

RAIL RESOURCES OF NORTH CAROLINA, INC.

2014 Service Terms & Conditions

Carolinas [ReLoad]

Wadesboro Facility Manager

1/1/2014

This document outlines the standard terms and conditions adhered to by Carolinas [ReLoad] in the fulfillment of certain rail and logistics services for its customers, with its partners, and by its employees.

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2014 Service Terms & Conditions

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*For additional information and details on availability, rates and/or services provided, call us at 1-704-694-3333.

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INTRODUCTION

Rail Resources of North Carolina, Inc. (dba "CAROLINAS RELOAD" or the "Company") operates North and South Carolina's leading independent multi-modal transloading, materials management, and logistics services facility. This facility allows for the transfer of commodities between railcars, trucks, storage, and containers. These Service Terms and Conditions (the "Document") describe the facility managed and services offered by CAROLINAS RELOAD and set forth the terms and conditions under which it will arrange, provide, accommodate or make available its facility and services. The terms and conditions in this Document apply to all transfers and activities occurring in CAROLINAS RELOAD terminal facility.

CAROLINAS RELOAD – WHAT IT OFFERS

Facilities

CAROLINAS RELOAD operates a specialized terminal facility that allows Customers to transfer product between railcars, ocean containers, storage containers, and/or bulk trucks. The terminal facility is generally equipped with onsite management, offices, secure access, truck service drives, area lighting, fencing and multiple types of transfer equipment.

CAROLINAS RELOAD is prepared to tailor its services to meet your requirements. Location and more detailed descriptions of service offerings can be found on CAROLINAS RELOAD's website: www.CarolinasReLoad.com.

Product Handling Capabilities

CAROLINAS RELOAD can handle a variety of products. Examples include:

CHEMICALS	DRY PRODUCTS	AGRICULTURAL	WASTE
Plastics	Building materials	Lumber & wood products	ASR (Auto Shredder Residue)
Fertilizers	Metal ingots/billets	Grains	C&D (Construction & Demolition Debris)
Compressed, Non-Flammable Gases	Carpet & flooring	Food products	MSW (Municipal Solid Waste)
Non-hazardous fluids	Aggregates (gravel, etc.)	Natural oils	Agricultural by-products
	Wire & spools		
	Generators & transformers		

The following conditions and qualifiers should be noted with respect to CAROLINAS RELOAD's services:

- Terminal facility may not be fully equipped to handle all commodities.* CAROLINAS RELOAD reserves the right to refuse to handle any product at its sole discretion;

- CAROLINAS RELOAD does not normally handle explosives, etiological agents, hazardous or radioactive materials, but will consider handling such products on a case-by-case basis; *
- RCRA Hazardous Waste refers to any material regulated by the US EPA as “hazardous waste” according to EPA requirements set forth in 40 CFR Parts 260 and 261;
- Flammable products are defined as those having a flash point of 141° Fahrenheit or less.

Prior to shipping to a CAROLINAS RELOAD terminal, all products must be approved by CAROLINAS RELOAD to ensure safe transloading and our ability to meet your quality requirements.

For more information on obtaining product approval, please see the “Customer” section at www.CarolinasReLoad.com.

Levels of Service at Its Terminal Facility

CAROLINAS RELOAD offers two service options at its terminal: Premium and Value Service. With Premium and Value Service, CAROLINAS RELOAD may offer other special services at its terminal to simplify your distribution processes, including, but not limited to, product dilution, heating, blending/sifting/sparging of products, inert gas application and product testing. Additional charges for these services will apply based on the service requested. The service levels are described in the following table:

SERVICE LEVEL	SERVICES
Premium (including non-hazardous Liquid and Dry Products)	Product Transfer (Conducted by terminal personnel, trained in safety and quality handling procedures for your product and using equipment tailored to your needs)
	Operations Management
	Facilities Management
	Inventory & Order Management
	Quality Control
Value (mostly Dry non-hazardous Products)	Product Transfer (Conducted by motor carrier with a self-loading truck)
	Operations Management
	Facilities Management
	Inventory & Order Management
	Quality Control

Terminal Hours of Operation

Terminal hours are generally Monday through Saturday, 7:00 a.m. to 7:00 p.m. For the hours of operation of a specific terminal capability or service please contact CAROLINAS RELOAD directly at 1-704-694-3333.

Holiday Schedule

CAROLINAS RELOAD observes the following holiday schedule:

HOLIDAY SCHEDULE	
New Year's Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving Day
Independence Day	Christmas Eve Day
Labor Day	Christmas Day

Holidays are observed on their actual day. If, however, a holiday falls on a Sunday, it is observed on the following Monday.

PREMIUM AND VALUE SERVICE OFFERINGS

Load Scheduling and Detention Charges

Scheduled transfer times are utilized in CAROLINAS RELOAD terminal operations; therefore, at least 24-hour notification, and corresponding CAROLINAS RELOAD acceptance, is required. Transfers scheduled with less than 24-hour advance notice will be managed according to available transfer times and thus may be subject to additional charges.

If the motor carrier is on time, CAROLINAS RELOAD will attempt to complete transfers within two (2) hours from the scheduled transfer time; if the motor carrier is late, CAROLINAS RELOAD will attempt to complete the transfers within two (2) hours from actual commencement of the transfer. A transfer shall be measured from the time when a truck weighs into a terminal to the time it weighs out of a terminal. If the motor carrier arrives late, overtime charges may apply.

CAROLINAS RELOAD will attempt to accommodate early or late motor carrier arrivals if resources are available.

