GENERAL FREIGHT TARIFF 2000-D

Lake State Railway Company



NAMING RULES AND CHARGES GOVERNING DEMURRAGE, SWITCHING AND OTHER ACCESSORIAL AND TERMINAL SERVICES

For the following Railroads:

 Railroad Name & Reporting Mark

 Lake State Railway Company
 LSRC

This Tariff is also applicable on intrastate traffic, except where expressly provided to the contrary in connection with particular rates and provisions contained herein.

ISSUED: October 1st, 2024

EFFECTIVE: January 1st, 2025

ISSUED BY: Vice President Marketing & Sales 750 N. Washington Ave Saginaw, MI 48607 www.lsrc.com

GENERAL FREIGHT TARIFF 2000-D Check Sheet for Page Revisions ORIGINAL

Original and revised pages as named below contain all the changes.

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SECTION 1: GENERAL RULES

Thank you for partnering with Lake State Railway Company ("Railroad") for your freight and logistics needs. The purpose of this publication is to provide our customers and their customers with a clear understanding of the rules and fees associated with our network, including but not limited to charges for switches, demurrage, weighing, and private railcar storage fees.

The terms and conditions of service published here apply to all transportation services provided by Railroad and all railcars while on our network. Anywhere it states that Railroad "may" act, the use of "may" means the action is at Railroad's discretion.

Specific terms and conditions for line-haul transportation, including rates, are published in commodity-specific price lists, price quotes, and contracts. In the event of any conflict between the terms found here and any other Railroad publication or contract, the terms of the other Railroad publication or contract takes precedence.

By arranging for services with Railroad, a Customer, or any third party acting under the direction of or on behalf of a Customer, authorizes and accepts all the rules, requirements and applicable charges contained within this publication. In addition, any action taken by a Customer, or any other Carrier, that:

- Initiates,
- Accepts delivery of, or
- Affects a movement or supplemental service in Railroad's network

...also constitutes acceptance by that Customer or Carrier of all rules, requirements and applicable charges established here. The services expressly described herein are the only common carrier services offered by Railroad.

CANCELLATION NOTICE

General Freight Tariff 2000-D cancels the following Freight Tariff LSRC 2000-C, in its entirety.

Provisions formerly shown in above mentioned Freight Tariff and not brought forward into the General Freight Tariff 2000-D are hereby cancelled. This publication provides for increases, changes or no changes in previously existing provisions.

DESCRIPTION OF UNIFORM FREIGHT CLASSIFICATION

This publication is governed, except as otherwise provided herein, by Uniform Freight Classification UFC 6000 series and all supplements thereto or reissues thereof.

STATION LIST AND CONDITIONS

This publication is governed by the Official Railway Station List, OPSL 6000-series, Railinc, Agent, to the extent shown below:

- 1) For additions or changes in Name, Location or Abandonment of Stations
- 2) Prepay Requirements
- 3) Restrictions as to acceptance or delivery of freight
- 4) Changes in station facilities
- 5) When a station is abandoned, all provisions applicable thereto are cancelled, effective on the date of abandonment

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DISPOSITION OF FRACTIONS

CONSECUTIVE NUMBERS

TERM – RAILROAD

In computing rates or charges, all fractions should be retained until final result is obtained, then fractions of less than fivetenths (.5) should be dropped and fractions of five-tenths (.5) or more will be increased to the next highest whole number.

METHOD OF CANCELLING AND AMENDING ITEMS

REFERENCE TO TARIFFS, ITEMS, NOTES, RULES, ETC.

This publication will be amended by reprinting the page and showing a revised Issued and Effective date. A revised page cancels any revised or original pages (not cancelled) which bear the same ITEM number. Rates and charges in this tariff are subject to increase upon twenty (20) days' notice.

Where reference is made in this publication to tariffs, items, notes, rules, etc. such references are continuous and include supplements to and successive issues of such tariffs and reissues of such items, notes, rules, etc.

Rate Tariffs for each Railroad designate specific charges for services provided that are not included in the subsequent sections of this publication. These are designated as 8000 Series for Demurrage, Switching and Accessorial Charges.

Where consecutive numbers are represented in this publication by the first and last numbers connected by the word "to" or a hyphen, they will be understood to include both the numbers shown. If the first number only bears a reference mark, such reference mark also applies to the last number shown and to all numbers between the first and last numbers.

The term "Railroad" means carriers that are party to this publication.

RAILCAR DEMURRAGE, SWITCHING AND ACCESSORIAL RATE TARIFF

All railcars handled under this publication will be subject to demurrage, switching and accessorial rules and charges. Rates can be found in the Railroad's Rate Tariff. Prices published in Railroad's Rate Tariff (series 8000) will correspond with Items in the General Freight Tariff 2000-D.

DESCRIPTION OF COMMODITIES AND INSPECTION

The description of commodity(s) on the Shipping Document will conform to the Standard Transportation Commodity Code (STCC) and show the STCC number(s). When different prices are provided for the same commodity(s) according to the type of packing or package, the type of packing or package should be shown.

The Railroad reserves the right to inspect shipments to determine applicable prices. When the commodity(s) are found to be incorrectly described, freight charges will be collected according to the proper description.

Effective January 1st, 2025

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PACKAGING

MILEAGE CHARGES ON PRIVATELY OWNED RAILCARS

The Railroad will not pay mileage charges on privately owned railcars when moving from, to or via stations on the Railroad lines unless superseded by an existing contract that governs such charges.

SHIPPING DOCUMENT

Prior to the tender of freight, Consignor shall execute a Shipping Document similar in content to the Uniform Straight Bill of Lading. However, this publication shall override any inconsistent terms in the Shipping Document. By executing the Shipping Document, the Consignor is deemed to accept and be bound by the conditions of this publication including the defenses, exclusions and limitations of liability set out herein.

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For marked capacities, lengths, dimensions, and cubical capacities of railcars, see the Official Railway Equipment Register, RER 6414-series, issued by the National Railway Publication Company, Agent.

CONGESTION RESULTING FROM RAIL CUSTOMER

CAPACITIES AND DIMENSIONS OF RAILCARS

If a Rail Customer's excessive retention of railcars results in operational congestion, as determined by the Railroad, of the Customer's and/or the Railroad's rail tracks, the Railroad may impose an embargo against the Customer's receipt of further railcars until the congestion is eliminated.

Upon arrival and placement of equipment for unloading at destination, consignee will be responsible for unloading equipment in a manner which does not damage equipment and for releasing equipment in a condition suitable for reloading by another Customer. If consignee refuses or fails to remove all lading, dunnage blocking, bracing, strapping, debris, or other material that was part of the inbound shipment, secure interior loading devices, and close doors, the railroad which discovers such failure may undertake to remedy such failure and the consignee will be responsible for reimbursing the railroad which performs such work for the cost thereof, including without limitation the cost of any switching associated with such work. Otherwise, applicable demurrage and detention charges shall continue to apply until equipment is released to the delivering carrier in clean condition or upon completion of any action by the delivering carrier to remedy the consignee's failure.

Customer must package all shipments governed by this Tariff in accordance with Rules 5, 40, 41 and 51 of the Uniform Freight Classification, UFC 6000 Series.

MAXIMUM ALLOWABLE GROSS WEIGHT ON RAIL

Maximum Allowable Gross Weight on Rail will vary. Gross Weight can be found on the Railroad's Rate Tariff (8000 series).

UNLOADING AN RELEASE OF EQUIPMENT AT DESTINATION

Effective January 1st, 2025

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When a customer tenders a railcar they own or lease to Railroad, the Customer must:

Update the UMLER to reflect the Customer's interest in the railcar; or

UPDATES OF UNIVERSAL MACHINE LANGUAGE EQUIPMENT REGISTER ("UMLER")

Provide real-time access to its system for identifying their railcars to Railroad. ٠

SAFE TRANSPORTATION OF FOOD

Customers have the responsibility to ensure compliance with the obligations, if any, imposed by the Sanitary Food Transportation Act and its implementing regulations, including all the requirements of 15 C.F.R. Subpart O, §§1.900-1.934.

TERMINAL AND SPECIAL SERVICES

Except as otherwise provided herein, shipments made under the rate contained in this publication are entitled also to terminal and transit services and privileges and are subject to the charges, allowances, rules, and regulations legally applicable thereto as provided in separately lawfully published Tariffs.

WEATHER INTERFERENCE

Acts of God: in the event it is impossible for a Railroad's Customer to get to a railcar to load or to unload due to acts of God, including, but not limited to flood, storm, earthquake, hurricane, tornado, or to other severe weather or climatic conditions, the demurrage directly chargeable thereto will be adjusted, provided the impediment is at least two (2) days in duration. Notification of this impediment must be made to customerservice@lsrc.com, within 24 hours of interference, and will provide daily updates until back in service.

Force Majeure Events include Acts of God, authority of law, labor disputes, weather impediments, fire, explosion, war, insurrection, threatened or actual acts of terrorism or other like causes beyond one's reasonable control. Downturns in the economy and changes in market conditions are NOT considered force majeure conditions.

LIMITATION OF LIABILITY

These Terms and Conditions incorporate the non-conflicting provisions of the Uniform Straight Bill of Lading, as well as Railroad's other rules, all applicable statutes, regulations, AAR and other industry standards, requirements, and procedures that would apply without being specifically listed.

Notwithstanding anything to the contrary in this publication, liability for loss and or damage of lading transported by Railroad is limited to twenty-five thousand dollars (\$25,000) per railcar. If liability coverage beyond that provided herein is desired, the Railroad must be contacted for charges to apply prior to the tendering of such shipment(s) to the Railroad for rail transportation.

The Railroad shall not be responsible for loss or damage of lading where Customer has failed to comply with the requirements of the Uniform Freight Classification and AAR loading provisions. Nor shall the Railroad be liable for any loss, damage or delay caused by an act of God, the public enemy, the authority of law, the act or default of the shipper or owner, natural shrinkage of product, riots or strikes or a defect or vice in the property. In no circumstances whatsoever, shall the Railroad be liable for consequential or indirect damages including but not limited to loss or profit, loss of market, product deterioration, claims based on delay in transportation, mobilization/demobilization expenses, punitive damages or attorney's fees.

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This limit of liability as well as any other defense, exclusion or limitation of liability set out in this publication shall apply in all circumstances including where the delay, loss and/or damage to commodity(s) resulted in whole or in part from negligence, gross negligence or willful misconduct of the Railroad, its servants, or agents.

In the event that any term, condition, or requirement of these Terms and Conditions is found to be void or unenforceable, such findings shall not be construed to render any other term, condition, or requirement of these Terms and Conditions either void or unenforceable, and all other terms, conditions, and requirements shall remain in full force and effect.

TIME LIMITS FOR FILING CLAIMS AND LAWSUITS

Railroad is committed to serving our Customers with safe, reliable rail transportation. In the event that freight is damaged or misplaced, and Railroad is the delivering carrier we will promptly address your concerns as described below. All claims should be filed with the delivering carrier on the waybill for investigation and resolution.

Report any loss or damage through <u>customerservice@lsrc.com</u>.

Railroad's liability for loss, delay, and damage is contingent upon Railroad, or the railroad delivering interline Shipments, receiving immediate notification of all noted visible losses or damages discovered during the unloading of a railcar.

- Loss or damage discovered other than between 8:00 a.m. and 5:00 p.m., Monday-Friday shall be reported no later than 24 hours following unloading from the railcar
- Saturdays, Sundays and Holidays are excluded
- Concealed damage must be reported immediately upon discovery and made available for inspection at point of delivery

Any claim for loss or damage must be filed within nine months of the date the shipment was delivered, or in the case of failure to make delivery, then within nine months after a reasonable time for delivery.

MITIGATION OF DAMAGES; SET OFF

Customers have the responsibility to exercise reasonable and good faith efforts to mitigate their damages. Mitigation may include salvage sale; however, in the event that Customers are unable or unwilling to do so, the damaged freight shall be offered to Railroad for salvage.

Railroad reserves the right to set off any amounts owed to a Customer due to a claim for loss or damage to freight against any and all amounts that Customer owes to Railroad.

RIGHT TO SELL ABANDONED, REFUSED OR UNCLAIMED PROPERTY

Freight that is:

- Abandoned by the Consignor and Consignee
- Refused by the Consignor and the Consignee
- Unclaimed within 15 days after notice is issued to the Consignor and Consignee

...may be sold by Railroad in accordance with applicable law. The proceeds of any sale will be applied to the payment of all transportation and other lawful charges and expenses incurred by Railroad and any balance will be paid to the owner of the freight sold by Railroad.

