

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 29, 2020

LEE ENTERPRISES, INCORPORATED

(Exact name of Registrant as specified in its charter)

Delaware
(State of Incorporation)

1-6227
(Commission File Number)

42-0823980
(I.R.S. Employer Identification No.)

4600 E. 53rd Street, Davenport, IA 52807
(Address of Principal Executive Offices)

(563) 383-2100
Registrant's telephone number, including area code

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$.01 par value per share	LEE	New York Stock Exchange

Indicate by check mark whether the Registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement

On January 29, 2020, Lee Enterprises, Incorporated, a Delaware corporation (“Lee”) entered into an Asset and Stock Purchase Agreement (“Purchase Agreement”) with Berkshire Hathaway Inc., a Delaware corporation (“Berkshire”) and BH Media Group, Inc., a Delaware corporation (“BH Media”). Subject to the terms and conditions of the Purchase Agreement, Lee has agreed to purchase certain assets and assume certain liabilities of BH Media’s newspapers and related community publications business (“BH Media Newspaper Business”), excluding real estate and fixtures such as production equipment, for a purchase price of \$130 million, and purchase all of the issued and outstanding capital stock of The Buffalo News, Inc., a Delaware corporation (“Buffalo News”) for a purchase price of \$10 million (collectively, the “Transactions”). Since July 2, 2018, Lee has managed the BH Newspaper Business pursuant a Management Agreement between BH Media and Lee dated June 26, 2018 (“Management Agreement”).

The Purchase Agreement contains customary representations, covenants and warranties, including covenants that BH Media and Buffalo News will conduct their respective businesses, and Lee will perform its services under the Management Agreement, in the ordinary course consistent with past practice during the period between the execution of the Purchase Agreement and the consummation of the Transactions. The closing of the Transactions is subject to customary closing conditions, including the expiration of any applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, the closing of the financing of the Transactions and refinancing of Lee’s existing credit facilities under the Credit Agreement, as described below (“Debt Financing”) and the execution and delivery of specified ancillary agreements.

The ancillary agreements include a lease agreement between BH Media, as Landlord, and Lee, as Tenant, providing for the leasing of 68 properties and related fixtures (including production equipment) used in the BH Media Newspaper Business (“Lease”). The Lease will be signed and commence upon closing of the Transactions. The Lease requires Lee to pay annual rent of \$8 million, payable in equal monthly payments, as well as all operating costs relating to the properties (including maintenance, repairs, property taxes and insurance). Rent payments will be subject to a Rent Credit (as defined in the Lease) for any leased real estate sold by BH Media during the term of the Lease.

The Purchase Agreement also contains certain rights to terminate the Purchase Agreement prior to the Closing, including by mutual consent or by either party under certain circumstances, including if the closing of the Transactions has not occurred on or before April 30, 2020.

In connection with the Purchase Agreement, Lee entered into a Credit Agreement dated as of January 29, 2020, with BH Finance, LLC, a Nebraska limited liability company (“BH Finance”), as lender (“Credit Agreement”), pursuant to which BH Finance will provide a secured 25-year term loan in an aggregate principal amount not to exceed the sum of the aggregate purchase price under the Purchase Agreement plus Lee’s outstanding indebtedness as of the closing date and incidental fees and expenses related to the Debt Financing, subject to the satisfaction of certain customary closing conditions, including the simultaneous closing of the Transactions and the Debt Financing. The Debt Financing under the Credit Agreement will bear interest at a per annum rate equal to 9.00%, payable monthly. Principal reductions will be required periodically in the amount equal to the Company’s excess cash flow (as defined in the Credit Agreement) for each fiscal quarter beginning with the period ending June 28, 2020, and for the proceeds from the sale of assets as they may be received from time to time. Substantially all of the proceeds of the Debt Financing will be used to finance the Transactions; refinance Lee’s existing indebtedness, including payment in full of its outstanding Senior Secured Notes, second lien loans and revolving loan indebtedness; and provide working capital to Lee in lieu of a revolving credit facility.

The Credit Agreement also contains certain customary representations and warranties, certain affirmative and negative covenants and certain conditions, including restrictions on incurring additional indebtedness, creating certain liens, making certain investments or acquisitions, issuing dividends, repurchasing shares of stock of the Company and certain other capital transactions.

Certain existing and future direct and indirect material domestic subsidiaries of Lee are guarantors of Lee's obligations under the Credit Agreement.

The foregoing summary of the Purchase Agreement, Lease and Credit Agreement (collectively, the "Agreements") does not purport to be complete and is qualified in its entirety by reference to the complete terms of the Purchase Agreement, filed as Exhibit 10.1 hereto and incorporated herein by reference, the Credit Agreement, filed as Exhibit 10.2 hereto and incorporated herein by reference, and the form of Lease Agreement, filed as Exhibit 10.3 hereto and incorporated herein by reference.

The Agreements have been included as exhibits to provide investors with information regarding the terms of each. The Agreements are not intended to provide any other factual information about Lee, Berkshire or any of their respective subsidiaries or affiliates. The representations, warranties and covenants contained in the Agreements were made only for purposes of the Agreements and as of specific dates; were made solely for the benefit of the parties to the Agreements; may be subject to limitations agreed upon by the parties, including being qualified by confidential disclosures; may not have been intended to be statements of fact, but rather, as a method of allocating contractual risk and governing the contractual rights and relationships of investors. Investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or conditions of Lee, BH Media or Buffalo News or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the Agreements, which subsequent information may or may not be fully reflected in Lee's public disclosures.

Item 7.01. Regulation FD Disclosure.

On January 29, 2020, Lee issued a press release announcing the execution of the Purchase Agreement and Credit Agreement. A copy of the press release is furnished herewith as Exhibit 99.1.

The information contained in this Item 7.01 and in the accompanying Exhibit 99.1 shall not be deemed filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. This Form 8-K contains information that may be deemed forward-looking that is based largely on our current expectations, and is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those anticipated. Among such risks, trends and other uncertainties, which in some instances are beyond our control, are:

- Our ability to generate cash flows and maintain liquidity sufficient to service our debt;
- Our ability to manage declining print revenue;
- That the warrants issued in our refinancing will not be exercised;
- Change in advertising and subscription demand;
- Changes in technology that impact our ability to deliver digital advertising;
- Potential changes in newsprint, other commodities and energy costs;
- Interest rates;
- Labor costs;
- Significant cyber security breaches or failure of our information technology systems;
- Legislative and regulatory rulings;
- Our ability to achieve planned expense reductions;
- Our ability to maintain employee and customer relationships;
- Our ability to manage increased capital costs;
- Our ability to maintain our listing status on the NYSE;
- Competition; and
- Other risks detailed from time to time in our publicly filed documents.

Any statements that are not statements of historical fact (including statements containing the words “may”, “will”, “would”, “could”, “believes”, “expects”, “anticipates”, “intends”, “plans”, “projects”, “considers” and similar expressions) generally should be considered forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements, which are made as of the date of this Form 8-K. We do not undertake to publicly update or revise our forward-looking statements, except as required by law.

Additional risk factors that could cause actual results to differ materially from expectations include, but are not limited to, the risks identified by Lee in its most recent Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. All forward-looking statements speak only as of the date on which they are made. Except to the extent required by law, Lee expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following exhibits are filed herewith:

<u>Exhibit Number</u>	<u>Description</u>
10.1	Asset and Stock Purchase Agreement dated January 29, 2020 by and among Lee Enterprises, Incorporated, Berkshire Hathaway Inc. and BH Media Group, Inc.
10.2	Credit Agreement dated January 29, 2020 by and between Lee Enterprises, Incorporated and BH Finance LLC.
10.3	Form of Lease Agreement by and between Lee Enterprises, Incorporated and BH Media Group, Inc.
99.1	News Release of Lee Enterprises, Incorporated dated January 29, 2020.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

LEE ENTERPRISES, INCORPORATED

Date: January 29, 2020

By: /s/Timothy R. Millage

Timothy R. Millage
Vice President, Chief Financial Officer
and Treasurer

ASSET AND STOCK PURCHASE AGREEMENT

by

and

among

LEE ENTERPRISES, INCORPORATED

and

BERKSHIRE HATHAWAY INC.

and

BH MEDIA GROUP, INC.

Dated January 29, 2020

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Schedule 9.2:	Notice Addresses

Exhibit A:	Bill of Sale
Exhibit B:	Assignment and Assumption Agreement
Exhibit C:	Lease
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Exhibit E:	Termination Agreement

ASSET AND STOCK PURCHASE AGREEMENT

THIS ASSET AND STOCK PURCHASE AGREEMENT (“Agreement”) is made as of January 29, 2020 by and between Lee Enterprises, Incorporated, a Delaware corporation (“Buyer”), Berkshire Hathaway Inc., a Delaware corporation (“Berkshire”), and BH Media Group, Inc., a Delaware corporation and a Subsidiary of Berkshire (“BH Media” and collectively with Berkshire, the “Seller Entities” and each, individually, a “Seller Entity”). Buyer, Berkshire, and BH Media will be referred to in this Agreement individually as a “Party” and collectively as the “Parties”.

RECITALS

A. BH Media owns the newspaper and related community publications listed on Schedule A (each a “BH Media Newspaper” and collectively, the “BH Media Newspapers”) and operates the BH Media Newspaper Business (as defined in this Agreement).

B. BH Media desires to sell to Buyer, and Buyer wishes to acquire, the BH Media Newspaper Business.

C. To effectuate the transfer of the BH Media Newspaper Business, upon the terms and subject to the conditions set forth in this Agreement, Buyer shall purchase all of the Acquired Assets (as defined in this Agreement) from BH Media and assume the Assumed Liabilities (as defined in this Agreement), and BH Media shall sell all of the Acquired Assets and transfer the Assumed Liabilities to Buyer.

D. Berkshire owns all of the issued and outstanding shares of capital stock of The Buffalo News, Inc., a Delaware corporation (“Buffalo News”).

E. Berkshire desires to sell to Buyer, and Buyer wishes to acquire, all the outstanding common stock of Buffalo News (the “Buffalo Shares”) upon the terms and subject to the conditions set forth in this Agreement.

AGREEMENT

In consideration of the mutual covenants and agreements set forth in this Agreement and for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the Parties, the Parties agree as follows:

ARTICLE 1 DEFINITIONS

1.1 Certain Definitions. For purposes of this Agreement, the following terms have the meanings specified in this Section 1.1:

“Acquired Business” means, collectively, the BH Media Newspaper Business and all business operations or activities of Buffalo News.

“Ad Valorem Taxes” means any real property, personal property, or other similar Taxes levied with respect to the Acquired Assets.

“Affiliate” means as to any Person, any other Person which, directly or indirectly, controls, or is controlled by, or is under common control with, such Person, where “control” (including, with its correlative meanings, “controlled by” and “under common control with”) shall mean the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of a Person, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise.

“Affiliated Group” means any affiliated group within the meaning of Code § 1504(a) or any similar group defined under a similar provision of state, local, or non-U.S. law.

“Ancillary Agreements” means the instruments described in Section 2.8.

“Attorney-Client Communication” means any communication occurring on or prior to Closing between BH Media and the internal or external counsel of BH Media, or its Affiliates.

“BH Media Employee Benefit Plan” means any employee benefit plan, within the meaning of Section 3(3) of ERISA, any other employee benefit plan, program or arrangement of any kind, and each written stock option, stock appreciation right, restricted stock, stock purchase, stock unit, incentive, profit-sharing, savings, deferred compensation, health, medical, dental, life insurance, disability, accident, supplemental unemployment or retirement, severance or benefits continuation or material fringe benefit plan, program or agreement that provides benefits to employees of BH Media.

“BH Media Employees” means any individual identified by BH Media on its payroll system as a W-2 employee.

“BH Media Newspaper Business” means the business of publishing, distributing and operating the BH Media Newspapers, magazines, niche publications, and related online, digital and mobile publications, websites, and all related operations and activities, including advertising and marketing in any form of media, producing community events, book publishing and sales, photo sales, and printing and delivery services, but excluding any activities conducted by BH Media related to the ownership of the BH Media Owned Real Estate (as defined in this Agreement).

“Business Day” means each Monday, Tuesday, Wednesday, Thursday, and Friday that is not a day on which national banking institutions in Omaha, Nebraska are authorized or obligated by Law or executive order to be closed.

“Business Intellectual Property” means all Intellectual Property to the extent that is owned by, or licensed to, BH Media and that is used or held for use in connection with the ownership or operation of the BH Media Newspaper Business.

“Closing Date” means the date and time as of which the Closing (as defined in this Agreement) occurs.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contemplated Transactions” means the transactions contemplated hereunder and the Ancillary Agreements.

“Contract” means any agreement, contract, binding understanding, instrument or legally binding commitment or understanding.

“Credit Agreement” means that Credit Agreement dated as of January 29, 2020, among Buyer, as the borrower, and BH Finance, LLC, as administrative agent and lender.

“Encumbrances” means any mortgage, deed of trust, encumbrance, charge, claim, equitable or other interest, easement, right of way, building or use restriction, title defect, lien, option, pledge, security interest, purchase rights, preemptive right, right of first refusal, proxy, voting trust agreement, transfer restriction, community property interest or similar right, limitation, or adverse claim or restriction of any kind.

“Fixtures” mean goods, products, machinery, or equipment substantially attached to real estate or a permanent structure in such a way that such property is not readily removable from such real estate or permanent structure, including any utility systems, power and backup power systems, fire sprinkler and security systems, drainage facilities, lighting facilities, HVAC equipment, boilers, electrical systems, machinery and equipment, including conveying equipment, printing presses, inserters, and ink tanks.

“Governmental Entity” shall mean any Federal, state or local government or any court, administrative agency, bureau, commission, department or other authority of any domestic or foreign government or any arbitrator in any case that has jurisdiction over an applicable Party or any of its properties or assets.

“HSR Act” means the Hart-Scott-Rodino Antitrust Improvements Act of 1976, and the regulations promulgated by the Federal Trade Commission with respect to such Act, as amended and in effect from time to time.

“Income Tax” means any federal, state, local, or non-U.S. tax based on or measured by reference to net income, including any interest, penalty, or addition thereto, whether disputed or not.

“Income Tax Return” means any return, declaration, report, claim for refund, or information return or statement relating to Income Taxes, including any schedule or attachments thereto.

“Indebtedness” shall mean any indebtedness, including any (a) indebtedness for borrowed money, (b) indebtedness secured by any Encumbrance on property owned whether or not the indebtedness secured has been assumed, (c) indebtedness evidenced by notes, bonds, debentures or similar instruments; (d) guarantees with respect to Liabilities of a type described in any of clauses (a) through (c) above, and (e) interest, penalties, premiums, fees and expenses related to any of the foregoing, provided that trade payables incurred in the ordinary course will not be considered to be Indebtedness.

“Intellectual Property” means all of the following types of intellectual property and all common law and statutory rights in, arising out of, or associated therewith, in any jurisdiction throughout the world: (a) inventions and discoveries (whether patentable or unpatentable and whether or not reduced to practice), all improvements thereto, and all patents, patent applications, and patent disclosures, together with all provisionals, reissuances, continuations, divisions, continuations-in-part, revisions, extensions, renewals, and re-examinations thereof, (b) trade secrets, and confidential, technical, and business information and data (including ideas, research and development, know-how, formulas, compositions, business methods, manufacturing and production processes and techniques, designs, drawings, specifications, proprietary information, subscriber, customer, advertiser, and supplier lists, pricing and cost information, and business and marketing plans and proposals); (c) copyrightable works (whether published or unpublished), copyrights, and applications, registrations, and renewals in connection therewith; (d) software and software programs, systems, and applications, including source code, executable code, and related documentation; (e) Internet web, digital and mobile sites, related content and links, and all versions, updates, corrections, enhancements, and modifications thereof; (f) domain names, uniform resource locators (URLs) and other names and locators associated with the Internet or mobile publications; (g) social media accounts; (h) trademarks, service marks, logos, slogans, trade names, and corporate names (whether registered, unregistered, or fictional), together with all translations, adaptations, derivations, and combinations thereof and including all goodwill associated therewith, and all applications, registrations and renewals in connection therewith, and trade dress (including banners, flags, nameplates, and mastheads); (i) databases and data collections and all rights therein; and (j) other proprietary rights, in each case including copies and tangible embodiments thereof (in whatever form or medium).

“Law” shall mean any federal, state, or local constitution, statute, regulation, rule, common law, order, judgment or legally enforceable policy or requirement.

“Liability” shall mean any direct or indirect debt, obligation or liability of any kind or nature, whether accrued or fixed, absolute or contingent, determined or determinable, matured or unmatured, and whether due or to become due, asserted or unasserted, or known or unknown, wherever or however arising (including whether arising out of any contract or tort based on negligence, strict liability, or otherwise), and whether or not the same would be required by generally accepted accounting principles or policies to be reflected in financial statements or notes to financial statements, including all claims (including claims related to employment), actions, suits, judgments, damages, losses, obligations, responsibilities, fines, penalties, sanctions, costs, fees, charges, disbursements and expenses, in each case of any kind or nature (including interest thereon), whether or not consequential, actual, punitive, treble, or otherwise.

“Loan” shall have the meaning ascribed in the Credit Agreement.

“Permitted Encumbrances” shall mean any of the following Encumbrances: (a) landlord’s liens to secure obligations to landlords or lessors under any lease; (b) liens for current real or personal property Taxes, assessments and governmental charges that are (i) not yet due and payable or (ii) being contested in good faith by appropriate proceedings; (c) liens of carriers, warehousemen, mechanics, laborers, and materialmen and other similar statutory liens incurred in the ordinary course of business with respect to which payment is not material to the encumbered Party’s business; and (d) deposits or pledges not material in amount in the aggregate made in the ordinary course of business in connection with worker’s compensation and unemployment insurance or similar Laws.

“Person” shall mean an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity, group (as such term is used in Section 13 of the Exchange Act) or organization, including, a Governmental Entity, and any permitted successors and assigns of such Person.

“Representative” shall mean with respect to a particular Person, any director, officer, employee, agent, consultant, or other representative of such Person, including legal counsel, accountants, insurance, tax, or financial advisors and lenders.

“SEC” shall mean the Securities and Exchange Commission.

“Subsidiary” means, with respect to any Person, any corporation, limited liability company, partnership, association, or other business entity of which (i) if a corporation, a majority of the total voting power of shares of stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers, or trustees thereof is at the time owned or controlled, directly or indirectly by that Person or one of more of the other Subsidiaries of that Person or a combination thereof or (ii) if a limited liability company, partnership, association, or other business entity (other than a corporation), a majority of the partnership or other similar ownership interests thereof is at the time owned or controlled, directly or indirectly, by that Person or one more Subsidiaries of that Person or a combination thereof and for this purpose, a Person or Persons own a majority ownership interest in such business entity (other than a corporation) if such Person or Persons shall be allocated a majority of such business entity’s gains or losses or shall be or control any managing director or general partner of such business entity (other than a corporation). The term “Subsidiary” shall include all Subsidiaries of such Subsidiary.

“Tax” or “Taxes” means any federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental (including taxes under Code § 59A), customs, duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, whether computed on a separate or consolidated, unitary or combined basis or in any other manner, including any interest, penalty, or addition thereto, whether disputed or not.

“Tax Return” means any return, declaration, report, claim for refund, or information return, form, schedule or statement relating to Taxes, including any schedule or attachment thereto, and including any amendment thereof filed with or submitted to any Governmental Entity.

1.2 Certain Additional Definitions. For all purposes under this Agreement, the following terms shall have the respective meanings ascribed in the respective sections of this Agreement set forth opposite each term below:

<u>Defined Term</u>	<u>Section</u>
Acquired Assets	Section 2.1(a)
Acquired Employees	Section 6.1(a)
Agreement	Preamble
Allocation	Section 2.5
Antitrust Division	Section 5.2

Assignment and Assumption Agreement	Section 2.8(a)(ii)
Assumed Contract	Section 2.1(e)
Assumed Liabilities	Section 2.1(c)
Berkshire	Preamble
BH Finance	Section 2.4
BH Media	Preamble
BH Media Newspaper(s)	Recitals
BH Media Newspaper Business	Recitals
BH Media Newspaper Consideration	Section 2.3(a)
BH Media Newspaper Matter	Section 5.9
BH Media Owned Real Estate	Section 2.1(b)(i)
Bill of Sale	Section 2.8(a)(i)
Buffalo News	Recitals
Buffalo Shares	Recitals
Buffalo Shares Consideration	Section 2.3(b)
Buyer	Preamble
Buyer Welfare Plans	Section 6.4(a)
Closing	Section 2.7
Closing Cash	Section 2.3(a)
End Date	Section 8.1(c)
Excluded Assets	Section 2.1(b)
FTC	Section 5.2
Lease	Section 2.8(a)(v)
Management Agreement	Section 4.1(e)
Party	Preamble
Post-Closing Tax Period	Section 5.3(a)
Pre-Closing Tax Period	Section 5.3(a)
Purchase Price	Section 2.4
Retained Liabilities	Section 2.1(d)
Seller Entity(ies)	Preamble
Tax Contest	Section 5.3(c)
Termination Agreement	Section 2.8(b)(vii)

ARTICLE 2 SALE AND TRANSFER

2.1 Purchase and Sale of BH Media Newspaper Business.

(a) Purchase of Acquired Assets. Subject to the terms and conditions set forth in this Agreement, BH Media agrees to convey, assign, sell, transfer and deliver (or to cause to be conveyed, assigned, sold, transferred and delivered) to Buyer at the Closing, and Buyer agrees to purchase and receive from BH Media at the Closing, all right, title and interest of BH Media in and to all tangible and intangible assets that are owned, leased, licensed, used or held for use by BH Media in connection with the BH Media Newspaper Business, other than the Excluded Assets (as defined in this Agreement) (such assets, collectively, the “Acquired Assets”), including the following:

(i) all of the Assumed Contracts (as defined in this Agreement), including any collective bargaining agreement to which BH Media is a party;

(ii) all Business Intellectual Property;

(iii) all inventories of merchandise, newsprint, ink and other raw materials, work in process, finished goods and supplies (including photo supplies, composition supplies, camera supplies, pressroom supplies, pressroom plates, mailroom supplies, plant supplies and route and circulation supplies);

(iv) all tangible and intangible archives of each of the BH Media Newspapers, including all clippings, art, photographs (including digital files and film, negatives and positives), historical facts and memorabilia, bound files of back issues, electronic archives, and microfilm and microfiche reproductions of back issues;

(v) all motor vehicles, furniture, equipment, machinery and other tangible personal property;

(vi) all books of account and financial records, invoices, shipping records, sales and promotional literature, supplier, customer and circulation lists, correspondence and other documents, records, data, files and service manuals;

(vii) all insurance Contracts and accounts;

(viii) the BH Media Employee Benefit Plans identified on Schedule 2.1(b)(a)(viii), and any related assets;

(ix) all other assets other than Excluded Assets, whether owned, leased or licensed, tangible or intangible,

(x) all applicable guaranties, warranties, indemnities and similar rights in favor of BH Media with respect to any tangible Acquired Asset;

(xi) all goodwill relating to the BH Media Newspaper Business and the Business Intellectual Property;

(xii) all claims, rights, interests and causes of action of BH Media, whether mature, contingent or otherwise, against third parties relating to the BH Media Newspaper Business and the Acquired Assets, including those arising during or attributable to any period prior to the Closing and any uncollected judgments related to such claims and causes of action; and

(xiii) any claims, rights and interest in and to any refund, rebate, abatement, credit or other recovery of any state Income Taxes, sales and use taxes or any other Tax (other than federal Income Taxes, as set forth in Section 2.1(b)(iv)) for periods prior to the Closing or any causes of action owned by BH Media relating to any such refund, rebate, abatement, credit or other recovery of such Taxes or fees.

(b) Excluded Assets. The Acquired Assets shall not include the following assets (collectively, the “Excluded Assets”), which shall be retained by BH Media:

(i) All real estate owned by BH Media, including those properties listed on Schedule 2.1(b)(i), and all Fixtures located at such properties, specifically including all printing presses, inserters, and ink tanks (the “BH Media Owned Real Estate”);

(ii) all rights and claims of BH Media to the extent relating to any Excluded Asset or any Retained Liabilities (as defined in this Agreement);

(iii) any books and records that BH Media is required by Law to retain (in which case BH Media shall provide or cause to be provided to Buyer complete and correct duplications thereof, to the extent permitted by applicable Law) or is prohibited by Law from disclosing, and all documents, books and records relating to the organization, existence and ownership of BH Media, including corporate minute books, and all records that do not relate to the BH Media Newspaper Business;

(iv) any claims, rights and interest in and to any refund, rebate, abatement, credit or other recovery of federal Income Taxes for periods prior to the Closing or any causes of action owned by BH Media relating to any such refund, rebate, abatement, credit or other recovery of federal Income Taxes or fees;

(v) all corporate names, trademarks, trade names, domain names, service marks, service names, logos and similar proprietary rights of BH Media or its Affiliates in the names “BH Media”, “Berkshire Hathaway”, “Berkshire”, “Hathaway” or any derivation thereof whether or not used (and whether or not exclusively used) in the BH Media Newspaper Business;

(vi) all claims, rights, interests and causes of action of BH Media, whether mature, contingent or otherwise, against third parties (a) not relating to the BH Media Newspaper Business or the Acquired Assets, or (b) relating to the Retained Liabilities or the Excluded Assets;

(vii) all assets of BH Media, that would have been Acquired Assets, if not for being retired or disposed of between the date of this Agreement and the Closing Date in the ordinary course of business; and

(viii) the assets identified on Schedule 2.1(b)(ix).

(c) Assumption of Liabilities. Upon the terms and subject to the conditions set forth in this Agreement, at the Closing and effective as of the Closing Date, Buyer shall assume from BH Media (and therefore agree to pay, perform and discharge), and BH Media shall irrevocably convey, transfer and assign to Buyer all Liabilities of BH Media or its Affiliates arising prior to, on, or after the Closing Date and arising out of or related to the operation of the BH Media Newspaper Business, including any Liabilities related to operation by BH Media, its former Subsidiaries, or any predecessor entities of newspapers or other publications no longer in production, but specifically excluding the Retained Liabilities (as defined in this Agreement) (the “Assumed Liabilities”).

