## AGREEMENT BETWEEN THE COUNTY OF SAN MATEO AND CORNERSTONE ONDEMAND, INC.

THIS AGREEMENT, entered into this 31st day of October, 2009, by and between the COUNTY OF SAN MATEO, hereinafter called "County," and CORNERSTONE ONDEMAND, INC., hereinafter called "Contractor";

#### WITNESSETH:

WHEREAS, pursuant to Government Code Section 31000, County may contract with independent contractors for the furnishing of such services to or for County or any Department thereof;

WHEREAS, said CORNERSTONE ONDEMAND, INC. wishes to enter into Agreement to provide and support a countywide Learning Management System (LMS) and related services for the period from October 31, 2009 through October 30, 2012 with the right of the County, in its sole discretion, to extend the contract to October 30, 2013 or October 30, 2014 by exercising County reserved options; and

## NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

## 1. <u>Definitions</u>

**"County"** means the County of San Mateo and "**Contractor**" means Cornerstone OnDemand, Inc.

"Active User" means, in a given calendar month, a user established on the Software (defined below) with a designation of "active" at any time during that month.

"Affiliate" means a party that partially or fully controls, is partially or fully controlled by, or is under partial or full common control with, County.

"Confidential Information" means non-public information of Cornerstone or County to which the other party may have access, including, but not limited to, any Product (defined below), which information a reasonable person would consider confidential and/or which is marked "confidential" or "proprietary" by the Disclosing Party (defined below). "Confidential Information" does not include information whereby it can be established conclusively by the Receiving Party (defined below) that such Confidential Information: (i) was publicly known prior to the time of disclosure by the Disclosing Party; (ii) becomes publicly known after disclosure by the Disclosing Party through no wrongful action or omission of the Receiving Party or any of its employees, contractors, or agents; (iii) was already rightfully in possession of the Receiving Party at the time of disclosure by the Disclosing Party; or (iv) is independently developed by the Receiving Party without access to the Disclosing Party's Confidential Information. Furthermore, "Confidential Information" does not include any information required by law to be publicly disclosed.

- "Content" means any and all web-based courses, instructor-led training, and/or just-intime training licensed by or on behalf of County and/or any of its Active Users directly from Cornerstone; provided, however, that Content shall not include any Excluded Content (defined below).
- "Custom Software" means any and all Software (defined below) that has been modified in any way at the request of County.
- "Disclosing Party" means a party that discloses Confidential Information.
- "**Documentation**" means any and all implementation materials or other printed or electronic materials provided by Cornerstone to County or made available by Cornerstone to County, subsequent to the Effective Date (defined below), which relate to County's use of the Software (defined below).
- "Excluded Content" means any and all web-based courses, instructor-led training, and/or just-in-time training hosted by Cornerstone, but are licensed by County directly from a third party or are proprietary content of County.
- "Extended Enterprise Registration" means a registration for a particular course, test, session, certification program, material, or other learning object (whether or not the user actually commences or completes that course, test, session, certification program, material, or other learning object). Extended Enterprise Registrations may only be used in conjunction with the Extended Enterprise Solution Pack. Extended Enterprise Registrations shall be segregated from the Active User population (e.g., in a separate organizational unit hierarchy, in a separate portal, etc.). An Extended Enterprise Registration shall not constitute an Active User.
- "**Implementation**" means Cornerstone's initial implementation, deployment, and training relating to the Software (defined below).
- "Intellectual Property Right" means any patent, copyright, trade or service mark, trade dress, trade name, database right, goodwill, logo, trade secret right, or any other intellectual property right or proprietary information right, in each case whether registered or unregistered, and whether arising under the laws of the United States or any other jurisdiction, including without limitation all rights of registrations, applications, and renewals thereof and causes of action for infringement or misappropriation related to any of the foregoing.
- "**Products**" means any and all Content, Documentation, Services (defined below), work product resulting from Services, and Software (defined below).
- "Receiving Party" means a party other than Cornerstone or County that receives Confidential Information from a Disclosing Party.
- "Service" means any service rendered by Cornerstone to County, including, but not limited to: (i) licensing and/or hosting of the Software (defined below); (ii) licensing, hosting, delivery, and/or distribution of Content and/or Excluded Content; (iii) provision of second tier customer and/or technical support for the Software; (iv) provision of training; (v) development and licensing of Custom Software; (vi) implementation of the Software; and/or (vii) any consulting service.
- **"Software**" means: (i) any and all software on which Cornerstone operates, including all updates, revisions, bug-fixes, upgrades, and enhancements thereto, as well as Custom Software; (ii) Cornerstone's proprietary, ASP-managed platform, or any variation thereof, providing County with a human capital management portal configured

for some or all employees of County. "Software" includes neither Content nor Excluded Content.

### 2. Exhibits and Attachments

The following exhibits and attachments are included hereto and incorporated by reference herein:

Exhibit A— Implementation Services

Exhibit B— Schedule of Fees

Exhibit C – Product Description

Exhibit D - Customization of Portal

Exhibit E – List of Departmental Administrators and Countywide Administrators

Attachment I—504 Compliance

### 3. Services to be performed by Contractor

In consideration of the payments set forth herein and in Exhibit "B", Contractor shall provide all Products purchased by the County and perform all services in accordance with the terms, conditions and specifications set forth herein and in Exhibit "A".

Any and all Services shall be provided in a manner consistent with general industry standards reasonably applicable to the provision thereof. As of the Effective Date, the County has purchased Products according to the prices and quantities set forth in Exhibit B.

## 4. Cornerstone's Obligations

- a) <u>Support</u>. Cornerstone shall provide the following types of technical support to County:
  - (1) Administrative/User Support. Cornerstone shall provide second level asynchronous support for up to five (5) Countywide administrators and 35 departmental administrators whose names are set forth on Exhibit C. County acknowledges that its Active Users will initially contact County's internal administrators and/or help desk for first level support. If the administrator/help desk cannot resolve the issue, a County administrator (but not the Active User) may contact Cornerstone support via email, by phone, or by adding a case online through the "Care" function of the LMS.
  - (2) <u>Response Times</u>. Cornerstone's Standard Service Level Agreement can be found at: http://www.cornerstoneondemand.com/private/service.html. The Standard Service Level Agreement may be updated and/or changed from time to time upon reasonable notice to Client; provided, however, that the service levels shall not be materially diminished at any time

during the Term. A copy of the Standard Service Level Agreement current as of the Effective Date is attached hereto as Exhibit "F."

b) <u>County Assistance.</u> County agrees to promptly provide Cornerstone with sufficient documentation, data and assistance with respect to any reported errors, and to reasonably cooperate with Cornerstone, in order for Cornerstone to comply with its obligations hereunder. In no event shall Cornerstone be responsible or liable for any errors, bugs or other problems caused by hardware or software not provided by Cornerstone.