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CARGO SEALS

Railroad does not furnish, apply, verify, or inspect cargo seals.

- When seals are applied, all doors, hatches, valves and other openings on the railcar must be sealed
- Consignor must include each seal number and the name of the employee applying the seal(s) in its Shipping • Instructions
- Railroad will not honor claims for loss, damage, or contamination of railcar contents based solely on the absence of one or more seals at the time of delivery at destination
- Claims for loss or damage are honored only when there is clear and convincing evidence of actual loss, damage, or contamination other than the mere absence of one or more seals, or apparent compromise of a seal that was applied before movement

Railroad reserves the right to audit, at Railroad's expense, the Consignor's on-site seal records.

ADDITIONAL LIMITATIONS FOR SHIPMENTS THROUGH MEXICO

For any Shipment with either a rail origin or rail destination in Mexico which moves over Railroad:

- Railroad is not responsible for any loss of or damage to the cargo occurring in Mexico.
- Railroad is not responsible for unlocated loss of or damage to the lading unless the claimant can show by preponderance of the evidence that the loss of or damage to the lading occurred in the United States and is otherwise compensable under this Section 7.
- All claims for loss of or damage to lading occurring in Mexico must be presented to the Mexican rail carrier. Filing of a claim with the Mexican rail carrier does not constitute filing of a claim with Railroad.
- Railroad is not responsible for any expenses or losses incurred by a Customer from delays and problems in clearing Customs.

SPECIAL LIMITATIONS FOR SHIPMENTS OF VEHICLES

Any loose items or uninstalled vehicle components in any vehicle transported by Railroad are tendered to Railroad at the sole risk of loss of shipper.

Only one claim may be filed for any individual vehicle.

1260

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CREDIT

1400

Customers who have not applied for and received credit approval by the Railroad, or who have had their credit suspended by the Railroad, must pay charges and other applicable fees in full prior to Railroad's acceptance of a shipment at origin if tendered as prepaid, or prior to placement of a shipment at destination if tendered collect. Railroad may, at its discretion, transport or tender shipments for non-credit Customers prior to receipt of payment of charges as otherwise specified here. In those instances, all charges are due upon receipt of the associated bill or invoice. Customers that fail to pay by the date specified will be assessed late fees and finance charges.

Railroads offer credit agreements to qualifying Customers. To apply, or to make arrangements for the electronic transfer and payment of charges, please complete a Credit Application and Agreement found in the Appendix of this publication.

Railroads reserve the right and sole discretion to establish, not establish, maintain or revoke credit provisions for any Customer.

Customers with an approved Credit arrangement by Railroad shall pay in-full freight, switching and accessorial charges which must be received by Railroad within 15 calendar days from the date of applicable bill.

NOTE: Errors discovered in the bills by Customers should be corrected by them and paid accordingly. Payment of all bills, including those corrected by Customers, must be made within the credit period. Payment of bills alleged to be incorrect will not prejudice Customer's claims, filed within the statutory period, for refund of overcharges. If Customers receive bills that they believe they are not responsible for paying, they must notify Railroad within the credit terms that they are not responsible for paying the bill(s). Customers may not set off or otherwise withhold payment of any Railroad's charge due to any alleged overcharge, freight damage or other dispute.

If a Customer disputes charges received in a bill from Railroad, Customer must follow the procedures as specified in this publication.

Payment of an amount less than stated on a Railroad invoice will be considered as payment on account and not as payment in full, notwithstanding any notation to the contrary on the payer's remittance. Acceptance by Railroad of the lesser amount will not constitute an accord and satisfaction. The payer will be advised of any remaining balance deemed due after application of the remitted funds.

If a Customer does not pay the charges in-full on a bill received from Railroad within the time period specified in this publication, Railroad, at its sole discretion, may revoke Customer's credit with Railroad and require Customer to pay Railroad cash in advance of delivery of services ("COD") prior to the Railroad providing pick-up and/or delivery of Customer's railcars. Railroad will give the Customer ten (10) calendar days' written notice before the provisions of this paragraph are invoked.

LATE FEES & FINANCE CHARGES

1410

Invoices not paid per credit terms are subject to a 10% late fee on the outstanding balance of any charge that is not received by Railroad. The late fee is assessed in addition to the finance charge outlined below and will not apply against any disputed charge found by Railroad to have been incorrectly billed.

Railroad may assess a finance charge of 18% per year (1.5% per month) on charges that are not received by Railroad when due. The finance charge will not apply against disputed charges that are found to have been billed incorrectly. Finance charges will, however, be assessed if a corrected invoice is not paid within terms of the date of that corrected invoice. Finance charges will be assessed on the unpaid balance of any charge from the first day following the due date through the date of receipt of payment in full and may be billed monthly.

If Railroad, at its sole discretion, uses a collection agency or attorneys to collect delinquent bills for freight or other charges and Railroad is successful in collecting such charges, Customers shall reimburse Railroad for all reasonable collection costs, including reasonable collection agency fees and reasonable attorneys' fees.

SECURITY DEPOSITS

A security deposit to ensure payment of any freight, demurrage, detention, or other accessorial charges that may accrue will be required for any consignor, loader consignee, unloader, beneficial owner, Care-of-Party or other responsible parties, hereafter referred to as "Customer" as defined in this publication, who fails to pay demurrage, detention, switching or other accessorial charges after specific written demand referring to this publication provision.

The Railroad will give Customer ten (10) calendar days written notice before the provisions of this item are invoked. The deposit must be paid in certified check, cashier's check, money order, ACH or other Wire transaction before any freight car is delivered to such Customer for loading, unloading, storage or other than loading or unloading services.

The minimum deposit for each freight car will be the average amount per railcar of freight, demurrage, detention, switching or other accessorial charges outstanding at the time this provision is invoked against the Customer. The maximum amount of deposit will be determined by the Railroad's credit office or through other alternative forms of security. The credit office may waive the minimum deposit per railcar by accepting a revolving deposit of \$1,000 - \$50,000 based on traffic volume. The deposit will be held to guarantee payment of and to be applied against any switching, demurrage, detention, or other accessorial charges which may accrue since the implementation of the security deposit arrangement.

The Security deposit will no longer be required and any remaining balance will be refunded to the Customer within thirty (30) calendar days after the Customer has paid all outstanding freight, switching, demurrage, detentions, and other accessorial charges and the Railroad's credit office has agreed to reinstate previous credit terms at their sole discretion.

INVOICE DISPUTE PROCEDURES

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If a Customer disputes any charges incurred on an invoice; the following procedures must be applied:

- 1) The dispute must be specific in nature, applying to a specific railcar or group of railcars, related to time of actual or constructive placement, release or application of the rules contained in this publication
- 2) The dispute must be made in writing and submitted to <u>customerservice@lsrc.com</u>
- 3) The dispute must be submitted within fifteen* (15) calendar days from the date of the bill. If a dispute is not received within this time, the bill will be considered correct and must be paid
- 4) Customer must pay the undisputed amount at the time of the dispute is filed, according to the normal bill payment procedures
- 5) Amounts in dispute will not be considered past due until fifteen (15) calendar days after the dispute resolution is concluded by Railroad
- 6) Disputes sent to Railroad which are found to be valid will be subject to a processing fee of \$50 for each incorrectly disputed railcar

*Freight Overcharge Claims are the only exception and must be filed within one year of the original shipment date.

PAYMENT METHODS

Railroad accepts payments through ACH, Wire transaction and check. Remittance information must be sent to ar@lsrc.com and must include invoice number.

For quicker processing please ensure that proper information is setup in the Railroad's system.

CASH APPLICATION

Customers are required to specify the invoice being paid when tendering payment to Railroad. If a Customer tenders payment without identifying an accompanying invoice for the application of payment, Railroad will take the following steps:

- Review the Customer's outstanding invoices to determine if there is an invoice with an amount due equal to the payment amount. If such an invoice is identified, the payment will be applied to that invoice.
- If no such invoice is identified, Railroad will contact the Customer once by phone and/or email to obtain the Customer's preferred invoice(s) for application of payment.

If a Customer does not respond to Railroad's request for clarification within ten (10) business days, the payment will be applied in the order specified below. Payments applied according to this policy will not be reversed or reallocated.

- 1. Undisputed, past due line-haul invoices, from oldest to most recent
- 2. Undisputed, past due supplemental invoices or other miscellaneous charges, from oldest to most recent
- 3. Undisputed, outstanding late fees and finance charges, from oldest to most recent
- 4. Undisputed, outstanding line-haul invoices, from oldest to most recent

move under the prices contained in a Railroad's public price document.

5. Undisputed, outstanding supplemental invoices or other miscellaneous charges, from oldest to most recent

RATE PUBLICATION

CURRENCY

Prices are subject to increase, change or expiration. Any change to the prices will be shown in supplements to or a reissue of Railroad's Rate Tariff (8000 series). Except as otherwise noted, ancillary charges contained in other documents will apply.

Prices are stated and payable in U.S. funds.

PRIVATE TRANSPORTATION CONTRACTS

Private Rate Agreements, Railcar Storage Contracts, Transportation Service Agreements, Switching Contracts or any other type of Rail Transportation arrangement entered into by the Railroad and Customer take precedence over prices published herein for the same commodities over the same routes.

CONFLICT OF RULES The rules in this publication will take precedence over rules contained in other separate documents when shipments

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PRICE TERMS AND CONDITIONS

Railroad agrees to provide rail transportation service at the rates and subject to the additional terms and conditions set forth in the public price documents of the Railroad. All charges established by these Terms and Conditions are cumulative and may be assessed in any combination.

Fuel surcharges as provided for in the Railroad's Fuel Surcharge Tariff as of the date of the shipment tender shall apply.

INCORPORATION OF DOCUMENTS

FUEL SURCHARGE

Prices subject to rules and conditions of the Railway Equipment Register, STCC 6001, OPSL 6000 and UFC 6000 and all supplements thereto and reissues thereof.

RESPONSIBILITY FOR CONNECTING CARRIER SWITCH CHARGES

Except as otherwise specifically provided in this publication or other superseding document, the Railroad shall not absorb any switching charges of connecting carrier(s).

FORWARDING INSTRUCTIONS AND MANUAL RELEASE

Railroad defines line-haul transportation as the movement of one or more railcars from station to station; the pulling of the railcar(s) from the origin and placement of the railcar(s) at the destination; and includes the movement of an empty Private Car back to its origin or another specified destination if such return movement occurs within six months of the most recent outbound, loaded move. Railroad establishes each location's service schedule.

Forwarding instructions when the Railroad is the first Line Haul Road in the route must be submitted to the Railroad using RailConnect[™], Bill of Lading EDI from connected 3rd party systems or via EDI from Railinc.

Forwarding instructions when the Railroad is an origin switch will be provided electronically by the first Line Haul Road in the route. Customer will submit forwarding instructions to the first Line Haul Road in the route.

Reverse route empty release must be submitted to the Railroad using RailConnect[™] and will be applied when released empty from Customer facility. Private cars are automatically reverse routed to their last point of origin or interchange unless instructions to the contrary are submitted in a timely manner. Changes in routing of empty railcar movements may be considered as "Diversions." Railcars with more than 1,000 pounds of lading are not considered empty and may require a separate Shipping instruction.

The Railroad will accept forwarding and/or release instructions to its Customer Service team via email (customerservice@lsrc.com), subject to a charge of \$100 per single railcar waybill or multi-car waybill, and \$500 per bill of lading for unit trains. Hazmat waybills will be subject to a \$200 charge per railcar request. The Railroad reserves the right to reject as an unreasonable request for service, any emailed forwarding instructions that are illegible due to poor transmission quality, poor or illegible handwriting, incomplete or otherwise unable to complete the request. The Railroad will not accept delivery of forwarding instructions by U.S. Mail, express service, personal delivery, phone, or otherwise. Charges for emailed forwarding instructions do not apply to hazardous waste, United States Government shipments, or voids and corrections.

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All empty release information must be submitted to the Railroad using RailConnect[™]. The Railroad will accept empty release information to its Customer Service team via email (<u>customerservice@lsrc.com</u>), subject to a \$100 charge per release request.

When electronic or mechanical devices are used to furnish forwarding instructions and/or empty release information to Railroad, the recorded date and time that the instructions are received by the Railroad will govern.

In no circumstance whatsoever shall the Railroad be liable for consequential or indirect damages resulting from manual intervention when elected by the customer. Shipper assumes all liability for incorrectly billed, and or misrouted shipments whether by Railroad or shipper's incorrect submission.