CAROLINAS RELOAD is not responsible for truck detention charges on scheduled loads unless they are incurred as a result of CAROLINAS RELOAD's gross negligence and then only if a motor carrier provided detention slip has been signed by an authorized CAROLINAS RELOAD terminal representative indicating CAROLINAS RELOAD's preliminary agreement or disagreement with the claim's validity. The Customer will be responsible for all other overtime and truck detention charges. CAROLINAS RELOAD is not responsible for any costs incurred by Customer due to equipment failures at the CAROLINAS RELOAD terminals. CAROLINAS RELOAD accepts no responsibility for truck detention charges on unscheduled loads regardless of cause. All truck detention claims must be submitted to CAROLINAS RELOAD within 60 days of the scheduled load date to the address listed in the Notice section of this Document.

Railcar Inspections

Railcars will be visually inspected within twenty-four (24) hours of arrival or on the first operating day they are positioned in the terminal (excluding weekends and holidays), whichever is later, and also before departure from the terminal.

Inspections will include or look for:

- Verification that Customer seals are intact, if applicable.
- Visible leaks in railcars.
- Visible damage to railcars.
- Broken safety devices pertaining to the transfer process.
- Appropriate placarding.

Customer will be notified of any deficiencies and will be responsible for the cost of needed repairs and cleanup or remediation, if any.

Trailer Inspections

Motor carriers are required to produce a washout slip before commencing a transfer of product to a trailer if required by the Customer per the Service Delivery Specification Sheet (SDSS). CAROLINAS RELOAD will make a reasonable effort to visually inspect a trailer, before a transfer, to determine if it appears to be clean, dry, odor free and suitable for service. Unique Customer inspection requirements will be considered by CAROLINAS RELOAD once provided and agreed to by CAROLINAS RELOAD.

CAROLINAS RELOAD does not guarantee that a trailer is free of materials that could contaminate products.

Customer will be notified of any observed material deficiencies and will be responsible for the repair or removal of equipment as applicable.

Railcar and Trailer Sealing

General Sealing Procedures:

- Sealing procedures for full and empty railcars, following actual placement at CAROLINAS RELOAD's terminal facility, are unique to each Customer, established at the onset of business, and may be amended as mutually agreed to by Customer and CAROLINAS RELOAD.
- Actual placement is defined as "physically placing a car for loading or unloading at a place designated by, or usually used by, the shipper or consignee."
- Sealing procedures for full and empty trailers are unique to each Customer, established at the onset of business and may be amended as mutually agreed to by Customer and CAROLINAS RELOAD. CAROLINAS RELOAD will provide and utilize standard metal or plastic seals for plastics and food grade products. Customers must, at their cost, provide seals unique to their requirements (e.g., cable seals).

Product Sampling

General Sampling Standards:

- Sampling procedures for railcars, following actual placement at CAROLINAS RELOAD's terminals, or loaded trailers are unique to each Customer, established at the onset of business and may be amended as mutually agreed to by Customer and CAROLINAS RELOAD.

Customer Reports

TRANSCEND®, a secure, Internet-based tool, offers Customers the ability to manage their product activity at the CAROLINAS RELOAD terminal level, thus providing the means to submit shipment notices, schedule product transfers, oversee product inventory, evaluate car aging, and access a host of additional relevant information.

Should specific information not be available through CSX or Transflo (ShipCSX, TRANSCEND®, etc.) tools, CAROLINAS RELOAD will, at the Customer's request, evaluate its ability to provide such information and the cost of doing so. If CAROLINAS RELOAD agrees to provide the information, additional charges may apply.

Weighing of Trucks

Where truck scales are available, CAROLINAS RELOAD will obtain one complete set of truck weights (inbound and outbound) for all truckloads in conjunction with a corresponding transfer. Call for scale locations and pricing on any additional truck weighing.

OTHER SERVICES

Extra Labor

CAROLINAS RELOAD makes reasonable efforts to empty each railcar as completely as possible using normal mechanical transfer procedures. When a transfer cannot be performed or a railcar cannot be completely unloaded by conventional mechanical means due to the characteristics of the product or railcar configuration, manual labor, if available and at additional charges, will be provided to assist in the transfer. The Customer must approve the provision of manual labor in advance.

Railcar Heating

Hot water or steam heating may be available on a per hour, per car charge basis.

Inert Gas

Inert gas will be applied as requested by CAROLINAS RELOAD's Customers and subject to applicable charges. Customers are required to supply the inert gas and associated equipment.

Self Loading

Self loading operations are available for dry, non-hazardous product transfers as conditions permit. Self loading of liquids or hazardous materials is not permitted. Customers must supply all equipment and appropriate spill containment for self loading of products.

Self loading consists of a motor carrier, utilizing a self-loading truck, conducting the product transfer between a railcar and a truck. CAROLINAS RELOAD provides two services when self loading services are used: coordinating railcar switching at its terminals and weighing trucks.

For self loading, Customers must utilize experienced, trained personnel, who are knowledgeable about the safety requirements for the specific loading and unloading operations being performed, including, but not limited to, connecting and disconnecting procedures. Such personnel shall be responsible for complying with the provisions of this Document, including, but not limited to, CAROLINAS RELOAD's

Motor Carrier Operating Provisions, during the entire operation and must follow appropriate individual Customer procedures and applicable governmental requirements.

ADDITIONAL SERVICES

For availability and pricing on services not listed above, contact CAROLINAS RELOAD at 1-704-694-3333.

STANDARDS/EXCEPTIONS

CAROLINAS RELOAD Pricing

CAROLINAS RELOAD's Price List is available from your CAROLINAS RELOAD sales representative. CAROLINAS RELOAD pricing may be amended or cancelled from time to time.

Service Delivery Specification Sheet (SDSS)

A Service Delivery Specification Sheet (SDSS) must be completed – this document identifies customer, product, service and handling requirements between the parties. An SDSS must be mutually agreed upon prior to commencement of any transload activity. Customer is responsible for confirming the accuracy of the SDSS.

Transfers

The movement of one specific product between a bulk railcar, container (storage or ocean), and/or bulk truck, or from, to and/or between segments thereof, shall be considered a “transfer” for the purposes of this Document, irrespective of the amount on the transfer order submitted.

