

**AGREEMENT FOR SERVICES
BETWEEN THE
CITY OF SANTA CLARA, CALIFORNIA,
AND
PACIFIC FITNESS PRODUCTS LLC DBA PRECOR COMMERCIAL FITNESS**

PREAMBLE

This Agreement is entered into between the City of Santa Clara, California, a chartered California municipal corporation (City) and Pacific Fitness Products LLC dba Precor Commercial Fitness, a Washington limited liability company, (Contractor). City and Contractor may be referred to individually as a "Party" or collectively as the "Parties" or the "Parties to this Agreement."

RECITALS

- A. City desires to secure the services more fully described in this Agreement, at Exhibit A1, entitled "Scope of Services";
- B. Contractor represents that it, and its subcontractors, if any, have the professional qualifications, expertise, necessary licenses and desire to provide certain goods and/or required services of the quality and type which meet objectives and requirements of City; and,
- C. The Parties have specified herein the terms and conditions under which such services will be provided and paid for.

The Parties agree as follows:

AGREEMENT TERMS AND CONDITIONS

1. AGREEMENT DOCUMENTS

The documents forming the entire Agreement between City and Contractor shall consist of these Terms and Conditions and the following Exhibits, which are hereby incorporated into this Agreement by this reference:

Exhibit A1 – Scope of Services

A2 – Existing Equipment

A3 – New Purchased Equipment

A4 – Layout of Fitness Center

A5 – Warranty Information

Exhibit B – Schedule of Fees

Exhibit C – Insurance Requirements

This Agreement, including the Exhibits set forth above, contains all the agreements, representations and understandings of the Parties, and supersedes and replaces any previous agreements, representations and understandings, whether oral or written. In the event of any inconsistency between the provisions of any of the Exhibits and the Terms and Conditions, the Terms and Conditions shall govern and control.

2. TERM OF AGREEMENT

Unless otherwise set forth in this Agreement or unless this paragraph is subsequently modified by a written amendment to this Agreement, the term of this Agreement shall begin on February 24, 2021 and terminate on February 28, 2022.

3. SCOPE OF SERVICES & PERFORMANCE SCHEDULE

Contractor shall perform those Services specified in Exhibit A1 within the time stated in Exhibit A1. Time is of the essence.

4. WARRANTY

Contractor expressly warrants that all materials and services covered by this Agreement shall be fit for the purpose intended, shall be free from defect and shall conform to the specifications, requirements and instructions upon which this Agreement is based. Contractor agrees to promptly replace or correct any incomplete, inaccurate or defective Services at no further cost to City when defects are due to the negligence, errors or omissions of Contractor. If Contractor fails to promptly correct or replace materials or services, City may make corrections or replace materials or services and charge Contractor for the cost incurred by City.

5. QUALIFICATIONS OF CONTRACTOR - STANDARD OF CARE

Contractor represents and maintains that it has the expertise in the professional calling necessary to perform the Services, and its duties and obligations, expressed and implied, contained herein, and City expressly relies upon Contractor's representations regarding its skills and knowledge. Contractor shall perform such Services and duties in conformance to and consistent with the professional standards of a specialist in the same discipline in the State of California.

6. COMPENSATION AND PAYMENT

In consideration for Contractor's complete performance of Services, City shall pay Contractor for all materials provided and Services rendered by Contractor in accordance with Exhibit B, entitled "SCHEDULE OF FEES." The maximum compensation of this Agreement is **One Hundred Nineteen Thousand Nine Hundred Ten Dollars and Nine Cents (\$119,910.09)**, subject to budget appropriations, which includes all payments that may be authorized for Services and for expenses, supplies, materials and equipment required to perform the Services. All work performed or materials provided in excess of the maximum compensation shall be at Contractor's expense. Contractor shall not be entitled to any payment above the maximum compensation under any circumstance.

7. TERMINATION

- A. Termination for Convenience. City shall have the right to terminate this Agreement, without cause or penalty, by giving not less than Thirty (30) days' prior written notice to Contractor.
- B. Termination for Default. If Contractor fails to perform any of its material obligations under this Agreement, in addition to all other remedies provided by law, City may terminate this Agreement immediately upon written notice to Contractor.
- C. Upon termination, each Party shall assist the other in arranging an orderly transfer and close-out of services. As soon as possible following the notice of termination, but no later than ten (10) days after the notice of termination, Contractor will deliver to City all City information or material that Contractor has in its possession.

8. ASSIGNMENT AND SUBCONTRACTING

City and Contractor bind themselves, their successors and assigns to all covenants of this Agreement. This Agreement shall not be assigned or transferred without the prior written approval of City. Contractor shall not hire subcontractors without express written permission from City.

Contractor shall be as fully responsible to City for the acts and omissions of its subcontractors, and of persons either directly or indirectly employed by them, as Contractor is for the acts and omissions of persons directly employed by it.

9. NO THIRD PARTY BENEFICIARY

This Agreement shall not be construed to be an agreement for the benefit of any third party or parties and no third party or parties shall have any claim or right of action under this Agreement for any cause whatsoever.

10. INDEPENDENT CONTRACTOR

Contractor and all person(s) employed by or contracted with Contractor to furnish labor and/or materials under this Agreement are independent contractors and do not act as agent(s) or employee(s) of City. Contractor has full rights to manage its employees in their performance of Services under this Agreement.

11. CONFIDENTIALITY OF MATERIAL

All ideas, memoranda, specifications, plans, manufacturing procedures, data, drawings, descriptions, documents, discussions or other information developed or received by or for Contractor and all other written information submitted to Contractor in connection with the performance of this Agreement shall be held confidential by Contractor and shall not, without the prior written consent of City, be used for any purposes other than the performance of the Services nor be disclosed to an entity not connected with performance of the Services. Nothing furnished to Contractor which is otherwise known to Contractor or becomes generally known to the related industry shall be deemed confidential.

12. OWNERSHIP OF MATERIAL

All material, which shall include, but not be limited to, data, sketches, tracings, drawings, plans, diagrams, quantities, estimates, specifications, proposals, tests, maps, calculations, photographs, reports, designs, technology, programming, works of authorship and other material developed, collected, prepared or caused to be prepared under this Agreement shall be the property of City but Contractor may retain and use copies thereof. City shall not be limited in any way or at any time in its use of said material. However, Contractor shall not be responsible for damages resulting from the use of said material for work other than Project, including, but not limited to, the release of this material to third parties.

13. RIGHT OF CITY TO INSPECT RECORDS OF CONTRACTOR

City, through its authorized employees, representatives or agents shall have the right during the term of this Agreement and for four (4) years from the date of final payment for goods or services provided under this Agreement, to audit the books and records of Contractor for the purpose of verifying any and all charges made by Contractor in connection with Contractor compensation under this Agreement, including termination of Contractor. Contractor agrees to maintain sufficient books and records in accordance with generally accepted accounting principles to establish the correctness of all charges submitted to City. Any expenses not so recorded shall be disallowed by City. Contractor shall bear the cost of the audit if the audit determines that there has been a substantial billing deviation in excess of five (5) percent adverse to the City.