REBILLING OF CHARGES

Occasionally Railroad is billed for charges due to the actions of Customers or other railroads. Railroad may rebill (pass through) such charges to the party responsible for Railroad being billed, and such party is responsible for the payment of those charges.

RULES FOR INTERNATIONAL SHIPMENTS

The Railroad connects with Class 1 railroads that have access to Canada and Mexico. Customers who plan to ship internationally must comply with all customs laws and obtain any and all approvals for the cross- border transportation of their shipments, including any and all clearances associated with their shipment under import and export laws. All necessary or useful documentation with respect to an international shipment must be provided to Railroad in a timely manner. Railroad fully cooperates with governmental authorities in handling international shipments but does not provide the services of a licensed customs broker. U.S., Canadian, and Mexican border officials require complete import and export documentation associated with, and access to, all Shipments.

- Empty railcars cannot automatically reverse route across U.S.-Canada borders they must have a separate Shipping Instruction
- Residual amounts of commodities in railcars may require a customs broker to assist in their transit across the border
- Railcars with residual Hazardous Materials, including chemical tank cars, cannot be identified as empty on the Shipping Instruction

Proper paperwork is vital to efficient international transportation. If Railroad or another Carrier is forced to set out a railcar from a trans-border train, or to place a railcar on hold status due to incomplete or incorrect Customs documentation, data quality, or at the request of U.S., Canadian or Mexican Customs for any reason, the Customer is responsible for and will be charged for all associated switching charges and any other costs or fees paid by Railroad.

If Railroad is obliged to hold a railcar awaiting Customs clearance and release, ITEM 3120 "HOLD FOR BILLING INSTRUCTIONS" shall apply in addition to any applicable demurrage or storage fees until proper paperwork is received.

Effective January 1st, 2025

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CAR ORDERING RULES

To provide customers with quality rail service, a railroad must be able to provide customers with railcars promptly and in operational condition. We appreciate your efforts to help us manage and protect our fleet by reserving the number of Carrier Cars you actually need and by returning Carrier Cars in the same clean, functional condition you expect to receive them.

Customers should not order more railcars than their facility can accept.

- Railcar orders can be submitted up to six weeks in advance
- Customer must renew orders if expired and railcars are still needed for loading
- To increase or decrease a railcar order less than seven days before the railcar is due, the Customer must submit a change request via email to <u>customerservice@lsrc.com</u>
- Railroad will use commercially reasonable efforts to fulfill a changed railcar order
- No changes to a railcar order can be implemented on the day of the order or processed for the following day

NON-RAILROAD SERVED CUSTOMER CAR ORDERS

LIMITATIONS ON RELOADING CARRIER CARS

All requests for railcars should be submitted to the Carrier that delivers railcars to the ordering facility in accordance with AAR Rule 15.

Railroad Cars may not be reloaded without the prior permission of Railroad.

TREATMENT OF ARTICULATED CARS

For counting purposes, articulated railcars are considered the number of railcars equal to the number of separate segments (platforms) that have been joined together.

CARS THAT MUST BE UNLOADED FROM A SPECIFIC SIDE

Loading a railcar in a manner that requires unloading from a single side can be unsafe and is prohibited unless permitted by applicable AAR rules. For example, AAR rules stipulate that a railcar requiring placement for loading or unloading from a particular side or end must be placarded on both sides and the following written notification must be included on the associated Shipping Instruction: Notice to Carrier – Deliver railcar from side or end specified by placard.

INVOICE ENTRY INTO A CUSTOMER SYSTEM

If a Customer requires Railroad to submit invoices directly into their accounting system through a website, EDI, or other electronic and/or manual process, a \$100 charge per invoice will be added for the entry by Railroad on behalf of the Customer. Railroad may offer this as a convenience with the addition of the fee as agreed to by the Customer.

Railroad will send invoices by email or fax as a default to all Customers at no charge. All other methods may be subject to a fee as outlined above in ITEM 1850.

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SECTION 2: DEMURRAGE RULES

APPLICATION

This section applies to all Customers served by the Railroad and covers all railroad and private marked freight car(s) held for or by the Customer(s) with the following exceptions:

- Private railcar(s) on private tracks
- Railcar(s) containing refused or unclaimed freight to be sold by Railroad
- Empty railcar(s) of Railroad ownership rejected as unsuitable for loading
- Railcar(s) for loading or unloading of Railroad's company material while held on private tracks
- Railcar(s) of railroad ownership, leased for storage of commodities while held on lessee's tracks

INDEMNIFICATION FOR DEMURRAGE AND STORAGE

Customer recognizes and agrees that the railcars covered by the General Freight Tariff 2000-D may be placed in an area on the Railroad which is not enclosed or protected from potential incursion by third parties or Acts of God. Consequently, Customer agrees to indemnify and hold harmless Railroad and their respective employees, officers, members, managers and directors (the "Railroad Indemnitees") from and against any and all claims, administrative proceedings, lawsuits and damages and agrees to reimburse the Railroad Indemnitees from any costs, lawsuits, obligations, judgments, debts and expenses or any nature, including reasonable attorneys' fees, suffered or incurred by the Railroad Indemnitees arising out of or resulting from loss and/or damages to the railcars and lading caused by Acts of God or parties other than Railroad, except to the extent proximately caused by gross negligent acts or omissions or willful misconduct of the Railroad.

NOTIFICATION TO CONSIGNEE/CONSIGNOR

Railroad will furnish the following notifications as indicated:

- Railcars for other than public deliver tracks:
 - Notice of constructive placement if railcar(s) are held on Railroad's track due to reasons attributable to the Customer.
 - Delivery of railcar(s) upon track of Customer will constitute notice.
 - When two or more parties, each performing their own switching, take delivery of railcars from the same interchange track, notice will be given when railcars are placed on the interchange track.
- Railcars for public delivery tracks:
 - Notice will be given to the party entitled to receive notification when railcar is actually placed.
- Railcars stopped in transit:
 - Notice will be given to the Customer or owner responsible for the railcar being stopped upon arrival of the railcar at the point of stoppage.

Notification may be given in writing or electronically, and will contain the following:

- Railcar Initials and Number
- Commodity
- Date & Time

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RELEASE FROM CONSTRUCTIVE PLACEMENT

Release from Constructive Placement instructions must be submitted to Railroad using RailConnect™.

Railroad will accept release instructions to its Customer Service Center via email (customerservice@lsrc.com), subject to a \$100 charge per emailed instruction. Railroad reserves the right to reject as an unreasonable request for service, any "email" release instructions that are illegible due to poor transmission quality, poor or illegible handwriting, incomplete or otherwise. Railroad will not accept delivery of release instructions by US Mail, express service, personal delivery, or otherwise. Charges for "email" release instructions do not apply to hazardous waste, United States Government shipments, or voids and corrections.

When electronic or mechanical devices are used to furnish release instruction to Railroad, the recorded date and time that the instructions are received by the Railroad will govern.

In no circumstance whatsoever shall the Railroad be liable for consequential or indirect damages resulting from manual intervention when elected by Customer.

SETTLEMENT OF DEMURRAGE CHARGES

Settlement of charges will be made monthly on all railcar(s) released during each calendar month unless superseded by a private contract arrangement.

RAILCARS HELD FOR LOADING

TENDER:

• The notification, actual or constructive placement, of empty railcar(s) placed on orders of the Customer.

RELEASE:

- Date and time forwarding instructions are received by Railroad.
- Railcar(s) placed on the interchange tracks of a Customer, who performs its own switching, must be returned to the interchange track for release along with timely notification to Railroad.
- Improperly loaded or overloaded railcar(s) at origin will not be considered released until the load has been adjusted properly.

COMPUTATION:

- Time will be computed from the first 00:01 AM hours after tender until the release.
- When the same railcar is unloaded and reloaded, time will be computed from the first 00:01 AM hours after advice is received that the railcar(s) is empty until the railcar(s) is released.
- When the same railcar is unloaded and reloaded, empty release information must be furnished. If not furnished, demurrage will continue on the railcar until the forwarding instructions are received by Railroad.
- When a private railcar is actually placed on a private track, demurrage shall not apply to such private railcar.

FREE TIME:

- 24 hours, following the first 00:01 AM hours following tender by Railroad. CHARGES:
- Except as otherwise specified in Items 2200, 2210 and 2220 of this publication, the demurrage charges in the Railroad's Rate Tariff 8000 shall apply in addition to other applicable charges specified in this Tariff.

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RAILCARS HELD FOR UNLOADING

General Freight Tariff 2000-D

TENDER:

• The notification, actual or constructive placement, of a loaded railcar(s).

RELEASE:

- Date and time that the Railroad receives advice the railcar(s) is empty.
- Railcar(s) placed on the interchange tracks of a Customer who performs its own switching must be returned to the interchange track for release along with timely notification to Railroad.

COMPUTATION:

- Time will be calculated from the first 00:01 AM hours after tender until release.
- When the same railcar is unloaded and reloaded, time will be computed from the first 00:01 AM hours after advice is received that the railcar(s) is empty until the railcar(s) is released.
- When the same railcar is unloaded and reloaded, empty release information must be provided at the time the railcar is made empty. If not furnished, demurrage will continue on the railcar until the forwarding instructions are received.
- When a private railcar is actually placed on a private track, demurrage shall not apply to such private railcar.

FREE TIME:

• 48 hours, following the first 00:01 AM hours following tender by Railroad.

CHARGES:

• Except as otherwise specified in Items 2200, 2210 and 2220 of this publication, the demurrage charges in the Railroad's Rate Tariff 8000 shall apply in addition to other applicable charges specified in this Tariff.

RAILCARS HELD FOR OTHER THAN LOADING/UNLOADING

Applies to railcar(s) held:

- On orders by Customer
- Awaiting proper disposition from the Customer
- As a result of conditions attributable to Customer
- For refused Loaded railcar(s) by Customer while Railroad awaits forwarding instructions

CHARGES:

- Except as otherwise specified in Items 2200, 2210 and 2220 of this publication, the demurrage charges in the Railroad's Rate Tariff 8000 shall apply in addition to other applicable charges specified in this Tariff.
- There is no Free Time for railcars in this status.

RAILCAR STORAGE

All storage handled on Railroad roads require a fully executed private railcar storage agreement and a certificate of insurance which complies with all the terms and conditions of the fully executed private railcar storage agreement.

If both of these conditions are not in place prior to the interchange of a Customer's private railcar(s) to a Railroad for storage, the Railroad, at its sole discretion, may accept the railcar(s) for storage in which the applicable charges as specified in Railroad's Rate Tariff 8000 will apply to such railcar(s) until the first day of the month after all of the terms and conditions of this provision are completed.

On and after such date, the storage charges specified in the fully executed storage agreement shall apply to Customer's railcar(s) which are placed on a Railroad road's track for storage.

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NON-CHARGEABLE DAYS

Holidays will be considered non-chargeable when the railcar has been tendered within 24 hours for loading and 48 hours for unloading before the Holiday. If the free time on the railcar has already expired and Customer is in chargeable days, then all subsequent Holidays are chargeable.

A Holiday cannot be the first chargeable day. Holidays shall include the following:

- New Year's Day (January 1st)
- Good Friday (Friday before Easter Sunday)
- Memorial Day (Last Monday of May)
- Independence Day (July 4th)
- Labor Day (First Monday of September)
- Thanksgiving Day (Fourth Thursday of November)
- Christmas Day (December 25th)

DEMURRAGE ON HAZARDOUS MATERIALS EXCLUDING TIH/PIH

Except as otherwise provided in Item 2210 of this publication, the demurrage charges provided in this item apply to loaded railcars containing Hazardous Materials and to an empty railcar which on the prior move contained Hazardous Materials as specified in Item 4010 of this publication.

The demurrage charges as specified in the Railroad's Rate Tariff 8000 apply to a loaded railcar which contains Hazardous Materials (excluding TIH/PIH) and to an empty railcar which on the prior move contained Hazardous Materials (excluding TIH/PIH). These demurrage charges are in lieu of other demurrage charges which are specified in this publication.

Time will be computed from the first 00:01 AM hours after actual placement or constructive placement until the release. There is no free time for railcars in this status.

When a private railcar is actually placed on a private track, demurrage charges shall not apply to such private railcar.

