

MODESTO AND EMPIRE TRACTION COMPANY



Freight Tariff M&ET 8000-B (Supplement 2-A)

SWITCHING AND ACCESSORIAL CHARGES AT LOCATIONS ON THE MODESTO AND EMPIRE TRACTION COMPANY

ISSUED BY:
MODESTO AND EMPIRE TRACTION COMPANY
P.O. BOX 3106
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METHOD OF ADDING, CHANGING OR DELETING ITEMS IN THIS TARIFF

Changes to this tariff will be made by issuing supplements. These supplements will show the action taken on each item, namely:

- A** Increase
- C** Change resulting in neither an increase nor a decrease
- R** Decrease

There will be only one supplement to this tariff in effect at any time. Any item contained in a prior supplement will be brought forward to subsequent supplements.

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ITEM	GENERAL RULES AND REGULATIONS APPLICATION
5	<p>Description of Governing Classification</p> <p>This tariff is governed, except as otherwise provided herein, by Uniform Freight Classification UFC 6000 series, issued by the National Railroad Freight Committee, Agent, supplements thereto or reissues thereof.</p>
10	<p>Station List and Conditions</p> <p>This tariff is governed by the Official Railroad Station List, OPSL 6000 series, as applicable.</p>
15	<p>Hazardous Materials and Dangerous Articles</p> <p>Transportation of hazardous materials by M&ET, which are not already being handled by M&ET for customer, requires at least 30 days' prior written notification to M&ET and written approval from M&ET of the acceptance of and terms governing such movements.</p> <p>For rules and regulations otherwise governing the acceptance and transportation of hazardous materials, explosives and other dangerous articles of freight, including specifications for shipping containers, see AAR Bureau of Explosives Tariff No. BOE-6000, the provisions of which are incorporated herein by reference to the extent not inconsistent herewith.</p>
20	<p>Reference to Tariffs, Items, Notes and Rules</p> <p>Where reference is made in this tariff to tariffs, items, notes or rules, such references are continuous and include supplements to and successive issues of such tariffs and reissues of items, notes or rules.</p>
25	<p>Capacities and Dimensions of Cars</p> <p>Without prior clearance, maximum gross weight on rail on M&ET is 286,000 pounds, and maximum car length on M&ET is seventy-two (72) feet. For handling of heavier or longer cars, see Item 220.</p> <p>For marked capacities, lengths, dimensions and cubical capacities of cars, see The Official Railway Equipment Register, RER 6413 series.</p>

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30	<p>Mileage Charges on Privately Owned Cars</p> <p>M&ET will not pay mileage charges on privately owned cars when moving to, from or via stations on M&ET.</p>
35	<p>Demurrage</p> <p>Cars handled under the provisions of this tariff will also be subject to the demurrage provisions of Freight Tariff M&ET 9500 Series.</p>
40	<p>Payment and Credit Terms</p> <p>Charges for services rendered under terms of this tariff will accrue against the customer located on M&ET, unless arrangements to the contrary have been made with M&ET prior to performance of service.</p> <p>All payments for services covered herein are due and payable within fifteen (15) days following the bill date. Payments received after the expiration of the credit period shall be subject to a service charge of one and one-half percent (1 1/2%) per month (or fraction thereof) of the outstanding balance or highest rate allowed by law, whichever is lower.</p>
45	<p>Limitation on Loss or Damage Claims</p> <p>M&ET acts as a handling carrier and not as a line-haul railroad. Claims for physical loss or damage to any line-haul shipment transported by M&ET as a handling carrier should be made or filed with the appropriate line-haul railroad.</p> <p>No claim for the physical loss or damage to any other shipment transported by M&ET shall be made or filed by a customer for amounts less than \$500.00.</p>
50	<p>Refused or Unclaimed Freight</p> <p>The following practice will govern the handling of freight which is refused or unclaimed.</p> <p>All Freight Consignees, as described in the waybill, will be notified promptly of the arrival of shipment at destination. In case of refusal by consignee to accept the freight, or if freight is unclaimed five days after notice of arrival has been sent or given, consignor will be sent a notice showing the name of consignee, description of freight, point of origin and date of shipment. This notice will also state substantially that if disposition is not immediately arranged for, then, at M&ET's sole discretion, the property will be: 1) subject to sale as provided for in Section 4 Paragraph (b) of the Uniform Bill of Lading as published in Tariff UFC 6000-series, or 2) at shipper's expense be reverse routed to origin by M&ET. Any return shipment will be subject to the rate and route of the original shipment.</p>

