipated, and more than it is able to accommodate. (*Id.* ¶¶ 18-19, Christopher Decl. at Ex. A thereto.) Under the Tariffs, if cars are not able to be delivered to Kenco’s unloading dock due to no fault of Kenco, then they cannot be considered as constructively placed. (*See* Ex. C.) And therefore, no demurrage should accrue. (*Id.*)

A cursory review of the Invoices bears this out. Take invoice 101597 for example. (Ex. E at invoice 101597.) This invoice reflects that on December 28, 2015, UCRY “constructively” placed 28 cars for Kenco, even though Kenco can only accommodate six cars at a time. Although these cars were delivered from Kenco’s customers, they were not supposed to all be delivered on the same day because historically, that is not how Kenco’s customers operate. (Fisher Decl. ¶ 18.) Upon information and belief, these cars were all delivered on the same day (*i.e.*, bunched) because of insufficient exchanges between UCRY and the Class I rail line. (*Id.* ¶ 18, Christopher Decl. at Ex. A thereto.) Kenco does not know if this is the fault of UCRY and/or the Class I rail line. (Fisher Decl. ¶ 18.) But it certainly is not Kenco’s fault. (*Id.*) Again, it is worth restating that prior to UCRY asking Kenco to use the Rail Connect software, Kenco never had a problem with bunching, receiving more cars at a time than it could handle, and never had any significant demurrage accrue. (*Id.* ¶ 13, Christopher Decl. at Ex. A thereto.)

Here is where the problem is aggravated: it took UCRY a substantial period of time – in some cases more than 3 weeks - to switch those bunched cars to Kenco’s unloading dock where Kenco could actually unload the cars. (Ex. E at invoice 101597.) Kenco cannot access the cars unless/until they are physically placed at Kenco’s unloading dock. (Fisher Decl. ¶ 15.) Some of the more egregious examples of this are found on invoice 101597 at lines 16-33 (comparing constructive placement date or “PCON” with the “Placed” date). Yet, while those bunched cars sat in “constructive placement” and were completely inaccessible to Kenco, UCRY was assessing significant demurrage. (Ex. E at invoice 101597.) Had UCRY been efficient in switching the cars then demurrage would have been substantially less, if any. Kenco would have been given the opportunity to unload the cars and release them, consistent with Kenco’s usual practice. Because these cars were held by UCRY due to no fault of Kenco, they cannot be

considered as constructively placed under the Tariffs. (Ex. C.) As such, they should not have accrued demurrage.

Looking at that same invoice will also demonstrate how UCRY, at times, was slow to remove empty cars from Kenco's loading dock. This can be seen at lines 31, 34-38, comparing the "placed time" with the "released time." Kenco's normal practice is to unload cars as they are received, and it is very rare that it takes Kenco more than 48 hours to fully unload a set of six cars. (Fisher Decl. ¶ 16.) Kenco releases cars the same day they are unloaded; however, UCRY's system does not allow Kenco to release cars the same day they are delivered, even if they are unloaded and sitting empty. (*Id.*) While these cars sat empty, they were accruing significant demurrage due to no fault of Kenco. (Ex. E at invoice 101597.) For this same reason, while the cars were held due to no fault of Kenco, they cannot be considered as constructively placed under the Tariffs. (Ex. C.) As such, no demurrage can accrue. (*Id.*)

The same constructive placement problem is seen on this same invoice for cars that were allegedly constructively placed on January 4, 2016 and January 8, 2016 – lines 1-15. (Ex. E at invoice 101597.) For those cars, it took UCRY nearly three to four weeks to actually place them at Kenco's loading dock, yet UCRY was assessing demurrage the entire time. (*Id.*) For the reasons stated above, these cars cannot be considered as constructively placed. No demurrage should have accrued during those times.

Invoices 101435 and 101612 are additional examples of the exact same constructive placement issues. (Ex. E.) In those particular invoices, Kenco was assessed substantial demurrage for cars that were supposedly constructively placed, but it took UCRY an extended period of time to actually place those cars on Kenco's track. (Ex. E at invoices 101435 and

101612.) These cars cannot be considered as constructively placed because they were held due to conditions attributable to UCRY. No demurrage should have been assessed.

This is also where UCRY's bunching becomes very problematic. Invoices 101597 and 101612 reflect that UCRY supposedly constructively placed 55 cars at the BDO for Kenco in a period of 11 days. (Ex. E at invoices 101597 and 101612.) Kenco's loading dock can only hold six cars. (Fisher Decl. ¶ 10.) When cars are bunched and stacked like this, it becomes virtually impossible for Kenco to avoid demurrage because its loading dock can only handle six cars at a time. (*Id.* ¶¶ 10, 15, 19, Christopher Decl. at Ex. A thereto.) Kenco's customers did not order these cars to all be delivered during this narrow window as that was not their historical practice. (Fisher Decl. ¶ 18, Christopher Decl. at Ex. A thereto.) Rather, the deliveries should have been more spaced out. Then, because UCRY's switching was infrequent, the demurrage charges were significantly augmented, especially considering the increased number of cars sitting in "constructive" placement. At a minimum, had Kenco been given the opportunity to unload these cars that were supposedly sitting in constructive placement (*i.e.*, had UCRY provided timely switches) then it could have avoided all, or most, of the assessed demurrage because it could have unloaded the cars quickly. Kenco was at UCRY's mercy to spot the constructively placed cars. Kenco had no ability to avoid demurrage under these conditions and yet Kenco was not at fault.

These same issues are pervasive throughout all of the Invoices. Kenco has called out some of the more egregious examples, but a careful analysis of the Invoices will lead to the same conclusion. UCRY simply failed to provide sufficient switching services. This, combined with the bunched cars, lead to high and unreasonably assessed demurrage.

To be clear, Kenco disputes invoice numbers 101415, 101435, 101509, 101597, 101612, 101611, 101689, 101702, 101703, and 101724 on the grounds that UCRY failed to switch cars to Kenco's unloading dock in a timely manner, and bunched and stacked cars, thus causing significant demurrage to accrue. Had Kenco been given access to these cars, and had they not been bunched, then Kenco could and would have unloaded them in a timely manner consistent with standard practice and thus reduced, if not eliminated altogether, the assessed demurrage.

For the most part, cars were not physically placed with Kenco because of conditions attributable to UCRY and/or the Class I rail line. Therefore, under the Tariffs, they cannot be considered constructively placed. Demurrage therefore cannot accrue. And to allow demurrage to accrue under these conditions violates 49 U.S.C. § 10746. The demurrage charges at issue do not fulfill national needs related to (1) freight car use and distribution; and (2) maintenance of an adequate supply of freight cars to be available for transportation of property. Put another way, demurrage should be used to deter shippers/receivers from the deliberate detainment of cars. UCRY's demurrage does not meet this criterion; instead, UCRY is using demurrage as a revenue stream. *See, e.g., Unger – Pet. For Decl. Order – Assessment and Collection of Demurrage and Switching Charges*. NOR 42030, slip op at 9, pg. 4 (STB served June 14, 2000) (“a shipper is not required to compensate a railroad for delay in returning the asset if the railroad and not the shipper is responsible for the delay.”).

Lastly, in yet another display of UCRY's abusive tactics, while Kenco was disputing the demurrage charges, but before litigation had commenced, UCRY required Kenco to remit a \$25,000.00 deposit with UCRY on account of the supposed significant demurrage charges. (Fisher Decl. ¶ 23.) UCRY threatened to stop providing service to Kenco altogether unless Kenco remitted the \$25,000.00 deposit. (*Id.*) To that end, Kenco placed a \$25,000.00 deposit

with UCRY in order to keep the business operational. This was a strong-arm tactic by UCRY because it knew that Kenco disputed the demurrage charges and further knew that Kenco had no choice but to remit the deposit lest its business at the BDO cease. There is nobody else that Kenco could have used to interchange with the Class I rail line and to provide switching services. (*Id.*) Kenco remitted the deposit to UCRY under duress and not because it was conceding that any demurrage charges were properly assessed. (*Id.*)

SIXTH DEFENSE

Before UCRY filed its lawsuit in the federal district court, Kenco requested that UCRY mediate this demurrage dispute before the STB. (Fisher Decl ¶ 22.) Kenco contacted the Rail Consumer Public Assistance Program (“RCPA”) and requested that it assist with the mediation efforts. (*Id.*) Kenco is aware that the RCPA contacted UCRY but that UCRY refused to cooperate and further refused to mediate this dispute. (*Id.*) Instead, UCRY went straight to litigation.

CONCLUSION

For the foregoing reasons, Kenco respectfully requests that the STB issue a declaratory order finding that (1) UCRY’s demurrage charges were not properly assessed, are unreasonable and are inconsistent with the purposes set forth in 49 U.S.C § 10746; (2) the method and manner by which UCRY assessed demurrage against Kenco was unreasonable and inconsistent with the purposes set forth in 49 U.S.C § 10746; (3) UCRY’s switching services were insufficient and violated, at a minimum, 49 U.S.C. § 11101; and (4) Kenco is not liable to UCRY in any respect for demurrage.

DATED this 14th day of September, 2017

KIRTON McCONKIE

/s/ Shawn T. Richards

Shawn T. Richards

Jackie Bosshardt

50 E. South Temple, Suite 400

Salt Lake City, UT 84111

Attorneys for Kenco

I, Shawn T. Richards, declare under penalty of perjury that the foregoing is true and correct. Further, I certify that I am qualified and authorized to file this document.

/s/ Shawn T. Richards

CERTIFICATE OF SERVICE

I certify that on the 14th day of September, 2017, I caused a true and correct copy of the foregoing **KENCO LOGISTIC SERVICE, LLC AND KENCO GROUP'S RESPONSE TO PETITION FOR DECLARATORY ORDER** to be served on the foregoing by email and U.S.

Mail, postage prepaid:

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Exhibit A

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**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH**

UTAH CENTRAL RAILWAY COMPANY,
LLC,

Plaintiff,

v.

KENCO LOGISTIC SERVICES, LLC, a
Delaware limited liability company, and
KENCO GROUP,

Defendants.

ANSWER

Case No. 1:17-cv-00020-DAK

Judge Dale A. Kimball

Defendants Kenco Logistic Services, LLC (“KLS”) and Kenco Group (“KG”, and together with KLS, “Defendants”) respectfully submit their answer in response to Plaintiff Utah Central Railway Company’s (“UCRY”) Complaint (the “Complaint”) as follows:

FIRST DEFENSE

The Complaint fails to state a claim upon which relief can be granted.

SECOND DEFENSE

Defendants respond to the numbered paragraphs in the Complaint as follows:

1. Defendants are without information or knowledge sufficient to form a belief as to the truth of the allegations contained in Paragraph 1 of the Complaint and therefore deny the same.

2. In responding to the allegations contained in paragraph 2 of the Complaint, Defendants admit that KLS is a Delaware limited liability company, but deny that that KLS is organized and existing under the laws of Tennessee. In further responding to the allegations contained in paragraph 2 of the Complaint, Defendants admit that KLS's principal place of business is in Tennessee. In further responding to the allegations contained in paragraph 2 of the Complaint, Defendants admit that KG is a Tennessee corporation with its principal place of business in Tennessee and further admit that KG is the only member of KLS.

3. Deny.

4. In responding to the allegations contained in paragraph 4 of the Complaint, Defendants admit that KLS is a Delaware limited liability company, and that KG is a Tennessee corporation with its principal place of business in Tennessee and that KG is the only member of KLS. Defendants further admit that none of their officers, directors and/or members are residents of the states of Delaware or Utah. Defendants deny all remaining allegations contained in paragraph 4.

5. Deny.

6. Deny

7. Defendants incorporate their responses to paragraphs 1-6 as if fully set forth herein.

8. In responding to the allegations contained in paragraph 8 of the Complaint, Defendants aver that PRC6004-3 speaks for itself and deny all factual allegations and/or legal conclusions contained in paragraph 8.

9. In responding to the allegations contained in paragraph 9 of the Complaint, Defendants aver that PRC6004-3, Section 1, Item 3950 speaks for itself and deny all factual allegations and/or legal conclusions contained in paragraph 9.

10. In responding to the allegations contained in paragraph 10 of the Complaint, Defendants aver that Section 1, Item 1300 of PRC6004-3 speaks for itself and deny all factual allegations and/or legal conclusions contained in paragraph 10.

11. In responding to the allegations contained in paragraph 11 of the Complaint, Defendants aver that Exhibit 2, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically, Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

12. In responding to the allegations contained in paragraph 12 of the Complaint, Defendants aver that Exhibit 3, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically, Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

13. In responding to the allegations contained in paragraph 13 of the Complaint, Defendants aver that Exhibit 4, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically,

Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

14. Deny.

15. In responding to the allegations contained in paragraph 15 of the Complaint, Defendants aver that Section 2, Item 3980 of PRC6004-3 speaks for itself and deny all factual allegations and/or legal conclusions contained in paragraph 15.

16. Deny.

17. Deny.

18. Deny.

19. Deny.

20. Defendants incorporate their responses to paragraphs 1-19 as if fully set forth herein.

21. Deny.

22. In responding to the allegations contained in paragraph 22 of the Complaint, Defendants aver that Item 1.12 of PRC1000 speaks for itself and deny all factual allegations and/or legal conclusions contained in paragraph 22.

23. In responding to the allegations contained in paragraph 23 of the Complaint, Defendants aver that Item 3.01-3.03 of the Charge Schedule contained within CC2000 speaks for itself and deny all factual allegations and/or legal conclusions contained in paragraph 23.

24. In responding to the allegations contained in paragraph 24 of the Complaint, Defendants aver that Exhibit 7, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically,

Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

25. In responding to the allegations contained in paragraph 25 of the Complaint, Kenco avers that Exhibit 8, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically, Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

26. In responding to the allegations contained in paragraph 26 of the Complaint, Defendants aver that Exhibit 9, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically, Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

27. In responding to the allegations contained in paragraph 27 of the Complaint, Defendants aver that Exhibit 10, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically, Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

28. In responding to the allegations contained in paragraph 28 of the Complaint, Defendants aver that Exhibit 11, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically, Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

29. In responding to the allegations contained in paragraph 29 of the Complaint, Defendants aver that Exhibit 12, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically, Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

30. In responding to the allegations contained in paragraph 30 of the Complaint, Defendants aver that Exhibit 13, which appears to be a copy of an invoice, speaks for itself and all factual allegations and/or legal conclusions drawn therefrom are denied. Specifically, Defendants dispute the referenced demurrage charges and deny that they, or any one of them, are responsible to pay the invoiced charges.

31. Deny.

32. In responding to the allegations contained in paragraph 32 of the Complaint, Defendants aver that Item 6.01 of Section 6 of PRC1000 speaks for itself and all factual allegations and/or legal conclusions contained in paragraph 32 are denied.

33. Deny.

34. Deny.

35. Deny.

36. Deny.

37. Deny.

38. Deny.

39. Deny.

Defendants specifically deny all allegations in the Complaint not expressly admitted.

THIRD DEFENSE

Plaintiff's claims fail, in whole or in part, to the extent they are barred by the doctrines of estoppel, waiver, consent, license, laches, and/or unclean hands.

FOURTH DEFENSE

Plaintiff's claims fail, in whole or in part, to the extent they are barred by the doctrines of reliance, release, acquiescence, accord and satisfaction, ratification, discharge, and/or settlement.

FIFTH DEFENSE

The Complaint is barred, in whole or in part, by election of remedies, double recovery, and/or mistake.

SIXTH DEFENSE

The Complaint is barred, in whole or in part, by lack of and/or failure of consideration.

SEVENTH DEFENSE

The Complaint is barred, in whole or in part, by Plaintiff's actions including, without limitation, failing to timely deliver cars to KLS, failing to provide sufficient and/or timely switches, intentionally and/or negligently bunching and stacking cars, charging KLS for cars not consigned to KLS, and charging KLS for cars that Plaintiff misplaced.

EIGHTH DEFENSE

Plaintiff's damages, if any, are reduced and/or barred, in whole or in part, by the doctrine of offset and amounts Plaintiff owes KLS.

NINTH DEFENSE

Plaintiffs' claims fail to the extent they are filed after the expiration of any applicable statute of limitations.

TENTH DEFENSE

The Complaint is barred, in whole or in part, by Plaintiff's failure to mitigate its damages, if any.

ELEVENTH DEFENSE

This matter involves a dispute over demurrage charges and primary jurisdiction over Plaintiff's claims rests with the Surface Transportation Board. For this reason, Plaintiff is not entitled to a trial by jury of its claims.

TWELFTH DEFENSE

To the extent Plaintiff seeks costs or attorney's fees pursuant to statute or contract, Defendants are entitled to reciprocal attorney's fees claims on prevailing in this action.

THIRTEENTH DEFENSE

Plaintiff's Second Cause of Action fails for lack of standing.

FOURTEENTH DEFENSE

The alleged obligations Plaintiff seeks to enforce are either illegal or violate public policy, and are therefore void and unenforceable. To the extent the granting of relief sought by Plaintiff would violate law or public policy, that relief should be denied.

FIFTEENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the economic loss doctrine.

SIXTEENTH DEFENSE

Plaintiff is pursuing its claim without a reasonable basis, in bad faith, and for no purpose other than to harass Defendants. Plaintiff's claim being without merit, Defendants are entitled to an award of all expenses incurred, including attorneys' fees, pursuant to Utah Code Ann. § 78B-5-825.

SEVENTEENTH DEFENSE

Plaintiff's claims are barred, in whole or in part, by the acts or omissions of third-parties over whom Defendants had no control or right to control.

EIGHTEENTH DEFENSE

All claims against KG are barred because KG does not provide any services subject to any of Plaintiff's tariff(s) or otherwise. For this reason, KG is not a proper party to this proceeding and should be dismissed.

NINETEENTH DEFENSE

Plaintiff's claims fail, in whole or in part, because the alleged demurrage charges are unreasonable.

TWENTIETH DEFENSE

Plaintiff's claims fail, in whole or in part, because Plaintiff failed to comply with its own tariffs and/or applicable federal law.

TWENTY-FIRST DEFENSE

Defendants may possess additional defenses that they have yet to identify and which may be identified in the course of discovery in this case. Defendants specifically reserve all other affirmative defenses and the right to amend to plead additional defenses that are not yet known and which may become known and identified in the course of discovery in this matter.

RELIANCE UPON THE JURY DEMAND

To the extent Plaintiff is entitled to a jury for its demurrage claims, Defendants give notice to the Court and all counsel that it does now and will rely upon the demand for trial by jury and fee previously filed in this case.

PRAYER FOR RELIEF

WHEREFORE, Defendants request judgment as follows:

1. That Plaintiff's Complaint and claims against Defendants be dismissed in their entirety with prejudice and that Plaintiff take nothing thereby;
2. That the Court award Defendants their costs and expenses incurred in defending against Plaintiff's Complaint, including reasonable attorneys' fees; and
3. That the Court grant such further relief as the Court deems just and appropriate.

DATED this 17th day of March, 2017.

KIRTON McCONKIE

/s/ Shawn T. Richards
Shawn T. Richards
Jackie Bosshardt
*Attorneys for Kenco Logistic Services, LLC
And Kenco Group*

CERTIFICATE OF SERVICE

I certify that on the 17th day of March, 2017, I caused a true and correct copy of the foregoing **ANSWER TO PLAINTIFF'S COMPLAINT** to be efiled through the Court's CM/ECF system, which sent automatic electronic notification to:

SAVAGE, YEATES, & WALDRON, PC
E. Scott Savage
Stephen R. Waldron
170 South Main Street, Suite 1075
Salt Lake City, Utah 84101
Attorneys for Plaintiff

/s/ Terri L. White

Exhibit B

Shawn T. Richards (11949)
Jackie Bosshardt (14139)
KIRTON McCONKIE
Kirton McConkie Building
50 East South Temple, 4th Floor
P.O. Box 45120
Salt Lake City, Utah 84145-0120
Telephone: (801) 328-3600
Facsimile: (801) 321-4893
srichards@kmclaw.com
jbosshardt@kmclaw.com

*Attorneys for Respondent Kenco Logistic Service, LLC
And Kenco Group*

SURFACE TRANSPORTATION BOARD

UTAH CENTRAL RAILWAY COMPANY,
LLC,

Petitioner,

v.

KENCO LOGISTIC SERVICES, LLC, a
Delaware limited liability company, KENCO
GROUP, and SPECIALIZED RAIL
SERVICE, INC.

Respondents.

**DECLARATION OF
ANN CHRISTOPHER**

Docket No. FD 361310

I, Ann Chrstiopher, hereby declare as follows:

1. I am over the age of 21, have personal knowledge of the facts stated herein and would testify thereto if called upon to do so.
2. I am employed by the Kenco family of companies as its Vice-President and General Counsel. I have held this position for approximately 13 years.

3. Attached hereto as Exhibit A are true and correct copies letters I sent to UCRY (and its parent company, Patriot Rail), and/or Union Pacific, representatives on or about September 3, 2015, August 25, 2015, March 3, 2016 and June 1, 2016 regarding the demurrage charges at issue in this matter. For the reasons set forth in my attached letters, and in Kenco's Response to UCRY's petition, including the reasons set forth in Brett Fisher's Declaration, Kenco disputes UCRY's demurrage charges.

4. UCRY was very slow to correspond with us regarding this matter. I would wait weeks, months and even a year before hearing anything from UCRY and/or Patriot. In fact, I thought we had resolved this matter to satisfaction of UCRY/Patriot until UCRY commenced its lawsuit against us.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

DATED this 14th of September, 2017

/s Ann Christopher
Ann Christopher

Exhibit A
to
Ann Christopher Declaration

P.O. Box 1607
2001 Riverside Drive (37406)
Chattanooga, TN 37401

Phone 423-622-1113
Fax 423-643-3500
www.kencogroup.com



August 25, 2015

Ms. Leean Greenwald
General Counsel
Utah Central Railway
P.O. Box 10402
Ogden, UT 84409

Re: Demurrage Invoices

Dear Ms. Greenwald:

In response to your letter of August 13, 2015, please be advised that Kenco disputes any liability for the alleged demurrage charges as such charges were directly attributable to service related challenges between BNSF and UCRY.

Due to the lack of support provided by BNSF in Provo/Utah, the railcars at issue were clustered and delivered to the Ogden UCRY location. Delivery was limited to once a week with thirty (30) or more railcars being delivered at one time. Once the rail cars arrived to the Ogden UCRY location they were marked as constructively placed even though Kenco did not have access to the railcars. Furthermore, it was an unreasonable expectation to expect Kenco to move thirty (30) railcars at one time. Kenco would receive in about eight (8) railcars per placement and unload them in the allotted time. Once unloaded Kenco would release the railcars as empty and eight (8) additional railcars would be placed when UCRY was able/ at UCRY's convenience. The demurrage charges at issue are directly related to rail cars that were unreasonably bunched as a result of service related and operational challenges between BNSF and Ogden UCRY.

Although you reference 49 USC 13333, Demurrage Liability in your communication, nowhere does the regulation specify that the shipper and/or its customer is to assume liability for demurrage charges (or penalized) as a result of a rail carrier's service related challenges.

Please do not hesitate to contact me if you wish to discuss this matter in further detail.

Thank you.

Sincerely,



Ann Christopher
Vice President & Corporate Counsel

P.O. Box 1607
2001 Riverside Drive (37406)
Chattanooga, TN 37401

Phone 423-622-1113
Fax 423-643-3500
www.kencogroup.com



September 3, 2015

Ms. LEEAN Greenwald
General Counsel
Utah Central Railway
P.O. Box 10402
Ogden, UT 84409

Re: Demurrage Invoices

Dear Ms. Greenwald:

As promised during our recent phone call, I have done some additional research on the rail demurrage issue as such pertains to your recent invoices.

Please note, third party warehouses have a financial incentive to load -unload on a timely basis because invoicing for handling charges are triggered immediately after the loading - unloading occurs. However, a third party warehouse is dependent on railroads to perform service on a regular and consistent basis. Regular and consistent is defined as service that accommodates the third party warehouse's track capacity and even car flows. If a Class 1 railroad holds cars and then brings thirty cars to a switching short line one day a week, it would be impossible for a third party warehouse to avoid demurrage charges – especially if there is no prior precedent established. For the short line to charge Kenco demurrage charges when cars were held in Constructive Placement status when the established standard was for Kenco to receive and unload eight cars in the allotted time is an unreasonable and abusive practice of demurrage rules.