DEMURRAGE ON TIH/PIH

The demurrage charges as specified in the Railroad's Rate Tariff 8000 apply to a loaded railcar which contains TIH/PIH as specified in Item 4000 and to an empty railcar which on the prior move contained TIH/PIH as specified in Item 4000 of this publication. These demurrage charges are in lieu of other demurrage charges which are specified in this publication.

Time will be computed from the first 00:01 AM hours after actual placement or constructive placement until the release. There is no free time for railcars in this status.

When a private railcar is actually placed on a private track, demurrage charges shall not apply to such private railcar.

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DEMURRAGE ON HEAVY CAPACITY RAILCARS

Heavy duty flat cars of but not limited to mechanical designation "FD" "FM" or "FW" with capacity in excess of 130 tons, will be subject to demurrage charge listed in the Railroad Rate Tariff 8000. These demurrage charges are in lieu of other demurrage charges which are specified in this publication.

Time will be computed from the first 00:01 AM hours after actual placement or constructive placement until the release. There is no free time for railcars in this status.

When a private railcar is actually placed on a private track, demurrage charges shall not apply to such private railcar.

STORAGE SWITCHING

The switching charges as specified in the Railroad's Tariff 8000 shall apply on the movement of empty, non- hazardous railcars. Movement from Interchange to the designated storage location will constitute one way. A second, one-way movement from the storage location back to interchange will be preceded upon receipt of proper forwarding instructions as specified in Tariff ITEM 1680. All storage switching movements must be prepaid by electronic fund transfer prior to the railcar(s) being interchanged to the Railroad.

HAZARDOUS MATERIALS SWITCHING

The switching charges as specified in the Railroad's Tariff 8000 shall apply on the movement of empty, hazardous railcars as defined in Tariff ITEM 4010. Movement from Interchange to the designated storage location will constitute one way. A second, one-way movement from the storage location back to interchange will be preceded upon receipt of proper forwarding instructions as specified in Tariff ITEM 1680. All storage switching movements must be prepaid by electronic fund transfer prior to the railcar(s) being interchanged to the Railroad.

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SECTION 3: SWITCHING AND ACCESSORIAL

RAILROAD RATE TARIFF 8000 3000 Charges for Switching and Accessorial Provisions are found in Railroad's Rate Tariff 8000. INTRA-PLANT (IPS) SWITCHING 3010 A switching movement from one location to another location within the boundaries of a Customer industry or track. 3020 **INTRA-TERMINAL (ITS) SWITCHING** A switching movement from one location to another location of a Customer with multiple industry locations or track within the limits of one terminal (station or industrial switching district). 3030 FOREIGN RAILROAD – RECEIVED IN ERROR Loaded or empty railcars interchanged to Railroad from connecting roads are considered to be in error if the railcars are any of the following: • Are not consigned to Railroad or its Customers Are interchanged without proper billing instructions • Are reported empty but are deemed loaded • Are reported loaded but are deemed empty • When Railroad is not in the route These railcars will be treated as mishandled railcars received in error and charges will be assessed as specified in Railroad's Rate Tariff 8000 against the interchanging Carrier.

FOREIGN RAILROAD - RECEIVED IN IMPROPER CONDITION

When an empty, railroad owned railcar is provided for loading and is refused due to improper condition and/or inability to load, a charge as specified in Railroad's Rate Tariff 8000 will be assessed to the foreign railroad supplying the railcar. If Customer does not follow rules and procedures outlined in the AAR guidelines and foreign railroad supplying railcar denies Railroad's charge, Railroad will bill all applicable switching and demurrage charges to the Customer.

FOREIGN RAILROAD - CARS RECEIVED 24 HOURS AHEAD OF ORDER DATE

When a connecting road supplies empty, railroad owned railcar(s) in excess of 24 hours for Railroad's customer railcar order, such cars may be subject to a fee chargeable by the Railroad to the connecting carrier supplying the cars.

Cars delivered more than seven (7) days prior to the order may also be subject to a "Return of Early-Delivered Carrier Controlled Car as specified in Railroad's Rate Tariff 8000.

RETURNED RAILCAR TO CUSTOMER FACILITY

A charge per railcar will be assessed on railcars released by Customer, pulled from the Customer industry or track but not yet interchanged beyond Railroad, and subsequently ordered returned to the Customer.

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ERROR RELEASED – DELIVERED OFFLINE – RETURNED

If a railcar is:

- Released empty and found to be loaded
- Released loaded and found to be empty
- Customer furnishes incomplete or incorrect billing instructions

And the railcar is subsequently interchanged to a connecting carrier, the Customer will be assessed a returned railcar fee in addition to any fees assessed by the Railroad in which the railcar was interchanged.

FAILURE TO DELIVER LOAD TO SUPPLYING CARRIER

When a foreign road delivers a railcar to the Railroad for a Customer to load, and the Customer releases the railcar back to Railroad with instructions to deliver to another foreign road other than the foreign road that supplied the railcar, the Customer will be charged a per railcar rate by Railroad plus any applicable charges that may be assessed by the foreign railroad originally supplying the railcar.

EARLY RELEASE - UNABLE TO PULL

When a Customer releases an empty or loaded railcar and it is determined by the Railroad's crew, upon arrival at the Customer's facility, that one or more of the railcars which were released by Customer cannot be pulled by the Railroad as a result of conditions attributable to Customer, each such railcar released by Customer in error shall be deemed an "Error Release Railcar" and applicable charges will apply.

If a railcar at a Customer's industry or track that is showing or not showing released, but effectively is preventing the Railroad's crew from pulling other railcars that are properly released and available to pull, all railcars blocked by said railcar will be considered an "Error Release Railcar" and applicable charges will apply.

ORDERED IN - UNABLE TO PLACE

When a Customer orders in an empty or loaded railcar for placement but cannot receive the railcar because of conditions attributable to the Customer, each such railcar which may not be received by Customer shall be deemed a "Ordered in Error Railcar" and applicable charges will apply.

All "Ordered in Error Railcar(s)" will have their order for placement cancelled and said railcar(s) will resume any applicable demurrage charges retroactively back to the point of when the railcar(s) were originally submitted for placement.

HOLD FOR BILLING INSTRUCTIONS

When on Customer's instructions for loaded or empty railcars are removed from industry, shop or team tracks and are held by the Railroad awaiting forwarding instructions, a per railcar charge will be assessed against the party responsible for providing the forwarding instructions and the railcar will be placed into Constructive Placement status, and may be subject to ITEM 2070, RAILCARS HELD FOR OTHER THAN LOADING/UNLOADING from this publication.

On loaded railcars the charge will be assessed against the party physically loading the railcar and in whose name demurrage is maintained by the Railroad. If railcars are subsequently ordered returned to loaders tracks, the applicable switching charge will be assessed against the Customer. The charges provided in this item are in addition to applicable demurrage charges and will not be absorbed in whole or in part by Railroad.

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Instructions include:

- Valid EDI Billing and/or Written Disposition
- Customs Clearance
- Any other document that prevents Railroad from moving railcar

EMPTY IN, EMPTY OUT

When an empty railcar is interchanged and put into Customer's account, and subsequently returned as an empty railcar back to interchange or to another point on Railroad's line with no loaded movement a charge will apply.

Fees will not be applied to cars ordered and rejected due to mechanical faults, nor in the event that the car type does not match the car type ordered.

CHERRY PICKING

When a Customer has cars in a storage and/or retention status and orders movement on a single or series of railcars by specific number (i.e., commonly referred to as a Cherry Pick) such requests will be subject to charge as specified in the Railroad's Rate Tariff 8000.

INDUSTRIAL INTERCHANGE

When an empty railcar is interchanged to Railroad and delivered to Customer at their industry or track, and the railcar is delivered in direct connection with another Railroad, a per railcar charge will apply.

Additionally, if an empty railcar is released to Railroad with forwarding instructions to Interchange that was originally received as a load by another Railroad with direct connection to the Customer industry or track, the Industrial Interchange fee will apply on the empty movement as provided by the forwarding instructions from the Customer.

HANDLING OF OVERLOADED RAILCARS

When it is determined by the Railroad that a railcar is loaded beyond its registered and stenciled capacity or in excess of its maximum allowable gross weight on rail as specified in the Railroad's Rate Tariff 8000, whichever is less ("Overloaded") or improperly loaded while on the Railroad's railway lines, the Railroad may take any of the following measures:

- 1) Determine, on a case-by-case basis and at its sole discretion, whether the Overloaded or improperly loaded railcar may be moved safely and allowed to continue in transit; and
- 2) If the railcar requires inspection or adjustment, the Railroad may assess additional fees and costs to the Customer if the Railroad performs the inspection or adjustment; and
- Place the railcar into Constructive Placement status until such time that the situation is remedied to the Railroad's satisfaction and the railcar may be moved safely and allowed to continue in transit; and
- 4) At its discretion, notify the Customer that the Customer, at its sole cost and expense, shall be responsible for remedying the Overloaded or improperly loaded railcar situation
- 5) Railroad has authority to take action to resolve

None of the determinations made or measures taken by the Railroad shall in any way exonerate, excuse or limit the liability of the Customer to the Railroad under the present Item.

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In addition to the measures listed above, when it is determined by the Railroad that a railcar is Overloaded or improperly loaded regardless whether this determination is made on its railroad lines or during or subsequent to unloading, the Railroad shall assess and the Customer shall pay the Overloaded or improperly loaded railcar charge and applicable demurrage charges as specified in the Railroad's Rate Tariff 8000 and all costs and expenses incurred by the Railroad associated with the delay to the railcar's movement.

If the Railroad determines that a Customer repeatedly Overloads or improperly loads railcars, the Railroad reserves the right, in the interest of safety, to embargo such Customer.

The Customer further agrees to indemnify and hold harmless the Railroad, its owners, and their respective employees, officers, members, managers, and directors (the "Railroad Indemnitees") from and against any and all claims, administrative proceedings, lawsuits and damages and agrees to reimburse the Railroad Indemnitees for any costs, lawsuits, obligations, judgments, debts, fines, sanctions, penalties and expenses of any nature whatsoever, including reasonable attorney's fees, suffered or incurred by the Railroad Indemnitees arising or resulting from:

- 1) Customer's Overloaded or improperly loaded railcars, or
- 2) Customer's acts, omissions or violation of any law or regulation applicable to the loading of its railcars, except to the extent proximately caused by the grossly negligent acts or omissions or willful misconduct of the Railroad.

DIVERSION OR RECONSIGNMENT

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When a request is placed with the Railroad to modify any provision or terms described below, a diversion/reconsignment charge as specified in Railroad's Rate Tariff 8000 will apply to the party requesting the change.

- Change in the name of the Consignee
- Change in the name of the Consignor
- Change in the Destination
- Change in the Route
- Any other instruction given by the Customer affecting delivery and/or handling of affected railcar(s) after Interchange to the Railroad's line.
- The Freight Payer is responsible for any and all additional line-haul and other charges resulting from the Diversion.

Railcars stopped in transit, diverted or re-consigned may be Constructively Placed and subject to ITEM 2070, RAILCARS HELD FOR OTHER THAN LOADING/UNLOADING.

Diversion requests will be applied at the sole discretion of the Railroad and will not be accepted for railcars that have already left Railroad's control.

All Diversion requests should be emailed to <u>customerservice@lsrc.com</u>.

TURNING OF RAILCARS

Loading a railcar in a manner that requires unloading from a single side can be unsafe and is prohibited unless permitted by applicable AAR rules.

For example, AAR rules stipulate that a railcar requiring placement for loading or unloading from a particular side or end must be placarded on both sides and the following written notification must be included on the associated Shipping Instruction:

NOTICE TO CARRIER

Deliver railcar from side or end specified by placard.

At the request of the Customer or when it is necessary to turn a railcar, in order that a railcar may be unloaded or loaded, a charge will apply to the Customer from the Railroad.

CLOSING OR OPENING DOORS ON RAILCARS

Loaded railcars will not be moved unless all doors, hatches, outlet gate doors on covered hoppers, gates and tie-down devices are secured. All applicable switch charges will apply if any subsequent trips to the Customer are necessary due to doors, etc., not being secured.

On empty or loaded railcars, when it becomes necessary for the Railroad or its contractor, to close or open doors, hatches, gates, outlet gate doors on covered hoppers, or secure tie-down devices, charges will be assessed against the Customer releasing said railcar.

This service is provided at the convenience and discretion of the Railroad.

CLEANING FOR CARRIER CARS

Except for railroad-owned securement devices, each Carrier Car must be completely unloaded, clean and have all doors and hatch covers properly closed and secured prior to being released as "empty."

