

Colley Elevator Co.

Date: July 16, 2003

To: Palos Health & Fitness Center
Mr. Lee Phillips
15430 West Ave.
Orland Park, IL 60402

From: Craig Zomchek
Colley Elevator Company
226 Williams Street
Bensenville, IL 60106

Equipment location:

15430 West Ave.
Orland Park, IL 60402

Equipment description:

<u>Number of Units</u>	<u>Manufacturer</u>	<u>Type of Units</u>	<u>Machine I.D.</u>
One (1)	ACM	Hydraulic	Passenger

Quarterly Maintenance service contract summary:

Colley provides regular examinations once each quarter, including grease, oil and adjustments. All call backs for repairs or adjustments are chargeable to the purchaser. All replacement parts are chargeable, major repair work needed, will be quoted for approval.

Colley Maintenance

Colley is a full service elevator company who strives to protect your capital investment, provide excellent customer service, extend your equipment life and exceed expected levels of performance and reliability. We believe our preventative maintenance service will meet all of the listed goals above.

Colley will maintain the equipment under the following terms and conditions subsequently set forth:

PERFORMANCE

Maintenance

We will examine the units using trained personnel directly employed and supervised by Colley Elevator. During the examination we keep the following equipment adjusted and will reasonable care to maintain the equipment in proper operating condition once every quarter.

- I. Pump, pump motor valves cylinder head packing, magnet coils, drive belts, sheaves, exposed piping
- II. Controller parts including: coils contacts resistors, capacitors, timing devices, solid state devices, transformers, relays, shunts, magnet frames, and other mechanical parts.
- III. Car door operator, hangers tracks, gibs contacts and door closing devices.
- IV. Control wiring in hoistway, machine room and traveling cables.
- V. Guide shoes gibs or guide rollers where applicable.
- VI. Colley Elevator will furnish lubricants that are specially prepared and compounded for elevator use.

Safety Tests

Colley will not perform governor and safety tests on traction elevators or the annual pressure relief test on hydraulic elevators pursuant to local and state codes as apart of this maintenance contract [Please notify our offices if you are interested in having this included in your contract]

Inventory & quality

Parts Inventory

We will during the term of this contract maintain, either in the elevator machine room or as part of our technician's mobile inventory, a supply of frequently used replacement parts and lubricants identified to meet your elevator systems specific needs. Any part(s) replaced under this contract will be new or refurbish parts manufactured under Colley Elevators uncompromising superior standards. Replacement parts stored in the machine room will remain Colley's property until installed into elevator system. We will furnish replacement parts in exchange for the parts replaced. We further agree to maintain a supply of replacement parts in our warehouse inventory that will be available for express delivery in cases of emergency.

Quality Control

We will perform an annual survey of the elevator(s) to verify conformance to Colley's uncompromising superior standards. We will periodically conduct field audits of our personnel to maintain these quality standards. Colley's technician and engineers will provide technical assistance, technical information, and code consultation to support our maintenance organization.

Operating hours

Normal Hours

All Maintenance procedures will be performed during Colley's regular working hours of 8:00am to 4:30pm; Monday through Friday, except holidays.

Overtime

If overtime repairs or emergency adjustment call back services are requested by the customer, the customer will be charged a premium for the overtime call back.

Conditions of Service

Purchaser's responsibilities

- I. Current wiring diagrams will be provided by the customer and will remain the customer's property.
- II. Instructing or warning passengers in the proper use of the equipment.
- III. Report to Colley Elevator of any condition upon manifestation of any irregularities in operation or appearance of the equipment and keep elevator shut down until the completion of repair.

- IV. Provide suitable machine room including, secured doors, waterproofing, lighting, ventilation, and heat to maintain the room at a reasonable temperature.
- V. Give written notice to Colley Elevator within twenty four (24) hours after any occurrence of accident in or including the elevator.
- VI. Maintain any and all instruction signs or warnings in connection with the use of any of the equipment.
- VII. Agrees to not permit others to make alterations, additions, adjustments, repairs or replace any component part of the equipment during the term of the agreement.
- VIII. Authorizes Colley Elevator to produce single copies of any programmable devices(s) used in the equipment for the sole purpose of archival back-up of the software embodied therein.
- IX. In the event of sale, lease or other transfer of the elevator and/or equipment described herein, or the premises in which they are located, the purchaser agrees that whomever the successor is, is made known about previously agreed upon terms and agrees that the successor will be bound by the terms hereof for the balance of the agreement. Otherwise the purchaser is liable for the full unpaid balance due for the full un-expired term of the Agreement. It is expected Colley receive sixty (60) days notice of any such transfer of ownership.

Exclusions

The contract does not cover car enclosures (including; but not limited to repair and replacement of, wall panels, door panels, car gates, ventilation chambers, hung ceilings, lighting, light diffusers, light tubes and bulbs, handrails, mirrors and floor coverings), rail brackets, mainline disconnect switches, doors, door frames, sills, swing door hinges and closing devices, below ground or unexposed hydraulic cylinders and plungers, buried or unexposed piping. This contract does not cover computer and micro computer devices, such as terminal keyboards and display units, that are not exclusively dedicated to the elevator system. This contract does not cover telephones, intercoms, heat sensors, smoke sensors, communication equipment, or safety signaling equipment not installed by Colley, or instructions or warnings in connection with use by passengers.

We will not be required to; make any tests other than that as specifically set forth herein. Hydraulic fluids are not considered lubricants, therefore they are not included in this contract. Not with standing any other agreement or provisions to the contrary, under no circumstances will we be liable for any indirect or consequential damages of any kind including but limit to, fines or penalties, loss of profits, loss of rents, loss of good will, loss of business opportunity, additional financing costs, or loss of any equipment or property, whether in contract or otherwise.

Contract Price and Term

Contract Price

One hundred and fifteen 00/100 Dollars - \$115.00 per elevator, per quarter for a total of \$115.00 a quarter payable upon invoice.

Price Adjustment

Price adjustment - The contract price will be adjusted annually to reflect increases or decreases of labor and material costs.

Term

The service specified herein will be effective on October 1, 2003 at the contracted price above and will continue thereafter until terminated as provided herein. Either party may terminate this agreement at the end of one (1) year or at the end of the subsequent year by giving the other party at least sixty (60) days prior written notice.

Late Fees

The customer agrees to pay a late charge due to late payments after sixty (60) days from when such sums become due of one and one-half percent (1.5%) per month, or the highest legally permitted rate, whichever is less, on any balance past due. Together with all costs (including, but not limited to, attorneys' and collection fees) incurred by us to collect over due amounts.

Acceptance

It is understood and agreed that this proposal and your acceptance thereof shall constitute, exclusive and entirely, the agreement for the service herein described; shall be deemed to be merged herein and that no other changes in or additions to this agreement shall be recognized unless made in writing and signed by both parties, and that this agreement is not binding upon Colley Elevator Company until it is approved by one of its executive officers.

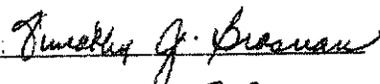
Quoted price and terms are valid for ninety (90) days from proposal date.

Submitted By: 
Craig Zomchek

Customer

Approved by the authorized representative

Date: 9-11-03

Signed: 

Print name: Timothy J. Brosnan

Title: Chairman

Name of Company: PALOS HEALTH & FITNESS CENTER

Colley Elevator Company

Approved by the authorized representative

Date: 9/19/03

Signed: 

Print name: RAYMOND A ZOMCHER

Title: PRESIDENT