

**City of Carson City
Agenda Report**

Date Submitted: 6-7-11

Agenda Date Requested: 6-16-11

Time Requested: 10 minutes

To: Board of Supervisors

From: Melanie Bruketta, HR Director

Subject Title: Discussion and possible action to approve the "ELT License and Services Agreement" which will provide on-line training to employees on workplace harassment prevention and other employment law topics. (Melanie Bruketta)

Staff Summary: This action is to approve a contract between Carson City and ELT to provide on-line training to Carson City employees on workplace harassment prevention and other employment law topics from July 1, 2011 through June 30, 2015.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (specify)

Does this Action Require a Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to approve the "ELT License and Services Agreement" which will provide on-line training to employees on workplace harassment prevention and other employment law topics.

Explanation for Recommended Board Action: This action is to approve a contract between Carson City and ELT to provide on-line training to Carson City employees on workplace harassment prevention and other employment law topics from July 1, 2011 through June 30, 2015.

The courses that will be provided by ELT are reviewed by Littler Mendelson, the largest employment law firm in the world and supported by the Society for Human Resource Management. On average, 95% of employees complete the courses within 1.2 days after being assigned and 100% complete within 7 days of being assigned.

Applicable Statute, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: \$44,366.61 for a four year training period.

Explanation of Impact: Reduction of the Insurance Fund in the amount of \$44,366.61.

Funding Source: Insurance Fund

Alternatives: Explore other alternatives for training

Supporting Material: ELT Executive Summary and ELT License and Services Agreement

Prepared By: Melanie Bruketta, HR Director

Reviewed By:

Melanie Burkett
(Department Head)

Date: 6.7.11

[Signature]
(City Manager)

Date: 6/7/11

[Signature]
(District Attorney)

Date: 6/7/11

[Signature]
(Finance Director)

Date: 6/7/11

Board Action Taken:

Motion: _____ 1) _____

Aye/Nay

2) _____

(Vote Recorded By)

ELT LICENSE AND SERVICES AGREEMENT

LICENSEE	LICENSE TERM
Licensee Name & Address: City Of Carson City 911 E Musser St Carson City, NV 89701 United States	License Term (in months): 48 Date of Agreement: 06/22/11 *All discounts and terms and conditions offered for Agreement signed on or before 06/22/2011.

LICENSED COURSES AND CONTENT FEES			
Online Course	Commencement Date	Number of Annual Licensed Users	Content Fee
Integrity Suite & Workplace Harassment 4	08/01/11	330 Per Online Course	\$18,341.40 -\$1,834.07*
TOTAL:			\$16,507.33

ADDITIONAL SERVICE FEES		
Annual License & Maintenance (L&M) Fee	See Exhibit A	\$6,105.00 -\$ 427.68* \$5,677.32
Delivery Method: Licenser Tracked Set-Up Fee	See Exhibit A	\$1,500.00 -\$ 500.00* \$1,000.00
Customization Fee	See Exhibit B	\$5,000.00 -\$ 850.00* \$4,150.00

PAYMENT TERMS

The fees will be invoiced as follows:

\$21,657.33 will be invoiced within five (5) days of the execution of this Agreement by both parties.

\$5,677.32 will be invoiced within five (5) days of the earliest Commencement Date listed above.

\$5,677.32 will be invoiced eleven (11) months from the earliest Commencement Date listed above.

\$5,677.32 will be invoiced twenty-three (23) months from the earliest Commencement Date listed above.

\$5,677.32 will be invoiced thirty-five (35) months from the earliest Commencement Date listed above.

FEES FOR ADDITIONAL USE

If Licensee requires additional licenses during the Term of this Agreement, Licensee can purchase additional licenses for each Online Course listed above at the following rates. The rates listed below include the annual L&M Fee(s) for the then current and subsequent years of the Agreement.

For licenses purchased in license year 1 of the Agreement: \$64.79

For licenses purchased in license year 2 of the Agreement: \$55.54

For licenses purchased in license year 3 of the Agreement: \$46.29

For licenses purchased in license year 4 of the Agreement: \$37.04

A minimum of 33 additional Licensed Users per Online Course must be purchased. All of the terms and conditions of this Agreement will apply to the additional Licensed Users.

ACKNOWLEDGEMENT AND ACCEPTANCE

In witness hereof, the undersigned represent that they are able to contractually bind their respective organizations and acknowledge their acceptance of the terms and conditions in this Agreement. The undersigned acknowledge that the License Term commences with the Commencement Date and terminates thereafter based on the License Term as set forth above.

Employment Law Training, Inc. (Licensor):

City Of Carson City (Licensee):

By:

By:

Name:

Name:

Title:

Title:

ELT LICENSE AND SERVICES AGREEMENT

Terms and Conditions

THIS AGREEMENT is entered into as of the date set forth on the signature page and between EMPLOYMENT LAW TRAINING, INC., a Delaware corporation with its primary place of business at 160 Pine Street, Suite 200, San Francisco, CA 94111, (herein referred to as “Licensor” or “ELT”) and City Of Carson City (“Licensee”), on behalf of itself and its Licensed Users (as defined below).

WHEREAS, Licensor is the developer and owner of proprietary online training courses and is the authorized distributor of additional third party online training courses; and.

WHEREAS Licensee desires to obtain a license to use the Online Courses listed above (herein referred to as the “Online Course” or “Online Courses”) under the terms and conditions of this Agreement.

NOW, THEREFORE, with respect to the Online Courses the parties agree as follows:

1. Rights Granted, Delivery of Online Courses, Services and Limitations.

1.1. Grant of License

Subject to the payment of all fees due hereunder, and in compliance with the terms and conditions of this Agreement, Licensor grants to Licensee the nonexclusive, nontransferable right and license to access, use and display the Online Courses solely for its own internal use. No right is granted to modify the Online Courses in any way, or to create derivative works of the Online Courses without the written consent of Licensor. Course changes or modifications to the Online Courses as a result of current or future customization by Licensee shall not be considered derivative works. Licensee shall have no right to sublicense its rights to use the Online Courses whether to an Affiliate or third party, without the written consent of Licensor. Subcontractors who meet the definition of a Licensed User will have access to the Online Courses.

1.2. Licensed Users

A “Licensed User” is defined as an employee or subcontractor of Licensee or its Affiliates who launches a licensed Online Course creating a training record in the Learning Management System (“LMS”). Subject to the payment of all fees due hereunder, the number of Licensed Users who may access the Online Courses annually is set forth on the first page of this Agreement. A Licensed User may access a licensed Online Course at any time during the term of this Agreement, including after the Licensed User has completed a licensed Online Course. In the event Licensee’s use exceeds the number of Licensed Users as set forth above, Licensee shall pay Licensor the Fees for Additional Usage set forth below. “Affiliates” shall mean, with respect to Licensee, any entity which, directly or indirectly, owns or controls, is owned or controlled by, or is under common ownership or common control with Licensee; “Control” shall mean the power to direct the management of the affairs of the entity and “Ownership” shall mean the beneficial ownership of more than 30% of the equity of the entity.

1.3. Delivery of Online Courses

Licensor generally, but not always, provides two (2) different methods for Licensed Users to access or take the Online Courses: (1) Licensor internet web site delivered through its servers, its content delivery network or at such other server site as determined by Licensor, (2) Licensee’s internal intranet web site delivered through Licensee’s local or wide area network. Licensee’s selected delivery method is outlined in Exhibit A (“Selected Delivery Method”).

1.4. Customization

Customization options selected by the Licensee are set forth above and in Exhibit B. Customization typically requires certain assistance or materials from Licensee including, but not limited to photographs, graphics, audio and digital video content. Licensee agrees to provide such assistance and materials within the time frame specified in Exhibit B.

Any materials, photographs, graphics, audio content or any information provided by Licensee (collectively “Licensee Materials”) may be protected by copyright pursuant to United States copyright laws, international conventions, and other copyright laws. The Licensee Materials are provided to Licensor solely for the purpose of fulfilling the terms of this Agreement. All Licensee Materials are owned and controlled by Licensee and Licensor shall abide by any and all additional copyright notices, information or restrictions contained in any Licensee Materials. Copying, using or storing any Licensee Materials for use other than to customize Online Courses for Licensee is expressly prohibited without the prior written consent of Licensee.

1.5. Online Course Content

The Online Courses and all content displayed or provided in the Online Courses, excluding Licensee’s Material (the “Content”) is protected by copyright pursuant to U.S. copyright laws, international conventions, and other copyright laws, and is owned and controlled by the Licensor or its licensor. The Content is only for the internal, noncommercial use of Licensee’s employees or

Licensee's contractors, who are subject to written confidentiality agreements, or regulators. The Licensee shall abide by any and all additional copyright notices, information or restrictions contained in any Content.

1.6. Reservation of Rights.

Except as expressly granted in this Agreement, Licensee shall have no other rights of any kind in the Online Courses or Content. Under no circumstances will anything in this Agreement be construed as granting, by implication, estoppels or otherwise, a license to any of Licensor's or any third party content provider's intellectual property or proprietary technology other than the use of the Online Courses and Content in accordance with the terms of this Agreement. Licensee shall not use the Online Courses for commercial time-sharing, rental, service bureau use or any other purpose not expressly provided for in this Agreement. Licensee hereby acknowledges that Licensor may monitor Licensee's use of the Online Courses solely to ensure Licensee's compliance with the terms and conditions of this Agreement. If the Online Courses are to be tracked by the Licensor's LMS course usage will be managed automatically by that system. If the Online Courses are to be tracked by Licensee's LMS, Licensor reserves the right to collect information about course launches and completions for the purpose of establishing course usage. This information will be sent automatically to the Licensor's servers by the Online Course(s). Except as expressly granted in this Agreement, Licensor shall have no other rights of any kind to the Licensee Materials. Under no circumstances will anything in this Agreement be construed as granting, by implication, estoppels or otherwise, a license to any of Licensee's intellectual property or proprietary technology other than the use of the Licensee Materials described herein. Licensor hereby acknowledges that Licensee may monitor Licensor's use of the Licensee Materials in order to ensure compliance with the terms and conditions of this Agreement.