Contractor shall submit to City any and all reports concerning its performance under this Agreement that may be requested by City in writing. Contractor agrees

to assist City in meeting City's reporting requirements to the State and other agencies with respect to Contractor's Services hereunder.

14. HOLD HARMLESS/INDEMNIFICATION

- A. To the extent permitted by law, Contractor agrees to protect, defend, hold harmless and indemnify City, its City Council, commissions, officers, employees, volunteers and agents from and against any claim, injury, liability, loss, cost, and/or expense or damage, including all costs and attorney's fees in providing a defense to any such claim or other action, and whether sounding in law, contract, tort, or equity, in any manner arising from, or alleged to arise in whole or in part from, or in any way connected with the Services performed by Contractor pursuant to this Agreement – including claims of any kind by Contractor's employees or persons contracting with Contractor to perform any portion of the Scope of Services – and shall expressly include passive or active negligence by City connected with the Services. However, the obligation to indemnify shall not apply if such liability is ultimately adjudicated to have arisen through the sole active negligence or sole willful misconduct of City; the obligation to defend is not similarly limited.
- B. Contractor's obligation to protect, defend, indemnify, and hold harmless in full City and City's employees, shall specifically extend to any and all employment-related claims of any type brought by employees, contractors, subcontractors or other agents of Contractor, against City (either alone, or jointly with Contractor), regardless of venue/jurisdiction in which the claim is brought and the manner of relief sought.
- C. To the extent Contractor is obligated to provide health insurance coverage to its employees pursuant to the Affordable Care Act ("Act") and/or any other similar federal or state law, Contractor warrants that it is meeting its obligations under the Act and will fully indemnify and hold harmless City for any penalties, fines, adverse rulings, or tax payments associated with Contractor's responsibilities under the Act.

15. INSURANCE REQUIREMENTS

During the term of this Agreement, and for any time period set forth in Exhibit C, Contractor shall provide and maintain in full force and effect, at no cost to City, insurance policies as set forth in Exhibit C.

16. WAIVER

Contractor agrees that waiver by City of any one or more of the conditions of performance under this Agreement shall not be construed as waiver(s) of any other condition of performance under this Agreement. Neither City's review, acceptance nor payments for any of the Services required under this Agreement

shall be constructed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement.

17. NOTICES

All notices to the Parties shall, unless otherwise requested in writing, be sent to City addressed as follows:

City of Santa Clara
Attention: Parks & Recreation Department
1500 Warburton Avenue
Santa Clara, CA 95050
and by e-mail at kcastro@santaclaraca.gov, and
manager@santaclaraca.gov

And to Contractor addressed as follows:

Precor Commercial Fitness
Attn: Jon Mathis
12326 Beverly Park Road #101
Lynwood, WA 98087-1506
and by e-mail at jmathis@precorcf.com

The workday the e-mail was sent shall control the date notice was deemed given. An e-mail transmitted after 1:00 p.m. on a Friday shall be deemed to have been transmitted on the following business day.

18. COMPLIANCE WITH LAWS

Contractor shall comply with all applicable laws and regulations of the federal, state and local government, including but not limited to "The Code of the City of Santa Clara, California" ("SCCC"). In particular, Contractor's attention is called to the regulations regarding Campaign Contributions (SCCC Chapter 2.130), Lobbying (SCCC Chapter 2.155), Minimum Wage (SCCC Chapter 3.20), Business Tax Certificate (SCCC section 3.40.060), and Food and Beverage Service Worker Retention (SCCC Chapter 9.60), as such Chapters or Sections may be amended from time to time or renumbered. Additionally Contractor has read and agrees to comply with City's Ethical Standards (<http://santaclaraca.gov/home/showdocument?id=58299>).

19. CONFLICTS OF INTEREST

Contractor certifies that to the best of its knowledge, no City officer, employee or authorized representative has any financial interest in the business of Contractor and that no person associated with Contractor has any interest, direct or indirect, which could conflict with the faithful performance of this Agreement. Contractor is familiar with the provisions of California Government Code section 87100 and

following, and certifies that it does not know of any facts which would violate these code provisions. Contractor will advise City if a conflict arises.

20. FAIR EMPLOYMENT

Contractor shall not discriminate against any employee or applicant for employment because of race, sex, color, religion, religious creed, national origin, ancestry, age, gender, marital status, physical disability, mental disability, medical condition, genetic information, sexual orientation, gender expression, gender identity, military and veteran status, or ethnic background, in violation of federal, state or local law.

21. NO USE OF CITY NAME OR EMBLEM

Contractor shall not use City's name, insignia, or emblem, or distribute any information related to services under this Agreement in any magazine, trade paper, newspaper or other medium without express written consent of City.

22. GOVERNING LAW AND VENUE

This Agreement shall be governed and construed in accordance with the statutes and laws of the State of California. The venue of any suit filed by either Party shall be vested in the state courts of the County of Santa Clara, or if appropriate, in the United States District Court, Northern District of California, San Jose, California.

23. SEVERABILITY CLAUSE

In case any one or more of the provisions in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, it shall not affect the validity of the other provisions, which shall remain in full force and effect.

24. AMENDMENTS

This Agreement may only be modified by a written amendment duly authorized and executed by the Parties to this Agreement.

25. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed to be an original, but both of which shall constitute one and the same instrument.

The Parties acknowledge and accept the terms and conditions of this Agreement as evidenced by the following signatures of their duly authorized representatives.

CITY OF SANTA CLARA, CALIFORNIA
a chartered California municipal corporation

Approved as to Form: _____

Dated: _____

BRIAN DOYLE
City Attorney

DEANNA J. SANTANA
City Manager
1500 Warburton Avenue
Santa Clara, CA 95050
Telephone: (408) 615-2210
Fax: (408) 241-6771

"CITY"

PACIFIC FITNESS PRODUCTS LLC DBA PRECOR COMMERCIAL FITNESS
a Washington limited liability company

Dated: 2/12/21

By (Signature): Karen Coleman

Name: Karen Coleman

Title: Operations Vice President

Principal Place of 12326 Beverly Park road #101

Business Address: Lynwood, WA 98087-1506

Email Address: kcoleman@precortcf.com

Telephone: (425) 953-9589

Fax: N/A

"CONTRACTOR"

EXHIBIT A1 SCOPE OF SERVICES

The following Scope of Services defines the services and responsibilities of Contractor and City for the purchase and installation of fitness equipment at the Santa Clara Senior Center.

The Scope of Services, including Exhibit A1 to A5 and Contractor's proposal response provide context, supplemental information, and are incorporated by reference to the extent not inconsistent with the Agreement.

