



NORTHERN

TOOL + EQUIPMENT

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To: General Contractors
Developers
Architects

RE: Northern Tool & Equipment / Set-Up Process

With regards to project construction activities occurring on Northern's behalf and in relation to our (NTE) "Set Up Process (SUP)" occurring at/or near construction completion of each project, below is a description of NTE activities along with various inter-dependencies to construction-related issues/activities.

For simplicity, see below descriptions/definitions used within this document:

- a) **"Tenant"** shall mean Northern Tool & Equipment,
- b) **"Owner"** shall mean The Project's Developer,
- c) **"GC"** shall mean The Project's General Contractor,
- d) **"SUP"** shall mean "NTE's Set-Up Process",
- e) **"MR"** shall mean the physical "merchandise racking" for actual display of goods and supplies on / in / atop / attached to, etc.
- f) **"M"** shall mean actual sellable "merchandise, goods, and supplies" by Tenant.
- g) **"Plans"** shall mean the Project plans.
- h) **"CPM"** – NTE's Construction Project Mgr.
- i) **"CO"** – Certificate of Occupancy
- j) **"TCO"** – Temporary Certificate of Occupancy
- k) **"Sales"** – a.k.a. Retail, Retail Sales, Show Room (consult project plans)
- l) **"Warehouse"** – Staging Area, Stock Room (consult project plans)
- m) **"Assembly"** – Work Room, Service Room (consult project plans)
- n) **"Hallway"** – Corridor (consult project plans)

NTE Set-Up Process / Overview Narrative:

- "SUP" - The overall process by which Northern Tool brings in, sets-up, and installs respective MR/fixturing equipment and supplies to a newly constructed/renovated facility in preparation for subsequent M/merchandising with anticipation of imminent opening of a new Northern retail facility. In terms of timing, NTE SUP happens close-to and/or immediately upon the scheduled substantial completion of construction / turn-over date and involves a myriad of corporate NTE personnel along with many NTE vendor representatives. Because of the complexity of SUP planning along with NTE's prior

release of vendor's direct shipments, incoming preplanned personnel, booked flights, hotel room reservations, booked car rentals, etc, months ahead of construction completion...preplanned NTE SUP shall NOT be halted/partially halted near or close to substantial completion date. **ONLY** local governmental directives to halt/partially halt NTE SUP shall be considered reviewable on a last-minute basis and shall not relieve any project party from their contractual and/or lease obligations in any way.

- The information contained herein is intended as an aid to pertinent project parties and is by no means to be construed as “definitive and/or all-encompassing”, due to the dynamic nature of the process, local authorities / ordinances, etc. at each project, along with the inherent dependency on any construction-related project issues.
- In order for the Tenant's preplanned SUP activities to be successful and for new NTE retail facilities to open on time as scheduled, it is imperative that the requirements and priorities herein regarding securing of any/all required approvals, permits, and Certificates of Occupancy from local authorities at each respective site be reviewed, followed, and be met as described herein. Regardless, the GC shall make any/all provision with local authorities as necessary to allow the Tenant to both conduct MR installation activities AND physically bring in M into the building per the Tenant's schedule.

NTE Set Up Process / Agenda:

- ***Approx. one week prior to scheduled substantial completion date, NTE CPM arrives on-site to assess overall readiness and status of the project building / site and interfaces with the GC's personnel regarding any/all outstanding issues and challenges in relation to impending SUP activities and/or obtaining a CO.**
- *Note:**
 - a) **Initial start-up/testing of stand-by generator / emergency power system shall be conducted by GC's project electrician with NTE CPM present during SUP week.**
 - b) **Installation of Tenant's security system put in-place by Tenant's security contractor; testing of security system to take place and building to be fully alarmed as of prior day to substantial completion date.**
- On or immediately the day prior to scheduled substantial completion date / building take-over, the NTE SUP director shall arrive on-site to meet with NTE CPM and GC personnel to further review readiness status of project for impending next-day onset of SUP work and semi-truck(s) arrival. GC will turn over any/all project keys for access to premises to NTE SUP director and shall henceforth coordinate with NTE personnel as to further building access for completion of any miscellaneous minor detail work or punchlist items. NTE's access to site/building at this time shall be “unlimited / unencumbered - 24/7”, along with it's access by NTE's selected vendors and authorized personnel.
- ****Under NTE SUP director's direction, initial truckloads of NTE SUP supplies/equipment and vendor direct-shipments of SUP supplies/equipment begin arriving at the respective new retail facility the following day of SUP director's arrival on-site and shall be unloaded at SUP director's direction by his personnel. NTE SUP director shall distribute palletized supplies/**

equipment to appropriate staging areas within building and initial phase of installation of supplies and equipment occurs.

