

MASTERCLASS JAMES PATTERSON COMPETITION OFFICIAL RULES

THESE OFFICIAL RULES CONTAIN AN ARBITRATION AGREEMENT, WHICH WILL, WITH LIMITED EXCEPTION, REQUIRE YOU TO SUBMIT CLAIMS YOU HAVE AGAINST YANKA INDUSTRIES INC., D/B/A MASTERCLASS TO BINDING AND FINAL ARBITRATION. UNDER THE ARBITRATION AGREEMENT, (1) YOU WILL ONLY BE PERMITTED TO PURSUE CLAIMS AGAINST YANKA INDUSTRIES INC., D/B/A MASTERCLASS ON AN INDIVIDUAL BASIS, NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY CLASS OR REPRESENTATIVE ACTION OR PROCEEDING, AND (2) YOU WILL ONLY BE PERMITTED TO SEEK RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ON AN INDIVIDUAL BASIS.

The MasterClass James Patterson Competition (the “Competition”) begins at 9:00 a.m. PT on February 16, 2016 (the “Competition Start Date”) and ends at 11:59 p.m. PT on May 9, 2016 (the “Competition End Date”). The Competition is sponsored by Yanka Industries Inc., d/b/a MasterClass (the “Competition Sponsor”). The Competition Sponsor’s computer is the official clock for the Competition.

1. **How to Enter:** To enter the Competition:

- (a) If you have not already, visit www.masterclass.com/classes/james-patterson-teaches-writing and sign up to take the “James Patterson Teaches Writing” class (the “Class”) by creating a MasterClass account and paying \$90.00 to enroll in the Class;
- (b) (i) Log in to your account at www.masterclass.com, (ii) click “James Patterson Teaches Writing”, (iii) click on the Competition module on the Lesson Plan page (the “Competition Page”) and (iv) complete the submission form, which requires submitting (A) a two (2) sentence summary of a book hook (of no more than 100 words) for a proposed book that is in the thriller or mystery genre (the “Genre”), (B) a summary (of no more than 300 words) of such proposed book, and (C) a sample chapter (of no more than 2000 words) from such proposed book between the period commencing on the Competition Start Date and 11:59 p.m. PT on March 22, 2016 (the “Initial Submission Period”); and
- (c) If selected as one of the three (3) finalists pursuant to Section 4 below, submit an outline of the proposed book in James Patterson’s style (an example of the outline style will be provided on the Competition Page, such outline to be 20+ pages) by emailing submissions@masterclass.com with the subject line “Competition Outline” between the period commencing on the date such finalist is notified of his or her selection and the Competition End Date (the “Final Submission Period”).

Each of the submitted materials outlined above must: (i) be in English, (ii) be in PDF format; (iii) use Arial 11 point font; (iv) use single-spaced text; (v) include page numbers and the book title on each page; and (vi) not include any other headers or footers.

By entering the Competition, you agree that you have read and will abide by these Official Rules. Limit of one (1) entry per entrant. If an entrant submits more than one (1) entry, including by enrolling in the Class more than once, such entrant may be disqualified. Participation in the Competition is voluntary. All entries are subject to the Competition Sponsor’s Terms of Service located at www.masterclass.com/terms and Privacy Policy located at www.masterclass.com/privacy.

2. Prize: Each of the ten (10) semi-finalists will receive \$1,000, and each of the three (3) finalists will receive an additional \$2,500. The grand prize winner of the Competition will receive: (a) an opportunity to co-author a future book with James Patterson and (b) an additional \$5,000. Neither the Competition Sponsor nor James Patterson represent that the co-authored book will be submitted for publication or, if submitted, accepted for publication. Odds of winning are affected by the number of eligible entries received by the Competition Sponsor by the Competition End Date. For purposes of these Official Rules, all semi-finalists, including the finalists and grand prize winner, are referred to as the “Winners”. The total approximate retail value of all prizes is \$22,500. The prizes will be awarded to each Winner within thirty (30) days of such Winner’s acceptance of the applicable prize, as set forth in these Official Rules. There is no substitution, cash equivalent or transfer of prizes allowed. In order to receive a prize, Winners may be required to provide proof of identification or eligibility and/or submit to a routine, confidential background check. All federal, state, and local taxes, if any, are the responsibility of the Winners. All Winners will be issued a 1099 U.S. Tax Form.