Minimum Transfer Amount

The charge for each transfer is based on a minimum weight of 40,000 pounds of product.

Product Replenishment

Unless agreed to by CAROLINAS RELOAD, a product replenishment fee will be assessed on product transferred without a prior or subsequent linehaul rail movement.

Railcar Reconsignment

A “reconsignment” fee will apply when a car is received and reshipped without a transfer of product occurring. This fee is in addition to any other applicable charges.

Startup Charges

CAROLINAS RELOAD may assess startup charges on new business if CAROLINAS RELOAD determines they are appropriate. Startup charges may include, but not limited to, the purchase of equipment, transportation of equipment, cost of risk management plans and hazardous operability studies.

Transfer of Returned Product

The charge for the transfer of returned product is the same as the original transfer charge. Customer is responsible for all costs of returning and transferring the returned product.

Energy Surcharge

CAROLINAS RELOAD has implemented an "Energy Surcharge" on all shipments moving through any terminal that require heat application services. The Energy Surcharge is based on the "U.S. No. 2 Diesel Retail Sales by All Sellers." (Source: <http://tonto.eia.doe.gov/oog/info/wohdp/diesel.asp>.)

The energy surcharge rate will change the first day of each month and will be based upon the prior Monday's posting of the weekly "U.S. No. 2 Diesel Retail Sales by All Sellers." Updates regarding the application of or changes to this surcharge will be posted on the CAROLINAS RELOAD website.

To access further information and updates regarding CAROLINAS RELOAD's Energy Surcharge, data will be available via www.CarolinasReLoad.com. If you have any questions, please contact your CAROLINAS RELOAD commercial representative.

Overtime

Transfers or any pickup after normal working hours, or on an exception basis, require prior approval of CAROLINAS RELOAD and will be subject to overtime and other applicable charges. Overtime authorization must be in writing and signed by the Customer. Customer may designate, in writing, the authority of certain employees within their organization to request and authorize overtime verbally. This authorization will remain in place until the Customer submits a cancellation request in writing.

Overtime charges are calculated on a per minute basis and are determined as follows:

- An overtime charge per person will be assessed for work requested before or after regular working hours. This includes set-up and breakdown time before and after the actual transfer.
- Overtime required after normal working hours, as a continuation of a service commenced during normal working hours, will be based on actual time.
- Overtime required with respect to service commenced outside of normal working hours, including but not limited to weekends and holidays, will be billed based on a four-hour per person minimum.

CAROLINAS RELOAD procedures require at least two workers to be present during the transfer process for all Premium Level business.

Track Occupancy Charges

The constructive placement of a railcar at a CAROLINAS RELOAD terminal occurs when a railcar is available to be switched into the CAROLINAS RELOAD terminal. The constructive placement date of a railcar is the date when constructive placement of the railcar occurs. As each railcar is constructively placed at a terminal, a prescribed number of "free days" is allowed with respect to that railcar before assessment by CAROLINAS RELOAD of Track Occupancy charges commences. The Track Occupancy charges vary depending upon the car type: private, railroad-owned, or leased.

If a railcar is constructively placed on a Friday, Saturday or Sunday, the calculation of free days and Track Occupancy charges begins the first Monday following the constructive placement date.

Track Occupancy charges cease on the date of the final transfer. The car release date is the same as the date of the last transfer if the terminal is provided specific written instructions as to the disposition of the railcar by 12:00 p.m. (noon) on the date of last transfer; otherwise, the railcar will not be released until the Customer has provided the terminal with those instructions.

CAROLINAS RELOAD bills Track Occupancy charges by individual railcar on a per day basis, including weekdays, weekends, and holidays.

Some environmentally regulated products are subject to a limited number of days that railcars may be placed at a CAROLINAS RELOAD terminal.

CAROLINAS RELOAD will assist in managing inventory levels at the terminal, but does not guarantee "first in, first out" railcar ordering or transferring of product(s).

Required Method of Communication

CAROLINAS RELOAD requires all communications regarding matters such as car movements, order requests, etc. be communicated electronically. The Customer may communicate with CAROLINAS RELOAD via ShipCSX, TRANSCEND® or facsimile [1-704-994-9111]. If a Customer utilizes a different communications system, additional charges may apply for data entry services.

Customer Systems Policy

Customer systems**, including third party and proprietary systems, are not supported at the CAROLINAS RELOAD terminal. Should a Customer desire support of such a system, CAROLINAS RELOAD Marketing & Logistics personnel will, at the Customer's request and expense, perform the necessary research to determine the requirements and feasibility of supporting such system(s).

Only with the approval of CAROLINAS RELOAD's Marketing & Logistics, and subject to mutual agreement regarding the associated terms and charges, will CAROLINAS RELOAD authorize the installation of equipment and provide any needed additional personnel and systems support.

**Systems refers to any type of hardware and/or software application a Customer proposes to implement at, or link from, CAROLINAS RELOAD locations as well as any connectivity (i.e., via the Internet, modems, etc.) requirements for these systems.

MOTOR CARRIER OPERATING PROVISIONS

Purpose

The purpose of this section is to establish operating and safety requirements, policies and procedures for motor carriers conducting operations within the terminal.

Motor Carrier Access

Terminals are generally open to all motor carriers, but CAROLINAS RELOAD reserves the right to restrict or deny access to any motor carrier or their personnel at CAROLINAS RELOAD's sole discretion. All motor carriers using a terminal must follow and comply with these Motor Carrier Operating Provisions.

Motor Carrier Access Agreement

Each motor carrier, at the corporate level, must obtain an Access Agreement form from CAROLINAS RELOAD and shall provide a signed copy thereof to CAROLINAS RELOAD, prior to accessing a CAROLINAS RELOAD terminal. Motor carriers using the terminals are expected to abide by the provisions of the Access Agreement, this Document, and any additional documents, local or otherwise, adopted by CAROLINAS RELOAD.