2. Fees and Payments

2.1. Fees

In consideration for the grant of the rights and license contained hereon, Licensee shall pay Licensor all fees indicated above. All fees are payable on or before thirty (30) days from date invoice is received by Licensee. Any fees not paid within thirty days of invoice are subject to a late interest fee with interest to be accrued at ten (10%) per annum or the maximum rate permitted by law, whichever is greater. Licensor may indefinitely suspend Licensee's access to and use of the Online Courses or terminate this Agreement if Licensee is delinquent by thirty (30) days or greater. All fees are in United States dollars and exclude any applicable taxes. Each party is responsible for paying its own applicable taxes.

3. Ownership; Warranty; Liability Limitation.

3.1. Ownership

Except for the licenses granted to Licensee hereunder, and other third party software incorporated into the Online Courses,

Licensee acknowledges that Licensor and Licensor's third party content providers own and shall retain all respective proprietary rights, including all patent, copyright, trade secret, trademark, trade name and other proprietary rights, in and to the Online Courses and Content. Except for the license granted to Licensor hereunder, Licensor acknowledges that Licensee owns and shall retain all proprietary rights, including all patent, copyright, trade secret, trademark, trade name and other proprietary rights, in and to the Licensee Materials. Licensee acknowledges that the license granted under this Agreement does not provide Licensee with title to or ownership of the Online Courses, but only with a right of limited use under the terms and conditions of this Agreement. Except as otherwise provided herein, under no circumstances shall Licensee sell, license, sublicense, publish, display, distribute, assign or otherwise transfer to a third party the Online Courses, any copy thereof, in whole or in part, without Licensor's prior written consent, which consent may be withheld in Licensor's sole discretion.

3.2. Warranties

Licensor shall use commercially reasonable efforts to ensure that the Online Courses provide Licensee with current and complete information regarding the subject matter of the Online Courses, and to update the Online Courses to reflect significant new statutes and court rulings within a reasonable period of time. Licensor represents and warrants that it or its third party content providers are the owners of, or have all necessary rights, to the Online Courses and to deliver the Online Courses to Licensee under the terms of this Agreement.

Licensor and its third party content providers represent and warrant that no copy of the Online Courses provided to Licensee contains or will contain neither any Self-Help Code nor any Unauthorized Code. As used in this Agreement, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than a licensee of the program. As used in this Agreement, "Unauthorized Code" means any virus, Trojan horse, worm, or other software routines or hardware components designed to permit unauthorized access; to disable, erase, or otherwise harm software, hardware, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Licensee acknowledges that, except as set forth above, the Online Courses are provided without further warranties of any kind, either express or implied, and to the fullest extent of applicable law, Licensor and its third party content providers make no other warranties with respect to the Online Courses.

3.3. Legal Advice

Licensor is in the business of providing employment law training through the sale of training and education products and computer-based training. Licensor is not in the business of providing legal advice or legal services, and the protections of the lawyer-client relationship do not exist with respect to the training services provided by Licensor to Licensee. Licensor strongly encourages Licensee to consult legal counsel of its choice on specific matters

involving employment law, important personnel policies and practices.

3.4. Limitation of Liability

OTHER THAN BREACH OF THE PARTIES' CONFIDENTIALITY OBLIGATIONS (SECTION 6 BELOW), UNDER NO CIRCUMSTANCES, INCLUDING NEGLIGENCE, WILL EITHER PARTY, ITS DIRECTORS, EMPLOYEES, THIRD PARTY CONTENT PROVIDERS OR ANYONE ELSE INVOLVED IN ADMINISTERING, MAINTAINING OR PROVIDING THE ONLINE COURSES OR LICENSEE'S MATERIAL BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES THAT RESULT FROM THE USE OF OR INABILITY TO USE THE ONLINE COURSES OR LICENSEE'S MATERIAL, INCLUDING BUT NOT LIMITED TO LOSS OF REVENUE OR LOST PROFITS, OR DAMAGES THAT RESULT FROM MISTAKES, OMISSIONS, SERVICE INTERRUPTIONS, LICENSOR SERVER DOWNTIME, ERRORS, DEFECTS, VIRUSES, DELAYS IN OPERATION OR TRANSMISSION, OR FAILURE OF PERFORMANCE OF THE ONLINE COURSES, EVEN IF THE OTHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. OTHER THAN BREACH OF THE PARTIES' CONFIDENTIALITY OBLIGATIONS (SECTION 6 BELOW), IN NO EVENT SHALL THE PARTIES' AGGREGATE OR CUMULATIVE LIABILITY FOR DAMAGES HEREUNDER EXCEED THE FEES PAID BY LICENSEE TO LICENSOR HEREUNDER.

In the event that any claim is made or any action or proceeding is instituted that alleges that the Online Courses and/or any portion thereof infringes any patent or copyright, constitutes misappropriation of a trade secret, or violates any other intellectual property or other proprietary right of any third party, Licensor shall defend, indemnify and hold Licensee harmless from all damages, awards, cost and expenses (including reasonable attorney fees) associated therewith; provided, however, that Licensee promptly notifies Licensor of such claim, action or proceeding and co-operates with Licensor in its defense or settlement. If Licensee's use of the Online Courses is enjoined or threatened, Licensor shall use its best efforts to, in the priority order indicated, (1) procure for Licensee the right to continue using the Online Courses; (2) modify the Online Courses so as to render it non-infringing while remaining functionally equivalent to the Online Courses at the time the claim is made; or (3) provide substitute non-infringing Online Courses of substantially equal utility acceptable to Licensee at no additional charge to Licensee, consistent with Licensor's obligations as stated in this Agreement.

In the event that any claim is made or any action or proceeding is instituted that alleges that the Licensee Materials and/or any portion thereof infringes any patent or copyright, constitutes misappropriation of a trade secret, or violates any other intellectual property or other proprietary right of any third party, Licensee shall defend, indemnify and hold Licensor harmless from all damages, awards, cost and expenses (including reasonable attorney fees) associated therewith; provided, however, that Licensor promptly notifies Licensee of such claim, action or

proceeding and co-operates with Licensee in its defense or settlement.

4. Terminations

4.1. Termination

Each party shall have the right to terminate this Agreement and the license granted herein upon the occurrence of any of the following events: (i) in the event Licensee fails to pay any fees due hereunder (other than Disputed Fees as defined below) and such failure is not cured within fifteen (15) business days after written or electronic notice; (ii) in the event the other party fails to comply with any of the terms and conditions of this Agreement and such default has not been cured within fifteen (15) days after written or electronic notice to the other party; or (iii) in the event the other party (A) terminates or suspends its business, (B) becomes subject to any bankruptcy or insolvency proceeding under Federal or state statute, (C) becomes insolvent or subject to direct control by a trustee, receiver or similar authority, or (D) has wound up or liquidated, voluntarily or otherwise. A "Disputed Fee" is a fee disputed in good faith over Licensor's failure to perform material terms of this Agreement.

4.2. Effect of Termination

Upon expiration or termination of this Agreement for any reason, and by either party, all rights and licenses granted to Licensee under this Agreement shall immediately terminate and Licensee shall cease to use the Online Courses. Upon request, each party shall destroy or return any Confidential Information (as described in Section 6.10 below). In the event that Licensee is hosting the Online Courses, within ten (10) business days following the end of the License Term, the Licensee will return to the Licensor all Online Course files and any other Confidential Information provided to the Licensee, or alternatively, provide the Licensor with written confirmation (executed by an officer of the Licensee) certifying that the Online Course files have been destroyed. In the event that the Licensor is hosting the Online Courses, Licensee will continue to have access to the Portal (as defined below) for ten (10) business days following the expiration of the License Term so that they may access the training data and run reports; after this time, access to the Portal will be disabled.

4.3. Survival.

The following sections of this Agreement shall survive the expiration or termination of this Agreement for any reason: Sections 2, 3, 4, 5 and 6. In addition termination shall not affect Licensee's obligation to pay all undisputed fees and charges accrued or earned by Licensor prior to termination.

5. Technical Requirements

5.1. Network Connection Requirements

The Online Courses will run from the Internet or an intranet and require a modem, Ethernet or wireless network adapter; and as applicable.

5.1.1. If a video presentation option is offered a broadband connection of 128kbps or faster is required.

5.1.2. For an audio presentation option a dial-up connection of 48kbps or faster is required, a broadband connection of 128kbps or faster is recommended.

5.1.3. For a silent presentation option a dial-up connection of 28.8kbps or faster is required.

5.2. Online Course Technical Requirements

Licensor posts up-to-date technical requirements and configurations it supports at <http://techspecs.elc.com>. Other configurations may function, but will not be supported. Licensor reserves the right to update its technical requirements for the Online Courses in response to software vendor lifecycles, general usage statistics observed from its clients, or for similar reasons.

5.3. Licensor LMS Technical Requirements (If Applicable)

Licensor posts up-to-date technical requirements and configurations it supports at <http://techspecs.elc.com>. Other configurations may function, but will not be supported. Licensor reserves the right to update its technical requirements for Licensed User and administrator access to the LMS in response to software vendor lifecycles, general usage statistics observed from its clients, or for similar reasons.

6. General.

6.1. Entire Agreement

All previous agreements and arrangements (if any) made by the parties and relating to the subject matter hereof are hereby superseded and this Agreement, including its Exhibits, embodies the entire understanding of the parties, there being no promises, terms, conditions or obligations, oral or written, express or implied, other than those contained herein. This Agreement may only be amended by a written document signed by authorized representatives of both parties.

6.2. Notice

Any written notice required to be given hereunder shall be in writing and shall be given by personal delivery (including by professional courier) to the address of the other party contained in this Agreement, or such other address as such party may have notified the other of pursuant to this Section 6.2. In addition to any notice sent to Licensee, a copy will be sent to:

City Of Carson City
911 E Musser St
Carson City, NV 89701
United States

Such notice shall be deemed to have been given upon the date of such delivery.

6.3. Billing & Invoicing Information

All invoices for payments due by Licensee shall be mailed by Licensor to:

Melanie Bruketta
Director of Human Resources
911 E Musser St
Carson City, NV 89701

6.4. Affiliates

The following terms and conditions apply to Licensee's Affiliates:

For each Affiliate for which Licensee purchases Online Courses and for which Licensee requests a separate training Portal (as defined below), the following will occur:

6.4.1. Licensor will establish a separate training site.

6.4.2. Separate entries for associated Content Fees and Additional Service Fees must be set out on page 1 of this Agreement.

