

APPLETON HOMETOWN \$5,000 SCHOLARSHIP 2012

SCHOLARSHIP TERMS AND CONDITIONS

SPONSOR: Appleton Learning Corporation ("Appleton")

1. ELIGIBILITY: The Appleton Learning Hometown \$5,000 Scholarship 2012 is open solely and exclusively to Juniors and Seniors attending, at the time of application, a public or private high school or home-schooled in Madison County, Alabama and who will enroll no later than the fall of 2013 in an accredited post-secondary institution of higher learning (such as a college, university, or trade school). Applicants must not be a current employee, officer, or director of Appleton or a member of their immediate family (defined as a spouse, parent, sibling or child) or a person residing at the same address as a current Appleton employee, officer, or director or member of their immediate family. Void where prohibited.

2. HOW TO ENTER: To apply for this scholarship, beginning October 18, 2011, submit a complete, signed Scholarship Application, together with supporting documentation, including, but not limited to, an official high school transcript, a copy of your ACT Test baseline score and a copy of your ACT Test final score, no later than the close of business on **Monday, March 12, 2012**. Limit one (1) application per person. Appleton accepts no responsibility for incomplete applications, applications not in proper form, lost applications, late applications, misdirected applications, unintelligible entries, or any other submission in exception to the instruction herein. If an application is confirmed by Appleton to have been erroneously lost or destroyed, the applicant's sole and exclusive remedy shall be the submission of another application, if, and only if, time permits. The completion and submission of an application form does not create an obligation to award a scholarship to applicant. All applications become the property of Appleton and will not be returned. By submitting an application, applicant fully and unconditionally accepts and agrees to these Scholarship Terms and Conditions and the decisions of Appleton, which are final, binding, and not subject to a review process. An applicant's failure to abide by any of the Scholarship Terms and Conditions shall result in either disqualification of the scholarship award or termination of the scholarship award.

Send complete application and all documentation to:

Appleton Learning
Attn: Marketing Department
200 Clinton Avenue; Suite 1000
Huntsville, Alabama 35801

Applications must be received by the close of business on Monday, March 12, 2012.

3. SELECTION OF A POTENTIAL SCHOLARSHIP RECIPIENT: Appleton is looking for eligible applicants who have increased their ACT Test score from their first ACT Test taken to their final ACT Test taken. The baseline or first ACT Test score is considered to be the very first ACT Test taken by applicant. The final ACT Test score is considered to be the last ACT Test taken by applicant (scores from the February 11, 2012 ACT Test will be accepted). The applicant with the greatest increase between the baseline ACT Test score and the final ACT Test score will be the potential scholarship award recipient. Applicant must submit a copy of the ACT Test score (either from ACT website/email notification or written letter notification). Appleton reserves the right to, and the applicant expressly authorizes Appleton to, verify the ACT Test scores, as Appleton deems necessary. In the event there is a tie between two or more

applicants, all applicants having the same ACT Test score increase will be contacted and asked to submit a short original, previously unpublished written response to the scholarship tie-breaker topic, ***“If you could change one thing about the Education System in America, what would it be?”*** The deadline for receipt of an applicant's written response to the tie-breaker topic is **April 16, 2012**. Applicant's written response must be written in English, with correct spelling and grammar, and it must not exceed two-hundred fifty (250) words. No substitutions of new drafts or corrected pages will be accepted once an applicant has submitted his or her original response. A written response that is obscene, pornographic, libelous or otherwise objectionable, in the sole and exclusive opinion of Appleton, will be disqualified. On or about **April 30, 2012**, a scholarship selection committee will select one (1) potential scholarship recipient based on the criteria of writing ability (25%), creativity (25%), originality (25%), and overall excellence (25%). The decision of the scholarship selection committee is final and not subject to a review process. The potential scholarship recipient will be notified by e-mail, at which time the winner will be required to provide and sign further documentation, as explained below. Appleton shall have no liability to any potential award recipient whose notification is lost, intercepted, or not received by the potential award recipient for any reason. The scholarship selection process and award shall be made without regard to age, race, color, national origin, sex, sexual orientation or disability.