### 5. Payments

In consideration of the services provided by Contractor in accordance with all terms, conditions and specifications set forth herein and in the exhibits hereto, except as otherwise expressly agreed to by the parties in writing, County shall make payment to Contractor based on the rates and in the manner specified in Exhibit "B." The County reserves the right to withhold payment if the County determines that the quantity or quality of the work performed is unacceptable. In no event shall the County's total fiscal obligation under this Agreement exceed \$636,900 over the course of three years, plus \$195,415 if the County exercises its fourth year option, plus \$195,415 if the County exercises its fifth year option. Awarding this contract does not ensure that the County will spend the total amount of this Agreement. County is not obligated to purchase any specific amount of services, except the Learning Management System (for three years).

#### 6. Software License

<u>Grant</u>. Subject to the terms and conditions of this Agreement, and solely for the Term, Cornerstone hereby grants to County a worldwide, nonexclusive, non-sublicensable, non-transferable limited license to use the Software ordered and paid for by County solely as a human capital management system as set forth in Documentation and this Agreement.

Restrictions. In no event shall County or its employees, contractors, agents, or Affiliates use or deploy any of the Products: (i) in violation of applicable laws, rules or regulations; (ii) for commercial exploitation; or (iii) for any reason other than for the Products' intended purpose as set forth in the Documentation and/or this Agreement. Further, County shall not, and shall cause its employees, contractors, agents and Affiliates not to: (i) copy all or any portion of the Products; (ii) modify, translate or create any derivative works based upon any of the Products; (iii) reverse engineer, reverse assemble, decompile or otherwise attempt to derive source code from any of the Products or any part thereof; (iv) make any of the Products available to any unauthorized third parties; (v) distribute, disclose, market, rent, lease, assign, sublicense, pledge or otherwise transfer any of the Products; (vi) perform, or release the results of, benchmark tests or other comparisons of any of the Products with other software, services, or materials; (vii) permit any of the Products to be used for or in

connection with any facility management, service bureau or time-sharing purposes, services or arrangement, or otherwise used for processing data or other information on behalf of any third party; or (vii) use any of the Products other than in accordance with the terms and conditions of this Agreement. In the event of any violation of this Section 6, Contractor may immediately terminate this Agreement, in addition to any of its other remedies available at law or in equity.

<u>Proprietary Rights</u>. Except for the limited licenses expressly granted herein, as between the parties, Contractor will and does retain all rights, titles and interest (including, without limitation, all Intellectual Property Rights) in and to all of the Products and all derivatives, modifications or enhancements to any of the Products. County agrees, at Contractor's sole cost, to take any action reasonably requested by Contractor to evidence, maintain, enforce or defend Contractor's Intellectual Property Rights to the extent such action relates to County's use of the Software. County shall not take any action to jeopardize, encumber, limit or interfere in any manner with Contractor's or its licensors' ownership of and rights with respect to any of the Products. All rights relating to the Products not expressly licensed to County hereunder are hereby expressly reserved by Contractor

<u>License Covers all Current and Future County Users</u>. Subject to all of the other terms and conditions of this Agreement, County may allow any Affiliate to license and use the Software and/or Services provided by this Agreement, subject to the maximum number of Active Users set forth in this Agreement; <u>provided</u>, however, that County shall be responsible for the payment of all fees and costs associated therewith, shall ensure the compliance by any such Affiliate and its end users with the terms and conditions of this Agreement, and shall be responsible for any breach of such terms and conditions by such Affiliate and/or its end users.

## 7. Term, Renewal, and Termination

Subject to compliance with all terms and conditions, the term of this Agreement shall be from October 31, 2009 through October 30, 2012, through October 30, 2013 if the County exercises its fourth year option, through October 30, 2014, if the County exercises its fifth year option.

#### Termination.

In the event of termination, all finished or unfinished documents, data, studies, maps, photographs, reports, and materials (hereafter referred to as materials) prepared by Contractor under this Agreement, with the exception of Products, shall become the property of the County and shall be promptly delivered to the County. Upon termination, the Contractor may make and retain a copy of such materials. Immediately following the termination of this Agreement, County shall cease using all Products and shall return to Contractor all Documentation (as defined in Section 1 of the Agreement) and Confidential Information provided or made available to County (or, at Contractor's option, certify in writing that all Documentation and Confidential Information (as well as all copies thereof) have been destroyed. Subject to availability of funding, Contractor shall be entitled to receive payment for work/services provided prior to termination of the Agreement. Such payment shall be that portion of the full

payment which is determined by comparing the work/services completed to the work/services required by the Agreement.

- a) Material Breach. Without limiting any other rights or remedies that either party may have at law or in equity, either party may immediately terminate this Agreement if the other party materially breaches its obligations hereunder (other than payment obligations), and such breach has not been materially cured within forty-five (45) days of its receipt of written notice describing the breach in reasonable detail. In the event a payment obligation is breached, the non-breaching party may terminate this Agreement, without limiting any other rights or remedies that such party may have, if the breaching party has not cured such payment breach within ten (10) days after it has received written notice of such breach.
- b) <u>Bankruptcy Events</u>. Either party may immediately terminate this Agreement if the other party: (i) has a receiver appointed over it or over any part of its undertakings or assets; (ii) passes a resolution for winding up (other than for a bona fide scheme of solvent amalgamation or reconstruction), or a court of competent jurisdiction makes an order to that effect and such order is not discharged or stayed within ninety (90) days; or (iii) makes a general assignment for the benefit of its creditors.

## 8. Availability of Funds

The County may terminate this Agreement or a portion of the services referenced in the Attachments and Exhibits based upon unavailability of Federal, State, or County funds, by providing written notice to Contractor as soon as is reasonably possible after the County learns of said unavailability of outside funding.

## 9. Relationship of Parties

Contractor agrees and understands that the work/services performed under this Agreement are performed as an independent contractor and not as an employee of the County and that Contractor acquires none of the rights, privileges, powers, or advantages of County employees.