6.4.3. Licensee will pay an additional set-up or integration fee as specified on page 1 of this Agreement.

6.4.4. Licensee must detail any requested customization (see Exhibit B), and pay all associated customization fees.

6.5. Arbitration.

6.5.1. Arbitration of Disputes. Licensor and Licensee agree to make good faith efforts to informally resolve any disputes or problems, including any Disputed Fees, relating to this Agreement. If those efforts are not satisfactory to either party, then the parties shall attempt to settle disputes arising out of or relating to this Agreement or the breach thereof (a "Dispute") by a meeting of a designated representative of each of the parties involved in such dispute within ten (10) days after a request by either of the parties to the other party asking for the same. If such Dispute cannot be settled at this meeting, the parties shall submit the Dispute to binding arbitration pursuant to and in accordance with the AAA Commercial Arbitration Rules (except as modified below), and judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. Such arbitration shall be conducted in a mutually acceptable location. The procedures specified herein shall be the sole and exclusive procedures for the resolution of any Dispute; provided, however, that a party may seek provisional or ancillary remedies, such as preliminary injunctive relief, from a court having jurisdiction, before, during or after the pendency of any arbitration proceeding. The institution and maintenance of any action for such judicial relief, or pursuit of provisional or ancillary remedies, shall not constitute a waiver of the right or obligation of any party to submit

any claim or dispute to arbitration. All applicable statutes of limitations shall be tolled once a request for a meeting as described in the first sentence of this section is made and until 30 days following the conclusion of the final meeting conducted pursuant to this request. The parties shall take such action, if any, required to effectuate such tolling.

6.5.2. **Motion Practice.** In any arbitration hereunder, the arbitrator(s) shall decide (by documents only or with a hearing, at the arbitrator's discretion) any pre-hearing motions, which are substantially similar to pre-hearing motions to dismiss for failure to state a claim or motions for summary adjudication.

6.5.3. **Discovery.** Discovery shall be limited to the pre-hearing exchange of all documents upon which each party intends to introduce at the hearing and any expert reports prepared by any expert who will testify at the hearing.

6.5.4. **Sequential Hearing Days.** At the administrative conference conducted by the AAA, the parties and the AAA shall determine how to ensure that the hearing is started and completed on sequential hearing days. Potential arbitrators shall be informed of the anticipated length of the hearing and they shall not be subject to appointment unless they agree to abide by the parties' intent that, absent exigent circumstances, the hearing shall be conducted on sequential days.

6.5.5. **Award.** The award of the arbitrator(s) shall be accompanied by a statement of the reasons upon which such award is based.

6.5.6. **Fees and Expenses.** The parties shall each bear equally all fees and costs and expenses of the arbitration, and each party shall bear its own legal fees and expenses and the costs of its experts and witnesses; provided, however, that if the arbitration panel shall award to a party substantially all amounts sought by such party, then, notwithstanding any applicable governing law provisions, the other party shall pay all costs, fees and expenses incurred by the prevailing party and such costs, fees and expenses shall be included in such award.

6.5.7. **Confidentiality of Dispute.** The entire procedure shall be confidential and none of the parties nor arbitrator(s) may disclose the existence, content, or results of any arbitration hereunder without the written consent of all parties to the Dispute, except to the extent disclosure is required to enforce any applicable arbitration award or may otherwise be required by law. No conduct, statements, promises, offers, views, or opinions of any party involved in an arbitration hereunder shall be discoverable or admissible for any purposes in litigation or other proceedings involving the parties to the Dispute and shall not be disclosed to anyone not an agent, employee, expert, witness, or representative for any of such parties.

6.6. Choice of Law and Venue; Attorneys Fees

The parties agree that this Agreement and the rights and obligations hereunder will be governed by and construed in accordance with the laws of the State of California, without regard to its provisions concerning the applicability of the laws of other jurisdictions. The parties hereby agree that all disputes arising out of this Agreement not required to go to arbitration as described in

section 6.5 shall be subject to the exclusive jurisdiction of and venue in the federal and state courts within San Francisco County, California, and Licensee hereby consents to the personal and exclusive jurisdiction and venue of these courts. In any action brought by either party to enforce any rights arising out of or relating to this Agreement, the prevailing party shall be entitled to recover direct and actual reasonable attorneys' fees and costs.

6.7. Transfer and Assignment

Except as otherwise provided herein, Licensee may not assign or sublicense any of its rights or obligations hereunder, except to assign to a parent or Affiliate, without the prior written consent of Licensor. Licensor may freely assign this Agreement without the consent of Licensee. Subject to the foregoing, this Agreement shall inure to the benefit of and be binding upon the successors and assigns of the parties.

6.8. Force Majeure

Neither party shall be liable for any failure to perform any of its obligations hereunder (other than the payment of money) which results from act of God, the elements, fire, flood, component shortages, force majeure, riot, insurrection, industrial dispute, accident, war, embargoes, legal restrictions, power outages, service interruptions to Internet connectivity or any other cause beyond the reasonable control of the party.

6.9. Severability

If any provision in this Agreement is found or held to be invalid or unenforceable, then the meaning of said provision shall be construed, to the extent feasible, so as to render the provision enforceable, and if no feasible interpretation would save such provision, it shall be severed from the remainder of this Agreement which shall remain in full force and effect unless the severed provision is essential and material to the rights or benefits received by either party. In such event, the parties shall use their best efforts to negotiate, in good faith, a substitute, valid and enforceable provision or agreement that most nearly affects the parties' intent in entering into this Agreement.

6.10. Confidentiality

The parties agree that the following terms and conditions shall remain in full force and effect during the terms of this Agreement and for the period three years after the termination of this Agreement.

6.10.1. "Confidential Information" means nonpublic information that either of the parties hereto designates as being confidential, or which due to the nature of the information or the circumstances surrounding disclosure, ought to be treated as confidential. "Confidential Information" includes, without limitation, information relating to the parties' respective past, present, or future research, financial results and projections, costs and prices, customers, suppliers, employees, consultants, technologies, technical and business strategies, marketing and promotion strategies, released or unreleased software or hardware products, and trade secrets, as well as any information received from others that either party is obliged to treat as confidential.

6.10.2. The party receiving Confidential Information (the "Recipient") may use the Confidential Information only in connection with our discussions and efforts in furtherance of the following purpose: To implement the Online Courses listed on page 1 of this Agreement. The Recipient will not, at any time, make any use of the Confidential Information for any other purpose.

6.10.3. The parties shall take commercially reasonable and appropriate precautions to protect the confidentiality of each other's Confidential Information. Each party shall use at least the same degree of care to avoid unauthorized disclosure or use of the other's Confidential Information as it employs with respect to its own Confidential Information of like kind.

6.10.4. Confidential Information shall at all times remain the property of the party disclosing such information (the "Disclosing Party"). No license under any trade secrets, copyrights, or other rights is granted by this Agreement or any disclosure of Confidential Information hereunder.

6.10.5. Access to Confidential Information shall be restricted to Licensed Users and those of each party's employees engaged in a use permitted hereby. It is understood that, subject to the terms of this Agreement, Licensor's personnel may have access to Confidential Information in connection with the use permitted under this Agreement and for internal quality assurance and consultation purposes, provided that all such personnel shall be bound by this Agreement or substantially the same terms.

6.10.6. Except for copies made for purpose(s) authorized in this Agreement, Confidential Information of the Disclosing Party may not be copied or reproduced by the Recipient without the Disclosing Party's prior written consent.

6.10.7. All Confidential Information made available hereunder, including all copies, notes, summaries, and abstracts thereof, shall be returned to the Disclosing Party or destroyed upon request by the Disclosing Party, and certified in writing as having been done; however, Licensor may retain, subject to this agreement, copies of the Confidential Information required for internal record keeping purposes and for compliance with applicable professional standards.

6.10.8. Nothing in this agreement shall prohibit or limit either party's use of information (including, but not limited to, ideas, concepts, know-how, techniques, and methodologies) (1) previously known to it, (2) independently developed by it without use of the Disclosing Party's Confidential Information, (3) acquired by it from a third party which was not, to the Recipient's knowledge, under an obligation to the Disclosing Party not to disclose such information, or (4) which is or becomes publicly available through no breach by the Recipient of this Agreement.

6.10.9. In the event either party receives a subpoena or other validly issued administrative or judicial process requesting Confidential Information of the other party, the Recipient shall promptly notify the Disclosing Party and tender to it the defense of such demand. Unless the demand shall have been timely limited, quashed or extended, the

Recipient shall thereafter be entitled to comply with such demand to the extent permitted by law. If requested by the party to whom the defense has been tendered, the Recipient shall cooperate (at the expense of the requesting party) in the defense of a demand.

6.10.10. Any suggestions, feedback, or other information from the Recipient concerning Confidential Information of the Disclosing Party are and shall be entirely voluntary on the Recipient's part, whether such suggestions, feedback or other information was solicited by the Disclosing Party or not, and shall not create any obligations on the part of the Disclosing Party. The Disclosing Party shall be free to disclose and use such suggestions, feedback, and other information of Recipient as the Disclosing Party sees fit, entirely and without obligation of any kind to the Recipient.

6.10.11. The Disclosing Party provides the Confidential Information and all related data strictly on an "AS IS" basis, but represents to the Recipient that to the knowledge of the undersigned representative the Disclosing Party has sufficient rights to provide the Confidential Information to Recipient for the purposes contemplated hereby.

6.11. No Waiver

No waiver of any term or condition of this Agreement shall be valid or binding on a party unless the same has been mutually assented to in writing by both parties. The failure of a party to enforce at any time any of the provisions of this Agreement, or the failure to require at any time performance by the other party of any of the provisions of this Agreement, shall in no way be construed to be a present or future waiver of such provisions, nor in any way affect the ability of a party to enforce each and every such provision thereafter.

Exhibit A

SELECTED DELIVERY METHOD – Licensors Tracked

SET-UP, CUSTOMER SUPPORT SERVICES, AND MAINTENANCE

1. Set-up

Set-up services set forth on Page 1 of this Agreement include integration of Licensee's logo and textual messages into designated screens and locations of the Licensors Hosted Training Portal ("Portal") as well as configuration of business rules to automate the enrollment of Licensed Users into the Online Courses.