SUP supplies and equipment include:

- ❖ Warehouse / supplies & equipment include:
steel racking w/ wire shelves (16' uprights), cardboard baler equipment, forklift charger equipment, and janitorial supplies including toilet paper, window cleaners, mops, brooms, floor cleaners, paper towel supplies/refills, feminine hygiene supplies, soap supplies/refills, etc.
- ❖ Offices Area (Operations Office, Break Room, Hallway) supplies & equipment including: metal desks, metal chairs, metal file cabinets, metal/p-lam tables, metal lockers, cork boards, white boards, refrigerator, TV, coffee maker, computer equipment/systems, cash register equipment, video equipment, miscellaneous phone equipment, miscellaneous security systems equipment, printer, fax machine, copier machine, computer equipment, safe, plastic waste baskets, as well as small office supplies such as pencils, paper, markers, paper file folders, scissors, staplers, etc.
- ❖ Show Room / supplies & equipment include: metal merchandise fixturing w/ pegboard backs, misc. merchandising fixture accessories, all p-lam cash wrap counters, all NTE misc. signage, customers carts, , corner guards, etc.
- ❖ ***Assembly Room / supplies & equipment include:
air compressor, steel rack fixtures, work bench, as well as vendor-related equipment by NTE's vendor / Safety Kleen.
- ❖ Bathrooms / supplies & equipment include: plastic waste baskets
- ❖ Electric Room / supplies & equipment include: vendor related equipment at plywood equipment board (i.e. security systems, music systems, phone/data systems).

****Note:** actual "M /merchandise" does not arrive during initial SUP work/truckloads; M/merchandise arrives on "Projected TurnOver to Retail" date; see NTE provided sheet showing projected turnover dates.

*****Note:** no combustible or hazardous materials/products are brought into building during SUP by Safety Kleen. Flammable waste cabinet, eyewash station, disposable waste containers, and fire blanket equipment are part of NTE SUP installation.

➤ ******** Typical set up duration of MR/merchandise racking within building is an average of 5 consecutive calendar days. Consult the SUP director for exact schedule at each project as set-up durations do vary.

******Note:** within this time period, electrical hook-ups to vendor-set/NTE-provided cashwraps and computer terminal locations are completed under NTE SUP director's direction by NTE selected electrical sub-contractor. See Tenant's Fixture Plan for referenced locations.

NTE SUP / Developer-GC Requirements:

1. Certificates of Occupancy (CO/TCO):

- a. The Developer's/General Contractor's **first priority** and goal shall always be to provide and present a Final Certificate of Occupancy to NTE at the scheduled substantial completion date, in which, the Cert of Occupancy shall **NOT** be dependent upon Tenant's planned SUP activities and which shall allow unrestricted delivery and set-up of both MR and M into the building.
- b. The Developer's/General Contractor's **second priority** and goal shall be to provide and present a Temporary Certificate of Occupancy to NTE at the scheduled substantial completion date, and in which delivery of TCO shall **NOT** be dependent upon Tenant's SUP and which shall allow unrestricted delivery and set-up of both MR and M into the building.
- c. The Developer's/General Contractor's **third priority** and goal shall be to provide and present a Temporary Certificate of Occupancy to NTE at the scheduled construction completion date, and in which delivery of Final Certificate of Occupancy is dependent **ONLY** on completion of Tenant's SUP activity (but not due to construction-related issues).

In all cases of deliveries of final CO and/or temp CO's, it shall be the responsibility of the GC and/or Developer to ensure, prior to the Tenant's SUP dates, that Tenant's SUP fixturing and merchandising activities can occur unimpeded with the approval of the local authorities / jurisdiction.