3. Eligibility: The Competition is open to legal residents of the United States (excluding Arizona and Louisiana) and the District of Columbia who are (a) at least 18 years old at the time of entry and (b) students enrolled in the Class. By

participating in the Competition, each entrant accepts the terms and conditions stated in these Official Rules, agrees to be bound by the decisions of the Competition Sponsor and warrants that s/he is eligible to participate in the Competition. Entries are limited to individuals only; commercial enterprises and business entities are not eligible. Employees, independent contractors, officers, and directors of the Competition Sponsor, its affiliates and subsidiaries, and their respective advertising, promotion, and fulfillment agencies, and legal advisors, and their immediate family members and persons living in the same household, are not eligible to participate in the Competition. COMPETITION IS VOID WHERE PROHIBITED OR RESTRICTED BY LAW and is subject to applicable federal, state, provincial/territorial and local laws and regulations. Entries that are submitted in connection with the Competition will only be eligible if (a) the entrant's submission materials do not contain content that is unlawful, hateful or obscene or that disparages any of the Released Entities (as defined below) in any respect, in each case, in the Competition Sponsor's sole discretion, (b) the entrant's submission materials are the original work of the entrant, (c) the proposed book outlined in the submission materials qualifies as a work in the Genre, in Competition Sponsor's sole discretion, and (d) the entrant and his or her submission materials otherwise comply with these Official Rules.

4. Selection of Winners:

Semi-Finalists

Ten (10) potential semi-finalists will be selected by a panel of writers selected by Competition Sponsor, in such panel's sole discretion, using the following criteria to judge the entrant materials submitted during the Initial Submission Period: 1/3 potential power of the story, 1/3 overall salability and 1/3 storytelling. In the event of a tie, the participant with the highest score for potential power of the story will be deemed a potential semi-finalist. The potential semi-finalists will be notified by e-mail by April 5, 2016. Such notification shall include instructions for proper acceptance of the semi-finalist prize by the potential semi-finalists. In the event (a) a potential semi-finalist does not accept a prize within forty-eight (48) hours of the e-mail notice, (b) a potential semi-finalist is ineligible or otherwise non-compliant with these Official Rules, (c) a potential semi-finalist is not an appropriate brand representative based on the results of the confidential background check, in the Competition Sponsor's sole discretion, or (d) the prize or prize notification is not deliverable, Competition Sponsor may, but is not obligated to, select an alternate semi-finalist in accordance with the criteria set forth above.

Finalists

Three (3) potential finalists will be selected from the ten (10) semi-finalists by James Patterson, in his sole discretion, using the following criteria to judge the semi-finalist materials submitted during the Initial Submission Period: 1/3 potential power of the story, 1/3 salability and 1/3 chapter pacing. In the event of a tie, the participant with the highest score for potential power of the story will be deemed a potential finalist. The potential finalists will be notified by e-mail by April 12, 2016. Such notification shall include instructions for proper acceptance of the finalist prize by the potential finalists. In the event (a) a potential finalist does not accept a prize within forty-eight (48) hours of the e-mail notice, (b) a potential finalist is ineligible or otherwise non-compliant with these Official Rules, (c) a potential finalist is not an appropriate brand representative based on the results of the confidential background check, in the Competition Sponsor's sole discretion, or (d) the prize or prize notification is not deliverable, Competition Sponsor may, but is not obligated to, select an alternate finalist in accordance with the criteria set forth above.