Licensee must designate a Training Administrator ("TA") who will be responsible for administering access to and use of the Online Courses. The Licensee may designate several TAs but one should have overall responsibility for administering the Online Courses. Licensors will provide access to regularly scheduled online training sessions; such training includes instruction on the key activities that the TA will be responsible for including:

- Adding, modifying and deleting Licensed Users.
- Importing new Licensed Users into the system from a delimited text file formatted according to the Licensors's specifications.
- Enrolling Licensed Users into the Online Courses.
- Creating and editing email templates to automate the sending of enrollment and reminder notifications to Licensed Users.
- Running reports to determine the enrollment status of Licensed Users.

2. Customer Support Services

Licensors shall provide the following customer services during the License Term:

2.1. Implementation Manager.

Licensors will provide an Implementation Manager (the "Implementation Manager") who will be responsible for ensuring that Licensee's portal is set up, and Online Course customizations are completed correctly. The Implementation Manager will be responsible for coordinating activities through the initial launch of the Online Course. Thereafter the Licensee's TA(s) will be responsible for the day-to-day administration of the Online Courses.

2.2. Technical support

Licensee's TA(s) will have 24 hour access to the Licensors's online support portal to research solutions to common issues as well as to create and monitor support cases. Technical support by phone will be available Monday through Friday, 6:00 am to 6:00 pm Pacific Time (excluding business holidays). If technical support is needed, Licensors will make commercially reasonable efforts to respond within four (4) business hours. Onsite support will be available when necessary and at the discretion of Licensors. Licensee will designate allowable technical support contacts. Licensors will provide Tier 2 support for Licensed Users, and Tier 1 and Tier 2 support for TA(s). Licensee will provide Tier 1 support for Licensed Users.

Tier 1 support includes:

- The initial contact with the Licensed User who is having a problem and documentation of that problem
- Ensuring that the Licensed User has a supported desktop configuration and appropriate network access

- Attempted resolution of simple problems which include:
 - Incorrect access information or login credentials
 - Improper browser configuration (*e.g.* Flash not installed, cookies not enabled).
 - Pop-up blocker preventing the course from launching.
 - Escalating issues to Tier 2 support with reasonable documentation.

Tier 2 support includes all support issues not readily resolvable by Tier 1 support.

2.3. Usage and activity reports

Through logging into the Portal, the Licensee's TA(s) will have ongoing access to a variety of usage and activity reports. These reports will allow the TA(s), among other things, to monitor Licensed Users' access to the Online Courses, identify Licensed Users who have not completed the Online Courses.

2.4. Completion reporting

The TA(s) will have ongoing access to Licensor's completion and certification report system. The TA(s) will be able to export this information for import into other databases that any TA uses to monitor the Licensee's training programs.

2.5. Rollout Toolkit

Licensee will have access to Licensor's online Rollout Toolkit, as it is maintained from time to time, which may include resources that guide Licensee's rollout to Licensed Users. These resources presently include:

- Sample emails to announce Licensee's program and prompt Licensed Users with reminders.
- Best practices guides and reward program ideas.
- Resources to help Licensee stay abreast of compliance developments.

3. Maintenance Policy

3.1. Maintenance

For purposes of this Agreement, "Maintenance" means the on-going upkeep that Licensor performs on its Portal.

3.2. LMS Upgrades

For the purposes of this Agreement, "LMS Upgrade" means incorporating substantial changes to the Portal, including but not limited to (1) user functionality; (2) user interface; and (3) expanded features.

3.3. Course Content

For the purposes of this Agreement, "Course Content" includes, but is not limited to the text, audio, graphics, animations and digital video that incorporate the Online Courses' legal, practical, instructional and entertainment-based learning elements.

3.4. Services Provided

Licensor shall provide the following services during the License Term:

- 3.4.1. **General Maintenance.** Licensor will conduct Maintenance as follows: (1) Licensor will make commercially reasonable efforts to perform Maintenance during non-business hours; (2) for scheduled Maintenance that affects Online Course availability for longer than fifteen (15) minutes, Licensor will make commercially reasonable efforts to notify the TA a

minimum of five (5) business days prior to such Maintenance; (3) for unscheduled Maintenance that affects Online Course availability for longer than fifteen (15) minutes, Licensor will make commercially reasonable efforts to provide email notification to the TA a minimum of twenty-four (24) hours prior to such Maintenance.

3.4.2. **LMS Upgrades.** Licensor will provide to Licensee descriptions and documentation of the LMS Upgrade concurrently with the release. Licensor will make commercially reasonable efforts to perform scheduled LMS Upgrades during non-business hours.

3.4.3. **Online Course Content Upgrades.** Licensor may from time to time make changes to the Online Course Content due to changes in the law. Licensor will make commercially reasonable efforts to notify Licensee a minimum of five (5) business days prior to change. Licensor reserves the right to change any aspect of the Online Courses at any time, including the availability of any Online Course feature, functionality, or Content.

3.4.4. **Online Course Technology Upgrades.** Licensor may from time to time make upgrades to the Online Courses technology. Licensor will make commercially reasonable efforts to notify Licensee a minimum of five (5) business days prior to a substantial change. Changes may be initiated for a number of reasons, including, but not limited to, the following reasons:

- New releases of underlying technologies - new browsers, operating systems, and technologies that the Online Courses depend on are released and adopted by Licensor.
- Updates that improve network performance.
- Changes in communication protocol - AICC or SCORM may change or update communication protocol that in turn requires updates to the Online Courses.

3.4.5. **New Releases of Underlying Technologies** – Licensor from time to time may adopt new web browsers, operating systems and technologies with the goal of:

- Improving performance of the Online Courses.
- Facilitating changes in communication protocol – AICC or SCORM may change or update the communication protocol that in turn may require updates to the Online Courses.

3.4.6. Uptime and Downtime. During the Term of the Agreement, the Training Portal and the Online Courses shall be fully operational 24 hours per day, seven days per week, 365 days per year. The Training Portal and the Online Courses will have a minimum uptime operation of 99.5% measured monthly. Downtime shall mean any five (5) minute interval in which the Online Courses are unavailable or the Training Portal is not able to process queries or data due to a malfunction in Licensor's technology. Downtime does not include scheduled maintenance. Downtime does not include unavailability of the Online Courses / Training Portal, or inability to process queries or data due to a malfunction in Licensee's technology / technical environment. Downtime does not include unavailability of the Online Courses / Training Portal or inability to process queries or data caused by factors outside Licensor's reasonable control or caused by action or inaction of Licensee.

In the event that Uptime drops below 99.5% at any time during any calendar month, Licensor will reduce the L&M Fees for the subsequent payment period, as outlined on Page 1 of this Agreement, as follows:

Availability	Discount on the next twelve (12) month's L&M Fees
99.5 – 99.0%	5%
98.9 – 98.0%	10%
97.9 – 97.0%	15%
96.9 – 96.0%	20%
95.9 – 95.0%	30%
94.9 – 94.0%	40%
93.9 – 93.0%	45%
92.9% or less	50%

Exhibit B

REQUESTED CUSTOMIZATION

Licensor must receive all of Licensee's custom materials no later than 07/11/11 in order for the Commencement Date to coincide with the date that the Online Courses will be launched ("Launch Date"). In the event that Licensee is late in forwarding all of Licensee's custom materials to Licensor beyond the date indicated above, the Launch Date will be pushed back by the amount of the delay. For example, should Licensor not receive all of Licensee's custom materials until two (2) business days after the date indicated above, the Launch Date will be pushed back two (2) business days after the Commencement Date indicated on page 1 of this Agreement.

If the Licensee is unable to provide the Licensor with the customization materials by the date indicated above, the Licensor will send the Licensee a written request for materials. Thereafter the Licensee will have ten (10) business days to provide the materials. If after this time the Licensee is still unable to provide all customization materials, the Licensor will send written notification ("the Notification") of their intent to make a standard generic version of the Online Courses available to the Licensor so that training may commence. After receiving the Notification, the Licensee will have ten (10) business days to respond and provide all the necessary materials to customize the Online Courses; otherwise they will be deemed to have been accepted a standard generic version of the Online Courses, as determined by Licensor.

After all customization work has been completed, the Licensor will notify Licensee that the customized Online Courses are available for review. If the Licensee does not notify Licensor in writing within ten (10) business days thereafter of the existence of any issues that need to be addressed, Licensee will be deemed to have approved the customization work.

REQUESTED CUSTOMIZATION	
WPH4 LEVEL 1 BASIC CUSTOMIZATION PACKAGE	\$1,500.00
Up to 2 Course Versions (of 4 available) Licensee will have access to 2 course versions. The annual licenses available for the Workplace Harassment Online Course can be divided among these course versions as desired by Licensee. Course versions that Licensee can choose from are Licensor's 'pre-configured' course versions:	-\$150.00*
<ul style="list-style-type: none">• Manager Standard (2 hours*)• Manager Basics (50 - 55 minutes)• Employee Standard (1 hour)• Employee Basics (30 - 35 minutes)	
'Presentation Modes' (Video, Audio and Silent) are also included within each course version.	
*Please note that this course version contains a built in timer that ensures that at least 2 hours of training occurs.	
Customizations	
<ul style="list-style-type: none">• Incorporation of Licensee's Logo into the Course Toolbar.• Incorporation of Licensee's Policy. The Licensee's Policy is	