#### 10. Hold Harmless

Contractor shall indemnify and save harmless County, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of: (A) injuries to or death of any person, including Contractor, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) or any sanctions, penalties, or claims of damages resulting from Contractor's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations

promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of County, its officers, agents, employees, or servants, resulting from the performance of any work required of Contractor or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which County has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of Contractor to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

The County shall indemnify and save harmless Contractor, its officers, agents, employees, and servants from all claims, suits, or actions of every name, kind, and description, brought for, or on account of: (A) injuries to or death of any person, including the County, or (B) damage to any property of any kind whatsoever and to whomsoever belonging, (C) or any sanctions, penalties, or claims of damages resulting from County's failure to comply with the requirements set forth in the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, or (D) any other loss or cost, including but not limited to that caused by the concurrent active or passive negligence of Contractor, its officers, agents, employees, or servants, resulting from the performance of any work required of the County or payments made pursuant to this Agreement, provided that this shall not apply to injuries or damage for which Contractor has been found in a court of competent jurisdiction to be solely liable by reason of its own negligence or willful misconduct.

The duty of the County to indemnify and save harmless as set forth herein, shall include the duty to defend as set forth in Section 2778 of the California Civil Code.

## 11. Assignability and Subcontracting

Contractor shall not assign this Agreement or any portion thereof to a third party or subcontract with a third party to provide services required by Contractor under this Agreement without the prior written consent of County. Any such assignment or subcontract without the County's prior written consent shall give County the right to automatically and immediately, upon discovery, terminate this Agreement. County hereby consents in writing to allow Data Return, a contractor of Contractor, to protect, secure, host, and/or manage County's Active User data.

#### 12. Insurance

The Contractor shall not commence work or be required to commence work under this Agreement unless and until all insurance required under this paragraph has been obtained and such insurance has been approved by County Risk Management, and Contractor shall use diligence to obtain such issuance and to obtain such approval. The

Contractor shall furnish the County with certificates of insurance evidencing the required coverage, and there shall be a specific contractual liability endorsement extending the Contractor's coverage to include the contractual liability assumed by the Contractor pursuant to this Agreement. These certificates shall specify or be endorsed to provide that thirty (30) days' notice must be given, in writing, to the County of any pending change in the limits of liability or of any cancellation or modification of the policy.

- (1) Worker's Compensation and Employer's Liability Insurance The Contractor shall have in effect during the entire life of this Agreement Workers' Compensation and Employer's Liability Insurance providing full statutory coverage. In signing this Agreement, the Contractor certifies, as required by Section 1861 of the California Labor Code, that it is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions of the Code, and Contractor will comply with such provisions before commencing the performance of the work of this Agreement.
- (2) Liability Insurance The Contractor shall take out and maintain during the life of this Agreement such Bodily Injury Liability and Property Damage Liability Insurance as shall protect him/her while performing work covered by this Agreement from any and all claims for damages for bodily injury, including accidental death, as well as any and all claims for property damage which may arise from Contractor's operations under this Agreement, whether such operations be by himself/herself or by any sub-contractor or by anyone directly or indirectly employed by either of them. Such insurance shall be combined single limit bodily injury and property damage for each occurrence and shall be not less than the amount specified below.

#### Such insurance shall include:

Comprehensive General Liability	\$1,000,000
Motor Vehicle Liability Insurance	\$1,000,000
Professional Liability	\$1,000,000

County and its officers, agents, employees and servants shall be named as additional insured on any such policies of insurance, which shall also contain a provision that the insurance afforded thereby to the County, its officers, agents, employees and servants shall be primary insurance to the full limits of liability of the policy, and that if the County or its officers and employees have other insurance against the loss covered by such a policy, such other insurance shall be excess insurance only.

In the event of the breach of any provision of this section, or in the event any notice is received which indicates any required insurance coverage will be diminished or canceled, the County of San Mateo at its option, may,

notwithstanding any other provision of this Agreement to the contrary, immediately declare a material breach of this Agreement and suspend all further work pursuant to this Agreement.

## 13. Compliance with laws; Payment of Permits/Licenses

All services to be performed by Contractor pursuant to this Agreement shall be performed in accordance with all applicable Federal, State, County, and municipal laws, including, but not limited to, Health Insurance Portability and Accountability Act of 1996 (HIPAA) and all Federal regulations promulgated thereunder, as amended, and the Americans with Disabilities Act of 1990, as amended, and Section 504 of the Rehabilitation Act of 1973, as amended and attached hereto and incorporated by reference herein as Attachment "I," which prohibits discrimination on the basis of handicap in programs and activities receiving any Federal or County financial assistance. Such services shall also be performed in accordance with all applicable ordinances and regulations, including, but not limited to, appropriate licensure, certification regulations, provisions pertaining to confidentiality of records, and applicable quality assurance regulations.

In the event of a conflict between the terms of this Agreement and State, Federal, County, or municipal law or regulations, the requirements of the applicable law will take precedence over the requirements set forth in this Agreement.

Contractor will timely and accurately complete, sign, and submit all necessary documentation of compliance.

## **14.** Non-Discrimination and Other Requirements

- A. Section 504 applies only to Contractors who are providing services to members of the public. Contractor shall comply with § 504 of the Rehabilitation Act of 1973, which provides that no otherwise qualified handicapped individual shall, solely by reason of a disability, be excluded from the participation in, be denied the benefits of, or be subjected to discrimination in the performance of this Agreement.
- B. General non-discrimination. No person shall, on the grounds of race, color, religion, ancestry, gender, age (over 40), national origin, medical condition (cancer), physical or mental disability, sexual orientation, pregnancy, childbirth or related medical condition, marital status, or political affiliation be denied any benefits or subject to discrimination under this Agreement.
- C. Equal employment opportunity. Contractor shall ensure equal employment opportunity based on objective standards of recruitment, classification, selection, promotion, compensation, performance evaluation, and management relations for all employees under this Agreement. Contractor's equal employment policies shall be made available to County of San Mateo upon request.

- D. Violation of Non-discrimination provisions. Violation of the non-discrimination provisions of this Agreement shall be considered a breach of this Agreement and subject the Contractor to penalties, to be determined by the County Manager, including but not limited to
  - 1. termination of this Agreement;
  - 2. disqualification of the Contractor from bidding on or being awarded a County contract for a period of up to 3 years;
  - 3. liquidated damages of \$2,500 per violation;
  - 4. imposition of other appropriate contractual and civil remedies and sanctions, as determined by the County Manager.

To effectuate the provisions of this section, the County Manager shall have the authority to examine Contractor's employment records with respect to compliance with this paragraph and/or to set off all or any portion of the amount described in this paragraph against amounts due to Contractor under the Contract or any other Contract between Contractor and County.