(d) Definition of Retained Liabilities. Buyer shall not assume, and BH Media agrees that Buyer shall not be liable or otherwise responsible for, the following Liabilities (collectively, the “Retained Liabilities”):

(i) Liabilities of BH Media or its Affiliates in respect of transaction costs payable pursuant to Section 5.5 hereof;

(ii) Liabilities for Taxes that are the responsibility of Seller Entities pursuant to Section 5.3 hereof;

(iii) Liabilities of BH Media related to the Excluded Assets that are not otherwise assumed or performed by Buyer pursuant to the Lease (as defined in this Agreement); and

(iv) Liabilities of BH Media not related to the BH Media Newspaper Business.

(e) BH Media Newspaper Business Contracts. As part of the acquisition of the BH Media Newspaper Business, Buyer shall acquire all right to, and obligations under, any Contract related to the BH Media Newspaper Business to which BH Media is a party, provided that such Contract is not an Excluded Asset or related to the operation of an Excluded Asset (each such Contract, an “Assumed Contract”). To the extent that transfer or assignment of an Assumed Contract hereunder by BH Media to Buyer is not permitted or is not permitted without the consent of a third party, this Agreement shall not be deemed to constitute an undertaking to assign the same if such consent is not given or if such an undertaking otherwise would constitute a breach of such Contract or cause a loss of benefits under such Contract. BH Media and Buyer shall use commercially reasonable efforts to obtain any and all such third party consents under all Assumed Contracts as provided in Section 5.10.

2.2 Purchase and Sale of Buffalo Shares.

(a) Stock Purchase. At Closing, Berkshire will sell to Buyer, and Buyer will purchase from Berkshire, the Buffalo Shares owned by Berkshire, in each case free and clear of any Encumbrance, other than Permitted Encumbrances.

2.3 Consideration for the BH Media Newspaper Business and Buffalo Shares.

(a) The aggregate consideration (the “BH Media Newspaper Consideration”) to be paid by Buyer to BH Media in exchange for the BH Media Newspaper Business will be: (i) a sum of One Hundred and Thirty Million Dollars (\$130,000,000) plus the amount of BH Media’s cash on hand and all other cash or cash equivalents in BH Media’s bank, savings, or lockbox accounts or otherwise in BH Media’s possession as of the end of the Business Day that is two (2) Business Days immediately prior to the Closing Date (collectively, the “Closing Cash”); and (ii) assumption by Buyer of the Assumed Liabilities. BH Media shall inform Buyer of the Closing Cash prior to Closing. BH Media agrees to leave a minimum of \$12,000,000 in Closing Cash (which will be included in the BH Media Newspaper Consideration) but otherwise makes no representation as to the amount of the Closing Cash. BH Media is free to dividend or distribute cash to its corporate parent at any time prior to Closing.

(b) The aggregate consideration to be paid by Buyer to Berkshire in exchange for the Buffalo Shares will be Ten Million Dollars (\$10,000,000) (the “Buffalo Shares Consideration”).

2.4 Payment of the Purchase Price. At Closing, Buyer shall pay the Buffalo Shares Consideration and the BH Media Newspaper Consideration (collectively, the “Purchase Price”) by delivering an executed note evidencing the Loan in favor of BH Finance LLC, a Nebraska limited liability company and Affiliate of BH Media and Berkshire (“BH Finance”), or its assignee in whole or in part. The principal amount of the Loan will include the Purchase Price and additional amounts to be extended by BH Finance to Buyer.

2.5 Allocation of BH Media Newspaper Consideration to the Acquired Assets. BH Media and Buyer shall endeavor in good faith to agree upon the allocation (the “Allocation”) of the BH Media Newspaper Consideration (which for purposes of this Section 2.5 shall include any Assumed Liabilities and any transaction expenses required to be treated as part of the Purchase Price for U.S. federal income tax purposes) among the Acquired Assets, all in accordance with Code § 1060 and Treasury Regulations promulgated thereunder (and any similar provision of state, local, or non-U.S. law, as appropriate. If BH Media and Buyer are not able to agree upon the Allocation within ninety (90) days after the Closing, the Allocation shall be determined by a qualified appraiser reasonably acceptable to Buyer and BH Media. The costs and expenses for the services of such appraiser shall be paid by Buyer. BH Media, Buyer, and their respective Affiliates shall report, act, and file Tax Returns (including but not limited to Internal Revenue Service Form 8594) in all respects and for all purposes consistent with such Allocation. Neither BH Media, Buyer, nor any Affiliate thereof shall take any position (whether in audits, tax returns, or otherwise) that is inconsistent with such allocation unless required to do so by applicable Law.

2.6 Further Assurances. At and after the Closing, and without further consideration, BH Media shall execute and deliver to Buyer such further instruments and certificates of conveyance and transfer as Buyer may reasonably request in order to more effectively convey and transfer the Acquired Assets to Buyer and to put Buyer in operational control of the BH Media Newspaper Business, or for aiding, assisting, collecting and reducing to possession any of the Acquired Assets and exercising rights with respect to the Acquired Assets; (ii) Berkshire shall execute and deliver to Buyer such further instruments and certificates of conveyance and transfer as Buyer may reasonably request in order to more effectively convey and transfer the Buffalo Shares to Buyer; and (iii) Buyer shall execute and deliver to BH Media such further instruments and certificates of assumption, novation and release as BH Media may reasonably request in order to effectively make Buyer responsible for all Assumed Liabilities and release BH Media from all Assumed Liabilities.

2.7 Closing. The purchase and sale (the “Closing”) provided for in this Agreement will take place remotely via the electronic or other exchange of documents and signature pages, which may be transmitted in portable document format (PDF), as soon as practicable, but in any event no later than the date that is two (2) Business Days following the satisfaction and fulfillment or, if permissible pursuant to the terms of this Agreement, waiver of the conditions contained in Article 7.

2.8 Closing Obligations. At the Closing:

- (a) BH Media or Berkshire, as appropriate, will deliver to Buyer duly executed copies of:
 - (i) a Bill of Sale for the Acquired Assets substantially in the form attached hereto as Exhibit A (the “Bill of Sale”);
 - (ii) an Assignment and Assumption Agreement substantially in the form attached hereto as Exhibit B (the “Assignment and Assumption Agreement”);
 - (iii) certificates pursuant to clauses (a) and (b) of Section 7.2;
 - (iv) A stock power, executed in blank, pertaining to the transfer of the Buffalo Shares;
 - (v) the lease pertaining to the BH Media Owned Real Estate by and between BH Media and Buyer, in substantially the form attached hereto as Exhibit C (the “Lease”);
 - (vi) a duly executed Credit Agreement; and
 - (vii) an Assignment of Intellectual Property substantially in the form attached hereto as Exhibit D (the “Assignment of Intellectual Property”).
- (b) Buyer will deliver to BH Media or Berkshire, as appropriate:
 - (i) a duly executed Credit Agreement;
 - (ii) Executed payoff letters and lien release documentation as required under the Credit Agreement;
 - (iii) a duly executed copy of the Bill of Sale;
 - (iv) a duly executed copy of the Assignment and Assumption Agreement;
 - (v) a duly executed copy of the Lease;
 - (vi) a duly executed copy of the Assignment of Intellectual Property;
 - (vii) a duly executed Termination Agreement, in the form attached as Exhibit E (the “Termination Agreement”) pertaining to the Management Agreement (as defined in this Agreement), including a payoff letter executed by an authorized officer of each of Buyer and BH Media indicating the final amount owed by BH Media and releasing Buyer and BH Media from all obligations under the Management Agreement;
 - (viii) duly executed copies of all other instruments and certificates of assumption, novation and release as BH Media may reasonably request in order to effectively make Buyer solely responsible for all Assumed Liabilities and release BH Media from all Assumed Liabilities; and
 - (ix) certificates pursuant to clauses (a) and (b) of Section 7.3.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF SELLER ENTITIES

3.1 Representations Regarding Seller Entities. Seller Entities jointly and severally represent and warrant to Buyer as follows:

(a) Organization. Each Seller Entity is a legal entity duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization.

(b) Corporate Authority. Each Seller Entity has all requisite corporate power and authority to enter into this Agreement and the Ancillary Agreements to be executed and delivered by Seller Entities and to consummate the Contemplated Transactions. At the Closing, each Seller Entity will have all requisite corporate power and authority to enter into the Ancillary Agreements to be executed and delivered by such Seller Entity and to consummate the Contemplated Transactions. This Agreement has been duly and validly executed and delivered by each Seller Entity, and the Ancillary Agreements to be executed and delivered by each applicable Seller Entity will, as of the Closing, have been, duly and validly executed and delivered by each such Seller Entity and, assuming this Agreement constitutes the valid and binding agreement of Buyer and each of the Ancillary Agreements constitutes the valid and binding agreement of the Buyer and any other parties to such agreement, this Agreement constitutes, and as of the Closing, the Ancillary Agreements to be executed and delivered by each applicable Seller Entity will constitute, the valid and binding agreement of each Seller Entity, enforceable against the applicable Seller Entity in accordance with its terms.

(c) Finders or Brokers. Neither Seller Entity has employed any investment banker, broker or finder in connection with the Contemplated Transactions who might be entitled to any fee or any commission in connection with or upon consummation of the Contemplated Transactions.

3.2 Representations Regarding the Acquired Businesses. Seller Entities jointly and severally represent and warrant to Buyer as follows:

(a) Qualification, Organization, Subsidiaries, etc. BH Media and The Buffalo News are each a legal entity duly organized, validly existing and in good standing under the Laws of its respective jurisdiction of organization and has all requisite corporate or similar power and authority to own, lease and operate its properties and assets and to carry on its business as presently conducted and is qualified to do business and is in good standing as a foreign corporation in each jurisdiction where the ownership, leasing or operation of its assets or properties or conduct of its business requires such qualification, except where failure to be so qualified would not be expected to have a material effect on the business of such entity.

(b) Capital Structure of Buffalo News.

(i) Berkshire is the owner of all outstanding shares of capital stock of Buffalo News and the Buffalo Shares have been duly authorized, validly issued, fully paid and non-assessable and free of pre-emptive rights.

(ii) There are no outstanding subscriptions, options, warrants, calls, convertible securities or other similar rights, agreements or commitments relating to the issuance of capital stock or other equity interests obligating Buffalo News to (A) issue, transfer or sell any shares of its capital stock or securities convertible into or exchangeable for such shares, (B) grant, extend or enter into any such subscription, option, warrant, call, convertible securities or other similar right, agreement, arrangement or commitment to repurchase securities, or (C) redeem or otherwise acquire any such shares of capital stock. There are no outstanding or authorized stock appreciation, phantom stock, profit participation or other similar stock (or other equity)-based rights pertaining to Buffalo News.

(iii) Buffalo News has no outstanding bonds, debentures, notes or other obligations, the holders of which have the right to vote (or which are convertible into or exercisable for securities having the right to vote) with the shareholder of Buffalo News on any matter.

(c) Title to Acquired Assets and Buffalo Shares.

(i) BH Media has good and valid title to, or a valid and enforceable license or leasehold interest in, the Acquired Assets, in each case free and clear of all Encumbrances, other than Permitted Encumbrances.

(ii) Berkshire owns 100% of the issued and outstanding Buffalo Shares free and clear of all Encumbrances, other than Permitted Encumbrances.

(d) Tax Matters. Each of BH Media, Buffalo News, their Subsidiaries, or a member of their Affiliated Group, as applicable, has timely filed or caused to be timely filed, or obtained an extension for, all Tax Returns which BH Media, Buffalo News and their Subsidiaries were required to file for any Pre-Closing Tax Period, and each has timely paid all Taxes (except for *Ad Valorem* Taxes) which BH Media, Buffalo News and their Subsidiaries were required to pay on or before the Closing Date, and there are no Encumbrances for Taxes upon any of the Acquired Assets except for Taxes not yet due and payable (except for statutory liens relating to *Ad Valorem* Taxes). All such Tax Returns were correct and complete in all material respects as relating to BH Media, Buffalo News, and the Subsidiaries and were prepared in substantial compliance with all applicable Laws. Neither BH Media, Buffalo News, nor the Subsidiaries thereof has any liability for the Taxes of any Person other than BH Media, Buffalo News, or the Subsidiaries thereof under Reg. § 1.1502-6 (or any similar provision of state, local, or non-U.S. law).

(e) Sufficiency of Assets. Other than the BH Media Owned Real Estate identified in the Lease, and the Excluded Assets, the Acquired Assets constitute all the assets necessary to conduct the Acquired Business.

3.3 No Additional Representations. Other than the representations and warranties expressly set forth in Article 3, Seller Entities have not made and shall not be deemed to have made, either directly or by or through any Representative, any other representation or warranty in connection with this Agreement, the Ancillary Agreements or the Contemplated Transactions.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF BUYER

4.1 Representations Regarding Buyer: Buyer represents and warrants the following:

(a) Organization. Buyer is a legal entity duly organized, validly existing and in good standing under the Laws of its jurisdiction of organization.

(b) Corporate Authority Relative to this Agreement; No Violation. Buyer has all requisite corporate power and authority to enter into this Agreement and the Ancillary Agreements to be executed and delivered by Buyer and to consummate the Contemplated Transactions. The execution and delivery of this Agreement and the Ancillary Agreements to be executed and delivered by Buyer and the consummation of the Contemplated Transactions have been duly and validly authorized by the Board of Directors of Buyer, and no other corporate proceedings on the part of Buyer are necessary to authorize the consummation of the Contemplated Transactions. This Agreement has been, and the Ancillary Agreements to be executed and delivered by Buyer will, as of the Closing, have been, duly and validly executed and delivered by Buyer and, assuming this Agreement constitutes, and as of the Closing the Ancillary Agreements to be executed and delivered by the applicable Seller Entities will constitute the valid and binding agreement of such Seller Entities, this Agreement constitutes, and as of the Closing, the Ancillary Agreements to be executed and delivered by Buyer will constitute, the valid and binding agreement of Buyer, enforceable against Buyer in accordance with its terms.

(c) Indebtedness. Attached hereto as Schedule 4.1(c) is a list of all outstanding Indebtedness of the Buyer and its Subsidiaries as of the date of this Agreement and as of the Closing Date.

(d) Finders or Brokers. Neither Buyer nor any of its Subsidiaries has employed any investment banker, broker or finder in connection with the Contemplated Transactions who might be entitled to any fee or any commission in connection with or upon consummation of the Contemplated Transactions.

(e) Independent Investigation. Buyer currently provides, and since July 2, 2018 has provided, management services to BH Media and BH Media Newspapers pursuant the Management Agreement between BH Media and Buyer, dated June 26, 2018 (the "Management Agreement"), and has also provided shared services to BH Media Newspapers, and in such capacities, Buyer acknowledges it is familiar with the operations, assets, accounts, and Liabilities of the BH Media Newspaper Business. Due to such familiarity and management knowledge the Acquired Assets and Assumed Liabilities are being transferred to and assumed by Buyer on an "As-Is" basis, except as otherwise specifically set forth in this Agreement. Buyer acknowledges and agrees that in making its decision to enter into this Agreement it has not relied upon any representation, warranty, agreement or covenant of the Seller Entities or their Representatives except as expressly set forth in this Agreement.

ARTICLE 5 COVENANTS

5.1 Conduct of Business.

(a) Conduct of Seller Entities. Between the date of this Agreement and the Closing, the Seller Entities shall cause each of BH Media and the Buffalo News to conduct its respective business only in the ordinary course of business and consistent with past practices.

(b) Conduct of Buyer. In rendering services to BH Media pursuant to the Management Agreement between the date of this Agreement and the Closing, Buyer shall perform such services in the ordinary course, consistent with past practice and the terms of the Management Agreement and Buyer will not take any action that would cause BH Media to conduct the BH Media Newspaper Business in any manner that is not in the ordinary course and consistent with past practices.

5.2 HSR Act Filing. As soon as practicable after the execution of this Agreement, but in any event no later than five (5) Business Days after such execution, Buyer and Seller Entities shall each complete and file, or cause to be completed and filed, any notification and report required to be filed under the HSR Act; and each such filing shall request early termination of the waiting period imposed by the HSR Act. Each Party shall diligently take, and fully cooperate in the taking of, all necessary and proper steps, and provide any additional information reasonably requested in order to comply with, the requirements of the HSR Act and any inquiries received from the Federal Trade Commission (the "FTC"), the Antitrust Division of the Department of Justice (the "Antitrust Division") or any other Governmental Entity in connection with antitrust matters. In addition, each Party shall use commercially reasonable efforts to overcome, or cause to be overcome, any objections which may be raised by the FTC, the Antitrust Division or any other Governmental Entity having jurisdiction over antitrust matters. Buyer shall be responsible for the cost of the filing fee required under the HSR Act.

5.3 Tax Matters.

(a) Responsibility for BH Media Taxes. The Seller Entities, Subsidiaries, or one or more members of the Affiliated Group, as applicable, shall prepare and timely file all Tax Returns (other than Income Tax Returns) for any Taxes (other than Income Taxes) imposed on or attributable to BH Media (including the Acquired Assets) or a Subsidiary of BH Media with respect to any taxable period for which a Tax Return filing is due on or before the Closing Date (each a "Pre-Closing Tax Period"). Buyer shall prepare and timely file all Tax Returns (other than Income Tax Returns) for, and indemnify and hold BH Media and its Affiliates harmless against, any Taxes (other than Income Taxes) imposed on or attributable to ownership of the Acquired Assets with respect to any taxable period for which such Tax Returns are due after the Closing Date, regardless of whether the applicable Tax period for such Tax Return began prior to the Closing Date (each a "Post-Closing Tax Period"). Seller Entities shall prepare and timely file all Income Tax Returns for, and indemnify and hold Buyer and its Affiliates harmless against, any Income Taxes imposed on BH Media or its Affiliated Group related to ownership of (i) the Excluded Assets with respect to any taxable period, whether ending prior to, on, or after the Closing Date, and (ii) the Acquired Assets with respect to any taxable period which begins on or prior to the Closing Date.

(b) Responsibility for Buffalo News Taxes. The Seller Entities or a member of their Affiliated Group, as applicable, shall prepare and timely file all Income Tax Returns for, and indemnify and hold Buyer and its Affiliates harmless against, any Income Taxes imposed on Buffalo News related to a Pre-Closing Tax Period. Buyer or an Affiliate, as applicable, shall prepare and timely file all Tax Returns for, and indemnify and hold the Seller Entities and the Affiliates of the Seller Entities harmless against, any Taxes imposed on Buffalo News related to any Post-Closing Tax Period. Buyer and its Affiliates shall be responsible for, and shall indemnify and hold the Seller Entities and the Affiliates of the Seller Entities for all Taxes (except Income Taxes) arising, due, and payable for any Pre-Closing Tax Period and any Post-Closing Tax Period.

(i) Notwithstanding the foregoing, each of the Seller Entities and their respective Affiliates agrees to indemnify Buyer and its Affiliates from and against any Liability that Buyer or its Affiliates may suffer resulting from, arising out of, relating to, in the nature of, or caused by any Liability of Buffalo News for Income Taxes, including under Reg. § 1.1502-6 (or any similar provision of state, local, or non-U.S. Law) , with respect to any taxable period which begins on or prior to the Closing Date.

(ii) Berkshire shall include the income of Buffalo News (including any deferred items triggered into income by Reg. § 1.1502-13 and any excess loss account taken into income under Reg. § 1.1502-19) on Berkshire's consolidated federal Income Tax Returns for all Pre-Closing Tax Periods and pay any federal Income Taxes attributable to such income. Buyer and its Affiliates shall furnish Tax information to Berkshire for inclusion in Berkshire's federal consolidated Income Tax Return for the period prior to the Closing Date that includes the Closing Date in accordance with Buffalo News' past custom and practice. The income of Buffalo News shall be apportioned between Berkshire and Buffalo to the period up to and including the Closing Date (Berkshire's responsibility) and the period after the Closing Date (Buyer's responsibility) by closing the books of Buffalo News as of the end of the Closing Date.

(iii) Berkshire shall not make an election under Code § 336(e) with respect to the transactions contemplated by this Agreement. Neither Party shall make an election under Code § 338 with respect to the Contemplated Transactions.

(iv) Any agreement between Buffalo News and the other members of its Affiliated Group regarding allocation of payment of Taxes or amounts in lieu of Taxes shall be deemed terminated at and as of the Closing as applied to Buffalo News and the Seller Entities and their respective Affiliates shall indemnify Buyer and its Affiliates from and against any Liability Buyer or its Affiliates may suffer resulting from, arising out of, or relating to, in the nature of, or caused by any such agreement.

(c) Tax Contests. The Seller Entities or a member of the Affiliated Group of the Seller Entities, as applicable, shall control and bear the cost of the conduct of any audit, claim, proceeding, dispute or controversy (“Tax Contest”) relating to any Tax for which a Seller Entity or a member of the Affiliated Group of such Seller Entity, as applicable, is responsible pursuant to Section 5.3(a) or Section 5.3(b); provided, however, that no Seller Entity or member of the Affiliated Group of such Seller Entity, as applicable, shall settle or compromise any such Tax Contest in a manner that could reasonably be expected to adversely affect the Tax Liability of Buyer or Buffalo News for any Post-Closing Tax Period without the consent of Buyer (which consent shall not be unreasonably withheld, delayed or conditioned). Buyer shall control all other Tax Contests relating to any Acquired Assets or Buffalo News.

(d) Refunds and Credits. Any refunds or credits of Taxes of Buffalo News or the Acquired Assets with respect to Income Taxes described in Section 5.3(a) and Section 5.3(b) paid by Seller Entities or a member of the Affiliated Group of a Seller Entity, as applicable, shall be for the account of the appropriate Seller Entity, and if Buyer receives any Income Tax refund or credit that relates to such Income Taxes, Buyer shall pay the appropriate Seller Entity the amount of any such refund or the value of such credit. Any refunds or credits of Taxes required to be paid by Buyer pursuant to Section 5.3(a) and Section 5.3(b), as well as Taxes (except Income Taxes) for any period, shall be for the account of Buyer, and if any Seller Entity or Affiliate receives any Tax refund or credit that relates to such Taxes, the applicable Seller Entity or Affiliate, as applicable, shall pay to Buyer the amount of any such refund or the value of such credit.

(e) Cooperation. The Parties shall provide assistance to each other as reasonably requested in preparing and filing Tax Returns and responding to Tax Contests, provide reasonably detailed notice of any Tax Contest sufficient to apprise the other Party of the nature of the claim, make available to each other as reasonably requested all relevant information, records, and documents, including workpapers, relating to Taxes of Buffalo News or the Acquired Assets and retain any books and records that could reasonably be expected to be necessary or useful in connection with any preparation by any other Party of any Tax Return, or for any Tax Contest.

(f) Miscellaneous. Buyer and the Seller Entities agree to utilize, or cause their respective Affiliates to utilize, the standard procedure set forth in Revenue Procedure 2004-53 with respect to wage reporting.

(g) Ad Valorem Taxes. Buyer and its Affiliates shall be responsible for, and shall hold BH Media and its Affiliates harmless against, any *Ad Valorem* Taxes imposed or related to ownership of the Acquired Assets for any Pre-Closing Tax Period or Post-Closing Tax Period.

(h) Survival. The indemnity obligations pursuant to this Section 5.3 shall survive the Closing and shall continue indefinitely.

5.4 Public Announcements. The Parties will consult with and provide each other the opportunity to review and comment upon any press release or, to the extent practicable, other public statement made by a Party or their respective Subsidiaries prior to the issuance of such press release or, to the extent practicable, other public statement relating to this Agreement or the Contemplated Transactions and shall not issue any such press release or, to the extent practicable, other public statement prior to such consultation except as may be required by applicable Law, by obligations pursuant to any listing agreement with any national securities exchange or, under a Party’s obligations to make filings with the SEC. The Parties agree to issue a joint press release announcing this Agreement.

5.5 Transaction Costs. Each Party, or its Affiliates, shall pay the transaction costs and expenses (including legal, accounting and other professional fees) that it incurs in connection with the negotiation, execution and performance of this Agreement, the Ancillary Agreements, and the consummation of the Contemplated Transactions, provided that Buyer shall pay all transaction costs of the Seller Entities attributable to the negotiation and preparation of the Credit Agreement and Term Loan. Buyer shall pay all transfer Taxes (including stock transfer, sales, use and deed Taxes) incurred by any Party as a result of the Contemplated Transactions and the fees and costs of recording or filing all applicable conveyancing instruments associated with the Contemplated Transactions.

5.6 Retention of and Access to Records. From and after the Closing, Buyer shall preserve, in accordance with Buyer's normal document retention policy, all books and records transferred by Seller Entities to Buyer pursuant to this Agreement. In addition to the foregoing, from and after the Closing, each Party shall afford to the other Parties, and its counsel, accountants and other Representatives, and their respective counsel, accountants and other authorized agents and representatives, during normal business hours and upon the execution and delivery of a confidentiality and non-disclosure agreement in customary form and substance (which shall include appropriate exceptions for disclosure relating to Tax matters), reasonable access to the employees, books, records, financial information and other data relating to the BH Media Newspaper Business or the Buffalo News in its possession, and the right to make copies and extracts therefrom, to the extent that such access may be reasonably required by the requesting Party (a) to facilitate the investigation, litigation and final disposition of any claims which may have been or may be made against any such Party or its Affiliates, (b) for the preparation of Tax Returns and audits, and (c) for any other reasonable business purpose.

5.7 Notifications. Prior to the Closing, Seller Entities will promptly deliver to Buyer written notice of any specific event or circumstance of which it has knowledge, or of which it receives notice, that (i) either Seller Entity believes would materially impair or delay the consummation of the Contemplated Transactions, or (i) would result in the conditions set forth in Section 7.2(a) or Section 7.2(b) not being satisfied. Prior to the Closing, Buyer will promptly deliver notice to the Seller Entities in writing of any specific event or circumstance of which it has knowledge, or of which it receives notice, that (i) Buyer believes would materially impair or delay the consummation of the Contemplated Transactions or (ii) would result in the conditions set forth in Section 7.3(a) or Section 7.3(b) not being satisfied.

5.8 No Liability of BH Media Related to the BH Media Newspaper Business. Buyer acknowledges and agrees that it is the intention of the Parties that BH Media and its Affiliates shall not have post-Closing Liability of any nature arising from or relating to the BH Media Newspaper Business (except as otherwise provided in Section 5.3), regardless of whether the events giving rise to such Liability occurred prior to, or after, the Closing. All Liabilities of any nature related to the Acquired Assets, or the Assumed Liabilities, regardless of when such Liabilities were incurred, shall (except as otherwise provided in Section 5.3) be assumed by Buyer at Closing and Buyer shall indemnify and hold harmless BH Media and its Affiliates from any such Liabilities.