<p>accessible throughout the Online Course by clicking an icon in the navigation bar at the top of the screen. Licensee's Policy automatically appears at the end of the Online Course. Licensed Users must review and acknowledge the Licensee's Policy. Licensee's Policy is printable.</p> <p>The Online Course tracks not just completion of the training, but also receipt and acknowledgement of Licensee's Policy. The Online Course therefore acts as both a training and policy distribution tool.</p> <p>Licensee provides its formatted policies (not to exceed two policy documents) as Microsoft Word, HTML, or RTF documents. If Licensee provides more than two policy documents, additional fees may apply. ELT performs minimal formatting to the policies and incorporates them into the Online Course. Licensee may also provide a logo to be included at the top of the Policy screen.</p> <ul style="list-style-type: none"> • Incorporation of Licensee's Logo and Custom Acknowledgement Statement into Certificate Screen. The certificate at the end of the Online Course indicating the Licensed User's acknowledgement of both the training program and Licensee's Policy is customized to include Licensee's logo, and an acknowledgement statement specific to Licensee. Licensee provides an electronic version of the text to be included in the certificate and a logo for placement on the certificate screen. • Questions / Contact Information / Report Potential Incident Icon. The toolbar at the top of each screen in the Online Course includes an icon for Questions, Contact or "Report Potential Incident" information. When a Licensed User clicks this icon, s/he is given specific information about where to direct questions and report potential misconduct, including e-mail links if applicable. This information automatically appears along with Licensee's policy at the end of the Online Course. <p>NOTE: <i>This Customization Package Fee provides for one set of customizations which will be applied to all course versions unless separate customizations are provided for below.</i></p>	
<p>Integrity Suite 4</p> <p>INTEGRITY SUITE LEVEL 1 BASIC PLUS CUSTOMIZATION PACKAGE</p> <p>Vignette Selection - configuration of up to 2 course versions of Integrity Suite</p> <p>Licensee has the ability to create up to 2 course versions. Each course version may contain up to 8 vignettes. The annual licenses available for the Integrity Suite Online Course can be divided among these course versions as desired by Licensee. These course versions can be used by the Licensee to address either 2 different Licensed User populations or train a single Licensed User population on 2 different groups of topics. Licensee can (1) configure the course versions by selecting a combination of Licensor's pre-produced Vignettes (2) select the course versions from Licensor's pre-configured course versions. Pre-configured course versions include:</p> <ul style="list-style-type: none"> • Disability and Leaves - Employee Edition (35 minutes) • Disability and Leaves - Manager Edition (55 minutes) 	<p>\$3,500.00</p> <p>-\$700.00*</p>

- EEO - Employee Edition (25 minutes)
- EEO - Manager Edition (1.75 hours)
- Employment Law Basics - Beyond Harassment and Discrimination (1.25 hours)
- IT Policy and Privacy - Employee Edition (55-60 minutes)
- IT Policy and Privacy - Manager Edition (1.25 hours)
- Positive Employee Relations and Union Awareness - Basic Edition (35-40 minutes)
- Positive Employee Relations and Union Awareness - Standard Edition (2 hours)
- Violence and Bullying - Employee Edition (20 minutes)
- Violence and Bullying - Manager Edition (40 minutes)

'Presentation Modes' (Video, Audio and Silent) are also included within each course version.

Customizations

- **Incorporation of Licensee's Logo into the Course Toolbar.**
- **Incorporation of Licensee's Policy.** Licensee's Policy is accessible throughout the Online Course by clicking an icon in the navigation bar at the top of the screen. Licensee's Policy automatically appears at the end of the Online Course. Licensed Users must review and acknowledge the Licensee's Policy. Licensee's Policy is printable.

The Online Course tracks not just completion of the training, but also receipt and acknowledgement of Licensee's Policy. The Online Course therefore acts as both a training and policy distribution tool.

Licensee provides its formatted policies (not to exceed two policy documents) as Microsoft Word, HTML, or RTF documents. If Licensee provides more than two policy documents, additional fees may apply. ELT performs minimal formatting to the policies and incorporates them into the Online Course. Licensee may also provide a logo to be included at the top of the Policy screen.

- **Incorporation of Licensee's Logo and Custom Acknowledgement Statement into Certificate Screen.** The certificate at the end of the Online Course indicating the Licensed User's acknowledgement of both the training program and Licensee's Policy is customized to include Licensee's logo, and an acknowledgement statement specific to Licensee. Licensee provides an electronic version of the text to be included in the certificate and a logo for placement on the certificate screen.

<ul style="list-style-type: none"> • Questions / Contact Information / Report Potential Incident Icon. The toolbar at the top of each screen in the Online Course includes an icon for Questions, Contact or "Report Potential Incident" information. When a Licensed User clicks this icon, s/he is given specific information about where to direct questions and report potential misconduct, including e-mail links if applicable. This information automatically appears along with Licensee's policy at the end of the Online Course. <p>NOTE: <i>This Customization Package Fee provides for one set of customizations which will be applied to all course versions unless separate customizations are provided for below.</i></p> <p>Customization fees are paid once according to the payment terms set forth on Page 1 of this Agreement. Additional customization fees will only be incurred in Licensee makes subsequent changes to its customization, or if Licensee requests additional customization.</p>	
<p style="text-align: right;">TOTAL:</p>	<p style="text-align: center;">\$4,150.00</p>

Delivering ELT's Proven
Workplace Harassment and Integrity Suite
Online Compliance Solutions at



Endorsed by



Guide

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Executive Summary

Carson City seeks a legally sound way to train on workplace harassment prevention and other critical employment law-related topics. The training programs must effectively set behavioral expectations, cultivate a positive work environment, and help to establish strong legal defenses.

ELT's brand new Workplace Harassment and Integrity Suite online training courses represent real solutions that give learners needed guidance and maximize Carson City's legal protections.

Workplace Harassment. New in 2011! ELT's latest Workplace Harassment course delivers all-new legal content from Littler Mendelson, and all new story lines and characters—for a high-impact experience that shows the impact of harassment and teaches learners how to prevent it. More than 75 interactive exercises model behavior and reinforce the importance of reporting.

Integrity Suite is set against a backdrop of a newsroom telecast. The key to Integrity Suite is its library of 10 to 20 minute vignettes that address critical employment law topics. We have pulled a number of vignettes together to create course configurations that are ready to roll out today. We also give you the option of choosing your own vignettes for a training solution that is tailored to meet your content and course length needs.

These courses give you and your learners the tools needed to manage these critical legal risks.

- **Backed by Littler Mendelson.** These courses are built on the experience of more than 700 attorneys at the world's largest employment law firm. Every element is crafted to deliver rock solid legal content, address the latest harassment trends, create powerful legal defenses and withstand intense courtroom scrutiny.
- **Fully Vetted and Endorsed by SHRM,** the world's largest association dedicated to human resource management.
- **100% Completion Rates within 7 Days.** On average, 95% of learners complete ELT courses just 1.2 days after assignment – and 100% complete within 7 days.
- **Unrivalled Expertise.** The State of California recognized ELT's expertise when it appointed two of our members to the Blue Ribbon Advisory Committee tasked with writing regulations implementing the landmark compliance statute, AB 1825.
- **New Harassment Prevention Course every 2 Years.** We understand the importance of delivering a new training experience to your learners and of keeping training content fresh, contemporary and relevant to learners. That's why ELT will release a "new from the ground up" harassment course every two years.
- **The Only Proven Return on Investment in the Industry.** Only ELT's training content has been the subject of an independent ROI study – with a confirmed annual savings of \$2.2M and a 42% reduction in claims.

Carson City has built its reputation by delivering what it promises to customers and clients every day. So has ELT. It's what we do – and what we can do for Carson City.

Unrivaled Compliance and Employment Law Expertise

ELT was created in 1997 by **Little Mendelson**, the nation's largest labor and employment firm. Our state-of-the-art online training programs for managers and employees are now used by more than **5,000,000+ learners** in **2,000+ leading organizations**.

Focus on Quality, Reliable Content

ELT designs every course with an unwavering commitment to quality. Our courses use "**Legal Engineering™**" to maximize your defenses under both state and federal legal standards. They are vetted by the nation's most experienced labor lawyers.



True Partnership with Recognized Legal Experts

ELT is the only e-learning provider that designs and maintains up-to-date solutions in a *truly integrated*, day-to-day partnership with **Little Mendelson**. Little Mendelson is the world's most respected employment and compliance firm and ELT's true partner. That makes it your partner too.



Vetted and Endorsed by SHRM

All of ELT's courses have received the prestigious endorsement of the Society for Human Resources Management (SHRM), the world's largest association devoted to human resource management, and are recommended as the solution of choice.



Targeted Enterprise-Wide Solutions

ELT focuses on four subjects that should – and often *must* -- be taught to *every* employee. This allows us to focus our resources, avoid creating libraries of marginally relevant training subjects and create the highest quality courses on the four areas that represent the biggest compliance risks -- Workplace Harassment, Ethics & Code of Conduct, Wage & Hour and Integrity Suite (general employment law compliance).

We've earned the trust of your peers across the business community. We would like to earn your trust too as you roll out quality, cost-effective training across Carson City.

ELT's Workplace Harassment

ELT's brand new online Workplace Harassment course delivers all-new legal content from **Littler Mendelson**, and exciting new story lines and characters—for a high-impact experience that educates learners and maximizes your legal defenses.

New in 2011!

Set as a TV "news show," this brand new workplace harassment training course puts harassment lessons into a vivid, real-world context. Your learners see the impact of harassment and learn how to prevent it.

This course was again designed to meet every state and federal training requirement, including demanding standards in California (AB 1825) and Connecticut, and goes beyond sexual harassment to cover other protected categories like race, disability, and sexual orientation.

New Course Every Two Years

With the passage of mandatory training statutes in California, Maine and Connecticut, ELT committed to creating an entirely new Workplace Harassment training course every two years.

This course represents the latest installment on that commitment and delivers an entirely new training experience for your learners. This is not a "refresh" or "updated" course. This course is new from beginning to end. It delivers:

- **All New Digital Video!**
- **All New Original Story Lines!**
- **More than 75 New Interactive Exercises!**
- **38 New Characters / Performers!**
- **500+ New Graphics!**
- **All New Policy in Action Interactive Feature (optional)**

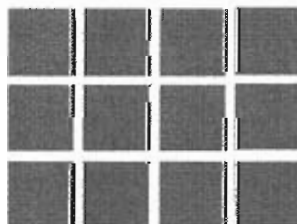
Standard 2 Hour Manager Course: Introduction and Course Orientation

4 Core Vignettes for
Managers & Employees



+

12 Core Manager-Only
Simulations



+

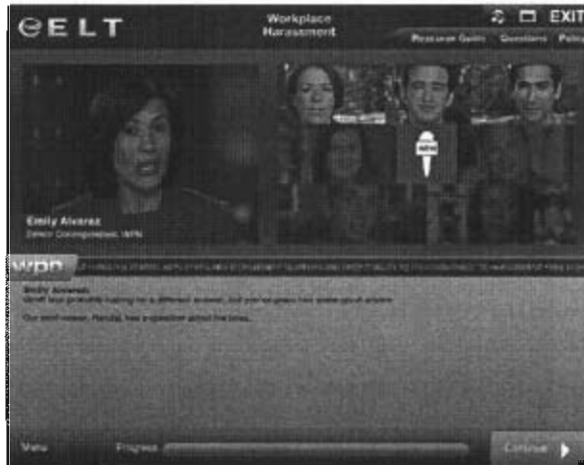
"Ask A Question" Icon &
Company Policies



Standard ELT Conclusion
Custom End-of-Course Client Policy Screen & Ask a Question Screen
Electronic Certification

Two Learning Experiences for Employees and Managers

Workplace Harassment is the next evolution in ELT's award winning, story-based harassment solution. It delivers two separate, but complimentary, learning experiences that provide a rich context for learning and delivers your message to learners.