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55 Rule Governing Security-Type Seals Application

It is the shipper’s responsibility to protect the safety and integrity of their lading, including but not limited to, the application of security-type seals to shipments for prevention of unauthorized access to lading. The mere presence of a broken seal or missing seal alone does not demonstrate or prove the lading to be contaminated or adulterated. Shipper is responsible to provide documentary evidence that each shipment is properly protected with security seals prior to release at origin.

60 Cargo Loss, Damage and Delay Provisions/Liability Restrictions; Claim Filing Related Thereto

M&ET’s liability will be as prescribed by its common carrier obligations under applicable rules, laws and regulations. Under no circumstances will M&ET be liable for loss, damage or delay to lading, railcars or railcar components, caused by Acts of God, a public enemy, the authority of law, labor strikes, acts of civil disobedience, unauthorized third-parties, including but not limited to trespassers, theft, the inherent nature or character of the lading, natural shrinkage, an act or default of the shipper/consignor, owner or consignee/receiver.

Shipper is responsible for proper and lawful packaging, loading, stacking, blocking, bracing, placarding, and ventilation of the cargo. Shifting of a load en-route is, of itself, not evidence of carrier mishandling. Shipper is responsible for affixing a seal to each railcar door or hatch.

Shipper acknowledges and accepts the inherent tendency of perishable goods to deteriorate or decay. M&ET is not liable for the decline of good as is reasonably expected to occur while en-route. M&ET is not liable for the decline of goods attributable to disease or decay within the goods when loaded.

M&ET is not responsible for the operation, repair, condition or securement of any railcar with mechanical protection against heat and cold, or any of its related components, while such railcar is in M&ET’s possession, including but not limited to removal or damage to of railcar components caused by theft. M&ET is not responsible for the deterioration of perishable products which may occur because of any failure or malfunction of such mechanical equipment or the temperature within the railcar.

M&ET agrees to transport shipments with reasonable dispatch, but does not guarantee rail service within any particular time frame. M&ET is not liable for special or consequential damages or for damages due to market decline.

A claimant must mitigate its damage by acceptance of damaged cargo unless the goods are totally worthless. A claimant may not abandon damaged goods to M&ET when the damaged lading retains more than minimal value. Product that is abandoned to M&ET in an undamaged condition will be sold and the salvage proceeds only, less salvage expenses, will be remitted to the owner.

As a condition precedent for recovery, if any, against M&ET, a claim for loss, damage or delay to the cargo must be filed within nine months of the date of the delivery of the cargo. Should M&ET decline a claim, suit thereon may not be brought more than two years after the date of M&ET’s written declination. Federal

carrier law governs the determination of liability; no State or common law causes of action will be recognized.

All claims must be in writing and include the following:

Information identifying the rail shipment, including car initial and number, shipper's/consignor's and consignee's/receiver's name, address and telephone number, shipping date and commodity.

Origin records or certification on the condition and quantity of the lading at the time the goods were received from the origin carrier.

Destination records or certification on the condition and quantity of the lading at the time the goods were received from the destination carrier.

A demand for payment of a specific amount, including the formula or basis on which the damages are calculated, plus, evidence in support of the calculation.

Documentation as to disposition of damaged lading and the salvage proceeds therefrom.

This is the minimum information and documentation required to initiate consideration of a claim, and provision thereof does not itself substantiate the claim.

All freight loss, damage or delay claims filed with M&ET must be electronically mailed to the attention of Tracy Alves at talves@metrr.com and concurrently mailed to:

M&ET
530 Eleventh Street
Modesto, Ca 95354

65 Hours of Service and Performance

1. M&ET shall provide service with reasonable dispatch and commensurate with the reasonable normal volume of traffic of a customer. In no circumstance shall M&ET be required to perform switching service for any customer more than once in any 24-hour period, excluding holidays as defined in Item 70.
2. Service requested beyond that specified in Subitem No. 1 shall be subject to agreement between the customer and M&ET and the application of additional switching charges.