5.9 Post-Closing Management. Because of the Parties' intention stated in Section 5.8, Buyer agrees after Closing it will manage, at its sole cost and expense (including attorney's fees, settlement or judgement costs): (i) the payment and satisfaction of any Liabilities which relate to the Acquired Assets, Assumed Liabilities, or the BH Media Newspaper Business, and (ii) the investigation, defense or prosecution of any subpoena, demand, action, suit, inquiry, claim, investigation or proceeding which is pending, instituted or threatened against BH Media (and its Affiliates, if applicable) or its current or former Representatives acting within the scope of their official duties, and which relates to or arises out of the Acquired Assets, Assumed Liabilities, or the BH Media Newspaper Business, regardless of whether the events giving rise to the Liability for any such matter described in (i) or (ii) above occurred prior to or following the Closing (each such matter a "BH Media Newspaper Matter"). Schedule 5.9 lists all currently ongoing litigation matters involving BH Media in federal or state court. Following the Closing, Buyer will indemnify BH Media and its Affiliates from any Liability related to a BH Media Newspaper Matter and will reimburse all costs incurred by BH Media or its Affiliates in connection with a BH Media Newspaper Matter, including reasonable attorney's fees. In performing its obligations under this Section 5.9, Buyer and its Affiliates will not agree to settle any BH Media Newspaper Matter without BH Media's consent unless such settlement agreement contains a full and complete release of BH Media (and its Affiliates, if applicable) with no admission of guilt or wrongdoing, and contains no non-monetary obligations of BH Media other than an obligation to keep the settlement agreement and discussions confidential.

5.10 Third Party Consents. Buyer and Seller Entities shall use commercially reasonable efforts to obtain any necessary third-party consents to the transfer of the Acquired Assets and assignment of the Assumed Contracts prior to Closing; provided, however, that BH Media shall not be required to pay or incur any cost or expense to obtain any third party consent that BH Media is not otherwise required to pay or incur in accordance with the terms of the applicable Assumed Contract. If any such third party consent required to transfer any material Acquired Asset or assign any material Assumed Contract is not obtained before the Closing, BH Media shall, for a period of six (6) months after the Closing and at Buyer's expense, use commercially reasonable efforts to: (i) obtain such consent, (ii) cooperate with Buyer in any reasonable arrangement designed to provide Buyer the benefits of the applicable Acquired Asset or Assumed Contract and (iii) enforce any rights of BH Media under or with respect to the applicable Acquired Asset or Assumed Contract against all other Persons. In addition, if any such third party consent is not obtained before the Closing, Buyer shall perform the obligations of BH Media under such Assumed Contract to the extent that such obligation would have been an Assumed Liability but for the fact that such consent has not been so obtained, and Seller Entities shall provide to Buyer the benefits of any such Assumed Contract. To the extent that an Acquired Asset or Assumed Contract is an insurance policy and (a) such policy is not transferable or consent is not obtained to transfer such policy to Buyer and (b) Buyer notifies the Seller Entities that Buyer is unable to procure an adequate successor policy, Seller Entities shall maintain such policy, or, if unable to maintain such policy, purchase and maintain a tail policy to such policy containing substantially similar terms and conditions, at Buyer's expense, for the benefit of Buyer with respect to claims arising on or before the Closing Date.

5.11 Further Actions. Subject to the other provisions of this Agreement, which may impose additional or different obligations, the Parties shall each use commercially reasonable efforts to take, or cause to be taken, all appropriate actions and to do, or cause to be done, and to assist and cooperate with the other Party in doing, all things necessary, proper or advisable to satisfy as soon as practicable all of the conditions required to be satisfied by it hereunder and to consummate the transactions contemplated hereby as expeditiously as possible. Subject to the other provisions of this Agreement, each Party further understands and agrees that it shall not take, or cause or permit to be taken, any action that is materially inconsistent with the terms of this Agreement, nor shall a Party take, or cause or permit to be taken any action that might materially delay or hinder the timely consummation of the transactions contemplated hereby.

ARTICLE 6 EMPLOYMENT MATTERS

6.1 Acquired Employees. Buyer or its Affiliates shall make offers of employment to all BH Media Employees who are employed on the Closing Date. Any employment of a BH Media Employee with Buyer or its Affiliates will be effective as of immediately following the Closing Date. Such offers of employment shall be on terms and conditions substantially similar in the aggregate to the current terms of employment of each BH Media Employee, within the current state of such BH Media Employee's current employment and not more than 50 miles from such BH Media Employee's current employment location. BH Media Employees who accept such offer of employment and become employees of Buyer or an Affiliate of Buyer shall be referred to in this Agreement as "Acquired Employees."

6.2 Collective Bargaining Agreements. All collective bargaining agreements covering Acquired Employees shall be assumed by the Buyer at Closing and all collective bargaining agreements covering employees of Buffalo News shall survive the Closing. BH Media and Buyer understand and agree that BH Media may have an obligation to engage in effects bargaining with unions which are certified to represent BH Media employees through collective bargaining to the extent requested by such unions.

6.3 Vacation. The Assumed Liabilities shall include, and Buyer shall assume, BH Media's Liability for all accrued, but unpaid vacation time of Acquired Employees.

6.4 Welfare Plans.

(a) BH Media shall assign to Buyer, and Buyer shall assume the BH Media Employee Benefit Plans to the extent that such assignment and assumption is permitted under the terms of such plans (the “Assumed Plans”). Buyer shall permit the Acquired Employees to continue active participation in Assumed Plans until Buyer determines that it is advisable for the Acquired Employees to commence participation in benefit plans maintained by Buyer (or its Affiliates) in accordance with the terms of Buyer’s (or its Affiliates’) plans (the “Buyer Welfare Plans”). If any of the BH Media Employee Benefit Plans is not assignable by BH Media or assumable by Buyer, then Buyer will use commercially reasonable efforts to permit any Acquired Employees affected by such circumstances to participate in comparable Buyer Welfare Plans. At such time as the Acquired Employees begin participation in any of the Buyer Welfare Plans, for all purposes (including purposes of vesting, eligibility to participate and level of benefits) under the Buyer Welfare Plans providing benefits to any Acquired Employees after the Closing, each Acquired Employee shall subject to applicable Law and applicable tax qualification requirements be credited with his or her years of service with BH Media or its Affiliates before the Closing, to the same extent as such Acquired Employee was entitled, before the Closing, to credit for such service under any similar employee benefit plan in which such Acquired Employee participated or was eligible to participate immediately prior to the Closing, provided that the foregoing shall not apply to the extent that its application would result in a duplication of benefits. In addition, and without limiting the generality of the foregoing, each Acquired Employee shall be immediately eligible to participate, without any waiting time, in any and all Buyer Welfare Plans. Buyer shall cause any eligible expenses incurred by an Acquired Employee and his or her covered dependents during the portion of the plan year of the applicable plan ending on the date such employee’s participation in the corresponding Buyer Welfare Plan begins to be taken into account under such Buyer Welfare Plan for purposes of satisfying all deductible, coinsurance and maximum out-of-pocket requirements applicable to such employee and his or her covered dependents for the applicable plan year as if such amounts had been paid in accordance with such Buyer Welfare Plan.

(b) To the extent that an Acquired Employee has not used all amounts deferred to a health or limited purpose flexible spending account plan as of the Closing Date, BH Media shall transfer to Buyer in cash any positive balance in such Acquired Employee’s health or limited purpose flexible spending account as of the Closing Date to the extent not otherwise included in the Acquired Assets, and Buyer shall assume all obligations with respect to that Acquired Employee’s health or limited purpose flexible spending account plan balance.

6.5 COBRA Coverage. BH Media shall assign its group health, dental, vision, and wellness plans at Closing, and therefore, Buyer agrees it will provide and be responsible for the provision of group health, dental, vision, and wellness plan continuation coverage with respect to each Person who is an “M&A Qualified Beneficiary” of BH Media (within the meaning of T. Regs. 54.4980B-9 Q&A-4).

6.6 General. Nothing in this Article 6 or elsewhere in this Agreement shall be construed as conferring any legal rights upon any Person for continuation of employment by Buyer or its Affiliates, requiring Buyer to implement, or limiting the rights of Buyer to amend or discontinue, any benefit plan, program or practice of any nature whatsoever, or (iii) conferring upon any Person (other than a Party to this Agreement) any rights or remedies under this Agreement (including under this Article 6).

ARTICLE 7 CONDITIONS PRECEDENT TO OBLIGATIONS

7.1 Conditions to Each Party’s Obligation. The respective obligation of each Party to effect the Contemplated Transactions is subject to the satisfaction or waiver, on or prior to the Closing Date, of the following conditions:

(a) HSR Act. The waiting period (and each extension of such waiting period, if any) under the HSR Act applicable to the Contemplated Transactions shall have terminated or expired.

(b) No Injunction. No temporary or permanent injunction or other order issued by any court of competent jurisdiction prohibiting consummation of the Contemplated Transactions shall be in effect.

(c) No Proceedings. At the Closing, there shall not be instituted or pending any action or proceeding in which any Governmental Entity of any competent jurisdiction seeks to make any of the material Contemplated Transactions illegal or otherwise restrain in any material respect or prohibit consummation of any of the material Contemplated Transactions.

7.2 Conditions to Obligations of Buyer. Buyer's obligation to purchase the Acquired Assets, assume the Assumed Liabilities, and purchase the Buffalo Shares and to take the other actions required to be taken by Buyer at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by Buyer, in whole or in part, and which shall be deemed waived upon Closing):

(a) Accuracy of Representations. The representations and warranties of the Seller Entities set forth in this Agreement taken together as a whole shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date as though made at and as of the Closing Date, except for such failures to be true and correct as would not have, in the aggregate, a material effect on the Acquired Business; provided, however, that, representations and warranties that are made as of a particular date or period shall be true and correct only as of such date or period.

(b) Seller Entities' Performance. All of the covenants and obligations that Seller Entities are required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been duly performed and complied with in all material respects. Buyer shall have received a certificate to such effect, from each Seller Entity signed on behalf of such Seller Entity by an authorized officer.

(c) Credit Agreement. The funding of the Loan pursuant to the Credit Agreement shall have occurred.

7.3 Conditions to Obligations of Seller. The obligations of Seller Entities to sell the Acquired Assets, to transfer Assumed Liabilities, and the Buffalo Shares and to take the other actions required to be taken by the Seller Entities at the Closing is subject to the satisfaction, at or prior to the Closing, of each of the following conditions (any of which may be waived by the Seller Entities, in whole or in part, and which shall be deemed waived upon Closing).

(a) Accuracy of Representations. The representations and warranties of Buyer set forth in this Agreement shall be true and correct at and as of the date of this Agreement and at and as of the Closing Date as though made at and as of the Closing Date, except for such failures to be true and correct as would not materially impair or delay the consummation of the Contemplated Transactions; provided, however, that, representations and warranties that are made as of a particular date or period shall be true and correct only as of such date or period, and Seller Entities shall have received a certificate to such effect, signed on behalf of Buyer by an authorized officer.

(b) Buyer's Performance. All of the covenants and obligations that Buyer is required to perform or to comply with pursuant to this Agreement at or prior to the Closing shall have been performed and complied with in all material respects. Seller Entities shall have received a certificate to such effect, signed on behalf of Buyer, by an authorized officer.

(c) Credit Agreement. The funding of the Loan pursuant to the Credit Agreement shall have occurred and such proceeds shall have been used to satisfy all outstanding Indebtedness of Buyer and its Affiliates.

ARTICLE 8 TERMINATION

8.1 Termination. This Agreement may be terminated at any time prior to the Closing Date:

(a) by written consent of Seller Entities and Buyer;

(b) by any Seller Entity or Buyer if any Governmental Entity shall have issued an order, decree or ruling permanently enjoining or prohibiting the consummation of the Contemplated Transactions and such order, decree or ruling shall have become final and nonappealable (but only if the Party seeking to terminate pursuant to this clause (b) shall have used best efforts to oppose and remove such order, decree or ruling);

(c) by either Seller Entity or Buyer if the Closing has not occurred (other than through the failure of any Party seeking to terminate this Agreement to comply fully with its obligations under this Agreement) on or before April 30, 2020 (the "End Date");

(d) by either Seller Entity, if Buyer shall have breached or failed to perform in any material respect any of its representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform would result in a failure of a condition set forth in Section 7.3(a) or Section 7.3(b) that cannot be cured by the End Date, provided that the applicable Seller Entity shall have given Buyer written notice, delivered at least thirty (30) days prior to such termination, notifying Buyer of such breach or failure to perform; and

(e) by Buyer, if a Seller Entity shall have breached or failed to perform in any material respect any of their representations, warranties, covenants or other agreements contained in this Agreement, which breach or failure to perform would result in a failure of a condition set forth in Section 7.2(a) or Section 7.2(b) cannot be cured by the End Date, provided Buyer shall have given the Seller Entities written notice, delivered at least thirty (30) days prior to such termination, notifying the Seller Entities of such breach or failure to perform.

8.2 Effect of Termination. If this Agreement is terminated under Section 8.1, this Agreement shall immediately become void and have no effect, without any Liability or obligation on the part of any Party, other than the provisions of Section 4.1(d), Section 3.1(c), this Section 8.2 and Article 9. If this Agreement is terminated, the Management Agreement shall continue in full force and effect and no payout shall occur pursuant to the terms of the Termination Agreement.

ARTICLE 9 GENERAL PROVISIONS

9.1 Survival of Representations and Warranties. The representations and warranties contained in this Agreement, and all representations and warranties contained in the certificates delivered pursuant to this Agreement will terminate at the Closing; provided, that, the representations and warranties of Seller Entities contained in Section 3.1(b) and 3.2(c) and the representations and warranties of Buyer contained in Section 4.1(b) shall survive the Closing and continue indefinitely.

9.2 Notices. All notices, requests, claims and other communications under this Agreement shall be in writing and shall be deemed given if delivered personally or by overnight courier to the Parties at the addresses set forth on Schedule 9.2 (or at such other address for a Party as shall be specified by notice from such Party) or sent by email (with an acknowledged response) to the email addresses set forth on Schedule 9.2.

9.3 Interpretation. When a reference is made in this Agreement to a Section, Exhibit or Schedule, such reference shall be to a Section of, or an Exhibit or Schedule to, this Agreement unless otherwise indicated. The table of contents and headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement. Whenever the word "include," "includes" or "including" is used in this Agreement, it shall be deemed to be followed by the words "without limitation."

9.4 Counterparts. This Agreement may be executed in counterparts, all of which shall be considered one and the same agreement and shall become effective when one or more counterparts have been signed by each Party and delivered to each other Party. Such counterparts may be delivered in PDF format by email correspondence.

9.5 Entire Agreement; No Third-Party Beneficiaries. This Agreement and the other agreements referred to in this Agreement constitute the entire agreement (and supersede each prior agreement and understanding, whether written or oral) among the Parties regarding the subject matter of this Agreement. This Agreement is not intended to confer any rights or remedies on any Person other than the Parties.

9.6 Governing Law. This Agreement shall be governed by; and construed in accordance with, the Laws of the State of Delaware regardless of any Laws that might otherwise govern under applicable principles of conflicts of laws thereof.

9.7 Assignment. Neither this Agreement nor any right, interest or obligation under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise, by any Party without the prior written consent of the other Parties; provided that prior to the Closing Date, Buyer may elect to assign its rights under this Agreement to (x) a wholly-owned Subsidiary of Buyer if such Subsidiary becomes a party to this Agreement by a duly-executed amendment to this Agreement and agrees to be bound by the representations, warranties, covenants and obligations in this Agreement and Buyer remains responsible and liable for all of its obligations under this Agreement and guarantees such Subsidiary's obligations under this Agreement.

9.8 Amendments; Waiver. This Agreement may not be amended or modified except by written agreement of the Parties. No breach of any covenant, agreement, representation or warranty made in this Agreement shall be deemed waived unless expressly waived in writing by the Party who might assert such breach.

9.9 Enforcement. The Parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with its terms or were otherwise breached. Each Party shall be entitled to injunctive relief to prevent any breach of this Agreement and to enforce this Agreement specifically in any court of the State of Delaware or any court of the United States located in the State of Delaware (in addition to any other remedy to which such Party is entitled at law or in equity). In addition, each Party:

(a) submits itself to the personal jurisdiction of (i) the courts of the State of Delaware; and (ii) the United States District Court for the District of Delaware with respect to any dispute arising out of this Agreement or the Contemplated Transactions to the extent such courts would have subject matter jurisdiction with respect to such dispute;

(b) agrees that it will not attempt to deny or defeat such personal jurisdiction or venue by motion or other request for leave from any such court; and

(c) agrees that it will not bring any action relating to this Agreement, the Ancillary Agreements, or the Contemplated Transactions in any court other than such courts referred to above.

9.10 Waiver of Jury Trial. Each of the Parties irrevocably waives all right to trial by jury in any action, proceeding or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement, the Ancillary Agreements, the Contemplated Transaction or the actions of any Party in the negotiation, performance or enforcement of this Agreement, the Ancillary Agreements or the Contemplated Transaction.

9.11 Enforcement of Agreement. The Parties acknowledge and agree that money damages would not be a sufficient remedy for any breach of this Agreement by the another Party, that the Parties would suffer irreparable harm as a result of any such breach, and that, in addition to all other remedies available under this Agreement or at law or in equity, the Parties shall be entitled to specific performance and injunctive or other equitable relief as a remedy for any such breach or threatened breach. In the event of any action by any Party to enforce this Agreement, the other Parties hereto hereby waive the defense that there is an adequate remedy at law. The Parties recognize and agree that Seller Entities and Buyer have each relied on this Agreement and expended considerable effort and resources related to the transactions contemplated hereby, that the right and benefits conferred upon Seller Entities and Buyer herein are unique, and that damages may not be adequate to compensate Seller Entities or Buyer in the event either refuses to consummate the transactions contemplated hereby and effect the Closing in accordance with the terms and conditions hereof. The Parties therefore acknowledge and agree that, without limiting the generality of the foregoing and in addition to any and all remedies available to them, Seller Entities shall be entitled to enforce specifically Buyer's obligation to purchase the Acquired Assets and the Buffalo Shares for the Purchase Price and assume the Assumed Liabilities and otherwise to effect the Closing, if the conditions set forth in Section 7.2 are satisfied or capable of being satisfied.

9.12 BH Media's Retention of Attorney-Client Privilege.

(a) Buyer's Non-Access to BH Media's Records Regarding the Contemplated Transactions. Buyer agrees that it would be impractical to remove (and after Closing neither Buyer nor, its Affiliates are obligated to remove) all Attorney-Client Communications from the records (including e-mails and other electronic files) included in the Acquired Assets. Accordingly, Buyer will not, and will cause each of its Affiliates not to, intentionally use any Attorney-Client Communication in the records of Buyer or any of its Subsidiaries after Closing in a manner that Buyer knows or should reasonably be expected to know is materially adverse to any Seller Entity.

(b) Retention of Privilege. Buyer agrees, on its own behalf and on behalf of its current and future Affiliates, that from and after Closing (i) the attorney-client privilege, all other evidentiary privileges, and the expectation of client confidence as to all Attorney-Client Communications belong to BH Media and will not pass to or be claimed by Buyer any of its Affiliates, and (ii) BH Media will have the exclusive right to control, assert, or waive the attorney-client privilege, any other evidentiary privilege, and the expectation of client confidence with respect to such Attorney-Client Communications. Accordingly, after Closing, Buyer will not, and will cause each of its Affiliates not to, (A) assert any attorney-client privilege, other evidentiary privilege, or expectation of client confidence with respect to any Attorney-Client Communication, except to the extent determined necessary by Buyer to be required to fulfill Buyer's obligations under Section 5.9 of this Agreement; or (B) knowingly take any action which could cause any Attorney-Client Communication to cease being a confidential communication or to otherwise lose protection under the attorney-client privilege or any other evidentiary privilege, including waiving such protection in any dispute with a Person that is not a Seller Entity.

9.13 Severability. Each provision of this Agreement will be interpreted so as to be effective and valid under applicable Law, but if any provision is held invalid, illegal or unenforceable under applicable Law in any jurisdiction, then such invalidity, illegality or unenforceability will not affect any other provision, and this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been included in this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date first written above.

Seller Entities:

BH Media Group, Inc.

By: /s/ Ted Weschler

Name: Ted Weschler

Title: Authorized Signatory

Berkshire Hathaway Inc.

By: /s/ Ted Weschler

Name: Ted Weschler

Title: Authorized Signatory

Buyer:

Lee Enterprises, Incorporated

By: /s/ Kevin D. Mowbray

Name: Kevin D. Mowbray

Title: President & CEO

[Signature Page to Asset and Stock Purchase Agreement]

CREDIT AGREEMENT

dated as of January 29, 2020

between

LEE ENTERPRISES, INCORPORATED, a Delaware corporation

as Borrower,

and

BH FINANCE LLC, a Nebraska limited liability company

as Lender

**LEE ENTERPRISES, INCORPORATED
CREDIT AGREEMENT**

THIS CREDIT AGREEMENT is entered into as of January 29, 2020, between LEE ENTERPRISES, INCORPORATED, a Delaware corporation (the "Borrower"), and BH FINANCE LLC, a Nebraska limited liability company (the "Lender").

The parties hereby agree as follows:

ARTICLE 1 - DEFINITIONS AND ACCOUNTING TERMS

1.01 Defined Terms. As used in this Agreement, the following terms shall have the meanings set forth below:

"Acquisition" means the acquisition, whether through a single transaction or a series of related transactions, of (a) a majority of the voting Equity Interests or other controlling ownership interest in another Person, whether by purchase of such equity or other ownership interest or upon the exercise of an option or warrant for, or conversion of securities into, such equity or other ownership interest, or (b) assets of another Person which constitute all or substantially all of the assets of such Person or of a division, line of business or other business unit of such Person.

"Affiliate" means, with respect to any Person, another Person that directly, or indirectly through one or more intermediaries, Controls or is Controlled by or is under common Control with the Person specified. No Loan Party shall be an Affiliate of the Lender for purposes of this Agreement.

"Agreement" means this Credit Agreement, as the same may be amended, modified, supplemented and restated from time to time.

"Applicable Rate" means a fixed rate of nine percent (9.00%) per annum.

"Attributable Indebtedness" means, on any date, (a) in respect of any Capital Lease Obligation of any Person, the capitalized amount thereof that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP, and (b) in respect of any Synthetic Lease Obligation, the capitalized amount of the remaining lease payments under the relevant lease that would appear on a balance sheet of such Person prepared as of such date in accordance with GAAP if such lease were accounted for as a capital lease.

"Audited Financial Statements" means the audited consolidated balance sheet of the Borrower and its Subsidiaries for the fiscal year ended September 29, 2019, and the related consolidated statements of income or operations, stockholders' equity and cash flows for such fiscal year of the Borrower and its Subsidiaries, including the notes and schedules thereto.

"BH Acquisition" means the Acquisition by Borrower of (a) 100% of the Equity Interests of The Buffalo News, Inc., a Delaware corporation, and (b) certain assets of BH Media Group, Inc., a Delaware corporation, pursuant to the BH Acquisition Documents.

"BH Acquisition Documents" means all purchase agreements, assignments, and other agreements and instruments evidencing or effectuating the BH Acquisition.

"Borrower Equity Issuance" means any issuance by Borrower to any Person of its Equity Interests.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the Laws of, or are in fact closed in, the State of Nebraska.

“Capital Lease Obligation” means as to any Person, the obligations of such Person to pay rent or other amounts under any lease of (or other arrangement conveying the right to use) real or personal property, or a combination thereof, which obligations are required to be classified and accounted for as capital leases on a balance sheet of such Person under GAAP.

“Capital Stock” means:

- (a) in the case of a corporation, corporate stock;
- (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (c) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited); and
- (d) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

“Cash Equivalents” means any of the following types of Investments, to the extent owned by the Borrower or any of its Subsidiaries free and clear of all Liens (other than Liens created under the Collateral Documents and other Liens permitted hereunder):

- (a) readily marketable obligations issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof having maturities of not more than 360 days from the date of acquisition thereof; provided that the full faith and credit of the United States of America is pledged in support thereof;
- (b) time deposits with, or insured certificates of deposit or bankers’ acceptances of, any commercial bank that (i) is organized under the laws of the United States of America, any state thereof or the District of Columbia or is the principal banking subsidiary of a bank holding company organized under the laws of the United States of America, any state thereof or the District of Columbia, and is a member of the Federal Reserve System, (ii) issues (or the parent of which issues) commercial paper rated as described in clause (c) of this definition and (iii) has combined capital and surplus of at least \$1,000,000,000, in each case with maturities of not more than 90 days from the date of acquisition thereof;
- (c) commercial paper issued by any Person organized under the laws of any state of the United States of America and rated at least Prime-1 (or the then equivalent grade) by Moody’s or at least A-1 (or the then equivalent grade) by S&P, in each case with maturities of not more than 180 days from the date of acquisition thereof; and
- (d) Investments, classified in accordance with GAAP as current assets of the Borrower or any of its Subsidiaries, in money market investment programs registered under the Investment Company Act of 1940, which are administered by financial institutions that have the highest rating obtainable from either Moody’s or S&P, and the portfolios of which are limited solely to Investments of the character, quality and maturity described in clauses (a), (b) and (c) of this definition.

“CERCLA” means the Comprehensive Environmental Response, Compensation and Liability Act of 1980.

“CERCLIS” means the Comprehensive Environmental Response, Compensation and Liability Information System maintained by the U.S. Environmental Protection Agency.

“CFC” means a Person that is a controlled foreign corporation under Section 957 of the Code.

“Change of Control” means an event or series of events by which:

(a) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, but excluding any employee benefit plan of such person or its subsidiaries, and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934, except that a person or group shall be deemed to have “beneficial ownership” of all securities that such person or group has the right to acquire, whether such right is exercisable immediately or only after the passage of time (such right, an “option right”)), directly or indirectly, 25% or more of the Equity Interests of Borrower entitled to vote for members of the board of directors or equivalent governing body of the Borrower on a fully-diluted basis (and taking into account all such securities that such “person” or “group” has the right to acquire pursuant to any option right); or

(b) during any period of 24 consecutive months, a majority of the members of the board of directors or other equivalent governing body of the Borrower cease to be composed of individuals (i) who were members of that board or equivalent governing body on the first day of such period, (ii) whose election or nomination to that board or equivalent governing body was approved by individuals referred to in clause (i) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body or (iii) whose election or nomination to that board or other equivalent governing body was approved by individuals referred to in clauses (i) and (ii) above constituting at the time of such election or nomination at least a majority of that board or equivalent governing body.

