

609 Code Drive Smiths Falls ON, CAN K7A 4S6 Phone: (613) 283-4916 Fax: (613) 284-2548

Email: ACDCtech@superaje.com

October 29, 2013

Metropole - OCSCC #687 ATTN: Mishka Hodorek 38 Metropole Ottawa, Ontario, K1Z 1E9 Canada

RE: Proposal for Fitness Equipment Preventative Maintenance

Dear: Mishka

AC/DC is an industry leading fitness equipment and repair Service Company. Please find attached my company's proposal for fitness equipment preventative maintenance service.

Cost effective and distinct solutions that align with your business's needs and goals for maintaining the working order of your facility's fitness equipment with the desire to prolong the equipment's life expectancy is AC/DC Fitness Equipment Technicians' goal. We are passionate about providing quality service and workmanship as well as offering a high level of expertise for troubleshooting and identifying potential issues and future equipment failures.

Fitness Equipment Technicians

Providing Effective Maintenance and

Repair Service Options and Solutions

Starting as a sole-proprietor in 1998, AC/DC incorporated in 2005 as a result of tremendous growth and the desire to expand our in-house services.

For over 12 years AC/DC has been building sustainable client relationships. Partnering with a wide range of equipment manufacturers and independent part suppliers as well as the comprehensive in-house services offered by AC/DC, we are able to provide service and repair options, price comparisons, and feasibility analysis allowing you to make an informed decision as to what best meets your service and repair needs. Key to our management is our commitment to maximizing your return on investment by working with you to sustain your equipment as far beyond life expectancy as possible.

We have highly skilled and trained Service Technicians who provide excellent quality workmanship. Each technician brings with them exceptional knowledge and a broad range of expertise when it comes to troubleshooting, maintenance and repair of equipment.

We have 2 shop facilities; a 1300 sq ft office, electronics repair and sensitive part storage; and a 1500 sq ft climate controlled fully equipped workshop for part rebuilds, equipment repairs & upholstery.

Our substantial inventory of parts for all major manufacturers helps us ensure prompt and dependable service and allows us to rebuild older equipment.

We offer an extensive range of in-house services and solutions. Consultation, Equipment Lifecycle Reports, Moving and Installation, Facility Layout, Safety and Efficiency Checks, Maintenance Programs, Repair Services, Warranty Work, Upholstery Services, Cardio Theatre and IT, OEM and Non-OEM Parts, Part Rebuilds.

AC/DC Fitness Equipment Technicians is certified where required and is fully insured with \$5,000,000 commercial comprehensive general liability insurance with The Co-Operators Insurance Company, policy #0003323729.

WSIB certificates can be obtained by calling 18003878638 and giving AC/DC's Firm # 767684NA and Account # 2084157.



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I thank you for the opportunity to provide a quote, should you have any questions regarding the information contained in this proposal, please do not hesitate to contact me. During the day I can be reached on my cell at (613) 285-4410.

Sincerely,

Anthony Durant, Owner 4312368 Canada Inc. AC/DC Fitness Equipment Technicians



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Preventative Maintenance Program Outline (Proprietary Information)

A pre-determined maintenance schedule will be created so that on-site staff will be aware of the dates that AC/DC will be on site.

AC/DC Technicians perform the following tasks throughout maintenance visits:

- 1. Check the equipment log / maintenance book and review any specific new entries and review prior notes.
- 2. Check with on duty staff to determine any problem not yet logged into maintenance book.
- 3. A visual safety check and manual functionality test will be performed on all strength & cardio equipment upon entering the site.
- 4. Any equipment issues logged in the maintenance book as problems encountered between visits will be dealt with first.
- 5. Complete any and all diagnostic checks to determine the problem and start/complete the repairs to the specific equipment.
- 6. Proceed with strength equipment preventative maintenance, functionality and more meticulous safety inspection.
 - i. Ensure equipment complies with all manufacturers' updated service bulletins; advise and incorporate any necessary changes.
 - ii. Check the proper basic function of each machine's overall integrity; foam grips, bumpers and correct signage.
 - iii. Visually inspect and manually test functionality of guide rods and plate assemblies; lubricate and/or clean with appropriate Mineral Oil, Silicone, Teflon, Etc.
 - iv. Visually inspect and manually test functionality of all pop pins, bushing/shaft pivot points and linear bearings.
 - v. Visually inspect and manually test functionality of all drive cable, belting or chain drive for wear, alignment and integrity, lubricate if applicable.
 - vi. Visually inspect upholstery for cracked vinyl, seam breakdown and foam integrity; upon approval, rebuild if necessary.
 - vii. Ensure the mechanical movement connections from carriage arm assemblies through transfer systems (pulley, sprocket, etc.) to weight stack and/or plate posts also ensuring correct tension and alignment
 - viii. Visually inspect mainframe, leveling feet, and mechanical connections to floor. Verify paint and exterior corrosion, including the welds and frames for stress cracks.
 - ix. Basic safety inspection on all Olympic bar, attachments, mechanical screw dumbbells and barbell systems; check end cap bolt and bar integrity a must (advise as required on replacement or repair).
- 7. Proceed with treadmill equipment preventative maintenance, functionality and more meticulous safety check.
 - i. Ensure equipment complies with all manufacturers' updated service bulletins; advise and incorporate any necessary changes.
 - ii. Inspect all AC power basic wire routing; outlets, cover plates, wiring conduits, wire way guards, proper grounding, crushed, shorted or damaged wiring (inside & out), including broken, bent or damaged pins on A/C cords.
 - iii. Inspect and test any software safety shutdown systems and error logs, mechanical emergency safety stop buttons and tether cords.
 - iv. Remove covers, clean, vacuum and wipe down, if necessary, entire interior of treadmill.
 - v. DC Motor maintenance; brush, commutator, brush holder, brush spring, permanent magnet, bearings, winding, shaft, flywheel, fan, keyway, amperage, Ohm and voltage checks (loaded & unloaded @ 1,3,5 & 10 miles per



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hour). Stone reseat, vacuum and blow out, check all electrical connections for loose and burnt / brittle insulation, proper grounding - suggest rebuild or repair when needed.

- vi. A/C motor maintenance; same as (d) above, excluding brush, commutator, brush holder, brush spring and permanent magnet checks.
- vii. Lift motor maintenance; Capacitor, gearbox, acme screw, up and down winding, thrust bearing, traveling nut, micro switch(s), potentiometer, bearings, fans, vacuum & blow out, amperage, Ohm and voltage checks (loaded & unloaded, up and down only), pivot points, optical photo cell, cherry hall effect, chopper sensors, check all electrical connections for loose, burnt/brittle insulation and proper grounding suggest rebuild or repair as required.
- viii. Inspect the condition and operation of the entire secondary drive system; Drive belt to be cleaned, aligned and proper tension checked for wear, spinal breakdown, cracked ribs or teeth, adjust, clean or replace as required.
- ix. Inspect rollers; drive & driven systems for proper mount, alignment, tension, bearing/shaft wear adjust, repair or rebuild where required.
- x. Inspect running belt & deck systems; verify for wear, alignment, tension; lubricate or replace, in paired surfaces (deck flip and new belt or both deck and belt if prior deck used both sides).
- xi. Test lower electronics; (Motor variable speed drive AC/DC) remove, clean, repair, check all electrical connections, check the signals sent to motor for correct signwave patterns and parameters (PWM/SCR/single phase/3 phase/1/2 wave/full wave) amperage, Ohm and voltage checks (loaded and unloaded) check effectiveness of filtering and capacitance systems repair or rebuild when required.
- xii. Test logic electronics; clean, repair, cold solder joints, EPROM and ram com repair or rebuild as required (some purchases required as some proprietary parts used exclusively).
- xiii. Confirm all original guards and covers are intact for the safety of users and the equipment itself.
- xiv. Test the functionality of keypad /switch plates repair or replace as required.
- 8. Proceed with bike, stepper, rower and elliptical preventative maintenance and functionality
 - i. Ensure equipment complies with all manufacturers' updated service bulletins; advise and incorporate any necessary changes.
 - ii. Visually inspect, seats, seat post systems and adjustment pins, handles, grips and pedal straps; advise and repair or replace as required
 - iii. Inspect and test all pedal rotary or linear systems; verify proper movement and function clean, lubricate, adjust, repair or replace as required.
 - iv. Inspect and test all pedal arm crank arms systems; verify tightness, wear movement and function clean, lubricate, adjust, repair or replace as required.
 - v. Inspect and test all primary axle, bearing / bushing shafting and flywheel systems verify proper movement and function dismantle, clean lubricate, adjust, repair or replace as required.
 - vi. Inspect and test all secondary drive systems; verify proper movement and function clean, lubricate, adjust, repair or replace as required.
 - vii. Inspect and test all resistance systems friction pad, friction belt, friction clutch (release or response), eddy current (disc or drum, permanent or electromagnetic, closed or open loop, A/C or D/C) alternator or D/C generator require maintenance, vacuum, checking brushes, slip-rings, bearings, rectifier, mantles, diodes, windings, lubrication, adjustments, advise repair or replace as required.
 - viii Inspect all belts, chains, cable and springs to ensure they're in proper working order, adjust, lubricate, advise repair or replace as required.
 - ix. Test batteries or A/C powered rectified to useable low voltage and closed loop charging circuits run most of the basic cardio bike systems available today. They require basic P.M. skills, charging and checking