Grand Prize Winner

The grand prize winner will be selected from the three (3) finalists by James Patterson, in his sole discretion, using the following criteria to judge the finalist materials submitted during the Initial Submission Period and Final Submission Period, collectively: 1/3 potential power of the story, 1/3 overall salability and 1/3 storytelling. In the event of a tie, the participant with the highest score for potential power of the story will be deemed the potential grand prize winner. The potential grand prize winner will be notified by e-mail by May 24, 2016. Such notification shall include instructions for proper acceptance of the grand prize by the potential grand prize winner. In the event (a) a potential grand prize winner does not accept a prize within forty-eight (48) hours of the e-mail notice, (b) a potential grand prize winner is ineligible or otherwise non-compliant with these Official Rules, (c) a potential grand prize winner is not an appropriate brand representative based on the results of the confidential background check, in the Competition Sponsor's sole discretion, or (d) the prize or prize notification is not deliverable, Competition Sponsor may, but is not obligated to, select an alternate grand prize winner in accordance with the criteria set forth above.

General

The Competition Sponsor is not responsible for and shall not be liable for late, lost, misdirected or unsuccessful efforts to notify the potential or alternate Winners. Each Winner agrees to Competition Sponsor's use of his or her name, city, state (if applicable), country, likeness, and/or prize information for promotional purposes in any medium without additional compensation to the extent permitted by law. Where lawful, potential Winners may be required to sign and return an Affidavit of Eligibility, Release of Liability, and Publicity Release as a condition to qualifying as a Winner.

5. Content: By submitting content to the Competition Sponsor in connection with the Competition (including, without limitation, the book hook, summary, sample chapter and outline described in Section 1 above), you automatically represent and warrant that you have the right to grant, and do hereby grant, to Competition Sponsor the paid-up, royalty-free, perpetual, irrevocable, sublicensable, non-exclusive right and license to (a) use, reproduce, modify, adapt, publish, translate, create derivative works from, distribute, perform and display any such content (in whole or in part) worldwide and/or to incorporate all or any portion of it in other works in any form, media or technology now known or later developed for the full term of any patent, trademark, trade secret, copyright or other proprietary rights of any party that may exist in such content; and (b) use the content, including without limitation, the right and license to make, use, sell, offer for sale, and import any products and/or services which practice or embody, or are configured for use in practicing, all or any portion of the content. You warrant that the content has not been copied from any third party and its use by Competition Sponsor will not infringe or involve the misappropriation of any third party rights and agree to indemnify and hold harmless Competition Sponsor from and against any breach of this warranty. Under no circumstances will the Competition Sponsor be required to treat such content as confidential. The Competition Sponsor will be entitled to use the content in accordance with this Section without permission from or compensation to you or any other person. For the avoidance of doubt, the Competition Sponsor will not be liable to you or any other person for any ideas for the Competition Sponsor's business (including, without limitation, product designs or ideas) derived from the content and will not incur any liability as a result of any similarities to the content that may appear in any future products or services of the Competition Sponsor.

6. Conditions: The Competition Sponsor and James Patterson and their respective agents, directors, officers, shareholders, employees, insurers, servants, parents, subsidiaries, divisions, affiliates, predecessors, successors, representatives, advertising, promotion, and fulfillment agencies, and legal advisors (the "Released Entities"), are not responsible for, shall not be liable for, and hereby disclaim, to the fullest extent permitted by law, all liability arising from or relating to: (a) late, lost, stolen, delayed, damaged, misdirected, misaddressed, incomplete, unintelligible or postage-due entries; (b) telephone, electronic, hardware or software program, network, Internet, computer or other malfunctions, failures, or difficulties of any kind, whether human or technical; (c) failed, incomplete, garbled, or delayed computer or e-mail transmissions; (d) any condition caused by events beyond the control of the Competition Sponsor; (e) any injuries, losses, or damages of any kind arising in connection with or as a result of the prize, or acceptance, possession, or use of the prize, or from participation in the Competition; or (f) any printing or typographical errors in any materials associated with the Competition. The Competition Sponsor reserves the right, in its sole discretion, to suspend, modify or cancel the Competition should any unauthorized human intervention or other causes beyond the Competition Sponsors' control corrupt or affect the administration, security, fairness or proper conduct of the Competition. In the event that proper administration of the Competition is prevented by such causes as contemplated above, the Competition Sponsor will select the Winners from all eligible, non-suspect entries received prior to such occurrence. By participating in the Competition, participants (including the Winners) agree: (i) to release, discharge and hold harmless the Released Entities, and all others associated with the development and execution of the Competition, from any and all losses, damages, rights, claims and actions of any kind arising out of or relating to these Official Rules, the Competition, participation in the Competition, the prize, and/or acceptance, possession, use or misuse of the prize, including but not limited to statutory and common law claims for misappropriation or participant's right of publicity, and (ii) not to disparage any Released Entity or any of their respective products, services or works. Each Winner will indemnify the Related Entities against all claims, damages, liabilities and expenses (including reasonable attorney's fees) arising out of any breach of these Official Rules. The Competition, and all disputes, claims or controversies arising from these Official Rules, shall be governed by California law, without regard to its conflict of laws provisions.