“Closing Date” means the first date all the conditions precedent in Section 3.01 are satisfied or waived by the Lender and the Loan has been made by the Lender pursuant to Section 2.01.

“Closing Date Mortgaged Property” means all Material Real Property of the Loan Parties as of the Closing Date.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” means all of the personal property and Mortgaged Property described in the Collateral Documents and all of the other property under the terms of the Collateral Documents or Loan Documents that is subject to Liens in favor of the Lender.

“Collateral Documents” means, collectively, the Guarantee and Collateral Agreement, the Mortgages, and each of the agreements, instruments or documents that creates, evidences or provides notice of, or purports to create, a Lien in favor of the Lender to secure the Secured Obligations, in whole or in part, whether delivered pursuant to the Guarantee and Collateral Agreement, a Mortgage or otherwise.

“Commitment” means an amount equal to the sum of (a) the Purchase Price (as defined in the BH Acquisition Documents), plus (b) all outstanding Indebtedness of the Borrower and its Subsidiaries as of the Closing Date to be repaid and satisfied in full on the Closing Date in accordance with this Agreement, plus (c) any fees and expenses of Lender which are the responsibility of the Borrower and which Lender agrees may be paid with the proceeds of the Loan.

“Contractual Obligation” means, as to any Person, any provision of any security issued by such Person or of any agreement, instrument or other undertaking to which such Person is a party or by which it or any of its property is bound.

“Control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of a Person, whether through the ability to exercise voting power, by contract or otherwise. “Controlling” and “Controlled” have meanings correlative thereto.

“Debtor Relief Laws” means Title 11 of the United States Code, as amended, and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief Laws of the United States or other applicable jurisdictions from time to time in effect.

“Default” means any event or condition that constitutes an Event of Default or that, with the giving of any notice, the passage of time, or both, would be an Event of Default.

“Default Rate” means an interest rate equal to the Applicable Rate plus 5% per annum.

“Disposition” or “Dispose” means the sale, transfer, license, lease or other disposition of any property by any Loan Party or Subsidiary of a Loan Party (or the granting of any option or other right to do any of the foregoing), including any sale of its Equity Interests and any sale, assignment, transfer or other disposal, with or without recourse, of any notes or accounts receivable or any rights and claims associated therewith. Notwithstanding the foregoing, a Disposition shall not include a Borrower Equity Issuance.

“Disqualified Stock” means, with respect to any Person, any Capital Stock of such Person which, by its terms, or by the terms of any security into which it is convertible or for which it is puttable or exchangeable, or upon the happening of any event, matures or is mandatorily redeemable (other than solely as a result of a change of control or asset sale) pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof (other than solely as a result of a change of control or asset sale), in whole or in part, in each case prior to the date 91 days after the earlier of the Maturity Date or the date the Loan is no longer outstanding.

“Dollar” and “\$” mean lawful money of the United States.

“Environmental Laws” means any and all Federal, state, local and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

“Environmental Liability” means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of the Borrower, any other Loan Party or any of their respective Subsidiaries directly or indirectly resulting from or based upon (a) violation of any Environmental Law, (b) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (c) exposure to any Hazardous Materials, (d) the release or threatened release of any Hazardous Materials into the environment or (e) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

“Environmental Permit” means any permit, approval, identification number, license or other authorization required under any Environmental Law.

“Equity Interests” means, with respect to any Person, all of the shares of Capital Stock of (or other ownership or profit interests in) such Person, all of the warrants, options or other rights for the purchase or acquisition from such Person of shares of Capital Stock of (or other ownership or profit interests in) such Person, all of the securities convertible into or exchangeable for shares of Capital Stock of (or other ownership or profit interests in) such Person or warrants, rights or options for the purchase or acquisition from such Person of such shares (or such other interests), and all of the other ownership or profit interests in such Person (including partnership, member or trust interests therein), whether voting or nonvoting, and whether or not such shares, warrants, options, rights or other interests are outstanding on any date of determination. As used in this Agreement, “warrant” or “warrants”, when used as a noun, includes \$6,000,000 in outstanding warrants issued by the Borrower pursuant to that certain Warrant Agreement dated as of March 31, 2014 by and among the Borrower and Wells Fargo Bank, National Association, as Warrant Agent.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended.

“ERISA Affiliate” means any trade or business (whether or not incorporated) under common control with the Borrower within the meaning of Section 414(b) or (c) of the Code (and Sections 414(m) and (o) of the Code for purposes of provisions relating to Section 412 of the Code).

“ERISA Event” means (a) a Reportable Event with respect to a Pension Plan; (b) a withdrawal by the Borrower or any ERISA Affiliate from a Pension Plan subject to Section 4063 of ERISA during a plan year in which it was a substantial employer (as defined in Section 4001(a)(2) of ERISA) or a cessation of operations that is treated as such a withdrawal under Section 4062(e) of ERISA; (c) a complete or partial withdrawal by the Borrower or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization; (d) the filing of a notice of intent to terminate, the treatment of a Plan amendment as a termination under Sections 4041 or 4041A of ERISA, or the commencement of proceedings by the PBGC to terminate a Pension Plan or Multiemployer Plan; (e) an event or condition which constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan or Multiemployer Plan; (f) the imposition of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon the Borrower or any ERISA Affiliate; or (g) the determination that any Pension Plan or Multiemployer Plan is considered an at-risk plan or a plan in endangered or critical status within the meaning of Sections 430 and 432 of the Code or Sections 303 and 305 of ERISA.

“Event of Default” has the meaning specified in Section 7.01.

“Excess Cash Flow” means any cash or Cash Equivalents, as defined under GAAP, in excess of \$20,000,000 as shown on the Borrower’s consolidated balance sheet, calculated at the end of each fiscal quarter. Excess Cash Flow shall exclude the proceeds of any Borrower Equity Issuance, including any proceeds from the exercise of warrants.

“GAAP” means generally accepted accounting principles in the United States in effect from time to time.

“Governmental Authority” means the government of the United States or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government (including any supra-national bodies such as the European Union or the European Central Bank).

“Guarantee” means, as to any Person, any (a) obligation, contingent or otherwise, of such Person guaranteeing or having the economic effect of guaranteeing any Indebtedness or other obligation payable or performable by another Person (the primary obligor) in any manner, whether directly or indirectly, and including any obligation of such Person, direct or indirect, (i) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness or other obligation, (ii) to purchase or lease property, securities or services for the purpose of assuring the obligee in respect of such Indebtedness or other obligation of the payment or performance of such Indebtedness or other obligation, (iii) to maintain working capital, equity capital or any other financial statement condition or liquidity or level of income or cash flow of the primary obligor so as to enable the primary obligor to pay such Indebtedness or other obligation, or (iv) entered into for the purpose of assuring in any other manner the obligee in respect of such Indebtedness or other obligation of the payment or performance thereof or to protect such obligee against loss in respect thereof (in whole or in part), or (b) Lien on any assets of such Person securing any Indebtedness or other obligation of any other Person, whether or not such Indebtedness or other obligation is assumed by such Person (or any right, contingent or otherwise, of any holder of such Indebtedness to obtain any such Lien) limited to the lesser of such Indebtedness or the value of the assets securing such Lien; provided, however, that the term Guarantee shall not include endorsements of instruments for deposit or collection in the ordinary course of business. The amount of any Guarantee shall be deemed to be an amount equal to the stated or determinable amount of the related primary obligation, or portion thereof, in respect of which such Guarantee is made or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof as determined by the guaranteeing Person in good faith.

“Guarantee and Collateral Agreement” means that certain Guarantee and Collateral Agreement dated as of the Closing Date, made by the Borrower and the Guarantors in favor of the Lender, in form and substance satisfactory to the Lender, all amendments, modifications, supplements and restatements thereof, and all Guarantee and Collateral Agreement Joinders from time to time executed and delivered in connection therewith.

“Guarantee and Collateral Agreement Joinder” means any joinder executed in connection with the Guarantee and Collateral Agreement.

“Guarantors” means, collectively, each Material Subsidiary of Borrower which executes and delivers to the Lender the Guarantee and Collateral Agreement or a Guarantee and Collateral Agreement Joinder, for so long as such Material Subsidiary is obligated thereunder.

“Hazardous Materials” means all explosive or radioactive substances or wastes and all hazardous or toxic substances, wastes or other pollutants, including petroleum or petroleum distillates, asbestos or asbestos-containing materials, polychlorinated biphenyls, radon gas, infectious or medical wastes and all other substances or wastes of any nature regulated pursuant to any Environmental Law.

“Indebtedness” means, as to any Person at a particular time, without duplication, all of the following, whether or not included as indebtedness or liabilities in accordance with GAAP:

- (a) all obligations of such Person for borrowed money and all obligations of such Person evidenced by bonds, debentures, notes, loan agreements or other similar instruments;
- (b) all direct or contingent obligations of such Person arising under letters of credit (including standby and commercial), bankers’ acceptances, bank guaranties, surety bonds and similar instruments;
- (c) net obligations of such Person under any Swap Contract;

(d) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable in the ordinary course of business);

(e) indebtedness (excluding prepaid interest thereon) secured by a Lien on property owned or being purchased by such Person (including indebtedness arising under conditional sales or other title retention agreements), whether or not such indebtedness shall have been assumed by such Person or is limited in recourse (provided that, if such indebtedness is non-recourse, the amount of such indebtedness for purposes hereof shall be limited to the lesser of the principal amount of such indebtedness and the fair market value of the property subject to such Lien);

(f) Capital Lease Obligations and Synthetic Lease Obligations;

(g) all obligations of such Person to purchase, redeem, retire, defease or otherwise make any payment in respect of any Equity Interest in such Person or any other Person, valued, in the case of a redeemable preferred interest, at the greater of its voluntary or involuntary liquidation preference plus accrued and unpaid dividends; and

(h) all Guarantees of such Person in respect of any of the foregoing determined in accordance with GAAP.

For all purposes hereof, the Indebtedness of any Person shall include the Indebtedness of any partnership or joint venture (other than a joint venture that is itself a corporation or limited liability company) in which such Person is a general partner or a joint venturer, unless such Indebtedness is expressly made non-recourse to such Person (provided that, if such Indebtedness is partially recourse and partially non-recourse, only the amount of such recourse Indebtedness shall be included). The amount of any net obligation under any Swap Contract on any date shall be deemed to be the termination value thereof as of such date. The amount of any Capital Lease Obligation or Synthetic Lease Obligation as of any date shall be deemed to be the amount of Attributable Indebtedness in respect thereof as of such date.

With respect to the Borrower and its Subsidiaries, "Indebtedness" shall not include (i) trade payables, or (ii) indebtedness owing from the Borrower or any of its Subsidiaries to any other Loan Party.

"Information" has the meaning specified in Section 8.07.

"Interest Payment Date" means the first calendar day of each month, commencing with the first calendar month following the calendar month in which the Closing Date occurs.

"Investment" means, as to any Person, any direct or indirect Indebtedness or investment by such Person, whether by means of (a) the purchase or other acquisition of all or any portion of the Equity Interests of another Person, (b) a loan, advance or capital contribution to, Guarantee or assumption of debt of, or purchase or other acquisition of any other debt or equity participation or interest in, another Person, including any partnership or joint venture interest in such other Person and any arrangement pursuant to which the investor Guarantees Indebtedness of such other Person, or (c) the purchase or other acquisition (in one transaction or a series of transactions) of assets of another Person that constitute a business unit. For purposes of covenant compliance, the amount of any Investment shall be the amount actually invested, without adjustment for subsequent increases or decreases in the value of such Investment. "Investment" shall not include any advance to an officer, director or employee of a Person, in the ordinary course of business consistent with past practice, for travel, entertainment, relocation and analogous business purposes.

"IRS" means the United States Internal Revenue Service.

“Laws” means, collectively, all international, foreign, Federal, state and local statutes, treaties, rules, guidelines, regulations, ordinances, codes and administrative or judicial precedents or authorities, including the interpretation or administration thereof by any Governmental Authority charged with the enforcement, interpretation or administration thereof, and all applicable administrative orders, directed duties, requests, licenses, authorizations and permits of, and agreements with, any Governmental Authority, in each case whether or not having the force of law.

“License” means, as to any Person, any license, permit, certificate of need, authorization, certification, accreditation, franchise, approval, or grant of rights by any Governmental Authority or other Person necessary or appropriate for such Person to own, maintain, or operate its business or property.

“Lien” means any mortgage, pledge, hypothecation, assignment, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement in the nature of a security interest of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any financing lease having substantially the same economic effect as any of the foregoing).

“Loan” has the meaning specified in Section 2.01.

“Loan Documents” means this Agreement, the Note, if any, the Guarantee and Collateral Agreement, each Mortgage, each other Collateral Document, and each other document, agreement or instrument executed by any Loan Party in connection with this Agreement from time to time.

“Loan Parties” means, collectively, the Borrower and each Guarantor, and “Loan Party” means any of them, as applicable in the context in which it is used.

“Material Adverse Effect” means a material adverse effect on (a) the business, assets, operations or condition (financial or otherwise) of the Loan Parties taken as a whole, (b) the ability of the Loan Parties, taken as a whole, to perform their obligations under the Loan Documents, or (c) the rights or remedies of the Lender (or any of its permitted agents or designees) under this Agreement or any of the other Loan Documents. For the avoidance of doubt, a partial or complete withdrawal from a Multiemployer Plan does not and shall not constitute a Material Adverse Effect.

“Material Real Property” means any real property (and improvements thereon) owned by the Borrower or any of its Subsidiaries with a value (as determined by a third party appraisal, internal valuation, property tax assessed value or other means acceptable to Lender) in excess of \$3,000,000, except any real property of the Borrower subject to a contract for sale as of the Closing Date that is to be consummated within six (6) months from the Closing Date (provided that if any such sale is not consummated within said period, the provisions of Section 5.12(b) shall apply).

“Material Subsidiary” means any Subsidiary of the Borrower organized under the laws of any state or commonwealth of the United States or the District of Columbia which owns more than \$3,000,000 in assets.

“Maturity Date” means the twenty fifth (25th) anniversary of the Closing Date.

“Maximum Rate” has the meaning specified in Section 8.09.

“Moody’s” means Moody’s Investors Service, Inc. and any successor thereto.

“Mortgage” means (in each case as same may be amended or amended and restated) a deed of trust, trust deed, deed to secure debt, mortgage, leasehold deed of trust, leasehold trust deed, leasehold deed to secure debt, or leasehold mortgage, together with the assignments of leases and rents referred to therein or executed in connection therewith, in each case in favor of the Lender, securing the Secured Obligations (subject to any limitations on the amount secured thereby as set forth therein) and in form and substance acceptable to the Lender.

“Mortgaged Property” means, as of any date, any Material Real Property that is the subject of a Mortgage, including any Closing Date Mortgaged Property.

“Mortgaged Property Deliverables” means, with respect to any Mortgaged Property, the documents and deliveries described on Schedule 1.01 attached hereto.

“Multiemployer Plan” means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which the Borrower or any ERISA Affiliate makes or is obligated to make contributions, or during the preceding five plan years, has made or been obligated to make contributions.

“Net Cash Proceeds” means, with respect to a Disposition or Borrower Equity Issuance, as applicable: (a) the aggregate cash or Cash Equivalents proceeds received by any Loan Party or any Subsidiary in respect thereto, net of (b) direct costs incurred in connection therewith (including, without limitation, legal, accounting and investment banking fees and sales commissions), (c) taxes paid or payable as a result thereof and (d) in the case of any Disposition, the amount necessary to retire any Indebtedness permitted hereunder that is secured by a Lien permitted hereunder ranking senior to any Lien of the Lender on the related property. “Net Cash Proceeds” shall include, without limitation, any cash or Cash Equivalents received upon the sale or other disposition of any non-cash consideration received by any Loan Party or any Subsidiary in any Disposition or Borrower Equity Issuance.

“Note” means a promissory note made by the Borrower in favor of the Lender evidencing the Loan, in a form approved by the Lender, and any replacements, extensions, renewals or amendments thereto.

“NPL” means the National Priorities List under CERCLA.

“Obligations” means all advances to, and debts, liabilities, obligations, covenants and duties of, any Loan Party arising under any Loan Document, or otherwise with respect to any Loan, in each case whether direct or indirect (including those acquired by assumption), absolute or contingent, due or to become due, now existing or hereafter arising, including without limitation, all indemnification obligations, yield protection obligations and other obligations arising under the Loan Documents, and including interest and fees with respect to any of the foregoing that accrue after the commencement by or against any Loan Party or any Affiliate thereof of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding.

“Organization Documents” means, (a) with respect to any corporation, the certificate or articles of incorporation and the bylaws (or equivalent or comparable constitutive documents with respect to any non-U.S. jurisdiction); (b) with respect to any limited liability company, the certificate or articles of formation or organization and operating agreement; and (c) with respect to any partnership, joint venture, trust or other form of business entity, the partnership, joint venture or other applicable agreement of formation or organization and any agreement, instrument, filing or notice with respect thereto filed in connection with its formation or organization with the applicable Governmental Authority in the jurisdiction of its formation or organization and, if applicable, any certificate or articles of formation or organization of such entity.

“Participant” has the meaning specified in Section 8.06(c).

“PBGC” means the Pension Benefit Guaranty Corporation.

“Pension Plan” means any “employee pension benefit plan” (as such term is defined in Section 3(2) of ERISA), other than a Multiemployer Plan, that is subject to Title IV of ERISA and is sponsored or maintained by the Borrower or any ERISA Affiliate or to which the Borrower or any ERISA Affiliate contributes or has an obligation to contribute, or in the case of a multiple employer or other plan described in Section 4064(a) of ERISA, has made contributions at any time during the immediately preceding five plan years.

“Permitted Acquisition” means any Acquisition by a Loan Party (the Person or division, line of business or other business unit of the Person to be acquired in such Acquisition shall be referred to herein as the “Target”), in each case that is a Permitted Line of Business, in each case so long as no Default or Event of Default shall then exist or would exist after giving effect thereto, and in each case so long as:

(a) the consideration for the Acquisition shall be paid solely with a Borrower Equity Issuance or the Net Cash Proceeds of a Borrower Equity Issuance, and such Acquisition is completed within one hundred eighty (180) days following the receipt of the Net Cash Proceeds of such Borrower Equity Issuance; or

(b) the Acquisition meets each of the following tests:

(i) the Lender shall have received (or shall receive in connection with the closing of such Acquisition) a first priority perfected security interest in all property (including, without limitation, Equity Interests) acquired with respect to the Target in accordance with the terms of Section 5.12 and the Target, if constituting a Material Subsidiary, shall have executed a Guarantee and Collateral Agreement Joinder in accordance with the terms of Section 5.12;

(ii) the Lender shall have received at least thirty (30) days prior to the consummation of such Acquisition (i) a description of the material terms of such Acquisition, (ii) audited financial statements (or, if unavailable, management-prepared financial statements) of the Target for its two most recent fiscal years and for any fiscal quarters ended within the fiscal year to date, and (iii) consolidated projected income statements of the Borrower and its Subsidiaries (giving effect to such Acquisition);

(iii) such Acquisition shall not be a “hostile” Acquisition and shall have been approved by the board of directors (or equivalent) and/or shareholders (or equivalent) of the applicable Loan Party and the Target;

(iv) any earnouts or similar deferred or contingent obligations of any Loan Party in connection with such Acquisition shall be subordinated to the Secured Obligations in a manner and to the extent reasonably satisfactory to the Lender; and

(v) the Lender shall have approved the Acquisition.

The BH Acquisition shall be a Permitted Acquisition for purposes of this Agreement.

“Permitted Line of Business” means any business related to those currently conducted by the Borrower and its Subsidiaries.

“Permitted Transfers” means (a) Dispositions of inventory or intellectual property in the ordinary course of business; (b) non-liquidating Dispositions of property in the ordinary course of business to another Loan Party; (c) Dispositions of real or personal property to any Person for fair market value as determined in the discretion of the Borrower in good faith; or (d) Dispositions of accounts receivable in connection with the collection or compromise thereof.

“Person” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

“Plan” means any “employee benefit plan” (as such term is defined in Section 3(3) of ERISA) established by the Borrower or, with respect to any such plan that is subject to Section 412 of the Code or Title IV of ERISA, any ERISA Affiliate.

“Recipient” means the Lender or any other recipient of any payment to be made by or on account of any obligation of any Loan Party hereunder.

“Registered Public Accounting Firm” has the meaning specified in the Securities Laws and shall be independent of the Borrower as prescribed by the Securities Laws.

“Related Parties” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, employees, agents, trustees, administrators, managers, advisors and representatives of such Person and of such Person’s Affiliates.

“Reportable Event” means any of the events set forth in Section 4043(c) of ERISA, other than events for which the 30-day notice period has been waived.

“Responsible Officer” means the chief executive officer, president, chief financial officer, treasurer, assistant treasurer or secretary of a Loan Party. Any document delivered hereunder that is signed by a Responsible Officer of a Loan Party shall be conclusively presumed to have been authorized by all necessary corporate, partnership and/or other action on the part of such Loan Party and such Responsible Officer shall be conclusively presumed to have acted on behalf of such Loan Party.

“Restricted Payment” means any dividend or other distribution (whether in cash, securities or other property) with respect to any Capital Stock or other Equity Interest of the Borrower or any Subsidiary, or any payment (whether in cash, securities or other property), including any sinking fund or similar deposit, on account of the purchase, redemption, retirement, acquisition, cancellation or termination of any such Capital Stock or other Equity Interest, or on account of any return of capital to the Borrower’s or any Subsidiary’s stockholders, partners or members (or the equivalent Person thereof).

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc. and any successor thereto.

“Sarbanes-Oxley” means the Sarbanes-Oxley Act of 2002.

“SEC” means the Securities and Exchange Commission, or any Governmental Authority succeeding to any of its principal functions.

“Secured Obligations” means the Obligations.

“Securities Laws” means the Securities Act of 1933, the Securities Exchange Act of 1934, Sarbanes-Oxley and the applicable accounting and auditing principles, rules, standards and practices promulgated, approved or incorporated by the SEC or, to the extent approved by the SEC, the Public Company Accounting Oversight Board (United States), as each of the foregoing may be amended and in effect on any applicable date hereunder.

“Solvent” when used with respect to any Person, means that, as of any date of determination, (a) the amount of the “fair value” or “present fair saleable value” of the assets of such Person will, as of such date, exceed the amount of all “liabilities of such Person, contingent or otherwise”, as of such date, as such quoted terms are determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, (b) the fair value or present fair saleable value of the assets of such Person will, as of such date, be greater than the amount that will be required to pay the liability of such Person on its debts as such debts become absolute and matured, (c) such Person will not have, as of such date, an unreasonably small amount of capital with which to conduct its business, and (d) such Person will be able to pay its debts as they mature. For purposes of this definition, (i) “debt” means liability on a “claim”, (ii) “claim” means any (x) right to payment, whether or not such a right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (y) right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured or unmatured, disputed, undisputed, secured or unsecured and (iii) unliquidated, contingent, disputed and unmatured claims shall be valued at the amount that can be reasonably expected to be actual and matured.

“Subsidiary” of a Person means a corporation, partnership, joint venture, limited liability company or other business entity of which a majority of the shares of securities or other interests having ordinary voting power for the election of directors or other governing body (other than securities or interests having such power only by reason of the happening of a contingency) are at the time beneficially owned, or the management of which is otherwise controlled, directly or indirectly, through one or more intermediaries, or both, by such Person. Unless otherwise specified, all references herein to a “Subsidiary” or to “Subsidiaries” shall refer to a Subsidiary or Subsidiaries of the Borrower. For the avoidance of doubt, Subsidiary excludes (a) TNI Partners, a general partnership formed under the laws of the State of Arizona and (b) Madison Newspapers, Inc., a Wisconsin corporation.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a “Master Agreement”), including any such obligations or liabilities under any Master Agreement.

“Synthetic Lease Obligation” means the monetary obligation of a Person under (a) a so-called synthetic, off-balance sheet or tax retention lease, or (b) an agreement for the use or possession of property creating obligations that do not appear on the balance sheet of such Person but which, upon the insolvency or bankruptcy of such Person, would be characterized as the indebtedness of such Person (without regard to accounting treatment).

“Taxes” means all present or future taxes, levies, imposts, duties, deductions, withholdings (including backup withholding), assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to tax or penalties applicable thereto.

“UCC” means the Uniform Commercial Code as in effect in the State of New York; provided that, if perfection or the effect of perfection or non-perfection or the priority of any security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, “UCC” means the Uniform Commercial Code as in effect from time to time in such other jurisdiction for purposes of the provisions hereof relating to such perfection, effect of perfection or non-perfection or priority.

“United States” and “U.S.” mean the United States of America.

“Wholly-Owned Subsidiary” means, as to any Person, any other Person 100% of the Equity Interests (other than warrants, options or other rights to acquire Capital Stock) of which (other than directors’ qualifying shares required by law) is owned by such Person directly or indirectly through one or more other Wholly-Owned Subsidiaries.

1.02 Other Interpretive Provisions. With reference to this Agreement and each other Loan Document, unless otherwise specified herein or in such other Loan Document:

(a) The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words “include”, “includes” and “including” shall be deemed to be followed by the phrase “without limitation.” The word “will” shall be construed to have the same meaning and effect as the word “shall”. Unless the context requires otherwise, (i) any definition of or reference to any agreement, instrument or other document (including any Organization Document) shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein or in any other Loan Document), (ii) any reference herein to any Person shall be construed to include such Person’s successors and assigns, (iii) the words “herein”, “hereof” and “hereunder”, and words of similar import when used in any Loan Document, shall be construed to refer to such Loan Document in its entirety and not to any particular provision thereof, (iv) all references in a Loan Document to Articles, Sections, Preliminary Statements, and Schedules shall be construed to refer to Articles and Sections of, and Preliminary Statements and Schedules to, the Loan Document in which such references appear, (v) any reference to any law shall include all statutory and regulatory provisions consolidating, amending, replacing or interpreting such law and any reference to any law or regulation shall, unless otherwise specified, refer to such law or regulation as amended, modified or supplemented from time to time, and (vi) the words “asset” and “property” shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights.