1 INTRODUCTION

- 1.1** Contractor shall provide to the City fitness equipment and installation of equipment as specified herein for the Santa Clara Senior Center ("Senior Center"), including a design layout, installation of new equipment, removal of old equipment, and optional maintenance services.
- 1.2** The fitness facility is approximately 3,000 square feet and is furnished with commercial grade cardio and strength training equipment. The fitness facility also includes some free weights as well as a core strengthening and stretch area.

2 GENERAL REQUIREMENTS

- 2.1** Contractor shall provide new, commercial grade cardio equipment specified in Exhibit A3 at the Senior Center.
- 2.2** Existing strength equipment is not being replaced at this time but will be moved according to the layout design provided by Contractor.
- 2.3** Contractor shall be responsible for the removal of equipment specified in Exhibit A2 and installation of equipment specified in Exhibit A3.

3 NEW CARDIO FITNESS EQUIPMENT

- 3.1** Contractor shall provide commercial grade cardio fitness equipment.
- 3.2** The cardio equipment shall be new; used or refurbished equipment shall not be accepted.
- 3.3** The new cardio equipment should be a combination of treadmills, cross trainers, upright bikes, recumbent bikes, recumbent cross trainers, rowing machines, and upper body machines.
- 3.4 Delivery and Setup**
 - 3.4.1** Contractor shall deliver and set up the new fitness equipment at the Senior Center, located at 1303 Fremont Street, Santa Clara, CA 95050.
 - 3.4.2** Contractor shall conduct all work during the time specified below.

3.4.2.1 Monday – Friday between 7:00 a.m. and 5:00 p.m.

3.4.3 Upon delivery, Contractor shall provide operational manuals and training for Staff for all new equipment.

3.4.4 Contractor shall perform all work using industry best practices and standards.

3.4.5 Contractor shall perform all work in a safe and secure manner to avoid any injury to patrons and/or City staff.

3.4.6 Contractor shall provide general training in the use of the new equipment if requested by City staff.

3.4.7 Contractor shall remove all debris resulting from the setup/installation.

3.5 Removal of Existing Fitness Equipment

3.5.1 Contractor shall remove the existing cardio equipment identified in Exhibit A2 and transport them to the City's warehouse located at 1705 Martin Avenue, Santa Clara, CA 95050.

3.6 Optional Fitness Equipment

3.6.1 The City plans to purchase up to 12 group exercise spinning bikes, subject to appropriation of funds.

3.6.2 Contractor will be responsible for installation of the exercise spinning bikes.

4 FITNESS CENTER LAYOUT

4.1 Contractor has provided a proposed layout, see Exhibit A4. City will coordinate with Contractor any changes to the layout.

4.2 The layout shall include the placement of both the new cardio equipment and the existing strength equipment. The City is open to different placements of the equipment to improve the facility function. Additionally, the layout shall propose an appropriate quantity of equipment (both current and new) for the space and circulation.

4.3 The layout shall include storage including, but not limited to, stretch equipment and personal belonging cubbies and storage cubes.

4.4 The layout shall include the placement of visitor check-in and participant circulation.

4.5 The layout shall meet the needs of the facility users while complying with the Americans with Disabilities Act (ADA).

4.6 The layout shall include an electrical plan with load.

5 WARRANTY REQUIREMENTS

- 5.1** Equipment shall include at a minimum the manufacturer's warranty. The warranty shall begin on the date of acceptance by the City of equipment. This would be after installation of equipment and the equipment is in working condition.
- 5.2** Contractor shall provide all equipment manuals and any other equipment documentation.
- 5.3** For further warranty information please refer to Exhibit A5.

Exhibit A2
List of Existing Equipment

Contractor shall remove the existing equipment listed below:

Cardio Equipment	Model #	Serial #
Treadmills		
C1 - 2007	7631-SUSAPO	AP61017237
C2 - 2007	7631-SUSAPO	AP6101792
C3 - 2007	7631-SUSAPO	AP1017195
C4 - 2007	7631-SUSAPO	AP61017190
C5 -2007	7631-SUSAPO	AP61017188
C26 - 2013	T-3X-04-C	CTM523130602415
Cross-Trainers		
C6 - 2000	EFX-546	4HEISM0048
C7 - 2003	EFX-556	IKB11Q0027
C8 - 2007	EFX-576I	AXGEK13060023
C9 - 2007	EFX-576I	AXGEK10060040
C10 - 2007	EFX-576I	AJMEK13060037
C11 - 2007	EFX-576I	AJMEK07060046
Upright Bikes		
C12 - 2007	9-6330-SINTPO	PB61012050
C13 - 2007	9-6330-SINTPO	PB60012048
C14 - 2007	9-6330-SINTPO	PB61012054
C15 - 2007	9-6330-SINTPO	PB61012047
Recumbent Bikes		
C16 - 2007	9-6430-SINTPO	PR61015018
C17 - 2007	9-6430-SINTPO	PR61015016
C18 - 2007	9-6430-SINTPO	PR61015015
C19 - 2007	9-6430-SINTPO	PR61015014
Nu-Steps		
C20 - 2007	TRS 4000	438483
C21 - 2007	TRS 4000	438484
C22 - 2010	TRS 4000	451292
Rowing Machines		
C23 - 2010	Concept II - ModelD	400234798
C24 - 2007	Concept II - ModelD	300107593
UBE		
C25 - 2001	Pro1000	622146

Exhibit A3
Purchased Equipment

The City will purchase fitness equipment as specified below.

Equipment #	Equipment Description	Quantity
EPRCTRM-731-P31-915R-GMS	Precor Experience 731 Treadmill w/ P31 Console, 915MZ, USB/Audio, Gloss Metallic Silver Frame	6
EPRCEFX-635-P30-915R-GMS	Precor Experience EFX® 635 - Moving Arms w/ Adjustable Crossramp; P30 Console w/ Advanced LED Display & 915 MHz Receiver, Gloss Metallic Silver Frame	5
EPRCMT-733-P31-915R-GMS	Precor Experience 733 Adaptive Motion Trainer - FIXED Height w/ P31 Console w/Advanced LED Display & 915 MHz Receiver, Gloss Metallic Silver Frame	1
EPRCRBK-635-P30-915R-GMS	Precor Experience RBK 635 Recumbent Cycle, P30 Console w/ Advanced LED Display & 915 MHz Received, Gloss Metallic Silver Frame	4
EPRCUBK-635-P30-915R-GMS	Precor Experience UBK 635 Upright Cycle, P30 Console w/ Advanced LED Display & 915 MHz Receiver, Gloss Metallic Silver Frame	2
EPRCSBK-821	Precor 821 Spinner Ride, Chain Drive	14
ESM-9-5270-8G-LCD	StairMaster Gauntlet (8 Series) w/LCD Screen	1
ECNConcept2-Row-D/PM5-B	Concept 2 Rower, Model D with PM5 Monitor - BLACK	2
ENS-T4R	NuStep T4R	3
ESF-PRO100-INT	SciFit Pro 1 upper body w/adj head, cranks, swivel seat. Includes Wheelchair platform.	1