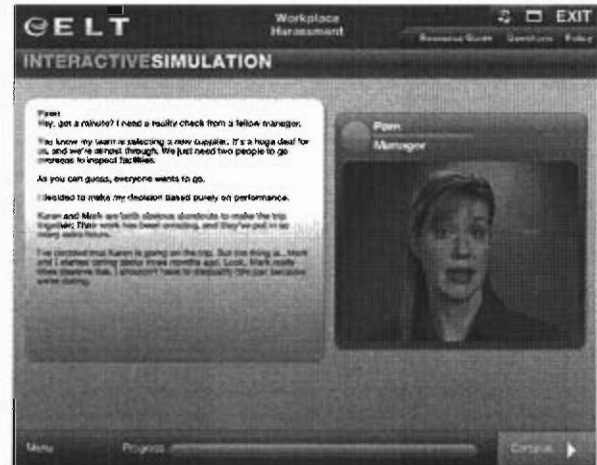
Story-based Vignettes Deliver Foundational Training for All Learners

Managers and employees both begin the course with foundational learning on critical workplace harassment issues.

Set as a TV "news show," this section shows the impact of harassment and how issues can be avoided.

The result? Managers and employees do more than just "take the training." They learn and appreciate the fundamentals of a discrimination-free workplace.

Mandatory interactive exercises reinforce lessons and provide practical guidance.



Manager-Only Simulations Model Appropriate Behavior

After taking the first hour of foundational training, managers then go on to an hour-long Manager-Only Simulations section.

In this highly interactive section, characters talk to your managers directly. Managers must find the best resolution and learn new skills.

These scenarios challenge managers to apply the lessons learned in the first section of the course to solve realistic problems drawn directly from Littler Mendelson's national employment law practice.

Workplace Harassment Summary



Special Manager-only Lessons

Practical skills to prevent and respond to harassment and retaliation.

The central role of your harassment policy

Definitions of workplace harassment under state and federal laws.

Prohibited vs. unlawful conduct.

The rule against retaliation / The duty to report & value of reporting.

The importance of respect and inclusion.

Potential personal liability.

Lessons for All Employees

Practical skills to detect, prevent and address harassment.

The responsibility to know and apply your harassment policy.

Receiving complaints, including from "silent," reluctant and chronic reporters.

The proper response to complaints and when to report "up the channel."

Investigation basics and confidentiality / Documentation and preserving evidence.

New and Emerging Trends in Today's Workplace Include:

- The Impact of and Policy Around Social Media Like Facebook
- New Technology and Tablet Computers at Work
- Harassment and Free Speech issues
- Bullying in the Workplace
- Religion and Discrimination against Muslims
- Sexual Orientation and Transgender issues

Recommended Course Length

Standard Employee Course: 1 hour /
Standard Supervisor Course: 2 hours.

Create custom course length.

Optional timer to meet min. training times

Delivery Options

High - Impactful digital video.

Medium - Audio & still images.

Low - Text & still images.

Easy, Effective Workplace Harassment Customization Options

Workplace Harassment delivers customizations options that make sense for your workplace.

Policy Inclusion	Your policies are embedded in the course under a "Policies" icon. They are accessible throughout the course and automatically appear before final certification.
Ask a Question Icon	Learners have access to contact internal contact information so they know where to go if they have additional questions.
Employer Procedures Icon	This icon allows employers to give guidance on wage and hour-related procedures that may not be expressly outlined in their policies. For example, employers using auto deduct timekeeping systems may use this icon for directions on how to change automated time entries.
Organization Logo	Your logo will be added to the login screen and every course screen.
Executive Introduction / Conclusion	Learners can be greeted by a custom message from your CEO or other leader. The message can be presented as still images with text, still images with text and audio, or as full-motion video.
Policy in Action	This optional feature pairs a searchable version of your Harassment Policies with custom questions you create. Learners search your policies to find answers – learning how to apply your policies to solve problems.
Electronic Certification	Before completing the course, a custom certification screen requires learners to confirm they have received, read and will follow your policies.

Examples of Popular Customization and Delivery Options

Organization
Logo on
Every Page

Video,
Picture &
Audio and
Text-only
Delivery
Options



Custom
Policy,
Question
and
Procedures
Icons

ELT's Integrity Suite

In today's business climate, assigning more and more traditional, "1 hour, 1 subject" training courses is simply not an option. Employers need a new approach to training and a new training tool that reflects today's business and legal environments.

Our solution is Integrity Suite. Integrity Suite replaces traditional "1 hour, 1 Topic" courses with a powerful library of 10 to 20-minute training vignettes.

Two Easy, Effective Ways to Leverage the Power of Integrity Suite

ELT gives clients two ways to leverage our collection prepared training vignettes for compliance solutions that make sense in today's workplace.

Option 1: Roll Out Easy, Cost Effective ELT "Pre-configured" Courses

For employers looking for "ready to roll out now" training solutions, ELT has created "preconfigured" courses that bring together vignettes on many of today's most pressing topics:

- **Disability & Leaves** – Manager and Employee Versions
- **EEO** – Manager and Employee Versions
- **Employment Law Basics – Beyond Harassment & Discrimination** – Manager Version Only
- **IT Policy & Privacy** – Manager and Employee Versions
- **Positive Employee Relations & Union Awareness** – Manager Version Only
- **Violence & Bullying** – Manager and Employee Versions

"Pre-configured" courses are extremely effective, easy to implement and save clients time.

Option 2: Create Your Own Course Configurations

For employers that want to choose their own vignettes, ELT gives clients the ability to create their own Integrity Suite course configurations. This lets you:

- **Focus on One Subject**, by choosing training vignettes that address your key compliance risks.
- **Address Multiple Topics**, by creating a course configuration that brings together vignettes on different topics.

Client-created course configurations give you the freedom to create training experiences tailored to your organization's specific needs.

Integrity Suite Content Library

Integrity Suite addresses today's most pressing employment law compliance topics.

- | | |
|--|--|
| 1. Age Discrimination | 15. Privacy Advanced |
| 2. Disability Accommodation | 16. Race & National Origin Basics |
| 3. Disability Discrimination | 17. Race Discrimination Advanced |
| 4. EEO Basics | 18. Reductions in Force |
| 5. Employee Complaint Management | 19. Religious Accommodation |
| 6. FMLA Basics | 20. Religious Discrimination |
| 7. FMLA Advanced | 21. Retaliation |
| 8. Hiring & Interviewing Lawfully | 22. Sex Gender Discrimination |
| 9. Investigations | 23. Sexual Orientation / Gender Identity |
| 10. IT Policy: (Electronic Resource Use) | 24. Terminating Lawfully |
| 11. IT Policy: (Technology Security) | 25. Union Awareness |
| 12. Performance Management & Discipline | 26. Union Organizing |
| 13. Pregnancy & FRD Discrimination | 27. Violence & Bullying Basics |
| 14. Privacy Basics | 28. Violence & Bullying Advanced |

Recommended Solution

Selected Courses

You have identified the following courses as meeting your needs:

Workplace Harassment – New in 2011!

60 mins. for employees, 120 mins. for managers or

Workplace Harassment is entirely new for 2011, featuring legal content from Littler Mendelson. Set as a TV "news show," this course puts harassment lessons into a vivid, real-world context and addresses the most important emerging issues impacting today's employers. Your learners experience the impact of harassment and learn how to prevent it. More than 75 interactive exercises model behavior and reinforce the importance of reporting. Going beyond sexual harassment to cover additional protected categories like race, disability and sexual orientation, Workplace Harassment meets every state and federal training requirement, including demanding standards in California (AB 1825) and Connecticut. A truly high-impact experience, the course is designed to educate learners and maximize your legal defenses.

Integrity Suite

Configure your own custom course.

You have chosen to configure your own course. You can choose up to 16 topics to be divided into 2 versions. There is a maximum of 8 topics allowed per version.

Integrity Suite is a highly flexible online training tool that educates your employees and managers on the most important employment law topics. The key to Integrity Suite is its library of 28 subject matter vignettes. Each 10-20 minute vignette delivers concise training on critical workplace compliance topics.

Scope of Services

48 Month Term

To meet your training requirements, ELT recommends a 48-month license agreement. This allows Carson City to train its target population annually an unlimited number of times with the designated courses.

Licenses can be allocated to any individual in any given license year. This flexibility in license allocation accommodates your need for “periodic” education required for employment training. It also allows you to respond effectively and efficiently to a variety of circumstances such as growth, turnover, downsizing, litigation and corporate programming.

Finally, this recommended fee structure also promotes stability and predictability in budgeting.

ELT Pricing Model

Based upon Carson City’s training and risk management needs, ELT recommends the following pricing model.

- An ongoing content license agreement that allows you to train selected learner populations over a multi-year license term.
- A separate License and Maintenance Fee is paid to ensure the technical stability, content accuracy and risk management effectiveness of the programs.

Sample Payment Schedule

<u>Year 1 Fees</u>	<u>Year 2 Fee</u>	<u>Year 3 Fee</u>	<u>Year 4 Fee</u>
– Set-Up/Integration Fee			
– Content Fee			
– Customization Fee			
– License & Maintenance Fee	▪ License & Maintenance Fee	▪ License & Maintenance Fee	▪ License & Maintenance Fee

*Assumes all customizations implemented in Year 1.
Customization changes in later years may result in additional charges*

Description of Fees

Set-Up Services Fee	Workplace Harassment	Workplace Harassment + Integrity Suite
	\$1,000 \$500	\$1,500 \$1,000
Set Up and Hosting services, <i>described in Set Up, Hosting and Training Management Section, below.</i>		
Content Fee	\$9,914	\$22,305
	\$8,923	\$16,508
Includes content for up to 330 learners in <u>each year</u> of the 48 month license term for the Workplace Harassment Course and up to 330 learners in <u>each year</u> of the 48 month license term for the Integrity Suite course.		
Customization Fee*	\$1,500	1,500
	\$1,350	\$1,350
For Workplace Harassment – Level 1 Basic		
Branded Training Portal [if ELT hosted]		
<ul style="list-style-type: none"> ▪ Include Your Workplace Harassment Policies ▪ Ask a Question Icon ▪ Organization Logo Added to Every Screen ▪ Custom Completion Certificate. ▪ Electronic Certification. 		
* Quoted fees reflect customizations chosen at time of implementation.		