Contractor shall report to the County Manager the filing by any person in any court of any complaint of discrimination or the filing by any person of any and all charges with the Equal Employment Opportunity Commission, the Fair Employment and Housing Commission or any other entity charged with the investigation of allegations within 30 days of such filing, provided that within such 30 days such entity has not notified Contractor that such charges are dismissed or otherwise unfounded. Such notification shall include the name of the complainant, a copy of such complaint, and a description of the circumstance. Contractor shall provide County with a copy of their response to the Complaint when filed.

- E. Compliance with Equal Benefits Ordinance. With respect to the provision of employee benefits, Contractor shall comply with the County Ordinance which prohibits contractors from discriminating in the provision of employee benefits between an employee with a domestic partner and an employee with a spouse.
- F. The Contractor shall comply fully with the non-discrimination requirements required by 41 CFR 60-741.5(a), which is incorporated herein as if fully set forth.
- 15. Compliance with Contractor Employees Jury Service Ordinance
  Contractor shall comply with the County Ordinance with respect to provision of
  jury duty pay to employees and have and adhere to a written policy that
  provides that its employees shall receive from the Contractor, on an annual
  basis, no less than five days of regular pay for actual jury service in San Mateo
  County. The policy may provide that employees deposit any fees received for
  such jury service with the contractor or that the contractor deduct from the
  employees regular pay the fees received for jury service.

### 16. Retention of Records, Right to Monitor and Audit

- (a) Contractor shall maintain all required records for three (3) years after the County makes final payment and all other pending matters are closed, and shall be subject to the examination and/or audit of the County, a Federal grantor agency, and the State of California.
- (b) Reporting and Record Keeping. Contractor shall comply with all program and fiscal reporting requirements set forth by appropriate Federal, State, and local agencies, and as required by the County.
- (c) Contractor agrees to provide to County, to any Federal or State department having monitoring or review authority, to County's authorized representatives, and/or their appropriate audit agencies upon reasonable notice, access to and the right to examine all records and documents necessary to determine compliance with relevant Federal, State, and local statutes, rules and regulations, and this Agreement, and to evaluate the quality, appropriateness and timeliness of services performed.

### 17. Merger Clause

This Agreement, including Exhibits A-E attached hereto and incorporated herein by reference, constitutes the sole Agreement of the parties hereto and correctly states the rights, duties, and obligations of each party as of this document's date. In the event that any term, condition, provision, requirement or specification set forth in the body of this Agreement conflicts with or is inconsistent with any term, condition, provision, requirement or specification in any exhibit and/or attachment to this Agreement, the provisions of the body of this Agreement shall prevail. Any prior agreements, promises, negotiations, or representations between the parties not expressly stated in this document are not binding. All subsequent modifications shall be in writing and signed by the parties.

## 18. Controlling Law

The validity of this Agreement and of its terms or provisions, as well as the rights and duties of the parties hereunder, the interpretation, and performance of this Agreement shall be governed by the laws of the State of California.

#### 19. Disclosure of Confidential Information.

a) <u>Confidentiality</u>. Each of the parties agrees: (i) not to disclose any Confidential Information to any third parties, except as mandated by law (including, but not limited to, the Public Records Act); (ii) not to use any Confidential Information for any purposes except carrying out such party's rights and responsibilities under this Agreement; and (iii) to keep the Confidential Information confidential using the same degree of care such party uses to protect its own confidential information; <u>provided</u>, <u>however</u>, that such party shall use at least reasonable care. These obligations shall survive for three (3) years after termination of this Agreement.

b) Remedies. If either party breaches any of its obligations with respect to confidentiality or the unauthorized use of Confidential Information hereunder, the other party shall be entitled to equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as money damages.

#### 20. Disclaimers of Warranties

- a. <u>General</u>. Except to the extent expressly provided for in this Agreement, the products are provided "As Is," and the County's use of the products is at its own risk. Except to the extent expressly provided for in this Agreement, Cornerstone does not make, and hereby disclaims, any and all warranties, whether implied or express, including, but not limited to, warranties of merchantability, fitness for a particular purpose, and any warranties arising from a course of dealing, usage or trade practice. Except as set forth in the Service-Level Agreement in Section 4 above, Cornerstone does not warrant that the products will be uninterrupted, error-free, virus-free, or completely secure.
- b. <u>Internet</u>. The products are subject to limitations, delays and other problems inherent in the use of the Internet and electronic communications. Except for the failure to maintain the Service-Level Agreement set forth in Section 4 above, Cornerstone is not responsible for any delays, delivery failures, or other damage resulting from such problems.

### c. Liability.

- 1. Limitation of Liability. Cornerstone will not be liable for lost profits, lost revenue, lost business opportunities, loss of data, interruption of business, providing replacement software or services, or any other indirect, special, punitive, incidental or consequential damages arising out of or related to this Agreement regardless of the theory of liability, even if it has been advised of the possibility of such damages. The parties acknowledge that the fees agreed upon between County and Cornerstone are based in part on these limitations, and that these limitations will apply notwithstanding any failure of any essential purpose of any limited remedy.
- 2. Maximum Liability. Cornerstone's maximum aggregate liability to County pursuant to this Agreement, including, without limitation, pursuant to Section 10, will be limited to the greater of: (I) Total amount of the software fees paid to Cornerstone by County hereunder for the twelve-month period immediately preceding the date the cause of action arose; or (II) The sum of FIFTEEN THOUSAND DOLLARS (\$15,000.00). The existence of more than one claim shall not expand such limit.

#### 21. Jurisdiction

Cornerstone and the County agree that any suit, action or proceeding arising out of, or with respect to, this Agreement or any judgment entered by any court in respect thereof shall be brought exclusively in the state or federal courts of the State of California located in the County of San Mateo, and Cornerstone and the County hereby irrevocably accepts the exclusive personal jurisdiction and venue of those courts for the purpose of any suit, action or proceeding.