Customers are responsible for all charges arising from the Release of a Carrier Car that is not empty and clean, including charges for cleaning the Carrier Car and getting the Carrier Car to the nearest clean-out facility.

INSPECTIONS OR ADJUSTMENTS

WEIGHING OF RAILCARS

If Railroad is requested to do an inspection, or make any mechanical adjustments (including, without limitations, tightening bolts, closing gates/doors/hatches, etc.).

If Railroad has access to a scale and Customer requests railcar be weighed, a per railcar charge will be assessed, along with any applicable demurrage, switching and accessorial charges as applicable.

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SWITCHING EMPTY RAILCARS FOR REPAIR

A round-trip charge per railcar (See Notes 1 and 2) will apply on all railcars destined to a shop facility for cleaning, lining, relining, maintenance, modification or repairs. This charge is applicable only on private freight cars registered in UMLER, that arrive at a station free of line-haul charges.

NOTE 1 - Charges apply for round-trip movement from yard tracks to shop facility and return, when moving solely on the tracks of Railroad. If Railroad switches the railcar into the shop facility and is not the switching carrier for the eventual movement from the shop facility, then the switching charge, as named in this item, applies only on the inbound movement to the shop facility.

NOTE 2 – Unless otherwise provided on a bill of lading or in a transportation contract, the charges in this item will be assessed against and collected from the Customer ordering movement.

EXPEDITED SERVICE CHARGE

Requests for service submitted to Railroad after expiration of cut-off time will be processed by the next available day of regular scheduled service. Railroad may honor requests for expedited service whenever feasible and at its sole discretion, subject to an additional expedited service charge.

When an advice of movement is received within prescribed time limits and Railroad personnel receive a subsequent request for change after expiration of such limits, railcars contained within said change may be subject to the additional expedite service charges.

SECOND SWITCH CHARGE

Second switching consists of the movement of railcars for the Customer from any location where such railcars are available at the Customer facility, at Interchange or held in constructive placement, storage or other retention status. Railcars are subject to charge when instruction is received to provide an additional switch or service after the first switch or service has already been performed earlier on the same day. If a request is received and subsequently cancelled within (4) hours of scheduled service, Railroad reserves the right to still apply charges for the railcars anticipated to have been serviced for the second switch.

Requests for 2nd Switches will be performed at the sole discretion of the Railroad.

MISSING OR IMPROPER PLACARDS

Customer agrees to comply with all Railroad and FRA safety rules pertaining to railcars and any products or commodities therein, including providing the proper hazmat documentation including, without limitation, loaded and last contained hazmat paperwork, proper bills of lading, signage or placards, and other needed supplies as determined by Railroad. Railroad agrees to comply with all FRA safety rules pertaining to the performance of its obligations.

All cars interchanged to Railroad must be in good mechanical condition and compliant with FRA regulations. All cars interchanged shall have proper placards in good condition and compliance with applicable laws and regulations per the FRA. Railroad will have authority to replace or provide missing placards at the fee stipulated in the Railroad's Rate Tariff 8000.

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IDLER RAILCARS

Idler railcars are considered loads while moving in conjunction with a loaded movement and are subject to charges as specified in Railroad's Rate Tariff 8000.

BUFFER RAILCARS

Buffer railcars are considered loads while moving in conjunction with a loaded movement and are subject to charges as specified in Railroad's Rate Tariff 8000.

HANDLING LOCOMOTIVE OR OTHER OPERATING FREIGHT

Locomotives and/or tenders moving on own wheels, but not under power, as designated with STCC 37-411-XX will be subject to the per unit/tender charge as specified in the Railroad's Rate Tariff 8000.

Liability for loss and or damage to a unit and/or tender is limited to twenty-five thousand dollars (\$25,000) per unit and twenty-five thousand dollars (\$25,000) per tender in accordance with the terms and conditions of ITEM 1210 of this publication. If liability coverage beyond that provided herein is desired, the Railroad must be contacted for a specific rate quote to apply prior to tendering such locomotive and/or tenders to the Railroad for rail transportation.

SCALE TEST RAILCARS

A scale test railcar is a type of railcar that is used to calibrate the weighing scales used to weigh loaded railroad cars. Railroad must be contacted prior to receiving a scale test railcar at interchange from a connecting carrier to arrange movement to/from Customer facility and interchange.

Scale test railcars may be subject to ITEM 2070, RAILCARS HELD FOR OTHER THAN LOADING/UNLOADING.

All scales used for weighing railcars must conform to the requirements of the AAR Scale Handbook and Railroad practices and procedures.

A Customer railcar weight will be accepted when the weight meets the requirements of this Section and is included on the Shipping Instruction or transmitted to Railroad on a weight certificate. Railroad will also accept weights pursuant to a separate agreement. All weights are subject to verification by the participating Carriers. Customer must furnish the weight to Railroad via:

- EDI
- By email to <u>customerservice@lsrc.com</u>

REFUSED, RETURNED LOADED SHIPMENTS

On shipments reaching destination Railroad's line but not unloaded (for reasons other than the Railroad's errors), Customer shall submit new loaded billing instructions to Railroad and will be subject to applicable new loaded billing freight rates.

If railcars are held on retention tracks on Railroad's line, railcars may be subject to ITEM 2070, RAILCARS HELD FOR OTHER THAN LOADING/UNLOADING.

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General Freight Tariff 2000-D

HANDLING OF HEAVY, WIDE, DIMENSIONAL RAILCARS

Customer must contact Railroad and seek specific arrangements prior to Railroad receiving railcars at Interchange bearing mechanical designation of "FW" any capacity, "FM" of 150,000 lbs. and over nominal capacity and all "FD" designations. Railcars held on Railroad's line may be subject to ITEM 2220, DEMURRAGE ON HEAVY CAPACITY RAILCARS.

HANDLING PRIVATE RAIL PASSENGER RAILCARS

Customer must contact Railroad and seek specific arrangements prior to Railroad receiving railcars at Interchange. Railcars may be subject to ITEM 2070, RAILCARS HELD FOR OTHER THAN LOADING/UNLOADING.

SPECIAL HOLIDAY SERVICES

Upon the specific request of the Customer in writing, switching may be performed on days defined as a "Holiday" listed within ITEM 2090 of the Railroad's published tariff. At the Customer's request the Railroad may provide Customer with:

- 1) A dedicated crew for up to 4 hours of switching service on the holiday.
- 2) Railcar switching that reflects a regular day of service and is not related to "Special Freight Train Service."
- 3) Provision of Special Switching Service options (1) and (2) above shall be at the discretion of the Railroad depending upon crew availability and other railroad operating priorities. The service charge is in addition to any applicable switching or other charges specified in this publication. Charges will be assessed against the Customer requesting such service.

It is recommended Customer seeking this service provide as much advance notice to Railroad, so that necessary arrangements can be made to complete the request.

If the Special Holiday Service is cancelled less than five (5) hours before the service is scheduled to begin, Railroad may choose to enforce the fee up to 1.5x the published rate.

SPECIAL FREIGHT TRAIN SERVICE

Upon specific request of the Customer in writing, railcars may be handled in special freight train (not regular) service (See NOTE 1).

Special freight train service, when the Railroad assigns an additional dedicated crew (for up to 4- or 8-hour increments of special freight train service), will be charged as specified and is in addition to any applicable switching or other charges included in this publication. Charges will be assessed against the Customer requesting such service.

NOTE 1. Special freight train (not regular) service is defined as:

- 1) Service accorded shipments which cannot be handled in regular train operations because of excess weight, height, width or length which necessitates handling is a special freight train
- 2) By specific instructions from the Customer
- 3) For any other reason that the Railroad deems it operationally necessary to move the freight in special freight train (not regular) service
- 4) Any train operations that apply to work trains, including but not limited to, ballast trains, rail trains, and material pick-up trains.
- 5) Provision of special freight train (not regular) service shall be at the discretion of the Railroad depending upon crew availability and other railroad operating priorities

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Railroad works hard to find a route for your specialized goods. If the request for a Special Train is cancelled after submitting a Special Train Service Authorization Form, Railroad may still choose to enforce the fee for that effort. If the Special Train is cancelled less than five (5) hours before the train is scheduled to depart the Railroad's yard, Railroad may choose to enforce the fee up to 1.5x the published rate.

RECIPROCAL SWITCHING

Railroad works closely with Class I and other Shortline & Regional railroads to promote the timely, efficient and error- free transfer of railcars and billing for our Customer's interline shipments. If you have any questions about the following policies and rates regarding rail-to-rail services, please contact your Railroad account representative.

Charges for Railroad's Reciprocal Switching are the responsibility of the line-haul carrier handling the loaded railcar from or to the station at which the reciprocal switch occurs.

Any charges assessed by an intermediate railroad providing an intermediate switch will be added to the reciprocal switch charges assessed by Railroad.

RECIPROCAL SWITCHING EXCEPTIONS

Railroad does not provide Reciprocal Switching Services for:

- Special train shipments, or dimensional loads
- Traffic consisting of bi-level, or tri-level railcars
- Locomotives or Tenders (STCC 37-411)
- Passenger Train Cars (STCC 37-421)
- Unit trains

RESTRICTED RECIPROCAL SWITCHING

When Reciprocal Switching for a given Customer facility is noted as restricted Railroad may require the line- haul carrier to provide sufficient documentation to verify that the shipment is eligible for reciprocal switching before we accept the railcar.

Railroad may audit the line-haul carrier's records to confirm that all cars switched into that Customer's facility were eligible for reciprocal switching.

Railcars delivered for reciprocal switching in violation of a restriction shall be subject to Railroad line-haul charges for the railcar's movement.

ABSORPTION AND UNABSORBED RECIPROCAL SWITCH CHARGES

Railroad pays the Reciprocal Switching charges assessed by other Carriers when they originate or terminate traffic at facilities not otherwise accessible by Railroad.

- Any portion of the Reciprocal Switching charge that is included in Railroad's line-haul rate is the 'absorbed' portion of the switch charge, up to \$390 per railcar.
- Railroad will absorb Reciprocal Switch charges, unless otherwise provided in a line-haul pricing document or contract.
- The difference between the other Carrier's Reciprocal Switch charge and the amount absorbed by Railroad constitutes the Unabsorbed Reciprocal Switch Charge, which will be invoiced to a Customer separately.

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INTERMEDIATE SWITCHING

When Railroad performs the service of moving railcars between two other carriers at an interchange point and charges are assessed as a switch movement not a line haul charge. Charges will be assessed as specified in Railroad's Rate Tariff 8000.

LOCAL OR RULE 11 RATES

UNIT TRAIN MANAGEMENT

UNIT TRAIN RECREWING

When a Customer requests that shipments be moved between two points on Railroad track, or when shipments are interchanged as AAR Accounting Rule 11, a local or Rule 11 charge will apply per the Railroad's Rate Tariff Series 8000 or Private Rate Agreement. Other applicable charges as specified in this publication shall apply.

When Railroad's locomotives or unit trains are held other than for Railroad's convenience, Railroad may assess the responsible customer a fee, per locomotive, per day. This fee is in addition to applicable holding/demurrage railcar fees.

When customer actions result in Railroad having to recrew a unit train, Railroad may charge the customer a recrew charge per event.

UNIT TRAIN ADDITIONAL CUT CHARGES

A cut is defined as a subset of cars within a unit train, where one or more cars in sequence are removed from the rest of the train at the direction of the customer.

The rates on a unit train of bulk commodities include the placement of the entire unit train in one cut at the Customer's facility. When due to the Customer's inability to take delivery of the entire train in one cut for loading/unloading, any additional cuts provided by Railroad may be assessed an Additional Cut Charge in addition to any other applicable charges.

USE OF FOREIGN LOCOMOTIVES FOR UNIT TRAIN SERVICE

The provisions of this item relate specifically to unit trains for loading or unloading on Railroad where such trains are equipped with locomotives provided by another Rail Carrier.

Consigner or consignee on Railroad will be provided 24 hours allowable time, from tender to release. Except as otherwise provided, any time required in excess of free time may be assessed and hourly Foreign Locomotive Dwell Charge, in addition to any and all other applicable charges.

UNIT TRAIN RELEASE

The provisions of this item relate specifically to unit train service where loading or unloading is performed for an entire train of 35 or more cars. The release for such a train will not be accepted by Railroad until the entire train has completed the loading or unloading process, and all railcars are made available to safely pull by Railroad.