LEGEND

CARDIO

- c1. NUSTEP
- c2. SCIFIT UBE
- c3. CONCEPT 2 ROWER
- c4. PRECOR RECUMBENT
- c5. PRECOR TREADMILL
- c6. PRECOR SPIN BIKE
- c7. PRECOR ELLIPTICAL
- c8. PRECOR AMT
- c9. STAIRMASTER GAUNTLET
- c10. PRECOR UPRIGHT

STRENGTH

- s1. FREEMOTION DUAL CABLE CROSS
- s2. HOIST DUAL BICEP / TRICEP
- s3. TECHNOGYM AB CRUNCH
- s4. TECHNOGYM LOWER BACK
- s5. TECHNOGYM ARM EXT.
- s6. TECHNOGYM ARM CURL
- s7. TECHNOGYM CHEST
- s8. TECHNOGYM VERTICAL TRACTION
- s9. TECHNOGYM LAT MACHINE
- s10. TECHNOGYM LOW ROW
- s11. TECHNOGYM SHOULDER
- s12. TECHNOGYM LEG PRESS
- s13. TECHNOGYM LEG EXT.
- s14. TECHNOGYM LEG CURL

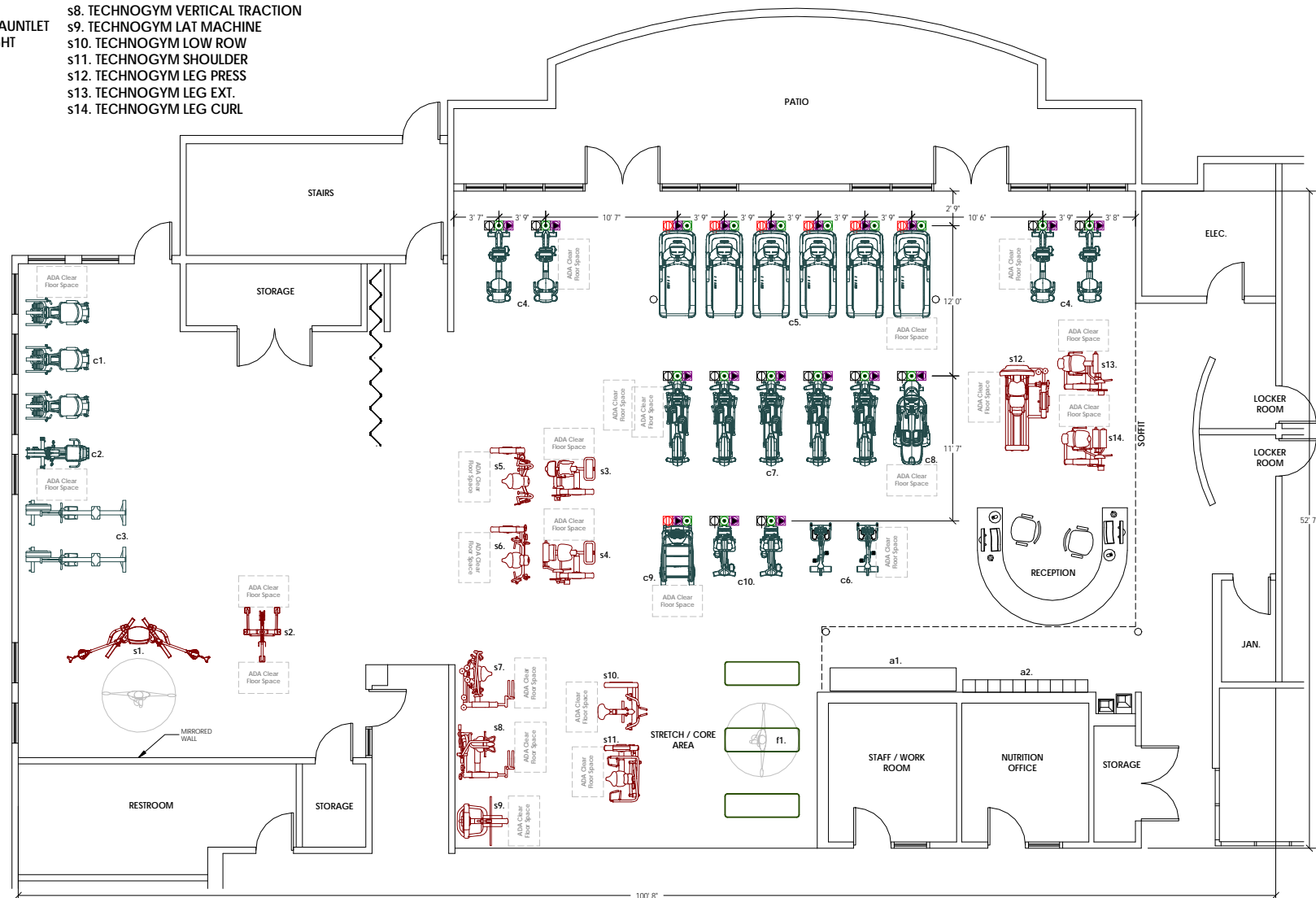
FUNCTIONAL

- f1. STRETCH MATS

MISC.

- a1. STORAGE SHELVES
- a2. CUBBIES

Exhibit A4 - Fitness Layout



Limited Standard Warranty Overview

COMMERCIAL CARDIO			
Series	Experience™ Series 700 & 800 Lines	Experience™ Series 600 Line	Assurance™ Series
Frame	7 Years	7 Years	7 Years
Motor	5 Years	5 Years	5 Years
Parts*	3 Years	3 Years**	2 Years
Limited Parts	See Limited Warranty statement	See Limited Warranty Statement	See Limited Warranty Statement
Console/Screen*	3 Years	3 Years	3 Years
Labor*	1 Year	1 Year	1 Year

COMMERCIAL STRENGTH		HOME FITNESS			
Series	Discovery™ & Vitality™	Series	Energy™	Series	Precision™
Frame	10 Years	Frame	Life	Frame	Life
Parts	5 Years	Motor	5 Years	Motor	10 Years
Limited Parts	6 Months	Parts	5 Years	Parts	10 Years
Surface Finish	1 Year	Console	3 Years	Console	3 Years
Labor	1 Year	Labor	1 Year	Labor	1 Year

SPINNING®				ASSAULT				QUEENAX®	
Model	Spinner® Chrono™ Power & Spinner® Climb™	Spinner® Rally™	Spinner® Ride™ & Spinner® Shift™	Model	Assault AirBike Classic	Assault AirBike Elite	Assault AirRunner	Frame	2 Years
Frame	10 Years	10 Years	7 Years	Frame	5 Years	5 Years	5 Years	Mobile Parts	1 Year
Parts*	2 Years	2 Years	2 Years	Parts*	2 Years	3 Years	3 Years	Paint/ Superficial Finishes	1 Year (excludes mechanical damage to painted surfaces)
Labor*	1 Year	1 Year	1 Year	Labor*	None	1 Year	1 Year	Labor	1 Year
Belt	10 Years	2 Years	2 Years	Console	1 Year	1 Year	1 year	Wear	6 Months
Wear Items	90 Days	90 Days	90 Days						
Console	1 Year	1 Year	1 Year						

*Items that receive additional warranty coverage through the extended warranty depended on offering purchased.