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- x. battery voltage & draw tests to determine repair or replacement options as well as basic harness making wiring skills, tracing, continuity tests most wiring can be repaired onsite.
- xi. Test logic and variable output control boards; all basic electronic assemblies requiring vacuuming and alcohol cleaning. Perform voltage, Ohm and amperage draw tests to determine proper function, advise -repair & replace as required.
- xii. Confirm all original guards and covers are intact for the safety of users and the equipment itself.
- xiii. Test the functionality of keypad and switches; advise repair and or replace as required.
- 9. Cardio Theatre (audio/visual, entertainment systems) inspect and functionality tests.
 - i. Ensure equipment complies with all manufacturers' updated service bulletins; advise and incorporate any necessary changes.
 - ii. Test the functionality of keypad and switches; advise repair and or replace as required.
 - iii. Visually inspect signal through TV and audio test via headphones, audio response system, signal strength, wire way, signal feed strength, A/C source power supply and all connections.
- 10. Final preventative maintenance notes written in a service log book (to be mutually designed to suit your facilities' specific needs) summary of visit and suggested repairs to be followed up on. I highly suggest that each piece of equipment be tracked with repair specific info (i.e. warranty & parts replacement costs to date).
- 11. Complete all written quotes for parts purchases, pricing and return repair labour, if applicable.
- 12. Order any warranty parts required to maintain equipment's ability to perform to minimum standards.
- 13. Leave facility in the same condition before arrival (no grease in rug etc.) AC/DC shall be responsible for cleanliness inside the equipment only! This excludes the floor underneath and the exterior.

Emergency Service Calls / Demand Repair Service outside of regularly scheduled maintenance visits

Service Calls / Demand Repair Services outside of regularly scheduled maintenance visits are to be directed through Anthony Durant via cell phone (613) 285-4410 to minimize message tags and allow for instant answers.

Applicable Rates:

Service Call	\$55
Travel Rate (Both ways from Smiths Falls Ontario)	\$55/HR
Mileage Rate (Both ways from Smiths Falls Ontario)	49¢/KM
Labour Rate	\$55/HR

Notes: AC/DC may waive any portion of these rates associated to services required outside of regularly scheduled maintenance visits depending on the situation which will be mutually discussed at the time before dispatching a technician. E.g. we may be able to share the travel and mileage rates with another local customer at the time of dispatch, or if close enough, we can rearrange the next scheduled maintenance visit and include the emergency/demand service request in with that maintenance visit to eliminate these additional costs of an unscheduled service call.)



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Service Agreement Pricing

Site Location(s): Metropole - OCSCC #687

\$180.00/site (excluding applicable taxes) @ 4X per year (The older the equipment becomes the frequency should increase & will be mutually discussed when deemed appropriate). The aforementioned rate applies to the present gym; any additions or deletions of equipment may affect the rate and will be discussed at that time. This rate excludes costs for any required replacement parts, upholstery, and service & travel rates not covered under the manufacturer's warranty.

AC/DC will actively, on all fronts, continue to offer the most cost effective labor/parts/training & support for any make & model of strength & cardio equipment available.

RESOURCES

AC/DC will provide one service technician (unless otherwise established) on a regularly scheduled basis to perform the fitness equipment maintenance program as described under the Maintenance Program details section of this document.

AC/DC will provide all tools, rags, oils, lubricants, and appropriate equipment to service this agreement in its entirety.

PAYMENT TERMS

AC/DC uses a work order system for billing purposes, generally invoices are produced monthly and statements are only generated upon customer request. Our usual payment terms are net 30 days, a 2.4% monthly finance charge may be

CANCELLATION POLICY

Once signed, this agreement can be cancelled by either party with 15 days written notice.

Approved By: Print PETER COONEY
Approved By: Sign. Peter Corney
Dated: Nov. 5, 2013 P.O.#
Maintenance Program Start Date: Deel, 2013.
Maintenance Program End Date: on going