4. SCHOLARSHIP AWARD: One (1) applicant may receive a scholarship award in the amount of five thousand dollars and zero cents (\$5,000.00). The scholarship award will be in the form of a check made payable to the accredited post-secondary institution of higher education attended by the scholarship award recipient (when, and only when, the scholarship award recipient has enrolled in an accredited post-secondary institution of higher education and submits proof of enrollment to Appleton). The scholarship award recipient shall submit proof of enrollment on or before July 31, 2013; otherwise, the recipient may lose the scholarship award. The scholarship awarded by Appleton and any rights, duties, or obligations created by the scholarship awarded by Appleton shall not be assigned, transferred, delegated, pledged, or changed without the prior written consent of an authorized Appleton agent. The scholarship award is contingent upon the complete, absolute, and unconditional compliance with these Scholarship Terms and Conditions. The applicant acknowledges that he or she is, and agrees to be, bound by the Scholarship Terms and Conditions. The applicant also acknowledges and agrees that, if he or she is selected as the scholarship award recipient, but he or she fails to provide proof of identity, refuses to provide required documentation, refuses to complete any requested tax forms (such as an IRS W-9 form), is found to have violated the Scholarship Terms and Conditions, or otherwise does not meet eligibility criteria, the scholarship shall be forfeited and the applicant who submitted the application with the next highest ACT Test score differential or, as appropriate, the applicant with the next highest score from the tie-breaker written response shall become the alternate scholarship award recipient. Each applicant acknowledges, understands, and represents that Appleton shall not be liable for any injuries, losses, or damages of any kind concerning or relating to his or her participation in this scholarship program or his or her acceptance, possession, or use of the scholarship award. Appleton shall not be responsible for any typographical or other error in the printing of the offer, administration of the scholarship program, or in the announcement of the scholarship award. Applicants are encouraged to seek independent counsel from a certified tax consultant as the scholarship award recipient shall be solely and exclusively responsible for all other costs, liabilities, and obligations, including any applicable taxes from the award of this scholarship, as federal, state, and local laws may change and vary from one state or locality to another state or locality. The scholarship award recipients shall be issued appropriate tax forms (such as a IRS 1099).

5. PRIVACY: By submitting an application, the applicant represents and acknowledges that Appleton may also call and/or send him or her information it thinks may be of interest to the applicant.

6. PUBLICITY: By accepting a scholarship award, Appleton shall have the right to use and republish the submitted application, ACT Test scores, essays and related submissions or any contents of those documents; it may reference and acknowledge applicant's name and authorship of the application, essays, and related submissions; and may use the applicant's name, image and likeness, for any purpose concerning or relating to the scholarship, including, but not limited to, any promotional materials, internal sites, websites (such as www.appletonlearning.com), external company sites, press releases, and any social media.

7. OWNERSHIP: All application submissions, including, but not limited to, the application, ACT Test score documentation, and essays, shall become the property of Appleton regardless if the applicant is awarded the scholarship. In addition, the applicant shall execute a Consent and Release Form, which may be reviewed by the applicant at the above-referenced address of Appleton. Each applicant hereby irrevocably grants, transfers, sells, assigns and conveys to Appleton, its successors and assigns, all present and future right, title, and interest of every kind and nature whatsoever, including, but not limited to, all copyrights, and all rights incidental, subsidiary, ancillary or allied thereto (including, without limitation, all derivative rights) in and to the application, ACT Test score documentation, and essays for exploitation throughout the universe, in perpetuity, by means of any and all media and devices whether now known or hereafter devised. Appleton shall have the right, in its sole discretion, to edit, composite, morph, scan, duplicate, or alter, the application, ACT Test score documentation, and essays for any purpose which Appleton deems necessary or desirable, and each applicant irrevocably waives any and all so-called moral rights he or she may have in the application, ACT Test score documentation, and essays submitted by him or her. Each applicant hereby acknowledges that such applicant does not reserve any rights in and to application, ACT Test score documentation, or essays.

8. DISPUTE RESOLUTION: By submitting an application, the applicant acknowledges and agrees that all issues and questions arising from, concerning, or relating to this scholarship program or a scholarship award, the construction, validity, interpretation and enforceability of the Scholarship Terms and Conditions, the rights, obligations, or acts or omissions of applicants, recipients, Appleton, and their officers, directors, agents, employees, heir, successors, and assigns shall be governed by and construed exclusively in accordance with the laws of the State of Alabama, without regard to any conflicts of law principles. Applicant acknowledges and agrees that any and all controversies, disputes, claims, causes of action, or demands for legal or equitable relief arising from, concerning, or relating to this scholarship program or a scholarship award, the construction, validity, interpretation and enforceability of the Scholarship Terms and Conditions, or the rights, obligations, acts or omissions of applicants, recipients, Appleton, and their officers, directors, agents, employees, affiliates, parents, subsidiaries, heirs, successors, and assigns shall be settled by binding arbitration in Huntsville, Alabama administered by the American Arbitration Association under its Commercial Arbitration Rules. Any judgment on the award rendered by the arbitrator(s) shall be entered solely and exclusively in a state or federal court located in Madison County, Alabama, and applicant expressly consents and irrevocably submits to the exclusive personal jurisdiction of such courts for the purposes of entering any such judgment. The decision of the arbitrator(s) shall be final and binding, and the arbitrator(s) shall determine all issues of arbitrability or the scope of this arbitration provision. **ANY RIGHT TO TRIAL BY JURY IS HEREBY WAIVED.** Any and all claims, judgments, relief, or awards shall be and are limited to the lesser of: (1) the actual out-of-pocket costs incurred by the applicant in participating in this scholarship program, or (2) the amount of the scholarship (\$5,000.00). Applicant shall not be entitled to obtain any judgment, relief, or award for, and hereby waives all rights to claim or seek, punitive, incidental, and consequential damages and any other damages, other than for actual out-of-pocket costs incurred in participating in this scholarship program,

