

KCSM LOGISTICS

15th June 2007

Revision 1 (6 sep 2007)

Bulletin No. 5

(This bulletin cancels Bulletin No. 4)

RULES FOR KCSM INTERMODAL TRAFFIC

This official statement and the rules contained will be effective since 15 of June of 2007, and apply to all Intermodal traffic in containers or trailers interchanged to and carried by KCSM

The daily demurrage (Per Diem/Equipment Use) will be:

From day 1 to day 3, the fee per day will be 19 USD + Tax (15%)

From day 4 and thereafter, the fee per day will be 25 USD+Tax (15%)

**Billed in MEXICAN PESOS at the effective exchange rate with the U.S.A.
dollar the day of the application and collection.**

RULES

I- RAILROAD / LEASED EQUIPMENT BY KCSM / INTERNATIONAL TRAFFIC

A) RESERVATIONS

1. All reservations are made through KCSI Web site.
2. All reservations are valid for twenty-four (24) hours from the date and hour of the equipment request.
3. The reservation expires if the box assigned is not out-gated in the required date.
4. Advance reservations can be made 5 days in advance of the require date.
5. Advance reservations needs to be canceled twenty-four (24) hours before scheduled out-gate, in case the reservation is made for the same day, the cancellation has to be done within four hours.

I) The equipment assignation is done through the ramp contractor whom is supervised by the KCSM representative of the ramp.

Equipment assignation is done through the system F.I.F.O. (First Inn, First Out) and the availability will be subject to the daily inventory report generated at each Intermodal Ramp.

II) For export traffic, priority will be given to the IMC that generates the empty equipment to return the unit back loaded.

III) In case that the IMC whom generated the empty equipment needs to reposition it to another KCSM ramp, the IMC should coordinate with the KCSM representative of the origin ramp, and should bill the container through Internet application Web tools.

All repositioned equipment has a maximum of 24 hrs since placement to be out-gated, the counts start at the 12:00hrs if the unit has been placed and available at that time or before, and from 24hrs, if the unit has been placed and available after 12:00hrs., once exceeded this time the unit will be available to cover any other reservation.

The reposition will be allowed as long as there are not any other pending reservations for any other IMC in the same Ramp where the equipment is located.

B) Ramp Service: IMC PROVIDES DRAYMAN AND KCSM LOGISTICS GIVE THE EQUIPMENT RELEASE

1. At the Origin Ramp: Demurrage Charges begin 48 hours after out-gate to the account of the IMC. The clock starts at the 12:00hrs if the unit was out-gated at that time or before, and since 24:00hrs if the unit was out-gated later than 12:00hrs.

2. At the Origin Ramp: Document delay charges (lack of pedimento) will be applied 48 hours after the in-gate to the account of the IMC. The clock starts at the 12:00hrs if the unit was in-gated at that time or before, and since 24:00hrs if the unit was in-gated later than 12:00hrs.

For lack of entry-number a demurrage charge begin 48 hours after the in-gate to the account of the IMC. The clock starts at the 12:00hrs if the unit was in-gated at that time or before, and since 24:00hrs if the unit was in-gated later than 12:00hrs

3. At Destination Ramp: Demurrage Charges for delay in out-gate for transit traffic (not cleared) begin on the 48hrs after placement and closed pedimento, to the account of the IMC. The clock starts at the 12:00hrs if the unit was de-ramped and available at that time or before, and since 24:00hrs if the unit was de-ramped and available later than 12:00hrs

For pre-cleared traffic the demurrage charges for delay in out-gate begin at 48hrs after placement, to the account of the IMC and the counts are base same as the transit traffic.

4. At Destination Ramp: Demurrage charges begin 48 hours after out-gate, to the account of the IMC. The clock starts at the 12:00hrs if the unit was out-gated at that time or before, and since 24:00hrs if the unit was out-gated later than 12:00hrs

5. IF STREET INTERCHARGE OCCURS: Demurrage charges begin 48 hours after out-gate to the account of the IMC who in-gates the equipment. The clock starts at the 12:00hrs if the unit was out-gated at that time or before, and since 24:00hrs if the unit was out-gated later than 12:00hrs

C) Excessive Time or Bad Equipment use

KCSM reserves the right, at its sole discretion, to apply to any IMC a charge of demurrage of \$570.5 pesos plus tax (15%) per day for excessive time or bad equipment use. Such charge will be in addition to any applicable Storage, Swing or Flip costs assessed under the Rules mentioned in this bulletin.