#### 22. Miscellaneous Provisions

- 1. ForceMajeure. Neither party will be liable for any failure or delay in its performance under this Agreement due to any cause beyond its reasonable control, including acts of war, acts of God, earthquake, flood, weather conditions, embargo, riot, epidemic, acts of terrorism, acts or omissions of vendors or suppliers, equipment failures, sabotage, labor shortage or dispute, governmental act, failure of the Internet or other acts beyond such party's reasonable control, provided that the delayed party:

  (i) gives the other party prompt notice of such cause; and (ii) uses reasonable commercial efforts to correct promptly such failure or delay in performance.
- 2. *Counterparts; Facsimile.* This Agreement may be executed in any number of counterparts and in facsimile, each of which shall be an original but all of which together shall constitute one and the same instrument.
- 3. No Third Party Beneficiaries. The representations, warranties and other terms contained herein are for the sole benefit of the parties hereto and their respective successors and permitted assigns, and they shall not be construed as conferring any rights on any other persons.
- 4. Severability. If any provision of this Agreement is held by a court or arbitrator of competent jurisdiction to be contrary to law, such provision shall be changed by the court or by the arbitrator and interpreted so as to best accomplish the objectives of the original provision to the fullest extent allowed by law, and the remaining provisions of this Agreement shall remain in full force and effect.
- 5. Independent Contractors. County and Cornerstone are independent entities, and nothing in this Agreement shall create any partnership, joint venture, agency, franchise, sales representative or employment relationship between County and Cornerstone. Each party understands that they do not have authority to make or accept any offers or make any representations on behalf of the other. Neither party may make any statement that would contradict anything in this section.
- 6. *Headings.* The headings of the sections of this Agreement are for convenience only and do not form a part hereof, and in no way limit, define, describe, modify, interpret or construe its meaning, scope or intent.

- 7. No Waiver. No failure or delay on the part of either party in exercising any right, power or remedy under this Agreement shall operate as a waiver, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise or the exercise of any other right, power or remedy.
- 8. Non-Solicitation. For the duration of this Agreement, and for a one-year period from the date of the termination of this Agreement, the County's Information Services Department shall not: (i) solicit for employment or engagement, directly or indirectly through any other entity, any then current employee of Cornerstone; or (ii) solicit or attempt to convince any customer or vendor of Cornerstone to terminate its relationship with Cornerstone. If the County's Information Services Department breaches any of its obligations in this section, Cornerstone shall be entitled to equitable relief to protect its interest therein, including but not limited to, injunctive relief, as well as money damages.

#### 23. Notices

Any notice, request, demand, or other communication required or permitted hereunder shall be deemed to be properly given when deposited in the United State mail, postage prepaid, or when deposited with a public telegraph company for transmittal, charges prepaid, addressed to:

## In the case of County, to:

Teresa Henderson Training and Development Manager San Mateo County Human Resources Department 455 County Center Redwood City, Ca 94063

## In the case of Contractor, to:

Adam J. Weiss General Counsel Cornerstone OnDemand, Inc. 1601 Cloverfield Boulevard, Suite 620 Santa Monica, California 90404

## IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives,

# COUNTY OF SAN MATEO By: President, Board of Supervisors, San Mateo County Date: ATTEST: By:\_ Clerk of Said Board Cornerstone OnDemand, Inc. Contractor's Signature Date: 10-6-09

## Exhibit A Implementation Services

The following Statements of Work are incorporated herein in full by reference:

- -San Mateo County Certifications Implementation, dated \_October 1, 2009
- -San Mateo County Enterprise Performance Management Implementation, dated October 1, 2009

The County acknowledges that implementation of Tuition Reimbursement and Succession Platform each will require an additional, mutually agreed Statement of Work, and that such work is chargeable.

## Exhibit B Schedule of Fees For Year 1, Year 2 and Year 3

Service/Fees Description	Year1 (10/31/09- 10/30/10)	Year 2 (10/31/10- 10/30/11)	Year 3 (10/31/11- 10/30/12)	Year 4 (10/31/12- 10/30/13) (Optional)	Year 5 (10/31/13- 10/30/14) (Optional)
* License Fees – Based on 6,700 Users (see Exhibit C for Product Description):  • Standard Functionality  • Learning Platform (including one (1) Content Management System seat)  • Performance	\$162,300	\$162,300	\$162,300	\$170,415	\$170,415
Platform  Succession Platform  Tuition Reimbursement  Self-registration  Extended Enterprise Solution					
Block of 1,000 Extended Enterprise Registrations per year (unused registrations expire one year from date of purchase without refund)	Included	Included	Included	Included	Included
Annual Maintenance and Support (includes release updates)	Included	Included	Included	Included	Included
Total cost of annual licensing	\$162,300	\$162,300	\$162,300	\$170,415 (Optional)	\$170,415 (Optional)
Professional Consulting and Training Services @\$200/Hour (Optional)	\$ 20,000 (optional)	\$ 20,000 (optional)	\$ 20,000 (optional)	\$10,000 (optional)	\$10,000 (optional)
Content Purchases (Optional)	\$ 30,000 (optional)	\$30,000 (optional)	\$ 30,000 (optional)	\$ 15,000 (optional)	\$15,000 (optional)

Total for Year	\$212,300	\$212,300	\$212,300	\$195,415 (optional)	\$195,415 (optional)
Total for 3 Years = \$636,900					

#### Notes:

\*These non-refundable fees are invoiced on the Effective Date and each anniversary thereafter, as applicable. Prices shall remain constant for the first three years. Thereafter, Software fees shall not increase by more than five percent (5%) per annum. Any and all reasonable travel expenses arising from and/or relating to current or future Implementation and/or Consulting Services performed by Cornerstone, including, but not limited to, airfare, lodging, meals, and ground transportation, shall be reimbursed by the County, so long as such expenses do not exceed the total payment for services under this Agreement as set forth below.

In connection with implementation and other related services, County and Contractor shall provide the necessary resources to scope the work and shall also: (1) ensure project team attendance and active participation during all phases of the project and all status meetings; (2) manage project staffing and milestones; (3) manage project status and ensure completion of deliverables; (4) participate in scoping sessions or configuration reviews; (5) maintain responsibility for each end's change management, communication, and roll out plans; (6) validate and ensure available technical environment (high speed web access for all attendees during the training session); (7) maintain responsibility for any configuration changes after the implementation; (8) County shall identify training attendees and ensure their availability (9) County shall become self sufficient in product administration; (10) County shall ensure proper communication to end-users during implementation in preparation for roll out. For the duration of the Term, County shall continue to have access to its Pilot portal.

Contractor and County agree that requests or requirements beyond the scope of the products and services described in Exhibit "A" and Exhibit "B", and/or decisions that cause the delays in implementation, shall be subject to a change order.