General Safety

Every motor carrier shall exercise, and shall cause its employees and agents to exercise, a high level of caution at all times while within the terminal. Every motor carrier shall take all steps necessary to remain informed and to keep its employees and its agents informed of conditions and activities at the facility where the motor carrier is present. Every motor carrier shall conduct, and cause its employees and agents to attend, safety training programs to promote the recognition of and appropriate response to terminal risks.

CAROLINAS RELOAD will provide a safety briefing that summarizes the safety and emergency requirements in effect at the terminal to all non-terminal personnel. All motor carriers must display a CAROLINAS RELOAD-provided safety sign in their truck's windshield during each active transfer.

All vehicles shall observe a speed limit of 10 miles per hour while in a terminal unless otherwise posted.

Unless in an assigned "safe area," such as the terminal office or break room, motor carrier personnel are required to wear hard hats and safety glasses with side shields, full length pants, and short sleeved shirts at all times. Safety shoes are required if motor carrier is an active participant in the transfer process or within 25 feet of an active transfer. Any person within 25 feet of an active transfer must be wearing the Personal Protective Equipment ("PPE") required for that transfer. If not, that person must remain at a distance greater than 25 feet from the active transfer. All motor carriers are responsible for providing their personnel with necessary PPE.

Portable fire extinguishers are maintained throughout the CAROLINAS RELOAD terminal facility in accordance with OSHA regulations. The fire extinguishers are identified with signs and/or red stripes above extinguishers. All motor carriers on the premises shall familiarize themselves with the extinguisher locations closest to their work area before commencing their activities.

Certain activities are restricted on CAROLINAS RELOAD property, including but not limited to smoking and/or tablet/smart phone usage.

As part of our compliance with the OSHA Hazardous Communication requirements, CAROLINAS RELOAD terminal operators are obligated to maintain a book of Material Safety Data Sheets (MSDSs) for all hazardous chemicals present in the terminal. This book is available in the terminal office for review by any motor carrier personnel.

Working Track Protection

All motor carriers conducting self-loading transfers in the CAROLINAS RELOAD terminal, regardless of whether working during or after hours, shall ensure that the track on which they will be working has been protected by one of the following means:

- **Switch Lockout and Blue Flag:** Switch(es) providing access to the working track shall be lined against movement to that track and locked with an effective locking device (i.e., vandal-resistant, tamper-resistant, and capable of being locked and unlocked by workers within the CAROLINAS RELOAD terminal). In addition, a DOT approved blue flag shall be installed at or near the switch or switches providing access to the track.

OR

- **Derail Protection and Blue Flag:** Derail device restricting access to the track, positioned no less than 60 feet from the end of the last car. The derail device must be locked in a derailing position with an effective locking device. In addition, a DOT approved blue flag shall be installed at or near the switch or switches providing access to the track.

When a blue flag is placed during hours of darkness, a flashing blue light must be positioned on the flag device.

Preloaded Trailer Protection

Each motor carrier, at its own expense, is responsible for ensuring the safety of preloaded trailers stored on CAROLINAS RELOAD's property. Preloaded trailers must meet all requirements as designated by CAROLINAS RELOAD.

Electrical Safety

Motor carriers shall comply with the following requirements regarding electrical safety at the CAROLINAS RELOAD terminal:

- All electrical equipment and cords shall be kept away from standing water. Ground-fault interrupter (GFI) circuits must be used, if feasible.
- Exposed wires shall be replaced immediately.
- Electrical cords crossing roadways shall be protected with safety cones or covers suited for truck traffic.
- Only electrical plugs with grounding pins shall be used.
- Electrical outlets shall be locked when not in use. If a motor carrier needs access to outlets after hours, the terminal manager will provide access subject to the provisions of "After Hours Terminal Access" security measures noted elsewhere in this Document.

Personal Electronic and Electrical Devices

The usage of personal electronic or electrical devices that are not essential for the health or safety of the user or persons in the immediate vicinity of the user are prohibited at the CAROLINAS RELOAD terminal facility, with the following exceptions:

- While inside the terminal office, break room, other terminal building, or
- After hours while no moving equipment is present but not within 25 feet of the nearest rail, or
- Within a designated safe zone not within 25 feet of nearest rail

After Hours Terminal Access

During normal terminal business hours, security gates will typically be left in an open position providing easy access to CAROLINAS RELOAD terminals. Written permission for after-hours loading must be obtained from CAROLINAS RELOAD in advance of the initial transfer taking place outside of standard hours. For motor carriers requiring after-hours access to conduct self-loading operations, the following must be completed:

- CAROLINAS RELOAD and a designated motor carrier management person shall seek to agree on the use of a "multiple lock and chain" or other system so that CAROLINAS RELOAD, railroad crews, motor carrier(s), etc. shall all have independent means to open terminal access gates.
- Motor carriers shall have a written key control system to ensure that no unauthorized persons have access to the terminal, and that it is known at all times which motor carrier employees have keys and shall, upon request, provide CAROLINAS RELOAD a detailed description of the system.
- Motor carriers at their expense shall provide and install track protection devices to ensure the track on which they will be working has been protected by either a Switch Lock out and Blue Flag or Derail Protection and Blue Flag. The driver shall not interfere with or obstruct the activity of the railroad serving the terminal during after-hours loading.

- Motor carriers shall close and lock gates behind them immediately upon both entering and exiting the terminal.

Prior arrangements must be made with the terminal manager for the following:

- Use of truck scales by motor carriers accessing a CAROLINAS RELOAD terminal after hours, and/or
- After-hours terminal lighting.
- Terminal personnel must be present for all after hour pickups or loading of hazardous products. The terminal manager and motor carrier representatives shall determine appropriate emergency notification procedures prior to the start of any after-hours business.

