

# **EXHIBIT C**

## 2004 NATIONAL PROGRAMS OVERVIEW

Design & Construction, Facilities, Maintenance Department

### Mission Statement:

Maintain several National Service Programs with the objective of mitigating risk to the corporation and delivering a consistent and standard service level across the store base while providing a lower overall average cost per store. This is achieved by leveraging the total spend of our collective store base in negotiations with one or more suppliers; effective contract negotiation and administration; streamlining of business processes, and providing service to outlying stores with the same expertise that is available in metropolitan areas.

### 2004 National Programs

Program specific information can be accessed by selecting from the list below:

SECURITY ALARM SYSTEMS

LIGHTING MAINTENANCE

KITCHEN EXHAUST SYSTEM CLEANING

WASTE HAULING MANAGEMENT

CARDBOARD RECYCLING

SHOPPING CART SERVICE

FIRE PROTECTION



### Contacts

Dave Blosser	Director, National Programs	(248) 614-0763
Paul Losin	Director, National Energy Programs	(248) 463-3166
Brenda Meyer	National Programs Coordinator	(248) 463-1325
Gina Reiley	National Programs Coordinator	(248) 463-5197

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### SECURITY ALARM SYSTEMS

#### Overview

ADT Security Services, Inc. has the National Contract for Security Systems:

- Monitoring of Fire and Security
- Full Service Alarm Service & Repair

Fire Alarms are excluded from the Service & Repair Contract; however ADT can provide service for these units.

#### Monitoring fees:

Regular or Super K stores with Opening/Closing signals \$24.00 per month  
Regular or Super K stores w/o Opening/Closing signals \$21.00 per month

#### Service & Repair Contract

Full service, wherein we pay a flat fee for service \$1,200.00 per year

Both Monitoring & Full Service are invoiced and paid directly by KRC, Monthly 30 days in advance.

#### Security Alarm Contacts

ADT Service Requests	800-428-7124
ADT National Accounts Representative - Linda Stakel	440-717-5651
ADT Service Representative at KRC- Chad Shultz	248-463-3165
KRC Support - Brenda Meyer	248-463-1325

### LIGHTING MAINTENANCE

#### Overview

The majority of the salesroom lighting is by fluorescent fixtures that are operated by one or two ballasts which serve two to four lamps per fixture. If a fixture is unlit, the problem could be either one of the lamps burned out, or the ballast has failed. The ballast in our sales area lighting has a five (5) year warranty from date of manufacture. Lamps have no individual warranty, but General Electric warrants that no more than 10% will fail between group relampings. If you are having major lamp failures, consult your Facilities Manager for assistance.

#### Group Relamping

Because fluorescent lamps have a rather predictable life we "Group Relamp" store with:

- Eight (8) foot lamps every two years
- Four (4) foot lamps every three years.

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The relamping contractor will notify the store, by mail, about 30 days prior to the Relamping; and by phone to schedule an exact date with the store forty-eight (48) hours in advance. The relamping is done at night, and requires two to three nights to complete. The relamping contractor will also replace any ballast that is burned out.

### Relamping Contacts

**National Maintenance - Central, Great Lakes, West & South East - 800-735-6444**  
**United States Lighting Service, Inc. - North East - 800-321-3556**  
**KRC Support - Gina Reiley 248-463-5197**

### Lighting service between group relampings - "Quarterly Lamp & Ballast Program"

We have two (2) National Contractors to service stores quarterly for burned out ballasts and lamps. However, stores can replace lamps in fixtures that are not lit. Lamps should be ordered through the Electronic List Book (ELB). The lighting service contractors can furnish lamps and ballasts off of their truck. However it is economically preferred that the stores have sufficient lamps in-stock (the Contractor's are often limited in the supplies they can carry).

### Quarterly Lamp & Ballast Contacts

**National Maintenance - 800-735-6444**  
WA, OR, CA, NV, UT, CO, AZ, NM, TN, VA, SC, NC,  
WY, MT, ID, ND, SD, NE, IA, WI, GA, IN, LA, MS, KY,  
WV, IL, KS, MN, MO, OK, AL, AR, FL, TX, MI & OH

**United States Lighting Service, Inc. - North East - 800-321-3556**  
ME, VT, NH, MA, CT, RI, NY, DE, MD, PA, & NJ

**KRC Support - Gina Reiley 248-463-5197**

### Lamp Recycling

We currently use GE ECO lamps in most states. These lamps can be placed in ordinary landfills in those states, due to their very low mercury content. The states which do not permit ECO lamps to be placed in ordinary landfills are: CA, MN, VT, ME, MA, NH, CT, FL, RI and IA.

Lamps measuring less than 4 foot long	\$0.17 per lamp
T-8 lamps between 4 foot and six foot long	\$0.23 per lamp
T-8 lamps between 8 foot long	\$0.40 per lamp
T-12 lamps between 4 foot and six foot long	\$0.23 per lamp
T-12 lamps between 8 foot long	\$0.40 per lamp
HID, Metal Halide & HPS lamps	\$0.68 per lamp
\$160.00 minimum pickup charge for pickup less than 400 lamps	

### Lamp Recycling Contacts

**Cleanlites Recycling, Inc. - Mike Kimmel 888-676-0044**  
**KRC Support - Gina Reiley 248-463-5197**

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### KITCHEN EXHAUST SYSTEM CLEANING

**Overview**

As a Fire Prevention measure every open operating store with a grill and fryer needs to have the excess grease cleaned off the exhaust fan and from the exhaust ductwork. We have a new National Contract to clean the exhaust fans and ducts in the restaurants/cafes once (1) per year, every six (6) months for the Fryer Ducts.