70 Holidays

U.S. Holidays shall mean only the days listed below:

New Year's Day -	January 1 (see Note)
Independence Day -	July 4 (see Note)
Thanksgiving Day -	Fourth Thursday of November
Christmas Day -	December 25 (see Note)

Note – When this date occurs on a Sunday, the following Monday will be observed as the holiday.

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SECTION 1 – SWITCHING

ITEM	APPLICATION
100	<p>Definition of Terms</p> <p>Industrial Tracks - A track serving a particular industry, whether located upon property owned by M&ET or upon property owned or leased by the industry.</p> <p>Intra-Plant Switch - A switching movement from one location to another location within the confines of an industry.</p> <p>Intra-Terminal Switch - A switching movement (other than intra-plant) from one location to another location within the switching limits of one station or industrial switching district of M&ET.</p> <p>Reciprocal Switching – An arrangement between M&ET and a connecting railroad serving the same station or switching district where M&ET performs switching service for loading or unloading on behalf of the other carrier on shipments having add immediately preceding or following line-haul movement via the other carrier.</p> <p>Private Car – A private car is a car bearing other than railroad reporting marks, except as otherwise provided under Railroad-Controlled Cars.</p> <p>Railroad-Controlled Cars – A railroad-controlled car is a car provided to M&ET directly, by car companies or others, for indiscriminate use of M&ET in servicing any of its customers.</p> <p>Shop Facility- A shop facility is one approved by the AAR for rail car repair sufficient to meet interchange standards.</p> <p>Private Track – A private track is:</p> <ol style="list-style-type: none"> 1. A track outside of M&ET's right-of-way, yard and terminals, and of which M&ET does not own either rails, ties, roadbed or right-of-way. The track may be used jointly by two or more parties when written notice has been furnished to M&ET by the owner of the track prior to such joint use; or 2. A track or portion thereof owned or operated by M&ET that is leased for a customer's use and may include the storage of railcars and which is memorialized through a written agreement. The joint use of a lease track by each of two or more parties must have written consent from M&ET prior to such joint use; or 3. A point beyond a switch on M&ET's track that is for customer's exclusive use.

Private Cars Held on Railroad Tracks – For the purpose of applying items in this Tariff, private cars on private tracks will be exempt from the rules and charges outlined herein and in Freight Tariff M&ET 9500 series, except that private cars, while held under constructive placement on railroad tracks, will be subject to demurrage and storage charges after expiration of free time allowed, and will be considered released from such charges upon receipt of Notice to Deliver car to tracks of consignee.

Unit Train - A train of 50 railcars or more, all of the same type, interchanged to or from M&ET as a single train unit, and carrying the same bulk commodity. Where loading/unloading/ receiving trackage is sufficient, a Unit Train typically will operate intact to its M&ET-served origin or destination point.

105 Application of Charges

Except for Reciprocal Switching and as otherwise provided herein, switching charges published herein will apply on empty and loaded cars.

110 Intra-Plant Switch

The charge for an Intra-Plant Switch will be \$80.00 per car.

115 Intra-Terminal Switch

The charge for an Intra-Terminal Switch will be \$275.00 per car.

120 Reciprocal Switching-Not Applicable to Industries Located on M&ET

125 Reciprocal Switching-Applicable to Industries Located on UP

AT	FOR	CHARGE	NOTES
Modesto	BNSF	355.00	See UP Reciprocal Switching circular, viewable online @UPRR.COM

130 Empty Cars Ordered But Not Loaded

Where empty cars are ordered for loading and have been placed on customer track, and the cars are not loaded but released to the railroad empty, a charge of

\$275.00 per car will be assessed for this service and collected from the industry ordering such cars. Where empty cars are ordered for loading and have not been placed on customer track due customer's canceling of order, a charge of \$150.00 per car will be assessed for this service and collected from the industry ordering such cars. Charges under this Item shall be in addition to applicable demurrage charges under Freight Tariff M&ET 9500 series.