(b) In the computation of periods of time from a specified date to a later specified date, the word “from” means “from and including”; the words “to” and “until” each mean “to but excluding”; and the word “through” means “to and including”.

(c) Section headings herein and in the other Loan Documents are included for convenience of reference only and shall not affect the interpretation of this Agreement or any other Loan Document.

(d) References in this Agreement or any other Loan Document to knowledge by the Borrower or any Subsidiary of events or circumstances shall be deemed to refer to events or circumstances of which any Responsible Officer of any Loan Party has actual knowledge or reasonably should have knowledge.

1.03 Accounting Terms.

(a) Generally. All accounting terms not specifically or completely defined herein shall be construed in conformity with, and all financial data (including financial ratios and other financial calculations) required to be submitted pursuant to this Agreement shall be prepared in conformity with, GAAP as applied by Borrower on a consistent basis, as in effect from time to time, applied in a manner consistent with that used in preparing the Audited Financial Statements, except as otherwise specifically prescribed herein.

(b) Changes in GAAP. If at any time any change in GAAP would affect any requirement set forth in any Loan Document, and either the Borrower or the Lender shall so request, the Lender and the Borrower shall negotiate in good faith to amend such requirement to preserve the original intent thereof in light of such change in GAAP; provided that, until so amended, (i) such requirement shall continue to be computed in accordance with GAAP prior to such change therein and (ii) upon the request of the Lender, the Borrower shall assist the Lender in reconciling the financial statements of the Borrower and the calculations of such requirements made before and after giving effect to such change in GAAP.

(c) Consolidation of Variable Interest Entities. All references herein to consolidated financial statements of the Borrower and its Subsidiaries or to the determination of any amount for the Borrower and its Subsidiaries on a consolidated basis or any similar reference shall, in each case, be deemed to include each variable interest entity that the Borrower is required to consolidate pursuant to FASB Interpretation No. 46 – Consolidation of Variable Interest Entities: an interpretation of ARB No. 51 (January 2003) as if such variable interest entity were a Subsidiary as defined herein, but each such variable interest entity shall not be considered a Subsidiary for any other purpose hereunder.

(d) Financial Statements. References in this Agreement or any other Loan Document to financial statements shall be deemed to include all related schedules and notes thereto.

1.04 Times of Day. Unless otherwise specified, all references herein to times of day shall be references to Central time (daylight or standard, as applicable).

ARTICLE 2 – CREDIT EXTENSION

2.01 Loan. On the Closing Date and subject to the terms and conditions set forth herein, the Lender agrees to make a term loan to the Borrower in an amount not to exceed the Commitment (the “Loan”). Amounts borrowed under this Section 2.01 on the Closing Date and thereafter repaid or prepaid may not be reborrowed.

2.02 Prepayments.

(a) Voluntary; In General. The Borrower may, upon notice to the Lender, at any time or from time to time voluntarily prepay the Loan in whole or in part, provided that any voluntary prepayment of the Loan shall be accompanied by payment of all accrued interest on the amount of principal prepaid to the date of prepayment.

(b) Mandatory.

(i) The Borrower shall prepay the Loan in an aggregate amount equal to 100% of the Net Cash Proceeds received by any Loan Party or any Subsidiary from any Disposition (other than Permitted Transfers resulting in aggregate Net Cash Proceeds of less than \$500,000 in any ninety (90) day period).

(ii) Beginning with the period ending June 28, 2020, within five (5) Business Days after delivery of the certificate calculating Excess Cash Flow pursuant to Section 5.02, the Borrower shall prepay the Loan in an amount equal to 100% of Excess Cash Flow for the fiscal quarter covered by such certificate less the amount of any voluntary prepayments made on the Loan during such fiscal quarter.

(iii) If a Change of Control occurs, the Borrower shall promptly advise the Lender thereof and, upon written notice from the Lender, promptly prepay the Loan at a purchase price in cash equal to 105% of the unpaid principal balance of the Loan plus accrued and unpaid interest, if any, to, but excluding, the date of such payment.

2.03 Repayment of Loan. The Borrower shall repay to the Lender on the Maturity Date the unpaid principal balance of the Loan, all accrued interest thereon and all other outstanding Obligations.

2.04 Interest.

(a) Subject to the provisions of subsection (b) below, the Loan shall bear interest on the outstanding principal amount thereof from and after the Closing Date at a rate per annum equal to the Applicable Rate.

(b) (i) If any amount of principal of the Loan is not paid when due (after expiration of any applicable grace periods), whether at stated maturity, by acceleration or otherwise, such amount shall thereafter bear interest at an interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(ii) If any amount (other than principal of the Loan) payable by the Borrower under any Loan Document is not paid when due (after expiration of any applicable grace periods), whether at stated maturity, by acceleration or otherwise, then such amount shall thereafter bear interest at an interest rate per annum at all times equal to the Default Rate to the fullest extent permitted by applicable Laws.

(iii) Accrued and unpaid interest on past due amounts (including interest on past due interest) shall be due and payable upon demand.

(c) Interest on the Loan shall be due and payable in arrears on each Interest Payment Date applicable thereto and at such other times as may be specified herein. Interest hereunder shall be due and payable in accordance with the terms hereof before and after judgment, and before and after the commencement of any proceeding under any Debtor Relief Law.

2.05 Computation of Interest and Fees; Retroactive Adjustments of Applicable Rate. All computations of fees and interest shall be made on the basis of a 360-day year and 12 months comprised of 30 days each. Interest shall accrue on the Loan for the day on which the Loan is made, and shall not accrue on the Loan, or any portion thereof, for the day on which the Loan or such portion is paid. Each determination by the Lender of an interest rate or fee hereunder shall be conclusive and binding for all purposes, absent manifest error.

2.06 Evidence of Debt. The Loan shall be evidenced by one or more accounts or records maintained by the Lender in the ordinary course of business. The accounts or records maintained by the Lender shall be conclusive absent manifest error of the amount of the Loan made by the Lender to the Borrower and the interest and payments thereon. Any failure to so record or any error in doing so shall not, however, limit or otherwise affect the obligation of the Borrower hereunder to pay any amount owing with respect to the Obligations. Upon the request of the Lender, the Borrower shall execute and deliver to the Lender a Note which shall evidence the Loan, in addition to such accounts or records. The Lender may attach schedules to the Note and endorse thereon the date, amount and maturity of the Loan and payments with respect thereto.

2.07 Payments Generally. All payments to be made by the Borrower shall be made free and clear of and without condition or deduction for any counterclaim, defense, recoupment or setoff. Except as otherwise expressly provided herein, all payments by the Borrower hereunder shall be made to the Lender in immediately available funds on the date specified herein, at the address for the Lender set forth on Schedule 8.02. All payments not received by the Lender on the date specified herein shall be deemed received on the Business Day when payment is made, and any applicable interest or fee shall continue to accrue. If any payment to be made by the Borrower shall come due on a day other than a Business Day, payment shall be made on the next following Business Day, and such extension of time shall be reflected in computing interest or fees, as the case may be. Any and all payments under any Loan Document shall be made without deduction or withholding for any Taxes, except as required by applicable Laws.

ARTICLE 3 – CONDITIONS PRECEDENT TO CREDIT EXTENSION

3.01 Conditions of Effectiveness and of the Loan. This Agreement will become effective upon, and the obligation of the Lender to make the Loan hereunder is subject to, satisfaction or written waiver of each of the following conditions precedent:

(a) The Lender's receipt of the following, each of which shall be originals, pdfs or telecopies (followed promptly by originals) unless otherwise specified, each properly executed by a Responsible Officer of the signing Loan Party, as applicable, each dated the Closing Date (or, in the case of certificates of governmental officials, a recent date before the Closing Date) or as otherwise provided below and each in form and substance satisfactory to the Lender:

(i) executed counterparts of (A) this Agreement duly executed by a Responsible Officer of Borrower, (B) counterparts of the Guarantee and Collateral Agreement, a Mortgage for each Closing Date Mortgaged Property, any related Mortgaged Property Deliverables and each other Collateral Document, executed by a Responsible Officer of the applicable Loan Parties and a duly authorized officer of each other Person party thereto, as applicable, and (C) counterparts of any other Loan Document, executed by a Responsible Party of the applicable Loan Parties and a duly authorized officer of each other Person party thereto, as applicable; and

(ii) such other assurances, certificates, documents, consents and opinions as the Lender reasonably may require.

(b) All conditions precedent to the closing of the BH Acquisition shall have been satisfied (or will be satisfied simultaneously with the making of the Loan on the Closing Date).

(c) The Lender shall have received, in form and substance satisfactory to the Lender:

(i) (A) searches of UCC filings in the jurisdiction of incorporation or formation, as applicable, of each Loan Party and each jurisdiction where any Collateral is located or where a filing would need to be made in order to perfect the Lender's security interest in the Collateral, copies of the financing statements on file in such jurisdictions and evidence that no Liens exist (or will exist upon the application of proceeds of the Loan) and (B) tax lien, judgment and bankruptcy searches;

(ii) completed UCC financing statements (or equivalent filings) for each appropriate jurisdiction as is necessary in order to perfect the security interest of the Lender in the Collateral; and

(iii) to the extent required to be delivered, filed, registered or recorded pursuant to the terms of any Collateral Document, all instruments, certificated securities, documents and chattel paper in the possession of any of the Loan Parties, together with transfer powers, allonges or assignments as may be necessary in order to create and perfect the security interest of the Lender in the Collateral.

(d) The Lender shall have received payoff letters with respect to all existing Indebtedness for borrowed money of the Borrower and its Subsidiaries in form and substance satisfactory to Lender, each of which shall include (i) a statement of all principal, interest, fees, costs and expenses (including prepayment premiums) required to be paid in order to discharge and satisfy such Indebtedness in full as of the Closing Date, (ii) an automatic release of all Liens and security interests securing such Indebtedness upon receipt of the specified payoff amount, and (iii) either (1) an authorization to the Lender (as a designee of Borrower) to file and record all UCC termination statements and Lien releases with respect to those Liens and security interests that have been automatically released or (2) an undertaking by the holder of such Indebtedness to promptly file and record all such UCC termination statements and Lien releases (and granting the Borrower or its designee such rights if the holder fails to do so).

(e) The Borrower and the other Loan Parties shall have performed or delivered, as the case may be, all such further acts, deeds, certificates, assurances and other instruments, if any, as the Lender may reasonably request in order to (i) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents, the rights of the Lender thereunder, and any of the Liens intended to be created thereunder, and (ii) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Lender the rights granted to the Lender under any Loan Document or under any other instrument executed in connection with any Loan Document.

ARTICLE 4 – REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Lender as of the date hereof:

4.01 Existence, Qualification and Power. Each Loan Party (a) is duly organized or formed, validly existing and in good standing under the Laws of the jurisdiction of its incorporation or organization, (b) has all requisite power and authority to (i) own or lease its assets and carry on its business and (ii) execute, deliver and perform its obligations under the Loan Documents to which it is a party and (c) is duly qualified and is licensed and in good standing under the Laws of each jurisdiction where its ownership, lease or operation of properties or the conduct of its business requires governmental qualification or license; except in each case referred to in clause (b)(i) or (c), to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. No Subsidiary is organized outside the United States or is a CFC.

4.02 Authorization; No Contravention. The execution, delivery and performance by each Loan Party of each Loan Document to which such Person is party, have been duly authorized by all necessary corporate or other organizational action, and do not and will not (a) contravene the terms of any of such Person's Organization Documents; (b) conflict with or result in any breach or contravention of, or the creation of any Lien under, or require any payment to be made under (i) any Contractual Obligation to which such Person is a party or affecting such Person or the properties of such Person or any of its Subsidiaries or (ii) any order, injunction, writ or decree of any Governmental Authority or any arbitral award to which such Person or its property is subject; or (c) violate any Law. Each Loan Party and each Subsidiary thereof is in compliance with all Contractual Obligations referred to in clause (b)(i), except to the extent that failure to be so could not reasonably be expected to have a Material Adverse Effect.

4.03 Governmental Authorization; Other Consents. No approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any Governmental Authority or any other Person is necessary or required in connection with (a) the execution, delivery or performance by, or enforcement against, any Loan Party of this Agreement or any other Loan Document, (b) the grant by any Loan Party of the Liens granted by it pursuant to the Collateral Documents, (c) the perfection or maintenance of the Liens created under the Collateral Documents or (d) the exercise by the Lender of its rights under the Loan Documents or the remedies in respect of the Collateral pursuant to the Collateral Documents, other than such approvals, consents, exemptions, authorizations, or other actions, notices or filings, as have been obtained or made and are in full force and effect or are being obtained concurrently herewith, except to the extent that enforceability hereof and thereof may be limited by bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally. Each Loan Party and each Subsidiary thereof has all requisite governmental licenses, authorizations, consents and approvals to (a) own or lease its assets and carry on its business except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect and (b) execute, deliver and perform its obligations under the Loan Documents to which it is a party.

4.04 Binding Effect. This Agreement has been, and each other Loan Document, when delivered hereunder, will have been, duly executed and delivered by each Loan Party that is party thereto. This Agreement constitutes, and each other Loan Document when so delivered will constitute, a legal, valid and binding obligation of such Loan Party, enforceable against each Loan Party that is party thereto in accordance with its terms, subject to the effects of bankruptcy, insolvency, fraudulent transfer or conveyance, reorganization, moratorium or other similar laws relating to or affecting creditors' rights generally.

4.05 No Material Adverse Effect. Since the date of the Audited Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or could reasonably be expected to have a Material Adverse Effect.

4.06 Litigation. There are no actions, suits, proceedings, claims or disputes pending or, to the knowledge of the Borrower, threatened or contemplated, at law, in equity, in arbitration or before any Governmental Authority, by or against the Borrower or any of its Subsidiaries or against any of their properties or revenues that (a) expressly purport to affect or pertain to this Agreement or any other Loan Document, or any of the transactions contemplated hereby, or (b) either individually or in the aggregate, if determined adversely, could reasonably be expected to have a Material Adverse Effect.

4.07 No Default. Neither the Borrower nor any Subsidiary is in default under or with respect to any Contractual Obligation that could, either individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. No Default or Event of Default has occurred and is continuing or would result from the consummation of the transactions contemplated by this Agreement or any other Loan Document.

4.08 Ownership of Property; Liens.

(a) Each Loan Party has good record and marketable title in fee simple to, or valid leasehold interests in, all real property necessary or used in the ordinary conduct of its business, except for such defects in title as could not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(b) Schedule 4.08(b) sets forth a complete and accurate list of all real property owned by each Loan Party, showing as of the Closing Date the street address, county or other relevant jurisdiction, state, record owner and estimated fair value thereof, to the extent presently known by Borrower. Each Loan Party has good, marketable and insurable fee simple title to the real property owned by such Loan Party, free and clear of all Liens, other than Liens created by the Loan Documents.

(c) Schedule 4.08(c) sets forth a complete and accurate list of all leases of real property under which any Loan Party is the lessee (other than any lease with an Affiliate of the Lender) requiring annual rent payments in excess of \$100,000, showing as of the Closing Date the street address, county or other relevant jurisdiction, state, lessor, lessee, expiration date and annual base rent thereof. Each such lease is the legal, valid and binding obligation of the lessor thereof, enforceable in accordance with its terms. The leasehold interest of the applicable Loan Party under each such lease is free and clear of all Liens, other than Liens created by the Loan Documents.

(d) Schedule 4.08(d) sets forth a complete and accurate list of all leases of real property under which any Loan Party is the lessor requiring annual rent payments in excess of \$100,000, showing as of the Closing Date the street address, county or other relevant jurisdiction, state, lessor, lessee, expiration date and annual base rent thereof. Each such lease is the legal, valid and binding obligation of the lessee thereof, enforceable in accordance with its terms.

(e) Schedule 4.08(e) sets forth a complete and accurate list of all Investments with a value in excess of \$250,000, determined in good faith by the Borrower, held by any Loan Party on the Closing Date, showing as of the Closing Date the amount, obligor or issuer and maturity, if any, thereof.

4.09 Environmental Compliance.

(a) On the Closing Date: (i) none of the properties currently or, to the best knowledge of the Borrower, formerly, owned or operated by any Loan Party is listed or proposed for listing on the NPL or on the CERCLIS or any analogous foreign, state or local list or is adjacent to any such property; (ii) all known or presumed asbestos containing material in any property owned or operated by any Loan Party is being managed in accordance with applicable laws and regulations, including the Occupational Safety and Health Act and 29 CFR Part 1910.1001, and to the best knowledge of the Borrower no asbestos abatement activities are required because of the damaged or degraded condition of any known or presumed friable asbestos containing materials; (iii) Hazardous Materials have not been released, discharged or disposed of on any property currently or to the best knowledge of the Borrower, formerly, owned or operated by any Loan Party; and (iv) there are no and never have been any underground or above-ground storage tanks or any surface impoundments, septic tanks, pits, sumps or lagoons in which Hazardous Materials are being or have been treated, stored or disposed on any property currently owned or operated by any Loan Party or, to the best of the knowledge of the Borrower, on any property formerly owned or operated by any Loan Party or any of its Subsidiaries, except, in each case of (i) through (iv) above, as operated in compliance with Environmental Laws and as to which a violation thereof would not be reasonably expected to have a Material Adverse Effect.

(b) Except as set forth on Schedule 4.09(b), no Loan Party is undertaking, or has completed, either individually or together with other potentially responsible parties, any investigation or assessment or remedial or response action relating to any actual or threatened release, discharge or disposal of Hazardous Materials at any site, location or operation, either voluntarily or pursuant to the order of any Governmental Authority or the requirements of any Environmental Law; and all Hazardous Materials generated, used, treated, handled or stored at, or transported to or from, any property currently or formerly owned or operated by any Loan Party have been disposed of in a manner not reasonably expected to result in material liability on any Loan Party.

4.10 Insurance. The properties of the Loan Parties are insured with financially sound and reputable insurance companies not Affiliates of any Loan Party, in such amounts (after giving effect to any self-insurance compatible with the following standards), with such deductibles and covering such risks as are customarily carried by companies engaged in similar businesses and owning similar properties in localities where the Loan Parties operate.

4.11 Taxes. The Borrower and its Subsidiaries have filed all material tax returns and reports required to be filed, and have paid all material taxes, assessments, fees and other governmental charges levied or imposed upon them or their properties, income or assets otherwise due and payable, except those which are being contested in good faith by appropriate proceedings diligently conducted and for which adequate reserves have been provided in accordance with GAAP. To the Borrower's knowledge, there is no proposed tax assessment against the Borrower or any Subsidiary that would, if made, have a Material Adverse Effect.

4.12 ERISA Compliance.

(a) The Borrower and its Subsidiaries are in compliance in all material respects with the applicable provisions of ERISA; each Plan (i) is in compliance in all material respects with the applicable provisions of ERISA, the Code and other Federal or state Laws, and (ii) that is intended to qualify under Section 401(a) of the Code has received a favorable determination letter from the IRS or an application for such a letter is currently being processed by the IRS with respect thereto and, to the best knowledge of the Borrower, nothing has occurred which would prevent, or cause the loss of, such qualification, except in each case of (i) and (ii) preceding, to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect. The Borrower and each ERISA Affiliate have made all required contributions to each Plan subject to Section 412 of the Code and no application for a funding waiver or an extension of any amortization period pursuant to Section 412 of the Code has been made with respect to any Plan; neither the Borrower nor any Subsidiary, taken individually or in the aggregate, is obligated to pay any material accumulated funding deficiency within the meaning of ERISA or Section 4971 of the Code, or is obligated to pay any material liability to the PBGC, or any successor thereto under ERISA (other than the payment of premiums to the PBGC as required by ERISA), in connection with any Plan; and to the knowledge of the Borrower, no ERISA Event has occurred that could reasonably be expected to result in any liability to the Borrower.

(b) There are no pending or, to the best knowledge of the Borrower, threatened claims, actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that could reasonably be expected to have a Material Adverse Effect; and there has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that has resulted or could reasonably be expected to result in a Material Adverse Effect.

4.13 Subsidiaries; Equity Interests. As of the Closing Date, no Loan Party has any direct or indirect Subsidiaries other than those specifically disclosed in Schedule 4.13, and all of the outstanding Equity Interests in such Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by a Loan Party in the amounts specified in Schedule 4.13 free and clear of all Liens (except those created by the Collateral Documents). All of the outstanding Equity Interests in the Borrower have been validly issued and are fully paid and nonassessable. Schedule 4.13 contains a complete and accurate list of all Loan Parties, showing as of the Closing Date (as to each Loan Party) the jurisdiction of its incorporation or organization, the address of its principal place of business and its U.S. taxpayer identification number or, in the case of any non-U.S. Loan Party that does not have a U.S. taxpayer identification number, its unique identification number issued to it by the jurisdiction of its incorporation.

4.14 Margin Regulations; Investment Company Act.

(a) The Borrower is not engaged and will not engage, principally or as one of its important activities, in the business of purchasing or carrying margin stock (within the meaning of Regulation U issued by the FRB), or extending credit for the purpose of purchasing or carrying margin stock.

(b) None of the Borrower, any Person Controlling the Borrower or any Subsidiary is or is required to be registered as an “investment company” under the Investment Company Act of 1940.

4.15 Disclosure. The Borrower has disclosed to the Lender all agreements, instruments and corporate or other restrictions to which it or any of its Subsidiaries is subject, and all other matters known to it, that, individually or in the aggregate, could reasonably be expected to result in a Material Adverse Effect. No report, financial statement, certificate or other information furnished (whether in writing or orally) by or on behalf of any Loan Party to the Lender or in connection with the transactions contemplated hereby and the negotiation of this Agreement or delivered hereunder or under any other Loan Document (in each case, as modified or supplemented by other information so furnished) contains any material misstatement of fact or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made when read in conjunction with the Audited Financial Statements, not misleading; provided that, with respect to projected financial information, the Borrower represents only that such information was prepared in good faith based upon assumptions believed to be reasonable at the time.

4.16 Compliance with Laws. Except as could not reasonably be expected to result in a Material Adverse Effect:

(a) The Borrower and each Subsidiary is in compliance with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its properties, except in such instances in which such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted.

(b) There is not pending or, to the knowledge of the Borrower, threatened, any action by any Governmental Authority to modify adversely, revoke, cancel, suspend or refuse to renew any License.

(c) There is not issued or outstanding or, to the knowledge of the Borrower, threatened, any notice of any hearing, violation or complaint against the Borrower or any of its Subsidiaries with respect to the operation of their businesses.

4.17 Intellectual Property; Licenses, Etc. The Borrower and its Subsidiaries own, or possess the right to use, all of the trademarks, service marks, trade names, copyrights, patents, patent rights, franchises, licenses and other intellectual property rights that are reasonably necessary for the operation of their respective businesses, without conflict with the rights of any other Person, except to the extent that could not reasonable be expected to have a Material Adverse Effect. To the knowledge of the Borrower, no slogan or other advertising device, product, process, method, substance, part or other material now employed, or now contemplated to be employed, by the Borrower or any Subsidiary infringes upon any rights held by any other Person except for any infringement that could not reasonably be expected to have a Material Adverse Effect. No claim or litigation regarding any of the foregoing is pending or, to the knowledge of the Borrower, threatened, which, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect.

4.18 Solvency. Each of the Borrower and its Subsidiaries, taken as a whole, are Solvent, before and after giving effect to the transactions contemplated hereby consummated on such date and to the incurrence of all Indebtedness and other obligations incurred on such date in connection herewith and therewith.

4.19 Labor Matters. There are no actual or, to the Borrower's knowledge, overtly threatened strikes, labor disputes, slow downs, walkouts or other concerted interruptions of operations by the employees of any Loan Party which could reasonably be expected to have a Material Adverse Effect. Hours worked by and payment made to employees of the Loan Parties have not been in violation of the Fair Labor Standards Act or any other applicable Law dealing with such matters, other than any such violations, individually or collectively, which could not reasonably be expected to have a Material Adverse Effect. All payments due from any Loan Party on account of employee health and welfare insurance have been paid or accrued as a liability on its books, other than any such nonpayment which could not, individually or collectively, reasonably be expected to have a Material Adverse Effect.

4.20 Exclusions to Representations and Warranties. Notwithstanding any provision in this Agreement to the contrary, except for the representations set forth in Sections 4.01, 4.04, 4.08(a), 4.10 and 4.11, the representations and warranties contained in this Article 4 do not apply to The Buffalo News, Inc., a Delaware corporation, or to the Acquired Assets and the Assumed Liabilities of BH Media Group, Inc., a Delaware corporation, as defined in the BH Acquisition Documents.

ARTICLE 5 – AFFIRMATIVE COVENANTS

So long as the Loan or any other Obligation hereunder shall remain unpaid or unsatisfied, the Borrower shall, and shall cause each Subsidiary to, as applicable:

5.01 Reports and Other Information. The Borrower will file with the SEC within the time periods required by Securities Laws: (a) all quarterly and annual financial information required to be contained in a filing on Forms 10-Q and 10-K, including a "Management's discussion and analysis of financial condition and results of operations" and, with respect to the annual information only, a report on the annual financial statements by the Borrower's certified independent accountants; and (b) all current reports required to be filed with the SEC on Form 8-K. The Borrower will deliver to the Lender, by the twentieth (20th) day of each calendar month, for the most recently completed calendar month, internally prepared financial reports of the Borrower and its consolidated Subsidiaries, in a format generally consistent with such reporting used by Borrower for internal reporting purposes prior to the Closing Date and otherwise reasonably acceptable to the Lender.

5.02 Certificates; Other Information. Deliver to the Lender, in form and detail satisfactory to the Lender:

(a) within 45 days following the end of each fiscal quarter, a certificate of a Responsible Officer of the Borrower containing a calculation of Excess Cash Flow for such fiscal quarter; and

(b) promptly, such additional information regarding the business, financial, legal or corporate affairs of any Loan Party or any Subsidiary thereof, or compliance with the terms of the Loan Documents, as the Lender may from time to time reasonably request.

5.03 Notices. Notify the Lender:

(a) promptly of the occurrence of any Default;

(b) promptly of any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect; and

(c) promptly upon the occurrence of any Disposition for which the Borrower is required to make a mandatory prepayment pursuant to Section 2.02.