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SECTION 4: HAZARDOUS MATERIALS AND TIH/PIH PROCEDURES AND DEFINITIONS

TIH/PIH COMMODITIES

A list of applicable STCC numbers is shown below. TIH/PIH: Toxic Inhalation Hazard/Poisonous Inhalation Hazard

			-		-	
STCC						
4821019	4920167	4920323	4920398	4921010	4921402	4927010
4821261	4920173	4920324	4920399	4921015	4921404	4927011
4821722	4920174	4920325	4920502	4921016	4921405	4927012
4830030	4920175	4920331	4920503	4921019	4921413	4927014
4904210	4920178	4920337	4920504	4921020	4921414	4927018
4904211	4920180	4920342	4920505	4921021	4921420	4927019
4904879	4920181	4920343	4920508	4921028	4921438	4927020
4907409	4920183	4920344	4920509	4921063	4921473	4927021
4907434	4920184	4920346	4920510	4921064	4921487	4927022
4909306	4920187	4920347	4920511	4921202	4921495	4927023
4909307	4920188	4920348	4920513	4921207	4921497	4927024
4910370	4920189	4920349	4920515	4921211	4921558	4927025
4916138	4920195	4920351	4920516	4921213	4921587	4927026
4918180	4920196	4920352	4920517	4921216	4921695	4927027
4918505	4920301	4920353	4920518	4921234	4921722	4927028
4918507	4920302	4920354	4920522	4921237	4921727	4927030
4920102	4920303	4920355	4920523	4921239	4921730	4927095
4920103	4920304	4920356	4920525	4921245	4921741	4927096
4920104	4920305	4920357	4920526	4921248	4921742	4927097
4920105	4920306	4920359	4920527	4921251	4921744	4927098
4920106	4920307	4920360	4920528	4921252	4921745	4927099
4920107	4920308	4920368	4920530	4921254	4921746	4930024
4920108	4920309	4920369	4920531	4921255	4921756	4930030
4920110	4920310	4920371	4920534	4921256	4923113	4930050
4920111	4920311	4920373	4920535	4921261	4923117	4930204
4920112	4920312	4920375	4920536	4921262	4923209	4930260
4920113	4920313	4920378	4920547	4921263	4923298	4931201
4920115	4920314	4920379	4920550	4921264	4927001	4932010
4920116	4920315	4920380	4920556	4921270	4927002	4932352
4920117	4920316	4920381	4920559	4921271	4927003	4932385
4920118	4920317	4920382	4920570	4921272	4927004	4933327
4920122	4920318	4920383	4920571	4921273	4927005	4935231
4920135	4920319	4920392	4920715	4921275	4927006	4936110
4920160	4920320	4920394	4921004	4921278	4927007	4936565
4920164	4920321	4920395	4921008	4921304	4927008	
4920165	4920322	4920396	4921009	4921401	4927009	

HAZARDOUS MATERIALS: LOSS AND DAMAGE

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Hazardous Materials are defined as "Hazardous Wastes," and "Hazardous Substances" as named in Hazardous Materials Regulations of the U. S. Department of Transportation in 40 Code of Federal Regulations (CFR) 260 through 263 and 49 CFR 171.8 or successor thereof. Explosives are defined as Class A, B, and C Explosives as named in Part 172, Commodity List, Tariff Bureau of Explosives (BOE) 6000-Series.

Customers are required to accept delivery of carload traffic of Hazardous Materials within 48 hours after notice of arrival has been sent or given to the Consignee. Customers that anticipate that they will not routinely be able to accept delivery in a timely fashion should make alternative arrangements for storage of railcars. Railroads do not hold themselves out to provide storage of railcars containing Hazardous Materials.

For the purpose of this publication, the term "Loss" shall mean any loss, injury, or damage which arises out of transloading, unloading and loading, transportation or disposition (including treatment, storage or disposal) of the Hazardous Materials, including, but not limited to, loss or damage to property (including, without limitation, the property of either of the Customer or Railroad) or to natural resources; injury or death of any person or persons (including, without limitation, employees of Railroad); claims, liabilities, damages, fines or penalties; costs of containment, cleanup, response actions, removal actions, remedial actions, and health assessments, as these terms are defined by applicable federal, state or local laws and regulations; fees including, but not limited to, attorney, consultant, and expert witness fees; and costs of investigation.

For greater certainty but without limitation to the foregoing, the Railroad's liability for any delay, loss or damage to Dangerous Goods to the exclusions, limits and defenses set out in ITEM 1210 of this publication.

Customer hereby agrees to indemnify and hold harmless Railroad, its officers, agents and employees, from and against any and all claims, demands, liabilities and lawsuits brought by any third party or governmental agency under any theory of law against Railroad seeking to hold Railroad liable for any Loss to the extent that the Loss is caused by Customer's act or omission, or act or omission of Customer's own Customer or contractor, Customer's violation of any law or regulation, Customer's failure to accept delivery, or Customer's breach of any other requirement including, but not limited to, Customer's failure to provide proper identification of the Hazardous Materials to be transported, whether or not Customer relied on other parties for said identification, unless Railroad's act or omission, violation of law or regulation, or breach of any requirement of this publication contributed to the Loss.

Customer hereby agrees to indemnify and hold harmless Railroad, its officers, agents, and employees from and against any claim for Loss, regardless of cause, resulting from an event that occurs subsequent to delivery to and acceptance of hazardous waste product by Customer, another rail carrier, or contractor, or other transporter designated by Customer, or an EPA licensed treatment, storage, or cleanup/disposal site operator designated by Customer.

Customer shall, regardless of the cause, be fully liable for and shall indemnify Railroad, its officers, agents, and employees against any Loss to the extent and only to the extent that such Loss or any portion of such Loss is attributable to the release or spill of a hazardous material which is not identified on the bill of lading or manifest.

Customer shall indemnify and hold harmless Railroad and the actual owners of equipment used hereunder from and against any and all liability for Loss resulting from future use of or exposure to the equipment where such Loss arises from Customer's failure or negligence in inspecting and/or decontaminating equipment prior to release to Railroad or delivering railroad or motor carrier.

Knowledge on the part of one party of any violation of any terms of this publication by the other party shall constitute neither negligence nor acquiescence in such violation and shall in no event relieve either party of any of the responsibilities and indemnity obligations assumed in this publication.

References to Railroad and Customer as used in this publication shall include the officers, agents and employees of Railroad and Customer. Customer and Railroad further agree that each and all its indemnity commitments in this publication shall extend to and include the parent and all subsidiary and affiliated companies of Customer and Railroad and their respective officers, agents and employees.

In the event of a conflict between provisions in this ITEM 4010 and the provisions contained in ITEM 4020 of this publication the provisions in ITEM 4020 shall govern.

HAZARDOUS MATERIAL AND TIH/PIH LIABILITY

Customers will be liable for all Federal, State, Local penalties or fines which may be assessed for the holding of railcars containing Hazardous Material or TIH/PIH on railroad controlled tracks and shall be jointly and severally liable for any loss, damage, or delay to equipment or lading caused by an Act of God, a public enemy, the authority of law, labor strikes, acts of civil disobedience, the inherent nature or character of the lading, natural shrinkage, an act or default of the Customer/consignor, owner or consignee/receiver, or from any cause whatsoever which occurs while the equipment and lading is in the actual physical custody and control of Railroad due to the inability of the Customer to receive equipment or provide proper forwarding instructions, unless it can be proven that the Railroad's gross negligence was the cause of same. Customers will be responsible for any cost incurred by Railroad for providing protection or surveillance of any commodity provided in this Item while held on Railroad property.

EXPLOSIVES AND DANGEROUS ARTICLES

For rules and regulations governing the transportation of explosives and other dangerous articles by freight, also specifications for shipping containers and restrictions governing the acceptance and transportation of explosives and other dangerous articles, see the AAR BOE 6000-Series Tariff.

PROCEDURE ON UNSAFE OR IMPROPERLY LOADED HAZ/TIH/PIH RAILCARS

When a railcar is deemed unsafe based on the criteria in the bullet points below, a penalty of \$10,000 may be assessed to the Customer:

- A railcar is overloaded, imbalanced or has a shifted load
- A railcar is spilling, leaking, or dusting
- A railcar containing Hazardous Material or TIH/PIH commodities or residue is identified moving on the Railroad's line for which shipping instructions were not regulatory compliant.
- A railcar containing a load that is mislabeled or loads not in compliance with FRA or PHMSA.

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General Freight Tariff 2000-D

PROCEDURE ON ANY MAJOR ADJUSTMENT FOR HAZ/TIH/PIH RAILCARS

When Railroad provides any of the following tasks to a Hazardous Material or TIH/PIH railcar, a charge equating to actual cost plus 25% (minimum \$1,000) will be assessed to the party requesting or requiring these services:

- A railcar needs readjusting, reducing, loading, or unloading of a shipment.
- Repair or cleaning equipment, or clean-up of leaked/spilled materials
- Applying sprays or suppressants to the shipment or contents

PROCEDURE ON UNSAFE CONDITION AT CUSTOMER FACILITY

Where at Railroad's sole discretion, safe railway operations are not possible because of an extreme condition such as, but not limited to, the conditions below, train service will be suspended, and all applicable demurrage charges will continue to accrue until condition is rectified to the satisfaction of Railroad's safety/environmental staff.

Condition or practice likely to cause permanent disability, loss of life or body part and/or extensive loss of structure, equipment or material, or repeated/or multiple unresolved conditions or practices that may have a safe work-around.

PROPER BILLING OF HAZARDOUS MATERIALS

Customers and Carriers each have responsibilities for ensuring that the billing information for Hazardous Material cargoes is complete and in compliance with applicable laws. Customers are responsible for providing accurate information describing the Hazardous Materials prior to tendering the railcar to a Railroad. Failure to provide such information poses an unacceptable risk to the public, and we may charge \$2,500 for each (i) railcar loaded with a Hazardous Material, or (ii) empty railcar that may contain Hazardous Material residue which tendered to the Railroad with incomplete or erroneous waybill data, or without all information required by any governmental agency for the safe transportation of Hazardous Materials.

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SECTION 5: HEAVY WIDE DIMENSIONAL CLEARANCE PROCEDURES

GENERAL INSTRUCTIONS

These procedures establish instructions governing the movement of shipments in excess of Plate C dimensions and/or weighing in excess of applicable Railroad's ITEM 1120, MAXIMUM ALLOWABLE GROSS WEIGHT ON RAIL. It applies to all Railroads and affiliates.

Shipments weighing in excess of Railroad's ITEM 1120, MAXIMUM ALLOWABLE GROSS WEIGHT ON RAIL require that the route over which the load is to move be checked prior to movement to determine if the roadbed and structures have sufficient capacity to safely carry the load at the timetable speed authorized for the route.

Shipments in excess of Plate C dimensions require that the route over which the load is to move be checked prior to movement to determine if there is sufficient horizontal and vertical clearance to pass the load. Movements of standard equipment with larger plate dimensions on routes cleared for those plates are exempt from this clearance requirement.

The Railroad General Manager, or designee, where the excess dimension / excess weight load will originate, terminate or traverse is the point of contact for initiating all required clearance files.

In the case of the loads originating on Railroad, the Connecting Class I carrier is responsible for ensuring the clearance request is generated based upon the Customer's information. This clearance request must be provided to each railroad along the proposed route and the movement cannot be authorized until each clearance request is answered and approved.

If the Customer has already established clearance procedures with another servicing road in the route, these procedures can continue to be used. The review and approval by the Clearance Bureau are still needed prior to movement.

In the case of loads terminating on or traversing over Railroad tracks, the receiving road is responsible for processing the inbound clearance request to the Clearance Bureau. The movement cannot be accepted at interchange until the clearance is approved by the Clearance Bureau.

All clearance related correspondence should be channeled through the <u>clearances@lsrc.com</u> organizational mailbox to ensure proper handling by those assigned responsibility for this function.

SPECIAL RAILCAR RESTRICTIONS

Any shipment loaded (or) proposed which exceeds any of the following criteria is a dimensional load requiring clearance approval.

- Exceeds 10'8" wide or 17'2" high or 95' ft long for flatcars or 70' ft for all others
- Overhangs: side(s) and/or end(s) of the railcar
- Any shipment which requires the use of an idler car(s)
- Weight not to exceed tariff limits
- Requires the use of heavy duty and/or specialized equipment
- Any shipment having a combined center of gravity greater than 98 inches above the rail

All clearance requests will be subject to a \$350.00 per car charge processing fee. Any railcars received, as described above, without prior authorization will be subject to a \$2,500 per car charge, which is in addition to any applicable freight, switching and demurrage charges.