8 49 USC 101701 (d) (1) states, "A rail carrier providing common carrier rail service shall establish reasonable rules and practices related to the transportation service." 49 USC 10704 states, "Generally, common carrier obligation includes duty to provide adequate track and other service equipment and facilities, and to provide service "with reasonable dispatch." In Decision EPC 707, the STB states, "Although our rules state that demurrage liability does begin until actual placement or proper notice of constructive placement, we decline to elaborate on what would constitute "proper notice of constructive placement" as constructive placement issues were not the focus of this proceeding". Railroad demurrage tariffs and the credit - debit systems that were carried over from the days of average agreements with Shippers - Receivers, do not in any way take into consideration circumstances beyond a receiver's control.

In Kenco's case, thirty cars held by a Class 1 and then brought to the short line in one day, then charging Kenco demurrage charges while the cars are on Constructive Placement is an unreasonable and abusive demurrage practice - especially so when the demurrage was solely due to the railroad's operational practices. Please note also once Kenco became aware that the rail

carriers were bunching cars to in this manner in deviation of established practice and precedent, Kenco took immediate (and successful) action in an effort minimize demurrage from occurring.

The Surface Transportation Boards Decision EP 707 was not intended to give the railroads carte blanche free reign to charge demurrage to Shippers-Receiver for any reason. Unreasonable demurrage is not enforceable. Finally, railroads tariffs have been deregulated since the decommissioning of the Interstate Commerce Commission in 1995. That means that the railroads are not mandated to collect demurrage.

Please do not hesitate to contact me if you wish to discuss this matter in further detail.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Ann Christopher".

Ann Christopher
Vice President & Corporate Counsel

P.O. Box 1607
2001 Riverside Drive (37406)
Chattanooga, TN 37401

Phone 423-622-1113
Fax 423-643-3500
www.kencogroup.com



March 3, 2016

Union Pacific Demurrage Department
1400 Douglas St – Stop 1400
Omaha, NE 66179-1410

Dear Department Manager:

Please note that Kenco is in dispute of alleged demurrage charges that the Union Pacific has sent to Kenco and which have not been paid as of this date (March 3, 2016). As such, please be advised of the following:

In accordance with STB Decision EP 707, April 14, 2014, concerning demurrage liability, the Union Pacific (UP) abided with the decision by notifying Kenco where to refer to the UP's demurrage tariff and rules, after the UP took the liberty of imposing certain charges. Furthermore, the UP and/or its short line carrier(s) attempted to impose demurrage charges allegedly occurring after the UP altered the standard schedule for the convenience of the UP. Kenco never agreed to, nor should it be held liable for demurrage charges caused by circumstances beyond Kenco's control or unreasonableness on the part of the UP and/or its short line carriers.

Item 9620 - B which is the basis of the Chargeable Events System, does not take into consideration, miss switches, reduced service levels, cars off spot, late switches, incorrect system records, or other demurrage liabilities that are not attributable to Kenco negligence. To illustrate this point as it impacts Kenco, the UP spots with its short line carrier 1 switch per week with an inbound volume of up to 60 inbound cars a month. That means with a 2 day service level provided by a short line carrier, Kenco can only unload 21 cars per week. Unfortunately, due to the UP's practice of bunching rail cars and delivering to the short line carrier, upwards of 50 rail cars have been placed at the short line carrier's rail yard; which rail cars are not accessible to Kenco. Kenco has repeatedly notified the UP and the applicable short line carrier that the capacity at Kenco's rail dock is limited to the spotting of seven rail cars - which is the range that Kenco can unload. The bunching of rail cars for the convenience of the rail carrier cannot be classified as constructive placement; especially when: (i) the rail cars are in no way accessible to Kenco; and (ii) Kenco has provided notification that its capacity is limited to accommodating 3-4 rail cars on a daily basis. Kenco unloads the cars consistently in a 48 hour time frame (maximum) when the rail cars are accessible and the rail cars onsite are consistent with the parameters of identified capacity. Furthermore, Kenco has gone the extra step of actively monitoring projected inbounds on the UP's Rail Connect system in an effort to minimize demurrage related issues. As such, Kenco is not unreasonably detaining the cars beyond the tariff item's free time and cannot be held liable for unreasonable demurrage charges.

Surface Transportation Board Decision EP 707 (April 9, 2014), identified third party warehouses as part of a broad based "receiver" group. In so doing, the Surface Transportation Board imposed

an accountability upon 3PL warehouses for certain demurrage charges. However, Constructive Placement was not defined in the Decision EP 707 and the STB specifically encouraged contractual agreements between the rail road carriers and the parties they serve. Because the current demurrage system as implemented by the UP is unreasonable and does not consider variables beyond Kenco's control, Kenco can only agree to accepting 3 to 4 rail cars on a daily basis. Kenco has repeatedly emphasized that it can only accept 3 to 4 rail cars daily and cannot be held financially responsible for demurrage charges that the UP is attempting to impose due to the bunching of rail cars for the convenience of the rail and/or those charges associated with rail cars that are not even accessible to Kenco. Kenco is more than willing to enter into a contractual agreement with the UP addressing accountability for demurrage charges within the parameters that Kenco has identified.

Please note that Kenco has no financial incentive to delay loading or unloading of rail cars, nor can it be put in the position of providing an additional revenue stream for the UP simply because the UP, for its sole and exclusive convenience has elected to bunch cars and makes the unilateral determination that such rail cars have been constructively placed with a complete disregard to accessibility and/or parameters pertaining to capacity that have been identified. Kenco cannot be held accountable for such demurrage unreasonableness.

Please do not hesitate to contact me if you would like to discuss this matter in further detail. I can be reached at 423-618-5847 and/or ann.christopher@kencogroup.com.

Sincerely,



Ann Christopher
Vice President & Corporate Counsel

P.O. Box 1607,
2001 Riverside Drive (37406)
Chattanooga, TN 37401

Phone 423-622-1113
Fax 423-643-3500
www.kencogroup.com



VIA E-MAIL

June 1, 2016

Mr. Jeff Golian
Patriot West

Re: Demurrage Charges

Dear Mr. Golian,

In response to your recent communication, Patriot Freight Tariff 1000 Section 6, Credit Terms and Security Deposit and your citation of STB Dockets 42107 and 42107 have no relevance to our letter defending Kenco's demurrage liability to Ms. Lecann Greenwald sent in the Fall of 2015. The fact of the matter is that cars arriving in a serving area via a interlining railroad or direct switching railroad must be delivered to a receiver in a consistent manner that meets a receiver's track capacity. Thus, thirty cars spread over several service days would have not have caused any demurrage liability for Kenco. Thirty cars arriving in UCY's serving area simultaneously, all on Constructive Placement at the same moment made it impossible for Kenco to avoid demurrage charges. Dwell time caused by this surge is solely attributable to the railroads interlining (hold - release) operation at the moment in time and not Kenco. In this regard, please research Kenco's past deliveries from KCY, track capacity and demurrage history. It is obvious that the records speak for themselves. There has been no demurrage liability history.

Based on demurrage unreasonableness caused solely by railroad operations, Kenco affirms its original declination. In addition, it would unreasonable for the UCY to invoke Patriot Tariff 1000 Section 6 based on the fact that Kenco has zero history of not paying accessorial charges. This can and will be challenged by Kenco at the regulatory level if need be.

Sincerely,

Ann Christopher
Vice President & Corporate Counsel

Exhibit C

ORIGINAL TARIFF
UCRY No. 6004-3

UTAH CENTRAL RAILWAY COMPANY

LOCAL FREIGHT TARIFF

PUBLISHING

SWITCHING & HANDLING CHARGES

ALSO RULES AND REGULATIONS GOVERNING

DEMURRAGE & STORAGE

**AT STATIONS ON THE
UTAH CENTRAL RAILWAY COMPANY**

ISSUED March 21, 2014 EFFECTIVE April 10, 2014

Issued by

H. H. Shugart
Director of Marketing
10600 Skinner Lake Drive
Jacksonville, FL 32246

EXPLANATION OF ABBREVIATIONS, NOTES AND REFERENCE MARKS

ABBREVIATIONS	EXPLANATIONS
\$	U.S. Dollars
UCRY.....	Utah Central Railway Company
UPRR.....	Union Pacific Railroad Company
BNSF.....	Burlington Northern & Santa Fe Railway Company
OURD.....	Ogden Union Railroad & Depot Company

REFERENCE MARKS

{1}	All stations shown are in the state of Utah.
-----	--

Item No. 10-A * {1}

LIST OF INDUSTRIES BY STATION

The following industries are served by private or industry tracks located on the UCRY at:

Ogden

Air Liquide
Brenntag Pacific
Scoular Company

KAG Logistics
Weber County Transfer Station
Viper Rail Car Storage

Stratford

Kellerstrass Oil Company
Consolidated Manufacturing Int'l
Food Express, Inc.
Air Liquide America, L.P.

Metalwest, LLC
Staker Parson Companies
Carson Oil Company
BMC West

Ogden Sugar Works

Amalgamated Sugar Company
Great Western Plumbing Supply

McFarland Cascade Pole & Lumber Co.
The Andersons

Relico

Scoular Company West

Contech Construction Products

(Listing of industries concluded on next page)

Evona

Horizon Flour Milling
Cache Commodities

Western Hay Company
Dave Grant Trucking

Nyes Corner

Wheelwright Lumber
Heritage Bag Company

Mountain States L.P. Gas

Business Depot Ogden

Kenco Group
Specialized Rail Services
Petersen, Inc.
Southern Classic Food Group

Ogden Standard Examiner
Lofthouse Foods, Inc.
Graham Packaging

Item No. 10-B * {1}

The following industries are served by private and industry tracks located on the UCRY at:

Little Mountain

Westinghouse Electric Company

Western Zirconium

WEIGHT RESTRICTIONS

UCRY will provide switching and transportation services for loaded cars with a maximum gross weight of 263000 lbs. Shipments exceeding the above maximum gross weight must be approved by the UCRY prior to shipment.

SECTION 1

GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
1000	<u>GENERAL APPLICATION</u> 1.) Applicable to all points on UCRY lines. 2.) The disposition of a car at its point of detention determines the purpose of which the car is held and the rules applicable hereto. 3.) All UCRY controlled and private cars held for or by consignors or consignees for any purpose are subject to demurrage rules and charges in this section, except as follows: A. Private cars held on leased or private tracks. B. Cars containing freight refused or unclaimed to be sold by UCRY for the time held beyond legal requirements. C. Cars assigned to shippers returned to points of assignment under the load when material is authorized to be returned without freight charges under provisions of freight publications. D. Cars assigned to shippers returned empty to point of assignment while subject to storage rules. E. Empty railroad equipment moving on own wheel under transportation charges as freight.
1100	<u>DEFINITIONS</u> The following are to be used in applying this section: <i>Actual Placement</i> - is the placement of a car in position accessible for loading or unloading, or at a point designated by the consignor or consignee. <i>Constructive Placement</i> - is the holding of a car at destination or at another point when actual placement cannot be made of a condition attributable to the consignor or consignee. It includes the holding of a car containing an order-notify or inbound shipment pending satisfaction of delivery requirements. <i>Consignee</i> - is the party to whom the shipment is consigned or the party entitled to receive the shipments. <i>Consignor</i> - is the party in whose name cars are ordered or the party who furnishes forwarding instructions. <i>Forwarding Instructions</i> - are instructions given to UCRY containing all the information necessary to transport the shipment to its final destination. (Definitions concluded on next page) 4

ITEM	APPLICATION
1100	<i>Leased Track</i> - is a track assigned to a user through written lease agreement and is considered the same as a private track for demurrage purposes <i>Loading</i> - is the complete or partial loading of a car and furnishing forwarding instructions. <i>Loaded Car</i> - is a car that is completely or partially loaded. <i>Private Car</i> - is any car bearing other than railroad reporting marks that is not railroad controlled. <i>Private Track</i> - is any track not owned by UCRY including leased track. <i>Public Delivery Track</i> - is a track open to the general public for loading or unloading. <i>Reloaded Car</i> - is a car that is unloaded and then reloaded without having been removed from the consignor's / consignee's premises whether or not a release was given to UCRY when the car was empty. <i>Time</i> - is the local time at the point where the car is held. <i>Unloading</i> - is the complete unloading of a car and advice received from consignee that the car is empty and available to UCRY. End of Page 5

SECTION 1

GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
1200	<u>NOTIFICATIONS FROM UCRY</u> 1.) UCRY will provide notice either verbally, electronically, via facsimile or postal service mail as follows: A. On cars for public delivery tracks, notice will be given to the affected party when the car is placed. B. On cars for other-than-public delivery tracks, notice of constructive placement will be given to the affected party. Actual placement of a car upon the tracks of a consignor or consignee will constitute notice except that when two or more parties use the same track notice will be provided. C. On cars stopped in transit, notice will be given to the party instructing the stop when the car arrives at the stop point. D. On refused loaded cars, notice will be given to the consignor. 2.) Consignor, consignee or other affected party <u>must furnish UCRY forwarding instructions</u>, empty car release information or other disposition (as applicable) verbally or electronically. When the device used indicates the time and date, such time and date will govern.
1250	<u>NOTIFICATIONS TO UCRY</u> 1.) All forwarding instructions must be submitted to UCRY using one of the Class 1 websites or by making arrangements directly with 3rd party logistics service providers to submit forwarding instructions on their behalf via a Class 1 website or via EDI. UCRY will accept forwarding instructions to its customer service center via 904-423-5388 or via email to UCRY-CS@PATRIOTRAIL.COM, subject to a \$35 charge per faxed or emailed bill of lading. UCRY reserves the right to reject as an unreasonable request for service, any fax or email forwarding instructions that are illegible, whether due to poor transmission quality, poor or illegible handwriting or otherwise. UCRY will not accept delivery of forwarding instructions by U.S. Mail, express service, personal delivery or otherwise. Charges for fax forwarding instructions do not apply to Hazardous Waste, United States Government shipments or voids and corrections. 2.) Notwithstanding the foregoing, all empty release information must be submitted to UCRY using ShipperConnect™. UCRY will accept empty release information to its customer service center via 904-423-5388 or via email to UCRY-CS@PATRIOTRAIL.COM subject to a \$35 charge per faxed or emailed release. 3.) When electronic or mechanical devices are used to forward instructions and/or empty release information to UCRY, the recorded date and time that the instructions are received by UCRY will govern.

SECTION 1
GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM

APPLICATION

FREE TIME

Free time as designated will be allowed for each car:

SEVENTY-TWO (72) HOURS

- 1.) Loading or unloading all agricultural products handled in switching service, as defined in switching or other tariffs of UCRY and will include "set-back service" as defined in tariffs on this railroad.

FORTY-EIGHT (48) HOURS

- 1.) Complete unloading.
- 2.) Partial or complete loading as defined in Item 2000.
- 3.) Partial unloading as defined in Item 2100.
- 4.) Partial unloading and reloading
- 5.) Loading or unloading all commodities handled in intraplant switching service as defined in switching or other UCRY tariff, and will include "set-back service" as defined within UCRY tariff.

TWENTY-FOUR (24) HOURS

- 1.) Cars held in constructive placement, including private cars held on UCRY track.
- 2.) Cars awaiting instructions from order-in customers.
- 3.) Except as cars received under load and held for forwarding instructions.
- 4.) Diversions, reconsignments or reshipments.
- 5.) Cars held in transit.
- 6.) Storage charges - empty private or system pool cars.

Free time will be computed from the first 7:00 a.m. after placement, or after proper notification has been sent or given when required or constructively placed. For the purpose of computing free time, holidays will be excluded, unless free time has expired and demurrage is being incurred.

SECTION 1
GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM

MULTIPLE CARLOAD SHIPMENTS OF GRAIN

Free time will be provided in Item 1300 except:

Demurrage free time begins with the actual or constructive placement of the final car required in a multiple car order. UCRY must be the originating carrier.

UCRY maintains the right to place for loading any car which meets the customer's order requirements. This is excepted by private and specific pooled equipment. Equipment substitution does not alter the start of free time.

1400

In the event a patron tenders a partial shipment of a multiple car order, free time shall be calculated as a single shipment basis. Partial shipments will be accepted without penalty of free time when UCRY is unable to complete an order by the date required.

Actual placement of early arriving cars ordered for loading can occur prior to commencement of free time. Such illustrated advance placement does not allow partial shipment of a multiple car order without penalty regarding free time as described above.

End of Page

SECTION 1 GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
1500	<u>HOLIDAYS</u> Whenever reference is made to "holidays", it shall mean only the days listed below: New Years Day - 01 January (see note) President's Day - Third Monday of February Good Friday - Friday before Easter Sunday Memorial Day - Last Monday in May Independence Day - 04 July (see note) Pioneer Day - 24 July (see note) Labor Day - First Monday in September Thanksgiving Day - Fourth Thursday in November Day after Thanksgiving - Fourth Friday in November Christmas Eve - 24 December (see note) Christmas Day - 25 December (see note) Note: When the holiday falls on a Saturday or Sunday, the business day prior to or following the actual holiday will be observed.
1800	<u>ACTUAL PLACEMENT</u> Actual placement is made when a car is placed in an accessible position for loading or unloading at a point previously designated by the consignor or consignee.
1900	<u>CONSTRUCTIVE PLACEMENT</u> When a car consigned or ordered to a private track, an industrial interchange track, or other-than-public delivery track cannot be actually placed because of a condition attributable to the consignor or consignee, such car will be held at destination. If it cannot be reasonably accommodated there, it will be held at an available hold point and notice shall be sent or given to the consignor or consignee that the car is held (naming the hold point if not held at destination) and that UCRY is unable to effect placement; However, if car is placed upon private track, industrial interchange track, or other than public delivery track serving the consignor or consignee, the car shall be considered constructively placed without notice.

SECTION 1

GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
2000	<u>RULES GOVERNING CARS HELD FOR LOADING</u> Loading is the complete or partial loading of a car within the confines of the same industry or public delivery yard and must be completed in conformity with railroad loading and clearance rules. Loading includes the following: 1.) Advice that the car is ready for forwarding. 2.) Finishing of forwarding directions. 3.) Advice that car is ready for forwarding after being held to finish loading. 4.) Advice that car is ready for UCRY inspection and/or measurement to obtain final clearance for movement via route shown on forwarding instructions. (see note) * Note - UCRY utilizes electronic and mechanical devices, which accept communication, either written or oral, that records the date and time forwarding directions which are received from the consignor or affected party. This recorded date and time will govern the release of cars. If billing or release data is hand delivered to an open UCRY agency, the receiving agent shall denote the time and station received. This denoted time shall govern the release of cars.
2100	<u>RULES GOVERNING CARS HELD FOR UNLOADING</u> Unloading or partial unloading shall include: 1.) The surrender of bill of lading shipments "to order" or surrender of written order or advice, or surrender of other lawful substitute. 2.) Payment of lawful charges when required prior to delivery of the car. (see note) 3.) Furnishing a "turnover" order (an order for delivery to another party) after car has been placed for delivery and no additional movement of the car is made to a point beyond the confines of the same industry or same public delivery yard. 4.) Advice that car is ready for forwarding, accompanied by forwarding directions when necessary, after being held to partly unload and partly reload. 5.) Advice by consignee given to authorized personnel of UCRY, either verbally or electronically, that car is unloaded and available to this railroad. (see note) Information given must include identity of consignee, party furnishing date with car initial and number, with record of such information being maintained by UCRY, including date and time of receipt and identity of the party receiving the information. (Item 2100 concluded on next page)

SECTION 1
GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
2100	<u>RULES GOVERNING CARS HELD FOR UNLOADING - Continued</u> Note 1 - On cars requiring surrender of bill of lading, written order, advice, or other lawful substitute, or on cars requiring payment of lawful charges, whether such cars have been placed in position to unload or not, time will be computed from the first 7:00 a.m. after notice of arrival is sent or given to the consignee or party entitled to receive same. When the bill of lading order, advice, other lawful substitute, or payment of lawful charges is received by UCRY by U.S. Mail, it shall be considered as received after 7:00 a.m. of the date received. Note 2 - Except as otherwise provided in 2200 and 2300, a car will be considered released at date and time advice is received from consignee.
2200	<u>CARS UNLOADED AND RELOADED WHERE UCRY PERFORMS SWITCHING SERVICE</u> When the same car is both unloaded and reloaded, each transaction will be treated as independent of the other and free time for reloading shall not begin until the first 7:00 a.m. after unloading is complete and advice is given. When empty release information is not furnished, car will be released from the unloading transaction at the date and time forwarding directions are received.
2300	<u>CARS UNLOADED AND RELOADED WHERE INDUSTRY PERFORMS SWITCHING SERVICE</u> When the same car is both unloaded and reloaded, each transaction will be treated as independent of the other and free time for reloading shall not begin until the first 7:00 a.m. after unloading is complete, in which case the industry must notify UCRY of the date and time car was unloaded and this advice must be given within two (2) days, exclusive of Saturdays, Sundays, and holidays after completion of unloading. If this information is not furnished within the two (2) day period, car will be released from the inbound demurrage transaction on the date and time empty release information is received or, in the event the unloading information is not furnished before 7:00 a.m. of the date loaded car is returned to interchange track, 7:00 a.m. of the date loaded car is returned to the interchange track will be time and date to be observed on the inbound demurrage transaction.

SECTION 1
GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM

APPLICATION

PUBLIC DELIVERY TRACK

Except as provided in item 2000 and 2100, on cars for loading and unloading on public delivery tracks, time will be computed from the first 7:00 a.m. after actual placement (see note) and after required notice has been sent or given.

2400

Note - When delivery of cars on public track cannot be made due to more cars on hand than such will accommodate, such cars will be held at an available point and time computed from the first 7:00 a.m. after notice of arrival at the hold point is sent or given consignee, provided one or more of such consignee's cars are placed or offered for placement each time the facility is switched.