Terminal Housekeeping

Housekeeping is an important part of maintaining a safe and quality-focused work environment. Motor carriers are required to assist in maintaining a clean, debris-free terminal by:

- Keeping loading areas free of debris and trash by using designated trash receptacles at the terminal;
- Disposing of all trailer and railcar seals in trash receptacles;
- Parking equipment only where designated by the terminal manager;
- Placing all equipment at an appropriate distance from the centerline of each track, in no event less than 9 feet from the centerline when not in use, to provide necessary clearance for rail operations. This is of particular importance for motor carriers utilizing the terminal after-hours, as often the CAROLINAS RELOAD terminal is switched by rail crews between the hours of 7:00 p.m. and 5:00 a.m.
- For all self service and value transfers, motor carriers are responsible for sweeping, vacuuming and properly disposing of any spilled product immediately following a transfer.

Indemnity and Insurance

To the fullest extent permitted by applicable law, motor carrier hereby releases, and agrees to indemnify and hold harmless, CAROLINAS RELOAD and its parent, affiliates and contractors and their respective directors, officers, employees, subcontractors, agents, successors and assigns (collectively for the purposes of this Document, the "CAROLINAS RELOAD Parties") from any and all Damages (as defined below), directly or indirectly, caused by, arising out of or relating in any manner to the condition or operations of equipment of Motor Carrier or its employees, agents or contractors or Motor Carrier's or its employees', agents', contractors' or invitees' negligence; intentional misconduct; failure to comply with one or more terms or conditions of this Document; or presence at or use of the terminals, including, without limitation, Damages related to or for injury to or death of any person, loss of or damage to any property whatsoever (including but not limited to property owned by or in the care, custody or control of the CAROLINAS RELOAD Parties or Motor Carrier) and environmental contamination and damages including any related remediation required of or brought or recovered against the CAROLINAS RELOAD Parties, except to the extent caused on a comparative fault basis by the

negligence or intentional misconduct of the CAROLINAS RELOAD Parties. These release and indemnity obligations shall survive the completion or termination of motor carrier's use of or presence at the terminal and the termination, expiration, or non-renewal of any agreement related thereto. For purposes of this Document, the term "Damages" shall mean any and all claims, causes of action, lawsuits, losses, damages, liabilities, fines, penalties, payments, costs, and expenses, including, without limitation, attorneys' and experts' fees and court costs.

A motor carrier accessing a terminal must have the following minimum insurance coverages in effect:

- a. Commercial General Liability Insurance: \$1,000,000 per occurrence, naming CAROLINAS RELOAD and its affiliates as an additional insured and containing contractual liability coverage
- b. Automobile Liability Insurance: \$1,000,000 per occurrence, naming CAROLINAS RELOAD and its affiliates as an additional insured and covering owned, hired or non-owned motor vehicles
- c. Worker's Compensation Insurance: Statutory Amounts with waiver of subrogation rights where permitted by law
- d. Employer's Liability Insurance: \$1,000,000 per occurrence per employee Policies shall contain waiver of subrogation rights endorsements except where prohibited by state law and shall not have an exclusion for liability relating to railroad operations. Such policies shall further require that CAROLINAS RELOAD be given at least thirty (30) days' prior written notice of any cancellation or modification of such policies.

Prior to accessing a terminal, a motor carrier must provide CAROLINAS RELOAD with certificates of insurance evidencing such coverage. The insurance and limits insured as shown above shall not limit, or be considered to limit, in any way motor carrier's liability hereunder, nor an agreement by CAROLINAS RELOAD or its affiliates to assume liability in excess of said amounts or for risks not insured against. CAROLINAS RELOAD's acceptance of copies of insurance policies or certificates of insurance does not constitute a waiver, release or modification of any of CAROLINAS RELOAD's rights or the insurance coverages and endorsements required under the terms and conditions of this Document.

Hot Work Permits

Any motor carrier needing to conduct cutting/welding operations must obtain a Hot Work Permit from the terminal manager prior to commencing work.

Security

Motor carrier will allow, and will cause its employees and agents to allow, a search of motor carrier's personal or other vehicles prior to exiting terminals. No photography is allowed within a terminal without the prior approval of CAROLINAS RELOAD. CAROLINAS RELOAD shall have no responsibility to motor carrier, its employees or agents for articles lost or stolen while in a terminal.

GENERAL TERMS AND CONDITIONS

Coverage of Terms and Conditions

The terms and conditions in this Document shall apply to all use of, presence on, access to, and services provided in, the CAROLINAS RELOAD terminal. By using CAROLINAS RELOAD's terminal, the Customer, shipper, motor carrier, or other third party using CAROLINAS RELOAD's facilities shall be conclusively presumed to have agreed to this Document's terms and conditions, even in the absence of an executed agreement between Customer, shipper, motor carrier or other third party.

Loss of Product

CAROLINAS RELOAD will, with respect to Premium and Value Service transfers only, endeavor to unload every railcar completely but shall not be responsible to a Customer for any losses of product (i) if less than three (3) railcars from such Customer are received at a CAROLINAS RELOAD terminal during any calendar year and (ii) to the extent such loss or inability to fully unload is due to the inherent nature or condition of the product. If more than three (3) railcars are received in any given calendar year and Customer determines there is a product loss during such calendar year (excluding returned material), Customer shall notify CAROLINAS RELOAD in writing of the alleged loss within sixty (60) days following the end of such calendar year. A one-percent (1%) apparent loss of product (calculated on an annual cumulative per shipper per CAROLINAS RELOAD terminal basis) shall be allowed and considered a standard operating loss not recoverable from CAROLINAS RELOAD.

CAROLINAS RELOAD utilizes a calibrated truck scale and/or meter to measure the contents of each truck containing the shipper's product before it departs the terminal. These truck measurements are compared against the railcar measurements provided by the Customer. If, in the course of transferring product, there appears to be a material loss, CAROLINAS RELOAD will review the following with the Customer:

- Railcar loading process at origin, to include method used to calculate the amount of product transferred into the car;
- Process to calibrate measuring equipment (e.g., a belt scale or railcar scale) at origin;
- Securing of outlets (e.g., gravity gates) on the railcars after transfer is complete;
- Evidence of leaking cars;
- The transfer process and inventory management process at the CAROLINAS RELOAD terminal; and
- Data source(s), information and calculation accuracy for cars and measurements in question.