<u>Pricing:</u>	<u>Regions 1, 2, 3 &amp; 4</u>	<u>Regions 5, 6 &amp; 7</u>
Cleaning of one grill/fryer (semi-annual):	\$265.63	\$280.00
Cleaning of one pizza oven duct (annual):	\$265.63	\$280.00
Cleaning of bakery oven duct (annual):	\$265.63	\$280.00
Cleaning of any additional cooking hoods (annually):	\$265.63	\$280.00
Replace of worn or defective Exhaust Fan Belts (as required):	\$19.63	\$19.63

Region 1 – Duffy	Region 2 – Brumley	Region 3 – Pugh	Region 4 – Hicks
Region 5 – Farrell	Region 6 – Carr	Region 7 – Puerto Rico (Duffy)	

**Grease Duct Cleaning Contractor**

United Technologies Service - Ron Vergakis	888-302-2432
KRC Support - Brenda Meyer	248-463-1325

### WASTE HAULING MANAGEMENT

**Municipal**

Some stores receive waste hauling service directly from the city. The cost of this may be charged as part of a tax from the city, it may be invoiced to the store, or it may be invoiced along with the water and sewer billing. Any waste hauling issues for those stores must be taken up with the city.

**Private Hauler**

Most stores receive waste hauling by a subcontractor of Weyerhaeuser/Oakleaf, for which the billing goes from Oakleaf directly to KRC. Some stores are on a scheduled pickup, while others call for each pickup. Our contract with Weyerhaeuser requires waste pickup within 24 hours of phoned in request. Requests for pickup, delivery of special open tops, or problems with pickup must be pursued through Oakleaf Waste Management

**Waste Hauling Contacts**

Weyerhaeuser/Oakleaf Waste Management	888-625-5323
KRC Support - Brenda Meyer	248-463-1325

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### **CARDBOARD RECYCLING**

#### Overview

We have a national contract with Weyerhaeuser/Oakleaf to pick up all of our cardboard for recycling. We receive payment of monthly Credits from Weyerhaeuser directly to KRC Accounts Receivable. The Credits payments show up in the Waste Paper and Grease Sales account. The market for cardboard varies each month, so Credits change each month, and are different for each of nine market regions of the country. Some stores are on scheduled pickups, while others must call Weyerhaeuser/Oakleaf to request each pickup. Weyerhaeuser/Oakleaf is committed to respond to pickup requests within 48 hours. Stores must have at least 10 bales to request a pickup.

#### Cardboard Recycling Contacts

Weyerhaeuser/Oakleaf Waste Management  
KRC Support - Brenda Meyer

888-625-5323  
248-463-1325

### **SHOPPING CART SERVICE**

#### Overview

In an effort to eliminate potential liability we have National Contracts with Americana Shopping Carts, Inc. and Quality Smart Cart Service, Inc. for annual service to the shopping carts. As carts are used by customers and accidents happen, there is an advantage in lawsuits of being able to show that we have regular maintenance. The pricing of our current contracts are a flat fee for each cart in use, which includes all necessary parts, labor, welding, frame straightening, and power washing.

#### Shopping Cart Service Contacts:

Americana Shopping Carts

- N.E., West, W. Central regions & off shore

800-833-7555 x228

Quality Smart Cart Service, Inc.

- S.E., Mideast and Great Lakes regions

219-938-7710

KRC Support - Gina Reiley

248-463-5197

Pricing varies by region; please call Gina for pricing when necessary.

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### Fire Sprinklers Inspection & Service and Fire Extinguishers

#### Overview

We will soon be entering into a National Program with **Fire Materials Group, LLC (FMG)** for a comprehensive Fire Sprinklers Inspection & Service and Fire Extinguishers Inspection and Service which includes periodic inspection of the Fire Alarms, Fire Sprinklers, Hand Held Extinguishers and the Kitchen Hood Extinguishing Systems (also known as the Ansul System). Fire Alarms, Fire Sprinklers, Hand Held Extinguishers will be inspected yearly and the Kitchen Hood Extinguishing Systems semi-annually (unless more frequent dictated by local Fire Marshal).

#### Inspections

Annual Fire Sprinkler Inspection	\$675 per inspection
Quarterly Fire Sprinkler Inspection	\$200 per inspection
Semi-Annual Inspection Kitchen Fire Suppression System	\$120 per inspection
Annual Inspection Alarm Panel and Devices	\$250 per inspection
Annual Inspection Fire Extinguishers	\$300 per inspection of up to 73 extinguishers

#### Labor

Standard (Monday-Friday 8:00 am – 5:00 pm)	\$75.00 per hour
Overtime (Monday-Friday after 5:00 pm, Saturdays Sundays)	\$125.00 per hour
Premium Overtime (Federal and State Holidays)	\$125.00 per hour

#### Materials Mark-Up

Mark-Up on cost of materials	15%
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#### Fire Sprinklers Inspection & Service and Fire Extinguishers Contacts

Fire Materials Group, LLC (FMG)	480-753-5444
KRC Support - Brenda Meyer	248-463-1325