End of Page

SECTION 1
GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
3000	<u>MONTHLY COMPUTATION OF DEMURRAGE CHARGES</u> At the end of each calendar month, demurrage is totaled by calculating the days, or fraction of a day, the car was held by the consignor or affected party after the expiration of free time, if any free time was allowed.
3100	<u>PRIVATE CARS HELD OR STORED ON PRIVATE OR RAILROAD TRACKS</u> <u>PART A</u> 1.) Loaded private cars, consigned or ordered for delivery to private tracks, which are exempt from demurrage rules and charges of this tariff, after delivery to private tracks but which first must be held on tracks of UCRY under constructive placement are subject to demurrage charges as provided in this tariff, after expiration of: - a.) Twenty-Four (24) hours free time when diverted, reconsigned, or reshipped before delivery to private tracks; or, - b.) Allowed twenty-four (24) hours free time as provided under Item 1300, when car is delivered to private tracks. Such cars will be considered released from the applicable demurrage transaction of (a) or (b) above at the time of diversion, reconsignment, or reshipment order is received, or at the time advice is given UCRY to place such private cars onto private tracks to which consigned. 2.) Loaded or partially loaded cars moved from private tracks on orders are subject to demurrage charges as provided in this tariff, without free time allowance and without notice, from the first 7:00 a.m. after such cars are received until forwarding directions are furnished or until cars are placed or returned to private track on advice from industry. 3.) Empty private cars on private tracks, including such cars sent by the owner to a shipper for loading, will not be subject to this tariff. (Item 3100 concluded on next page)

SECTION 1
GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
3100	<u>PART B</u> For the purpose of applying items in this tariff, private cars on private tracks will be exempted from the rules and charges. (see notes 1, 2 and 3) Note 1 - Loaded private cars while held on UCRY tracks will be subject to the applicable rules and charges of this tariff. Note 2 - Empty private cars stored on UCRY tracks, including cars sent by the owner to shipper for loading will be held as provided in Item 4950. Note 3— The UCRY does not pay mileage on private cars. All moves are zero mileage payout while on the UCRY.
3300	<u>RULES GOVERNING CARS HELD FOR PURPOSES OTHER THAN LOADING OR UNLOADING</u> This section will apply when cars are held for purposes other than loading or unloading, including cars which have been tendered for loading or unloading under the provisions of this Section and which are later reconsigned, diverted or reshipped, or released empty after having been ordered or appropriated, in which event tender of a car under such sections will govern in computing time under these provisions.
3400	<u>CARS HELD FOR RECONSIGNMENT, DIVERSION OR RESHIPMENT</u> On cars held for reconsignment, diversion or reshipment, the consignee or affected party will compute time from the first 7:00 a.m. following the sending of notice. The term "diversion" or "reconsignment" will be applied as defined in the reconsignment tariff of this railroad, except that under this provision, a "turnover" (an order for delivery to another party) which does not involve an additional movement of the car to a point beyond the confines of the same industry or same public delivery yard is not a reconsignment for the purpose of applying this provision. A "reshipment" is the making of a new contract by which, under a new rate, the entire original lading, without being unloaded, is forwarded in the same car to another destination, or another place of delivery at the same destination, which requires a movement beyond the confines of the industry or the public delivery yard where the car has been originally delivered. When diversion or reconsignment is consummated on an order mailed, or otherwise transmitted and (Item 3400 concluded on next page)

SECTION 1 GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
3400	<u>CARS HELD FOR RECONSIGNMENT, DIVERSION OR RESHIPMENT - CONTINUED</u> acknowledged to an agent of this railroad, or an agent of any railroad which has participated in the transportation transaction, such order will be considered as having been accepted at the date and time received. When an order is received for "reshipment" it shall contain all the necessary information to transport the shipment to its new destination; and, if the order for "reshipment" is transmitted and acknowledged, it shall be considered as having been received after 7:00 am. of the date received. 1.) Reconsignment.....\$125.00 per car. 2.) Diversion.....\$275.00 per car. 3.) Reshipment.....\$275.00 per car.
3500	<u>RULES GOVERNING CARS HELD FOR PURPOSES OTHER THAN LOADING OR UNLOADING</u> When cars are held in transit due to, or on orders of, the consignor, consignee, or owner, time will be computed from the first 7:00 a.m. following the sending or giving notice of arrival. Included are cars destined for a connecting line, cars found to be overloaded or improperly loaded, and cars held for surrender of order-notify bills of lading or payment of lawful charges, or for any purpose not otherwise specifically provided for in these rules. Cars will be released at the time order bills of lading or lawful charges are received by an agent of UCRY or an agent of any railroad which has participated in the transportation transaction or an order is received sufficient to move the cars to a consignee at another station; however, if such order, bill of lading, or payment of lawful charges is received, it will be considered as having been accepted at the date and time received.
3600	<u>CARS OF GRAIN HELD IN TRANSIT FOR INSPECTION</u> When cars of grain, seeds (field or grass), grain screenings, soybeans, hay straw, corn husks or corn schucks, subject to final inspection or grading are held in transit and placed on inspection track(s) of this carrier at designated stations for inspection grading, including for reconsignment or other disposition, the free time will begin at the first 7:00 a.m. after the notice of arrival is sent or given to the consignee or party entitled to receive same or after (Item 3600 concluded on next page)

SECTION 1 GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
3600	<u>CARS OF GRAIN HELD FOR INSPECTION - CONTINUED</u> bulletin has been posted where such practice is in vogue and will expire at the following 7:00 a.m. A demurrage day under this Item consists of a twenty-four (24) hour period computed from 7:00 a.m. When consignee has agreed with this railroad in writing to accept the bulletins of cars as due, the bulletins must be posted by 12:00 p.m. of each day showing receipt since the last previous bulletin. Any bulletin posted on a holiday shall, for the purpose of calculating free time, be treated as posted as of 7:00 a.m. the first day thereafter which is not a holiday. In the application of this Item, the term "Held in Transit" means after the cars have left the last loading station and before delivery at point of unloading. This Item will not apply to cars held for inspection at the station where loaded, nor to cars billed direct to public team tracks, or to elevators, mills or other industries within the switching limits of the billed destination, and there inspected and delivery taken. The inspection referred to in this Item is the taking of representative sample or samples and establishing the official grade of the contents of the car by competent and impartial authorities independent of the vendor or vendee and only in accordance with national, state, Board of Trade or Grain Exchange authorization or requirements except that on hay, straw, or corn husks the inspection may be as necessary or desired.
3700	<u>CARS HELD FOR FORWARDING INSTRUCTIONS</u> On cars received from private or team tracks, and held by UCRY for forwarding direction or other disposition, time will be computed from the first 7:00 a.m. after they are received until proper forwarding directions or other disposition is furnished. On cars received from another railroad and held by UCRY for forwarding directions or other disposition, demurrage will be assessed from the first 7:00 a.m. after receipt until proper forwarding directions or other disposition is furnished. Note - For UCRY convenience, cars may be held at a location other than where cars are received.

SECTION 1 **GENERAL CAR DEMURRAGE RULES AND CHARGES**

ITEM	APPLICATION
3800	<u>EMPTY CARS ORDERED OR APPROPRIATED FOR LOADING BUT NOT USED</u> When empty cars are placed on orders or appropriated but not used in transportation service, demurrage will be charged for all detention, excluding holidays, from actual or constructive placement or appropriation until date and time advice is given to authorized personnel of UCRY, whether verbally or electronically, that such cars will not be used and are available to UCRY. (see note) In the application of this Item, a demurrage day consists of a twenty-four (24) hour period or fraction thereof computed from the hour of actual or constructive placement of the car or appropriation, except that on cars placed in advance of the date for which ordered for loading, time will be computed from 7:00 a.m. of the day for which so ordered. When a car so ordered and placed on a public track is not used, and no advice from the party who ordered the car has been received within twenty-four (24) hours, exclusive of holidays, from the first 7:00 a.m. demurrage charges begin, the car may be removed and treated as released at the time of removal. In the event a car is rejected because it is not suitable for loading, this Item will not apply if the party ordering the car advises UCRY of rejection and condition that caused car to be rejected within twenty-four (24) hours, exclusive of holidays, after actual placement. (see note) These provisions will also apply in connection with cars that are held on constructive placement on shipper-owned or leased tracks. If rejection has not been made within time specified in the previous paragraph, demurrage will be charged for all detention, computed as set forth in this item. Cars ordered but not used\$125.00 per car Note - Industries performing switching service for themselves or other parties must, in addition to advising UCRY that cars will not be used in transportation service for loading, return such cars to the industrial interchange track.
3850	<u>FORWARDING INSTRUCTIONS ON OUTBOUND GRAIN TRAINS</u> Industry will have twenty-four (24) hours from release time to provide billing on outbound grain trains. Grain trains will consist of at least twenty-five (25) cars. Any release of less than twenty-five (25) cars will be governed by the rules set forth in the UCRY 6004 Tariff.

SECTION 1 GENERAL CAR DEMURRAGE RULES AND CHARGES

ITEM	APPLICATION
3900	<u>CARS FOUND TO BE OVERLOADED OR IMPROPERLY LOADED</u> When cars are found to be overloaded or improperly loaded and not in conformity with railroad loading and clearance rules, the following will apply. 1.) If found while still on industry or UCRY tracks where loaded, car will be considered to be under continuous loading transaction until adjustment of the load has been made, if necessary, and final clearance is received for further movement. (see note) 2.) If found at origin after having been removed from industry or UCRY tracks where loaded, car will not be considered released until load has been adjusted, if necessary, and final clearance has been received for further movement. The time between furnishing of forwarding directions and making of car available to consignor for adjustment will not be computed against car. (see note) 3.) If, after having left origin station, a car is found to be overloaded, the car will be held in transit and twenty-four (24) hours will be allowed to adjust the load. Time will be computed from the first 7:00 a.m. following notice that car is being held. (see note) Note - Adjustment of load must include advice to authorized personnel of UCRY that shipment now conforms to railroad loading and/or clearance rules, and is now ready for inspection and/or measurements to permit final clearance for further movement.
3950	<u>DEMURRAGE CHARGES</u> This charge is applied to all cars as described under the rules contained within this tariff. After the expiration of free time, as described within Item 1300, demurrage will be charged at the following charges per car, per day, or fraction per day until car is released: 1.) Per day for the first four chargeable days \$40.00 2.) Per day for the next two chargeable days \$55.00 3.) Per day for each subsequent day thereafter \$70.00

SECTION 2
CREDIT TERMS AND SECURTY DEPOSIT

ITEM	APPLICATION
3975	<u>SECURITY DEPOSITS FOR PAYMENT OF DEMURRAGE AND STORAGE CHARGES</u> All Consignors, Consignees or agents thereof conducting business with a Subscribing Carrier, or on a Subscribing Carrier's property, will be required to apply for credit with the Subscribing Carrier. All railroads, except Class 1 rail carriers and rail carriers that previously conducted business with the Subscribing Carrier will be required to apply for credit with the Subscribing Carrier. Credit will be granted solely at the discretion of the Subscribing Carrier.
3980	<u>PAYMENT AND CREDIT TERMS</u> All charges under this tariff must be prepaid, unless satisfactory arrangements with Subscribing Carrier have been make prior to performance of service. Charges for services rendered under terms of this tariff will accrue against the customer located on the Subscribing Carrier or against the responsible rail carrier involved, unless arrangements to the contrary have been made with Subscribing Carrier prior to performance of service. All payment for services covered herein are due and payable within fifteen (15) days following the invoice date. Payments received after expiration of the credit period shall be subject to a service charge of one and one-half percent (1 1/2%) per month (or fraction thereof) of the outstanding balance.

SECTION 2 CREDIT TERMS AND SECURITY DEPOSIT

ITEM	APPLICATION
3990	<u>SECURITY DEPOSITS FOR PAYMENT OF ACCESSORIAL CHARGES AND/OR SURCHARGES</u> **A security deposit to ensure payment of any accessorial charges and/or surcharges that may accrue will be required from every Consignor, Consignee, or agent thereof who: A. Is not on the Subscribing Carrier's credit list, and B. Fails to pay accessorial charges and/or surcharges after specific written demand referring to this tariff provision. A deposit must be paid, by wire transfer, before any freight car is delivered to such Consignor, Consignee, or agent thereof for Loading or Unloading. A deposit on one unit of equipment is not transferable to another. A deposit for each car shall be in the minimum amount of two hundred dollars (\$200.00) or up to the maximum amount of accessorial charges that accrued on any one car during the preceding twelve (12) months. In the case of a Consignor, Consignee or agent thereof receiving multiple carloads for Loading or Unloading, the total amount required to be deposited shall not exceed the lesser of the amount of existing past accessorial charges accrued by the Consignor, Consignee, or agent thereof due or \$25,000. Once the Consignor, Consignee, or agent thereof is placed on Subscribing Carriers' authorized credit list, or has paid all outstanding accessorial charges and has given assurance to the satisfaction of the Carrier's credit office that future accessorial charges will be paid within the credit period prescribed in applicable tariffs, the Subscribing Carrier will refund the balance of the deposit to the Consignor, Consignee, or agent thereof by the 5th day of the month following that in which the equipment is released to the Subscribing Carrier after deducting any and all unpaid accessorial charges. Security deposits will no longer be required after the Consignor, Consignee, or agent thereof either: A. Is placed on Subscribing Carriers' authorized credit list, or B. Has paid all outstanding accessorial charges and has given assurance to the satisfaction of the Carrier's credit office that future accessorial charges will be paid within the credit period prescribed in applicable tariffs. End of page



APPLICATION FOR CREDIT

Business Name _____ Phone No. () _____

Billing Address _____ Fax No. () _____

City _____ State _____ Zip Code _____

Delivery Address _____

City _____ State _____ Zip Code _____

OWNERSHIP: ☐ Sole Owner ☐ Partnership ☐ Corp

Fed. Tax I.D.# _____

Other Affiliated Companies _____

Nature of Business _____ How Long in Business _____

Terms: NET 15 DAYS Amount of Credit Requested _____

Principals and/or Owner (s) Name, Address, Telephone Number and Title: _____

Bank Reference _____ Address _____

City _____ State _____ Zip _____

Telephone No. _____ Bank Account No. _____

Est. Annual Sales: \$ _____ Sales Area _____

No. of Emp. _____

Name, Address and Phone No. of 3 Suppliers With Whom You Do A Credit Business:

1. _____

2. _____

3. _____

PLEASE ATTACH CURRENT FINANCIAL STATEMENT

Contact: Leann Beall, Revenue Manager
PO Box 2817, Longview, WA 98632
PH (360) 501-2184/Fax (306) 501-2192
ARCredit@PatriotRail.com
www.patriotrail.com

SECTION 3

GENERAL CAR SWITCHING RULES AND CHARGES

ITEM	APPLICATION
4000	<u>GENERAL APPLICATION</u> This tariff publishes various charges allowed by which UCRY may bill a consignee / consignor or affected party. Such charges are designed to provide relief from costs associated from extra car movement or clerical duties. 1.) These charges apply to all points on UCRY. 2.) Charges apply to railroad and private cars. 3.) Tariff applies to all commodities, unless specifically omitted or delineated.
4100	<u>DEFINITIONS</u> <i>ASSESSORIAL CHARGE</i> - incidental charges for service rendered such as demurrage, weighing, diversions, etc. which are in addition to normal transportation charges. <i>BULLETIN OF TRAINS</i> - is a published schedule of trains. <i>CUT-OFF TIME</i> - is the time of day when a consignor / consignee must have instructions or advice into UCRY. <i>INTERPLANT SWITCH</i> - is the movement of car from one facility to another located on UCRY lines. This includes the movement from an industry lease track to an industry facility. <i>INTRAPLANT SWITCH</i> - is the movement of a car within the confines of an industry facility. <i>UNSCHEDULED SERVICE</i> - is service provided outside of published availability at specific request of a consignor / consignee.

SECTION 3

GENERAL CAR SWITCHING RULES AND CHARGES

ITEM	APPLICATION
4200	<u>CARS HELD AWAITING FORWARDING INSTRUCTIONS</u> Private or railroad controlled cars released from industry without proper billing or forwarding instructions, and held on railroad or leased track awaiting said instructions are subject to the following: 1.) Car released without billing or other instruction, held on railroad track \$275.00 per car 2.) Car released without billing to place onto leased track \$125.00 per car
4300	<u>INTRAPLANT SWITCHING SERVICE</u> A consignor or consignee may request car movements within an industry facility. Such intraplant movements are defined as: A.) Movement from one spot to another when final placement is at industry request, and additional switching is required to place car into the requested position. B.) Movements from one track to another at request of industry. C.) Re-spotting when multiple commodities are handled on a single spur at an industry facility, and cars are not continuous. (see note) Intraplant service \$115.00 per car Note - Continuous cars are those which remain coupled along a single line of rail for loading or unloading purposes. Re-spot charges shall only apply to those cars where a distinct separation between unloading/loading operations of different commodities exists on a common spur line.
4400	<u>INTERPLANT SWITCHING SERVICE</u> Interplant switching consists of movement at consignor/consignee advice between fixed facilities to another facility of the same customer. Facilities shall include movement from industry location where loading/unloading occurs to another, and from/to leased track not located at industry premises to/from a fixed facility. Interplant service \$150.00 per car
4425	<u>INTRAPLANT SWITCHING SERVICE - GRAIN TRAIN</u> Additional car movements may be necessary if all cars in a grain cannot be accommodated at a consignor's or consignee's facility. Should this condition arise, or if the consignor or consignee should choose to spot only a specific number of cars on the initial car spotting, the following charge will apply. Intraplant service \$100.00 per car

SECTION 3

GENERAL CAR SWITCHING RULES AND CHARGES

ITEM	APPLICATION
4450	<u>SECOND TRANSFER SERVICE</u> Second transfer switching consists of the movement of cars for the consignor / consignee from any location where such cars are held in constructive placement, storage, or hold status. Cars are subject to charge when advice is received to move equipment to a facility for loading or unloading. This Item shall apply to loaded or empty cars, and include both private and railroad controlled equipment. Charges contained in this Item will apply when advice for movement is received after the first 7:00 a.m. following the actual time of constructive placement, storage or hold status. Second Transfer Service \$150.00 per car
4475	Section Left Blank Intentionally
4500	<u>UNSCHEDULED TRAIN OPERATIONS</u> UCRY maintains a listing of scheduled trains available to perform service at various locations. Schedules are posted at open agency offices and may be requested from an agent at any time. A request for service at times or days that exceed the regular posted bulletin times may be operated at the request of a customer, provided arrangements are approved with the local superintendent. (see note) Special train movement at customer request..... \$3,750.00 per shift Note - Charges contained within this Item shall become the only charges that will apply to cars entrained within any special, demurrage being excluded from relief.

SECTION 3

GENERAL CAR SWITCHING RULES AND CHARGES

ITEM	APPLICATION
4600	<u>SERVICE REQUEST PERIOD - TIME OF CONCLUSION</u> Service requests are arranged upon a fixed daily schedule, with advice to UCRY concerning requested service being submitted to an agent within prescribed time constraints. These times, known as "cut-off" times, are posted at open agency offices and are available from an agent. A request for service submitted before a "cut-off" will result in said service being rendered during the next appropriately assigned train.
4625	<u>PLACEMENT OF SCALE / TEST CARS</u> Scale or test cars moving as a single load, when no load in favor of UCRY is generated, movement shall be charged to the consignor / consignee or affected party receiving such cars. Placement of scale / test cars \$250.00 per car
4650	<u>TURNING CARS / WYE CHARGE</u> Should industry request a car to be turned / wyed, the following charge will apply: Turning / wye charge \$275.00 per car
4665	<u>DELAY OF TRAIN</u> In the event a UCRY train and/or engine and crew is unable to perform switching service, or work is impeded due to causes attributable to a customer or industry, the following charges will apply: 1.) Initial delay charge.....\$250.00 first ½ hour 2.) Subsequent quarter hour charges following initial delay.....\$100.00 per each ¼ hour These delays include, but are not limited to: rails blocked or fouled, derails, switches, or gates locked, cars in process of being worked, inspected or sealed, or other customer request leading to delay.

SECTION 3

GENERAL CAR SWITCHING RULES AND CHARGES

ITEM	APPLICATION
4700	<u>REQUESTS FOR SERVICE AFTER EXPIRATION OF TIME LIMITS AND CHANGES TO REQUESTED SERVICE</u> Service advice, which is delivered to UCRY agency personnel after expiration of prescribed times, shall become processed into a later train. When such advice is received with a request to be incorporated into an existing, or processed movement, UCRY may honor such request with the consignor/consignee or affected party subject to charge. When an advice of movement is received within prescribed time limits, and UCRY personnel receive a subsequent request for change after expiration of such limits, cars contained within said change are subject to charge. (see note) Advice for service after expiration of time limits, or change to previous request\$175.00 per car Note - In the event UCRY is unable to meet a requested change in service, or perform a movement as described within this Item, such charge will not apply. A request to cancel an existing order for service is not subject to provisions contained in this Item.
4800	<u>CARS RECEIVED/DELIVERED TO ANOTHER CARRIER AT NON-INTERCHANGE LOCATIONS</u> UCRY maintains an active interchange between UPRR and BNSF at Ogden, although both UPRR and BNSF operate over portions of UCRY for the purpose of servicing facilities at Ogden and Evona. When a car is received onto or delivered from UCRY to another carrier at an industry location, and interchange of cars is at the advice of a consignor/consignee, such movement becomes subject to charges upon a per car basis. (see note) Cars received/delivered at industry locations from another carrier: 1.) Movement where load is not in favor of UCRY\$250.00 per car 2.) Movement where UCRY originates load\$180.00 per car Note - In the event an interchange of traffic is arranged between carriers at an industry location, charges contained in this Item will not apply.

SECTION 3

GENERAL CAR SWITCHING RULES AND CHARGES

ITEM	APPLICATION
4900	<u>WEEKEND SURCHARGE</u> UCRY offers scheduled Monday through Friday service, with Saturday and Sunday service available for an additional charge. This Item shall apply to cars handled on any UCRY train, which originates between the hours of 12:01 a.m. Saturday through 11:59 p.m. Sunday, provided an authorized agent of this railroad is in receipt of advice that request movement of car(s). This Item applies to scheduled weekend trains as posted within any open UCRY agency office. Movements which exceed the posted limits; i.e. special trains outside of such posted times, are subject to Item 4600. 1.) Weekend (Saturday and Sunday) service, posted schedule \$175.00 per loaded car 2.) Weekend (Saturday and Sunday) service, posted schedule \$125.00 per empty car
4950	<u>ADDITIONAL MOVEMENTS AT REQUEST OR RESPONSIBILITY OF CONSIGNOR OR CONSIGNEE</u> Any time car(s) are moved at the request of a consignor/consignee, which are not covered under any other Item contained within Section 4 of this tariff, this Item shall govern charges associated with such movement. In the event UCRY is unable to place car(s) at a receiving facility, other-than-public delivery tracks, car(s) will be placed into constructive placement or other hold status, whereby the following charge will apply: 1.) Car(s) held due to UCRY being unable to deliver cars due to conditions or request of consignor/consignee \$125.00 per car
4980	<u>RETURN FOR SERVICE CHARGES</u> Should UCRY arrive at an industry location after receiving proper advice requesting service, and car(s) contained within such advice not be available for release, respot, or other movement due to fault of consignor or consignee, the following charge shall apply: Return for service charge \$300.00 per car requested and unavailable

SECTION 3

GENERAL CAR SWITCHING RULES AND CHARGES

ITEM	APPLICATION																						
5000	<u>DEFINITIONS</u> <i>HAULAGE AGREEMENT</i> - is the entire cycled movement of a loaded carload of freight, which originates and terminates upon lines of UCRY.																						
5100	<u>EMPTY OR LOADED RAILCARS MOVING ON OWN WHEELS</u> Railcars moving as a single load, either for repair or otherwise, when no load in favor of UCRY is generated, movement shall be charged to the consignor/consignee or affected party receiving or shipping such cars. Charges shall apply to one-way movement, each way if applicable, as defined within Item 5200. Intermodal container and multiple unit cars are subject to special provisions. (see note) Note - Charges shall apply to any railcar, regardless of type, if no special movement conditions apply. Special movement requests are to be made through UCRY clearance agent.																						
5200	<u>SWITCHING RATES APPLICABLE OVER UCRY LINES</u> <table> <tr> <td>Railcar, moving on own wheels (one-way)</td><td>Ogden Transfer Ogden Sugar Works</td><td>Transfer Ogden Sugar Works Ogden</td><td>100.00 100.00 100.00 100.00</td></tr> <tr> <td>Railcar, Intermodal Platforms, Wells or Spines (per platform or other interconnected unit)</td><td>Ogden</td><td>All Stations</td><td>100.00</td></tr> <tr> <td>Railcar, moving as load upon flatcar (one-way)</td><td>Ogden All Stations</td><td>All Stations Ogden</td><td>300.00 300.00</td></tr> <tr> <td>Agricultural Products Haulage Agreement 01 STCC</td><td>Transfer Relico Evona</td><td>Evona Evona All Stations</td><td>175.00 175.00 190.00</td></tr> <tr> <td>All Freight - not specified in this Item Haulage Agreement</td><td>Ogden</td><td>All Stations</td><td>425.00</td></tr> </table>			Railcar, moving on own wheels (one-way)	Ogden Transfer Ogden Sugar Works	Transfer Ogden Sugar Works Ogden	100.00 100.00 100.00 100.00	Railcar, Intermodal Platforms, Wells or Spines (per platform or other interconnected unit)	Ogden	All Stations	100.00	Railcar, moving as load upon flatcar (one-way)	Ogden All Stations	All Stations Ogden	300.00 300.00	Agricultural Products Haulage Agreement 01 STCC	Transfer Relico Evona	Evona Evona All Stations	175.00 175.00 190.00	All Freight - not specified in this Item Haulage Agreement	Ogden	All Stations	425.00
Railcar, moving on own wheels (one-way)	Ogden Transfer Ogden Sugar Works	Transfer Ogden Sugar Works Ogden	100.00 100.00 100.00 100.00																				
Railcar, Intermodal Platforms, Wells or Spines (per platform or other interconnected unit)	Ogden	All Stations	100.00																				
Railcar, moving as load upon flatcar (one-way)	Ogden All Stations	All Stations Ogden	300.00 300.00																				
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All Freight - not specified in this Item Haulage Agreement	Ogden	All Stations	425.00																				
28																							