Invoices and Payment. Cornerstone shall deliver monthly invoices, including a summary of all transactions conducted through Cornerstone with respect to such month, to the County for the fees set forth in this Agreement. Payment of fees will be due within 30 days after the receipt of invoice, except where this Agreement prescribes different payment dates. All payments must be made in U.S dollars. Late payments hereunder will accrue interest at a rate of 1.5 % per month, or the highest rate allowable by law, whichever is lower. In any event, the total payment for services under this agreement shall not exceed (SIX HUNDRED THIRTY SIX THOUSAND NINE HUNDRED DOLLARS (\$636,900.00) over the course of three years, plus \$195,415.00 if the County exercises its fourth year option, plus \$195,415.00 if the County exercises its fifth year option.

Additional Consulting Services (for any and all additional services not included in this exhibit) – invoiced monthly at \$200/hour in accordance with an associated Statement of Work.

## Exhibit C Product Description

#### STANDARD FUNCTIONALITY

#### Standard Functionality (included with every module)

#### Home

- <u>Welcome</u>: The Welcome page is personalized to give each user access to relevant system information, and may be configured by Organizational Unit.
- <u>Edit Preferences</u>: Users may edit limited personal details, such as email address, Cornerstone password, and vacation status.

#### Reports

Standard Reports: See the specific Platform and modules below for standard reports by category.

#### System Admin

- <u>Corporate Preferences</u>: Define the look and feel of Cornerstone to fit the culture of your enterprise.
   Administrators can also set up support information and define their fiscal year end date to facilitate reporting.
- <u>Users</u>: A complete list of every user registered with Cornerstone, this function is useful to look up individual
  users or groups of users. In this section it is also possible to see which rights a user has and which users
  have certain rights.
- <u>Email Administration</u>: Enables administrators to configure emails based on a number of pre-defined email triggers.
- Organizational Units: Enables the creation and editing of hierarchically-based organizational units (OUs), such as divisions, positions, and cost centers. Enables the creation of groups which combine other organizational units into custom OUs. Once established, many system preferences can be configured by OU.

#### MyTeam

 MyTeam Managerial View: MyTeam gives managers a highly graphical and entirely consolidated view into the talent management activities of their direct and indirect reports.

#### Standard Functionality

#### Analytics Module

- <u>Custom Reports:</u> The Custom Reporting Engine enables the generation of an unlimited number of ad hoc reports utilizing a wide range of criteria. Custom report criteria can be saved and shared with other Cornerstone users.
- Dashboards: Specific, highly graphical reports that can be set up for immediate access by specific audiences.

#### Self-Registration

• <u>Self-Registration</u>: New users can add themselves to the system from a dedicated self-registration workflow. This allows for new, unknown users to register without manual data entry or HRIS data feed.

#### **LEARNING PLATFORM**

#### Learning Management System

- <u>View Your Transcript:</u> In the Transcript, users can launch and manage all training, as well as view complete training histories.
- <u>Events Calendar</u>: This calendar is a graphical representation of all the events available to the user in their specific location from which he/she can view, request, and assign an event. They are also able to view, request, and assign events in other locations or regions.

<u>Proxy Enrollment</u>: Administrators may assign or enroll groups of users into any training item. Administrators
may also enroll users retroactively into past instructor-led events that were not entered into Cornerstone for
some reason.

#### Reports

- <u>Track Employees</u>: This suite of reports focuses on the manager tracking his/her subordinates. Managers
  can view past and present training requests, as well as viewing their subordinates' transcripts, employee
  records, and test scores.
- <u>Training Reports</u>: Depending on rights, this suite of reports shows generalized training information for either the entire enterprise or just the division of the person running the reports. Reports can also be run for content providers, incomplete training, required training status, and total aggregate training hours.
- <u>Billing Reports</u>: Administrators can view the billing reports to track costs for the enterprise as a whole, or for their cost center or division. Billing reports are controlled by rights, so users only see reports granted to them by administrators. The reports summarize transactions by provider, user, cost center, or manager.

#### System Admin

- <u>Catalog Management</u>: Catalog manager is used to define corporate access to subject areas and to select training providers for online and instructor-led training. Manage recent entries into the course catalog and associate them with subjects relevant to the learning objectives of your organization.
- <u>Knowledge Bank</u>: Administrators use this tool to personalize the Knowledge Bank, including adding topics and defining user roles and rights.
- <u>Curriculum Manager:</u> The Curriculum Manager enables authors to group training into sequenced required
  and elective training curricula. Curriculum owners can manage the curriculum worksheets of individual
  users, enabling the owners to make exceptions regarding required training for individual users and/or
  marking curriculum components as complete.

#### Instructor-Led Training Module

#### Main Features

- <u>Manage Events and Sessions</u>: The starting point for instructor-led training management. Administrators see a list of events with a listing of how many tentative, confirmed, and completed sessions belong to each event. Waitlists, exception requests, and interest tracking also are monitored from this page.
- <u>Create Sessions</u>: Create sessions for specified events. Each session may consist of multiple parts, which
  may have their own separate location, equipment, and instructors. Select registration deadline, charge date,
  price, availability, and other options.
- <u>Facilities and Equipment</u>: Manage and track facilities used for instructor-led training sessions, as well as the
  equipment used in each location. Administrators may also view room usage graphs to compare occupancy
  times across facilities.
- Vendors and Instructors: Administrators use this feature to maintain proper records on vendors and
  instructors, as well as to activate and inactivate vendors and instructors as enterprise training needs
  change. They can also enter detailed instructor profile information, as well as view a calendar of scheduled
  courses per instructor.

#### Reports

ILT Admin Reports: These are the reports for the instructor-led training interface of Cornerstone. The
reports focus on traditional classroom-based metrics of attendance, withdrawal and cancellation, and
request status.

#### Compliance Pack

- <u>Certification Management</u>: Tools to build, manage, and track certifications, licenses, accreditations, or other compliance issues. Includes one-time and recurring compliance items and links to learning management for delivery of content.
- Forms Management: Forms for regulatory compliance.

#### Content Management System (LCMS)

#### Main Features

- <u>Course Publisher:</u> The Course Publisher enables authors to publish industry-compliant proprietary content directly into the Cornerstone catalog.
- <u>Asset Importer:</u> Authors can manage content assets through the Asset Importer, providing for the storage and retrieval of assets used in content development.
- Surveys: The ability to build, distribute, and dynamically score any type of question-based survey.
- <u>Test Engine</u>: The Cornerstone Test Engine enables authors to create questions and configurable tests. Tests can be randomly generated by the system based from a defined pool of questions.

#### PERFORMANCE PLATFORM

#### Employee Performance Management System

#### Main Features

- Goals: Create an enterprise-wide cascading goal hierarchy, and track the progress of individual goals as they relate to their parent goals.
- <u>Performance Reviews</u>: The performance review system enables periodic performance reviews as well as interim comments from managers.