NOTE: The free days that are not counted as part of the lapse for the counting on free time are:

- 1- 1 of January
- 2- 1 of February
- 3- 5 of February
- 4- 21 of March
- 5- Thursday, Friday, Saturday “ SAINTS DAYS”
- 6- 1 of May
- 7- 16 of September
- 8- 12 of October
- 9- 7 of November
- 10- 20 of November
- 11- 25 of December

The holydays mentioned above, Sundays and the day of the exchange of Executive Federal Power every six years, will not be considered as part of the counts for the free days, except when they have been concluded, in which case the charge of demurrage, storage, ground rights will count as labored days.

II- RAILROAD / LEASED EQUIPMENT BY KCSM / DOMESTIC TRAFFIC

A) RESERVATIONS

1. All reservations are made through KCSI Web site.
2. All reservations are valid for twenty-four (24) hours from the date and hour of the equipment request.
3. The reservation expires if the box assigned is not out-gated in the required date.
4. Advance reservations can be made 5 days in advance of the require date.
5. Advance reservations needs to be canceled twenty-four (24) hours before scheduled out-gate, in case the reservation is made for the same day, the cancellation has to be done within four hours.

I) The equipment assignment is done through the ramp contractor whom is supervised by the KCSM representative of the ramp.

Equipment assignment is done through the system F.I.F.O. (First In, First Out) and the availability will be subject to the daily inventory report generated at each Intermodal Ramp.

II) For domestic traffic, priority will be given to the IMC that generates the empty equipment.

III) In case that the IMC whom generated the empty equipment needs to reposition it to another KCSM ramp, the IMC should coordinate with the KCSM representative of the origin ramp, and should bill the container through Internet application Web tools.

All repositioned equipment has a maximum of 24 hrs since placement to be out-gated, the counts start at the 12:00hrs if the unit has been placed and available at that time or before, and from 24hrs, if the unit has been placed and available after 12:00hrs., once exceeded this time the unit will be available to cover any other reservation.

The reposition will be allowed as long as there are not any other pending reservations for any other IMC in the same Ramp where the equipment is located.

B) IMC PROVIDES DRAYMAN AND GIVE THE EQUIPMENT RELEASE

1. At the Origin Ramp: Demurrage charge begin 48 hours after out-gate to the account of the IMC. The clock starts at the 12:00hrs if the unit was out-gated at that time or before, and since 24:00hrs if the unit was out-gated later than 12:00hrs.

2. At Destination Ramp: Demurrage charge for delay in out-gate begin at 48hrs after placement, to the account of the IMC. The clock starts at the 12:00hrs if the unit was de-ramped and available at that time or before, and since 24:00hrs if the unit was de-ramped and available later than 12:00hrs

3. At Destination Ramp: Demurrage charges begin 48 hours after out-gate, to the account of the IMC. The clock starts at the 12:00hrs if the unit was de-ramped and available at that time or before, and since 24:00hrs if the unit was de-ramped and available later than 12:00hrs

4. IF STREET INTERCHANGE OCCURS: Demurrage charges begin 48 hours after out-gate to the account of the IMC who in-gates the equipment. The clock starts at the 12:00hrs if the unit was out-gated at that time or before, and since 24:00hrs if the unit was out-gated later than 12:00hrs

C) Excessive Time or Bad Equipment use

KCSM reserves the right, at its sole discretion, to apply to any IMC a charge of demurrage of \$570.5 pesos plus tax (15%) per day for excessive time or bad equipment use. Such charge will be in addition to any applicable Storage, Swing or Flip costs assessed under the Rules mentioned in this bulletin.

NOTE: The free days that are not counted as part of the lapse for the counting on free time are:

**12-1 of January
13-1 of February
14-5 of February
15-21 of March
16-Thursday, Friday, Saturday “ SAINTS DAYS”
17-1 of May
18-16 of September
19-12 of October
20- 7 of November
21- 20 of November
22- 25 of December**

The holydays mentioned above, Sundays and the day of the exchange of Executive Federal Power every six years, will not be considered as part of the counts for the free days, except when they have been concluded, in which case the charge of demurrage, storage, ground rights will count as labored days.

IV- INGATE SCHEDULE AT THE RAMP TO RECEIVE EMPTY AND LOAD UNITS

Terminal Nuevo Laredo (NLD)

Monday to Saturday 24 hrs

Terminal Salinas Victoria (Monterrey)

Monday to Sunday 24 hrs

Terminal Interpuerto (San Luis Potosi)

Monday to Sunday 24 hrs

Terminal SID GMG (Queretaro)

Monday to Saturday 7am – 23 hrs

Terminal Maclovio Herrera (Toluca)

Monday to Sunday 24 hrs

Terminal Pantaco (México, DF)

Monday to Sunday

24 hrs

V. Storage, extra flips or Swing Charges

At KCSM TERMINALS:

The Ramps besides of the demurrage charges collected by KCSM, could assess equipment storage charges, swing or flip charges for all Intermodal equipment located within the terminal (**empty and load**).