SECTION 4 GENERAL CAR STORAGE RULES AND CHARGES

ITEM	APPLICATION
6000	<u>GENERAL APPLICATION</u> The storage rules and charges in Section 4 govern the allowance of free time and assessment of charges for storage when cars subject to this Section are held beyond free time or when no free time is provided.
6100	<u>GLOSSARY OF TERMS</u> <i>PUBLIC DELIVERY TRACKS</i> - Any accessible track open to the general public for loading or unloading. <i>OTHER-THAN-PUBLIC DELIVERY TRACK</i> - Any railroad track or portion of a track assigned for individual use or for joint use, including privately owned or leased tracks. <i>PRIVATE TRACK</i> - a track outside the UCRY right-of-way, yard and terminals, and of which this railroad does not own either rails, ties, roadbed or right-of-way. When a track or portion thereof owned or operated by this railroad is assigned to the purpose of its user through a written lease or written agreement, such lease or written agreement will be considered as equivalent to ownership and the track or portion thereof treated as private track. A track or portion thereof will be considered the private track of each of two or more parties when written consent has first been obtained from UCRY for such joint use of its track, which has been assigned through a written lease or written agreement, or when written notice or such joint use has been furnished UCRY by the owner of a private track prior to actual placement of a car for account of any joint user of the track. <i>PRIVATE CAR</i> - A private car is a car bearing other than railroad reporting marks and which is not a railroad controlled car. <i>RAILROAD-CONTROLLED CAR</i> - A railroad-controlled car is a car provided to a railroad directly, by car companies or others, for the indiscriminate use by this railroad in serving any of its customers. <i>RAILROAD PREMISES</i> - The term "Railroad Premises" as used in Items 6700 through 6950, when applicable to shipments held in cars, shall embrace all tracks which this railroad provides for its own uses and purposes or for general public use, and all other tracks located inside its right-of-way or yards or terminals, except tracks located within the confines of property owned or leased by an industry. <i>CONSIGNOR</i> - The party in whose name the cars are ordered or the party who furnishes UCRY with forwarding instructions. <i>CONSIGNEE</i> - The party to whom a shipment is consigned or the party entitled to receive the shipment. <i>ACTUAL PLACEMENT</i> - Actual Placement is made when a car is placed in an accessible position for loading or unloading or at a point previously designated by the consignor or consignee. (Item 6100 concluded on next page)

SECTION 4 GENERAL CAR STORAGE RULES AND CHARGES

ITEM	
6100	<u>GLOSSARY OF TERMS - CONTINUED</u> <i>CONSTRUCTIVE PLACEMENT</i> - When a car is consigned or ordered to a private track, an industrial interchange track, or an other-than-public delivery track, and cannot be actually placed because of a condition attributable to the consignor or consignee, such car will be held at destination. If car cannot be reasonably accommodated there, it will be held at an available hold point. Notice shall be sent or given consignor or consignee that the car is held (naming the hold point if not held at destination) and that UCRY is unable to effect placement; however, if car is placed upon private track, industrial interchange track or other-than-public delivery track serving the consignor or consignee, the car shall be considered constructively placed. <i>CARS ACTUALLY OR CONSTRUCTIVELY PLACED AT EXACTLY 7:00 A.M.</i> - When cars have been actually or constructively placed at 7:00 a.m., time shall be computed from the same 7:00 a.m.; and placement shall be determined by the precise time the engine cuts loose. <i>TIME TO BE OBSERVED</i> - In the application of these rules, the time to properly apply is the time, daylight savings or standard time, lawfully in effect in the community where the car is held. <i>ASSIGNEE</i> - A shipper who requested and has been assigned specific cars. <i>ASSIGNED CAR</i> - A car of any ownership specifically requested and assigned to a shipper by a railroad. <i>BUREAU OF EXPLOSIVES TARIFF</i> - The Bureau of Explosives Tariff No. ICC BOE 6000-Series covers regulations prescribed by the U.S. Department of Transportation for the handling of hazardous materials.
6200	<u>ASSIGNED CARS</u> Except as provided in Item 6400, the provisions of Items 6300 through 6900 apply to cars of any ownership specifically requested and assigned to shippers by railroads (see note 1). This is where UCRY serves the assignee at the designated point of assignment (see note 2) as the originating switching line and is required to hold such cars on its tracks or private sidings connected therewith while awaiting: 1.) Actual or Constructive Placement on orders of, or appropriation of the cars for loading by the assignee, or 2.) Delivery of such cars to a connecting switching line performing the actual placement service where such switching line has not concurred in the assignment and holding of cars on its line subject to Section 6 of this tariff. Note 1 - When an assigned car is returned with a revenue load, subject to applicable carload rates, the car is subject to the other Sections of this tariff. Note 2 - For the purposes of applying this Section, the designated point of assignment shall mean the origin station at which UCRY has assigned or concurs with another railroad to assign specific cars for use by a specific shipper.

SECTION 4
GENERAL CAR STORAGE RULES AND CHARGES

ITEM	APPLICATION
6300	<u>ASSIGNMENT OF CARS</u> Before specific cars are assigned to a shipper, the shipper must request in writing of originating road-haul carrier(s) assignment of at least ten (10) days before their intended use of a specific number of cars.
6400	<u>ASSIGNED CARS NOT SUBJECT TO THIS SECTION</u> 1.) Cars of any ownership with an inside length of 69 feet or more. Cars with mechanical designation "XL", "XM", or "XP" are not included in this exemption. 2.) Cars of any ownership with a mechanical designation of "FM" having a carrying capacity of 200,000 lbs. or more. 3.) Empty cars of private ownership, which are not railroad controlled. In determining these exemptions, the car descriptions listed in the Official Railway Equipment Register, ICC RER 6410-Series shall govern.
6500	<u>NOTIFICATION</u> Notice containing car initial and number when such cars are held at point of assignment awaiting orders for placement or appropriation shall be sent or given assignee. In the event such cars cannot be reasonably accommodated at point of assignment, cars will be held at any available hold point and written notice will be issued also containing advice of such holding. An additional notice will not be required when car reaches point of assignment. When notice is sent or given as prescribed in this rule, and cars are found to contain less-than-carload freight, pallets and other devices, the notice tendered under this Section will serve as constructive placement notice as required in Item 1900 of Section 1 of this tariff. Upon release from demurrage, subject car will revert to application of storage charges as provided in Item 6600 of this tariff, from the next 7:00 a.m., including Saturdays, Sundays and holidays without further notice.

SECTION 4 GENERAL CAR STORAGE RULES AND CHARGES

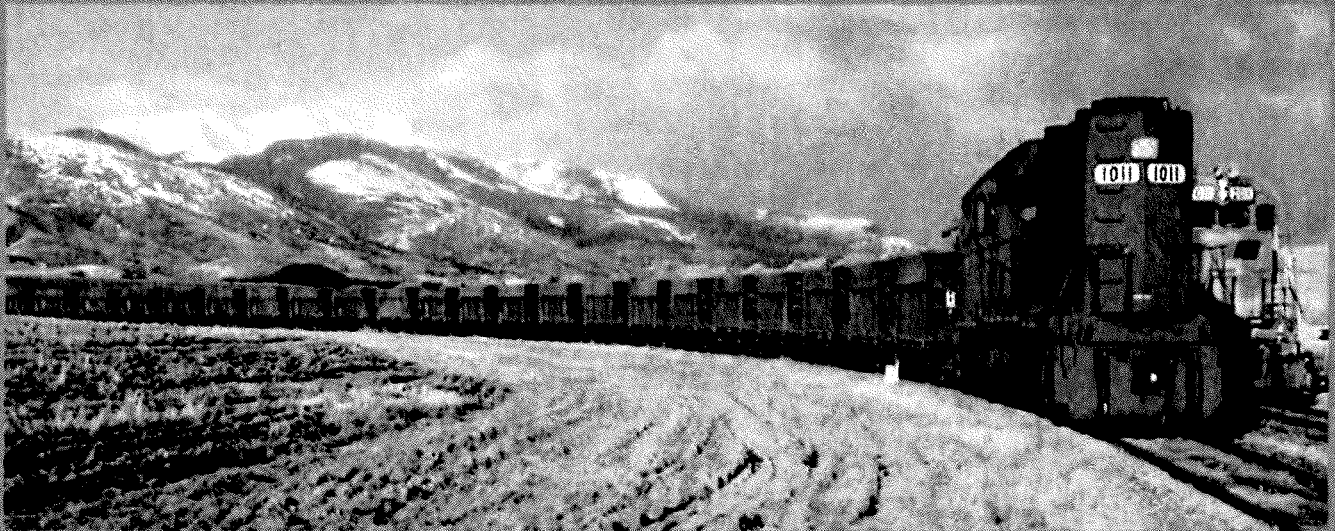
ITEM	APPLICATION
6600	<u>STORAGE CHARGE</u> No free time will be allowed on cars subject to this Section, but they will be subject to a charge of \$30.00 per car per day or fraction of a day, to be computed from the first 7:00 a.m., holidays excluded, following the sending or giving of notice as provided in Item 6500. Once storage charges commence to run, holidays are chargeable days with charges continuing until receipt of orders from assignee for actual or constructive placement or appropriation of cars for loading. Cars released from storage charges under these conditions will be subject to applicable demurrage or detention tariffs.
6700	<u>RELEASE OF CARS FROM ASSIGNMENT</u> At such time as the assignee wishes to reduce the number of an assignment by one or more cars, assignee must notify the originating road-haul carrier(s) and UCRY, in writing, or confirmed in writing, and specify the effective date of release of such car or cars which must be at least one (1) or more days after date of such notice. The originating road-haul carrier(s) will then have the prerogative of selecting the car or cars to be removed from the assignment. Storage charges prescribed by these rules will accrue on cars so selected until the effective date of release unless are previously removed by the originating carrier(s) in which case storage charges will terminate on the date of such removal. However, no assignee will be permitted to release a car or cars from an assignment by oral or written notice until all shipper-owned appurtenances have been removed by assignee.
6800	<u>CONDITIONS FOR RELIEF WHEN ASSIGNED CARS ARE FOUND TO HAVE MECHANICAL DEFECTS</u> Relief will be granted from storage charges on an assigned car while held for repair of Federal Railroad Administration safety defects or other mechanical defects, which make the car unsuitable for loading, from the time of actual discovery of the defect until the car is again made available. If storage charges have been incurred on such car prior to the discovery of the mechanical defect, storage charges will resume from the first 7:00 a.m. following the sending or giving of notice to the assignee of the availability of the car for loading.

SECTION 4 GENERAL CAR STORAGE RULES AND CHARGES

ITEM	APPLICATION
6900	<u>FREIGHT SUBJECT TO STORAGE RULES AND CHARGES IN ITEM 6950</u> The rules and charges of Item 6950 apply to shipments of classes A, B, or C explosives, as named in Part 172 Commodity List of Tariff ICC BOE 6000-Series, and hazardous materials, substances or wastes requiring the use of a 4-digit identification number on shipping papers, placards or panels, as named in Part II, Section 172.101 of Tariff ICC BOE 6000-Series, while held in cars on UCRY premises.
6950	<u>STORAGE RULES AND CHARGES ON EXPLOSIVES, HAZARDOUS MATERIALS, SUBSTANCES, OR WASTES</u> The storage charges provided in this Item are in addition to applicable demurrage charges and, except as provided below, the applicable provisions of Sections 1, 2, 3, and 6 will govern in determining these storage charges: 1.) The provisions of Item 3100, except Part A, Paragraph 3, will not apply. 2.) Strike or work stoppage, flood, high water, or other interference or Act of God will not suspend charges contained in the Item. 3.) On cars held for loading on UCRY premises, time will be computed from the first 7:00 a.m. after loading begins. 4.) Free time will be as follows: - A.) Twenty-four (24) hours free time will be allowed on shipments contained in Item 6900, for removal from UCRY premises. (see notes) 5.) After expiration of free time allowed, the following charges will apply per day of twenty-four (24) hours, or fraction thereof, until car(s) is removed from UCRY premises: - A.) Explosives - Class A \$125.00 per day - B.) Explosives - Class B & C \$100.00 per day - C.) Hazardous Materials \$75.00 per day (Item 6950 concluded on next page)

SECTION 4 GENERAL CAR STORAGE RULES AND CHARGES

ITEM	APPLICATION
6950	<u>ITEM 6950 - CONTINUED</u> Notes: 1.) When carload freight is refused at destination, this railroad shall within twenty-four (24) hours, holidays excluded, after being advised of refusal, give notice of such refusal by telephone or wire to the consignor or owner when known, or when not known, to the agent at point of shipment, who shall promptly notify consignor, if known. The term "wire", as used in this note, shall be construed to mean such forms of electronic forms of communications as telegram, teletype, telex, mailgram, facsimile machine, telecopier, or email. When notice is transmitted by telephone, (see note 3) a written record shall be maintained by this railroad. 2.) Free time will be computed from the first 7:00 a.m. after placement, or after proper notification has been sent or given where required. For the purpose of computing free time, holidays are included in free time calculation. 3.) When consignor or consignee utilizes an electronic or mechanical device to accept messages, notification left on such a device will be considered as having been given to consignor or consignee as the case may be.
7000	<u>CONDITIONS UNDER WHICH CARS MAY BE RETURNED TO POINT OF ORIGIN OR LAST INTERCHANGE</u> Where (1) a car has been constructively delivered to destination or placed in storage on the railroad because the receiver is unable to accept the car, (2) 10 days have elapsed after the railroad has given the receiver notice of delivery, (3) the receiver has an outstanding balance of demurrage for that car, and (4) the railroad has not granted credit to the receiver or has revoked the receiver's privilege of credit, the railroad may return the car to the point of origin or last point of interchange, without accruing any liability to the receiver or any other railroad and without relieving the receiver of liability for the accrued demurrage.
7050	<u>CARS RECEIVED IN ERROR</u> Cars moved onto tracks of the UCRY by connecting carrier for purposes other than interchange to or from UCRY will be subject to the following charges: 1.) Charge back against Railroad.....\$100.00 per car



Patriot Rail Company LLC

Issued: October 1, 2015

Effective: November 1, 2015

Freight Tariff No. 1000

Terms and Conditions of Service

Switching and Handling

Demurrage and Storage

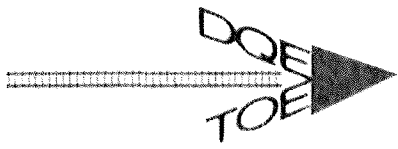
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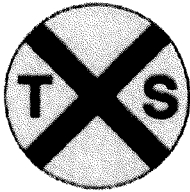
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List of Patriot Rail Company Railroads & Contact Information

Railroad	Abbreviation	Logo	Email Address
Rarus Railway, LLC d/b/a Anaconda & Pacific Railway Co.	BAP		BP-CS@PATRIOTRAIL.COM
Columbia & Cowlitz Railway, LLC	CLC		CLC-CS@PATRIOTRAIL.COM
DeQueen & Eastern Railroad, LLC	DQE		DQE-CS@PATRIOTRAIL.COM
Golden Triangle Railroad, LLC	GTRA		GTRA-CS@PATRIOTRAIL.COM
Kingman Terminal Railroad, LLC	KGTR		KGTR-CS@PATRIOTRAIL.COM

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Railroad	Abbreviation	Logo	Email Address
Louisiana & North West Railroad Company, LLC	LNW		LNW- CS@PATRIOTRAIL.COM
Sacramento Valley Railroad, LLC	SAV		SAV-CS@PATRIOTRAIL.COM
Temple & Central Texas Railway, LLC	TC		TC-CS@PATRIOTRAIL.COM
Tennessee Southern Railroad Company, LLC	TSSR		TSSR- CS@PATRIOTRAIL.COM
Utah Central Railway Company, LLC	UCRY		UCRY- CS@PATRIOTRAIL.COM

Important Contact Information

For any questions pertaining to weight restrictions, proper loading, manual submission of billing or any other inquiries contact Customer Service at 1-855-955-RAIL (7245).

Further information can be found at www.patriotrail.com

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Abbreviations

\$	U.S. Dollars
PRC	Patriot Rail Company LLC
CLASS	All Class 1 Railroads
BNSF	Burlington Northern & Santa Fe Railway Company
UPRR	Union Pacific Railroad Company
NS	Norfolk Southern
RR	Railroad (Patriot Rail Company, LLC or one of its railroads)
CSXT	CSX Transportation
KCS	Kansas City Southern
LSC	Longview Switching Company
KRR	Kiamichi Railroad

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Weight Restrictions

RR will provide services for loaded cars with a maximum gross weight as specified in table below. Shipments exceeding the maximum gross weights must be approved prior to shipment. For additional information, please contact the Customer Service Center.

Railroad	Track	MP	to	MP	Weight Limit (lbs)
BAP					286,000
CLC					286,000
DQE					286,000
GTRA					286,000
KGTR					286,000
LNW					263,000
SAV					286,000
UCRY	Ogden Industrial Lead				286,000
	All Industrial Spurs				263,000
TSRR	"A" Line	232.9 (Columbia Wye)		269.1 (Lawrenceburg)	286,000
	"A" Line	269.1 (Lawrenceburg)		312.9 (Port of Florence)	263,000
	"L" Line	227.2 (Natco)		232.5 (Columbia Wye)	286,000
	"L" Line	232.5 (Columbia Wye)		265.7 (Pulaski)	263,000
TC	Industrial Park Sub.				263,000
	Central Pointe Sub.				286,000

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Section 1 – General & Car Demurrage Rules and Charges

1.01 INTRODUCTION

Thank you for partnering with Patriot Rail Company LLC for your freight and logistics needs. The purpose of this publication is to provide our customers with a clear understanding of the terms and charges associated with the services we provide.

The terms and conditions of service, as well as the charges stated in this Tariff are applicable to all points on RR lines. This document supersedes and replaces all former versions of Tariff 6400.

By arranging for services with Patriot Rail Company, LLC and any of its railroads (herein referred to as "RR"), a customer or any third party acting under the direction or on behalf of a customer (agent), authorizes and accepts all the rules, requirements, and charges published herein. Any action taken by a customer or its agent(s) that initiates, accepts delivery, or affects a movement of supplemental service on one of Patriot Rail Company's railroads, constitutes acceptance by that customer of all terms, rules, and applicable charges contained in this document, unless otherwise stated by a private agreement or each RR's specific Charge Catalog.

1.02 GENERAL APPLICATION

This Tariff publishes various charges by which RR may bill a customer or agent. These charges are designed to

compensate the RR for costs incurred for activities performed.

Charges contained in this Tariff apply to all commodities (unless specifically omitted or otherwise explicitly provided), to all points on the RR, and to rail controlled and private cars.

1.03 MILEAGE ON PRIVATE CARS

Patriot Rail Company, LLC and its railroads ("RR") do not generally pay mileage on private cars. All moves are zero mileage payout while on the RR, except in cases in which RR specifically agrees otherwise in writing.

1.04 GENERAL TERMS RELATED TO HOLDING CARS, DEMURRAGE, STORAGE

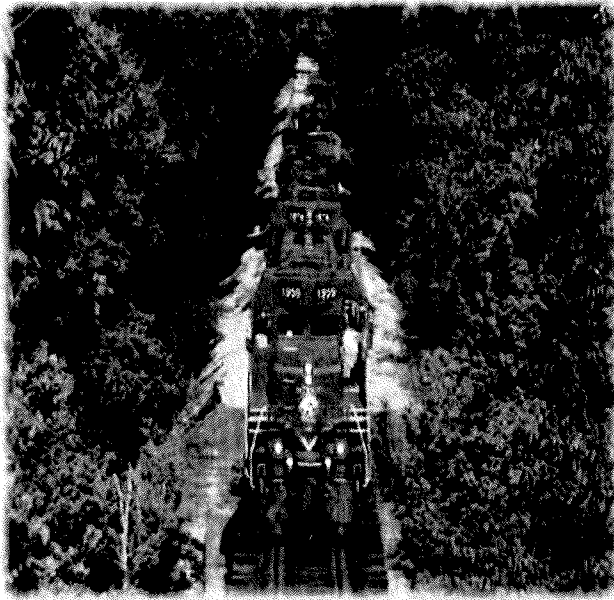
The disposition of a car at its point of detention determines the purpose for which the car is being held and therefore the applicable rules.

All cars (RR-controlled and private) held for or by consignors, consignees or parties responsible for the loading or unloading of the railcar are subject to demurrage rules and charges in this section, with the following **EXCEPTIONS**:

1. Private cars held on leased or private tracks.
2. Cars containing freight refused or unclaimed and awaiting sale by the RR for the time held beyond legal requirements.
3. Cars assigned to shippers returned to points of assignment loaded when material is authorized to be returned without freight charges under provisions of freight publications.

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4. Cars assigned to shippers returned empty to point of assignment while subject to storage rules.
5. Empty railroad equipment moving on its own wheels under transportation charges as freight.



1.05 EMPTY CARS ORDERED OR APPROPRIATED FOR LOADING BUT NOT USED

When empty cars are placed on orders but not used in transportation service, demurrage will be charged for all detention, excluding holidays, from actual or constructive placement (Items 2.1 & 2.2) or appropriation until the time RR interchanges the car(s) back to other railroads, and RR's car hire liability is transferred, and car hire charges cease to accrue to RR.

Customers performing switching service for themselves or other parties must, in addition to advising RR that cars will not be used in transportation service for

loading, return such cars to the point at which the RR initially delivered the car.

In the application of this Item, a demurrage day consists of a twenty-four (24) hour period or fraction thereof computed from the hour of actual or constructive placement of the car or appropriation, except when cars are placed in advance of the date for which they were ordered for loading, in which case time will be computed from 12:01 a.m. of the day for which they were ordered.

When a car is ordered and placed on a public track and is not used, and no instructions are received from the party who ordered the car within twenty-four (24) hours from the first 12:01 a.m., demurrage charges accrue. The car may be removed and treated as released at the time of removal.

In the event a car is rejected because it is not suitable for loading, this Item will not apply if the party ordering the car advises RR of rejection and condition that caused car to be rejected within twenty-four (24) hours, exclusive of holidays, after actual placement. If rejection has not been made within time specified in the previous paragraph, demurrage will be charged for all detention, computed as set forth in this item.

These provisions will also apply in connection with cars that are held on constructive placement on shipper-owned or leased tracks and on cars that are on-route to be delivered or constructively placed.

*Note: charges and additional terms specific to each Patriot Rail Company LLC railroad ("RR") are stipulated in Charge Catalog 2000 Series, issued for each railroad and available on our website: www.patriotrail.com

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1.06 CARS PULLED WITH NO BILLING

It is the customer's responsibility to submit billing instructions in an accurate and timely manner. Railcars that are not promptly billed interfere with our ability to safely and efficiently operate our railroads. Therefore, loaded cars pulled at customers' request without proper shipping instructions will incur a fee, in addition to demurrage and any other applicable charges. Any charges incurred due to incomplete or missing shipping instructions are the responsibility of the Consignor or Freight Payer. . The charges associated with cars pulled without proper billing are specified in each RR's Charge Catalog 2000 Series.

1.07 EMPTY OR LOADED CARS RELEASED BUT NOT AVAILABLE TO PULL

It is the customer's responsibility to ensure that cars released are available to pull. When customers release an empty or loaded car and it is determined upon arrival of the crew that the equipment cannot be pulled by RR as a result of conditions attributable to consignor, loader, consignee, In-care-of party, unloader, etc - a per car fee may be assessed as specified in each RR's Charge Catalog 2000 Series.

The charges associated with cars released but not available to pull shall be assessed in addition to demurrage and any other applicable charges.

1.08 INTERCHANGE SET-BACK CHARGES**I. CUSTOMER ERROR**

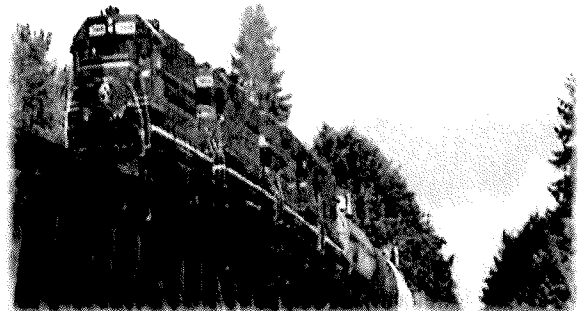
Cars released without proper billing instructions that are returned to us by interchange railroads will incur a set-back charge assessed in addition to any other applicable linehaul and accessorial charges. If Shipper billed in error, the Shipper is responsible for return handling charge, set-back charges, and any other applicable charges. Charges are specified for each RR in Charge Catalog 2000 Series

II. RAILROAD ERROR

Interchange railroads delivering cars in error to RR, will be assessed a set-back charge.

1.09 CUSTOMER SET-BACK CHARGES

Upon customer request to return cars previously released to RR, RR will perform the return service for a charge assessed in addition to any other applicable linehaul and/or accessorial charges.