135 Switching Railway Cars To and From Shop

Commodity	From	To	Status In/Out	Per Car	Note
Railway Cars	Interchange tracks of connecting line	Shop	E E	\$220.00	(1)
Railway Cars	Points on M&ET or interchange tracks of connecting line	Shop	L E E L	\$110.00	(2)

NOTES: (1) Applies when movement is for repairs only.
 (2) Applies when M&ET receives a revenue move from shipments loaded or unloaded at industries on M&ET.

SECTION 2 – ACCESSORIAL CHARGES

ITEM	APPLICATION
200	<p>Turning of Cars to Permit Unloading</p> <p>1. In instances where it is desired that freight in carloads be placed on industrial or team tracks for loading or unloading from one particular side or end of the car, cars must be properly placarded on both sides, and notation made on the Bill of Lading and waybill substantially as follows:</p> <p style="text-align: center;">NOTICE TO CARRIER</p> <p>“Deliver car for loading or unloading from the door or end specified by placard.”</p> <p>2. When freight in carloads is properly placarded on both sides of the car to load or unload from one particular side or end of the car, and customer directs M&ET to turn the car so that loading or unloading can be done from the other side or end of the car, a charge of \$150.00 per car shall apply, in addition to all other lawful charges.</p> <p>3. When cars are not properly placarded or there is no notation on waybill stipulating door or end of car to unload from and car requires turning to be unloaded, a charge of \$150.00 for turning the car shall apply, in addition to all other lawful charges, and will be assessed against the party requesting the car be turned.</p>
205	<p>Securement of Doors</p> <p>Loaded cars will not be moved unless all doors, hatches, gates and tie-down devices are secured. At its sole discretion, M&ET may close doors, hatches, gates or secure tie down devices on empty cars, in which case a charge of \$150.00 per car will be assessed against the customer releasing said car.</p>
210	<p>Capture & Return Charge</p> <p>The charge for a request by customer to capture and return to customer’s track any empty or loaded car released in error by customer will be \$275.00 per car.</p>
215	<p>Cars Without Proper Forwarding Directions (No Bill)</p> <p>For loaded cars received from another railroad or tendered on private tracks, and held by M&ET for forwarding directions or other disposition, demurrage charges pursuant to Freight Tariff M&ET 9500 series will be assessed until the actual time such directions are received.</p> <p>Cars that are returned to M&ET due to not having proper forwarding instructions will result in a \$275.00 charge for capturing and returning car to contacting road</p>

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per waybill instructions.

NOTE: Proper forwarding instructions are defined as containing: Shipper, Origin City and State; Consignee, Destination City and State; Route; Whether Prepaid or Collect or Rule 11 Shipment; Payor-of-Freight Charges Name and Address; Lading Weight or Weighing Instructions; Commodity (including applicable Hazardous Materials Requirements); Customs Broker Name and Address for Export Shipments; Accurate Car Initial and Number.

220 Overload Charges

- 1) For cars in excess of 286,000 lbs. moving over any portion of M&ET, movement must be pre-approved by authorized operations personnel.
- 2) For cars in excess of seventy-two (72) feet moving over any portion of M&ET, movement must be pre-approved by authorized operations personnel.
- 3) Cars found to be overloaded or improperly loaded, or otherwise not in conformance with railroad loading and clearance rules, while on the tracks of M&ET, or cars interchanged from M&ET to another carrier which are returned to M&ET for such reasons, will either be:
 - a) returned to the shipper for adjustment, or
 - b) placed at a location suitable for adjusting the load.

Determination of the above will be at the discretion of M&ET.

Cars covered by this Subitem No. 3 will be subject to M&ET demurrage rules and charges under Freight Tariff M&ET 9500 series, no free time or credits will be allowed. Demurrage will begin upon notification to customer of overloaded or improperly loaded condition, or placement of the car at the location for adjustment of the car, whichever occurs later.

In addition to all applicable freight and demurrage charges, cars covered by this Subitem No. 3 will also be subject to a handling charge of \$275.00 per car. Customer shall also be liable to M&ET for any damage to M&ET property caused by the overloaded or improperly loaded condition of the car.