Each notice pursuant to paragraph (a) or (b) of this Section shall be accompanied by a statement of a Responsible Officer of the Borrower setting forth details of the occurrence referred to therein and stating what action the Borrower has taken and proposes to take with respect thereto. In addition, each notice pursuant to paragraph (a) of this Section shall describe with particularity any and all provisions of this Agreement and any other Loan Document that have been breached.

5.04 Payment of Obligations. Pay and discharge as the same shall become due and payable, all its obligations and liabilities, including (a) all material tax liabilities, assessments and governmental charges or levies upon it or its properties or assets, unless the same are being contested in good faith by appropriate proceedings diligently conducted and adequate reserves in accordance with GAAP are being maintained by the Borrower or such Subsidiary and (b) all lawful claims which, if unpaid, would by law become a Lien upon its property.

5.05 Preservation of Existence, Etc. (a) Preserve, renew and maintain in full force and effect its legal existence and good standing under the Laws of the jurisdiction of its organization except in a transaction permitted by Section 6.04; (b) take all reasonable action to maintain all rights, privileges, permits, licenses and franchises necessary or desirable in the normal conduct of its business, except to the extent that failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) preserve or renew all of its registered patents, trademarks, trade names and service marks, the non-preservation of which could reasonably be expected to have a Material Adverse Effect.

5.06 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment necessary in the operation of its business in good working order and condition, ordinary wear and tear excepted; (b) make all necessary repairs thereto and renewals and replacements thereof except where the failure to do so could not reasonably be expected to have a Material Adverse Effect; and (c) use the standard of care typical in the industry in the operation and maintenance of its facilities.

5.07 Maintenance of Insurance. Maintain with financially sound and reputable insurance companies that are not Affiliates of the Borrower, insurance with respect to its properties and business against loss or damage of the kinds customarily insured against by Persons engaged in the same or similar business, of such types and in such amounts (after giving effect to any self-insurance compatible with the following standards) as are customarily carried under similar circumstances by such other Persons.

5.08 Compliance with Laws. Comply with the requirements of all Laws and all orders, writs, injunctions and decrees applicable to it or to its business or property, except in such instances in which (a) such requirement of Law or order, writ, injunction or decree is being contested in good faith by appropriate proceedings diligently conducted; or (b) the failure to comply therewith could not reasonably be expected to have a Material Adverse Effect.

5.09 Books and Records. (a) Maintain proper books of record and account, in which full, true and correct entries in conformity with GAAP consistently applied shall be made of all financial transactions and matters involving the assets and business of the Borrower or such Subsidiary, as the case may be; and (b) maintain such books of record and account in material conformity with all applicable requirements of any Governmental Authority having regulatory jurisdiction over the Borrower or such Subsidiary, as the case may be.

5.10 Inspection Rights. Permit representatives and independent contractors of the Lender to visit and inspect any of its properties, to examine its corporate, financial and operating records, and make copies thereof or abstracts therefrom, and to discuss its affairs, finances and accounts with its officers, and its Registered Public Accounting Firm (provided that representatives of the Borrower designated by a Responsible Officer of the Borrower may be present at any such meeting with accountants), all at such reasonable times during normal business hours and as often as may be reasonably desired, upon reasonable advance notice to the Borrower and at the expense of the Borrower; provided, however, that when an Event of Default exists the Lender (or any of its representatives or independent contractors acting on behalf of the Lender) may do any of the foregoing at the expense of the Borrower at any time during normal business hours and without advance notice.

5.11 Use of Proceeds. Use the proceeds of the Loan solely for the purposes set forth on Schedule 5.11, the form of which is attached hereto, which will be delivered to the Lender not later than ten (10) days prior to the Closing Date.

5.12 Covenant to Guarantee Obligations and Give Security.

(a) Upon the formation or acquisition of any new Material Subsidiary by any Loan Party as permitted by this Agreement, then the Borrower shall, at the Borrower's expense:

(i) within twenty (20) days after such formation or acquisition, cause such Material Subsidiary to duly execute and deliver to the Lender a Guarantee and Collateral Agreement Joinder, including any supplements to the schedules to the Guarantee and Collateral Agreement contemplated thereby;

(ii) within twenty (20) days after such formation or acquisition, furnish to the Lender a description of the real and personal properties of such Material Subsidiary, in detail satisfactory to the Lender; and

(iii) within sixty (60) days after such formation or acquisition, cause such Material Subsidiary to take whatever action (including the recording of Mortgages with respect to any Material Real Property, delivery of related Mortgaged Property Deliverables, the filing of UCC financing statements, the giving of notices and the endorsement of notices on title documents) as may be necessary or advisable in the opinion of the Lender to vest in the Lender valid and subsisting Liens on the properties purported to be subject to the Mortgages and Guarantee and Collateral Agreement Joinder delivered pursuant to this Section 5.12, enforceable against all third parties in accordance with their terms.

(b) Upon the acquisition of any Material Real Property or material personal property by any Loan Party or otherwise upon written request of the Lender, if such property, in the judgment of the Lender, shall not already be subject to a perfected first priority security interest in favor of the Lender, then the Borrower shall, at the Borrower's expense:

(i) within ten (10) days after any acquisition, furnish to the Lender a description of the property so acquired in detail satisfactory to the Lender; and

(ii) within sixty (60) days after such acquisition or request, cause such Loan Party to take whatever action (including the recording of Mortgages with respect to any Material Real Property, delivery of related Mortgaged Property Deliverables, the filing of UCC financing statements, the giving of notices and the endorsement of notices on title documents) as may be necessary or advisable in the opinion of the Lender to vest in the Lender valid and subsisting Liens on the properties purported to be subject thereto, enforceable against all third parties in accordance with their terms.

(c) At any time upon request of the Lender, promptly execute and deliver any and all further instruments and documents and take all such other action as the Lender may deem necessary or desirable in obtaining the full benefits of, or (as applicable) in perfecting and preserving the Liens of the Collateral Documents.

(d) Notwithstanding the foregoing, any Material Subsidiary, Material Real Property or material personal property acquired or formed with the proceeds of a Borrower Equity Issuance, including, without limitation, warrants, shall not be subject to this Section 5.12.

5.13 Deposit, Securities and Investment Accounts. Maintain, and cause each of the other Loan Parties to maintain, all deposit accounts, securities accounts and investments accounts with financial institutions satisfactory to the Lender.

5.14 Further Assurances. Promptly upon request by the Lender (a) correct any material defect or error that may be discovered in any Loan Document or in the execution, acknowledgment, filing or recordation thereof, and (b) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as the Lender, may reasonably require from time to time in order to (i) carry out more effectively the purposes of the Loan Documents, (ii) to the fullest extent permitted by applicable Law, subject any Loan Party's or any of its Subsidiaries' properties, assets, rights or interests to the Liens now or hereafter intended to be covered by any of the Collateral Documents, (iii) perfect and maintain the validity, effectiveness and priority of any of the Collateral Documents and any of the Liens intended to be created thereunder and (iv) assure, convey, grant, assign, transfer, preserve, protect and confirm more effectively unto the Lender the rights granted or now or hereafter intended to be granted to the Lender under any Loan Document or under any other instrument executed in connection with any Loan Document to which any Loan Party or any of its Subsidiaries is or is to be a party, and cause each of its Subsidiaries to do so.

5.15 Compliance with Environmental Laws. Comply, and use its commercially reasonable efforts to cause all lessees and other Persons operating or occupying its properties to comply, in all material respects, with all applicable Environmental Laws and Environmental Permits; obtain and renew all Environmental Permits necessary for its operations and properties; and conduct any investigation, study, sampling and testing, and undertake any cleanup, removal, remedial or other action necessary to investigate, remediate and manage all Hazardous Materials from any of its properties, to the extent required by and then in accordance with the requirements of all Environmental Laws; provided, however, that neither the Borrower nor any of its Subsidiaries shall be required to undertake any such cleanup, removal, remedial or other action to the extent that its obligation to do so is being contested in good faith and by proper proceedings and appropriate reserves are being maintained with respect to such circumstances in accordance with GAAP. Notwithstanding anything to the contrary in this Agreement, a violation of Environmental Laws that occurred prior to the Closing Date with respect to properties owned or leased by The Buffalo News, Inc. or BH Media Group shall be excluded from any non-compliance and shall not constitute an Event of Default hereunder.

ARTICLE 6 – NEGATIVE COVENANTS

6.01 Liens. No Loan Party shall, nor shall it permit any Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Lien upon any of its property, assets or revenues, whether now owned or hereafter acquired, or sign or file or suffer to exist under the UCC of any jurisdiction a financing statement that names a Loan Party or any Subsidiary of a Loan Party as debtor, or assign any accounts or other right to receive income, other than the following Liens (or financing statements relating thereto):

(a) Liens pursuant to any Loan Document;

(b) Liens for taxes not yet due or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person in accordance with GAAP;

(c) carriers', warehousemen's, mechanics', materialmen's, repairmen's or other like Liens arising in the ordinary course of business which are not overdue for a period of more than 30 days or which are being contested in good faith and by appropriate proceedings diligently conducted, if adequate reserves with respect thereto are maintained on the books of the applicable Person;

(d) pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any Lien imposed by ERISA, and contractual, common law or statutory rights of set off against deposits or other amounts owing any depository institution, provided that such pledges or deposits made were not made in connection with the borrowing of money or the obtaining of advances or credit and do not, in the aggregate, materially detract from the value of the property or assets or impair the use thereof in the operation of the business of the Borrower or its Subsidiaries;

(e) deposits to secure the performance of bids, trade contracts and leases (other than contracts for the payment of money), statutory obligations, surety and appeal bonds, performance bonds and other obligations of a like nature incurred in the ordinary course of business;

(f) (i) to the extent in existence on the Closing Date, easements, rights-of-way, servitudes, leases, restrictions and other similar encumbrances affecting real property and (ii) to the extent incurred, granted or otherwise created or arising after the Closing Date, easements, rights-of-way, servitudes, leases, restrictions and other similar encumbrances affecting real property which do not in any case materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of the business of the applicable Person;

(g) Liens securing judgments for the payment of money not constituting an Event of Default under Section 7.01(h);

(h) Liens (i) created by lease agreements, licenses or similar interests, or by statute or common law to secure the payments of rental, license amounts or similar amounts and other sums not yet due thereunder or (ii) on leasehold interests, licenses or similar interests created by the lessor, licensee or grantor thereunder in favor of any mortgagee of the leased premises; and

(i) Liens securing Indebtedness permitted under Section 6.02(b), provided such Liens do not encumber any property other than the property financed by such Indebtedness.

6.02 Indebtedness. The Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly, create, incur, assume or suffer to exist any Indebtedness, except:

(a) Indebtedness under the Loan Documents and any refinancing, refunding, renewal or extension of such Indebtedness under the Loan Documents; and

(b) Indebtedness in respect of Capital Lease Obligations and purchase money obligations for fixed or capital assets in an aggregate amount not to exceed \$500,000 at any one time outstanding.

6.03 Investments. The Borrower shall not, nor shall it permit any Subsidiary to make or hold any Investments, except:

(a) Investments held by the Borrower and its Subsidiaries in the form of cash or Cash Equivalents;

(b) (i) Investments by Loan Parties in their respective Subsidiaries outstanding on the date hereof and (ii) additional Investments by the Borrower and its Subsidiaries in Loan Parties;

(c) Investments consisting of extensions of credit in the nature of accounts receivable or notes receivable arising from the grant of trade credit in the ordinary course of business, and Investments received in satisfaction or partial satisfaction thereof from financially troubled account debtors to the extent reasonably necessary in order to prevent or limit loss; and

(d) Permitted Acquisitions.

6.04 Fundamental Changes. The Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly, merge, dissolve, liquidate, consolidate with or into another Person, or Dispose of (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any Person, except that, so long as no Default or Event of Default exists or would result therefrom:

(a) any Subsidiary may merge with (i) the Borrower, provided that the Borrower shall be the continuing or surviving Person, or (ii) any one or more other Loan Parties, provided that a Wholly-Owned Subsidiary and Loan Party shall be the continuing and surviving Person;

(b) any Subsidiary may Dispose of all or substantially all of its assets (including any Disposition that is in the nature of a liquidation) to the Borrower or to a Wholly-Owned Subsidiary that is a Loan Party; and

(c) in connection with any Permitted Acquisition, any Subsidiary of the Borrower may merge into or consolidate with any other Person or permit any other Person to merge into or consolidate with it; provided that the Person surviving such merger shall be a Wholly-Owned Subsidiary and a Loan Party.

6.05 Disposition. The Borrower shall not, and shall not permit any of its Subsidiaries to, make any Disposition or enter into any agreement to make any Disposition, except:

(a) Permitted Transfers;

(b) Dispositions of obsolete or worn out property, whether now owned or hereafter acquired, in the ordinary course of business;

(c) Dispositions of equipment to the extent that such equipment is exchanged for credit against the purchase price of similar replacement property; and

(d) Dispositions permitted by Section 6.04.

6.06 Restricted Payments. The Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, declare or make, directly or indirectly, any Restricted Payment, or incur any obligation (contingent or otherwise) to do so, except that, so long as no Default or Event of Default shall have occurred and be continuing at the time of any action described below or would result therefrom:

(a) each Subsidiary may declare and pay dividends or distributions (in cash or in Capital Stock of such Subsidiary) to a Loan Party or any other Person holding Capital Stock in such Subsidiary ratably according to their respective holdings of the type of Capital Stock in respect of which such dividend or distribution payment is being made;

(b) Borrower may make repurchases or buy-backs of Equity Interests pursuant to, and in accordance with the terms of, Borrower's stock option, stock purchase and other long-term equity incentive plans as then in effect, provided the aggregate cash consideration paid in connection with such repurchases or buy-backs in any twelve (12) month period shall not exceed \$100,000;

(c) Borrower may make cashless awards of and issuances of its Capital Stock, net of shares withheld for tax withholding purposes, under Borrower's long-term equity incentive plans as then in effect;

(d) Borrower and its Subsidiaries may make cash payments in lieu of the issuance of fractional shares in connection with the exercise of warrants, options or other securities convertible or exchangeable or exercisable for Capital Stock of the Borrower, provided the aggregate cash consideration paid in connection such payments in any twelve (12) month period shall not exceed \$100,000; and

(e) Borrower may make other Restricted Payments provided that such payments are made with Borrower Equity Interests or from the proceeds of a Borrower Equity Issuance.

6.07 Change in Nature of Business. The Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly, engage in any material line of business substantially different from those lines of business conducted by the Borrower and its Subsidiaries on the date hereof or any business substantially related or incidental thereto or any Permitted Line of Business.

6.08 Transactions with Affiliates. The Borrower will not, and will not permit any of its Subsidiaries to enter into or permit to exist any transaction or series of transactions with any officer, director or Affiliate of the Borrower other than (a) transfers of cash and assets to any Loan Party expressly permitted by this Agreement, (b) intercompany transactions expressly permitted by this Agreement, (c) normal and reasonable compensation and reimbursement of expenses of officers and directors and (d) except as otherwise specifically limited in this Agreement, other transactions which are entered into in the ordinary course of business on fair and reasonable terms and conditions substantially as favorable to such Person as would be obtainable by it in a comparable arms-length transaction with a Person other than an officer, director or Affiliate.

6.09 Subsidiaries. The Borrower shall not, nor shall it permit any Subsidiary to, directly or indirectly, create, acquire or otherwise permit to exist any Subsidiary of the Borrower or any other Loan Party that is a CFC or otherwise organized outside the United States.

6.10 Disqualified Stock. Neither Borrower nor any Subsidiary shall issue, or enter into an agreement requiring it to issue, any Disqualified Stock.

ARTICLE 7 – EVENTS OF DEFAULT AND REMEDIES

7.01 Events of Default. Any of the following shall constitute an “Event of Default”:

(a) Non-Payment. The Borrower or any other Loan Party (i) fails to pay when and as required to be paid herein (A) any amount of principal of the Loan, or (B) any interest on the Loan, or (ii) fails to pay within ten (10) Business Days after the same becomes due (A) any fee due hereunder or in any Loan Document or, (B) any other amount payable hereunder or under any other Loan Document; or

(b) Specific Covenants. The Borrower fails to perform or observe any term, covenant or agreement contained in any of Section 5.02, 5.03(a), 5.05, 5.10, 5.11, 5.12, or Article 6; or

(c) Other Defaults. Any Loan Party fails to perform or observe any other covenant or agreement (not specified in subsection (a) or (b) above) contained in any Loan Document on its part to be performed or observed and such failure continues for 30 days after the earlier of (i) actual knowledge thereof by a Responsible Officer of the Borrower and (ii) the date that the Lender shall have given the Borrower notice thereof; or

(d) Representations and Warranties. Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of the Borrower or any other Loan Party herein, in any other Loan Document, or in any document delivered in connection herewith or therewith shall be incorrect or misleading in any material respect (except that any representation or warranty that is qualified as to “materiality” or “Material Adverse Effect” shall be incorrect or misleading in any respect) when made or deemed made; or

(e) Cross-Default. (i) The Borrower or any Subsidiary (A) fails to make any payment when due (whether by scheduled maturity, required prepayment, acceleration, demand or otherwise) in respect of any Indebtedness or Guarantee (other than Indebtedness hereunder) or (B) fails to observe or perform any other agreement or condition relating to any such Indebtedness or Guarantee or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event occurs, the effect of which default or other event under clause (B) is to cause, or to permit the holder or holders of such Indebtedness or the beneficiary or beneficiaries of such Guarantee (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, after the expiration of any applicable notice or cure period, such Indebtedness to be demanded or to become due or to be repurchased, prepaid, defeased or redeemed (automatically or otherwise), or an offer to repurchase, prepay, defease or redeem such Indebtedness to be made, prior to its stated maturity, or such Guarantee to become payable or cash collateral in respect thereof to be demanded; or (ii) there occurs under any Swap Contract an Early Termination Date (as defined in such Swap Contract) resulting from (A) any event of default under such Swap Contract as to which the Borrower or any Subsidiary is the Defaulting Party (as defined in such Swap Contract) or (B) any Termination Event (as so defined) under such Swap Contract as to which the Borrower or any Subsidiary is an Affected Party (as so defined); or

(f) Insolvency Proceedings, Etc. The Borrower or any Subsidiary institutes or consents to the institution of any proceeding under any Debtor Relief Law, or makes an assignment for the benefit of creditors; or applies for or consents to the appointment of any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer for it or for all or any material part of its property; or any receiver, trustee, custodian, conservator, liquidator, rehabilitator or similar officer is appointed without the application or consent of such Person and the appointment continues undischarged or unstayed for 60 calendar days; or any proceeding under any Debtor Relief Law relating to any such Person or to all or any material part of its property is instituted without the consent of such Person and continues undismitted or unstayed for 60 calendar days, or an order for relief is entered in any such proceeding; or

(g) Inability to Pay Debts; Attachment. (i) The Borrower or any Subsidiary becomes unable or admits in writing its inability or fails generally to pay its debts as they become due or (ii) any writ or warrant of attachment or execution or similar process is issued or levied against all or any material part of the property of any such Person and is not released, stayed, vacated or fully bonded within 30 days after its issue or levy; or

(h) Judgments. There is entered against the Borrower or any Subsidiary (i) a final judgment or order for the payment of money in an aggregate amount exceeding \$500,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage) or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and, in the case of either clause (i) or (ii) above, (A) enforcement proceedings are commenced by any creditor upon such judgment or order, or (B) there is a period of 60 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(i) ERISA. Any of the following occurring on or after the date of this Agreement (with “occurring” meaning, for purposes of this provision, that all events having occurred as are necessary to quantify amounts at issue and to legally attach liability for such amounts): (i) An ERISA Event occurs with respect to a Pension Plan or Multiemployer Plan which has resulted or could reasonably be expected to result in liability of the Borrower under Title IV of ERISA to the Pension Plan, Multiemployer Plan or the PBGC, or (ii) the Borrower or any ERISA Affiliate fails to pay when due, after the expiration of any applicable grace period, any installment payment with respect to its withdrawal liability under Section 4201 of ERISA under a Multiemployer Plan, and in each case in clauses (i) or (ii) above, such event or condition could reasonably be expected to have a Material Adverse Effect; or

(j) Invalidity of Loan Documents. Any material provision of any Loan Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Obligations, ceases to be in full force and effect; or any Loan Party or any other Person contests in any manner the validity or enforceability of any material provision of any Loan Document; or any Loan Party denies that it has any or further liability or obligation under any Loan Document, or purports to revoke, terminate or rescind any material provision of any Loan Document; or

(k) Change of Control. There occurs any Change of Control; or

(l) Collateral Documents. Any Collateral Document, whether existing on the Closing Date or thereafter, shall for any reason (other than pursuant to the terms thereof) cease to create a valid and perfected first priority Lien (subject to Liens permitted by Section 6.01) on the Collateral purported to be covered thereby.

7.02 Remedies Upon Event of Default. If any Event of Default occurs and is continuing, the Lender may take any or all of the following actions:

(a) declare the unpaid principal amount of the Loan, all interest accrued and unpaid thereon and all other amounts owing or payable hereunder or under any other Loan Document to be immediately due and payable without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Borrower; and

(b) exercise all rights and remedies available to it under the Loan Documents;

provided, however, that upon the occurrence of an actual or deemed entry of an order for relief with respect to the Borrower under Debtor Relief Laws, the unpaid principal amount of the Loan and all interest and other amounts as aforesaid shall automatically become due and payable, in each case without further act of the Lender.

7.03 Application of Funds. After the exercise of remedies provided for in Section 7.02 (or after the Loan has automatically become immediately due and payable as set forth in the proviso to Section 7.02), any amounts received on account of the Obligations shall, subject to applicable Laws, be applied by the Lender in any order determined by Lender, until all of the Obligations have been indefeasibly paid in full in cash. The balance, if any, after all of the Obligations have been indefeasibly paid in full in cash, to the Borrower or as otherwise required by Law.

ARTICLE 8 – MISCELLANEOUS

8.01 Amendments, Etc. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall be effective unless in writing signed by the Lender and the Borrower or the applicable Loan Party, as the case may be, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

8.02 Notices; Effectiveness; Electronic Communication.

(a) Notices Generally. Except in the case of notices and other communications expressly permitted to be given by telephone (and except as provided in subsection (b) below), all notices and other communications provided for herein shall be in writing and shall be delivered by hand or overnight courier service, mailed by certified or registered mail or sent by facsimile to the address, facsimile number, electronic mail address or telephone number specified for such Person on Schedule 8.02, and all notices and other communications expressly permitted hereunder to be given by telephone shall be made to the applicable telephone number. Notices and other communications sent by hand or overnight courier service, or mailed by certified or registered mail, shall be deemed to have been given when received; notices and other communications sent by facsimile shall be deemed to have been given when sent (except that, if not given during normal business hours for the recipient, shall be deemed to have been given at the opening of business on the next business day for the recipient).

(b) Change of Address, Etc. Each of the Borrower and the Lender may change its address, facsimile or telephone number for notices and other communications hereunder by notice to the other party hereto.

(c) Reliance by the Lender. The Lender shall be entitled to rely and act upon any notices purportedly given by or on behalf of the Borrower even if (i) such notices were not made in a manner specified herein, were incomplete or were not preceded or followed by any other form of notice specified herein or (ii) the terms thereof, as understood by the recipient, varied from any confirmation thereof. The Borrower shall indemnify the Lender and its Related Parties of each of them from all losses, costs, expenses and liabilities resulting from the reliance by such Person on each notice purportedly given by or on behalf of the Borrower. All telephonic notices to and other telephonic communications with the Lender may be recorded by the Lender, and each of the parties hereto hereby consents to such recording.

8.03 No Waiver; Cumulative Remedies. No failure by Lender to exercise, and no delay by any such Person in exercising, any right, remedy, power or privilege hereunder or under any other Loan Document shall operate as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The rights, remedies, powers and privileges herein provided, and provided under each other Loan Document, are cumulative and not exclusive of any rights, remedies, powers and privileges provided by law.

8.04 Expenses; Indemnity; Damage Waiver.

(a) **Costs and Expenses.** The Borrower shall pay (i) all reasonable out-of-pocket expenses incurred by the Lender and its Affiliates (including without limitation the reasonable fees, charges and disbursements of counsel for the Lender other than fees for in-house counsel) in connection with the preparation, negotiation, execution, delivery and administration of this Agreement and the other Loan Documents or any amendments, modifications or waivers of the provisions hereof or thereof (whether or not the transactions contemplated hereby or thereby shall be consummated), and (ii) all out-of-pocket expenses incurred by the Lender including the fees, charges and disbursements of any counsel for the Lender), in connection with the enforcement or protection of its rights (A) in connection with this Agreement and the other Loan Documents, including its rights under this Section, or (B) in connection with the Loan made hereunder, including all such out-of-pocket expenses incurred during any workout, restructuring or negotiations in respect of the Loan. The Borrower covenants and agrees to promptly pay any required retainer and invoice and to promptly cooperate and cause the advisors to promptly cooperate with the Lender and any advisor or consultant to the Lender, including without limitation, providing full access to all requested information, management and advisors (together with copies of all requested information).

(b) **Indemnification by the Borrower.** The Borrower shall indemnify the Lender and each Related Party of the Lender (each such Person being called an “Indemnitee”) against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee) incurred by any Indemnitee or asserted against any Indemnitee by any Person (including the Borrower or any other Loan Party) other than such Indemnitee and its Related Parties arising out of, in connection with or as a result of (i) the execution or delivery of this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder, or the consummation of the transactions contemplated hereby or thereby, (ii) the Loan or the use or proposed use of the proceeds therefrom, (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by the Borrower or any of its Subsidiaries, or any Environmental Liability related in any way to the Borrower or any of its Subsidiaries or (iv) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower or any other Loan Party, and regardless of whether any Indemnitee is a party thereto, in all cases, whether or not caused by or arising, in whole or in part, out of the comparative, contributory or sole negligence of the Indemnitee; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses (x) are determined by a court of competent jurisdiction by final and nonappealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee or (y) result from a claim brought by the Borrower or any other Loan Party against an Indemnitee for breach in bad faith of such Indemnitee’s obligations hereunder or under any other Loan Document, if the Borrower or such Loan Party has obtained a final and nonappealable judgment in its favor on such claim as determined by a court of competent jurisdiction. This Section 8.04(b) shall not apply with respect to Taxes other than any Taxes that represent losses, claims, damages, etc. arising from any non-Tax claim.

