

HONDO RAILWAY, LLC
(HRR)

FREIGHT TARIFF HRR 2012
(CANCELS ALL PRIOR FREIGHT TARIFFS)

CONTAINING
LOCAL SWITCHING AND ACCESSORIAL
CHARGES AT LOCATIONS ON
THE HONDO RAILWAY

APPLICABLE ON INTERSTATE TRAFFIC AND INTRASTATE TRAFFIC
IN THE STATE OF TEXAS

LOCAL FREIGHT TARIFF

ISSUED: DECEMBER 1, 2011

EFFECTIVE: JANUARY 1, 2012

ISSUED BY:
HONDO RAILWAY, LLC
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**HONDO RAILWAY, LLC
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METHOD OF ADDING, CHANGING, OR DELETING ITEMS IN THIS TARIFF

Changes to this tariff will be made by supplement or by restating the tariff in its entirety.

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**SECTION 1
GENERAL RULES**

ITEM 1.1 - LIST OF CONNECTING LINES AND INDUSTRY SERVED

CONNECTING LINES:

BNSF Railway
Union Pacific Railroad

POINTS OF CONNECTION:

Hondo, Texas
Hondo, Texas

INDUSTRY SERVED:

South Texas Liquid Terminal, Inc. - corn syrup & corn starch rail to truck transloader

915 Carter Avenue
Hondo, Texas 78861

South Texas Ethanol Terminal, Inc. - ethanol rail to truck transloader

917 Carter Avenue
Hondo, Texas 78861

Rail Transloading Resources, Inc. - fracsand rail to truck transloader

1035 Carter Avenue
Hondo, Texas 78861

Hondo Railhead Energy, Inc. - crude oil truck to rail transloader

917 Carter Avenue
Hondo, Texas 78861

Hampel Oil Distributors, Inc.

911 Carter Avenue
Hondo, Texas 78861

Baker Hughes

1305 Carter Avenue
Hondo, Texas 78861

ITEM 1.2 - CAR DELIVERY

Delivery of car(s) to consignor/consignee shall be at the HRR's ordinary operating convenience. Ordinary operating convenience is defined as the time that is most advantageous to HRR in relation to its coordinated, efficient, and effective switching activities.

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ITEM 1.3 - HOLIDAYS

Whenever reference is made to “holidays” it shall mean only the days listed below:

New Year’s Day - January 1

Independence Day - July 4

Labor Day - First Monday of September

Thanksgiving Day - Last Thursday in November

Christmas Day - December 25

ITEM 1.4 - 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 credit/security experience) results in operational congestion, as determined by the HRR, of the customer’s and/or the HRR’s rail tracks, HRR may impose an embargo against the customer’s receipt of further railcars until the congestion is eliminated.

ITEM 1.5 - HAZARDOUS MATERIALS

Hazardous materials, substances or waste as described in HAZARDOUS MATERIALS REGULATIONS of the U.S. Department of Transportation will only be handled upon request and upon approval by HRR.

ITEM 1.6 - MILEAGE ALLOWANCE ON PRIVATELY OWNED CARS

HRR will not pay mileage charges on privately owned cars while cars are on this line.

ITEM 1.7 - CREDIT

Credit will be granted solely at the discretion of HRR. All charges contained in this tariff will be billed by the HRR and paid by the responsible party in U.S. funds, in full, within fifteen (15) calendar days from the date of the bill.

Notwithstanding anything to the contrary in this tariff, if a rail customer does not pay the charges in a bill received from HRR within the time period specified in this tariff, HRR, at its sole discretion, may revoke customer’s credit with HRR and require customer to pay HRR cash in advance of delivery of services (“COD”) prior to HRR providing pick-up and/or delivery of customer’s railcars. HRR will give the customer ten (10) days’ written notice before the provisions of this paragraph are invoked.

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**SECTION 2
SWITCHING**

ITEM 2.1 - SWITCHING OF LOADED CARS

HRR will assess a charge of \$350.00/\$450.00 per car (see below) for the switching of a loaded car from one location on the HRR to another location on the HRR.