Customizations requested later in agreement term may result in additional fees.		
Customization Fee* For Integrity Suite – Level 1 Basic Plus Branded Training Portal <ul style="list-style-type: none"> ▪ Include Appropriate Policies ▪ Ask a Question Icon ▪ Organization Logo Added to Every Screen ▪ Custom Completion Certificate. ▪ Electronic Certification. ▪ Multiple Industry and State-law Specific Course Version Options. <ul style="list-style-type: none"> – Course configurations consisting of client-selected vignettes (up to 8 vignettes per configuration) 	N/A	\$3,500 \$2,800
<i>* Quoted fees reflect customizations chosen at time of implementation. Customizations requested later in agreement term may result in additional fees.</i>		
Annual License and Maintenance Fee	Workplace Harassment	Workplace Harassment + Integrity Suite
For ELT-hosted Solutions <ul style="list-style-type: none"> ▪ Charged each year during our 4 year engagement ▪ Ongoing maintenance and verification of legal content to meet federal and state requirements. ▪ Ongoing maintenance and upgrade of course technology as necessary (quicker downloads, new communication protocols, new browsers, etc.) ▪ Ongoing 24/7/365 access to ELT's full featured Learning Management System ▪ Course & data hosting on ELT's high availability hosting infrastructure 	\$3,300 \$3,102	\$7,428 \$5,678

- Complete usage and completion tracking available 24/7/365
- Ongoing access to ELT's Customer Support Team and resources
- Ongoing access to ELT's Client Service Team to optimize implementation, roll-out and usage and completions
- On-going maintenance of client data and tracking of course versions
- In the event of litigation, a copy of the course files & script for the exact version of the course taken by the learner dispatched within 24 hours
- Consultation regarding optimal use of training materials in litigation defense
- Refresh of license for up to **330 learners in each year** of the 48 month license term for the Workplace Harassment Course and up to **330 learners in each year** of the 48 month license term for the Custom Configured Integrity Suite.

Payment Summary

	WPH	WPH + Integrity Suite	
	Proposed	Before Combo Discount & Add'l Incentives	Proposed
Year One Payment (Includes Set up, Content, Customization and 1 st yr L&M)	\$15,713 \$13,875	\$36,232	\$27,336
Year Two Payment	\$3,300 \$3,102	\$7,428	\$5,678
Year Three Payment	\$3,300 \$3,102	\$7,428	\$5,678
Year Four Payment	\$3,300 \$3,102	\$7,428	\$5,678
Total 4 Year Investment	\$25,614 \$23,180	\$58,516	\$44,370
Total Discount over 4 Year Term	- \$2,284 Represents 9.5% Total Discount	-\$14,146 Represents 25% Discount	

Thank you for allowing ELT to provide Carson City with this Proposal. We look forward to satisfying all of your compliance training needs and expanding our relationship as a resource for your team. The pricing discounts provided in this Proposal are in consideration of an executed agreement being returned by June 22, 2011.

Sincerely,

Paul Dixon

Account Executive

o: 817.503.9331 | m: 817.781.3023 | f: 415.981.9348 | pdixon@elt.com

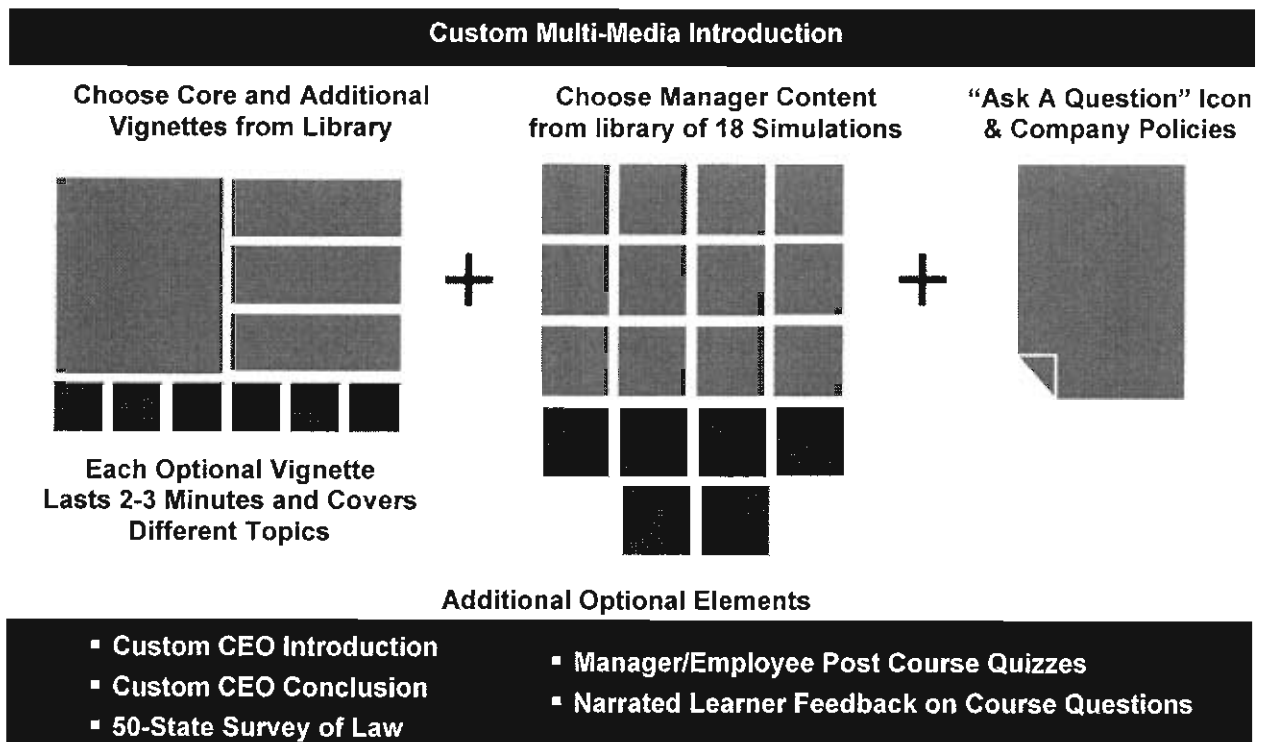
Additional Customization Options

“Level I Full” Customization Highlights

Level I Full Customization gives employers even more ways to customize content and tailor the course to their work environments with features like:

- **Optional Subject Matter Presentation.** Add to the employee-version with an optional 5th vignette. For managers, customize content and course length by choosing from our library of **18** prepared, manager-only simulations.
- **Additional Media Elements.** Add features like a custom, multi-media Introductions and Conclusions from your CEO or other company leaders.
- **Additional Course Resources.** Turn some or all of these features “on” or leave them “out” – including “Closer Look” Questions, the “HR Mentor” and other resource screens.

Illustration of Level 1 “Full” Customization Features



Detailed Level 1 Full Customization Features

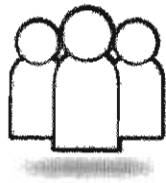
- **All Level 1 Customization Options (described above)**
- **Employee Version – 30 to 72 Minutes.** Level 1 Full Customization lets you build joint manager / employee content by choosing the number of core vignettes learners will experience. You can also add to your selections from this core content by adding up to up to **6** “mini vignettes” on emerging issues like sexual orientation and mental disability. Each mini-vignette lasts 2-3 minutes.
- **Manager Version – 60 to 180+ Minutes.** Level 1 Full Customization gives you the option of using our standard, **12** simulation manager configurations or building content by choosing which vignettes learners will experience from our library of **18** prepared simulations. This allows you to control content and course length.
- **Multi-media Introduction and Conclusion.** ELT gives you the ability to begin and end the course with messages from your CEO or other representative. The messages are custom, and include audio and photographs of your leaders, people and facilities. They send a powerful message and underline your commitment to a harassment-free workplace.
- **Optional Code in Action.** This ELT exclusive, pairs a searchable version of your workplace harassment policies with custom questions you create. In some exercises, learners search your policies to find the answers to your questions. In others, learners are forced to scroll to specific policy provisions. It’s hand-on learning that gives learners experience learning and using your policies.
- **Optional Remedies and 50-State Survey Screens (Managers-only).** ELT gives you the option to include/exclude two screens that introduce managers to potential state and federal remedies and that summarize key workplace harassment law in state and federal jurisdictions, such as covered protected categories and specific legal definitions of workplace harassment. These screens address the desire of some employers to introduce managers to these more substantive, in-depth materials, but should be carefully considered by most employers.
- **Optional Narrated Learner Feedback.** This option adds narration to the course, which tracks the written feedback given in response to course questions. This can add to the learner experience, but adds noticeably to run time and should be carefully considered.
- **Optional Learner Quizzes.** ELT also gives you the ability to supplement the program with an “end of course” quiz -- one for managers and one for employees. The final quiz is a recap of the key lessons in the program. Employers should carefully consider adding this feature given the volume of interactive questions & exercises already in the program.
- **Custom Completion Certificate.** The Certificate appears at the course end and confirms the learner’s acknowledgement of the training program and your policies. The Certificate can be customized to include your logo, and language specific to your organization.

Level 2 Customization Features

- **All of Level 1 Basic and Level 1 Full** (see above)
- **Editing Course Content.**
- **Creating Additional Course Versions.**
- **Your custom color scheme** featured on every course screen.
- **Change the name of the course** in the global tool bar.
- **Creating Client-Specific, Custom Vignettes.**

Core Compliance Library

Workplace Harassment



Our 50-state-compliant sexual harassment training course covers additional protected categories like race, disability, and sexual orientation.

- Endorsed by SHRM.
- Covers sexual harassment training fundamentals and emerging harassment issues.
- Optimized for AB 1825 compliance.

