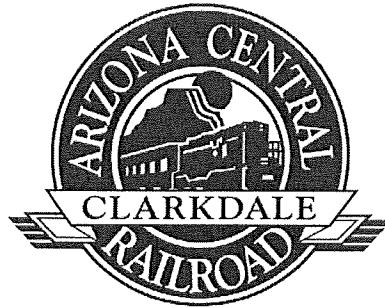


CLARKDALE ARIZONA CENTRAL RAILROAD, LLC



FREIGHT TARIFF 2015

**NAMING
GENERAL SWITCHING, DEMURRAGE, STORAGE, LOCAL RATES,
AND MISCELLANEOUS
RULES AND CHARGES**

**APPLYING FROM, TO, BETWEEN, AND AT POINTS ON
CLARKDALE ARIZONA CENTRAL RAILROAD, LLC**

APPLICABLE ON INTERSTATE AND INTRASTATE TRAFFIC

ISSUED: DECEMBER 31, 2014

EFFECTIVE: FEBRUARY 1, 2015

ISSUED BY:

**Robin Brean
General Manager
Clarkdale Arizona Central Railroad, LLC
300 North Broadway
Clarkdale, AZ 86324**

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SECTION 1 - RULES

Item 10 – Requesting Copies of AZCR TARIFF 2015

You may obtain a copy of this tariff from AZCR by mail provided you furnish to the address below a formal written request for a printed copy. This formal request is required on an annual basis in accordance with Surface Transportation Board's policy decision under Ex Parte 528, Disclosure, Publication, and Notice of Change of Rates and Other Service Terms for Rail Common Carriage.

All requests for printed copies of this tariff should be directed to:

General Manager
Clarkdale Arizona Central Railroad, LLC
300 North Broadway
Clarkdale, AZ 86324

Item 15 – Reference to Tariffs, Items, Notes, and Rules

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 such items, notes, and rules.

Item 20 – Cancellation Notice

AZCR 2015 cancels any previous tariff of the Southwestern Railroad in its entirety. Provisions in any previous tariffs of the Southwestern Railroad that are not specifically brought forward in AZCR 2015 are hereby canceled.

Item 30 – Method of Canceling Items

As this tariff is supplemented, numbered items with letter suffixes will be used in alphabetical sequence starting with letter A. For example: Item 10A would cancel Item 10, and then Item 10B would cancel Item 10A in any prior supplement, which in turn would cancel Item 10.

Item 40 – Station Lists and Conditions

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

PREPAY REQUIREMENTS AND STATION CONDITIONS

For additions and abandonments of stations, restrictions as to acceptance or delivery of freight and changes in station facilities. When a station is abandoned as of a date specified in the above named tariff, the rates from and to such station as published in this tariff are inapplicable on and after that date.

Item 45 – Capacities and Dimensions of Cars

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

SECTION 1 - RULES

Item 50 – Late Payment

Customer shall pay all applicable charges to AZCR upon invoice therefore. Invoices are due and payable thirty (30) days following the date of the invoice. In the event payment has not been received as described, a late payment charge of two percent (2%) per month shall be assessed on the outstanding balance owed. Payments shall be applied first to late payment charges, and then to the outstanding balance.

Item 60 – Timely Payment of Charges and Security Deposit

AZCR has the right to demand that a rail customer responsible for the payment of any applicable charges, which has a history of delinquency or non-payment of such charges, not in bona fide dispute, provide assurance for the timely payment of such charges. Such “assurance” will be required in form of a deposit with AZCR of cash, letter of credit, surety bond, or other suitable guarantee in the amount equal to the average monthly bill(s) to the customer over the past six (6) months. AZCR will determine the suitability of the security tendered. All instruments on deposit are hereinafter referred to as “security”.