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1.10 NOTIFICATIONS FROM RR

RR will provide notice electronically (via ShipperConnect web portal or email) as follows:

1. On cars destined for public delivery tracks, notice will be given to the appropriate party when the car is placed.
2. On cars for other-than-public delivery tracks, notice of constructive placement will be given to the appropriate party.
3. Actual placement of a car upon the tracks of a consignor or consignee will constitute notice except when two or more parties use the same track, notice will be provided.
4. On cars stopped in transit, notice will be given to the party instructing the stop when the car arrives at the stop point.
5. On refused loaded cars, notice will be given to the consignor.

Consignor, consignee or other affected party must furnish RR forwarding instructions, empty car release information or other disposition (as applicable) electronically. When the device used indicates the time and date, such time and date will govern. To include auto time and date stamp, see Item 2.1 below.

1.11 NOTIFICATIONS TO RR (1250)

Placement Requests: All car placement requests must be submitted to RR using ShipperConnect™. RR will accept requests provided to its Customer Service Center via telephone, email, or fax, subject to a \$65 charge. The charge applies to each request (not a per car charge).

RR will accept billing information via three methods, at no charge:

1. ShipperConnect™/EBOL
2. Class 1 website
3. By making arrangements with 3rd party logistics services providers to submit forwarding instructions on their behalf via EDI or via a Class 1 website tool.

For our customers' convenience, Patriot Rail Company, LLC accepts billing instructions forwarded to its Customer Service Center via email or fax however this requires manual input of billing information by RR employees. Manual input of customer billing information is subject to a **\$65** charge per each bill of lading. RR reserves the right to reject any unreasonable request for service, any fax or email forwarding instructions that are illegible, whether due to poor transmission quality, illegible handwriting or otherwise.

RR will not accept delivery of forwarding instructions by U.S. Mail, express service, personal delivery, or any other means.

Hazardous Materials (including hazardous waste) billing instructions will incur an additional **\$45** charge.

All empty release information must be submitted to RR using ShipperConnect™. RR will accept empty release information provided to its Customer Service Center via telephone, email, or fax, subject to a **\$65** charge per incident.

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When electronic devices are used to forward instructions and/or empty release information to RR, the date and time recorded by these devices will be the date and time instructions shall be considered as received by RR.

1.12 FREE TIME

In general, free time as stated below will be allowed for each car. However, each RR's Charge Catalog 2000 Series, or any private contract arrangements will supersede the free time specified in this Item.

72 HOURS: LOAD/UNLOAD AGRICULTURAL PRODUCTS

- Loading or unloading all agricultural products handled in switching service, as defined in switching or other tariffs of RR and will include "set-back service" as defined in tariffs on this railroad.

48 HOURS: LOADING/UNLOADING

- Complete unloading.
- Partial or complete loading
- Partial or complete unloading
- Partial unloading and reloading
- Loading or unloading all commodities handled in intraplant switching service as defined in switching or other RR tariff, and will include "set-back service" as defined within RR tariff.

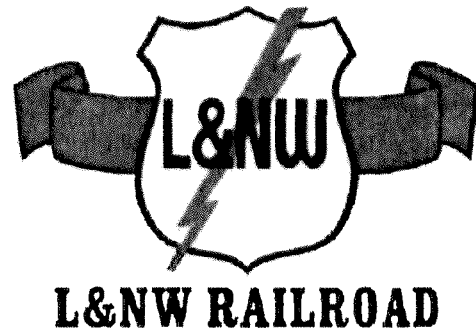
24 HOURS: STORAGE & OTHER

- Cars held in constructive placement, including private cars held on RR track.
- Cars awaiting instructions from order-in customers.
- Diversions, reconsignments or reshipments.
- Cars held in transit.
- Storage charges – empty private or system pool cars.

Free time will be computed from the first 12:01 a.m. after placement or after proper notification has been sent or given when required or constructively placed. In all cases, after free time has expired and demurrage is being incurred, non-working days, weekend days, and holidays are included in calculating time. Before the expiration of free time, holidays, weekend days, and any other non-working days will be excluded from time calculation.

1.13 HOLIDAYS

Holidays observed are different for each RR and are therefore referenced separately in each railroad's Charge Catalog 2000 series.



Section 2– Car placement; Loading & Unloading

2.01 ACTUAL PLACEMENT

“Actual Placement” means a car physically placed in an accessible position for loading or unloading at a point generally designated or used by the shipper or receiver (consignor or consignee).

2.02 CONSTRUCTIVE PLACEMENT

When a car consigned or ordered to a private track, an industrial interchange track, or other-than-public delivery track cannot be actually placed because of a condition attributable to the consignor or consignee, such car will be held by RR at destination. If it cannot be reasonably accommodated there, it will be held at an available hold point and notice shall be provided to the consignor or consignee that the car is held (naming the hold point if not held at destination) and that RR is unable to effect actual placement. Such cars that cannot be physically placed for loading and unloading (“Actual Placement”) and remain in RR control, are considered “Constructively Placed” and will accrue demurrage the same way as if actually placed

A car placed upon private track, industrial interchange track, or other than public delivery track serving the consignor or consignee, shall be considered constructively placed without notice.

2.03 LOADING

Loading is the complete or partial loading of a car within the confines of the same industry or public delivery yard and must be completed with regard to all railroad loading and clearance rules in order to ensure safety and security for all parties. Advice must be provided to the RR that the car is available for movement, and billing instructions must be furnished to RR.

The RR utilizes electronic and mechanical devices capable of recording the date and time at which forwarding instructions were received from consignor or affected party. This recorded date and time will govern the release time and date of the cars.

Private and railroad controlled cars that are consigned for delivery to private tracks, which first must be held on railroad tracks under constructive placement, are subject to demurrage/storage provisions and charges as applicable in Section 3 of this Tariff and in each RR’s Charge Catalog Series 2000. Free time allowed will be governed by Item 1.12 of this Tariff, unless superseded by specific terms in each RR’s Charge Catalog 2000 Series.

2.04 UNLOADING

“Unloading” means the complete or partial unloading of a car, a notice from the consignee that the car is available for movement, as well as timely provision of billing instructions for the empty car.

Information provided by the consignee must include identity of consignee, date and time, car initial and number.

Loaded cars (of railroad or private ownership) held for unloading on RR tracks under Constructive Placement are subject to demurrage, storage, and other provisions

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and charges stipulated in Section 3 of this Tariff and in each RR's Charge Catalog Series 2000.

2.05 PUBLIC DELIVERY TRACK

Except as provided in Items 2.3 and 2.4, on cars for loading and unloading on public delivery tracks or team tracks, time will be computed from the first 12:01 a.m. after actual placement and after required notice has been sent or given.

When delivery of cars on public tracks cannot be made because cars on hand exceed track capacity, such cars will be held at an available point. Time of constructive placement will be computed from the first 12:01 a.m. after notice of arrival at the holding point has been provided to consignee.

"Patriot Way":

*Patriot Rail strives to be efficient,
focused, and responsible in all
things, with safety at the
forefront.*

PRC Freight Tariff

Section 3 – Demurrage

3.01 DEMURRAGE CHARGES

Demurrage is a fee charged for extended use of railroad-controlled assets, beyond the free time allowed for the performance of certain activities (Item 1.12). The purpose of demurrage charges is to ensure that:

1. Cars are loaded and unloaded expeditiously so that they become available for the next shipment
2. Track capacity is optimized and traffic remains fluid.

Demurrage is an essential tool in maintaining efficient railroad operations by encouraging the optimal utilization of very expensive assets.

Demurrage charges apply to all cars as described under the rules contained within this Tariff.

Item 1.12 describes the free time allowed for the completion of certain activities. After the expiration of free time, demurrage will be assessed on a per car, per day (or fraction of day, as applicable) basis, until the car is released.

Specific charges and any additional terms and rules that may be applicable specific to each Patriot Rail Company, LLC railroad are stipulated in Charge Catalogue 200 Series, issued for each railroad separately, and these supersede the general terms of Item 1.12.

3.02 COMPUTATION OF DEMURRAGE CHARGES

Demurrage is totaled by calculating the days (or fraction of a day), the car was held by the consignor or affected party after the expiration of free time, if any free time was allowed.

3.03 CARS UNLOADED AND RELOADED

I. WHERE RR PERFORMS SWITCHING SERVICE

When the same car is unloaded and subsequently reloaded, each transaction will be treated as independent of the other and free time for reloading shall not begin until the first 12:01 a.m. after unloading is complete and billing instructions are provided.

When empty release information is not furnished, the car will be released from the unloading transaction at the date and time forwarding instructions are received.

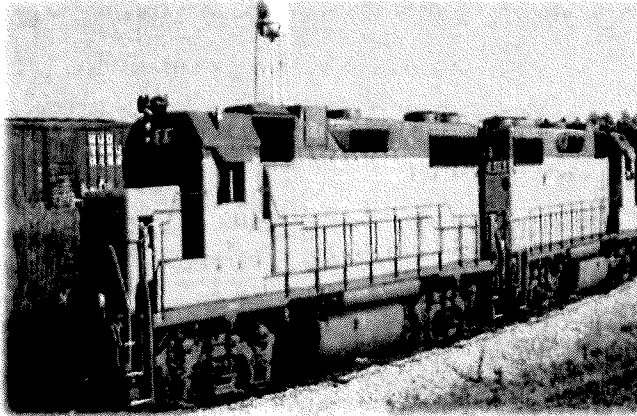
II. WHERE CUSTOMER PERFORMS SWITCHING SERVICE

When the same car is both unloaded and reloaded, each transaction will be treated as independent of the other and free time for reloading shall not begin until the first 12:01 a.m. after unloading is complete, in which case the industry must notify RR of the date and time car was unloaded and instructions provided within two (2) days after completion of unloading (exclusive of Saturdays, Sundays, and holidays).

If instructions are not furnished within the two (2) day period, the car will be released from the inbound demurrage transaction on the date and time empty release information is received. In the event the unloading information is not furnished before 12:01 a.m. of the date the loaded car is returned to the

PRC Freight Tariff

interchange track, then 12:01 a.m. of the date the loaded car is returned to the interchange track will be the time and date to be observed on the inbound demurrage transaction.



Patriot Rail Core Value:

*We conduct ourselves with
financial, ethical and personal
integrity.*

PRC Freight Tariff

Section 4 – Cars Held Temporarily

4.01 CHARGES FOR HOLDING CARS

Orders to hold cars will only be accepted from:

1. The freight payer or its authorized representative/agent.
2. Consignee, if issuing instructions for delivery to a RR served or open industry within the switch limits of the billed destination of record at the time of the diversion request.
3. Lessee or owner of private empty equipment (UMLER is the only reference file from which ownership or lease information will be accepted).

Orders to hold cars will be accepted only if the car is in RR's possession and has not yet been placed/interchanged or classified for delivery to the consignee, switching railroad, or connecting carrier.

Car will be held at a location of RR's choosing, convenient to normal operations so as not to impact normal handling of the car or other shipments. Notice of arrival will be given to the party on whose order the car is held when the car reaches the holding station.

If subsequent to storing the cars, notice is submitted to RR for reconsignment, diversion, or reshipment, charges for those services shall be assessed in addition to storage.

Cars held will be subject to daily storage charges (per car per day), as specified in each RR's Charge Catalog Series 2000. Storage time accrues after expiration of free time as specified in Item 1.12, until diverted, rebilled, or released.

The following will apply if additional movement of the car is required at the station where the car is held:

1. If the car is ordered to be moved to another location at the hold station, it will be subject to applicable switching or linehaul charges.
2. Any additional orders for movement of the car at the hold station will be subject to the applicable switching charges for each ordered movement of the car.



4.02 PRIVATE CARS HELD OR STORED ON PRIVATE OR RAILROAD TRACKS

Loading and Unloading are defined in Items 2.3 and 2.4 of this Tariff. In general, private cars on private tracks will be exempted from the demurrage rules and charges provided in this Tariff. However, if prior to delivery to private tracks, cars must be held on RR tracks under

PRC Freight Tariff

constructive placement, such cars will be subject to the demurrage terms and charges provided in this Tariff.

Charges shall accrue after expiration of:

- a. Allowed 24 hours free time, as provided under Item 1.12, when car is delivered to private tracks.
- Or,
- b. 24 hours free time when diverted, reconsigned, or reshipped before delivery to private tracks;

Such cars will be considered released from the applicable demurrage transaction of a. or b. above at the time the diversion, reconsignment, or reshipment order is received, or at the time advice is given RR to place such private cars onto private tracks to which consigned.

Loaded or partially loaded cars moved from private tracks at customer's request are subject to demurrage charges as provided in this Tariff, without free time allowance and without notice to customer. Demurrage accrues from the first 12:01 a.m. after such cars are moved, until forwarding instructions are furnished, or until cars are placed or returned to private track on advice from customer.

4.03 RULES GOVERNING CARS HELD FOR PURPOSES OTHER THAN LOADING OR UNLOADING

This section applies when cars are held for purposes other than loading or unloading, including cars which have been ordered, appropriated, or tendered for loading or unloading and which are later reconsigned, diverted, reshipped, or released empty, without loading. Item 1.12 of this Tariff will govern the computing of time.

When cars are held in transit due to, or on orders of, the consignor, consignee, or owner, time will be computed

from the first 12:01 a.m. following the sending or receiving notice of arrival. Included are cars destined for a connecting line, cars found to be overloaded or improperly loaded, and cars held for surrender of order-notify bills of lading or payment of lawful charges, or for any purpose not otherwise specifically provided for in these rules.

Cars will be released at the time order bills of lading or lawful charges are received by RR or any railroad which has participated in the transportation transaction or an order is received sufficient to move the cars to a consignee at another station.

Cars held will be subject to daily storage charges (per car per day), as specified in each RR's Charge Catalog Series 2000. Storage time accrues after expiration of free time as specified in Item 1.12, until diverted, rebilled, or released. Any other pertinent linehaul or accessorial charges apply in addition to the storage charge specified in this Item.

4.04 CARS OF GRAIN HELD IN TRANSIT FOR INSPECTION

When cars of grain, seeds (field or grass), grain screenings, soybeans, hay straw, corn husks or corn shucks, subject to final inspection or grading are, held in transit and placed on inspection track(s) of this carrier at designated stations for inspection grading, including for reconsignment or other disposition, the free time will begin at the first 12:01 a.m. after the notice of arrival is sent or given to the consignee or party entitled to receive it and will expire on the following 12:01 a.m. A demurrage day under this Item consists of a twenty-four (24) hour period computed from 12:01 a.m.

In the application of this Item, the term "Held in Transit" means after the cars have left the last loading station and before delivery at point of unloading. This Item will

PRC Freight Tariff

not apply to cars held for inspection at the station where loaded, nor to cars billed direct to public team tracks, or to elevators, mills or other industries within the switching limits of the billed destination, and there inspected and delivery taken.

The Inspection referred to in this Item is the taking of representative sample(s) and establishing the official grade of the contents of the car by competent and impartial authorities independent of the vendor or vendee and only in accordance with national, state, Board of Trade or Grain Exchange authorization or requirements except that on hay, straw, or corn husks the inspection may be as necessary or desired.

4.05 CARS HELD FOR FORWARDING INSTRUCTIONS

On cars received from private or team tracks, and held by RR for forwarding instructions or other disposition, time will be computed from the first 12:01 a.m. after they are received until proper forwarding instructions or other disposition is provided.

On cars received from another railroad and held by RR for forwarding instructions or other disposition, demurrage will be assessed from the first 12:01 a.m. after the receipt, until proper forwarding or other disposition instructions are received.

Note: For RR's convenience, cars may be held at a location other than the location at which the cars were received.

"Patriot Way":

Safety is our joint responsibility.

We own it together.

*Demonstrate safety advocacy
every day!*

PRC Freight Tariff



Patriot Rail Core Value:

*We care for our environment,
employees, and customers*

*“Patriot Rail Company LLC
(Patriot Rail) is a leading
operator of short line
railroads and railcar repair
facilities in
14 states across the U.S.”*

PRC Freight Tariff

Section 5– Overloaded and Improperly Loaded Cars

5.01 GENERAL RULES GOVERNING IMPROPERLY LOADED OR OVERLOADED CARS

It is the responsibility of the shipper to ensure that its shipment complies with the AAR Loading Rules and any loading rules or instructions issued by RR. RR cannot and does not routinely inspect shipments to determine compliance with these Loading Rules in light of the various different requirements peculiar to each respective shipment needed to secure compliance with the Loading Rules. Where RR does inspect a shipment, it does so in general terms and takes no responsibility for hidden, latent, or patent non-compliance with the Loading Rules which, because of the unique characteristics of the shipment, are not readily recognizable except to a person expert to the particular shipment.

When cars are found to be overloaded or improperly loaded and not in conformity with railroad loading and clearance rules, the following rules will apply.

1. If found while still on customer or RR tracks where loaded, car will be considered to be under continuous loading transaction until adjustment of the load has been made, if necessary, and final

clearance is received for further movement. (*see Note*)

2. If found at origin after having been removed from industry or RR tracks where loaded, car will not be considered released until load has been adjusted, if necessary, and final clearance has been received for further movement. The time between furnishing of forwarding instructions and making of car available to consignor for adjustment will not be computed against car. (*see Note*)
3. If, after having left origin station, a car is found to be overloaded, RR may elect to stop the overloaded car enroute and hold it on a track where partial unloading may be accomplished. It will be the responsibility of the consignor or owner of the shipment to partially unload the car at its expense. Removal of lading must be sufficient to eliminate the overload condition as defined above. RR has no obligation to furnish any personnel, equipment or machinery that may be necessary to partially unload the overloaded car

Time will be computed from the first 12:01 a.m. following notice that car is being held.

Charges for each car found to be overloaded or improperly loaded will be assessed charges as stipulated in each RR's Charge Catalog 2000 Series.

Demurrage shall accrue for each car from the time of notification by RR until RR has been advised that lading has been adjusted and the car is ready to move on to destination. No free time will be allowed and charges will apply for all days held, including holidays.

Note – Adjustment of load must include written advice (via email or fax) to authorized personnel of RR that shipment now conforms to railroad loading and/or clearance rules, and is now ready for inspection to permit final clearance for further movement.

PRC Freight Tariff

5.02 CARS FOUND OVERLOADED DUE TO WEATHER CONDITIONS

Where an overloaded condition is due, in part, to weather (rain, snow, ice, etc), applicable railroad charges (including but not limited to demurrage, storage, switching, and reweighing) will be waived if:

1. The consignor or owner of the shipment provides a certified weight certificate showing the weight of the shipment was below the stenciled load limit of the car and such certificate is provided within 24 hours of notification of overload (excluding Saturdays, Sundays, and Holidays); and
2. The consignor or owner of the shipment partially unloads the car or otherwise eliminates the overload condition at its expense within two days.

Absent the timely presentation of such a certified weight certificate all railroad charges shall apply. If the overload condition is not remedied by the consignor or owner of the shipment within the two days, all applicable railroad charges shall apply and will be assessed after the end of the fifth day. Railroad charges that would have been assessed during the two days shall be applied retroactively.

"Patriot Way":

*We are a company committed to a
just culture where people know
that they will be treated fairly and
respectfully in all situations.*



PRC Freight Tariff

Section 6 – Credit Terms and Security Deposit

6.01 PAYMENT AND CREDIT TERMS

All charges under this tariff must be prepaid, unless satisfactory arrangements with RR have been made prior to performance of service.

Charges for services rendered under terms of this Tariff will accrue against the customer located on the RR or against the responsible rail carrier involved, unless arrangements to the contrary have been made with RR prior to performance of service.

All payment for services provided by RR, whether covered in this Tariff or not, are due and payable within fifteen (15) days for freight and thirty (30) days for non-freight following the invoice date. Payments received after expiration of the credit period shall be subject to a service charge of two percent (2%) per month (or fraction thereof) of the outstanding balance.

6.02 SECURITY DEPOSITS FOR PAYMENT OF DEMURRAGE AND STORAGE CHARGES

All consignors, consignees or agents thereof conducting business with RR, or on a RR's property, will be required to apply for credit with Patriot Rail Company LLC.

All railroads, except Class 1 rail carriers and rail carriers that previously conducted business with the RR, will be required to apply for credit with RR

Credit will be granted solely at the discretion of Patriot Rail Company LLC.

6.03 SECURITY DEPOSITS

Security Deposits for Payment of Demurrage and Storage Charges

All Consignors, Consignees or agents thereof conducting business with RR, or on RR's property, will be required to apply for credit with RR.

All railroads will be required to apply for credit with the RR, except for Class 1 rail carriers and other rail carriers that conducted business with the Subscribing Carrier prior to January 1, 2015.

Credit will be granted solely at the discretion of RR.

Security Deposits for Payment of Accessorial Charges and/or Surcharges

A security deposit to ensure payment of any accessorial charges and/or surcharges that may accrue will be required from every Consignor, Consignee, or agent thereof who:

- A. Is not on the Subscribing Carrier's credit list, and / or
- B. Fails to pay accessorial charges and/or surcharges after specific written demand referring to this tariff provision.

A deposit must be paid, by wire transfer, before any freight car is delivered to such Consignor, Consignee, or agent thereof for Loading or Unloading. A deposit on one unit of equipment is not transferable to another.

PRC Freight Tariff

A deposit for each car shall be in the minimum amount of two hundred dollars (200.00) or up to the maximum amount of accessorial charges that accrued on any one car during the preceding twelve (12) months.

In the case of a Consignor, Consignee or agent thereof receiving multiple carloads for Loading or Unloading, the total amount required to be deposited shall not exceed the lesser of the amount of existing past accessorial charges accrued by the Consignor, Consignee, or agent thereof due or \$25,000.

Once the Consignor, Consignee, or agent thereof is placed on Subscribing Carriers' authorized credit list, or has paid all outstanding accessorial charges and has given assurance to the satisfaction of the Carrier's credit office that future accessorial charges will be paid within the credit period prescribed in applicable tariffs, the Subscribing Carrier will refund the balance of the deposit to the Consignor, Consignee, or agent thereof by the 5th day of the month following that in which the equipment is released to the Subscribing Carrier after deducting any and all unpaid accessorial charges.

Security deposits will no longer be required after the Consignor, Consignee, or agent thereof either:

A. Is placed on Subscribing Carriers' authorized credit list, or

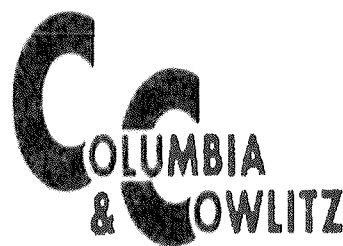
B. Has paid all outstanding accessorial charges and has given assurance to the satisfaction of the Carrier's credit office that future accessorial charges will be paid within the credit period prescribed in applicable tariffs.