These areas and any additional factors will be considered in investigating the cause of the apparent loss of product. The objective is to understand and address the apparent product loss as quickly as possible when a negative trend is indicated. CAROLINAS RELOAD reserves the right to discontinue transfer activity if the root cause is not identified and/or corrective action proves ineffective.

Loss or Damage Liability Claims

CAROLINAS RELOAD's liability for loss or damage to property or delay in transfer or shipment shall be that of a warehouseman only, as it may be further limited by the terms of this Document. CAROLINAS RELOAD shall have no responsibility or liability for (i) loss or damage to product in, or transferred to or from, a railcar made the subject of, in whole or in part, self-loading operations, (ii) loss of product if less than three (3) railcars from a Customer are received at a CAROLINAS RELOAD terminal during any calendar year, as described in the "Loss of Product" section of this Document, and (iii) standard operating losses of 1% or less as described in the "Loss of Product" section of this Document.

CAROLINAS RELOAD will not be liable for any damages caused to the property or product of Customer caused by a third party outside of CAROLINAS RELOAD's control. CAROLINAS RELOAD shall, in no event, be liable for any more than its proportional share, on a comparative basis, of any loss, damage or delay, and its liability shall, in any event, be limited to the manufacturing cost of the product, plus freight costs, less salvage value. A claim for loss or damage to a product must be in writing and received by CAROLINAS RELOAD within sixty (60) days after loss or damage is identified.

Any claims not filed within sixty (60) days after identification of loss or damage, or, with respect to the "Loss of Product" section of this Document, sixty (60) days after calendar year end or for less than one percent (1%) apparent weight loss, are hereby completely and forever time-barred and waived. Only one claim for loss, damage and/or injury may be filed for each railcar handled hereunder.

Consistent with the duties of a warehouseman, CAROLINAS RELOAD will use commercially reasonable efforts, and will cause its contractors and agents to use such efforts, to protect the property and product of Customer while on CAROLINAS RELOAD premises; provided, however, that except to the extent caused by the negligence or intentional misconduct of CAROLINAS RELOAD, CAROLINAS RELOAD will not be liable for any damages caused to the property or product of Customer caused by a third party outside of CAROLINAS RELOAD's control.

Force Majeure

CAROLINAS RELOAD shall be excused from fulfilling its obligations under this Document and any contract related thereto, and shall not be liable for any loss, damage or delay occurring due to conditions beyond its reasonable control, including, but not limited to, fires or explosions; acts of God, including, but not limited to, floods, hurricanes, tornadoes, earthquakes, unusually severe weather, and natural disasters; wars; insurrections; derailments; actual or threatened acts of terrorists or the public enemy; acts of governmental authority; actual or threatened labor action, lockouts or strikes; embargoes; quarantines; acts or defaults of the shipper, Customer, owner, transporter or any other party; or inherent defect, or perishable nature of the product.

Indemnification and Damages

Customer shall release, indemnify and hold harmless the CAROLINAS RELOAD Parties from and against any and all Damages arising out of or relating to Customer's, its motor carriers', its motor carriers' equipment, its contractors', its agents' or their respective employees', contractors', or agents' (i)

negligence, intentional misconduct, or failure to comply with one or more terms or conditions of this Document or any associated agreements, or (ii) presence at or use of CAROLINAS RELOAD's terminal, except to the extent caused on a comparative fault basis by the negligence or intentional misconduct of the CAROLINAS RELOAD Parties. This indemnification obligation shall survive the completion of the last transfer and release of the associated railcar and the termination, expiration, or non-renewal of any agreement related thereto.

CAROLINAS RELOAD shall, except to the extent otherwise provided or limited in this Document, release, indemnify and hold harmless Customer and its directors, officers and employees from and against any and all Damages to the extent caused on a comparative fault basis by the negligence or intentional misconduct of CAROLINAS RELOAD or its contractors or their respective employees or agents. This indemnification obligation shall survive the completion of the last transfer and release of the associated railcar and the termination, expiration, or non-renewal of any agreement related thereto.

To the extent a spill or discharge is caused by the negligence, intentional misconduct or failure to comply with the terms or conditions of this Document or any other agreements with Customer on the part of CAROLINAS RELOAD, its contractors, or their respective employees, contractors or agents, the clean-up and remediation of the spill or discharge shall, as between CAROLINAS RELOAD and Customer, and except to the extent otherwise provided or limited in this Document, be the responsibility of, and the costs thereof shall be borne by, CAROLINAS RELOAD. To the extent a spill or discharge is caused by the negligence, intentional misconduct or failure to comply with the terms or conditions of this Document or any other agreements with CAROLINAS RELOAD on the part of Customer, its motor carriers, its other contractors or their respective employees, contractors or agents, the clean-up and remediation of the spill or discharge shall, as between CAROLINAS RELOAD and Customer, be the responsibility of, and the costs thereof shall be borne by, Customer. In that event, however, CAROLINAS RELOAD is authorized by Customer, at Customer's expense, to commence and carry out any and all containment or clean-up operations deemed reasonable and appropriate by CAROLINAS RELOAD or required by governmental agency, law or regulation.

With the exception of indemnification obligations in this Document with respect to third party Damages, neither CAROLINAS RELOAD nor Customer nor their respective affiliates, contractors, agents, directors, officers, employees, successors and assigns shall have any liability to any other party under this Document or any related agreements they may have with one another, regardless of the circumstances, whether related to loss or damage to product, personal injury to or death of any persons, property damage or otherwise, for indirect, special, consequential, or punitive damages, whether known, contemplated, foreseeable or unforeseeable.