If a bill incurred by a customer subject to the aforementioned security deposit requirement, not in bona fide dispute, is not paid when due, immediately thereafter, AZCR will satisfy the bill by drawing against the security. Because deposits are established due to delinquencies or non-payment of charges, no interest will be paid by AZCR on any security deposited with it. It is within the discretion of AZCR to determine when issues of delinquency have been resolved and when the rail customer is no longer required to maintain a security deposit. Should rail service to the customer no longer be required the security deposit will be released and returned upon satisfaction of all outstanding bills.

Item 70 - Congestion Resulting From Rail Customer May Result in an Embargo

If a rail customer’s excessive retention of railcars (whether or not related to the customer’s security deposit experience) results in operational congestion as determined by AZCR of the customer’s and/or AZCR’s rail tracks, AZCR may impose an embargo against the customer’s receipt of further railcars until the congestion is eliminated.

Item 80 – Method for Submission of Forwarding Instructions, to Release Empty Railcars, and Date and time Record on Notification

AZCR will accept forwarding instructions through one of three methods at no charge: i) ShipperConnect or Steelroads ii) a Class I website; or iii) by making arrangements directly with third party logistics services providers to submit forwarding instructions on their behalf via a Class I website or via EDI. AZCR will accept forwarding instructions via fax (1-928-639-0843) or via email (support@clarkdaleazcentral.com) subject to a \$35.00 charge per faxed or emailed bill of lading. This charge will be assessed to the customer of record with AZCR. AZCR reserves the right to reject as an unreasonable request for service, any fax or email forwarding instructions that are illegible, whether due to poor transmission quality, poor or illegible handwriting, or otherwise. AZCR will not accept delivery of forwarding instructions by U.S. Mail, express service, personal delivery, telephone, or otherwise.

SECTION 1 - RULES

Item 80 – Method for Submission of Forwarding Instructions, to Release Empty Railcars, and Date and time Record on Notification (continued)

AZCR will accept empty release information through one of three methods at no charge: i) ShipperConnect or Steelroads; ii) a Class I website; or iii) by making arrangements directly with third party logistics services providers to submit forwarding instructions on their behalf via a Class I website or via EDI. AZCR will accept empty release information via fax (1-928-639-0843) or via email (support@clarkdaleazcentral.com) subject to a \$35.00 charge per faxed or emailed release. This charge will be assessed to the customer of record with AZCR.

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

Item 90 – Surcharges

A surcharge payment of \$650 per car shall be payable by the shipper or consignor on outbound shipments and receiver or consignee on inbound shipments at Clarkdale Arizona Central Railroad, LLC stations on shipments originating or terminating at said stations. Surcharge payments shall be to the customer of record with AZCR.

Item 100 – Index of Terms

For the purposes of applying the provisions of this tariff, the following terms are defined and will govern:

ACTUAL PLACEMENT: When a car is placed in an accessible position for loading or unloading, or at a point designated by the consignor or consignee or party loading or unloading the car.

CAR DELIVERY: Delivery of car(s) to a consignor, consignee, or person responsible for loading or unloading shall be at AZCR's ordinary operating convenience. Ordinary operating convenience is defined as the time that is most advantageous to AZCR in relation to its coordinated, efficient, and effective switching activities.

CHARGEABLE DAY: A twenty-four (24) hour period, or fraction thereof that follows the expiration of Free Time.

CONSIGNEE: The party designated on the bill of lading as the entity legally entitled to receive delivery of the car from the carrier.

CONSIGNOR: The party designated on the bill of lading as the entity which has caused the car to be consigned into transportation.

CONSTRUCTIVE PLACEMENT: When a car cannot be actually placed or delivered because of any condition attributable to the consignee, consignor, loader or unloader, such car will be held on AZCR tracks and notice will be sent or given to the party entitled to receive notification that the car is held awaiting disposition instructions. Such cars which have been placed by AZCR on private or other than public delivery tracks, including lead tracks serving the loader or unloader, will be considered constructively placed without notice.

CREDIT: See description of term for Free Time.

SECTION 1 - RULES

Item 100 – Index of Terms (continued)

DEMURRAGE: A charge made on freight cars held by or for consignor, loader, consignee, or unloader for loading or unloading, prior to the issuance of forwarding instructions or any other purpose.