- 4) Cars found to be overloaded or improperly loaded at a loading point served by M&ET will not be moved until the load has been adjusted. Demurrage will continue until the car is released and accepted by M&ET. No additional free time will be allowed.

225 Cars Held for Loading or Unloading

- 1) Should cars be delivered to M&ET for loading or unloading and customer is unable to receive such cars, then in addition to demurrage charges under Freight Tariff M&ET 9500 series that accrue while M&ET is holding the cars, a switch charge of \$160.00 will be assessed to customer for switching the cars from the M&ET hold track to industry track.

2) Charges assessed under this section apply to all customers who are unable to receive cars, and includes both non-beneficial owners of freight as well as beneficial owners of freight.

230 Switching Charges on Cars Received From Connecting Railroads In Error

At all stations on M&ET, on cars received from a connecting railroad in error and ordered returned to the same railroad, the following charges will be applied:

BNSF - \$450.00

UP - \$450.00

235 Strike Interference

When it is impossible to load, unload, receive cars from or make cars available to M&ET due to strike interference at the point where loading or unloading is to be accomplished, the demurrage provisions of Freight Tariff M&ET 9500 series, including the strike interference provisions of Item 140 thereof, shall govern.

240 Diversion or Reconsignment

Diversion or reconsignment means any one or more of the following when a car is located on or under control of M&ET:

1. Change in the name of consignee
2. Change in the name of consignor
3. Change in the destination
4. Change in route
5. Any other instruction given by consignee, consignor, or owner affecting delivery and requiring and addition to or a change in billing, and additional movement of the car, or both.

Except as otherwise provided herein, the term "destination" as used in these rules means the billed destination.

Diversion or Reconsignment orders will not be accepted by M&ET for cars that are not under its control.

CHARGES:

When an order is placed with M&ET by consignee, consignor, or owner that modifies any of the terms of shipment listed above in this Item, the following charges will apply:

1. The charge for Diversion or Reconsignment will be \$100.00 per car.
2. Facilitation of Diversions or Reconsignments is not guaranteed. If the request is not accomplished, no charge will be assessed for the request.

Cars stopped, diverted or reconsigned under terms of this Item are subject to demurrage provisions of this tariff.

245	<p>Shipments to Order, Order Notify</p> <p>M&ET shall not handle, and assumes no responsibility for, “shipments to order”, “order notify” shipments or straight bill of lading shipments with notations requiring surrender of bill of lading or written order. Cars held awaiting further instructions under terms of this Item will be subject to the demurrage provisions of Freight Tariff M&ET 9500 series. Demurrage charges will accrue against the party issuing instructions.</p>
250	<p>Surcharges</p> <p>Surcharges as shown in Item 255 will be additional to the line-haul transportation charge or other charges in tariffs or other pricing instruments of any kind having application from or to stations on M&ET.</p>
255	<p>No Surcharge Currently in Effect</p>
260	<p>Movement of Locomotives</p> <p>Privately owned, leased or foreign line locomotives will be moved over M&ET subject to a minimum charge of \$500.00 for movement on own wheels, but not on own power. M&ET will not absorb any charges applicable to shipments of locomotives.</p> <p>All Privately owned, leased or foreign line locomotives are subject to a joint inspection at interchange by both M&ET mechanical personnel and connecting carrier mechanical personnel. Any locomotives that fail inspection will be rejected at interchange.</p> <p>M&ET’s maximum liability for loss and damage is \$100.00 per locomotive.</p>
270	<p>Special Unit Train Charges</p> <p>Special Unit Train Charges as shown in this Item 270 shall be additional to all other line-haul transportation or other charges set forth in any M&ET tariffs or other pricing instruments applicable from or to stations on M&ET.</p> <p><u>Unit Train Configuration Charges: Inbound Placement and Outbound Reassembly Charges.</u></p> <p><u>A). Inbound Placement</u> - When M&ET receives in interchange an inbound Unit Train for delivery to a customer and there is insufficient track capacity at the designated point of delivery to accomplish such delivery (and M&ET is not at fault for the lack of delivery track capacity), M&ET may, where alternative track capacity is available on M&ET trackage, at its discretion undertake to cut the train into</p>

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smaller blocks of cars or otherwise reconfigure the Unit Train to accommodate the cars of the Unit Train pending delivery to the shipper subject to the following charge: \$200.00 per car, regardless of the number of cuts of the train, for handling of all blocks of cars that M&ET is required to move for off-loading and/or loading because it was unable to deliver as scheduled to the designated delivery track and which required the use of M&ET trackage to accommodate the Unit Train.