(c) Waiver of Consequential Damages, Etc. To the fullest extent permitted by applicable Law, the Borrower shall not assert, and hereby waives, and acknowledges that no other Loan Party or Subsidiary shall have any claim against any Indemnitee on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) arising out of, in connection with, or as a result of, this Agreement, any other Loan Document or any agreement or instrument contemplated hereby, the transactions contemplated hereby or thereby, the Loan or the use of the proceeds thereof. No Indemnitee referred to in subsection (b) above shall be liable for any damages arising from the use by unintended recipients of any information or other materials distributed by it through telecommunications, electronic or other information transmission systems in connection with this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby.

(d) Payments. All amounts due under this Section shall be payable not later than ten Business Days after demand therefor.

(e) Survival. The agreements in this Section shall survive the repayment, satisfaction or discharge of all the Obligations.

8.05 Payments Set Aside. To the extent that any payment by or on behalf of the Borrower is made to the Lender, or the Lender exercises its right of setoff, and such payment or the proceeds of such setoff or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by the Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under any Debtor Relief Law or otherwise, then to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such setoff had not occurred.

8.06 Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that neither the Borrower nor any other Loan Party may assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender. Lender may assign or otherwise transfer any of its rights or obligations hereunder (i) to an assignee in accordance with the provisions of Section 8.06(b), (ii) by way of participation in accordance with the provisions of Section 8.06(c), or (iii) by way of pledge or assignment of a security interest subject to the restrictions of Section 8.06(d) (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, Participants to the extent provided in subsection (c) of this Section and, to the extent expressly contemplated hereby, the Related Parties of the Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lender. The Lender may at any time assign to one or more of its Affiliates all or a portion of its rights and obligations under this Agreement (including all or a portion of the Loan). From and after the effective date specified for the assignment, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned, have the rights and obligations of the Lender under this Agreement, and the Lender shall, to the extent of the interest assigned, be released from its obligations under this Agreement but shall continue to be entitled to the benefits of Section 8.04 with respect to facts and circumstances occurring prior to the effective date of such assignment. Upon request, the Borrower shall execute and deliver a Note to the assignee.

(c) **Participations.** The Lender may at any time, without the consent of, or notice to, the Borrower, sell participations to any Person (other than a natural person) (each, a “Participant”) in all or a portion of the Lender’s rights and/or obligations under this Agreement (including all or a portion of the Loan owing to it); provided that (i) the Lender’s obligations under this Agreement shall remain unchanged, (ii) the Lender shall remain solely responsible to the other parties hereto for the performance of such obligations and (iii) the Borrower shall continue to deal solely and directly with the Lender in connection with the Lender’s rights and obligations under this Agreement. To the extent permitted by applicable Laws, each Participant also shall be entitled to the benefits of Section 8.08 as though it were the Lender.

(d) **Certain Pledges.** The Lender may at any time pledge or assign a security interest in all or any portion of its rights under this Agreement (including under its Note, if any) to secure obligations of the Lender; provided that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

(e) **Electronic Execution of Assignments and Certain Other Documents.** The words “execution,” “signed,” “signature” and words of like import in any Assignment and Assumption or in any amendment or other modification hereof (including waivers and consents) shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable Law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

8.07 Treatment of Certain Information; Confidentiality. The Lender agrees to maintain the confidentiality of the Information (as defined below), except that Information may be disclosed (a) to its Affiliates and to its Related Parties (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such Information and instructed to keep such Information confidential), (b) to the extent required by or requested by any regulatory authority purporting to have jurisdiction over such Person or its Related Parties (including any self-regulatory authority, such as the National Association of Insurance Commissioners), (c) to the extent required by applicable Laws or regulations or by any subpoena or similar legal process, (d) to any other party hereto, (e) in connection with the exercise of any remedies hereunder or under any other Loan Document or any action or proceeding relating to this Agreement or any other Loan Document or the enforcement of rights hereunder or thereunder, (f) subject to an agreement containing provisions substantially the same as those of this Section, to any assignee of or Participant in, or any prospective assignee of or Participant in, any of its rights and obligations under this Agreement, (g) on a confidential basis to (i) any rating agency in connection with rating the Borrower or its Subsidiaries or the credit facilities provided hereunder or (ii) the CUSIP Service Bureau or any similar agency in connection with the issuance and monitoring of CUSIP numbers or other market identifiers with respect to the credit facilities provided hereunder, (h) with the consent of the Borrower or (j) to the extent such Information (x) becomes publicly available other than as a result of a breach of this Section or (y) becomes available to the Lender or any of its Affiliates on a nonconfidential basis from a source other than the Borrower.

For purposes of this Section, “Information” means all information received from the Borrower or any Subsidiary relating to the Borrower or any Subsidiary or any of their respective businesses, other than any such information that is available to the Lender or its Affiliates on a nonconfidential basis prior to disclosure by the Borrower or any Subsidiary, provided that, in the case of information received from the Borrower or any Subsidiary after the date hereof, such information is clearly identified at the time of delivery as confidential. Any Person required to maintain the confidentiality of Information as provided in this Section shall be considered to have complied with its obligation to do so if such Person has exercised the same degree of care to maintain the confidentiality of such Information as such Person would accord to its own confidential information.

The Lender acknowledges that (a) the Information may include material non-public information concerning the Borrower or a Subsidiary, as the case may be, (b) it has developed compliance procedures regarding the use of material non-public information and (c) it will handle such material non-public information in accordance with applicable Law, including Securities Laws.

8.08 Right of Setoff. If an Event of Default shall have occurred and be continuing, the Lender and its Affiliates are hereby authorized at any time and from time to time, to the fullest extent permitted by applicable Law, to set off and apply any and all deposits (general or special, time or demand, provisional or final, in whatever currency) at any time held by the Lender or any such Affiliate to or for the credit or the account of the Borrower or any other Loan Party against any and all of the obligations of the Borrower or such Loan Party now or hereafter existing under this Agreement or any other Loan Document to the Lender or its Affiliates, irrespective of whether or not the Lender or Affiliate shall have made any demand under this Agreement or any other Loan Document and although such obligations of the Borrower or such Loan Party may be contingent or unmatured or are owed to an Affiliate of the Lender different from the Affiliate holding such deposit or obligated on such Indebtedness. The rights of the Lender and its Affiliates under this Section are in addition to other rights and remedies (including other rights of setoff) that the Lender or its Affiliates may have.

8.09 Interest Rate Limitation. Notwithstanding anything to the contrary contained in any Loan Document, the interest paid or agreed to be paid under the Loan Documents shall not exceed the maximum rate of non-usurious interest permitted by applicable Law (the "Maximum Rate"). If the Lender shall receive interest in an amount that exceeds the Maximum Rate, the excess interest shall be applied to the principal of the Loan or, if it exceeds such unpaid principal, refunded to the Borrower. In determining whether the interest contracted for, charged, or received by the Lender exceeds the Maximum Rate, such Person may, to the extent permitted by applicable Law, (a) characterize any payment that is not principal as an expense, fee, or premium rather than interest, (b) exclude voluntary prepayments and the effects thereof and (c) amortize, prorate, allocate and spread in equal or unequal parts the total amount of interest throughout the contemplated term of the Obligations hereunder.

8.10 Counterparts; Integration; Effectiveness. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Agreement and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 3.01, this Agreement shall become effective when it shall have been executed by the Lender and when the Lender shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties hereto. Delivery of an executed counterpart of a signature page of this Agreement by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Agreement.

8.11 Survival of Representations and Warranties. All representations and warranties made hereunder and in any other Loan Document or other document delivered pursuant hereto or thereto or in connection herewith or therewith shall survive the execution and delivery hereof and thereof. Such representations and warranties have been or will be relied upon by the Lender, regardless of any investigation made by the Lender or on its behalf, and shall continue in full force and effect as long as the Loan or any other Obligation hereunder shall remain unpaid or unsatisfied.

8.12 Severability. If any provision of this Agreement or the other Loan Documents is held to be illegal, invalid or unenforceable, (a) the legality, validity and enforceability of the remaining provisions of this Agreement and the other Loan Documents shall not be affected or impaired thereby and (b) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

8.13 Governing Law; Jurisdiction; Etc.

(a) **GOVERNING LAW.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) **SUBMISSION TO JURISDICTION.** THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY SUBMITS, FOR ITSELF AND ITS PROPERTY, TO THE NONEXCLUSIVE JURISDICTION OF THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT, OR FOR RECOGNITION OR ENFORCEMENT OF ANY JUDGMENT, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW. NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER OR ANY OTHER LOAN PARTY OR ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION.

(c) **WAIVER OF VENUE.** THE BORROWER AND EACH OTHER LOAN PARTY IRREVOCABLY AND UNCONDITIONALLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY OBJECTION THAT IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT IN ANY COURT REFERRED TO IN PARAGRAPH (b) OF THIS SECTION. EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING IN ANY SUCH COURT.

(d) **SERVICE OF PROCESS.** EACH PARTY HERETO IRREVOCABLY AGREES THAT SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING MAY BE EFFECTED BY MAILING A COPY THEREOF BY REGISTERED OR CERTIFIED MAIL (OR ANY SUBSTANTIALLY SIMILAR FORM OF MAIL), POSTAGE PREPAID, TO ITS ADDRESS SET FORTH ON SCHEDULE 8.02 OR AT SUCH OTHER ADDRESS OF WHICH THE LENDER SHALL HAVE BEEN NOTIFIED PURSUANT TO SECTION 8.02. NOTHING IN THIS AGREEMENT WILL AFFECT THE RIGHT OF ANY PARTY HERETO TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY APPLICABLE LAW.

8.14 Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

8.15 USA PATRIOT Act. The Lender is subject to the Act (as hereinafter defined) and the Lender hereby notifies the Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the “Act”), it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that will allow the Lender to identify each Loan Party in accordance with the Act. The Borrower shall, promptly following a request by the Lender, provide all documentation and other information that the Lender requests in order to comply with its ongoing obligations under applicable “know your customer” and anti-money laundering rules and regulations, including the Act.

8.16 Release of Collateral. No amendment or waiver of any provision of this Agreement or any other Loan Document, and no consent to any departure by the Borrower or any other Loan Party therefrom, shall release all or substantially all of the Collateral, and this provision may not be waived or amended without the consent of the Lender.

8.17 No Advisory or Fiduciary Responsibility. In connection with all aspects of each transaction contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Loan Document), the Borrower acknowledges and agrees, and acknowledges its Affiliates’ understanding, that: (i) (A) the arranging and other services regarding this Agreement provided by the Lender are arm’s-length commercial transactions between the Borrower and its Affiliates, on the one hand, and the Lender, on the other hand, (B) the Borrower has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the Borrower is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Loan Documents; (ii) (A) the Lender is and has been acting solely as a principal and, except as expressly agreed in writing by the relevant parties, has not been, is not, and will not be acting as an advisor, agent or fiduciary for the Borrower or any of its Affiliates, or any other Person and (B) the Lender has no obligation to the Borrower or any of its Affiliates with respect to the transactions contemplated hereby except those obligations expressly set forth herein and in the other Loan Documents; and (iii) the Lender and its Affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Borrower and its Affiliates, and the Lender has no obligation to disclose any of such interests to the Borrower or its Affiliates. To the fullest extent permitted by law, the Borrower hereby waives and releases any claims that it may have against the Lender and its Affiliates with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

8.18 Time of the Essence. Time is of the essence of the Loan Documents.

8.19 ENTIRE AGREEMENT. THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS REPRESENT THE FINAL AGREEMENT AMONG THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS AMONG THE PARTIES. BORROWER HAS NOT RELIED ON ANY PROMISE, STATEMENT OR REPRESENTATION OF THE LENDER, OR ANY REPRESENTATIVE OF THE LENDER, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT.

[Reminder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first written above.

BORROWER:

LEE ENTERPRISES, INCORPORATED, a Delaware corporation

By: /s/Kevin D. Mowbray

Name: Kevin D. Mowbray

Title: President & CEO

LENDER:

BH FINANCE LLC, a Nebraska limited liability company

By: /s/Ted Weschler

Name: Ted Weschler

Title: Authorized Signatory

[Signature Page to Credit Agreement]

LEASE AGREEMENT

between

BH MEDIA GROUP, INC.

“Landlord”

and

LEE ENTERPRISES, INCORPORATED

“Tenant”

[_____], 2020

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EXHIBIT A: Properties List

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is dated this [_____], 2020 (the "Effective Date"), by and between BH Media Group, Inc., a Delaware corporation ("Landlord"), and Lee Enterprises, Incorporated, a Delaware corporation ("Tenant").

1. Lease of Properties. Landlord, in consideration of the rents and of the covenants hereafter contained, does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms contained herein, those certain properties listed on the attached Exhibit A (each such property listed on Exhibit A is referred to herein as a "Property" and collectively, as the "Properties"). Tenant's rights and obligations with respect to each Property shall include the right to use and enjoy, and the obligations applicable to the Properties also shall include, all buildings, structures, fixtures (including, without limitation, all printing presses, inserters, ink tabs, and conveying equipment) and other improvements located thereon, and all easements, rights and appurtenances belonging or appertaining thereto, but shall be subject to all tenancies, covenants, restrictions, reservations, liens, conditions, encroachments, easements and other matters of title. Landlord shall deliver possession of the Properties to Tenant on the Effective Date. Landlord hereby assigns to Tenant, and Tenant hereby assumes from Landlord, to the fullest extent allowed under applicable law or the agreement at issue, all rights and obligations Landlord maintains in and to the Properties, including without limitation, all lease agreements and rights to collect rent related to the Properties. Upon the expiration or earlier termination of this Lease, all such rights and obligations, including without limitation, all lease agreements and rights to collect rent related to the Properties, shall immediately revert to Landlord.

2. Term. The term of this Lease shall be for a period of ten (10) years ("Term"), unless terminated in accordance with the terms set forth in this Lease, commencing on the Effective Date and continuing until the last day of the month that is ten (10) years after the Effective Date. Tenant shall have no option to renew the Term of this Lease; *provided however*, that prior to the expiration of the Lease, Landlord and Tenant will negotiate in good faith the terms of a lease for each Property that has not been sold and is necessary for the continued operation of Tenant's business.

3. Rent.

(a) Tenant shall pay rent to Landlord for the use and occupancy of the Properties the amount of Six Hundred Sixty-Six Thousand Six Hundred Sixty-Six and 67/100 Dollars (\$666,666.67) per month for each month of the Term ("Basic Rent"). The Basic Rent shall be payable in advance on the first business day of each month of the Term of this Lease. Basic Rent is payable to Landlord in cash, check, or ACH payment at the office of the Landlord at the address set forth in this Lease. The first payment of Basic Rent (representing Basic Rent prorated for the month of March and all of April), shall be due upon the Effective Date.

(b) If any installment of Basic Rent is not paid on the date due, Tenant shall pay Landlord interest on such overdue payment at the lesser of: a) 10% per annum or b) the maximum rate permitted by applicable law (the "Default Rate"), accruing from the due date of such payment until the same is paid. If any installment of Basic Rent is not paid for a period of three (3) business days after notice of default thereof by Landlord, Tenant shall pay Landlord a late charge in an amount equal to the lesser of five (5%) percent of the unpaid installment of Basic Rent or the highest late charge permitted by applicable law.

(c) Tenant shall pay and discharge before the imposition of any fine, lien, interest or penalty which may be added thereto for late payment thereof any amounts and obligations which Tenant assumes or agrees to pay or discharge pursuant to this Lease ("Additional Rent"), together with every fine, penalty, interest and cost which may be added by the party to whom such payment is due for nonpayment or late payment thereof. In the event of any failure by Tenant to pay or discharge any of the foregoing, Landlord shall have all rights, powers and remedies provided herein, by law or otherwise, in the event of nonpayment of Basic Rent. Any Additional Rent payable to Landlord shall be paid, within fifteen (15) days after demand therefor.

4. Net Lease.

(a) It is the intention of Landlord and Tenant that the obligations of Tenant hereunder shall be separate and independent covenants and agreements, and that Basic Rent, Additional Rent and all other sums payable by Tenant hereunder shall continue to be payable in all events, and that the obligations of Tenant hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease. This is an absolute net lease and Basic Rent, Additional Rent and all other sums payable hereunder by Tenant shall be paid without notice or demand, and without setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense, except as otherwise specifically set forth herein. This Lease shall not terminate and Tenant shall not have any right to terminate this Lease, during the Term. Tenant agrees that, except as otherwise expressly provided in this Lease, it shall not take any action to terminate, rescind or avoid this Lease notwithstanding (i) the bankruptcy, insolvency, reorganization, composition, readjustment, liquidation, dissolution, winding-up or other proceeding affecting Landlord, (ii) any action with respect to this Lease (including the disaffirmance hereof) which may be taken by Landlord under the Federal Bankruptcy Code or by any trustee, receiver or liquidator of Landlord or by any court under the Federal Bankruptcy Code or otherwise, (iii) the taking of the Property or any portion thereof pursuant to eminent domain (subject to Section 7 below), (iv) the prohibition or restriction of Tenant's use of the any or all of the Properties under any legal requirement or otherwise, (v) the destruction of or damage or casualty to any Property or any portion thereof (subject to Section 7 below), (vi) default by Landlord hereunder or under any other agreement between Landlord and/or any of its affiliates and Tenant. Tenant waives all rights which are not expressly stated herein but which may now or hereafter otherwise be conferred by law to quit, terminate or surrender this Lease or any of the Properties; to any setoff, counterclaim, recoupment, abatement, suspension, deferment, diminution, deduction, reduction or defense of or to Basic Rent, Additional Rent or any other sums payable under this Lease, and for any statutory lien or offset right against Landlord or its property.

(b) All costs and expenses (other than depreciation, interest on and amortization of debt incurred by Landlord, and costs incurred by Landlord in financing or refinancing Properties) and other obligations of every kind and nature whatsoever relating to the Properties and the appurtenances thereto and the use and occupancy thereof that may arise or become due and payable or accrue during the Term shall be paid and performed by Tenant. Notwithstanding the foregoing, Tenant shall have no liability or obligation relating to the investigation, remediation, or management of any hazardous materials or substances on any Property except for claims or obligations arising from or relating to Tenant's occupancy and use of the Property.

(c) Landlord is providing no services to Tenant under this Lease. Tenant shall pay directly to the proper authorities charged with the collection thereof all charges for water, sewer, gas, oil, electricity, telephone and other utilities or services used or consumed on the Properties during the Term, whether designated as a charge, tax, assessment, fee or otherwise, including, without limitation, water and sewer use charges, impact fees and taxes, if any, all such charges, fees and taxes to be paid as the same from time to time become due. It is understood and agreed that Tenant shall make its own arrangements for the installation or provision of all such utilities and that Landlord shall be under no obligation to furnish any utilities to the Properties and shall not be liable for any interruption or failure in the supply of any such utilities to the Properties.

5. Taxes. Tenant shall no later than fifteen (15) days before interest or penalties are due thereon, pay and discharge or cause to be paid and discharged all taxes of every kind and nature (including real, *ad valorem* and personal property, income, franchise, withholding, profits and gross receipts taxes); all charges and/or taxes for any easement or agreement maintained for the benefit of any of the Properties; all general and special assessments, levies, permits, inspection and license fees; all ground rents, and all other public charges and/or taxes whether of a like or different nature, even if unforeseen or extraordinary, imposed upon or assessed, during the Term, against Landlord, Tenant or any of the Properties, including without limitation, any gross income tax, sales tax, use tax, occupancy tax or excise tax levied by any governmental body on or with respect to such Basic Rent or Additional Rent (collectively, "Taxes") which are imposed on or relate to the Properties for the period of time prior to or that become due during the Term, regardless of whether such Taxes are levied or assessed prior to the Term. For the avoidance of doubt, it is the intention of the parties that Tenant pay such Taxes in the manner that is consistent with Landlord's past practices. In the event that any assessment against any of the Properties may be paid in installments, Tenant shall have the option to pay such assessment in installments. Tenant shall have the right to appeal or challenge any assessment of Taxes in accordance with applicable law. Tenant shall prepare and file all tax reports required by governmental authorities which relate to the Taxes. If Tenant is not permitted to file any tax reports or pay any Taxes directly to the applicable governmental authorities, Tenant shall remit such Taxes, no later than fifteen (15) business days prior to the date when due, to Landlord and, at Landlord's request, shall cooperate with Landlord in the preparation of such tax reports. Landlord, at Tenant's expense, shall prepare and file such tax reports and pay such Taxes to the applicable governmental authorities until Tenant has obtained permission to do so. Promptly after the date hereof, Tenant shall endeavor to obtain permission to file all tax reports and pay Taxes directly to the applicable governmental authorities. Tenant shall deliver to Landlord, upon receipt, copies of all settlements and notices pertaining to the Taxes which may be issued by any governmental authority and, prior to delinquency, receipts for payments of all Taxes made during each calendar year of the Term. Tenant's obligation to pay Taxes in respect of a Property shall terminate upon sale or other disposition by Landlord of such Property resulting in a termination of this Lease with respect to such Property. Notwithstanding the foregoing, upon a sale or disposition of a Property, the Taxes for the Property being sold shall be prorated to the date of closing of such sale, and Tenant shall be responsible for the Taxes attributable to the period prior to such closing.

6. Use.

(a) Tenant may use the Properties for any lawful purpose other than any use that will (i) have a material adverse effect on the value of any Property, (ii) cause Tenant or Landlord to incur liability due to a violation of any provision of applicable law, or (iii) result in or give rise to any environmental deterioration or degradation of the Properties. In no event shall any Property be used for any purpose that would violate any of the provisions of any covenant, restriction, reservation, condition, or easement applicable to such Property either specifically or through broader application to any planned development, commercial center or industrial park of which such Property may be a part. Tenant shall observe, perform and comply with and carry out the provisions of any covenant, restriction, reservation, condition, easement or other condition affecting the Properties required therein to be observed and performed by Landlord. If under applicable zoning laws, the use of all or any portion of a Property is or shall become a non-conforming right, Tenant shall not cause or permit such non-conforming right to be discontinued or abandoned.

(b) Tenant shall not permit any unlawful occupation, business or trade to be conducted on any of the Properties or any use to be made thereof contrary to applicable law. Tenant shall not use, occupy or permit any of the Properties to be used or occupied, nor do or permit anything to be done in or on any of the Properties, in a manner that would (i) violate any certificate of occupancy or equivalent certificate affecting any of the Properties, (ii) make void or voidable any insurance that Tenant is required hereunder to maintain then in force with respect to any of the Properties, (iii) affect in any manner the ability of Tenant to obtain any insurance that Tenant is required to furnish hereunder, (iv) cause any injury or damage to any or all of the Properties unless pursuant to Alterations (as defined in this Agreement) permitted under this Lease, or (v) constitute a public or private nuisance or waste.

(c) Landlord represents and warrants that the Properties in the aggregate are in material compliance with all laws, statutes, and ordinances applicable to their use upon commencement of this Lease. Tenant shall comply with all present and future laws, whether statutory or common law, codes, ordinances, orders, judgments, decrees, injunctions, rules, regulations and requirements, even if unforeseen or extraordinary, of every duly constituted governmental authority or agency (but excluding those which by their terms are not applicable to and do not impose any obligation on Tenant, Landlord or any of the Properties) and all covenants, restrictions and conditions now or hereafter of record which may be applicable to Tenant, to Landlord or to any of the Properties, or any portion thereof, or to the use, manner of use, occupancy, possession, operation, maintenance, Alteration, repair or reconstruction of any of the Properties, or any portion thereof, even if compliance therewith necessitates structural changes or improvements (including changes required to comply with the "Americans with Disabilities Act") or results in interference with the use or enjoyment of any of the Properties. Without limitation to the foregoing, Tenant shall comply with all legal requirements (along with common law or strict liability provisions, and any judicial or administrative interpretations thereof, including any applicable judicial or administrative orders or judgments) relating to health, safety, industrial hygiene, pollution, the environment, or related matters including, but not limited to, each of the following, as enacted as of the date hereof or as hereafter amended; the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 U.S.C. §9601 et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq.; the Toxic Substance Control Act, 15 U.S.C. §2601 et seq.; the Water Pollution Control Act (also known as the Clean Water Act), 33 U.S.C. §1251 et seq.; the Clean Air Act, 42 U.S.C. §7401 et seq.; and the Hazardous Materials Transportation Act, 49 U.S.C. §1801 et seq.

7. Marketing and Sale of Properties.

(a) Landlord may sell any Property in Landlord's sole discretion, *provided however*, that (i) any such sale shall not interfere with Tenant's quiet enjoyment of the subject Property and (ii) Tenant approves the arrangements for Tenant's rent payments, which approval shall not be unreasonably withheld or delayed. The parties also acknowledge and agree that Tenant may actively market for sale any or all of the Properties. If Tenant receives a bona fide offer to purchase one or more Properties that Tenant would like Landlord to accept, Tenant shall present such offer(s) to Landlord for approval. Landlord shall have the sole discretion to determine whether it will accept such offer and to subsequently close on the sale of any Property. Tenant shall have no authority to obligate Landlord to sell any Property without Landlord's prior written approval. If Landlord decides, in Landlord's sole discretion, to accept an offer to purchase one or more Properties, Landlord and Tenant shall thereafter cooperate to complete the closing of the sale of such Property(ies). From the after the closing of a sale of a Property, the definition of Properties under this Lease shall automatically be revised to exclude all sold Property(ies).

(b) Upon (i) the completion of a sale of a Property approved by Landlord (including a transfer of title pursuant to condemnation or (ii) the occurrence of a loss of a Property which is not repaired or rebuilt and in respect of which Landlord is compensated by property or casualty insurance), that occurs during the Term, so long as Tenant is not then in default beyond any applicable notice and cure period, Landlord shall provide Tenant a monthly credit against subsequent payments of Basic Rent in the manner set forth in this Section. In addition, if Landlord completes the sale of the Properties located at 120 Salem Ave. SW, Roanoke, Virginia, 24011 and/or 200 E. Market Street, Greensboro, North Carolina, 27401, at any time after January 1, 2020, Landlord shall provide Tenant a credit against subsequent payments of Basic Rent in the manner set forth in this Section.