DEMURRAGE DAY: A twenty-four (24) hour period, or fraction thereof, may also be referred to as a “Debit”.

DISPOSITION: Information, including forwarding instructions and/or release, which allows the railroad to either tender or release the car.

DIVERSION: A change in name of consignee or consignor, a change in the destination, a change in the route at the request of the consignor, consignee, or owner, or any other instructions given by consignee, consignor, or owner altering delivery and requiring an addition to or change in billing and additional movement of a car, or both.

EMPTY CARS ORDERED AND NOT USED: Empty cars ordered, placed, or constructively placed for loading and subsequently released without being used in transportation service.

FREE TIME: A period of time following actual or constructive placement during which demurrage is not chargeable. May also be referred to as a “Credit”.

HAZARDOUS MATERIALS: Hazardous materials, substances, or waste as described in HAZARDOUS MATERIALS REGULATIONS of the U.S. Department of Transportation in 49 C.F.R. 171.8 or successor thereof.

INDUSTRIAL INTERCHANGE TRACK: Designated delivery or receipt track or tracks for the exchange of cars between the railroad and industry performing their own switching including industrial switching line acting as agent for industry.

LEASED TRACK: A track assigned to a user through a written lease agreement and is considered the same as a private track for demurrage purposes.

LOADER: Party physically loading the car.

LOADING: The complete or partial loading of a car by the party responsible to load in conformity with railroad loading and clearance rules, and the furnishing of forwarding instructions.

NON-CHARGEABLE DAY: All Sundays (see Note 1) and holidays. Holidays (see Note 2) shall include the following:

New Year’s Day	January 1
Memorial Day	Last Monday of May
Independence Day	July 4
Labor Day	First Monday of September
Thanksgiving Day	Fourth Thursday of November
Day after Thanksgiving	Fourth Friday of November
Christmas Eve	December 24
Christmas Day	December 25

SECTION 1 - RULES

Item 100 – Index of Terms (continued)

NOTE 1: Sundays will be chargeable days for Mechanical Refrigerator Cars.

NOTE 2: When these dates occur on a Sunday, the following Monday will be observed as the holiday.

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

PRIVATE CAR: A car which is not a railroad owned or controlled car.

PRIVATE TRACK: Any track which is not owned or leased by the railroad.

PUBLIC DELIVERY TRACK: Any track for use by the general public for loading and unloading (i.e. Team Track).

RAILROAD CONTROLLED CAR: A car owned or leased by a railroad.

RAILROAD CONTROLLED TRACKS: Any track designated by AZCR not defined as a leased track or private track.

RECEIVING PARTY: The Receiving party of the railcar who is responsible for the demurrage.

RECONSIGNMENT: See the description of term Diversion.

STCC: Standard Transportation Commodity Code

STORAGE DAY: A twenty-four (24) hour period, or fraction thereof.

AZCR: Clarkdale Arizona Central Railroad, LLC

TEAM TRACK: Any track designated by AZCR for use by the general public for loading and unloading (i.e. Public Delivery Track).

TENDERED FOR DELIVERY: All cars made available to a customer that have been constructively placed or ordered for placement on the same day.

TIME: Local time applicable.

UNLOADER: Party physically unloading a car.

UNLOADED/UNLOADING: The complete or partial unloading of a car and advice the car is available for movement and the furnishing of forwarding instructions when required.

SECTION 2 - SWITCHING

Item 200 – Loaded Cars from Customer without Billing

Any loaded car released to AZCR without proper billing information submitted to AZCR within 24 hours of release to AZCR shall be charged \$250 per car and applicable demurrage charges defined in Item 340 until such information is provided to the satisfaction of AZCR.

Item 205 – Empty Cars Ordered but Not Loaded

Any empty car that is ordered for loading and has been placed on customer track, and the car is not loaded but returned to AZCR empty, shall be charged \$350.00 per car. The charge for this service shall be assessed and collected from the person, firm, or corporation ordering such cars.