For example, if M&ET receives in interchange for inbound delivery a unit train consisting of 100 freight cars and the customer's receiving tracks have available capacity for only 80 of the cars, then M&ET may deliver an 80-car cut and constructively place the balance of the Unit Train (20 excess cars) on M&ET trackage and this Initial Inbound Placement Charge would be \$4,000 (20 cars X \$200/car). In this case there would be a Subsequent Inbound Placement Charge of \$16,000 (80 cars x \$200/car) representing the movement of the initially delivered 80 cars on M & ET trackage and the delivery of the 20 cars that customer was not able to initially accommodate on its delivery track. Total Inbound Placement Charge in this example would be \$20,000.00.

B.) Outbound Reassembly- To reassemble a Unit Train cut for purposes of delivery under the foregoing Inbound Placement provisions, the following charges will apply to prepare the Unit Train for outbound interchange: \$1,250.00 per cut to be re-assembled. For example, if an inbound unit train was re-configured into two separate cuts due to customer capacity, customer will be charged \$2,500 to reassemble the unit train for outbound interchange.

Unit Train In-Transit Storage Fees- Separate from the Unit Train Configuration Fees, customer may also be assessed a Unit Train In-Transit Storage Fee as laid out herein. In the event customer's track is occupied by all or portions of a previously-delivered and as -yet unreleased unit train and another inbound unit train is delivered in interchange to M&ET for delivery to customer and, when M&ET has track capacity to do so, M&ET holds said unit train on its tracks pending later delivery to customer, M&ET shall assess to customer an In-Transit Storage Fee in the amount of \$200 per railcar, per day, for holding said unit train on its tracks. Such charges shall be effective as of receipt of a unit train in interchange to M&ET when delivery to customer is not possible due to track occupation. The In-Transit Storage Fee shall accrue for each 24-hour period after receipt of the train by M&ET. The In-Transit Storage Fee shall cease for the excess unit train no later than 24 hours following customer's release of a unit train (or portion thereof) already occupying customer's tracks and thereafter, M&ET will arrange to pull and place the additional inbound unit train (or portions thereof). M&ET is under no obligation to hold the additional unit train on its own tracks.

Special Unit Train Charges Security Deposit- M&ET may require a security deposit in the form of advance payment of the fees contemplated in Item 270 to ensure payment of the Inbound Placement Fees, Outbound Reassembly Fees, and/or the Unit Train In-Transit Storage Fees outlined in this Item 270 that may accrue due to customer's inability to handle the entire unit train at its receiving tracks or a secondary unit train due to failure to complete release of the first. M&ET may require such security deposit to be made prior to delivery of an inbound unit train and such determination as to advance payment and/or

security deposit is to M&ET's sole discretion.

The deposit must be paid in cash, certified check, cashier's check, wire transfer or money order before any further cars are delivered for loading or unloading. M&ET will refund the deposit or balance of the deposit to the extent the fees outlined in this section are not invoked with respect to delivery and placement of the unit train at customer's receiving tracks.

1000 Explanation of Abbreviations and Reference Marks

AAR	Association of American Railroads
M&ET	Modesto and Empire Traction Company
OPSL	The Official Railroad Station List, Station List Publishing Company, Agent
RER	The Official Railway Equipment Register, R.E.R. Publishing Company, Agent
RPS	Railroad Publication Services, Agent
STB	Surface Transportation Board
STCC	Standard Transportation Commodity Code
UFC	Uniform Freight Classification, National Railroad Freight Committee, Agent
A	Increase
C	Changes resulting in neither an increase nor a decrease
R	Decrease