#### System Admin

<u>Performance Management</u>: This set of preferences defines the presentation of performance management
to the user. Administrators can define an entire competency model and scale, as well as add, edit, or
remove training associated with competency items (if Competencies are purchased). Also in this section,
administrators can define through what manager relationship the development plan approvals should be
routed.

#### Reports

Performance Reports: These are the reports for Cornerstone Performance.

#### Competencies/Development Plans

#### Main Features

- <u>Competency Management:</u> The Competency Management System automatically administers personalized 360-degree online assessments to determine employee competency gaps. Based upon the assessment results, employees are dynamically prescribed the appropriate training necessary to close these gaps. Employees can evaluate their current competency profiles against other jobs in the organization.
- <u>Development Plans</u>: Users may create objective-based development plans and attach training to fulfill these objectives. Administrators can create templates from which users may base their plans.

#### SUCCESSION PLATFORM

#### Succession Management Tools

- <u>Career Profiles (also known as Resumes):</u> Cornerstone allows employees to build and maintain personal
  profiles, including information on licenses, certifications, awards, education, professional roles, skills, and
  career preferences. These profiles can be utilized for succession planning, team building, and internal
  recruiting across the enterprise.
- <u>Team Builder:</u> Harnessing the user profiling feature of Cornerstone, managers and administrators can generate workgroups and teams on the basis of any combination of competency assessment scores, education level, professional roles, skills, and job level.
- <u>Candidate Search:</u> This internal recruiting tool enables basic and advanced searches for candidates who
  meet specified criteria to fill open positions.
- <u>Candidate Tracker:</u> The Candidate Tracker helps automate the workflow surrounding the screening of potential candidates identified through the Candidate Search tool.
- <u>Succession Management Planner</u>: The Succession Management Planner provides a group of tools for managers to identify high potential employees and potential successors within their immediate organizational structure.

#### System Admin

• <u>Task Management</u>: This tool allows administrators to create succession planning tasks for selected users. Also, administrators can define what attributes will comprise the career profile.

#### Reports

• <u>Talent Reports</u>: A number of talent management and succession planning reports are available.

#### **EXTENDED ENTERPRISE SOLUTION**

- Extended Enterprise Engine: Extended enterprise solutions are based on the following toolsets:
  - Self-registration
  - Portal Builder
  - Guest User Access
  - E-commerce
- <u>Extended Enterprise E-Learning Engine:</u> For the delivery of e-learning courseware from the Cornerstone aggregation
- <u>Compliance</u>: This includes Certifications and Forms tools in order to manage extended enterprise certification programs, especially those for partners.
- Instructor-Led Training Module: See above.
- Content Management System (LCMS): See above.

## Exhibit D Dual Login Functionality

San Mateo County and Cornerstone worked together in June 2009 to create dual login functionality for San Mateo County – My Career Development Site and My Health and Well Being (Private) Site. This allows San Mateo County to separate Career-related learning items from Private or health-related learning items. User records and all Organizational Units on the Career portal are duplicated and prefixed with an 'X' on the Private portal. This is accomplished through a script that Cornerstone runs as part of the nightly data feed. Users on the Private site don't have Manager or Approver designation. Learning items on the Private portal are all preapproved and don't go through Approver/Manager approval. Cornerstone shall provide the necessary maintenance and update for San Mateo County's Private and Career portals as patches, releases, or upgrades are deployed.

## Exhibit E Administrators

Department	LMS System Administrator	Training Coordinator
Assessor-Co Clerk Recorder	Julieta Fernandez 650-363-4779	Julieta Fernandez 650-363-4779
Child Support Services	Andrew Allee 650-363-4973	Manuela Sugars 650-363-1913
Controller	Gina di Gualco 650-363-4637	Elaine Chow 650-599-1127
Coroner	Karen Rodgers 650-312-5238	Jerry Cohn 650-312-5295
County Counsel	Angel D. Puckett 650-363-4679	Angel D. Puckett 650-363-4679
County Manager's Office / Board of Supervisors	Mina Lim 650-363-4124	Ashnita Narayan 650-363-4121
Public Safety Communications	Christine Steaveson 650-363-4135	Christine Steaveson 650-363-4135
Shared Services	Noel Coloma 650-363-4948	Noel Coloma 650-363-4948
Courts	Helen Alfassa 650-599-7466	Helen Alfassa 650-599-7466
District Attorney	Debbie Padilla 650-363-4685	Debbie Padilla 650-363-4685
First 5 San Mateo County	Maricela Watt 650-372-9500	Maricela Watt 650-372-9500
Health System Administration Policy/Planning	Aimee Wong 650-573-2033	Aimee Wong 650-573-2033
Aging and Adult Services	Sue Fisk 650-573-2533	Sue Fisk 650-573-2533
	Eleanor Makhlouf 650-573-3910	Eleanor Makhlouf 650-573-3910
Behavioral Health & Recovery S Services	Claudia Salada 650-573-2860	Martha Fuentes 650-573-2639
	Kathy Rae Brown 650-372-8543	Martha Fuentes 650-573-2639

Department	LMS System Administrator	Training Coordinator
	Elia Zapata	Martha Fuentes
	650-573-2495	650-573-2639
Community Health:		
Agricultural Services	Ronald Pummer	Ronald Pummer
	650-363-4700	650-363-4700
Department	LMS System	Training Coordinator
	Administrator	
Environmental Health	Larisa Margulis	Larisa Margulis
	650-372-6247	650-372-6247
Public Health	Pamela Machado	Elizabeth Schlief
	650-573-3726	650-573-2690
Correctional Health Services	Laurie Washer	Laurie Washer
•	650-363-4152	650-363-4152
Family Health Services	Kim Pijma	Kim Pijma
	650-573-2517	650-573-2517
San Mateo Medical Center	Wanda Showaker	Wanda Showaker
	650-573-2517	650-573-2271