7. Arbitration Agreement; Dispute Resolution by Binding Arbitration:

PLEASE READ THIS SECTION CAREFULLY AS IT AFFECTS YOUR RIGHTS.

(a) Agreement to Arbitrate: This Section is referred to in these Official Rules as the "Arbitration Agreement." You agree that any and all disputes or claims that have arisen or may arise between you and the Competition Sponsor, whether arising out of or relating to these Official Rules, the Competition, your participation in the Competition, the prize, acceptance, possession, use or misuse of the prize, any advertising, or any aspect of the relationship between us, shall be resolved exclusively through final and binding arbitration, rather than a court, in accordance with the terms of this Arbitration Agreement, except that you may assert individual claims in small claims court, if your claims qualify. Further, this Arbitration Agreement does not preclude you from bringing issues to the attention of federal, state or local agencies, and such agencies can, if the law allows, seek relief against us on your behalf. You agree that, by participating in the Competition, you and the Competition Sponsor are each waiving the right to a trial by jury or to participate in a class action. Your rights will be determined by a

neutral arbitrator, not a judge or jury. The Federal Arbitration Act governs the interpretation and enforcement of this Arbitration Agreement.

(b) **Prohibition of Class and Representative Actions and Non-Individualized Relief:** ***YOU AND THE COMPETITION SPONSOR AGREE THAT EACH OF US MAY BRING CLAIMS AGAINST THE OTHER ONLY ON AN INDIVIDUAL BASIS AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE ACTION OR PROCEEDING. UNLESS BOTH YOU AND THE COMPETITION SPONSOR AGREE OTHERWISE, THE ARBITRATOR MAY NOT CONSOLIDATE OR JOIN MORE THAN ONE PERSON'S OR PARTY'S CLAIMS AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A CONSOLIDATED, REPRESENTATIVE, OR CLASS PROCEEDING. ALSO, THE ARBITRATOR MAY AWARD RELIEF (INCLUDING MONETARY, INJUNCTIVE, AND DECLARATORY RELIEF) ONLY IN FAVOR OF THE INDIVIDUAL PARTY SEEKING RELIEF AND ONLY TO THE EXTENT NECESSARY TO PROVIDE RELIEF NECESSITATED BY THAT PARTY'S INDIVIDUAL CLAIM(S).***

(c) **Pre-Arbitration Dispute Resolution:** The Competition Sponsor is always interested in resolving disputes amicably and efficiently, and most participant concerns can be resolved quickly and to the participant's satisfaction by emailing the Competition Sponsor's support team at support@masterclass.com. If such efforts prove unsuccessful, a party who intends to seek arbitration must first send to the other, by certified mail, a written Notice of Dispute ("Notice"). The Notice to the Competition Sponsor should be sent to Yanka Industries Inc., d/b/a MasterClass, Attn: David Rogier, 515 Alabama Street, San Francisco, CA 94110 ("Notice Address"). The Notice must (i) describe the nature and basis of the claim or dispute and (ii) set forth the specific relief sought. If the Competition Sponsor and you do not resolve the claim within sixty (60) calendar days after the Notice is received, you or the Competition Sponsor may commence an arbitration proceeding. During the arbitration, the amount of any settlement offer made by the Competition Sponsor or you shall not be disclosed to the arbitrator until after the arbitrator determines the amount, if any, to which you or the Competition Sponsor is entitled.