Item 210 – Intra-Plant Switching

All loaded or empty cars switched for any purpose, except as provided in Note 1, from one part of one industry track to another part of the same track in the same plant or industry, or from one track to another track of the same plant or industry. A charge of \$315.00 per car will be made.

Note 1: If the switching of the loaded car requires handling the car beyond the confines of the plant or industry at which the car was initially placed, the charge will be the rate for local movements as defined in Item 240.

Note 2: If the switching of the empty car requires handling the car beyond the confines of the plant or industry at which the car was initially placed, the charge will be \$415.00 per car handled.

Item 220 – Overloaded Cars

Cars found to be overloaded will be subject to the following charges:

1. When an overloaded car is identified by AZCR scale, a charge of \$800.00 per car will be assessed to each overloaded car. The overloaded car will be set out at the nearest operationally convenient siding immediately upon being identified as overloaded.
2. Overloaded cars will be subject to demurrage charges as defined in Item 340.

SECTION 2 - SWITCHING

Item 230 – Diversion or Re-consignment

When a change in name of consignee or consignor, a change in the destination, a change in the route at the request of the consignor, consignee, or owner, or any other instructions given by consignee, consignor, or owner altering delivery and requiring an addition to or change in billing and additional movement of a car, or both, the following charges will apply:

1. If a diversion or re-consignment order is received by AZCR prior to the arrival of a car at destination, the charge will be \$325.00 per car.
2. If a diversion or re-consignment order is received by AZCR within twenty-four (24) hours from the first 7:00 a.m. after arrival at destination, the charge will be \$400.00 per car.
3. If a diversion or re-consignment order is received by AZCR after expiration of twenty-four (24) hours from the first 7:00 a.m. after arrival at destination, the charge will be \$475.00 per car. Shipper must provide a bill of lading before the AZCR will move the car.

Item 235 – Setback Charges

Cars (s) loaded or empty, received by SW in error, from a Connecting Railroad Carrier, that are not consigned to SW or its customers, will be treated as mishandled cars received in error and a “Setback Charge” will be assessed against and billed to the interchanging carrier as follows:

Setback Charge: \$400 per car.

Item 240 – Rates for Local Movements on the AZCR

A local movement on the AZCR is defined as the movement of a car from one location on the AZCR to another location on the AZCR. The per-car charges for such local movements shall be as follows:

Switching rate for local movements: \$425 per car.

Item 245 – Blocking

If AZCR is requested by the customer to block cars, AZCR shall perform such blocking at a charge of \$350 per car. Blocking instructions must be received by AZCR at least twenty-four (24) hours in advance.

SECTION 2 - SWITCHING

Item 250 – Storage of Private Cars on Railroad Track

Loaded or empty private cars held on AZCR tracks will be stored pursuant to a written storage agreement between AZCR and the customer. The charge for such storage shall be assessed at a rate of \$60 per Storage Day, except empty private cars held on railroad tracks will be assessed \$40 per Storage Day.

Storage charges will apply from the first 7:00 a.m. after notice of availability and constructive placement of private cars on railroad tracks until actual placement on private tracks.

Hazardous cars cannot be stored on AZCR tracks.

Exception: When AZCR's track is leased by the customer under a written lease agreement.

Item 255 – Holding of Cars for Assembly of Unit Trains

Any loaded car released to AZCR without proper billing information submitted to AZCR within 24 hours of release to AZCR, for the purposes of assembling a unit train for subsequent billing as a unit train, shall be charged \$250 per car. For purposes of this Item 255, the term "Unit Train" shall apply to a train consisting of at least twenty-five (25) cars moving from one origin to one destination.