Insurance

CAROLINAS RELOAD or its contractors have procured and will maintain: (a) Employer's Liability Insurance in the amount of at least \$1,000,000; (b) Worker's Compensation Insurance in statutory amounts; (c) Commercial General Liability Insurance for bodily injury and tangible property damage with a minimum limit of at least \$5,000,000 for each occurrence and \$5,000,000 in the aggregate; and (d)

Automobile Liability Insurance with a minimum limit of \$5,000,000 per occurrence. It is not CAROLINAS RELOAD's policy to designate Customers as additional insured's on such policies.

Preloading and Parking

The parking of vehicles\trailers within a CAROLINAS RELOAD terminal overnight and/or in preparation for the act of preloading a trailer within the CAROLINAS RELOAD terminal may be permitted from time to time at the request of Customer and the discretion of CAROLINAS RELOAD. Such preloading and parking will be at rates and within areas established by CAROLINAS RELOAD for each facility from time to time, and subject to the Terms and Conditions in this Document and such others as CAROLINAS RELOAD may establish from time to time regarding preloading and parking at the CAROLINAS RELOAD terminal. Notwithstanding any language to the contrary in this Document, CAROLINAS RELOAD, its affiliates and contractors, and their respective directors, officers, employees and agents (the "Relieved Parties") shall not have, and are hereby relieved, released and indemnified by the Customer and motor carrier, of and from, any Damages, liability or responsibility whatsoever for loss or damage to, or theft of, vehicles or their contents while preloaded or parked at a terminal, except to the extent caused by the intentional misconduct of a Relieved Party and any and all such claims are hereby completely and forever time-barred and waived.

Product Information

Customer represents and warrants that any and all information supplied by Customer concerning the content of a railcar or truck/trailer, and the identity, nature, and handling of a product, shall be the latest information known to Customer, accurate, and complete to the extent relevant to the associated Services. Customer is responsible for providing an accurate STCC (Standard Transportation Commodity Code) and MSDS. Any railcar arriving at a terminal without a full written description of its contents will be held at Customer's expense awaiting a proper description or further instructions on disposition of the contents. If the written description shows that the product is not one approved for transfer, railcar will be released to Customer subject to all applicable terminal charges.

Modification of Terms and Services

The terms of this Document may be changed by CAROLINAS RELOAD at any time without notice. The latest version is available on CAROLINAS RELOAD's website, at www.CarolinasReLoad.com.

CAROLINAS RELOAD may, at its discretion and without liability to Customers, eliminate, modify or add services at any terminal facility, or terminate services and close the terminal, at any time.

Other Transportation Documents

Should any shipment be tendered with other documents, such as the Uniform Bill of Lading, a motor carrier bill of lading, a shipper bill of lading, or other shipping document, regardless of whether they have been signed by CAROLINAS RELOAD or its agent, each such document will serve solely, if they have any purpose, as a receipt indicating the transfer of the shipment, and their terms will not govern the

services arranged or provided by CAROLINAS RELOAD. In no event will such documents serve as verification by CAROLINAS RELOAD of the nature, number, or volume of the content of a shipment.

Termination and Default

Absent a contractual provision to the contrary, CAROLINAS RELOAD may terminate its contractual arrangement(s) with Customer upon thirty (30) days' notice if without cause, and immediately if due to default, regulatory changes or requirements, governmental action or imposition, or any other cause beyond the reasonable control of CAROLINAS RELOAD.

In the event of termination of the contractual relationship(s) between CAROLINAS RELOAD and Customer, Customer must provide CAROLINAS RELOAD, not later than ten (10) days following termination of the relationship, with shipping instructions regarding the return of any railcars, product or other property of Customer then on or in transit to CAROLINAS RELOAD premises. Should Customer fail to provide shipping instructions in the aforementioned timeframe, CAROLINAS RELOAD may, at its sole discretion and at Customer's expense, return such product and/or other property to origin or provide for disposal of the same. All costs of arranging for and completing the foregoing transportation and/or disposal shall be on Customer's account and expense and, if paid by CAROLINAS RELOAD, shall be promptly reimbursed by Customer to CAROLINAS RELOAD upon demand. Such expense will include, but may not be limited to, CAROLINAS RELOAD's reconsignment fee per CAROLINAS RELOAD's Standard Price List.

Compliance with Laws and Rules

CAROLINAS RELOAD, Customers and motor carriers shall comply, and shall cause their respective contractors to comply, with all laws, rules, regulations, ordinances, and CAROLINAS RELOAD published or otherwise provided policies and procedures applicable to the terminals, the Services and activities related thereto.

Hazardous Railcar Handling:

CAROLINAS RELOAD does not hold itself out to provide storage of rail cars containing hazardous materials ("hazmat cars"). A Customer must arrange to forward each shipment of hazardous materials in a prompt and timely manner after acceptance at the CAROLINAS RELOAD facility.

If the Customer cannot arrange to forward the hazardous materials in a prompt and timely manner, the customer will need to make arrangements for storage of the hazardous materials at an alternative location.

Track Occupancy charges are assessed by CAROLINAS RELOAD for a commercially reasonable time to permit Customers the opportunity to arrange for transfer of product. For hazmat cars held beyond a commercially reasonable time, CAROLINAS RELOAD reserves the right, upon prior written notice to Customer and subsequent failure to remove the hazmat car(s), to assess a penalty. In extreme cases, upon additional written notice, CAROLINAS RELOAD reserves the right to remove cars containing hazardous materials and/or make disposition of the hazardous materials contained therein.

CAROLINAS RELOAD has the right to refuse to accept carrier-tendered rail cars that contain hazardous materials if the hazardous materials cannot be forwarded by the Customer in a prompt and timely manner.