**600 Line cardio mechanical and electrical parts warranty limited to 3 years or 5,000 hours of use, whichever comes first.

Always consult the Limited Warranty statement that ships with your product documentation for specific coverage terms and conditions of your warranty. Please contact your local Precor office or Precor Authorized Distributor for extended warranty details pertaining to your region.

SPINNER® BIKE LINE

Limited Warranty

PLEASE READ THESE WARRANTY TERMS AND CONDITIONS CAREFULLY BEFORE USING YOUR PRECOR INCORPORATED PRODUCT. BY USING THE EQUIPMENT, YOU ARE CONSENTING TO BE BOUND BY THE FOLLOWING WARRANTY TERMS AND CONDITIONS. IF YOU DO NOT AGREE TO THESE WARRANTY TERMS AND CONDITIONS, PLEASE DO NOT USE YOUR PRODUCT AND RETURN YOUR PRODUCT TO THE RETAILER OF PURCHASE. PLEASE SEE THE RETAILER'S RETURN POLICY FOR DETAILS AND/OR ADDITIONAL RETURN REQUIREMENTS.

THIS WARRANTY CONTAINS A BINDING ARBITRATION AGREEMENT AND A CLASS ACTION WAIVER FOR UNITED STATES RESIDENTS. IF YOU LIVE IN THE UNITED STATES, THE BINDING ARBITRATION AGREEMENT AND CLASS ACTION WAIVER AFFECT YOUR RIGHTS UNDER THIS WARRANTY. PLEASE CAREFULLY READ THE TEXT UNDER THE EXCLUSIVE REMEDIES SECTION TITLED "BINDING ARBITRATION AGREEMENT; CLASS ACTION WAIVER (U.S. RESIDENTS ONLY)".

Limited Warranty.

Precor Incorporated ("Precor") warrants all new Precor products to be free from defects in materials and manufacture for the warranty periods set forth below. The warranty periods commence on the invoice date of the original purchase. This warranty applies only against defects discovered within the warranty period and extends only to the original purchaser of the product. Parts repaired or replaced under the terms of this warranty will be warranted for the remainder of the original warranty period only. To claim under this warranty, the buyer must notify Precor or your authorized Precor Distributor within 30 days after the date of discovery of any nonconformity and make the affected product available for inspection by Precor or its service representative. Precor's obligations under this warranty are limited as set forth below.

Warranty Periods and Coverage.

All Commercial indoor cycles manufactured and sold after January 1, 2016, are subject to the terms and conditions set forth herein:

	Spinner® Chrono™ and Spinner® Climb™	Spinner® Rally™	Spinner® Ride™ and Spinner Shift™
Frame	10 years	10 years	7 years
Mechanical Parts	2 years	2 years	2 years
Labor	1 year	1 year	1 year
Wear Items	90 days	90 days	90 days
Console	1 year	1 year	1 year
Belt	10 years	2 years	2 years

Limited Extended Warranty and Coverage.

To the extent the original purchaser purchases a limited extended warranty for Spinner Bike Line products as set forth in a signed Product Quote that has been accepted by Precor, then such limited extended warranty (i) shall only apply to Mechanical and Electrical parts and Product Labor, if applicable, (ii) shall commence on the invoice date of the original purchase, (iii) shall replace, and not be in addition to, the warranty periods for Mechanical and Electric parts and Product Labor set forth above (e.g., the standard warranty period and the extended warranty period shall NOT be cumulative), and (iv) shall be subject to all the terms and conditions set forth herein.

In no event shall any limited extended warranty apply to the following parts:

Wear Items, including: Headphone Jacks, USB Connectors, Batteries, Pedals, Toe Straps, Seats, and Chains.

Conditions and Restrictions.

This warranty is valid only in accordance with the conditions set forth below:

1. The warranty applies to the Precor product only if:
 - a. it has been serviced by a Precor Authorized Service Provider and/or Precor Certified facility staff. Outside of North America, such product must be serviced by Precor office or Precor Authorized Distributors.
 - b. it remains in the possession of the original purchaser and proof of purchase is demonstrated.
 - c. it has not been subjected to accident, misuse, abuse, improper service, or non-Precor modification.
 - d. claims are made within the warranty period.
2. This warranty does not cover damage or equipment failure caused by electrical wiring not in compliance with electrical codes or Precor's specifications as detailed in the product documentation, or failure to provide reasonable and necessary maintenance as outlined in the product documentation.
3. Precor is not responsible for Internet connectivity to its products. This restriction applies to services, such as those provided by an Internet service provider (ISP), and also to hardware related to Internet connectivity, such as Ethernet cabling, routers, servers and switches.
4. Precor is not responsible for the quality of television, video, audio, or other media supplied to its products. This restriction applies to services, such as those provided by a cable or satellite television provider; to signal strength and clarity; and also to hardware related to the reception and delivery of television, video, audio, and other media. Such hardware can include (but is not limited to) audio, video, and radio-frequency (RF) cabling, connectors, receivers, modulators, combiners, distribution amplifiers, splitters, and so on.
5. Precor cannot guarantee that the heart rate measurement system on its products will work for all users in all instances. Heart rate measurement accuracy varies based on a number of factors, including the user's physiology and age, the method in which the equipment and the heart rate measurement system is used, external interference, and other factors that may influence heart rate acquisition and processing.
6. Precor does not warranty the work or product of third party companies (e.g., head end systems, low voltage wiring, etc.).
7. Except in Canada, Precor does not pay labor outside the United States. Equipment limited warranty is void when equipment is installed in a country other than where sold.
8. Moving parts bolted to the structural frame are not included in the "Structural Frame" warranty (e.g., moving arms, seat and back pad assemblies, cross ramp assemblies, position adjustments, etc.).
9. In the case of commercial indoor cycle products sold into a residential (home) environment, the term of limited warranty coverage remains the same regardless of where the equipment is installed or used.