as well as waives any and all rights to have damages multiplied or otherwise increased or any and all rights to attorneys fees, expert witness fees, arbitrator fees, expenses, and costs. In the event Appleton or its officers, directors, agents, employees, affiliates, parents, subsidiaries, successors, and assigns shall prevail in any action or arbitration, then they shall be entitled to recovery from the non-prevailing party(ies) all attorneys' fees, expert witness fees, arbitrator fees, expenses, and costs associated with its prosecution or defense of any action or arbitration.

9. REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION: By submitting an application, the applicant represents and warrants to Appleton as follows: (i) the ACT Test scores recorded on the application are, in fact, the applicant's ACT Test scores; (ii) the applicant is a Junior or Senior enrolled, at the time of the application, in a public or private high school or home-schooled in Madison County, Alabama; (iii) the tie-breaker written response (if applicable) is the applicant's own original, previously unpublished, and previously unproduced work and the written response submission neither infringes upon nor violates the intellectual property rights or other rights of any other person or entity; the tie-breaker written response submission does not and will not violate any applicable laws; and the tie-breaker written response meets the submission requirements set forth above; and (iv) the applicant will abide by and comply with all the Scholarship Terms and Conditions. Each applicant hereby agrees to indemnify, defend, and hold Appleton harmless from and against any and all controversies, disputes, claims, causes of action, or proceedings of any kind, as well as any and all damages, liabilities, costs, expenses, demands for legal or equitable relief, or judgments arising from, concerning, or relating to this scholarship program or a scholarship award, the construction, validity, interpretation and enforceability of the Scholarship Terms and Conditions, or the rights, obligations, acts or omissions of applicants, recipients, Appleton, and their officers, directors, agents, employees, affiliates, parents, subsidiaries, heirs, successors, and assigns.

10. FURTHER DOCUMENTATION: A potential scholarship award recipient (and/or his or her parent(s) or legal guardian(s), if they are minors at the time of application) shall be required to complete, sign, and return within ten (10) days of the notification of the scholarship award certain documentation required by Appleton, including, but not limited to, an Affidavit of Eligibility and Consent and Release Form. The timely completion, signing, and returning of documentation required by Appleton is a condition precedent to the actual scholarship award. If a potential scholarship award recipient fails or refuses to timely return all documentation required by Appleton, then the applicant with the next highest score will become an alternate potential scholarship award recipient. If notification to a potential scholarship award recipient is returned as undeliverable, then the applicant with the next highest score may become an alternate potential scholarship award recipient.

11. NO OBLIGATION TO USE: Appleton shall have no obligation (express or implied) to use any winning application, or to otherwise exploit a winning application or continue the development, production, distribution or exploitation thereof, and Appleton may at any time abandon the use of the winning application for any reason, with or without legal justification or excuse, and the scholarship award recipient shall not be entitled to any damages or other relief by reason thereof.

12. GENERAL RELEASE AND LIMITATIONS ON LIABILITY: BY SUBMITTING AN APPLICATION, THE APPLICANT AGREES TO AND DOES RELEASE APPLETON AND ITS OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AFFILIATES, PARENTS, SUBSIDIARIES, SUCCESSORS, AND ASSIGNS FROM DAMAGES, LOSSES (INCLUDING, BUT NOT LIMITED TO, LOSS OF EARNINGS, LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF WAGES), COSTS, EXPENSES, LIABILITIES OF EVERY KIND OR NATURE, WITHOUT LIMITATION, INCLUDING CLAIMS OF DAMAGES OR INJURY TO PERSON (SUCH AS DEFAMATION, RIGHT OF