6.04 BILLING DISPUTES

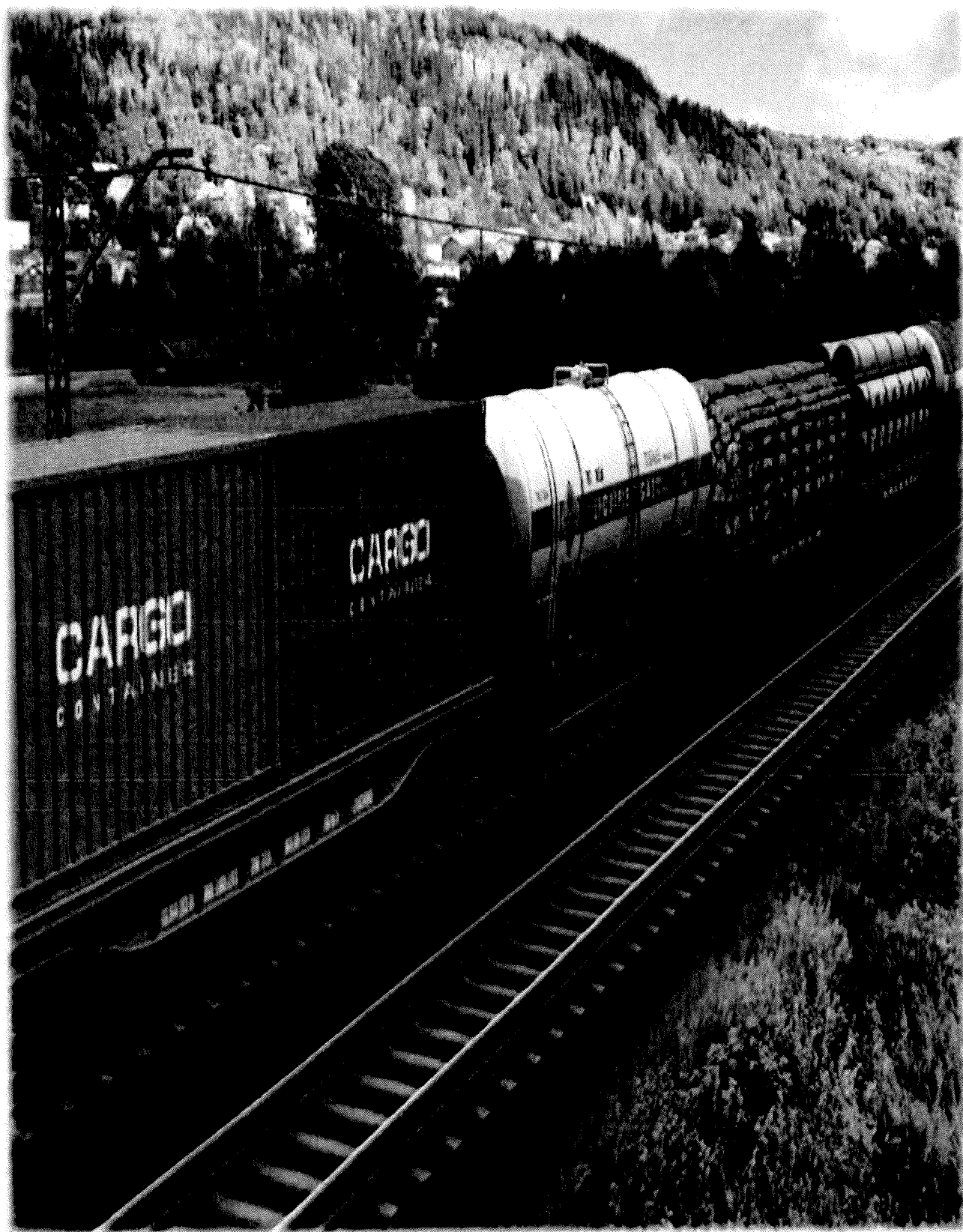
We commit to addressing disputed bills urgently

If you believe that there has been a billing error, we want to make it right as quickly as possible. To be eligible for this guarantee, the following procedure should be followed:

- A. The dispute must be specific in nature, applying to a specific car or car group, related to time of actual or constructive placement, release, or application of rules and terms in this Tariff
- B. Claims must be submitted in writing, within 30 days of the invoice date to:
revenuegroup@patriotrail.com.
- C. Along with the specific claim (including the car initial and number and the related invoice number), a brief description of relevant facts should be included
- D. Customer or agent must pay the undisputed amount at the time the dispute is filed, according to normal bill payment procedures.



Railway Company



PRC Freight Tariff

Section 7 – General Car Switching Rules and Charges

7.01 INTRAPLANT SWITCHING

A consignor or consignee may request car movements within the same industry facility. Such intraplant movements are defined as:

- A. Movement from one spot to another when final placement is at industry request and additional switching is required to place car into the requested position.
- B. Movements from one track to another at request of industry.
- C. Re-spotting when multiple commodities are handled on a single spur at an industry facility, and cars are not continuous. (*see Note*)

Intraplant switching moves will incur charges as stipulated in each RR's Charge Catalog 2000 Series

7.02 INTERPLANT SWITCHING

Interplant switching consists of movement at consignor/consignee's request between fixed facilities to another facility of the same customer. Facilities shall include movement from industry location where loading/unloading occurs to another, and from/to

leased track not located at industry premises to/from a fixed facility.

Interplant switching moves will incur charges as stipulated in each RR's Charge Catalog 2000 Series

7.03 SECOND TRANSFER SERVICE

Second transfer switching consists of the movement of cars for the consignor/consignee from any location where such cars are held in constructive placement, storage, or hold status. Cars are subject to charge when advice is received to move equipment to a facility for loading or unloading. This Item shall apply to loaded or empty cars, and include both private and railroad controlled equipment.

Associated charges are contained in Charge Catalog 2000 Series published for each railroad

7.04 SERVICE REQUEST – "CUT-OFF TIMES"

To ensure safe, reliable, and efficient operation of our railroads, all service requests must be submitted to RR within prescribed time constraints. These times, known as "cut-off" times, vary among our railroads (and sometimes vary by day of the week, etc). Questions regarding service parameters, including "cut-off times," should be directed to our Customer Service Center via email addresses provided (specific to each RR) or the centralized telephone number provided in this Tariff.

PRC Freight Tariff

7.05 REQUESTS FOR SERVICE AFTER EXPIRATION OF TIME LIMITS AND EXPEDITED SERVICE

Requests for service submitted to RR after expiration of cut-off time will be processed into the earliest next train available. RR may honor requests for expedited service whenever feasible and at its sole discretion, subject to an additional expedite service charge.

When an advice of movement is received within prescribed time limits and RR personnel receive a subsequent request for change after expiration of such limits, cars contained within said change are subject to the additional expedite service charges specified above.

7.06 PLACEMENT OF SCALE TEST CARS

Scale or test cars moving as a single load in regular, scheduled train service, when no load in favor of RR is generated, shall be charged to the consignor/consignee or affected party receiving such cars. An amount of no less than \$1,500 per car shall be assessed, unless different arrangements are made prior to the move.

7.07 TURNING CARS / WYE CHARGE

Should industry request a car to be turned/"wyed", charges will apply as specified in each RR's Charge Catalog 2000 Series. Turning of cars charges are also applicable per terms of Item 11.1.

7.08 DELAY OF TRAIN CAUSED BY CUSTOMER

In the event a RR train and/or engine and crew are unable to perform switching service, or work is impeded due to causes attributable to a customer or agent, charges will apply as follows:

1. Crew/train waiting: per hour charge (and any fraction thereof) assessed per Charge Catalog 2000 Series issues for each RR
2. Crew returning to industry to perform service: charge shall be assessed, in addition to any other applicable charges per services performed, according to each RR's Charge Catalog 2000 Series

Delays include, but are not limited to: rails blocked or fouled, derails, switches, gates locked, cars in process of being worked, inspected or sealed, or other customer request leading to delay.

7.09 CARS RECEIVED FROM/ DELIVERED TO ANOTHER CARRIER AT NON-INTERCHANGE LOCATIONS

RR maintains active interchange points with other railroads, although other railroads may also operate over portions of RR track for the purpose of servicing facilities at select locations. When a car is received by RR or delivered from RR to another carrier at an industry location and interchanged at the request of a consignor/consignee, such movements are subject to the pre-established linehaul (or switching/handling) charges. If no prior linehaul or switching charges have been established, the per car charges will be governed by each RR's Charge Catalogue 2000 Series.

PRC Freight Tariff

7.10 UNSCHEDULED ("EXTRA") TRAIN SERVICE

This Item applies to **unscheduled trains and service** where essentially the same service that is performed during scheduled operations is performed outside the scheduled operation, without any additional work involved. For example, on Patriot Rail Company LLC railroads offering service Monday through Friday, each RR may, at its sole discretion, offer "extra" service between the hours of 12:01 a.m. Saturday through 11:59 p.m. Sunday, that is essentially the same as the service offered during scheduled Monday through Friday operations. Unscheduled "extra train" service may be made available, per request and at the sole discretion of RR, for an additional charge.

Unscheduled extra train service is not to be confused with "special train service" (discussed in Section 9), which is materially different from regularly offered service. For example, moving over-weight or dimensional freight, or moving freight that requires special engineering clearance, or moving freight on specialized car types or requiring special arrangements (e.g. heavy duty flats, freight requiring buffer or idler cars, etc), is "special service," whether it moves in scheduled service or extra train.

Charges for extra train vary among our RRs and are specified in each RR's Charge Catalog 2000 Series

7.11 EMPTY OR LOADED RAILCARS MOVING ON OWN WHEELS

Railcars moving as a single load, either for repair or otherwise, when no load in favor of RR is generated, shall be charged to the consignor/consignee or affected party receiving or shipping such cars. Charges shall apply to one-way movement, each way if applicable. In addition to any linehaul or handling charges under this Item, other applicable charges as specified in this Tariff may be assessed.

Note: Intermodal container and multiple unit cars are subject to special provisions negotiated separately.

Patriot Rail Core Value:

Safety is our DNA

Section – 8

General Car

Storage Rules and Charges

8.01 INTRODUCTION

Demurrage and Car Storage fees are instrumental levers in assisting us to maintain efficient and safe operations and provide incentives for maximizing utilization of capital intensive assets. Definitions of terms "Demurrage" and "Storage" are found in the Glossary appended to this document.

8.02 GENERAL APPLICATION

The terms, rules and charges in this Tariff govern the allowance of free time and assessment of charges for storage when cars subject to this Section are held beyond free time or when no free time is provided. The specific storage charges incurred after the expiration of free time are stipulated in each RR's Charge Catalog 2000 Series.



8.03 STORAGE RULES AND CHARGES ON EXPLOSIVES, HAZARDOUS MATERIALS, SUBSTANCES, OR WASTES

The rules and charges in this Item apply to shipments of classes A, B, or C explosives, as named in Part 172 Commodity List of Tariff ICC BOE 6000-Series, and hazardous materials, while held in cars on RR premises.

Hazardous materials are materials and substances defined by the U.S. Department of Transportation under the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801, et seq.) and the Hazardous Materials Regulations (49 U.S.C. Parts 170–179) Issued thereunder, as amended from time to time,

The storage charges provided in this Item are in addition to applicable demurrage charges and, except as provided below:

1. Strike or work stoppage, flood, high water, or other interference or Act of God will not suspend charges contained in this Item.
2. On cars held for loading on RR premises, time will be computed from the first 12:01 a.m. after loading begins.
3. Free time will be as follows:
 - 24 hours free time will be allowed on shipments contained in this Item, for removal from RR premises. (see Special Provisions and Notes below)
4. After expiration of free time allowed, the charges contained in Charge Catalog 2000 Series issued for each RR will apply. Charges are per day (twenty-four hours), or fraction thereof, until car(s) is removed from RR premises

PRC Freight Tariff***Special Provisions and Notes:***

1.) When carload freight is refused at destination, this RR shall, after being advised of refusal, give notice of such refusal by telephone or email to the consignor or owner when known, or when not known, to the agent at point of shipment, who shall promptly notify consignor, if known. Notice shall be provided within twenty-four (24) hours, excluding holidays and non-working days. (The term "wire", as used here, shall be construed to mean any forms of electronic communication: email, facsimile, etc. When notice is transmitted by telephone, a written record shall be maintained by RR.)

2.) Free time will be computed from the first 12:01 a.m. after placement, or after proper notification has been sent or given where required. For the purpose of computing free time, holidays are included in free time calculation.

3.) When consignor or consignee utilizes an electronic device to accept messages, notification left on such a device will be considered as having been given to consignor or consignee.

8.04 CONDITIONS UNDER WHICH CARS MAY BE RETURNED TO POINT OF ORIGIN OR LAST INTERCHANGE

Situations in which the following conditions apply:

1. a car has been constructively delivered to destination or placed in storage on the RR because the receiver is unable to accept the car, and
2. 5 days have elapsed after the railroad has given the receiver notice of delivery, and

3. the receiver has an outstanding balance of demurrage (on that or other cars), and
4. RR has not granted credit to the receiver or has revoked the receiver's privilege of credit,

RR may return the car to the point of origin or last point of interchange, without accruing any liability to the receiver or any other railroad and without relieving the receiver of liability for the accrued demurrage and any other applicable charges.

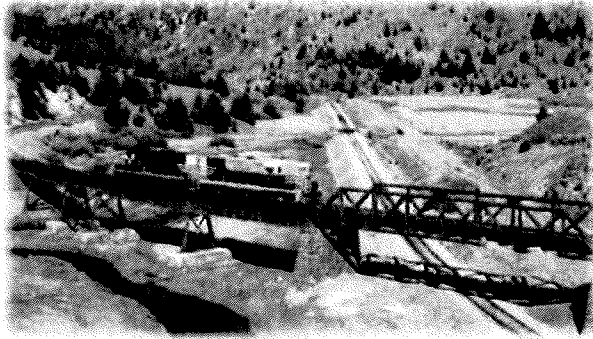
8.05 CARS RECEIVED IN ERROR

Cars moved onto tracks of the RR by connecting carrier in error or for purposes other than Interchange to or from RR will be subject to charges as stipulated in each RR's Charge Catalog 2000 Series.

8.06 LOADING AND UNLOADING WITHOUT ASSOCIATED RAIL MOVEMENT

When freight is received from Truck or Barge, it is unloaded and then stored and reloaded onto a truck, a charge will be applied, as specified in TSRR's Charge Catalog Series 2000 or any other applicable published TSRR document.

All TSRR's public documents are published on the RR's website and are also available in electronic format upon request by contacting our Customer Service Center.



Section 9– Special Train Service

9.01 SPECIAL TRAIN MOVES

Special Train Service is defined as trains operated on an expedited schedule or under special requirements specified by the shipper, consignee, or an agent thereof. Special Train Service is service customized to specific requirements and it is different than the Unscheduled (Extra) Train Service, discussed in Item 7.10.

When dedicated special freight train service is requested by shipper or consignee or required because of excessive dimensions, excessive weight, high center of gravity or any other condition not permitting normal train operation, RR will perform special train service:

- Between Stations on RR
- Between Stations on RR and junctions with connecting lines

9.02 CHARGES FOR SPECIAL FREIGHT TRAIN

The planning required to transport specialized freight is significant and significant time and personnel must be dedicated to ensure the safety and efficiency of such moves, as well as the safety and efficiency of our network operations. Therefore, Patriot Rail Company LLC is happy to work with customers requiring special train service, under the following terms (see Note):

Patriot Rail Core Value:

*We focus on our customers and
strive to provide solutions that
help them succeed*

PRC Freight Tariff

1. Reasonable advanced notice of request of no less than 30 days must be provided to RR
2. If Special Train Service extends beyond the RR's network, It is the customers' responsibility to contact the other railroads involved in the move and ensure compliance with their requirements, limitations, and charges
3. If Special Train Service extends beyond the RR's network , the customer must furnish RR the other railroads' permission granted to customer for access of other railroad's network. Only after permission has been granted by Class 1 railroads, will RR consider the request.
4. **A Special Train Service charge shall be assessed at the time the request is made. The special charge will be assessed in addition to the negotiated linehaul charges and all other charges associated with the shipment.**

Special train charges are stipulated in each RR's Charge Catalog 2000 Series.

Provisions of this tariff will not apply on special freight train movement of circus property, outfits, trains or cars when handled under special prices or contracts.

Note: Special freight train movements will only be arranged upon reasonable notice to the RR and when special motive power and crews are available without serious detriment to its other service and the right is reserved to fill out such trains with additional cars at option of this company. RR reserves the right to accept, reject, or condition all requests for special train movements on within its network

9.03 SPECIAL MOVEMENTS AT TERMINALS

When special movements at terminal points are required because of excessive dimension excessive weight, high center of gravity or other conditions not permitting normal operations a charge for such special service shall be assessed, as stipulated in each RR's Charge Catalog 2000 Series. A charge shall apply when the time consumed is eight (8) consecutive hours or less for the time required to make the movement, and return the engine and crew to the starting point. Any time required in excess of eight (8) consecutive hours will be charged an additional per hour (or fraction thereof) fee, as stated in each RR's Charge Catalog 2000 Series.

9.04 IDLER & BUFFER CARS

When idler or buffer cars are required for any reason an additional charge will be assessed for each such idler car, per each RR's Charge Catalog 2000 Series.

Note: RR is not responsible for car hire charges ON buffer cars; these charges will be assessed against the party that caused the move of the buffer cars/freight payer of the revenue moves.

If RR has to cut the cars out and return them to the point of interchange, a fee shall be assessed as stipulated in each RR's Charge Catalog 2000 Series.

PRC Freight Tariff



PRC Freight Tariff

Section 10 – Rules and Charges for Diversion

10.01 DEFINITIONS

RECONSIGNMENT or **DIVERSION** (terms used interchangeably) occurs when an order received by RR requires a change in the billing document of the shipment (bill of lading, waybill, service order, or any other shipping documents applicable) with or without the actual stopping of the car(s) for delivery or re-forwarding

RESHIPMENT occurs when a new contract is made by which, under a new rate, the entire original lading, without being unloaded, is forwarded in the same car to another destination, or another place of delivery at the same destination, which requires a movement beyond the confines of the industry or the public delivery track where the car has been originally delivered.

Reconsignments/Diversions and Reshipments incur charges as stipulated in each RR's Charge Catalog 2000 Series, assessed in addition to all other applicable linehaul and/or accessorial charges.

10.02 CARS HELD FOR RECONSIGNMENT, DIVERSION OR RESHIPMENT

On cars held for reconsignment, diversion or reshipment, the consignee or affected party will

compute time from the first 12:01 a.m. following the sending of notice.

Note of exclusion: "Turnover" (an order for delivery to another party) which does not involve an additional movement of the car to a point beyond the confines of the same customer location or same public delivery yard is not a reconsignment for the purpose of applying this provision.

When an order is received for "reshipment" it shall contain all the necessary information to transport the shipment to its new destination; and, if the order for "reshipment" is transmitted and acknowledged, it will be considered as having been received after 12:01 a.m. of the date received.

10.03 APPLICATION

Orders for diversions will only be accepted from:

1. Payer of Freight (including agents and authorized representative)
2. Shipper
3. Consignee
4. Car owner (or lessee)

RR reserves the right to reject diversion/reconsignment requests, for any reason.

10.04 CHANGING A DIVERSION ORDER

Requests to change or cancel a previous diversion order will be handled as a new diversion order and subject to the provisions and charges as applicable to a new diversion order.

PRC Freight Tariff

Section 11 – Rules and Charges for Miscellaneous Services

11.01 CHARGES FOR CARS REQUIRING SWITCHING/TURNING OF CARS TO PERMIT LOADING OR UNLOADING

Railcars must be properly loaded by shipper in such a manner that unloading can be accomplished from either side of the equipment. Orientation instructions will not influence operational handling. If the car is placed and must be repositioned at destination, the party requesting the service will pay RR a "turning car" fee for each car that RR turns. Charges specific to each RR are published in each RR's Charge Catalog 2000 Series.

11.02 CHARGES FOR RETURN OF CARS DUE TO SHIPPER'S ERROR

When loaded or partially loaded cars are returned to the customer at their request, the following charges for return switching movements will be made:

- A. If intercepted within yard of industry and returned to loading track, or any track within confines of same industry, **Intraplant Switching** charges apply, as published in each RR's Charge Catalog 2000 Series.

- B. If intercepted in RR's yard or any other location on RR and returned in regular, scheduled service to loading track, or any other track within confines of industry or customer, the **Interplant Switching** charges apply, as published in each RR's Charge Catalog 2000 Series. If the car(s) requires multiple handlings, charges shall apply per handling per car (each direction or leg of the move).
- C. If intercepted at point of interchange and is returned in regular, scheduled service to loading track, or any other track within confines of industry or customer, the regular **loaded linehaul rate** per car shall apply, as it would to any revenue move received at interchange. If car(s) requires multiple handlings, charges shall apply per handling per car (each direction or leg of the move).
- D. Return of cars at customers' request that require **unscheduled ("extra train") or special service** will be made available if possible and at the sole discretion of RR, for the respective fee as stipulated in each RR's Charge Catalog 2000 Series (please refer to Items 7.5, 7.6, 9.1, 9.2, 9.3).

11.03 BILLS OF LADING; RATE-ROUTE INACCURACIES

Nothing in the bills of lading shall be construed to obligate RR to verify the rates specified on such bills of lading, to notify shippers/customers of inaccuracies in those rates, or to reject bills of lading tendered by shippers and containing inaccurate rates including rates which have application but not via routing shown on the bill of lading.

RR reserves the right at all times to apply the applicable rate then in effect with respect to the route designated. Should no route be designated by the bill of lading, RR shall be under no obligation to obtain more specific routing instructions from the shipper. In such case, RR

PRC Freight Tariff

will transport the traffic via an available route at its discretion between origin and destination.



11.04 ADDITIONAL CHARGE FOR CUSTOMER-CAUSED CONGESTION ON RAILROAD FACILITIES

When, in the sole judgement of RR, an excessive quantity of constructively placed cars for a particular consignee congests RR's facilities causing material operating problems, RR will notify shipper, consignee (receiver), in-care-of party, or any other party deemed necessary to make arrangements for avoidance of such congestion or bunching of cars. Additionally, RR will contact and advise the consignee (receiver) at the location to which cars are destined that, starting ten days (10) from the date of notification, RR will charge consignee or any other party responsible for the congestion or bunching of the cars the applicable storage fee per car per day (or fraction of day), as stipulated in each RR's Charge Catalog 2000 Series, for all cars on constructive placement exceeding two (2) times the number of cars that can be unloaded per day with current switching service. When customer's constructive placed cars drop below the level above RR will, effective that day, cease the daily charge. This charge is in addition to all applicable provisions in this Tariff and each RR's Charge Catalog 2000 Series.

11.05 CARS FOUND TO BE LEAKING HAZARDOUS MATERIALS

If after cars received by RR at interchange or from customers are found to be leaking Hazardous Materials and RR or an agent of RR takes action for securement of the leaking car, RR will assess a charge of **\$2,500** per car for the handling of such cars.

Charges will be assessed to the shipper shown on the applicable bill of lading. The charge includes administrative and switching charges, but excludes demurrage, storage, and all other securement charges. Shipper remains liable for all other securement, clean-up, and other incidental charges associated with the leaking car. In addition, Shipper must provide RR with any reports prepared on Shipper's behalf by third party response contractors in connection with such incidents.

11.06 CARS FOUND TO BE LEAKING NON- HAZARDOUS MATERIALS

RR will assess a charge of **\$1,500** per car for the handling of cars loaded with or containing residue of Non-Hazardous Materials that are found to be leaking, and for which RR or its representatives take action for securement of the leaking car.

Charges will be assessed to the shipper shown on the applicable bill of lading. The charge covers administrative and switching activities, but excludes all demurrage, storage, and other securement charges. Shipper remains liable for all other securement, clean-up, and other incidental charges associated with the leaking car.

PRC Freight Tariff

Glossary

The following definitions are offered solely as a reference to certain words and phrases to aid in the reading and understanding of this Tariff and are not intended to serve as complete definitions or concepts applicable in all settings

Actual Placement– is the placement of a car in position accessible for loading or unloading, or at a point designated by the consignor or consignee.

Assessorial Charge– incidental charges for service rendered such as demurrage, weighing, diversions, etc. which are in addition to normal transportation charges.

Assignee– a shipper who has requested and been assigned specific cars.

Assigned Car– a car of any ownership that is specifically requested and is assigned to a shipper by RR.

Bulletin of Trains– is a published schedule of trains.

Bureau of Explosives Tariff– The Bureau of Explosives Tariff No. ICC BOE 6000– Series covers regulations prescribed by the U.S. Department of Transportation for the handling of hazardous materials.

Constructive Placement– is the holding of a car at a destination or another point when actual placement cannot be made due to a condition attributable to the consignor or consignee. It includes the hold of a car containing an order–notify or inbound shipment pending satisfaction of delivery requirements.

Consignee– is the party to whom the shipment is consigned or the party entitled to receive the shipments.

Consignor– is the party in whose name cars are ordered or the party who furnishes forwarding instructions.

Cut-Off Time– is the time of day when a consignor/consignee must have instructions or advice into RR.

Demurrage – fees imposed for the extended use of rail controlled assets, attributable to the customer

Diversión – order provided by a customer or freight payer instructing RR to deliver a car to a destination or location other than to one indicated on the original shipping instructions

Forwarding Instructions– are instructions given to RR containing all the information necessary to transport the shipment to its final destination.

Haulage Agreement– is the entire cycled movement of a loaded carload of freight, which originates and terminates upon lines of RR.

Hazardous Materials – materials categorized as such by the U.S. Department of Transportation under the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801, et seq.) and the Hazardous Materials Regulations (49 U.S.C. Parts 170–179) issued thereunder, as amended from time to time

Inter-Plant Switch– is the movement of car from one facility to another located on RR lines. This includes the movement from an industry lease track to an industry facility.

Intra-Plant Switch– is the movement of a car within the confines of an industry facility.