Effective January 1st, 2025

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CLEARANCE RESTRICTIONS

As a common point of reference, The General Tariff 2000-D and the Railroad's Rate Tariff 8000 for each Railroad property shall contain its published weight limit and clearance information. This information can be published at the railroad or subdivision level.

Where this information is not published in the Railroad's Rate Tariff, this clearance policy and its appendices are the source document for line clearance. Weight limits published in excess of 286,000 lbs. must be approved by the Railroad and justified by one of the following source documents as approved by the Office of Corporate Development/Engineering:

- A current bridge rating demonstrating capacity sufficient for the intended railcar weights for each of the structures ٠ on the route
- A copy of the predecessor railroad's bridge roster that contains bridge rating information demonstrating capacity sufficient for the intended railcar weights at the time of transfer
- A copy of the predecessor railroad's timetable or tariff information showing the route clearance at the time of transfer

CLEARANCE BUREAU CONTACT INFORMATION

Questions pertaining to Railroad's Clearance Procedures shall be forwarded to the Clearance Bureau for handling and approval:

LAKE STATE RAILWAY COMPANY **ATTN: Clearance Bureau** 750 N. Washington Ave Saginaw, MI 48607 Email: customerservice@lsrc.com www.lsrc.com

Effective January 1st, 2025

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SECTION 6: NETWORK

SIDETRACKS

To ensure the utmost in efficiency and hassle-free transition between different tracks, Railroad observes the following policies and requirements.

Most Customer facilities are accessed via Sidetracks. At Railroad, we expect to operate with a private sidetrack agreement that establishes the responsibilities and processes necessary for use of those tracks, including important issues related to local safety, and operations. In the absence of a private sidetrack agreement, the "Standard Sidetrack Agreement" that is found in the appendix of this document shall govern.

Railroad reserves the right, however, to decline service on a Sidetrack in the absence of a private sidetrack agreement.

CONTINUATION CHARGE

TEAM TRACKS

If the Railroad traffic on a Sidetrack is insufficient to justify continuing access to the Railroad network, Railroad may offer to keep its access switch in place in exchange for an annual continuation charge.

Railroad generally permits Customers limited access to Team Tracks for the purpose of loading and unloading railcars.

RULES OF ACCESS TO TEAM TRACKS

Safety has no exceptions: every Customer and its employees, Agents and subcontractors must comply with applicable laws, regulations, safety rules, and Railroad requirements while using a Railroad Team Track facility. In addition:

- Customers may not store materials or equipment on Railroad's property
- Permission to access the Team Track terminates immediately upon completion of loading or unloading
- Customers shall comply with all Railroad rules and policies relating to the Team Track and the instructions of Railroad's authorized personnel
- Upon completion of loading or unloading of a railcar, Customers shall leave Railroad's property in a safe and clean condition, removing all materials they brought onto Railroad's property or removed from the railcar
- A Customer must immediately vacate Railroad property if so instructed by Railroad personnel
- Crossings of Railroad tracks by trucks or other equipment shall be made solely at public crossings or designated private crossings unless prior alternate arrangements have been made with Railroad's Chief Engineer
- A Customer must immediately report spills of any kind by calling Railroad's Dispatch Center at 989.757.7560 and then collaborate directly with Railroad's environmental team to properly remediate any spill contamination.
- A Customer must properly utilize a Blue Flag prior to accessing a railcar and promptly remove upon completion of work.

We will deny access to a Team Track if, in our discretion, we determine that the Customer's use of the Team Track is negatively affecting the safety of Team Track, other Customers, or our other operations.

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PROHIBITED MATERIALS

Due to safety concerns, the following materials shall not be placed by anyone on Team Tracks or Railroad property while accessing Team Tracks without prior written authorization.

- Hazardous Materials
- Bulk liquids of any kind

LIABILITY AT TEAM TRACKS

A Customer assumes all risks, and agrees to defend, indemnify, and save harmless Railroad and its employees from and against, all losses, costs, expenses, claims, suits, and judgments, including reasonable investigation and attorney's fees, suffered or incurred in connection with:

- Injury or death of ANY person(s), including but not limited to the agents, employees, and permitters of Railroad and Customer,
- Loss of or damage to ANY property, including but not limited to property owned or in the care, custody, or control of Railroad or Customer, and
- Environmental damage arising from the use by a Customer, its employees, agents or contractors, of a Railroad Team Track or any associated facilities, except to the extent such injury, death, loss or damage is caused by the sole negligence, or by the gross negligence or willful misconduct, of Railroad or its employees. The foregoing obligations on the part of the Customer apply regardless of the cause of such injury, death, loss, or damage, or of any joint or concurring ordinary negligence on the part of Railroad or its employees.

NO RIGHT TO ACCESS RAILROAD TRACK

Protecting our network is essential to maintaining our employees' safety and Railroad's service operations. No one else, including a Customer, is allowed to enter, perform any switching, or otherwise operate on any tracks owned by Railroad. If a Customer accesses Railroad track, Customer assumes all risk of loss and indemnifies Railroad against all damage, cost, liability, judgment, and expense, including attorney's fees, in connection with any personal injury to or death of any persons or loss of/damage to any property, whether employees or property of either Customer, Railroad, or third persons, sustained, incurred, arising, or growing out of operations by Customer or its Agents upon Railroad tracks.

CONSTRUCTION NEAR TRACKS

A vast majority of commercial general liability insurance policies exclude any location within fifty (50) feet of a railroad track. As such, many of our customers and neighbors need to exercise caution when considering any construction activities in the vicinity of our track, or any railroad tracks. The exclusion arises because of the unusual risks of construction activity in the vicinity or railroad tracks.

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TRACK PROTECTION SERVICES

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Railroad has sole authority to determine the need for track protection required to protect its operations and property. In general, track protection will be required whenever anyone is, or are likely to be, working within twenty-five (25) feet of live track or other track clearances specified by Railroad, or over tracks.

Anyone performing construction within twenty-five (25) feet of Railroad's tracks shall reimburse Railroad directly for all costs of track protection that is required on account of construction. Anyone planning such construction activity shall give a minimum of 14 days' advance notice to Railroad Representative for anticipated need for track protection service. No work shall be undertaken until the employee in charge is/are at the job site. Railroad shall not be liable for the cost of delays attributable to obtaining such service.

Railroad shall have the right to assign an individual to any construction site within twenty-five (25) feet of Railroad's tracks to perform inspection service whenever, in the opinion of Railroad, such inspection may be necessary. Railroad may charge, and any Customer shall pay, the costs incurred by Railroad for such inspection service. Inspection service shall not relieve anyone from liability for its own construction.

Railroad shall render invoices for, and Customers shall pay for, the actual pay rate of the employee in charge and inspectors used, plus standard additives. If the rate of pay that is to be used for inspector or track protection service is changed before the work is started or during the progress of the work, whether by law or agreement between Railroad and its employees, or if the tax rates on labor are changed, bills will be rendered by Railroad and paid by Customer using the new rates. Customers shall perform their operations that require track protection or inspection service in such a manner and sequence that the cost of such will be as economical as possible.

SECTION 7: DEFINITIONS & REFERENCES

DEFINITIONS

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AAR – The Association of American Railroads is the industry's leading trade organization, and is dedicated to improving the efficiency, safety and service of the railroad industry.

ACTUAL PLACEMENT – When a railcar is placed in an accessible position for loading or unloading or at a location of track designated by the consignor or consignee.

AGENT – Any third party performing an obligation of a Customer under these Terms and Conditions or a contract with Railroad.

BILL OF LADING – In order to ship a railcar, a Customer must issue a Bill of Lading (BOL) to their serving Railroad. The BOL is the shipping document that is issued to transport a railcar from origin to its destination.

BUFFER CARS – Buffer cars are to be placed between the locomotive and shipments as required by Federal Regulations. Buffer cars must meet the following requirements:

- 1) Must be a boxcar, covered hopper, gondola or tank car.
- 2) Must have a high-strength coupler (grade E coupler).
- 3) The length of the car must be at least 45 feet and not exceed 75 feet.
- 4) Must be loaded with a non-hazardous inert material that does not shift in train service.
- 5) Gross weight of car must be a minimum of 45 tons.
- 6) It is the responsibility of the Customer to provide buffer cars that are in good mechanical condition. If a car fails inspection, Railroad retains the right to refuse to provide train service.

CARE-OF-PARTY – The party to whom the railcar placement is to be made pursuant to the bill of lading, if other than the consignee at destination. When the bill of lading indicates a Care-Of-Party said party will be responsible for all demurrage charges. For the purpose of assessing demurrage charges, Care-Of-Party includes any person receiving railcars for loading or unloading as more specifically provided for in 49 CFR Part 1333.

CARRIER – Railroad and any other participating rail common carrier.

CARRIER CAR – Any railcar owned or leased by a rail common carrier.

CLOSE CLEARANCE – Any track clearance not in compliance with the requirements of Railroad's current Standard Guidelines and Specifications for the Design and Construction of Private Sidetracks.

CLOSED GATE – A Customer is considered 'Closed Gate' with regards to railcars that will remain in Railroad's serving yard until the Customer provides specific placement instruction to Railroad. A Customer may be Open Gate for some commodities or railcars and Closed Gate for other commodities or railcars.

COMMODITY – Article of commerce (lading). Goods being shipped.

CONSIGNEE – The party designated on the bill of lading as the entity entitled to receive delivery of the railcar from the delivering rail carrier. Consignee is responsible for any demurrage charges which accrues at the point of unloading except when the bill of lading also designates a Care-Of-Party, in which case the Care-Of-Party will be responsible for all demurrage charges. For the purpose of assessing demurrage charges, Consignee includes any person receiving railcars for loading or unloading as more specifically provided for in 49 CFR Part 1333.

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CONSIGNOR – The party designated on the bill of lading as the entity shipping the railcar to the consignee and delivering the railcar to the serving rail carrier. For the purpose of assessing demurrage charges, Consignor includes any person receiving railcars for loading or unloading as more specifically provided for in 49 CFR Part 1333.

CONSTRUCTIVE PLACEMENT – When a railcar cannot be placed on arrival for loading or unloading and is placed elsewhere, it is considered as being under constructive placement and subject to demurrage rules and charges and any applicable switching and accessorial charges. Notice will be provided to the consignor, consignee or Care-Of-Party that the railcar(s) are being held awaiting disposition instructions.

CONTRACT OF CARRIAGE – The contract or quasi-contract for transportation established by the Shipping Instruction, whether pursuant to common carrier pricing or a commercial contract between Railroad and a Customer.

CUSTOMER – The consignor, loader, consignee, unloader, or other party who is responsible for the payment of demurrage, detention or other charges specified in this publication. For the purpose of assessing demurrage charges, Customer includes any person receiving railcars for loading or unloading as more specifically provided for in 49 CFR Part 1333.

CUT-OFF TIME – Time of day and/or day of the week that establishes when railcar instructions must be transmitted by Customer to the Railroad to guarantee service on the next scheduled Day of Service. Requests received after the Cut-off Time will fall to the following scheduled day of service at the sole discretion of the Railroad.

DAY – A twenty-four (24) hour period (calendar day), or part thereof.

DAYS OF SERVICE – Days that are scheduled and agreed upon between Railroad and Customer that Customer Facility will be served by Railroad's crew.

DEMURRAGE – Demurrage is a charge for detaining a railcar. Railroads charge demurrage as an incentive for Customers to load and unload railcars promptly, to prevent congestion in railroad terminals caused by idle railcars, and to improve the utilization of train & railcar assets.

DEMURRAGE DAY – A twenty-four (24) hour period that begins at 0001 AM and finishes at 2359 AM the same day. Demurrage Days are always rounded up to the nearest full day equivalent, there is no partial day calculations.

DESTINATION SWITCH CHARGE – The switch carrier serving the plant or industry to which the loaded railcar terminates.

DIMENSIONAL LOAD – A shipment that exceeds Railroad's standard published clearances for a specific route of movement.

DISPOSITION – Information, including forwarding instructions or release, that allows the railroad to either tender or release the railcar(s) from the Customer's account.

DIVERSION – A request provided by the Customer instructing that a railcar(s) be delivered to a location other than the one indicated on the active Bill of Lading or forwarding instructions, which may trigger an alternate handling of the railcar(s) by the Railroad currently with possession. Diversions may only be applied when the railcar(s) is idle or at rest and/or at the sole discretion of the Railroad with possession of the railcar(s) in question.

ELECTRONIC OR MECHANICAL DEVICE – Communication device such as a facsimile transmission, email, computer software system, etc.