ITEM 2.2 - SWITCHING OF EMPTY CARS

HRR will assess a charge of \$350.00/\$450.00 per car (see below) for the switching of an empty car not related to a prior or subsequent loaded movement switched by HRR from one location on the HRR to another location on the HRR.

ITEM 2.3 - RECIPROCAL/INTERCHANGE SWITCHING

HRR will perform reciprocal/interchange switching between industries on its line and interchange with BNSF and UP at Hondo, Texas at the following per car charges:

(1)	All non-hazardous commodities:	\$350.00
(2)	Crude oil (placard UN1267):	\$350.00
(3)	Ethanol (placard UN1987):	\$350.00
(4)	All other hazardous commodities:	\$450.00

Billing: (1) HRR will only direct bill the following industries:

South Texas Liquid Terminal, Inc.
915 Carter Avenue
Hondo, Texas 78861

South Texas Ethanol Terminal, Inc.
917 Carter Avenue
Hondo, Texas 78861

(2) HRR will bill the interchanging carrier on traffic for all other industries including, but not limited to, the following industries:

Rail Transloading Resources, Inc.
1035 Carter Avenue
Hondo, Texas 78861

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Hondo Railhead Energy, Inc.
917 Carter Avenue
Hondo, Texas 78861

Hampel Oil Distributors, Inc.
911 Carter Avenue
Hondo, Texas 78861

Baker Hughes
1305 Carter Avenue
Hondo, Texas 78861

ITEM 2.4 - INTRA-PLANT SWITCHING

HRR will assess a charge of \$150.00 per car for the switching of loaded or empty cars after initial placement for unloading, loading, storage or constructive placement.

ITEM 2.5 - SPECIAL TRAIN SERVICE

When no engine or crew is available and engine and crew is specifically requested by the shipper or consignee, cars may be handled in special (not regular) service. The charge for this special service will be \$250.00 per hour, subject to a minimum of \$2,500.00. The special service charge shown herein will be in addition to any applicable switching charges.

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**SECTION 3
DEMURRAGE**

ITEM 3.1 - GENERAL APPLICATION

The demurrage rules and charges published in this section apply at all points on the HRR.

ITEM 3.2 - CARS SUBJECT TO DEMURRAGE RULES AND CHARGES

Railroad, railroad controlled, and private cars held for or by consignors and consignees for any purpose are subject to demurrage rules and charges in this section (see Exception).

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

ITEM 3.3 - ACTUAL PLACEMENT

Actual Placement is made when a car is placed in an accessible position for loading or unloading or at a point previously designated by the consignor or consignee.

ITEM 3.4 - CONSTRUCTIVE PLACEMENT

When a car cannot be actually placed because of a condition attributable to the consignor or consignee, such car will be held at available hold point and notice shall be sent or given the consignor or consignee that the car is being held and that this railroad is unable to effect placement; however, if car is placed on private track, industrial interchange track or other-than-public delivery track serving the consignor or consignee, the car will be considered constructively placed without notice.

ITEM 3.5 - FREE TIME

Forty-eight (48) hours free time will be allowed for loading and unloading. Free time will be computed from time of placement or time of notification, where required.

ITEM 3.6 - DEMURRAGE CHARGES

On cars subject to demurrage charges, after expiration of free time, a charge of \$75.00 per car per day will be assessed until the car is released.

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ITEM 3.7 - RAILCAR HIRE CHARGES

In addition to above demurrage charges, if railcar hire charges are levied against HRR for railroad owned or leased cars employed by customer, a charge of \$35.00 per car per day will be assessed to customer until the car is released.

ITEM 3.8 - DISPUTES

In the event that a customer disputes the demurrage or other charges received in a bill, the following procedures must be applied:

- (1) The dispute must be specific in nature, applying to a specific car or groups of cars, related to time of actual or constructive placement, release or application of the rules contained in this tariff.
- (2) The dispute must be submitted to HRR via email to: mark@hondorailway.com.
- (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 the dispute is filed, according to normal payment procedures.
- (5) Amounts in dispute will not be considered past due until fifteen (15) days after the dispute resolution is concluded by HRR.