Department	LMS System	Training Coordinator
Housing	Administrator Norman Pascoe	Yvonne Ho
Trousing	650-802-5008	650-802-3379
Human Resources	Noel Coloma	Noel Coloma
Human Resources	650-363-4948	i i
Hamon Comicos Access	<del></del>	650-363-4948
<b>Human Services Agency</b>	Kathy Merlo	Kathy Merlo
	650-802-7965	650-802-7965
	Marissa King	Marissa King
	650-802-6431	650-802-6431
	Helen McClain	Helen McClain
	650-802-6520	650-802-6520
Information Services	Vanita Narayan	Vanita Narayan
	650-599-7499	650-599-7499
LAFCo	Martha Poyatos	Virginia Diehl
	650-363-4224	650-363-1857
Library	Karina Labrenz	Karina Labrenz
	650-312-5258	650-312-5258
Parks	Gary Lockman	Gary Lockman
	650-363-1881	650-363-1881
Planning and Building	Virginia Diehl	Virginia Diehl
	650-363-1857	650-363-1857
Probation	Bridget Love	Shenay Franchi
	650-312-5261	650-312-5240
•	Katie Buckwalter	Shenay Franchi
	650-312-5235	650-312-5240
Public Works	Marney Taylor	Marney Taylor
	650-599-1451	650-599-1451
SamCERA (Retirement)	Gladys Smith	Gladys Smith
(	650-363-4821	650-363-4821
Sheriff's Office	Gina Sheridan	Gina Sheridan
	650-363-4699	650-363-4699
Tax Collector/Treasurer	Angey Rivera	Angey Rivera
	650-363-4398	650-363-4398
	Nilita Meitz	Nilita Meitz
	650-599-7230	650-599-7230
Revenue Services	Laura Williams	Laura Williams
20,0100 001,1000	650-363-4155	650-363-4155
Countywide LMS System	Belle Sierra (HR)	050 505-4155
Administrators (with access to	John Jones/Diane	
Cornerstone CARE)	Webster (ISD)	
OTHERSTONE CAME)	Noel Coloma (HR)	·
	Gabriel Aponte (HR)	
	Myla Garcia (HR)	
	1 ,	
	Teresa Henderson (HR)	

## Exhibit F Service Level Agreement

This Service Level Agreement does not become operative until Client has signed off on the Implementation Acceptance Form and Client's portal is live on Cornerstone's production environment. This applies to all License and Services Agreements with a reference to the SLA located at: http://www.cornerstoneondemand.com/private/serviceagreement/index.aspx.

\* Unless otherwise specified in Client's License and Services Agreement, Silver Service Level Agreements shall apply.

For further information on Cornerstone OnDemand's Global Customer Care offering, please contact your Account Manager or <u>click here</u>.

#### **DEFECTS**

A "Defect" is a technical defect with the Software. Defects fall into two general categories: major (Severity 1 and Severity 2) and minor (Severity 3). The "Severity" of a Defect is determined by Cornerstone, subject to the following definitions and parameters.

#### Major Defects

- Severity 1 (S1): A Defect that results in at least one of the following: (i) the Cornerstone URL
   (corporate.cyberu.com or client name.cyberu.com) produces no results, or (ii) Client's authorized users cannot log in to Cornerstone's application after repeated attempts. "Severity 1" does not include downtime for maintenance.
- <u>Severity 2 (S2)</u>: A Defect that results in any of the following: (i) an entire Software module (e.g., Learning Platform, Performance Platform, Succession Platform, etc.) is inaccessible; (ii) no Content or Excluded Content is being delivered; (iii) no queue will process any transactions; (iv) no report produces any data or the data has not been refreshed in less than twenty-four (24) hours; or (v) no tasks will launch.

	S1	\$22	
initial Notification	One (1) hour via an	Incident Report	
Status Updates	Every two (2) hours until resolution or as indicated in the Incident Report		
	Twelve (12) hours (Silver)	Twenty-four (24) hours (Silver)	
Resolution	Eight (8) hours (Gold)	Twelve (12) hours (Gold)	
Remedy	In the event that Cornerstone has not complied in all mate forth above, then, for each calendar day thereafter that C entitled, as its sole and exclusive remedy therefor, to a cre annual fees for Software set forth in the Agreement.	ornerstone has not so complied, Client shall be	

#### **Minor Defects**

• Severity 3 (S3): A Defect in one or more Software features.

For "Severity 3" Defects, Client reasonably determines its priority in having the Defect resolved, subject to the following definitions and parameters:

Priority:

- <u>Priority 1 (P1)\*</u>: A Defect causing a significant, measurable disruption to Client's productive use of the Software.
- <u>Priority 2 (P2)\*</u>: A Defect causing an insignificant disruption to Client's productive use of the Software.
- Priority 3 (P3): A Defect causing no disruption to Client's productive use of the Software.

<sup>\*</sup>Any issue not clearly labeled "Priority 1" or "Priority 2" by Client at the time of initial submission will be deemed a "Priority 3" issue.

		S3/P2	S3/P3
Initial Response/Case Generation	One (1) hour	•	
Validation/Diagnosis (Beginning 1/1/09)	Four (4) days (Silver)	Six (6) business days (Silver) With	
	Two (2) days (Gold)	Four (4) business days (Gold)	reasonable time period
Status Updates	Available 24/7 via eCare		
Resolution	Thirty (30) calendar days	Sixty (60) calendar days (Silver)	Within a reasonable
		Thirty (30) calendar days (Gold)	time period
Escalation	A Client business stakeholder (i.e., not a Client administrator) may escalate an S3/P1 defect to the Cornerstone Care Escalation Manager with a written statement-of-business-impact relating to the Defect. Cornerstone may agree to shorten the resolution time for the Defect following an assessment of risk and business impact.	N//	
Remedy	In the event that Cornerstone has not complied in all material respects with its "Resolution" obligations for S3/P1 and S3/P2 set forth above, then Client shall give Cornerstone prompt, written notice of such non-compliance. If, after five (5) business days from receipt of a notice of non-compliance, Cornerstone still has not resolved the problem, then Client shall be entitled, as its sole and exclusive remedy therefor, to a one-time credit** against Client's next bill equal to 1/365th of the annual fees for Software set forth in the Agreement.	N/ <i>4</i>	A

#### **GENERAL QUERIES**

Cornerstone endeavors to respond to all general queries about the Software within one (1) business day.

#### **SOFTWARE AVAILABILITY**

Cornerstone will provide at least 99.5% availability per calendar month to Software (excluding reasonable and scheduled maintenance periods, which usually occur at or after 6pm Pacific Time on Fridays). In the event that Cornerstone has not complied in all material respects with this Software availability obligation, then, for each 0.3% of availability below 99.5%, Client will be entitled, as its sole and exclusive remedy therefor, to a credit\*\* against Client's next bill equal to 1/365th of the annual fees for Software set forth in the Agreement, subject to the Client Assistance and Force Majeure sections of the Agreement.

\*\*To claim a credit, Client must submit a credit request within five (5) days of the event giving rise to a credit. Upon receiving the request, Cornerstone shall have five (5) business days to respond.