This Limited Warranty shall not apply to:

1. Software updates.
2. Software defects that do not materially and negatively affect the exercise functionality of the product under normal use conditions at the time of installation.
3. Consumable goods or cosmetic items of the product, to include all plastic or painted surfaces, the exterior of which has been damaged or defaced as a result of abuse, misuse, accident, improper service or installation, mishandling or modification in design or construction not authorized by Precor; including, without limitation, use, or incorporation of any non-OEM (Original Equipment Manufacturer) replacement parts.
4. Cosmetic, structural, or functional damage (including rust, corrosion, and unusual wear) caused by failure to follow the maintenance procedures described in the owner's manual.
5. Repairs performed on Precor equipment missing a serial number or with a serial tag that has been altered or defaced.
6. Service calls to correct installation of the equipment or instruct owners on how to use the equipment.
7. RFID tokens.
8. Pickup and delivery involved with repairs.
9. Any labor costs incurred beyond the applicable labor warranty period.



12326 Beverly Park Road, Suite 101, Lynnwood WA 98087

Email: info@precorcf.com | Toll-free: 800-495-2008 | Fax: 425-338-3538 | Web: www.precorcf.com

Stairmaster Gauntlet Warranty Details

- Frame 10 years
- Parts 3 years
- Labor 3 years

We are the premier source for all your fitness equipment needs and the exclusive Commercial Dealer of Precor Incorporated in Western Washington, the California Bay Area, Utah & Western Wyoming.



GLOBAL WARRANTY INFORMATION

CONCEPT2 MODEL D AND E INDOOR ROWER LIMITED WARRANTY

Frame Parts—Five Year Limited Warranty

Concept2 will replace or repair, at our discretion, the frame parts listed below that fail due to a defect in materials or workmanship for a period of five years from date of purchase of your Concept2 Model D or E Indoor Rower. This warranty is fully transferable to each subsequent owner of your indoor rower during the term of the warranty should you sell it or give it away. This warranty does not cover: damage to the finish of your machine; damage sustained as a result from neglect, abuse, or failure to follow indoor rower maintenance requirements (see Maintenance); shipping charges and, if applicable, customs clearance fees; or labor for installation of any parts shipped to you under warranty.

The five year warranty applies to the following parts:

rear leg assembly	monorail (excluding stainless steel track)
seat frame	monorail hangers & bolt tubes
footplates	metal box arm
chain guide brackets	monitor mount arm
front legs	front foot bar (excluding caster wheels)
flywheel axle & bearings	all screws & bolts
flywheel cover (including inner & outer pans, outlet perf)	

All Parts—Two Year Limited Warranty

Concept2 will replace or repair, at our discretion, any part (excluding monitor batteries) that fails for any reason for a period of two years from date of purchase of your Concept2 Model D or E Indoor Rower. Whether defective or simply worn out, all parts on your machine (excluding monitor batteries) are covered for the first two years. This warranty is fully transferable to each subsequent owner of your indoor rower during the term of the warranty should you sell it or give it away. This warranty does not cover: damage to the finish of your machine; damage sustained as a result of neglect, abuse, or failure to follow indoor rower maintenance requirements noted below (Maintenance); shipping charges and, if applicable, customs clearance fees; or labor for installation of any parts shipped to you under warranty.

Maintenance

The consumer must perform, or have performed, the following maintenance in order to keep the warranty in effect:

- Lubricate the Chain: The chain must be lubricated at least every 50 hours. If the indoor rower is used in an institutional setting, then the chain must be lubricated at least once a week.
- Seat Roller Performance: The monorail must be kept clean in order for the seat rollers to be covered by this warranty. Note that seat rollers are deemed to be normal wear items on the indoor rower. Daily cleaning of the monorail, as recommended in the maintenance section of the owner's manual, will reduce wear of seat rollers.

Additional Information

THE PROVISIONS OF THIS WARRANTY ARE IN LIEU OF ANY OTHER WARRANTY, WHETHER EXPRESS OR IMPLIED, WRITTEN OR ORAL.

Under no circumstances shall Concept2, Inc. be liable to purchaser or any other person for any special, incidental or consequential damages, whether arising out of breach of warranty or otherwise.

NOTE: Some states/territories do not allow the exclusion or limitation of special, incidental or consequential damages, so the above limitation or exclusion may not apply to you. In the event of a defect, malfunction, or other failure of the product not caused by any misuse or damage to the product while in the possession of the consumer, Concept2, Inc. will remedy the failure or defect, without charge to the consumer, within 14 business days of its receipt of the product. The remedy will consist of repair or replacement of the product, or refund of the purchase price, at Concept2's discretion. However, Concept2, Inc. will not elect refund unless it is unable to provide replacement, and repair is not commercially practicable and cannot be made within the time for performance or unless the consumer is willing to accept such refund. Replacement of a component part includes its free installation if the unit is returned to Concept2, Inc.

This warranty gives you specific legal rights, and you may also have other rights that vary from state to state / territory to territory. This warranty does not cover: shipping charges and customs clearance fees; or labor for installation of any parts shipped to you under warranty. The term of this warranty begins on the date the product is shipped to the purchaser, and continues for a period of two (2) years.

Altering the indoor rower voids our warranty.

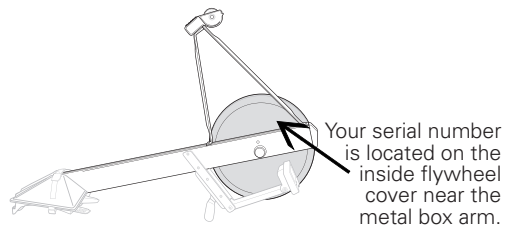
Warranty Processing

To obtain warranty services take the following steps:

USA and Canada

1. USA / Canada – contact Concept2 by telephone (toll-free within the US and Canada 800.245.5676, fax 802.888.4791) or email info@concept2.com to inform us of the nature of the problem. Please make note of the serial number on your indoor rower (The serial number is located on the inside flywheel cover near the metal box arm.)

For future reference, RECORD YOUR SERIAL NUMBER HERE:



Outside USA and Canada

Contact the authorized dealer in your territory. Contact details can be found at concept2.com/international.

For further questions, please email info@concept2.com.