Leased Track– is a track assigned to a user through written lease agreement and is considered the same as a private track for demurrage purposes.

Loading– is the complete or partial loading of a car and furnishing forwarding instructions.

Loaded Car– is a car that is completely or partially loaded.

PRC Freight Tariff

Other-Than-Public Delivery Track- any railroad track or portion of a track assigned for individual use or for joint use, including privately owned or leased tracks.

Private Car- is any car bearing other than railroad reporting marks that is not RR controlled.

Private Track- is any track not owned by RR including leased track.

Public Delivery Track- is a track open to the general public for loading and unloading.

Railroad-Controlled Car- is a car provided to a railroad directly, by car companies or others, for the indiscriminate use by this railroad in serving any of its customers.

Railroad Premises-when applicable to shipments held in cars, shall embrace all tracks which this railroad provides for its own uses and purposes or for general public use, all other tracks located inside its right-of-way, yards, or terminals, except tracks located within the confines of property owned or leased by an industry.

Reloaded Car- is a car that is unloaded and then reloaded without having been removed from the consignor's/ consignee's premises whether or not a release was given to RR when the car was empty.

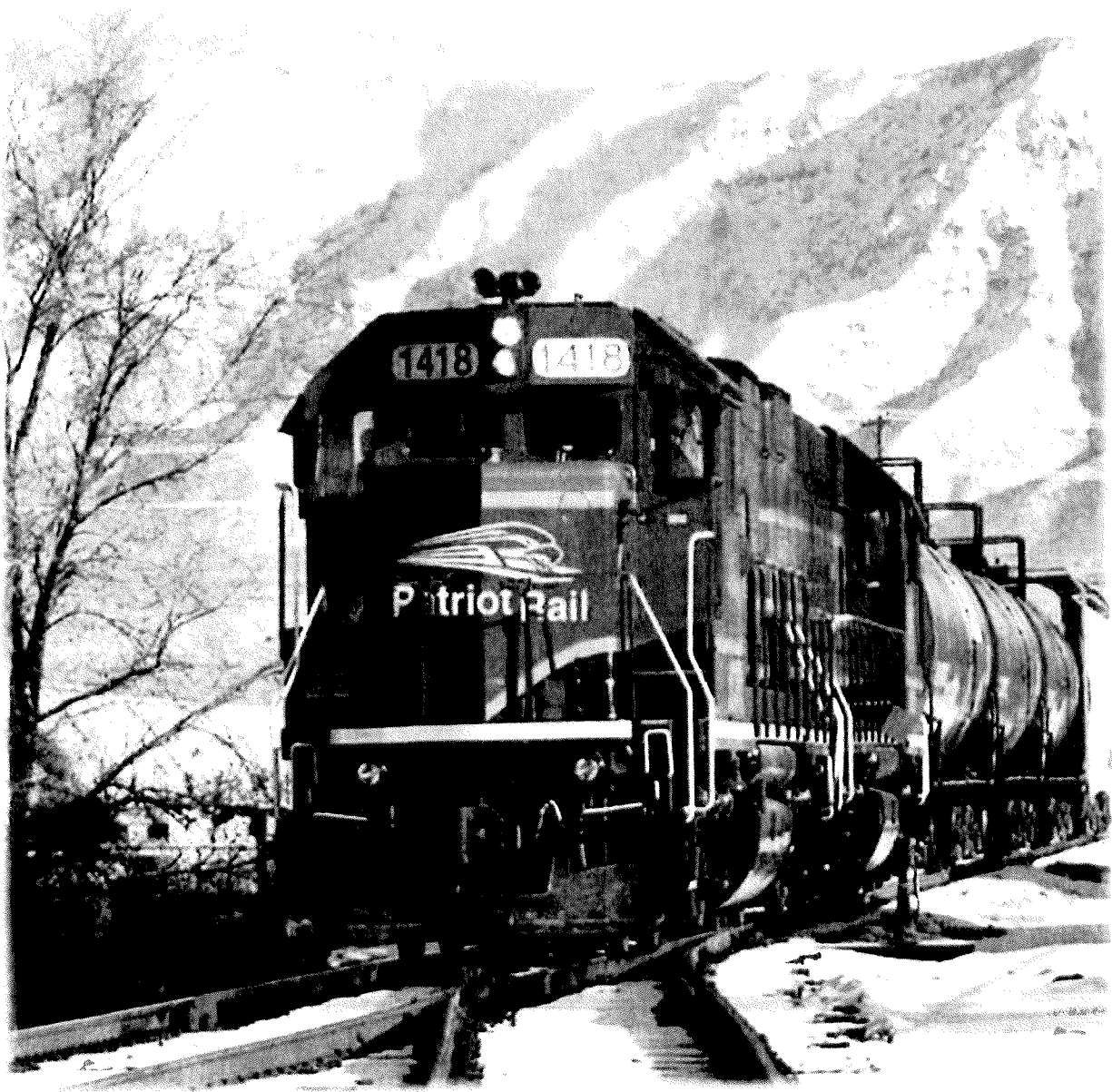
Storage/Private Car Storage - fee imposed by RR for the occupation of RR's tracks (owned or RR-controlled) tracks and property

Team Track- any tracks owned or controlled by RR that are designated by RR as tracks where railcars may be loaded or unloaded by multiple parties

Time- is the time lawfully in effect in the community where the car is held.

Unloading- is the complete unloading of a car and advice received from consignee that the car is empty and available to RR.

Unscheduled Service- is service provided outside of published availability at a specific request of a consignor/ consignee.



Charge Catalog 2000 Series

Pricing for Optional, Accessorial, and
Supplemental Services

**Utah Central Railway Company,
LLC**



The Utah Central Railway Company, LLC ("UCRY") operates over 34 miles of rail line in and around Ogden, UT. UCRY interchanges traffic with Class I carriers UP and BNSF at Ogden, UT. The railroad provides exclusive rail switching services at Business Depot Ogden.

We are defined by our values, in how we work: with safety as our cornerstone DNA; in how we act: with ethical conduct and personal integrity; and, in how we create value: by engaging as a team to deliver professional, safe, and tailored solutions to customer needs. We strive to become one of the eminent companies in the transportation industry.

Our employees and managers are some of the very best in the industry. We are fully committed to a just culture where people know that they will be treated with respect and fairness, which engenders a culture of operational excellence, accountability, and execution. We own our company's performance. We work every day to do every task better— more safely, more cost effectively, and more operationally sound, than our competitors.

This publication, jointly with our Freight Tariff No. 1000, provides common terms, conditions, and charges for our services. We hope you find these publications useful.

CORPORATE HEADQUARTERS

PATRIOT RAIL COMPANY LLC
10060 Skinner Lake Drive
Jacksonville, FL 32246
Phone: 855-955-RAIL (7245)
Email: ucry-cs@patriotrail.com
www.patriotrail.com

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OPERATIONS
P.O. Box 10402
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Phone: 801-732-8906
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SALES & MARKETING
Jeff Golian
Phone: 904-570-7538
Email: jeff.golian@patriotrail.com



Patriot Rail

Issued: October 1, 2015

Effective: November 1, 2015

Charge Schedule

Item #*	Item Description	Charge
1.05	Car Ordered Not Used	\$400
1.06	Car Pulled with No Billing	\$300
1.07	Car Released Not Available to Pull	\$450
1.08-I	Interchange Set-Back Charges – Customer Error	\$550
1.08-II	Interchange Set-Back Charges – Other RR Error	\$550
1.09	Industry Set-Back Charges	\$550
4.01	Car Held at Customers' Request (per car per day)	\$125
3.01-3.03	Demurrage (per day)	\$70
5.01	Overloaded/Improperly Loaded Car	\$750
7.01	Intraplant Switch	\$197
7.01	Intraterminal Switch	\$275
7.02	Interplant/Interterminal Switch	\$400
7.03	Second Transfer Switch	\$325
7.05	Expedited Service Charge	\$175
7.07 & 11.01	Turning Car	\$300
7.08	Delay of Train 1 st ½ Hour	\$250
7.08	Delay of Train Per Hour or fraction (after 1 st ½ Hr)	\$500
7.09	Cars Received/Delivered at Non-Interchange Locations	\$400
7.10	Unscheduled (Extra) Train	\$3,865
7.11	Non-Revenue Empty or Loaded Car	\$500
8.02	Storage (per car per day)	\$50
8.03	Storage – Explosives (All Classes)	\$125
8.03	Storage Hazardous Materials	\$100
8.05	Car Received in Error	\$500
9.01 & 9.02	Special Train Service (exclusive of other applicable charges)	\$8,700
9.03	Special Train Service at Terminal – 8 hours or less	\$2,500
9.03	Special Train Service at Terminal – over 8 hrs (\$/hr)	\$500
9.04	Idler & Buffer Car Charge (per car)	\$500
9.04	Return of Idler & Buffer Car to Interchange Point	\$700
10.01	Reconsignment, Diversion, Reshipment (\$/car/order)	\$400

**Note: Item numbers correspond to sections in Freight Tariff No. 1000*

Utah Central Railway Company, LLC

Holiday Schedule

Date	Holiday
January 1	New Year's Day
Last Monday in May	Memorial Day
July 4	Independence Day
July 24	Pioneers' Day
1 st Monday in September	Labor Day
4 th Thursday in November	Thanksgiving Day
December 25	Christmas Day

NOTE: When one of these holidays falls on Saturday or Sunday, the business day prior to or following the actual holiday will be observed instead

Exhibit D

Shawn T. Richards (11949)
Jackie Bosshardt (14139)
KIRTON McCONKIE
Kirton McConkie Building
50 East South Temple, 4th Floor
P.O. Box 45120
Salt Lake City, Utah 84145-0120
Telephone: (801) 328-3600
Facsimile: (801) 321-4893
srichards@kmclaw.com
jbosshardt@kmclaw.com

*Attorneys for Respondent Kenco Logistic Service, LLC
And Kenco Group*

SURFACE TRANSPORTATION BOARD

UTAH CENTRAL RAILWAY COMPANY,
LLC,

Petitioner,

v.

KENCO LOGISTIC SERVICES, LLC, a
Delaware limited liability company, KENCO
GROUP, and SPECIALIZED RAIL
SERVICE, INC.

Respondents.

**DECLARATION OF
BRETT FISHER**

Docket No. FD 361310

I, Brett Fisher, hereby declare as follows:

1. I am over the age of 21, have personal knowledge of the facts stated herein and would testify thereto if called upon to do so.
2. I am employed by the Kenco family of companies as the General Manager in charge of the Utah operations. I have held this position for approximately 3 years. Prior to that I was Operations Manager in charge of the Utah operations for approximately 4 years.

3. My responsibilities with Kenco include, among other things, overseeing all aspects of Kenco's Utah facility located in Ogden, Utah including without limitation overseeing inbound orders from customers, overseeing the unloading of railcars, managing the crew responsible for unloading railcars, communicating with customers, and logistics. As the General Manager, I am also specifically responsible for managing the delivery, placement and switching of railcars by Utah Central Railway Company, LLC ("UCRY") so as to prevent us from incurring demurrage.

4. As the General Manager, I am intimately knowledgeable with how our Utah operation works, both from a macro and also a micro level. I understand how often our customers ship products to us, and I am knowledgeable with how often UCRY provides switches for us. Having been involved with UCRY and Kenco's operations for such an extended period of time, I understand how and when UCRY assesses demurrage.

5. I am also familiar with the alleged demurrage charges assessed by UCRY in this matter. Indeed, I have personally communicated multiple times with UCRY representatives these demurrage charges.

6. We have consistently disputed the demurrage charges when they result from conditions not attributable to Kenco. UCRY has not been timely in addressing these charges with us, as is evident from the dates of the alleged demurrage.

7. Our facility in Ogden, Utah is located at in the Business Depot Ogden ("BDO"). The BDO is a large industrial facility spanning over 1,100 acres. (*See* <http://www.boyerbdo.com/about/>). There are over 115 businesses currently located at BDO. (*Id.*)

8. Customers ship materials to us at the BDO by Class I rail. As I understand it, the railcars destined for BDO are removed from the main Class I rail line and moved to “spurs” adjacent to unloading facilities via short lines. We use logistics tracking software on Rail Connect to try and manage inbound orders from our customers. Rail Connect is a software system that UCRY requested we use commencing during approximately the last quarter of 2014. Incidentally, most of the demurrage in dispute here started shortly after this new software system was put to use.

9. In managing customer orders from our customers, we try to plan for the inbound delivery of railcars so that we do not receive more railcars at one time than we are able to handle. We diligently track our inbound deliveries. However, there are times when cars never appear on Rail Connect but are ultimately placed at BDO for us. In these situations, we are not notified in advance that the car is even coming. As far as I know, the only reason cars would not be tracked on Rail Connect but then delivered to the BDO is because UCRY failed to list them.

10. Our unloading dock at the BDO can accommodate six railcars at a time. I am personally aware that UCRY knows our loading dock can only accommodate this many cars at a time. I have personally spoken and/or otherwise communicated with UCRY representatives about this very thing in the past. Accordingly, we try to space inbound orders such that we never receive more railcars than we can handle at one time. We do this purposefully to avoid an overload of cars, and to avoid incurring demurrage. While we try to space out our inbound deliveries, we have very little control over when the Class 1 rail line and the short line (UCRY) interchange to actually deliver the cars.

11. UCRY is the exclusive short line company authorized to operate at the BDO. This means that UCRY is the only rail company that can interchange with the Class I rail line to

bring cars earmarked for Kenco to the BDO. As the only rail line operating at the BDO, UCRY is solely responsible for placing and switching cars at the various unloading locations within the BDO, including at our unloading dock. We are completely reliant on UCRY to bring cars loaded with materials, remove empty cars, and bring a new set of cars to be unloaded.

12. During all times relevant hereto, UCRY at best provided switches to us only three times per week. However, at times, UCRY provided less switches per week, and sometimes went a full week without providing any switches. This is true even though there was space on our spur and there were cars at the BDO waiting to be delivered to us. I am also aware that between late November and mid-December 2015, UCRY's engine broke down at least once and its track broke on several occasions.

13. I have reviewed the ten invoices (the "Invoices") on which UCRY claims Kenco is liable for demurrage. The Invoices are attached as Exhibit E to Kenco's Response to UCRY's Petition. It appears from my review of the Invoices that the disputed demurrage charges stem primarily from cars that UCRY claims were "constructively" placed for us. And to a lesser degree, but also in a significant amount, it appears that demurrage was assessed while and after cars were physically placed at our unloading dock.

14. As I review the Invoices, and having overseen our operations at the BDO and understanding the infrequency of switches that occurred, it appears to me that a majority of the demurrage resulted from insufficient switches and bunching of cars. The invoices reflect that cars sat in "constructive" placement, sometimes for weeks at a time, before they were physically placed at our unloading dock. (*See* Invoices 101597, 101435 and 101612.) In most all cases, while cars were held by UCRY in "constructive" placement, we had room on our spur for cars

and/or had empty cars that needed to be removed by UCRY and replaced with full cars. As a result, we were assessed demurrage for cars based on conditions that were not attributable to us.

15. Cars that are not physically placed at the unloading dock are not accessible to our crew given how far they are located from our dock, and we have no way to unload them. I estimate that when UCRY places cars in “constructive” placement, they are usually located a mile away from our unloading dock.

16. Our normal practice is to unload cars as they are received, and it generally takes less than 48 hours for our crew to unload a set of six cars. Our standard practice is to release cars as they are unloaded, and it certainly takes less than 48 hours to unload one car and/or multiple cars. UCRY’s system, however, does not allow us to release cars on the same day they were delivered, even if the cars are unloaded and empty.

17. As for bunching, the Invoices also reflect that UCRY brought in significant numbers of cars, sometimes on the same day and/or within a few days, and in amounts that our crew could not accommodate.

18. Invoices 101597 and 101612 reflect that UCRY supposedly constructively placed 55 cars at the BDO for us in a period of 11 days, with 28 of them being constructively placed on one day - December 28, 2015. Given my knowledge of how/when our customers send us deliveries, I do not believe that our customers sent these orders to all be delivered during this narrow of a window. It is inconsistent with how our customers have historically sent orders (*i.e.*, quantity and timing) both pre-2015 and post-2016. I believe that significant cars were delivered on the same day and/or within a short period of time because of insufficient interchanges between UCRY and the Class I rail line. We do not know who is at fault for these infrequent

interchanges – UCRY and/or the Class I rail line. But because we cannot control how infrequently the interchanges take place, Kenco is certainly not to blame.

19. As stated, our unloading dock can only handle six cars at a time. When a significant number of cars are received on the same day and/or within a very short timeframe, there is no way that our crew can unload them all without incurring demurrage. This is especially true considering that during the relevant timeframe, UCRY at best only provided switching services 3 times per week, and often times less than that. Again, historically our customers do not ship orders in quantities that we are unable to handle when switches are timely and interchanges between UCRY and the Class I rail line are frequent.

20. These same constructive placement issues are pervasive throughout the Invoices.

21. We dispute invoice numbers 101415, 101435, 101597, 101612, 101611, 101689, 101702, and 101703 on the grounds that UCRY failed to switch cars to our unloading dock in a timely manner, and bunched and stacked cars, thus causing significant demurrage to accrue. I firmly believe that had our crew been given access to these cars, and had they not been bunched, then we could and would have unloaded them in a timely manner in accordance with our standard practice and thus reduced, if not eliminated altogether, the assessed demurrage. The conditions causing any delay in cars were not attributable to us. In many cases, cars were sitting on UCRY's track waiting to be physically placed while we had room on our spur and/or we had empty cars waiting to be removed.

22. Before UCRY filed its lawsuit in the federal district court, we requested that UCRY mediate this demurrage dispute before the STB. We contacted the Rail Consumer Public Assistance Program ("RCPA") and requested that it assist with the mediation efforts. I am aware

that the RCPA contacted UCRY but that UCRY refused to cooperate and further refused to mediate this dispute. (*Id.*) Instead, UCRY went straight to litigation.

23. Furthermore, while Kenco was disputing the demurrage charges, but before litigation had commenced, UCRY required Kenco to remit a \$25,000.00 deposit with UCRY on account of the supposed significant demurrage charges. UCRY threatened to stop providing service to Kenco altogether unless Kenco remitted the \$25,000.00 deposit. To that end, Kenco placed a \$25,000.00 deposit with UCRY in order to keep the business operational. I felt like this was a strong-arm tactic by UCRY because they knew that we disputed the demurrage charges and further knew that we had no choice but to remit the deposit lest our business at the BDO cease. There is nobody else that Kenco could have used to interchange with the Class I rail line and to provide switching services. Kenco remitted the deposit to UCRY under duress and not because it was conceding that any demurrage charges were properly assessed.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge.

DATED this 14th of September, 2017

/s Brett Fisher
Brett Fisher

Exhibit E

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

For cars released from 2/01/15 thru 2/28/15

In account of:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Please Remit To:

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-5334

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 3/04/15

Demurrage Agreement: SYS-UNLOAD

Invoice # 101415 1

Invoice Date: 3/04/15

Page 1

Seq	Held For	Car	Car Type	Commodity	-PCON/Ordered- Date Time	---Placed--- Date Time	---Released--- Date Time	Total Days	Credit Days	Amount Due
1	UNLD	OAR	62166	OSU WOODPULP	2/17/15 13:29	2/26/15 12:56	2/27/15 14:41	10	2	410.00
2	UNLD	AGR	77820	DSC WOODPULP	2/20/15 18:33	2/23/15 16:33	2/26/15 9:50	6	2	160.00
3	UNLD	AGR	78759	DSC WOODPULP	2/20/15 18:33	2/23/15 16:33	2/26/15 9:50	6	2	160.00
4	UNLD	OAR	62114	OSU WOODPULP	2/20/15 18:33	2/23/15 16:33	2/26/15 9:50	6	2	160.00
5	UNLD	AGR	77786	DSC WOODPULP	2/20/15 18:33	2/23/15 16:33	2/25/15 15:09	5	2	120.00
6	UNLD	AGR	78975	DSC WOODPULP	2/20/15 18:33	2/23/15 16:33	2/25/15 12:45	5	2	120.00
7	UNLD	CEFX	501348	DSC SALT	2/19/15 19:46	2/23/15 16:34	2/24/15 16:00	4	2	80.00
8	UNLD	OAR	62227	OSU WOODPULP	2/20/15 18:33	2/23/15 16:33	2/24/15 13:38	4	2	80.00
9	UNLD	OAR	62233	OSU WOODPULP	2/20/15 18:33	2/23/15 16:33	2/24/15 13:38	4	2	80.00
10	UNLD	OAR	61118	OSU WOODPULP	2/17/15 13:29	2/19/15 13:16	2/23/15 13:14	6	2	160.00
11	UNLD	OAR	61297	OSU WOODPULP	2/17/15 13:30	2/19/15 13:16	2/23/15 13:14	6	2	160.00
12	UNLD	SP	247755	DSC SALT	2/10/15 16:56	2/12/15 14:59	2/17/15 6:30	6	3	120.00

TOTAL UNLOADING

12 CARS

68

25

1,810.00

TOTAL FOR BUSINESS DEPOT

12 CARS

68

25

1,810.00

TOTAL FOR KENCO GROUP

12 CARS

68

25

1,810.00

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

In account of:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Please Remit to:

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-6334

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 6/17/15

Demurrage Agreement: SYS-UNLOAD

Invoice # 101435 1

Invoice Date: 4/07/15

Page 1

Seq	Held For	Car	Car Typ	Commodity	-PCON/Ordered- Date Time	---Placed--- Date Time	---Released--- Date Time	Total Days	Credit Days	Amount Cue
1	UNLD	AGR	78190	OSC WOODPULP	3/23/15 18:37	3/27/15 20:02	3/31/15 15:00	8	2	270.00
2	UNLD	AGR	78012	OSC WOODPULP	3/23/15 18:37	3/27/15 20:02	3/31/15 15:00	8	2	270.00
3	UNLD	OAR	62190	OSU WOODPULP	3/23/15 18:37	3/27/15 20:02	3/31/15 15:00	8	2	270.00
4	UNLD	OAR	62229	OSU WOODPULP	3/23/15 18:37	3/27/15 20:02	3/31/15 15:00	8	2	270.00
5	UNLD	AGR	77605	OSC WOODPULP	3/23/15 18:37	3/27/15 20:02	3/31/15 6:25	7	2	215.00
6	UNLD	AGR	78888	BLK WOODPULP	3/23/15 18:37	3/27/15 20:02	3/31/15 6:25	7	2	215.00
7	UNLD	OAR	62258	OSU WOODPULP	3/23/15 18:37	3/27/15 20:02	3/31/15 6:25	7	2	215.00
8	UNLD	OAR	62115	OSU WOODPULP	3/11/15 18:35	3/23/15 18:12	3/26/15 14:39	15	2	760.00
9	UNLD	AGR	1832	BLK WOODPULP	3/11/15 18:35	3/23/15 18:12	3/26/15 10:28	15	2	760.00
10	UNLD	AGR	77580	OSC WOODPULP	3/11/15 18:35	3/23/15 18:12	3/26/15 10:28	15	2	760.00
11	UNLD	AGR	78878	BLK WOODPULP	3/11/15 18:35	3/23/15 18:12	3/25/15 14:42	14	2	690.00
12	UNLD	GMRC	79009	OSC WOODPULP	3/11/15 18:35	3/23/15 18:12	3/25/15 14:42	14	2	690.00
13	UNLD	OAR	62179	OSU WOODPULP	3/11/15 18:35	3/23/15 18:12	3/25/15 14:42	14	2	690.00
14	UNLD	AGR	77649	OSC WOODPULP	3/11/15 18:35	3/23/15 18:12	3/24/15 12:51	13	2	620.00
15	UNLD	OAR	62168	OSU WOODPULP	3/11/15 18:35	3/23/15 18:12	3/24/15 12:51	13	2	620.00
16	UNLD	AGR	77731	OSC WOODPULP	3/11/15 18:35	3/16/15 16:52	3/20/15 14:52	9	2	340.00
17	UNLD	AGR	77758	OSC WOODPULP	3/11/15 18:35	3/16/15 16:52	3/20/15 14:52	9	2	340.00
18	UNLD	AGR	78783	OSC WOODPULP	3/11/15 18:35	3/16/15 16:52	3/20/15 14:52	9	2	340.00
19	UNLD	GMRC	78186	OSC WOODPULP	3/11/15 18:35	3/16/15 16:52	3/20/15 14:52	9	2	340.00
20	UNLD	OAR	61265	OSU WOODPULP	3/11/15 18:35	3/16/15 16:52	3/20/15 14:52	9	2	340.00
21	UNLD	GMRC	77003	OSC WOODPULP	3/11/15 18:35	3/16/15 16:52	3/18/15 13:28	7	2	215.00
22	UNLD	OAR	61232	OSU WOODPULP	3/11/15 18:35	3/16/15 16:52	3/18/15 13:28	7	2	215.00
23	UNLD	OAR	62177	OSU WOODPULP	3/11/15 18:35	3/16/15 16:52	3/18/15 13:28	7	2	215.00
24	UNLD	AGR	77583	OSC WOODPULP	3/11/15 18:35	3/16/15 16:52	3/17/15 10:40	6	2	160.00
25	UNLD	AGR	78746	OSC WOODPULP	3/11/15 18:35	3/16/15 16:52	3/17/15 10:40	6	2	160.00
26	UNLD	GMRC	78128	OSC WOODPULP	3/11/15 18:35	3/16/15 16:52	3/17/15 10:40	6	2	160.00
27	UNLD	OAR	62148	OSU WOODPULP	3/11/15 18:35	3/16/15 16:52	3/17/15 10:40	6	2	160.00
28	UNLD	OAR	61269	OSU WOODPULP	2/17/15 13:29	3/09/15 12:51	3/12/15 15:37	23	2	1,320.00
29	UNLD	OAR	62248	OSU WOODPULP	2/17/15 13:29	3/09/15 12:51	3/12/15 15:37	23	2	1,320.00
30	UNLD	AGR	77587	OSC WOODPULP	2/17/15 13:29	3/09/15 12:51	3/12/15 15:37	23	2	1,320.00
31	UNLD	AGR	77643	OSC WOODPULP	2/17/15 13:29	3/09/15 12:51	3/12/15 15:37	23	2	1,320.00
32	UNLD	AGR	77755	OSC WOODPULP	2/17/15 13:29	3/09/15 12:51	3/12/15 15:37	23	2	1,320.00
33	UNLD	OAR	62285	OSU WOODPULP	2/17/15 13:29	3/09/15 12:51	3/12/15 15:37	23	2	1,320.00
34	UNLD	AGR	77776	OSC WOODPULP	2/17/15 13:29	3/09/15 12:51	3/11/15 14:35	22	2	1,250.00
35	UNLD	OAR	61243	OSU WOODPULP	2/17/15 13:29	3/09/15 12:51	3/11/15 14:35	22	2	1,250.00
36	UNLD	AGR	77832	OSC WOODPULP	2/17/15 13:29	3/09/15 12:51	3/11/15 11:34	22	2	1,250.00
37	UNLD	OAR	61116	OSU WOODPULP	2/17/15 13:29	3/09/15 12:51	3/11/15 11:34	22	2	1,250.00
38	UNLD	OAR	62311	OSU WOODPULP	2/17/15 13:29	3/09/15 12:51	3/11/15 11:34	22	2	1,250.00
39	UNLD	OAR	62312	OSU WOODPULP	2/17/15 13:29	3/09/15 12:51	3/11/15 11:34	22	2	1,250.00
40	UNLD	NS	463494	UGC PAPER PRINTING	3/03/15 14:58	3/04/15 11:59	3/06/15 15:30	3	2	40.00

In account of:

Please Remit to:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-5334

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 6/17/15

Demurrage Agreement: SYS-UNLOAD

Invoice # 101435 1

Invoice Date: 4/07/15

Page 2

Seq	Mold For	Car	Car Typ	Commodity	-PCDN/Ordered- Date Time	---Placed--- Date Time	---Released--- Date Time	Total Days	Credit Days	Amount Due	
41	UNLD	SOU	565280	D6C	PAPER PRINTING	3/03/15 14:58	3/04/15 11:50	3/05/15 15:30	3	2	40.00
42	UNLD	HS	463520	D6C	PAPER PRINTING	2/26/15 17:57	3/04/15 11:58	3/05/15 15:10	7	2	215.00
43	UNLD	SOU	565227	D6C	PAPER PRINTING	2/26/15 17:57	3/04/15 11:58	3/05/15 15:10	7	2	215.00
44	UNLD	OAR	62151	DSU	WOODPULP	2/17/15 13:29	2/26/15 12:56	3/05/15 10:55	16	2	830.00
45	UNLD	AGR	77510	D5C	WOODPULP	2/17/15 13:29	2/26/15 12:56	3/04/15 15:06	15	2	760.00
46	UNLD	AGR	77846	D5C	WOODPULP	2/17/15 13:29	2/26/15 12:56	3/04/15 15:06	15	2	760.00
47	UNLD	OAR	62287	DSU	WOODPULP	2/17/15 13:29	2/26/15 12:56	3/04/15 10:00	15	2	760.00
48	UNLD	OAR	62125	DSU	WOODPULP	2/17/15 13:30	2/26/15 12:56	3/03/15 14:52	14	2	690.00
49	UNLD	OAR	62235	DSU	WOODPULP	2/17/15 13:29	2/26/15 12:56	3/03/15 14:52	14	2	690.00
50	UNLD	OAR	61225	DSU	WOODPULP	2/17/15 13:30	2/26/15 12:56	3/02/15 14:19	13	2	620.00
51	UNLD	OAR	61267	DSU	WOODPULP	2/17/15 13:30	2/26/15 12:56	3/02/15 14:19	13	2	620.00
TOTAL UNLOADING								51 CARS	661	102	31,960.00
TOTAL FOR BUSINESS DEPOT								51 CARS	661	102	31,960.00
TOTAL FOR KENCO GROUP								51 CARS	661	102	31,960.00

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

For cars released from 9/01/15 thru 9/30/15

In account of:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Please Remit to:

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-5334

Attn: Revenue Group

Station: 000 BUSINESS DEPOT

Run Date: 10/02/15

Demurrage Agreement: SYS-UNLOAD

Invoice Date: 10/02/15

Invoice # 101509 1

Page 1

Seq	Hold For	Car	Car Typ	Commodity	-PCON/Ordered- Date Time	---Placed--- Date Time	---Released--- Date Time	Total Days	Credit Days	Amount Due	
1	UNLD	NS	463444	D6C PAPER PRINTING	9/23/15 14:38	9/23/15 16:40	9/28/15 15:01	5	4	40.00	
2	UNLD	NS	463523	D6C PAPER PRINTING	9/23/15 14:38	9/23/15 16:40	9/28/15 15:01	5	4	40.00	
3	UNLD	QAR	62155	DSU WOODPULP	9/09/15 15:53	9/14/15 19:03	9/17/15 14:25	8	7	40.00	
4	UNLD	WRWK	3772	BFL WOODPULP	9/09/15 15:53	9/14/15 19:03	9/17/15 14:25	8	7	40.00	
5	UNLD	WRWK	3749	BFL WOODPULP	9/09/15 15:53	9/14/15 19:03	9/15/15 14:27	6	5	40.00	
TOTAL UNLOADING								5 CARS	32	27	200.00
TOTAL FOR BUSINESS DEPOT								5 CARS	32	27	200.00
TOTAL FOR KENCO GROUP								5 CARS	32	27	200.00

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

For cars released from 1/01/16 thru 1/31/16

In account of:

Please Remit to:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-5334

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 2/03/16

Demurrage Agreement: SYS-UNLOAD

Invoice # 101597 1

Invoice Date: 2/03/16

Page 1

Seq	Hold For	Car	Car Typ	Commodity	-PCON/Ordered- Date	Time	---Placed--- Date	Time	--Released-- Date	Time	Total Days	Credit Days	Amount Due	
1	UNLD	OAR	62172	DSU	WOODPULP	1/08/16	15:37	1/27/16	13:33	1/29/16	11:35	21	4	1,190.00
2	UNLD	COER	172177	D6C	WOODPULP	1/04/16	17:03	1/27/16	13:33	1/28/16	14:30	24	4	1,400.00
3	UNLD	COER	172180	D6C	WOODPULP	1/04/16	17:03	1/27/16	13:33	1/28/16	14:30	24	4	1,400.00
4	UNLD	OAR	61122	DSU	WOODPULP	1/08/16	15:37	1/27/16	13:33	1/28/16	14:30	20	4	1,120.00
5	UNLD	OAR	61273	DSU	WOODPULP	1/08/16	15:37	1/27/16	13:33	1/28/16	14:30	20	4	1,120.00
6	UNLD	COER	172176	D6C	WOODPULP	1/04/16	17:03	1/25/16	12:28	1/27/16	12:38	23	4	1,330.00
7	UNLD	WRWK	3804	BFL	WOODPULP	1/04/16	17:03	1/25/16	12:28	1/27/16	12:38	23	4	1,330.00
8	UNLD	AGR	77533	DSC	WOODPULP	1/04/16	17:03	1/25/16	12:28	1/26/16	14:25	22	2	1,400.00
9	UNLD	AGR	77660	DSC	WOODPULP	1/04/16	17:03	1/25/16	12:28	1/26/16	14:25	22	2	1,400.00
10	UNLD	AGR	78971	DSC	WOODPULP	1/04/16	17:03	1/25/16	12:28	1/26/16	14:25	22	2	1,400.00
11	UNLD	AGR	18065	D6C	WOODPULP	1/04/16	17:03	1/21/16	20:01	1/22/16	15:17	18	2	1,120.00
12	UNLD	AGR	77154	DSC	WOODPULP	1/04/16	17:03	1/21/16	20:01	1/22/16	15:17	18	2	1,120.00
13	UNLD	WRWK	3760	BFL	WOODPULP	1/04/16	17:03	1/21/16	20:01	1/22/16	15:17	18	2	1,120.00
14	UNLD	WRWK	3779	BFL	WOODPULP	1/04/16	17:03	1/21/16	20:01	1/22/16	15:17	18	2	1,120.00
15	UNLD	COER	172192	D6C	WOODPULP	1/04/16	17:03	1/21/16	20:01	1/22/16	9:03	18	2	1,120.00
16	UNLD	OAR	61126	DSU	WOODPULP	12/28/15	20:10	1/19/16	17:03	1/21/16	12:36	24	2	1,540.00
17	UNLD	OAR	61230	DSU	WOODPULP	12/28/15	20:10	1/19/16	17:03	1/21/16	12:36	24	2	1,540.00
18	UNLD	OAR	62266	DSU	WOODPULP	12/28/15	20:10	1/19/16	17:03	1/21/16	12:36	24	2	1,540.00
19	UNLD	AGR	78035	DSC	WOODPULP	12/28/15	20:10	1/19/16	17:03	1/20/16	14:32	23	2	1,470.00
20	UNLD	OAR	62219	DSU	WOODPULP	12/28/15	20:10	1/15/16	18:47	1/20/16	14:32	23	2	1,470.00
21	UNLD	OAR	62259	DSU	WOODPULP	12/28/15	20:10	1/19/16	17:03	1/20/16	14:32	23	2	1,470.00
22	UNLD	OAR	61259	DSU	WOODPULP	12/28/15	20:10	1/15/16	18:47	1/19/16	14:17	22	4	1,260.00
23	UNLD	OAR	61294	DSU	WOODPULP	12/28/15	20:10	1/15/16	18:47	1/19/16	14:17	22	4	1,260.00
24	UNLD	AGR	77656	DSC	WOODPULP	12/28/15	20:10	1/15/16	18:47	1/18/16	14:55	21	4	1,190.00
25	UNLD	AGR	78974	DSC	WOODPULP	12/28/15	20:10	1/15/16	18:47	1/18/16	14:55	21	4	1,190.00
26	UNLD	OAR	61202	DSU	WOODPULP	12/28/15	20:10	1/15/16	18:47	1/18/16	14:55	21	4	1,190.00
27	UNLD	OAR	61213	DSU	WOODPULP	12/28/15	20:10	1/13/16	16:10	1/15/16	13:59	18	4	980.00
28	UNLD	OAR	62125	DSU	WOODPULP	12/28/15	20:10	1/13/16	16:10	1/15/16	13:59	18	4	980.00
29	UNLD	OAR	62168	DSU	WOODPULP	12/28/15	20:10	1/13/16	16:10	1/15/16	13:59	18	4	980.00
30	UNLD	AGR	78674	DSC	WOODPULP	12/28/15	20:10	1/13/16	16:10	1/14/16	15:50	17	4	910.00
31	UNLD	OAR	61269	DSU	WOODPULP	12/28/15	20:10	1/06/16	17:17	1/14/16	15:50	17	4	910.00
32	UNLD	OAR	62241	DSU	WOODPULP	12/28/15	20:10	1/13/16	16:10	1/14/16	15:50	17	4	910.00
33	UNLD	OAR	62249	DSU	WOODPULP	12/28/15	20:10	1/13/16	16:10	1/14/16	15:50	17	4	910.00
34	UNLD	OAR	61296	DSU	WOODPULP	12/28/15	20:10	1/06/16	17:17	1/13/16	14:43	16	4	840.00
35	UNLD	GMRC	77098	DSC	WOODPULP	12/28/15	20:10	1/06/16	17:17	1/12/16	14:52	15	4	770.00
36	UNLD	OAR	61100	DSU	WOODPULP	12/28/15	20:10	1/06/16	17:17	1/12/16	14:09	15	4	770.00
37	UNLD	OAR	61296	DSU	WOODPULP	12/28/15	20:10	1/06/16	17:17	1/12/16	14:09	15	4	770.00
38	UNLD	OAR	62289	DSU	WOODPULP	12/28/15	20:10	1/06/16	17:17	1/12/16	14:09	15	4	770.00

For cars released from 1/01/16 thru 1/31/16

In account of:

Please Remit to:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-5334

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 2/03/16

Demurrage Agreement: SYS-UNLOAD

Invoice # 101597 1

Invoice Date: 2/03/16

Page 2

Seq	Held For	Car	Typ	Commodity	-PCON/Ordered- Date Time	---Placed--- Date Time	---Released--- Date Time	Total Days	Credit Days	Amount Due	
39	UNLD	OAR	62244	OSU WOODPULP	12/28/15 20:10	1/06/16 17:17	1/11/16 18:06	14	4	700.00	
40	UNLD	OAR	62317	OSU WOODPULP	12/28/15 20:10	1/06/16 17:17	1/11/16 18:06	14	4	700.00	
41	UNLD	OAR	61270	OSU WOODPULP	12/28/15 20:10	1/06/16 17:17	1/11/16 7:05	13	4	630.00	
42	UNLD	OAR	61297	OSU WOODPULP	12/28/15 20:10	1/06/16 17:17	1/11/16 7:05	13	4	630.00	
43	UNLD	OAR	62221	OSU WOODPULP	12/28/15 20:10	1/06/16 17:17	1/11/16 7:05	13	4	630.00	
TOTAL UNLOADING								43 CARS	824	144	47,600.00
TOTAL FOR BUSINESS DEPOT								43 CARS	824	144	47,600.00
TOTAL FOR KENCO GROUP								43 CARS	824	144	47,600.00

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

For cars released from 2/01/16 thru 2/29/16

In account of:

KENCO GROUP
P.O. BOX 160464
CLEANFIELD, UT 84016
Attn: BRETT FISHER

Please Remit to:

Utah Central Railway
3460 Momentum Place
Chicago, IL 60609-5334

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 3/02/16

Demurrage Agreement: SYS-UNLOAD

Invoice # 101612 1

Invoice Date: 3/02/16

Page 1

Seq	Rel'd For	Car	Car Typ	Commodity	-PCON/Ordered- Date Time	---Placed--- Date Time	---Released--- Date Time	Total Days	Credit Days	Amount Due	
1	UNLD	OAR	62114	OSU WOODPULP	1/06/16 10:55	2/02/16 17:01	2/04/16 16:02	29	2	1,890.00	
2	UNLD	OAR	62159	OSU WOODPULP	1/06/16 10:55	2/02/16 17:01	2/04/16 16:02	29	2	1,890.00	
3	UNLD	OAR	62166	OSU WOODPULP	1/06/16 10:55	2/02/16 17:01	2/04/16 16:02	29	2	1,890.00	
4	UNLD	OAR	62208	OSU WOODPULP	1/06/16 10:55	2/02/16 17:01	2/04/16 16:02	29	2	1,890.00	
5	UNLD	OAR	62294	OSU WOODPULP	1/06/16 10:54	2/02/16 17:01	2/04/16 16:02	29	2	1,890.00	
6	UNLD	OAR	62108	OSU WOODPULP	1/06/16 10:55	2/02/16 17:01	2/04/16 8:30	28	2	1,820.00	
7	UNLD	OAR	61211	OSU WOODPULP	1/06/16 10:55	2/02/16 17:01	2/03/16 14:38	28	2	1,820.00	
8	UNLD	EEC	600	OSC PAPER PRINTING	1/08/16 15:37	1/29/16 17:39	2/02/16 13:52	25	2	1,610.00	
9	UNLD	OAR	62189	OSU WOODPULP	1/08/16 15:37	1/29/16 17:39	2/02/16 13:52	25	2	1,610.00	
10	UNLD	OAR	62243	OSU WOODPULP	1/15/16 19:04	1/29/16 17:39	2/02/16 13:52	18	2	1,120.00	
11	UNLD	OAR	61214	OSU WOODPULP	1/08/16 15:37	1/29/16 17:39	2/01/16 15:47	24	2	1,540.00	
12	UNLD	OAR	62165	OSU WOODPULP	1/08/16 15:37	1/29/16 17:39	2/01/16 15:47	24	2	1,540.00	
13	UNLD	OAR	62265	OSU WOODPULP	1/08/16 15:37	1/29/16 17:39	2/01/16 15:47	24	2	1,540.00	
TOTAL UNLOADING								13 CARS	341	26	22,050.00
TOTAL FOR BUSINESS DEPOT								13 CARS	341	26	22,050.00
TOTAL FOR KENCO GROUP								13 CARS	341	26	22,050.00

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

For cars released from 2/01/16 thru 2/29/16

In account of:

Please Remit to:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BREIT FISHER

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-5334

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 3/02/16

Demurrage Agreement: SYS-LOAD

Invoice # 101611 1

Invoice Date: 3/02/16

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Seq	Hold For	Car	Car Typ	Commodity	-PCON/Ordered- Date Time	---Placed--- Date Time	---Released--- Date Time	Total Days	Credit Days	Amount Due	
1	LOAD	CNW	520060	D5C SCRAP PAPER	2/10/16 17:31	2/16/16 17:50	2/18/16 13:16	8	2	420.00	
2	LOAD	FBOX	505860	D5C REV PALLET.SHPN	2/05/16 16:08	2/05/16 16:12	2/11/16 13:45	5	3	140.00	
TOTAL LOADING								2 CARS	13	5	560.00
TOTAL FOR BUSINESS DEPOT								2 CARS	13	5	560.00
TOTAL FOR KENCO GROUP								2 CARS	13	5	560.00

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

For cars released from 7/01/16 thru 7/31/16

In account of:

Please Remit to:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Utah Central Railway
3450 Momentum Place
Chicago, IL 60609 5334

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 8/03/16

Demurrage Agreement: SYS-UNLOAD

Invoice # 101699 1

Invoice Date: 8/03/16

Page 1

Seq	Held For	Car	Car Typ	Commodity	PCON/Ordered- Date Time	Placed- Date Time	Released- Date Time	Total Days	Credit Days	Amount Due
1	UNLD	MWCX	500581	J6A SALT	7/25/16 9:17	7/28/16 16:35	7/29/16 15:30	3	2	70.00
2	UNLD	SOU	565513	D6C PAPER PRINTING	7/13/16 16:36	7/15/16 15:42	7/18/16 13:05	5	4	70.00
3	UNLD	NS	463540	D6C PAPER PRINTING	7/11/16 9:20	7/12/16 12:22	7/14/16 12:31	3	2	70.00
4	UNLD	SOU	565329	D6C PAPER PRINTING	7/11/16 9:20	7/12/16 12:22	7/14/16 12:31	3	2	70.00
TOTAL UNLOADING								4 CARS	14	280.00
TOTAL FOR BUSINESS DEPOT								4 CARS	14	280.00
TOTAL FOR KENCO GROUP								4 CARS	14	280.00

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

For cars released from 8/01/16 thru 8/31/16

In account of:

Please Remit to

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-5314

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 9/06/16

Demurrage Agreement: SYS-UNLOAD

Invoice # 101703 1

Invoice Date: 9/06/16

Page 1

Seq	Held For	Car	Car Type	Commodity	-PCON/Ordered- Date Time	---Placed--- Date Time	---Released--- Date Time	Total Days	Credit Days	Amount Due	
1	UNLD	LRS	1232	BFL	PAPER PRINTING	8/15/16 9:36	8/16/16 18:49	8/18/16 14:46	3	2	70.00
2	UNLD	NS	463496	D6C	PAPER PRINTING	8/12/16 9:34	8/16/16 18:49	8/18/16 14:46	6	5	70.00
3	UNLD	SOU	565597	D6C	PAPER PRINTING	8/12/16 9:33	8/16/16 18:49	8/18/16 14:46	6	5	70.00
4	UNLD	NS	463131	D6C	PAPER PRINTING	7/25/16 9:17	7/28/16 16:35	8/02/16 14:45	8	2	420.00
5	UNLD	NS	463421	D6C	PAPER PRINTING	7/25/16 9:17	7/28/16 16:35	8/02/16 14:45	8	2	420.00
6	UNLD	SOU	565305	D6C	PAPER PRINTING	7/25/16 9:17	7/28/16 16:35	8/02/16 14:45	8	2	420.00
7	UNLD	SOU	565320	D6C	PAPER PRINTING	7/25/16 9:17	7/28/16 16:35	8/02/16 14:45	8	2	420.00
8	UNLD	SOU	565473	D6C	PAPER PRINTING	7/27/16 12:42	7/28/16 16:35	8/02/16 14:45	6	4	140.00
9	UNLD	WRWK	1899	D6C	PAPER PRINTING	7/27/16 12:42	7/28/16 16:35	8/02/16 14:45	6	4	140.00
10	UNLD	WRWK	1905	D6C	PAPER PRINTING	7/27/16 12:42	7/28/16 16:35	8/02/16 14:45	6	4	140.00
TOTAL UNLOADING								10 CARS	65	32	2,310.00
TOTAL FOR BUSINESS DEPOT								10 CARS	65	32	2,310.00
TOTAL FOR KENCO GROUP								10 CARS	65	32	2,310.00

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

For cars released from 8/01/16 thru 8/31/16

In account of:

Please Remit to:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-5334

Attn: Revenue Group

Station: 800 BUSINESS DEPOT

Run Date: 9/06/16

Demurrage Agreement: SYS-LOAD

Invoice # 101702 1

Invoice Date: 9/06/16

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Seq	Held For	Car	Car Typ	Commodity	-PCON/Ordered- Date Time	---Placed--- Date Time	---Released--- Date Time	Total Days	Credit Days	Amount Due	
1	LOAD	ABOX	51950	BSN REV PALLET, SHPN	8/18/16 19:35	8/19/16 15:02	8/23/16 13:46	5	4	70.00	
TOTAL LOADING								1 CARS	5	4	70.00
TOTAL FOR BUSINESS DEPOT								1 CARS	5	4	70.00
TOTAL FOR KENCO GROUP								1 CARS	5	4	70.00

DEMURRAGE INVOICE USING STRAIGHT CALCULATIONS

For cars released from 9/01/16 thru 9/30/16

In account of:

KENCO GROUP
P.O. BOX 160484
CLEARFIELD, UT 84016
Attn: BRETT FISHER

Please Remit to:

Utah Central Railway
3460 Momentum Place
Chicago, IL 60689-5334

Attn: Revenue Group

Station: 890 BUSINESS DEPOT

Run Date: 10/04/16

Demurrage Agreement: SYS-UNLOAD

Invoice # 101724 1

Invoice Date: 10/04/16

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Seq	Held For	Car	Car Typ	Commodity	PCON/Ordered Date	Time	Placed Date	Time	Released Date	Time	Total Days	Credit Days	Amount Due	
1	UNLD	CSXT	151201	D5C	PAPER PRINTING	9/01/16	15:52	9/02/16	14:57	9/08/16	9:34	7	5	140.00
TOTAL UNLOADING											1 CARS	7	5	140.00
TOTAL FOR BUSINESS DEPOT											1 CARS	7	5	140.00
TOTAL FOR KENCO GROUP											1 CARS	7	5	140.00