Interpretation and Venue

This Document and the contractual terms and conditions it establishes will be interpreted according to the laws of the State of North Carolina excluding the principles thereof regarding conflicts or choice of law. Any action or suit in connection with this Document shall only be brought in a court of competent jurisdiction in Anson County, North Carolina or the United States District Court for the Western District of North Carolina. The parties hereto consent to the jurisdiction of said courts and waive any rights to move said courts to transfer venue of such action or suit, or to dismiss such action or suit for lack of personal jurisdiction, improper venue or forum non conveniens. In addition, the parties hereto consent to a non-jury trial for any such action or suit brought before the court. Although the Document is printed in a format prepared by CAROLINAS RELOAD, it is the intention of the parties that the provisions of this Document be fairly interpreted, and not construed against CAROLINAS RELOAD. If any portion or all of a provision of this Document is determined by a court of law to be illegal or unenforceable, the remaining portion of the provision, if any, and the other provisions shall remain in full force and effect, and binding upon the Customer and CAROLINAS RELOAD. Time is of the essence with respect to the filing of claims or legal proceedings as provided for in this Document. A failure by CAROLINAS RELOAD or Customer to enforce a provision of this Document shall not constitute a waiver of that provision in the future.

Attorney Fees and Costs

In any legal action or other proceeding arising out of or relating to or for the enforcement of this Document or any related agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorneys' fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled from the non-prevailing party.

Relationship of Parties

Nothing contained in this Document shall be deemed to give any party the power or right to direct or control the day-to-day activities of the other. Neither this Document nor anything contained herein shall be deemed or construed to constitute CAROLINAS RELOAD and Customer (or its motor carrier) as principal and agent, partners, joint ventures, co-owners or otherwise participants in a joint or common undertaking, it being understood that the relationship between CAROLINAS RELOAD and Customer (or its motor carrier) is solely that of independent contractors.

Neither CAROLINAS RELOAD nor Customer (or its motor carrier) shall be or become liable or bound by any agreement, representation, act, or omission whatsoever of the other party unless specifically provided for in this Document or an addendum hereto. Customer's (or its motor carrier's) employees and contractors shall not be deemed to be CAROLINAS RELOAD's employees.

Headings

The headings of the provisions of this Document are inserted solely for convenience of reference and are not a part of this Document and shall not in any way affect, govern, limit, or aid in the construction of any of the terms or provisions of this Document.

Third Party Beneficiary

Nothing contained in this Document creates any third party beneficiary rights except to the extent an intent to do so is clear with respect to the language of the indemnity provisions.

Credit Terms / Payment / Billing Disputes / Finance Charge

CAROLINAS RELOAD Customers must establish credit with CAROLINAS RELOAD before the delivery of services by CAROLINAS RELOAD can be arranged and provided. Contact CAROLINAS RELOAD's commercial representative for your area to obtain an Application and Credit Agreement. This Agreement can also be found on CAROLINAS RELOAD's website: www.CarolinasReLoad.com.

The Credit Application contains instructions on the completion and submittal process. Complete the Application and Credit Agreement to establish credit prior to arranging to move product to a terminal.

Payment in full of undisputed CAROLINAS RELOAD charges must be received within fifteen (15) days of the date of the invoice. Payment obligations are absolute and not subject to excuse or waiver in any circumstance.

CAROLINAS RELOAD may at any time terminate credit provisions and require payments in advance for services. Failure to pay all rates and charges may result in cancellation or suspension of service agreements. Payments due under service agreements may not be set off or withheld in any dispute with CAROLINAS RELOAD.

CAROLINAS RELOAD prefers payments be made electronically via its Electronic Funds Transfer (EFT) program. EFT helps Customers manage cash more effectively with the rapid, accurate, and uniform transfer of financial information. These funds transfers are initiated through the Automated Clearing House (ACH) operation of the Federal Reserve Bank.

Three options are available:

- ACH Debits. CAROLINAS RELOAD charges your company's bank account.
- ACH Credits. Your company sends payment to CAROLINAS RELOAD's bank account.
- Fed - Wire Transfers. Your company sends payment and remittance detail to CAROLINAS RELOAD's bank account.

To initiate an EFT agreement, please contact your CAROLINAS RELOAD Regional Business Development Manager.

All billing disputes must be submitted in writing with reasonable supporting documentation (email, fax, regular mail) outlining the reason(s) for and the amount of the dispute to the CAROLINAS RELOAD representative as indicated on the bill within 15 days of the date of the invoice. Failure to submit a dispute and supporting documentation within 15 days of the invoice date constitutes a waiver by the Customer of any right to dispute the invoice and acceptance of the invoice as presented.

A finance charge of 12% per annum (0.00329% per day) will be assessed against charges not paid when due. The finance charge will be assessed on the unpaid balance of any charge from the first day following the end of the applicable credit term through the date of receipt of payment in full. Finance charges will be billed monthly for all charges that were paid late in the prior calendar month.

A finance charge will be assessed on all disputed amounts determined to be valid and due to CAROLINAS RELOAD.

The corresponding finance charge will be calculated from 15 days past the date of invoice to the date the disputed amounts are received.

Taxes

Customer shall be responsible for all sales and use taxes, value added taxes, excise taxes, withholding taxes, and other transactional taxes imposed by any federal, state, local, or international taxing jurisdiction on this Document or the goods and services provided hereunder. Customer shall be responsible for property or ad valorem taxes imposed on product or property handled by CAROLINAS RELOAD at Customer's request.

Notices

All notices to CAROLINAS RELOAD must be in writing and sent by

- a. U.S. certified/registered mail, postage prepaid, or USPS Priority
- b. Nationally recognized overnight courier service, or
- c. Successful facsimile or electronic transmission confirmed by copy sent by first class mail, postage prepaid, to the following address:

CAROLINAS RELOAD
200 Kitty Bennett Road
Wadesboro, NC 28170
Attention: Director of Marketing & Logistics

Notices sent in the foregoing manner will be effective upon receipt by CAROLINAS RELOAD.