NuStep® T4r

Recumbent Cross Trainer Specifications

Overall Features

- User controlled step length up to 8½" (21.5 cm)
- Small machine footprint:
 - Machine 25.0 in (63 cm) x 58.7in (150 cm)
 - Required free area 73.0 in (185 cm) x 82.7 in (210 cm)
- StrideLock® to immobilize arms and pedals
- Sturdy grab ring to support user during ingress / egress
- Easy startup with no button press required
- Front lifting handle and rear wheels for portability
- Free-standing, cordless design
- Step through height 9 ½" – 13 ½" (24 cm – 34 cm)
- Fits users from 4'6"- 6'4" (137-193cm) in height
- User weight capacity of 400 lb (182 kg)
- Latex free construction

Display

- Two dedicated program buttons "Quick Start", "Pace Partner"
- Large readouts for TIME, CAL, SPM, LOAD, SEAT POSITION, HEART RATE, METS / WATTS, and STEPS / DISTANCE
- 3 Minute console shut-down
- Polar® telemetry heart rate monitoring (coded receiver)
- Membrane available in 9 languages: Chinese, Danish, Dutch, English, French, German, Italian, Japanese, Spanish
- Average button gives workout average from start
- Uses 4 AA alkaline or NiMH rechargeable batteries
- Weight readout in US standard and metric units
- Media rack to support book, cell phone, tablet, MP3 player, etc.
- Convenient to reach 3" diameter water bottle holder
- USB port for *Data Logging* and software updates
- Provides capability to communicate with BLE compatible devices

Seat

- Seat adjustment along the rail of 15" (38cm)
- Seat height of 21 ½"-23" (55 cm – 59 cm), width of 17" (43 cm)
- 360° Ball bearing swivel seat which locks every 45 degrees
- Integrated sturdy armrests to support user during ingress / egress
- Large non-handed accessible rail / swivel adjustment levers
- Ergonomically designed with contoured back support
- Easy-to-clean heavy-duty vinyl seat covering

Drivetrain / Resistance System

- Instant freewheel capability
- Non-contact, frictionless eddy current magnetic braking
- 10 Workload levels with resistance range of 0-800 watts
- Quiet, high-performance poly-v and timing belts
- Durable maintenance-free sealed roller bearings

Frame & Covers

- Heavy-duty welded steel frame
- Rust resistant coatings on all parts
- Stable, 4-point contact, with two leveling feet
- Strong, high-impact polystyrene easy clean covers



Arms and Handles

- Anodized aluminum arms with rubber handgrips
- Handle adjustment of 15" (38 cm)
- Clamshell style upper arm lock

Foot pedals

- Durable molded plastic pedals with non-slip texture
- 4-bar linkage to stabilize pedal angle through stepping range
- Integrated *Foot Secure System* mounts

Adaptive accessories

- Leg stabilizer
- WellGrip®
- Polar heart rate monitors: T31c & H7
- Foot secure system
- Transporter
- Lap belt

Unit Dimensions

	<u>Unit only</u>	<u>Fully Packaged</u>
• Length	60" (152 cm)	61" (155 cm)
• Width	27" (69 cm)	30 ½" (77 cm)
• Height	45" (115 cm)	44 ½" (113 cm)
• Weight	210 lbs (95 kg)	284 lbs (129 kg)

Warranty and Quality

- Limited 10-year frame, 5-year parts and 1-year labor warranty (US and Canada)
- Quality system registered to ISO 9001:2008
- Patents 6,042,518; 6,361,479; 6,666,799; 9,004,598; and patents pending

Directives and Standards

- Medical Device Directive 93/42/EEC, class 1
- EMC Directive 2004/108/EC
- RoHS Directive 2011/65/EU
- R&TTE Directive 1999/5/EC
- EN 20957-1:2013 Class SB
- EN 50581:2012
- EN 55011:2009/A1:2010
- EN 60601-1:2006
- EN 60601-1-2:2007
- EN 957-8:1998

Awards / Certifications

- Arthritis Foundation Ease-of-Use Commendation

Exhibit B Schedule of Fees

1. Compensation

The maximum amount payable for the purchase and installation of fitness equipment specified in Exhibit A3 under this Agreement shall not exceed **One Hundred Nineteen Thousand Nine Hundred Ten Dollars and Nine Cents (\$119,910.09)** during the Initial Term, subject to the appropriation of funds. Any additional services or materials requested by the City that would exceed the preceding amount will be addressed in an Amendment to the Agreement. The annual compensation is specified below:

Equipment Price				
Equipment #	Equipment Description	Qty	Unit Price	Extended Price
EPRCTRM-731-P31-915R-GMS	Precor Experience 731 Treadmill w/ P31 Console, 915MZ, USB/Audio, Gloss Metallic Silver Frame	6	\$4,627.71	\$27,766.26
EPRCEFX-635-P30-915R-GMS	Precor Experience EFX® 635 - Moving Arms w/ Adjustable Crossramp; P30 Console w/ Advanced LED Display & 915 MHz Receiver, Gloss Metallic Silver Frame	5	\$3,572.29	\$17,861.45
EPRCMT-733-P31-915R-GMS	Precor Experience 733 Adaptive Motion Trainer - FIXED Height w/ P31 Console w/Advanced LED Display & 915 MHz Receiver, Gloss Metallic Silver Frame	1	\$4,879.52	\$4,879.52
EPRCRBK-635-P30-915R-GMS	Precor Experience RBK 635 Recumbent Cycle, P30 Console w/ Advanced LED Display & 915 MHz Receiver, Gloss Metallic Silver Frame	4	\$1,726.51	\$6,906.04
EPRCUBK-635-P30-915R-GMS	Precor Experience UBK 635 Upright Cycle, P30 Console w/ Advanced LED Display & 915 MHz Receiver, Gloss Metallic Silver Frame	2	\$1,573.49	\$3,146.98
EPRCSBK-821	Precor 821 Spinner Ride, Chain Drive	14	\$876.25	\$12,267.50
ESM-9-5270-8G-LCD	StairMaster Gauntlet (8 Series) w/LCD Screen	1	\$4,657.32	\$4,657.32

Equipment Price (continued)				
Equipment #	Equipment Description	Qty	Unit Price	Extended Price
ECNConcept2-Row-D/PM5-B	Concept 2 Rower, Model D with PM5 Monitor - BLACK	2	\$1,095.00	\$2,190.00
ENS-T4R	NuStep T4R	3	\$4,810.98	\$14,432.94
ESF-PRO100-INT	SciFit Pro 1 upper body w/adj head, cranks, swivel seat. Includes Wheelchair platform.	1	\$4,066.25	\$4,066.25
Total for Equipment				\$98,174.26
Other Charges				
Incoming Freight, Shipping, and Handling Charges				\$4,345.00
Delivery and Setup Charges (Including removal of existing cardio equipment to City warehouse)				\$7,490.00
Layout and Revisions				\$0.00
Total for Other Charges				\$11,835.00
TOTAL WITHOUT TAX				\$110,009.26
Sales Tax (9%)				\$9,900.83
MAXIMUM AMOUNT NOT-TO-EXCEED				\$119,910.09

2. Pricing

2.1. All pricing is firm fixed for the Term of this Agreement.

3. Invoicing

Contractor will invoice the City on a monthly basis for Services provided by Contractor on an invoice and in a format approved by City and subject to the verification and approval by City. City will pay Contractor within thirty (30) days of City's receipt of an approved invoice.