(d) **Arbitration Procedures:** Arbitration will be conducted by a neutral arbitrator in accordance with the American Arbitration Association's ("AAA") rules and procedures, including the AAA's Supplementary Procedures for Consumer-Related Disputes (collectively, the "AAA Rules"), as modified by this Arbitration Agreement. For information on the AAA, please visit its website, <http://www.adr.org>. Information about the AAA Rules and fees for consumer disputes can be found at the AAA's consumer arbitration page, http://www.adr.org/consumer_arbitration. If there is any inconsistency between any term of the AAA Rules and any term of this Arbitration Agreement, the applicable terms of this Arbitration Agreement will control unless the arbitrator determines that the application of the inconsistent Arbitration Agreement terms would not result in a fundamentally fair arbitration. The arbitrator must also follow the provisions of these Official Rules as a court would. All issues are for the arbitrator to decide, including, but not limited to, issues relating to the scope, enforceability, and arbitrability of this Arbitration Agreement. Although arbitration proceedings are usually simpler and more streamlined than trials and other judicial proceedings, the arbitrator can award the same damages and relief on an individual basis that a court can award to an individual under these Official Rules and applicable law. Decisions by the arbitrator are enforceable in court and may be overturned by a court only for very limited reasons.

Unless the Competition Sponsor and you agree otherwise, any arbitration hearings will take place in a reasonably convenient location for both parties with due consideration of their ability to travel and other pertinent circumstances. If the parties are unable to agree on a location, the determination shall be made by AAA. If your claim is for \$10,000 or less, the Competition Sponsor agrees that you may choose whether the arbitration will be conducted solely on the basis of documents submitted to the arbitrator, through a telephonic hearing or by an in-person hearing as established by the AAA Rules. If your claim exceeds \$10,000, the right to a hearing will be determined by the AAA Rules. Regardless of the manner in which the arbitration is conducted, the arbitrator shall issue a reasoned written decision sufficient to explain the essential findings and conclusions on which the award is based.

(e) **Costs of Arbitration:** Payment of all filing, administration, and arbitrator fees (collectively, the "Arbitration Fees") will be governed by the AAA Rules, unless otherwise provided in this Arbitration Agreement. Any payment of attorneys' fees will be governed by the AAA Rules.

(f) **Confidentiality:** All aspects of the arbitration proceeding, and any ruling, decision, or award by the arbitrator, will be strictly confidential for the benefit of all parties.

(g) **Severability:** If a court or the arbitrator decides that any term or provision of this Arbitration Agreement other than clause (b) above is invalid or unenforceable, the parties agree to replace such term or provision with a term or provision that is valid and enforceable and that comes closest to expressing the intention of the invalid or unenforceable term or provision, and this Arbitration Agreement shall be enforceable as so modified. If a court or the arbitrator decides that any of the provisions of clause (b) is invalid or unenforceable, then the entirety of this Arbitration Agreement shall be null and void. The remainder of these Official Rules will continue to apply.

(h) **Conflict:** In the event of any conflict between any term or condition in this Section 6 and any term or condition in the MasterClass Terms of Service located at www.masterclass.com/terms, then the applicable term or condition in this Section 6 shall apply.

7. Winner List: For the first name, last initial, city and state of the Winners or a copy of these Official Rules, send a self-addressed envelope within ninety (90) days of the Competition End Date to the Competition Sponsor (residents of Vermont and Washington may exclude postage).

8. Competition Sponsor:

Yanka Industries Inc., d/b/a MasterClass
515 Alabama Street
San Francisco, CA 94107

9. Notice: The Competition Sponsor reserves the right to prosecute and seek damages against any individual who attempts to deliberately undermine the proper operation of the Competition in violation of these Official Rules and/or criminal and/or civil law.

10. Copyright © 2016 Yanka Industries Inc. All rights reserved. Yanka Industries, MasterClass and any associated logos are trademarks of the Competition Sponsor. Any other trademarks in these Official Rules are used for prize identification purposes ONLY and are the properties of their respective owners.