Item 260 – Damage to Railroad Controlled Track

At any location where the customer uses its own locomotives, Trackmobile, or other equipment to move railcars on railroad controlled track, and if the movement of such cars by the customer, while such cars are in the custody and control of the customer, causes damage to railroad controlled track(s), the customer shall reimburse AZCR on a time and material basis for all repairs necessary to repair the damage and return the track(s) to service, plus a charge of 30% of the total cost of the repairs to reimburse AZCR for overhead and administrative costs. "Time and material" shall include charges for: i) labor; ii) materials; iii) equipment and vehicles; iv) fuel, oil, and other consumable materials; and v) the cost of contractors, if, in AZCR's sole judgment; the use of a contractor is necessary to repair the damage and return the track(s) to service. Said track(s) will be returned to service when all necessary repairs have been made, and AZCR's Roadmaster has inspected the repairs.

SECTION 3 - DEMURRAGE

Item 300 – General Application

The demurrage rules and charges published in this Section 3 apply on international, interstate, and intrastate traffic on all points on the AZCR. For the purpose of applying the rules and charges, the terms as defined in Section 1 shall govern.

Item 310 – Chargeable Days

Chargeable days are defined as days that follow the expiration of free time as described in Item 330.

Item 320 – Cars Subject to Demurrage Rules and Charges

The receiving party of the railcar is responsible for the demurrage per STB EP 707, effective 7/15/2014. Railroad, railroad controlled, and private cars held for or by consignors or consignees for any purpose, or held by parties responsible for loading and/or unloading, are subject to demurrage rules and charges in this Section 3, subject to the exception below.

Exception: Demurrage rules and charges will not apply on empty or loaded private cars while held on private tracks.

Item 330 – Free Time

Free time will be allowed for each car as follows:

Cars held for unloading:	FORTY-EIGHT (48) HOURS
Cars held for loading:	FORTY-EIGHT (48) HOURS

Free time will be computed from the first 7:00 a.m. following actual or constructive placement. For the purpose of computing free time, Saturdays, Sundays, and holidays will be excluded, unless there has been at least one (1) chargeable day prior to the Saturday, Sunday, or holiday.

No free time will be allowed for cars held for any other purpose for which the consignor, consignee, or party of record is responsible for furnishing disposition to the AZCR.

Item 340 – Demurrage Charges

On cars subject to demurrage charges, after the expiration of free time allowed (see Item 330), a charge of \$75.00 per day, or fraction thereof, will be assessed until the car is released (**subject to Exceptions 1, 2, and 3 below**):

Exception 1: \$80.00 per day for the first five (5) days, and \$90.00 per day for each day thereafter on all mechanically refrigerated cars.

Exception 2: \$100.00 per day for the first five (5) days, and \$125.00 per day for each day thereafter on all hazardous materials, substances or waste as described in HAZARDOUS MATERIALS REGULATIONS of the U.S. Department of Transportation in 49 CFR 171.8 or successor thereof.

SECTION 3 - DEMURRAGE

Item 340 – Demurrage Charges (continued)

Exception 3: Railcars containing commodities designated as toxic/poison inhalation hazard (TIH), inhalation hazard (anhydrous ammonia) and Division 1.1 and 1.2 Explosives, which are constructively placed on AZCR tracks, will be subject to charges in Item 350.

Item 350 – Demurrage Charges for Commodities Designated as Toxic Inhalation Hazard (TIH) – Constructively Placed

Railcars containing commodities designated as toxic/poison inhalation hazard (TIH). Inhalation hazard (anhydrous ammonia), and Division 1.1 and 1.2 Explosives, which are constructively placed on AZCR tracks, will be subject to charges immediately, without any applicable free time. The following charges will apply until the car is released:

1. Immediately upon notification of constructive placement, the charge will be \$500.00 per car for the first twenty-four (24) hours or fraction thereof.
2. Charges will increase to \$1,000.00 per car for each day, or fraction thereof, for each day thereafter until the car is spotted to customer's track.
3. Upon actual placement, charges will be \$85.00 per car per day, or fraction thereof, for the first five (5) days and \$110.00 per car per day, or fraction thereof, for each day thereafter.

SECTION 4 – LIST OF STATIONS

List of Stations on the Clarkdale Arizona Central Railroad

Clarkdale, AZ

Drake, AZ