Those charges are as follows:

Swing or Flip charge:

For San Luis Potosi ramp the swing charges or extra flips will be 40 USD plus tax (15%) invoiced with the exchange rate of the day.

For Salinas Victoria, Maclovio Herrera, Nuevo Laredo Ramp for swing charges or extra flips will be 30 USD plus tax (15%) invoiced with the exchange rate of the day.

For all Intermodal units leased by KCSM an additional charge for two swings or two flip charges could apply according to the next scenario:

A) When a chassis is needed and it is been used on equipment assigned to an IMC that hasn't been released and/or out-gated (equipment already incurred on per diem or detention charges). The charge for the two swing or two flip charge will be apply , one due grounding the unit and two to mount the unit back to the chassis. **Note:** This applies for import, export and empty assigned units.

Storage charge:

At San Luis Potosi, Salinas Victoria, Maclovio Herrera, Nuevo Laredo Ramp once exceeding the free days a storage charge will be apply for 20 USD plus tax (15%) per day and invoiced with the exchange rate of the day.

The free days since notification of arrival or ingate are as follow:

By April 15th, 20 days free, thereafter the fee per day will be 20 USD plus tax (15%).

By May 15th, 15 days free, thereafter the fee per day will be 20 USD plus tax (15%).

By August 1st, 10 days free, thereafter the fee per day will be 20 USD plus tax (15%).

By November 1st, 5 days free, thereafter the fee per day will be 20 USD plus tax (15%).

NOTE: Storage charges are independent of any extra flip, swing and per-diem cost generated.

AT NON-KCSM TERMINALS (private ramps)

PANTACO TERMINAL (FTVM)

The Private ramp besides the demurrage charges collected by KCSM, could assess equipment storage charges, swing or extra flips for all Intermodal equipment located within their terminal **(empty and load)**.

The following charges apply for INTERNATIONAL TRAFFIC within the custom non-bonded area:

From day 1 to 3, no charge

From day 4 to 6, the fee per day is 825 pesos + 15% TAX

From day 7 and thereafter, the fee per day is 1, 200 pesos+ 15% TAX

The following charges apply for INTERNATIONAL TRAFFIC within the custom bonded area:

From day 1 to 5, no charge

From day 6 to 8, the fee per day is 825 pesos+ 15% TAX

From day 9 and thereafter, the fee per day is 1, 200 pesos+ 15% TAX

The following charges apply for DOMESTIC TRAFFIC within their terminal:

From day 1 to 10, no charge

From day 11 and thereafter, the fee per day is 720 pesos+ 15% TAX.

The Fee for additional swing or extra flip charge is 448 pesos + 15% TAX

QUERETARO TERMINAL (SID GMG)

The Private ramp besides demurrage collected by KCSM, could assess equipment storage charges, swing or extra flips for all Intermodal equipment located within their terminal **(empty and load)**.

Those charges are as follows:

The Fee for additional swing or extra flip is 500 pesos (tax included)

The Fee per day for storage charges from day 5 and thereafter is 25 USD plus 15% tax per day.

IMPORTANT NOTE: All storage charge, swing, or extra flips are collected by the Private Ramp and are external from KCSM management. The quotes can be change without previous notification.

VI. All equipment (container, trailer, and chassis) outside the terminal is sole responsibility of the IMC that out-gate the equipment. Any damage detected in the in-gate will be recorded in the J1 format (EIR), and any failure to pay for such damage may result in the suspension of accessing any terminal.

The drayman is responsible to return the empty equipment clean, without any residue. Any box with trash or residues will not be allowed into the terminal.

The IMC is responsible for paying the DV value to KCSM of any equipment robbed or total lost caused by an accident, and any other legal cost related once the equipment is out-gated.

Note: Drayman will notify the ramp contractor any damage occurred outside the terminal and will have to open the doors of the containers so the unit can be inspected. The ramp contractor should inspect the equipment outside and in the inside, and record any damage in the J1 format (EIR). Afterwards the ramp contractor and drayman has to sign the J1 format as an agreement of the interchanged delivered of the condition of the equipment at the gate.

VII. All units (load / empty) in order to be ingated at the terminal need to have a waybill in our system. For all the units without waybill will be rejected at the gate.

KCSM reserves the right, at its sole discretion, to apply or not apply to any IMC, any charge stipulated in this bulletin.