The Integrity Suite

EMPLOYMENT LAW BASICS



Integrity Suite is a new, flexible training tool that lets you leverage a powerful library of 10-20 minute training vignettes on many of today's most important employment law topics. For employers looking for "ready to roll out now" training solutions, ELT has created "preconfigured" courses that bring together vignettes on pressing topics like Disability & Leaves, EEO, Employment Law Basics, IT Policy & Privacy, Positive Employee Relations & Union Awareness and Violence & Bullying. For employers that want to control course content and overall course length, ELT gives clients the ability to make their own vignette choices and to create course configurations that are tailored to their specific training needs.

Wage & Hour



Educate your workforce about the basics of state and federal law as well as your policies.

- Establishes good faith defenses to wage and hour claims.
- Federal and state law configurable.
- Endorsed by SHRM.

Ethics & Code of Conduct



Comply with SOX directives, the Federal Sentencing Guidelines, and FAR regulations. Unique modular design lets you map course content to your Code, control course length, create different course versions, change course content over time, and track Code distribution. Available topics include: Anti-Money Laundering, Antitrust, Asset Protection, Code of Conduct Basics, Compensation & Bonuses, Competing and Dealing Ethically, Confidential Information, Conflicts of Interest, Document and Records Protection, Environmental Responsibility, Ethical Decision Making, FCPA, Financial Integrity, Fraud and Misappropriation, Gift Giving and Receiving, Government Contracting, Harassment and Discrimination, Health & Safety, Information Security, Intellectual Property, Insider Trading, Political Activity, Pretexting, Privacy, Record Keeping, Reporting, SOX, Social Responsibility, Technology Use, Third Party Management, Technology Use and Wage & Hour.

Set-Up, Hosting & Training Management

For nearly a decade, ELT has experienced unprecedented success assisting clients in running effective education and risk management programs. To date, more than 5,000,000 employees and managers in leading companies across the United States are using ELT's courseware. Our statistical completion rate consistently exceeds 95% (70% above the industry average)¹, and our high percentage of repeat customers illustrates our market-tested success in delivering the best in employment law training.

Dedicated Account Manager

Every client is assigned a dedicated Account Manager as a primary point of contact at ELT. The Account Manager manages your account and acts as a liaison to the various departments within ELT. Throughout the license term, the Account Manager is committed to meeting all of your training needs.

Help Desk and Administrator Training

For technical support, the Account Manager provides your organization with detailed FAQ's to assist with internal inquiries. The Account Manager then schedules a meeting with an ELT Technical Engineer and your technical support contact to conduct Help Desk Training.

Our goal in providing this pre-launch training is to give you as many tools as possible to ensure an effective and efficient training process. For issues that cannot be resolved by your Training Administrator or technical support contact, ELT technical support is available throughout the license term, Monday through Friday, 6:00 am to 6:00 pm PST.

Internal Marketing Program

Every ELT client is provided with a pre-launch internal marketing package. The materials include sample letters, memorandums, e-mails and posters to explain the training program to end-users, and more importantly, to encourage them to complete their course assignments. The Account Manager assists you in preparing these materials, which are fully customizable.

Ongoing Training Management

A dedicated Account Manager is in constant communication with your organization to address any problems, to provide ongoing guidance in the training rollout, and, most importantly, to ensure that end-users are finishing their assigned courseware.

¹ Seventy-five percent to 80% of people who start an e-learning course do not complete it. Zielinski, D. (2000). The Lie of Online Learning. *Training*, 37(2), 38-40; American Management Association, 1997.

Technical Requirements

Network Connection Requirements

Courseware runs from the Internet or an intranet (modem, Ethernet, or wireless network adapter required).

Video Version - Broadband (128kbps or faster) required

Audio Version - Dial-Up (48kbps) required, Broadband (128kbps or faster) recommended

Silent Version - Dial-Up (28.8kbps or faster)

ELT can provide course size/duration information for specific courses upon request.

Courseware Requirements

ELT courseware requires Adobe Flash Player and a minimum display resolution of 800 by 600 pixels. Video and audio versions of the courseware require a sound card, and either speakers or headphones. For specific processor speed and RAM requirements, see the requirements for the intended web browser and Adobe Flash Player.

ELT periodically updates its web browser requirements for courseware in response to web browser software vendor lifecycles as well as general usage statistics we observe from our clients. Up-to-date technical requirements can be found at <http://techspecs.elt-inc.com>. This web page provides the requirements for configurations we will immediately support. Other configurations may work, but will not be supported unless otherwise noted in this Agreement.

Licenser Learning Management System (LMS) Requirements (If Applicable)

All users of ELT's LMS must have session cookies and SSL enabled within their web browsers.

ELT periodically updates its web browser requirements for learner and administrator access to the LMS in response to web browser software vendor lifecycles as well as general usage statistics we observe from our clients. Up-to-date technical requirements can be found at <http://techspecs.elt-inc.com>. This web page provides the requirements for configurations we will immediately support. Other configurations may work, but will not be supported unless otherwise noted in this Agreement.

Select Client List

Automotive and Transportation Services

- Alexander & Baldwin, Inc.
- American Airlines (AMR Corporation)
- DaimlerChrysler Corporation
- DHL
- Matson Navigation Company, Inc.
- Toyota Motor Sales
- United Airlines

Banking, Financial & Insurance

- Charles Schwab & Co.
- CNA Financial Corporation
- HSBC, North America
- Northern Trust Corporation
- RBC Dain Rauscher Inc.
- Sun Life
- Zurich

Business & Consumer Services

- Bloomberg
- Jackson Hewitt Tax Services, Inc.
- KPMG LLC

Computer Hardware & Software

- Autodesk, Inc.
- Cisco Systems, Inc.
- Diebold, Inc.
- Electronic Arts Inc.
- Fujitsu America, Inc.
- Intuit Inc.
- Juniper Networks, Inc.
- Open Text Corporation
- Software AG

Construction & Real Estate

- Brown and Caldwell
- Desilva Gates aka Pacific States
- Grubb & Ellis Company
- Jones Lang LaSalle

Electronics & Telecommunications

- Jabil Circuit
- Nokia Corporation
- Solar Turbines, Inc.
- Sony Ericsson

Energy, Metals & Mining

- Aera Energy LLC
- Calpine Corporation
- Foundation Coal
- Peabody Investment Corporation

Food, Beverage & Hospitality

- American Golf Corporation
- Hyatt Corporation
- Sheraton Hotels of New York
- Sunbelt Beverage Company, LLC
- Young's Market Company, LLC

Healthcare & Pharmaceuticals

- AstraZeneca LP
- Beckman Coulter
- elan Pharmaceuticals, Inc
- LifeScan, Inc.
- McKesson Corporation
- Smith & Nephew
- Takeda Pharmaceuticals

Media

- Home Box Office
- The Hearst Corporation

Retail & Consumer Products

- bebe Stores, Inc.
- Bose Corporation
- Levi Strauss & Co.
- Neutrogena
- Office Depot, Inc.

Integrity Suite Course Configurations

What are a “Preconfigured Course and Course “Configurations”?

Integrity Suite is a modular course, giving you access to an extensive library of subject matter vignettes. A group of vignettes that is selected for delivery to learners is called a course “configuration.”

Integrity Suite course configurations can reflect: (1) content preselected by ELT, or (2) content selected by a client.

- Clients that do not wish to choose their own vignettes can use course configurations preselected by ELT. ELT “pre-configurations” include:
 - Disability & Leaves
 - Employment Law Basics – Beyond Harassment & Discrimination
 - EEO
 - IT Policy & Privacy
 - Positive Employee Relations & Union Awareness
 - Violence & Bullying
- Clients can create their own course configurations by choosing vignettes from our library. This gives clients maximum ability to tailor content to their specific needs.

Can Clients Create New Configurations or Change Existing Ones?

We understand that some clients may wish to:

- Keep training fresh by changing some or all of the vignettes presented to learners over time.
- Address new training challenges by choosing an entirely new set of vignettes in the future.

Because you will have access to Integrity Suite’s library of prepared vignettes, you can easily and cost-effectively create configurations at any time during the term of our agreement.

However, you may not change the vignettes presented in a course configuration once the configuration has been launched. Instead, you must create a *new* course configuration that reflects your new choice of vignettes. This is necessary to preserve the integrity of tracking and bookmarking data.

For example, suppose you rolled out a course configuration with 3 vignettes and now wants to add a 4th and 5th vignette. You cannot simply “add” the vignettes to your existing course configuration, mid roll-out. Instead, you must create a new course configuration that includes the new vignettes.

What is a Configuration Fee? When Is It Charged?

This pricing proposal gives you the ability to use 2 course configurations at any time over the course of our agreement. These configurations are detailed in the pricing section that follows.

Once you use 2 configurations, you must pay a configuration fee each time you launch an additional course configuration. This fee applies to both configurations you create and ELT pre-configurations.

How Are Integrity Suite Licenses Applied to Course Configurations?

A license is used each time a learner first accesses a course configuration. Each configuration represents, and is tracked as, an individual "course." This means:

- If learner accesses two course configurations, you will use 2 licenses.
- If you wish to train 1,000 learners on 2 configurations, you must buy 2,000 licenses.

Licenses can be applied to any course configuration. When you buy Integrity Suite licenses, the licenses are maintained in a pool that can be applied to any of the configurations you create or select. This means:

- If you buy 1,000 licenses, you can train 1,000 learners on one course configuration – or 500 learners on 2 configurations, or 300 on one configuration and 700 on another, and so on.

Your license pool refreshes in each License Year. Under our licensing strategy, your license pool "refreshes" in each year in our agreement. This means that a client that buys 1,000 licenses may train 1,000 learners in Year 1 of agreement, 1,000 learners in Year 2 and so on. As a result, a client who buys 1,000 licenses can:

- Train 1,000 employees in one course configuration in Year 1, and
- Train 1,000 employees on a second course configuration in Year 2.

The client does not need to buy any additional licenses so long as the total number of learners does not exceed 1,000 in any given year.

Note that licenses need not be assigned to the same learners from year to year. In the example above, the client can assign the licenses to one set of learners in Year 1 and to a different set of learners in Year 2.

Adding new configurations may require purchasing additional licenses. While ELT's approach to licensing offers great flexibility, clients should recognize that *many* Integrity Suite topics require regular, periodic training. For example, if you purchase 1,000 licenses of ELT's pre-configured EEO course, you will likely train annually, or at minimum, every other year on that topic. If you add a new configuration on Union Awareness, you will need to purchase additional licenses because your 1,000 licenses are already allocated to EEO.