EXHIBIT C

INSURANCE REQUIREMENTS

Without limiting the Contractor's indemnification of the City, and prior to commencing any of the Services required under this Agreement, the Contractor shall provide and maintain in full force and effect, at its sole cost and expense, the following insurance policies with at least the indicated coverages, provisions and endorsements:

A. COMMERCIAL GENERAL LIABILITY INSURANCE

1. Commercial General Liability Insurance policy which provides coverage at least as broad as Insurance Services Office form CG 00 01. Policy limits are subject to review, but shall in no event be less than, the following:
 - \$1,000,000 Each Occurrence
 - \$2,000,000 General Aggregate
 - \$2,000,000 Products/Completed Operations Aggregate
 - \$1,000,000 Personal Injury
2. Exact structure and layering of the coverage shall be left to the discretion of Contractor; however, any excess or umbrella policies used to meet the required limits shall be at least as broad as the underlying coverage and shall otherwise follow form.
3. The following provisions shall apply to the Commercial Liability policy as well as any umbrella policy maintained by the Contractor to comply with the insurance requirements of this Agreement:
 - a. Coverage shall be on a "pay on behalf" basis with defense costs payable in addition to policy limits;
 - b. There shall be no cross liability exclusion which precludes coverage for claims or suits by one insured against another; and
 - c. Coverage shall apply separately to each insured against whom a claim is made or a suit is brought, except with respect to the limits of liability.

B. BUSINESS AUTOMOBILE LIABILITY INSURANCE

Business automobile liability insurance policy which provides coverage at least as broad as ISO form CA 00 01 with policy limits a minimum limit of not less than one million dollars (\$1,000,000) each accident using, or providing coverage at least as broad as, Insurance Services Office form CA 00 01. Liability coverage shall apply to all owned, non-owned and hired autos.

In the event that the Work being performed under this Agreement involves transporting of hazardous or regulated substances, hazardous or regulated

wastes and/or hazardous or regulated materials, Contractor and/or its subcontractors involved in such activities shall provide coverage with a limit of two million dollars (\$2,000,000) per accident covering transportation of such materials by the addition to the Business Auto Coverage Policy of Environmental Impairment Endorsement MCS90 or Insurance Services Office endorsement form CA 99 48, which amends the pollution exclusion in the standard Business Automobile Policy to cover pollutants that are in or upon, being transported or towed by, being loaded onto, or being unloaded from a covered auto.

C. WORKERS' COMPENSATION

1. Workers' Compensation Insurance Policy as required by statute and employer's liability with limits of at least one million dollars (\$1,000,000) policy limit Bodily Injury by disease, one million dollars (\$1,000,000) each accident/Bodily Injury and one million dollars (\$1,000,000) each employee Bodily Injury by disease.
2. The indemnification and hold harmless obligations of Contractor included in this Agreement shall not be limited in any way by any limitation on the amount or type of damage, compensation or benefit payable by or for Contractor or any subcontractor under any Workers' Compensation Act(s), Disability Benefits Act(s) or other employee benefits act(s).
3. This policy must include a Waiver of Subrogation in favor of the City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents.

D. COMPLIANCE WITH REQUIREMENTS

All of the following clauses and/or endorsements, or similar provisions, must be part of each commercial general liability policy, and each umbrella or excess policy.

1. Additional Insureds. City of Santa Clara, its City Council, commissions, officers, employees, volunteers and agents are hereby added as additional insureds in respect to liability arising out of Contractor's work for City, using Insurance Services Office (ISO) Endorsement CG 20 10 11 85 or the combination of CG 20 10 03 97 and CG 20 37 10 01, or its equivalent.
2. Primary and non-contributing. Each insurance policy provided by Contractor shall contain language or be endorsed to contain wording making it primary insurance as respects to, and not requiring contribution from, any other insurance which the Indemnities may possess, including any self-insurance or self-insured retention they may have. Any other insurance Indemnities may possess shall be considered excess insurance only and shall not be called upon to contribute with Contractor's insurance.

3. Cancellation.

- a. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided due to non-payment of premiums shall be effective until written notice has been given to City at least ten (10) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least ten (10) days prior to the effective date of non-renewal.
- b. Each insurance policy shall contain language or be endorsed to reflect that no cancellation or modification of the coverage provided for any cause save and except non-payment of premiums shall be effective until written notice has been given to City at least thirty (30) days prior to the effective date of such modification or cancellation. In the event of non-renewal, written notice shall be given at least thirty (30) days prior to the effective date of non-renewal.

4. Other Endorsements. Other endorsements may be required for policies other than the commercial general liability policy if specified in the description of required insurance set forth in Sections A through D of this Exhibit C, above.

E. ADDITIONAL INSURANCE RELATED PROVISIONS

Contractor and City agree as follows:

1. Contractor agrees to ensure that subcontractors, and any other party involved with the Services who is brought onto or involved in the performance of the Services by Contractor, provide the same minimum insurance coverage required of Contractor, except as with respect to limits. Contractor agrees to monitor and review all such coverage and assumes all responsibility for ensuring that such coverage is provided in conformity with the requirements of this Agreement. Contractor agrees that upon request by City, all agreements with, and insurance compliance documents provided by, such subcontractors and others engaged in the project will be submitted to City for review.
2. Contractor agrees to be responsible for ensuring that no contract used by any party involved in any way with the project reserves the right to charge City or Contractor for the cost of additional insurance coverage required by this Agreement. Any such provisions are to be deleted with reference to City. It is not the intent of City to reimburse any third party for the cost of complying with these requirements. There shall be no recourse against City for payment of premiums or other amounts with respect thereto.

3. The City reserves the right to withhold payments from the Contractor in the event of material noncompliance with the insurance requirements set forth in this Agreement.

F. EVIDENCE OF COVERAGE

Prior to commencement of any Services under this Agreement, Contractor, and each and every subcontractor (of every tier) shall, at its sole cost and expense, provide and maintain not less than the minimum insurance coverage with the endorsements and deductibles indicated in this Agreement. Such insurance coverage shall be maintained with insurers, and under forms of policies, satisfactory to City and as described in this Agreement. Contractor shall file with the City all certificates and endorsements for the required insurance policies for City's approval as to adequacy of the insurance protection.

G. EVIDENCE OF COMPLIANCE

Contractor or its insurance broker shall provide the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent and the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage shall be delivered to City, or its representative as set forth below, at or prior to execution of this Agreement. Upon City's request, Contractor shall submit to City copies of the actual insurance policies or renewals or replacements. Unless otherwise required by the terms of this Agreement, all certificates, endorsements, coverage verifications and other items required to be delivered to City pursuant to this Agreement shall be mailed to:

EBIX Inc.

City of Santa Clara [*insert City department name here]

P.O. Box 100085 – S2

or 1 Ebix Way

Duluth, GA 30096

John's Creek, GA 30097

Telephone number: 951-766-2280

Fax number: 770-325-0409

Email address: ctsantaclara@ebix.com

H. QUALIFYING INSURERS

All of the insurance companies providing insurance for Contractor shall have, and provide written proof of, an A. M. Best rating of at least A minus 6 (A- VI) or shall be an insurance company of equal financial stability that is approved by the City or its insurance compliance representatives.