EMPTY RAILCAR(S) NOT LOADED – Empty railcar(s) interchanged to the Railroad and ordered in for loading, and subsequently released and moved without being loaded.

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EMPTY RELEASE INFORMATION – Advice provided by the consignee to authorized personnel, that the railcar(s) are unloaded and available to pull. This information must include the identity of the consignee, party furnishing information, and the railcar(s) initial and number.

FORCE MAJEURE EVENT - The following conditions are or are deemed to be Force Majeure Events: Act of God; authority of law; labor dispute; weather impediments; fire explosion; war; Insurrection; threatened or actual act of terrorism; or other like causes beyond one's reasonable control. Downturns in the economy and changes in market conditions are NOT considered force majeure conditions. Force majeure cannot excuse non-compliance with safety requirements and regulations.

FORWARDING INSTRUCTIONS – Shipping instructions provided at the point of loading that contain all the necessary information to transport the shipment to its final destination.

FREE TIME – A period of time following actual or constructive placement during which demurrage is not chargeable. Free time as designated below will be allowed for each railcar:

- Railcar held for unloading: FORTY-EIGHT (48) HOURS
- Railcar held for loading: TWENTY-FOUR (24) HOURS

Free time will be calculated from the first 0001 AM following actual or constructive placement. Non-Chargeable Days identified in ITEM 2090 shall not be included in the calculation of Free Time.

FREIGHT PAYER – The Customer primarily responsible for paying the line-haul freight charges for transportation provided by Railroad.

GOVERNMENTAL REQUIREMENTS – Any and all laws, regulations, governmental rules, and orders.

HARARDOUS MATERIALS – Materials categorized as hazardous materials by the U.S. Department of Transportation under the Hazardous Materials Transportation Act (49 U.S.C. §§ 1801, et seq.)

HOLIDAYS – Wherever reference is made to "holidays," it shall mean:

- New Year's Day (January 1st)
- Good Friday (Friday before Easter Sunday)
- Memorial Day (Last Monday of May)
- Independence Day (July 4th)
- Labor Day (First Monday of September)
- Thanksgiving Day (Fourth Thursday of November)
- Christmas Day (December 25th)

If one of these dates occurs on a Saturday or Sunday, the following Monday will be observed as the holiday. If two subsequent holidays fall on both a Saturday and Sunday, the Saturday holiday will be recognized on the prior Friday and the Sunday holiday will be recognized the following Monday.

IDLER CARS – Usually a flat car used in the transportation of a long article or shipment which extends beyond the limits of the railcar carrying the shipment.

INDUSTRIAL INTERCHANGE – Interchange of railcars from one Railroad to another which takes place within the boundaries of a Customer's facility or controlled track.

General Freight Tariff 2000-D

INDUSTRIAL SWITCH CONNECTION – A switch located on the Railroad premises which is maintained by the Railroad for access to a Private Track or a Lease Track.

INDUSTRY TRACK AGREEMENT – Written agreement between the owner or user of a private track and the Railroad which sets forth the terms and conditions under which the Subscribing Rail Carrier will operate over and provide service to the owner or user of the Private Track.

INTERCHANGE – The transfer of control and liability between two Railroads as railcar(s) reach designated areas of track that join multiple Railroads together for the movement of railcar(s) to go from origin to destination when both are not served by the same Railroad company.

JOINT TERMINAL – A terminal at a station served by Railroad that is operated jointly by Railroad and another railroad.

LEASE TRACK – Track(s) assigned to a user through a written agreement. Lease tracks will be treated the same as private tracks.

LEASE TRACK AGREEMENT – Written agreement between the owner of a private track or a Railroad which owns or controls a track on the one hand and the user of such track on the other hand which sets forth the terms and conditions under which the user may use such track.

LINE HAUL – The movement of freight by a carrier over its line or part of its line, excluding switching, pick-up or delivery.

LINE HAUL CARRIER – A Railroad carrier that collects or receives revenue, in accordance with the Freight Mandatory Rules, for the movement of freight between two stations that are not located within eh switch limits of each other.

LOCAL SERVICE – A movement of traffic originating at one point and destined to another point on the Railroad.

LOADED RAILCAR(S) – A railcar(s) that is completely or partially loaded.

LOADED RELEASE INFORMATION – Advice provided by the Customer to authorized personnel, that the railcar(s) is loaded and available to pull. This information must include the identity of the shipper, party furnishing information, and the railcar(s) initial and number.

LOADER – Party physically loading a railcar at origin. Demurrage charges will be assessed against the Loader who will be responsible for payment of charges accrued at origin. For the purpose of accessing demurrage charges, Customer includes any person receiving railcars for loading or unloading as more specifically provided for in 49 CFR Part 1333.

LOADING – The complete or partial loading of a railcar(s) in conformity with loading and clearance rules and the furnishing of forwarding instructions.

LOCOMOTIVE SWITCH – A movement of a locomotive within a switch district, wherein the locomotive moves on its own wheels but not under its own power.

MULTI-CAR WAYBILL – A document issued by a carrier providing details and instructions relating to a shipment that has more than one railcar with the same instructions, including but not limited to origin, destination, routing, billing parties and commodities.

NOTIFICATION – When required, written notification will be provided to the parties entitled to receive notice that the railcar(s) are available for loading, unloading, or otherwise impacted by demurrage provisions.

General Freight Tariff 2000-D

OPEN GATE – A Customer is considered 'Open Gate' with regards to railcars that Railroad will deliver upon determining that the Customer has space to receive the railcar. No specific placement instruction will be accepted for Open Gate railcars. A Customer may be Open Gate for some commodities or railcars and Closed Gate for other commodities or railcars.

ORDER DATE – The date that the Customer requests empty railcar(s) to be provided for loading.

ORIGIN SWITCH CARRIER – The switch carrier serving the plant or industry from which the loaded railcar originates.

OTHER THAN PUBLIC DELIVERY TRACK – Any trackage assigned for individual use, including privately owned or leased tracks.

ORDER-IN CUSTOMER (CLOSED GATE) – A Customer who, by prior arrangement has notified Railroad that railcars shall not be placed for loading or unloading, or considered to be placed, until Railroad has received an order for placement from said Customer, subject to rules and provisions of this publication.

OVERLOADED – A railcar that is loaded beyond its registered and stenciled capacity.

PARTIAL UNLOADING – The partial unloading of a railcar(s) and providing the proper forwarding or handling instructions.

PASSENGER CAR(S) – A railcar(s) configured for the movement of people.

PRIVATE RAILCAR(S) – A railcar(s) bearing other than railroad reporting marks that is not railroad-controlled.

PRIVATE TRACK – Tracks that are not owned or leased by the Railroad.

PUBLIC DELIVERY OR TEAM TRACK – Track that is open to the general public for loading and unloading.

RAILINC – Railinc is a for-profit subsidiary of the Association of American Railroads that provides rail data and messaging services to the North American freight railway industry. <u>www.raillinc.com</u>

RAILROAD CONTROLLED RAILCAR(S) – A railcar(s) bearing railroad reporting marks that is either leased or controlled by a railroad.

RAILROAD PREMISES – All tracks which Railroad provides for its own use and purposes or for general public use and all other tracks located inside of its right-of-way or yards and terminals, except tracks located on or within the confines of property owned or leased by a Customer.

RECEIVER – The party to whom the Shipment is to be physically delivered.

RECIPROCAL SWITCH – The movement in switching service for loading or unloading, immediately preceding or following a line-haul movement in revenue service over another railroad, from or to the point of interchange with the connecting railroad.

RECONSIGNMENT – An order provided by Customer to bill a railcar(s) to other than the original consignee. (An order to turn over the railcar(s) to another party that does not require any additional movement of the railcar(s) is not a reconsignment).

REFUSED LOADED RAILCAR(S) – When the original loaded railcar(s) is refused at destination without being unloaded.

RELOADING – When a railcar(s) is held for loading after first being unloaded and released as an empty.

RELEASE – Date and time that the railroad receives notification that a railcar(s) is empty and available to pull or that forwarding instructions are received, and railcar(s) are available to pull.

RESHIPMENT – A new document by which the entire original shipment is forwarded in the same railcar(s) to another destination.

REVERSE ROUTE EMPTY BILLING – Shipping instructions that are generated when returning a railcar to the original point of loading after it has been unloaded and released empty back to the Railroad.

ROAD HAUL TRAFFIC – Traffic received from or moved to a point outside of the switching limits of the same station.

SERVING YARD – A classification yard where the local train serving the Customer originates.

SHIPMENT – Any railcar(s) tendered to Railroad for transportation.

SHIPPER ASSIGNED RAILCAR(S) – Specific empty railcar(s) assigned to a shipper for their exclusive use. Also known as a railcar "Pool" which is a code applied to specific railcars through Railinc to provide default movement instructions to return railcars to a designated Railroad.

SHIPPING INSTRUCTION – A Uniform Straight Bill of Lading or Electronic Data Interchange packet in a form acceptable to Railroad.

SHOP FACILITY – Location approved by the AAR for railcar repair sufficient to meet interchange standards.

SIDETRACK – Any Private Track that provides access to a Customer facility.

SPOT-ON-ARRIVAL (OPEN GATE) – Railcar(s) will be placed for loading or unloading, without Customer notification, immediately upon their availability for placement by the Railroad. If the Customer is at max capacity and unable to receive some or all their railcars, remaining equipment held for placement will be Constructively Placed and subject to demurrage rules and charges and any applicable switching and accessorial charges.

STATION – Any location included in the Tariff OPSL 6000-series.

STOP OFF – The spotting of a shipment at a station to complete loading or for partial unloading.

STOPPED IN TRANSIT – When a railcar(s) is held in route due to any condition attributable to the Customer.

STORAGE – Storage is a charge for detaining a private railcar and taking it out of regular transportation service. Railroads charge storage to give Customers an option to place their controlled railcar(s) on Railroad controlled track for a period as is agreed upon by the Railroad and Customer. All storage handled on Railroad roads require a fully executed private railcar storage agreement along with a certificate of Insurance which complies with all the terms and conditions of the fully executed private railcar storage agreement.

SWITCH CARRIER – A railroad carrier performing either an intra-plant, intra-terminal, inter-terminal, intermediate or reciprocal switch, where the railroad carrier performing the switch is not entitled to line haul revenue.

SWITCH CHARGE – The charge, as published in a tariff or private agreement, assessed by the railroad carrier for performing either an intra-plant, intra-terminal, inter-terminal, intermediate or reciprocal switch.

SWITCHING LIMITS – All stations and all Customers served by Railroad.

TEAM TRACK – Any tracks owned or controlled by Railroad that are designated by Railroad as team tracks where railcars may be loaded and unloaded by multiple third parties.

TENDER – The notification, actual or constructive placement, of an empty or loaded railcar(s).

TOLERANCE – The greatest acceptable difference in weights due to variation in scales or weighing technique.

UNLOADER – Party physically unloading a railcar at destination. For the purpose of assessing demurrage charges, Consignor includes any person receiving railcars for loading or unloading as more specifically provided for in 49 CFR Part 1333.

UNLOADING – The complete unloading of a railcar(s) and the advice received from the Customer that the railcar(s) is empty and available to pull by the Railroad.

WAYBILL – A document issued by a railroad carrier providing details and instructions relating to a shipment based from the original Bill of Lading. Waybills are communicated Railroad to Railroad for a railcar(s) to go from origin to destination when both are not served by the same Railroad company.

REFERENCE MARKS AND EXPLANATIONS OF ABBREVIATIONS

Abbreviations	Explanation
AAR	Association of American Railroads
BOE	Bureau of Explosives
CFR	Code of Federal Regulations
FT	Freight Tariff
OPSL	Official Railroad Station List
RER	Railway Equipment Register
STB	Surface Transportation Board
STCC	Standard Transportation Commodity Code
UFC	Uniform Freight Classification
Reference Mark	Explanation
[A]	Addition
[C]	Denotes Change
[D]	Cancelled
[1]	Increase
[R]	Reduction/Decrease

APPENDIX (LINKS ALSO LOCATED AT WWW.LSRC.COM)

<u>CREDIT APPLICATION</u> <u>DIMENSIONAL LOAD FORM</u> <u>STANDARD SIDETRACK AGREEMENT</u> <u>RIGHT OF ENTRY PERMIT APPLICATION</u> <u>CONTRACTOR INSTRUCTION</u> <u>HAZMAT NOTICE – NOTIFICATION HAZ-200501</u>