PUBLICITY OR PRIVACY, OUTRAGE, AND MENTAL ANGUISH) OR PERSONAL PROPERTY (SUCH AS ANY COMPUTER SYSTEMS, TELEPHONES, OR OTHER HARDWARE OR SOFTWARE) AND FURTHER AGREES TO RELEASE ANY AND ALL CLAIMS OF ANY KIND OR NATURE WHATSOEVER, AT LAW OR IN EQUITY, WHETHER KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, AND WHETHER OR NOT CONCEALED OR HIDDEN, WHICH THE APPLICANT MAY NOW HAVE OR MAY HEREINAFTER HAVE AGAINST APPLETON AND ITS OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AFFILIATES, PARENTS, SUBSIDIARIES, SUCCESSORS, AND ASSIGNS ARISING FROM, CONCERNING, OR RELATING TO , DIRECTLY OR INDIRECTLY, THIS SCHOLARSHIP PROGRAM OR A SCHOLARSHIP AWARD, THE CONSTRUCTION, VALIDITY, INTERPRETATION AND ENFORCEABILITY OF THE SCHOLARSHIP TERMS AND CONDITIONS, OR THE RIGHTS, OBLIGATIONS, ACTS OR OMISSIONS OF APPLICANTS, RECIPIENTS, APPLETON, AND THEIR OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, AFFILIATES, PARENTS, SUBSIDIARIES, HEIRS, SUCCESSORS, AND ASSIGNEES. APPLETON ASSUMES NO RESPONSIBILITY FOR ANY DAMAGE TO AN APPLICANT'S COMPUTER SYSTEM WHICH IS OCCASIONED BY ACCESSING THE WEBSITE OR PARTICIPATING IN THE SCHOLARSHIP PROGRAM, OR FOR ANY COMPUTER SYSTEM, PHONE LINE, HARDWARE, SOFTWARE OR PROGRAM MALFUNCTION, OR OTHER ERRORS, FAILURES, DELAYED COMPUTER TRANSMISSIONS OR NETWORK CONNECTIONS THAT ARE HUMAN OR TECHNICAL IN NATURE, OR FOR THE INCORRECT OR INACCURATE CAPTURE OF INFORMATION, OR THE FAILURE TO CAPTURE ANY INFORMATION.

13. APPLETON'S RIGHT TO MODIFY, SUSPEND OR TERMINATE: Appleton shall have the right in its sole and exclusive discretion to modify, suspend, or terminate the scholarship program.

14. DISQUALIFICATION: Appleton reserves the right in its sole and exclusive discretion to disqualify any individual who is found to be tampering with the application process, the operation of the scholarship program, or the Appleton website, to be acting in violation of the Scholarship Terms and Conditions, to be submitting responses dishonestly or inaccurately, or to be acting in an unsportsmanlike or disruptive manner. Appleton's failure to enforce any provision of the Standard Terms and Conditions shall not constitute a waiver of that or of any other provision.

15. IDENTIFICATION OF THE SCHOLARSHIP AWARD RECIPIENT: The name of the scholarship award recipient of this scholarship may be posted on Appleton's website (www.appletonlearning.com).

16. ENTIRE AGREEMENT: The Scholarship Terms and Conditions constitute the complete, final, and exclusive understanding between an applicant and Appleton and supersede all prior or contemporaneous understandings, agreements, representations and/or communications with respect to such subject matter. Appleton reserves the right in its sole discretion to make any changes or modifications to the scholarship, including, but not limited to, the eligibility, the criteria for award, the selection process, the deadline dates, and the Scholarship Terms and Conditions, and to terminate the scholarship without award. The Scholarship Terms and Conditions may only be altered, amended, or modified in a writing signed by an authorized Appleton agent.

17. CONSTRUCTION AND INTERPRETATION: If any provision(s) of the Scholarship Terms and Conditions is (are) held to be invalid by an arbitrator or court of competent jurisdiction, then such provision(s) shall be construed, as nearly as possible, to reflect the Appleton's intentions, and all other provisions shall remain in full force and effect. The Scholarship Terms and Conditions shall not be construed against Appleton. The Scholarship Terms and Conditions are in addition to any other terms and conditions set forth in any other part of this document. Any necessary determination or

clarification as to the interpretation or to the application of a particular term shall be made by Appleton in its sole and exclusive discretion.

18. LIMITATIONS PERIOD: Applicant acknowledges and agrees that, notwithstanding any statute or law to the contrary, any controversies, disputes, claims, causes of action, or demands for legal or equitable relief arising from, concerning, or relating to this scholarship program or a scholarship award, the construction, validity, interpretation and enforceability of the Scholarship Terms and Conditions, or the rights, obligations, acts or omissions of applicants, recipients, Appleton, and their officers, directors, agents, employees, affiliates, parents, subsidiaries, heirs, successors, and assigns shall be filed with the appropriate tribunal within one (1) year after the award of the scholarship or be forever barred.

19. PARENTAL OR GUARDIAN PERMISSION AND ACKNOWLEDGEMENT: By submitting an application, the applicant acknowledges and represents that he or she has the express permission of his or her parent to submit an application and pursue an award of the scholarship, and that the applicant's parent(s) or legal guardian(s) have read, acknowledged, and agreed to abide by the Scholarship Terms and Conditions, including, but not limited to, each and every term, condition, waiver, duty, obligation of the applicant. All references herein to applicant shall include not only the applicant but also the actual or potential scholarship award recipient(s) and their parent(s), legal guardian(s), heirs, successors, or assigns.

20. HEADINGS: All headings in this Scholarship Terms and Conditions are for convenience only and have no legal effect.