2. Site and Building / Minimal Completion Requirements:

Site:

- a. Access pathway from public roadways for NTE semi-truck travel to new dock pit facilities shall be complete and fully capable of semi-truck traffic.
- b. Dock pit facilities and related equipment shall be complete and operational. This means that dock pit construction is complete, pit leveler equipment is installed/powered/and fully operational, seals & shelters are attached (if applicable/see plans), fencing/gates complete and securable, and docking facilities are fully capable and ready for Tenant's use to move/unload supplies/equipment from semi-truck trailers to inside of the building by Tenant's personnel.
- c. Appropriate permanent parking area for NTE personnel / vendors automobiles/use shall be complete and fully capable of use.
- d. Display Yard pavement, fencing/gates, and exterior transport pathway/access from dock pit facilities to Display Yard shall be complete, fence/gate areas shall be securable by Tenant, fenced areas shall be paved, and fully capable/ready for Tenant's use.
- e. All site utilities work shall be complete, ready, and fully operational upon Tenant's arrival for SUP. This is to be minimally construed to include permanent electrical services, sanitary sewer service, water services, and natural gas services are available, hooked up, and equipment using such utilities are fully complete and ready to be utilized by the Tenant. Bathrooms shall be complete and ready for normal operations by Tenant. Should any of these utilities not be readily available, the GC and/or Dvlp. shall take the necessary actions required to provide adequate bathrooms, air

conditioning and heating, emergency generator power, electrical power to the building, etc. as the Tenant defines “as satisfactory for it’s needs” to the GC and/or Dvlpr at the time of the incident where the utility(s) is not available.

Building:

All interior building work shall be completed, ready, and fully capable for Tenant’s immediate use upon arrival for and during SUP. “Complete & ready” shall mean all work and intent of the plans shall be ready and operational.

- a. All major building equipment and systems shall be complete, ready, and fully capable of immediate operation upon Tenant’s arrival for SUP activities. This shall be construed as all electrical power and lighting systems, all HVAC (heat and air) systems, all plumbing equipment and systems, all fire controls / horn strobe systems, all building sprinkler system, all fire extinguisher equipment in-place. Furthermore, bathrooms shall be fully functional and usable, RTU’s shall be fully functional and useable, and permanent electrical power shall be complete to the building, fully functional, and useable. All OH & Coil-Up doors shall be complete, operable, securable, and capable for Tenant’s use. Building will be fully lockable and securable by means of scheduled doors, hardware, keying, etc. at time of NTE SUP director arrival.
- b. All planned electrical power j-boxes, receptacles, as indicated on the plans are in-place and powered. This is specifically to be construed as all power points where NTE SUP powered-equipment is to be located and installed during SUP. Specifically, electrical power positions for: computer terminal locations, air compressor, cardboard baler, Sensormatic security pedestal systems, laser security systems at fenced exterior Display Yard, forklift charger, exterior pressure washer receptacles, all Ops Office receptacles, in-wall video pipe chase at Ops Office.
- c. Any remaining materials and/or equipment intended to remain with the Tenant / building as “back-stock” shall be clearly labeled as necessary, and neatly placed/stacked within the Electric Room for Tenant’s future use.
- d. Interior of building is to be clean and ready for Tenant’s take-over. “Clean” shall be construed as mopped floors throughout, miscellaneous stickers / spacers removed from glass sections and bathroom equipment, miscellaneous construction glues, adhesives, etc. removed from permanent materials, miscellaneous construction-related screws / fasteners removed from floors, miscellaneous construction related trash, debris, etc. removed from building interior and properly disposed of, miscellaneous 55-gallon barrels removed from building interior and properly disposed of, contractor’s equipment and supplies removed, etc.
- e. Permanent bathrooms / equipment are to be complete, ready, and fully capable of immediate operation and use upon Tenant’s arrival for SUP activities.
- f. All life-safety regulations and paperwork shall have been satisfied/complete and the site/bldg. shall immediately be available for take-over and occupancy by Tenant including their SUP personnel and vendor representatives.

Pre-NTE SUP Activities / GC Coordination:

Prior to SUP and during GC construction activities, Tenant shall require Developer's/GC's cooperation and coordination support for Tenant-provided installations of various site and building equipment / systems by Tenant's selected sub-contractors. These Tenant-related activities include the following:

- a. Installation of Tenant's Site and Building sign package by Tenant's vendor.
- b. Security and video pre-cabling and equipment installation work by Tenant's security vendor.
- c. Phone / data cabling and equipment installation work by Tenant's vendor.
- d. Locksmith services and keyed cylinders/cores installation by Tenant's vendor.
- e. Dumpster services; typical 30 yard roll-off provided by Tenant during SUP for Tenant's use. Typically located by dock-pit and/or drive-in door.
- f. The GC should also note that NTE expects him to "reject" any direct shipments of what can reasonably be assumed to be early delivery by various shippers of Northern retail merchandise and which is unrelated to the construction project. Notice to Tenant's CPM is requested on any rejections.

Should you have any questions and/or need any clarifications of above information, please feel free to contact me directly.

Thank you,
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