(c) The amount of such credit shall equal 8.0% of the net consideration Landlord receives at closing for the sale of the applicable Property, less any actual expenses Landlord incurs in completing such sale, including, without limitation, all closing costs, fees, cost of fixture and equipment removal (as referenced in Section 7(d)) and commissions, divided by 12 (such credit is referred to herein as a “Rent Credit”). Commencing on the first month after a sale of a Property approved by Landlord, Tenant’s remaining obligations to pay Basic Rent for each month remaining of the Term after the closing of a sale of a Property shall be reduced by the Rent Credit applicable to such sale. For example (for illustration purposes only), if at a closing, Landlord receives \$1,000,000 (after appropriate reduction for expenses) for a Property sold with Landlord’s approval, then the Rent Credit would be \$6,666.67 (i.e., $[\$1,000,000 \times .08] \div 12 = \$6,666.67$) and after application of such Rent Credit, the Basic Rent for the remainder of the Term would be \$660,000.00 per month for each month remaining in the Term. In the event the Basic Rent, after application of Rent Credits obtained by Tenant, is reduced to \$0.00 per month, Tenant shall no longer be entitled to any further Rent Credit for subsequent sales of Property(ies).

(d) Tenant shall not have any duty or obligation to remove any fixtures (including printing presses, inserters, ink tanks, and conveying equipment) or other improvements from any Property in connection with the sale thereof. Tenant shall grant Landlord and its contractor reasonable access to the Property for the purpose of removing such equipment. Removal of equipment shall be completed in a manner that minimizes damage to the Property and interruption of Tenant’s business. The cost of removal shall be paid by Landlord and shall be deducted from the net consideration of such sale for purposes of calculating the corresponding Rent Credit.

8. Maintenance. Tenant, at its expense, shall promptly make all repairs and replacements and perform all maintenance in and to the Properties and all equipment, property and fixtures therein or appurtenant thereto, that is necessary or desirable to keep the Properties in good order, condition and repair. Tenant shall maintain the Properties, and all equipment, property and fixtures located at the Properties, in a clean, safe, and operable condition, and shall not permit or allow to remain any waste or damage to any portion of the Properties. Tenant shall repair or replace any damage to any portion of any Property, and all equipment, property and fixtures located at the Properties, regardless of the cause of such damage. If Tenant fails to make such repairs or replacements promptly after the occurrence of such damage, then Landlord may make the same at Tenant’s cost. The cost of all repair or replacement work performed by Landlord under this Section shall be paid by Tenant to Landlord within fifteen (15) days after Landlord has invoiced Tenant therefor.

9. Landlord’s Entry. Landlord, its agents and employees may, at any reasonable time or times, upon prior notice to Tenant (except in the event of an emergency, in which event no notice shall be required), enter upon any Property, any portion thereof and any appurtenance thereto (with persons and materials, if required) for the purpose of: (a) inspecting the same; (b) making such repairs, replacements or Alterations which Landlord may be allowed to perform as herein provided; and (c) showing the Property to prospective purchasers, lenders or lessees. In the exercise of its rights under this Section, Landlord shall use reasonable efforts to avoid material interference with the operation of Tenant’s business within the Properties.

10. Condition of Properties. Tenant agrees to accept the Properties, and all buildings, fixtures, equipment, or any other improvement located on the Properties, in their “as is” and “where is” condition and without any agreements, representations, understandings or obligations on the part of Landlord to perform any Alterations, repairs or improvements. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation as to the condition of the Properties or the suitability of the Properties for Tenant’s intended use.

11. Alterations.

(a) Tenant may make any or all changes, additions, improvements, reconstructions or replacements of any of the improvement located on the Properties (each, an "Alterations" and collectively, the "Alterations"), both interior or exterior, without the prior written consent of the Landlord provided such Alterations comply with all of the following provisions: (i) the fair market value of the Property upon which an Alteration is performed shall not be lessened in any material respect as a result of any such Alteration, nor shall the structural integrity of such Property be impaired; (ii) the Alteration and any Alteration theretofore made or thereafter to be made shall not in the aggregate reduce the gross floor area of the applicable Property, nor shall any such Alteration materially adversely affect access to such Property; (iii) the Alteration shall be performed in a good and workmanlike manner, and shall be promptly completed in compliance with all applicable laws, (iv) all work done in connection with any such Alteration shall comply with all policies of insurance applicable to the Property upon which the Alteration is performed, (v) Tenant shall promptly pay all costs and expenses of any such Alteration, and shall promptly discharge all liens filed against any of such Property arising out of the same, (vi) Tenant shall procure and pay for all permits and licenses required in connection with any such Alteration, and (vii) all such Alterations shall be the property of Landlord and shall be subject to this Lease. Tenant shall maintain and upon request provide to Landlord all as-built plans and specifications or record drawings that Tenant obtains in performing Alterations.

(b) All Alterations shall be performed only by qualified contractors and subcontractors. Tenant shall cause all contractors and subcontractors to procure and maintain "Builder's All Risk" insurance coverage naming Landlord as an additional insured against such risks, in such amounts, and with such companies as Landlord may reasonably require. All Alterations shall be performed in accordance with all applicable laws and in a good and workmanlike manner so as not to damage the Properties, or any improvements, fixtures or equipment located thereon.

(c) Tenant shall not permit any construction or mechanic's liens to be filed against any Property for any Alterations, materials furnished for Alterations, or obligation incurred by or at the request of Tenant. If such a lien is filed, then Tenant shall, within ten (10) days after such filing, either pay the amount of the lien or diligently contest such lien and deliver to Landlord a bond or other security satisfactory to Landlord, in Landlord's sole discretion. If Tenant fails to timely take either such action, then Landlord may pay the lien claim, and any amounts so paid, including expenses and interest, shall be paid by Tenant to Landlord within ten (10) days after Landlord has invoiced Tenant therefor.

12. Assignment/Subletting.

(a) Tenant may assign its interest in all or any portion of this Lease or sublease all or any portion(s) of the Properties without the prior written consent of Landlord. Unless Landlord consents to releasing Tenant in writing in advance, which consent Landlord may withhold in its sole and absolute discretion, no sublease under, or assignment of this Lease shall relieve Tenant of its obligations hereunder, and all such obligations shall continue as the obligations of a principal and not as the obligations of a surety or a guarantor. Notwithstanding any merger, consolidation or sale (i) of the Tenant, (ii) of any parent, subsidiary or affiliate of the Tenant or (iii) of any or all of the assets of the Tenant or any parent, subsidiary or affiliate of the Tenant, the original Tenant (and any successor of the original Tenant by such merger, sale or consolidation) shall continue to be obligated for all of the Tenant's obligations hereunder without any abatement, diminution, set-off, reduction, rebate, termination, or decrease. The joint and several liability of Tenant named herein and any immediate and remote successor in interest of Tenant (by assignment or otherwise), and the due performance of the obligations of this Lease on Tenant's part to be performed or observed, shall not in any way be discharged, released or impaired by any (i) agreement which modifies any of the rights or obligations of the parties under this Lease, (ii) stipulation which extends the time within which an obligation under this Lease is to be performed, (iii) waiver of the performance of an obligation required under this Lease, or (iv) failure to enforce any of the obligations set forth in this Lease, unless in each case, the same has been consented to by Landlord in writing.

(b) Each sublease of any Property or any part thereof shall be subject and subordinate to the provisions of this Lease, and a copy thereof shall be delivered to Landlord within fifteen (15) days after the execution and delivery of such sublease. Actions affecting a Property by the subtenant (including, but not limited to, a holding over by a subtenant after the expiration or sooner termination of this Lease) shall also be deemed actions taken by Tenant. Tenant shall, within a minimum of ten (10) days prior to the execution and delivery of any such assignment as described in this Section, give notice of such assignment to Landlord. Tenant further agrees that in the case of such assignment, Tenant shall, within fifteen (15) days after the execution and delivery of any such assignment, deliver to Landlord (i) a duplicate original of such assignment in recordable form and (ii) an agreement executed and acknowledged by the assignee in recordable form wherein the assignee shall agree to assume and agree to observe and perform all of the terms and provisions of this Lease on the part of the Tenant to be observed and performed, and, in the case of a sublease, Tenant shall, within fifteen (15) days after the execution and delivery of such sublease, deliver to Landlord a duplicate original of such sublease.

(c) Upon the occurrence of an Event of Default under this Lease, Landlord shall have the right to collect and enjoy all rents and other sums of money payable under any sublease of any of the Properties, and Tenant hereby irrevocably and unconditionally assigns such rents and money to Landlord, which assignment may be exercised upon and after (but not before) the occurrence of an Event of Default. All subleases shall provide that upon notice from Landlord of an Event of Default, all rent due under such sublease shall be paid as so directed.

(d) In the event of a termination of this Lease, any subtenant of the Properties shall, at the option of Landlord, exercisable within thirty (30) days after such termination, attorn to Landlord. Each subtenant who hereafter takes an interest in any Property shall be deemed to have agreed to the provisions of this Section. Tenant covenants that each sublease of any Property hereafter executed shall contain a clause expressly providing that the subtenant thereunder shall attorn to Landlord, upon request of Landlord, in the event of a termination of this Lease, but the absence of such a clause from any sublease shall not relieve the subtenant from the provisions of this Section. In the event Landlord expressly waives such right of attornment or does not timely exercise the option to have a subtenant attorn as aforesaid, such sublease shall automatically terminate.

13. Tenant's Failure to Perform. In the event Tenant fails or neglect to perform all Tenant's obligations required hereunder, Landlord shall have the right, but not the duty, to perform said obligation of Tenant, after giving Tenant written notice, and the sum or sums of money paid by Landlord, together with all other costs and expenses Landlord incurs, for the purposes aforesaid, plus interest thereon at the then maximum legal contract rate from date of each such payment or performance, shall be deemed to be Additional Rent and shall become due and payable by Tenant to Landlord with the next monthly installment of Basic Rent becoming due and payable thereafter. All Basic Rent and Additional Rent that is not paid when due shall accrue interest from and after such due date at the maximum legal contract rate until it is paid in full.

14. Events of Default. The occurrence of any one or more of the following events shall constitute an Event of Default under this Lease (each an "Event of Default"):

(a) Tenant's failure to make any payment of Basic Rent when due which continues unremedied for a period of three (3) business days.

(b) Tenant's failure to make payment of Additional Rent or other sum herein required to be paid by Tenant and such default shall continue for a period of fifteen (15) business days after written notice by Landlord to Tenant.

(c) Tenant's failure to duly perform and observe, or Tenant's violation or breach of, any other material provision hereof if such failure shall continue for a period of thirty (30) days after notice thereof from Landlord, or if such failure cannot be cured within such period of thirty (30) days, such period shall be extended for such longer time as reasonably necessary (not to exceed a total of one ninety (90) days) provided that Tenant has commenced to cure such default within said period of thirty (30) days and is actively, diligently and in good faith proceeding with continuity to remedy such failure. Tenant agrees that after receiving any such notice of default referred to above in this subsection (c), Tenant shall, upon request of Landlord, advise the requesting party of Tenant's progress in curing such default.

(d) Tenant becomes insolvent within the meaning of the United States Bankruptcy Code, as amended (the "Code"), files or notifies Landlord that it intends to file a petition under the Code, initiates a proceeding under any similar law or statute relating to bankruptcy, insolvency, reorganization, winding up or adjustment of debts (any of the foregoing hereinafter referred to as, an "Action"), becomes the subject of either a petition under the Code or an Action which continues undischarged or unstayed for a period of ninety (90) days, or is not generally paying its debts as the same become due.

(e) A court shall enter an order, judgment or decree appointing a receiver or trustee for it or for any of the Properties or approving a petition filed against Tenant that seeks relief under the bankruptcy or other similar laws of the United States, any state or any jurisdiction, and such order, judgment or decree shall remain in force, undischarged or unstayed, ninety (90) days after it is entered.

(f) Tenant shall be liquidated or dissolved or shall begin proceedings towards its liquidation or dissolution, or shall, in any manner, permit the divestiture of all or substantially all of its assets other than in connection with a merger or consolidation of Tenant, as the case may be, into, or a sale of all or substantially all of Tenant's assets to, another corporation provided that the survivor of such merger or consolidation, or the purchaser of such assets, shall assume all of Tenant's obligations under this Lease by a written instrument, in form and substance reasonably satisfactory to Landlord, accompanied by an opinion of counsel, reasonably satisfactory to Landlord, stating that such instrument of assumption is valid, binding and enforceable against the parties thereto in accordance with its terms, and provided further that, immediately after giving effect to any such merger or consolidation or sale of such assets, the survivor of such merger or consolidation, or the purchaser of such assets, as the case may be, shall have a consolidated tangible net worth equal or greater than that of Tenant immediately prior to such merger or consolidation or sale of such assets, as the case may be.

(g) The estate or interest of Tenant in any of the Properties shall be levied upon or attached in any proceeding and such estate or interest is about to be sold or transferred or such process shall not be vacated or discharged within ninety (90) days after such levy or attachment.

(h) Any representation or warranty made in writing by or on behalf of the Tenant or by any officer of the Tenant in this Lease or in any estoppel certificate furnished to Landlord or in any other writing furnished in connection with the transactions contemplated by this Lease proves to be false or incorrect in any material respect on the date as of when made.

(i) Tenant acknowledges and agrees that all notice periods provided in this Section are in lieu of, and not in addition to any notice periods provided by law.

15. Landlord's Remedies. After the occurrence of an Event of Default by Tenant, Landlord shall have the right to exercise the following remedies:

(a) Landlord may, at its option, continue this Lease in full force and effect, without terminating Tenant's right to possession of the Properties, in which event Landlord shall have the right to collect Basic Rent, Additional Rent and all other charges when due. In the alternative, Landlord shall have the right to peaceably re-enter any Property on the terms set forth in subsection (b) below, but without such re-entry being deemed a termination of the Lease or an acceptance by Landlord of a surrender thereof. Landlord shall also have the right, at its option, from time to time, without terminating this Lease, to relet any Property, or any part thereof, with or without legal process, as the agent, and for the account, of Tenant upon such terms and conditions as Landlord may deem advisable (which terms may be materially different from the terms of this Lease), in which event the rents received on such reletting shall be applied (i) first to the reasonable and actual expenses of such reletting and collection, including without limitation necessary renovation and Alterations of such Property, reasonable and actual attorneys' fees and any reasonable and actual real estate commissions paid, and (ii) thereafter toward payment of all sums due or to become due Landlord hereunder. If a sufficient amount to pay such expenses and sums shall not be realized or secured, then Tenant shall pay Landlord any such deficiency monthly, and Landlord may bring an action therefor as such monthly deficiency shall arise. Landlord shall not, in any event, be required to pay Tenant any sums received by Landlord on a reletting of a Property in excess of the rent provided in this Lease, but such excess shall reduce any accrued present or future obligations of Tenant hereunder. Landlord's re-entry and reletting of a Property without termination of this Lease shall not preclude Landlord from subsequently terminating this Lease as set forth below.

(b) Landlord may terminate this Lease by written notice to Tenant specifying a date therefor, which shall be no sooner than ten (10) business days following notice to Tenant, and this Lease shall then terminate on the date so specified as if such date had been originally fixed as the expiration date of the Term. In the event of such termination, Landlord shall be entitled to recover from Tenant the worth at the time of the payment by Tenant of all of the following:

(i) Any obligation which has accrued prior to the date of termination, plus,

(ii) The amount of unpaid Basic Rent, Additional Rent and all other charges have accrued after termination until the time of payment by Tenant, plus,

(iii) The amount by which the unpaid Basic Rent and Additional Rent for the balance of the Term (excluding any option periods or portions thereof not previously exercised) exceeds the fair and reasonable rental value of the Properties for such period (taking into account, among other factors, the anticipated duration that the Properties would be unoccupied prior to reletting and the anticipated costs of reletting the Properties.

(c) Tenant agrees that Landlord shall have no obligation to mitigate damages hereunder following a termination of this Lease due to an Event of Default, and in any action or claim by Landlord against Tenant due to breach of this Lease following an Event of Default the amount of damages to which Landlord may be entitled shall not be reduced to reflect any loss which Landlord may be able to recover by reletting of the Properties or other efforts at mitigation. To the extent that applicable law requires Landlord to mitigate damages, Tenant agrees that it shall have the burden of proving the amount of damages which Landlord may be able to recover by mitigation and that Landlord shall have no obligation to subdivide any Property or to lease any Property other than on a triple net basis (substantially consistent with the terms of this Lease) to a tenant whose long term debt is rated at least investment grade by Standard & Poor's Corporation.

(d) Landlord may recover from Tenant, and Tenant shall pay to Landlord upon demand, as Additional Rent, such reasonable and actual expenses as Landlord may incur in recovering possession of any Property, placing the same in good order and condition and repairing the same for reletting, and all other reasonable and actual expenses, commissions and charges incurred by Landlord in exercising any remedy provided herein or as a result of any Event of Default by Tenant hereunder (including without limitation attorneys' fees).

(e) At any time upon prior notice to Tenant, Landlord shall have the right, but shall not be required, to pay such sums or do any act that requires the expenditure of monies that may be necessary or appropriate by reason of the failure or neglect of Tenant to comply with any of its obligations under this Lease, and in the event of the exercise of such right by Landlord, Tenant shall pay to Landlord promptly upon demand, as Additional Rent, all such sums including reasonable attorneys' fees, together with interest thereon at the Default Rate.

(f) The various rights and remedies reserved to Landlord herein are cumulative and shall survive termination of this Lease, and Landlord may pursue any and all such rights and remedies and any other available to Landlord under applicable law or equity, whether at the same time or otherwise (to the extent not inconsistent with specific provisions of this Lease). To the extent permitted under applicable law, Landlord expressly reserves its right to forcibly dispossess Tenant from the any Property, whether peaceably or otherwise, without judicial process.

16. Casualty Events. In the event of any casualty (whether or not insured against) resulting in damage to any Property or any part thereof, the Term shall nevertheless continue and there shall be no abatement or reduction of Basic Rent, Additional Rent or any other sums payable by Tenant hereunder. Promptly after such casualty, Tenant shall commence and diligently continue to perform the restoration to the Properties to completion. Tenant shall, regardless of whether or not it obtains sufficient insurance proceeds, promptly repair or replace the improvements, fixtures and equipment on the damaged Property as nearly as possible to their value and condition and character immediately prior to such event and in accordance with this Lease. Tenant shall adjust and compromise any and all casualty claims related to any or all of the Properties. In the event of any casualty loss in excess of \$2,000,000.00, Tenant shall give Landlord immediate notice thereof, and Landlord shall have the right, but not the obligation, to join with Tenant in adjusting and compromising such casualty claim. If Landlord and Tenant elect not to repair or rebuild a Property, and Landlord receives insurance proceeds, then the casualty loss will be treated like a sale of Property, and subject to the Rent Credit described in Section 7(c).

17. Condemnation. In the event a Property, or any portion thereof, shall be taken or condemned by any governmental authority (including, for purposes of this Section, any purchase by such governmental authority in lieu of a taking), the Term shall nevertheless continue and there shall be no abatement or reduction of Basic Rent, Additional Rent or any other sums payable by Tenant hereunder, except as provided in this Section. In the case of any taking or condemnation, the entire award shall be the property of Landlord; provided, however, Tenant shall be entitled to make application for a separate award as may be made for trade fixtures and other equipment which under the terms of Section 18 of this Lease would not have become the property of Landlord; further provided, that any such separate award to Tenant shall not be in diminution of any award otherwise to be made to Landlord in the absence of such award to Tenant. Notwithstanding the foregoing, upon a condemnation of a Property, or portion thereof, Landlord shall provide Tenant a Rent Credit in the manner provided in and in accordance with the terms and conditions of Section 7.

18. Termination. Upon termination of this Lease or any extension thereof by passage of time or for any cause, Tenant shall peaceably surrender to Landlord the Properties in broom clean, good repair and condition, subject only to reasonable wear and tear; free and clear of all liens, leases, and other encumbrances made or suffered by Tenant. Tenant shall thereupon have the right to promptly remove from the Properties only such equipment, appliances and other trade fixtures and trade equipment installed and maintained by Tenant in the Properties that Tenant purchased under the Asset and Stock Purchase Agreement dated January 29, 2020 by and among Tenant, Landlord and Berkshire Hathaway Inc. or Landlord shall have given written consent to removal prior to its installation by Tenant. All damages to the Properties caused by such removal shall be repaired by the Tenant at its sole cost and expense concurrently with such removal. Any personal property of Tenant not removed within ten (10) days following the expiration or earlier termination of this Lease shall be deemed to have been abandoned by Tenant and shall, at Landlord's option, become the property of Landlord, and may be retained, appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord, at Tenant's sole cost, as Landlord shall desire without notice to Tenant and without any obligation to account for such items. Tenant's obligation to observe or perform the covenants set forth in this Section shall survive the termination of this Lease. The acceptance of keys or access cards to any Property by Landlord, its agents, employees, contractors, or any other person on Landlord's behalf shall not be deemed or constitute an early termination of this Lease unless such early termination is evidenced in writing and signed by Landlord.

19. Tenant Indemnification and Insurance. Tenant covenants and agrees to indemnify, protect, and at Landlord's option defend (with counsel satisfactory to Landlord) and hold harmless the Landlord, its agents, and their parents, affiliates and employees from and against any and all claims, costs, charges, liability or attorneys' fees arising from damage or injury, actual or claimed, of whatsoever kind or character, to property or person, occurring on or arising in connection with the Properties during the Term or any time in which Tenant is in occupancy of the Properties, except for damage or injury caused solely by the intentional misconduct of Landlord. Tenant's indemnification obligations provided in this Lease shall survive the expiration or sooner termination of this Lease. Tenant further covenants and agrees to procure, pay for and maintain at all times during the Term policies of insurance on such forms, in such amounts, and from such company(ies) as Landlord may require, in Landlord's reasonable discretion. Such insurance shall include, without limitation, insurance against loss or damage by fire, earthquake, flood and such other perils as are covered under the broadest form of the "extended coverage" or "all risk" endorsement available in the state in which the applicable Property is located including, but not limited to, damage by wind storm, hurricane, lightning, explosion, smoke, sprinkler leakage, vandalism, malicious mischief and such other risks as are normally covered by such endorsements. All liability insurance shall name Landlord, Landlord's managing agent, if any, and their parents and affiliates shall be additional insureds, insuring and indemnifying such parties from injuries or damages arising out of the use of or related to the Properties. All deductibles and/or retentions shall be paid by, assumed by, for the account of and at Tenant's risk. Tenant's coverage of Landlord shall be primary and noncontributory with respect to any policies carried by Landlord; any coverage carried by Landlord will be excess insurance. Prior to the commencement of the Term, and any time upon request of Landlord, Tenant shall furnish Landlord with binders, policies, and/or certificates of insurance evidencing said insurance so maintained by the Tenant. Tenant waives all rights against Landlord for casualty loss and all policies of every type of insurance procured by Tenant shall contain a waiver of subrogation rights against Landlord.

20. Subordination. Nothing herein shall empower Tenant to do any act that can, may or shall cloud or encumber the Landlord's interest in any Property, or any improvements, equipment or fixtures on any Property including, without limitation, recordation of a Uniform Commercial Code (UCC) Financing Statement in the land records office in the county where the Properties are situated. Tenant's rights are and shall always be subordinate to the lien of any encumbrances or mortgages now or hereafter placed by Landlord, its affiliated entities, or assigns, upon the land and building in which the Properties are located or any underlying leasehold estate and to all advances made or hereafter to be made upon the security thereof. In the event that Landlord is in default under its financing with its lender, and if such loan documentation provides for a security interest in the Lease or the rents payable thereunder, Tenant agrees to attorn to Landlord's lender, upon such lender's request. Tenant shall execute such further instruments subordinating this Lease to the lien or liens of any such mortgage or mortgages or encumbrances or to any such underlying lease or leases, and such estoppel certificates, as shall be requested by the Landlord. Tenant grants to Landlord a power of attorney for the limited purpose of executing any such subordination or estoppel instruments on behalf of Tenant in the event that Tenant does not do so within thirty (30) days of Landlord's request.

21. Holding Over. If Tenant shall hold over beyond the expiration of the Term with the written consent of Landlord, then Tenant shall be a tenant at sufferance and, in addition to all other damages and remedies which Landlord may be entitled for such holding over, Tenant shall be construed to be occupying the Properties at a Basic Rent of one hundred twenty-five percent (125%) of the rate as the Term that just ended for the first ninety (90) days and one hundred fifty percent (150%) for any period thereafter. If Tenant fails to surrender the Properties upon the termination or expiration of this Lease, in addition to any other liabilities to Landlord accruing therefrom, Tenant shall protect, defend, indemnify and hold Landlord harmless from all loss, costs (including reasonable attorneys' fees) and liability resulting from such failure, including any claims made by any succeeding tenant founded upon such failure to surrender, and any lost profits to Landlord resulting therefrom. No extension or renewal of this Lease shall be deemed to have occurred by any holding over.

22. Removal of Property Upon Termination. Tenant agrees that if Tenant fails to remove all of Tenant's property from the Properties within ten (10) days after termination of this Agreement, Landlord shall have the right to immediately remove all of Tenant's property from the Properties and to destroy it or store it elsewhere at Tenant's sole expense. In addition, Tenant shall indemnify and hold Landlord harmless from any liability, loss, cost, or obligation on account of or arising out of any such removal and destruction or other storage of property from the Properties.

23. Notices. All notices and other communications required or permitted to be given hereunder shall be in writing and shall be mailed by certified or registered mail, postage prepaid, or by Federal Express or similar overnight delivery service, addressed to the following addresses, as applicable:

If to Landlord, at:

If to BH Media Group, Inc.:

BH Media Group
Attn: Mr. Ted Weschler
c/o Berkshire Hathaway Inc.
3555 Farnam St, Ste 1440
Omaha, NE 68131

With a copy to:

Baird Holm LLP
Attn: J. Scott Searl and Brian R. Schumacher
1700 Farnam Street, Suite 1500
Omaha, NE 68102-2068

If to Tenant:

Lee Enterprises, Incorporated
Attn: Mr. Kevin D. Mowbray
4600 E. 53rd St.
Davenport, Iowa 52807

With a copy to:

Lane & Waterman LLP
Attn: C.D. Waterman III and T.F. Olt III
220 N. Main Street, Suite 600
Davenport, Iowa 52801

Notices shall be effective upon receipt or refusal. Any party shall be entitled to change its address for notice by providing notice of such change in accordance herewith. Until such time as the notice of change is effective pursuant to the terms of this Section, the last address of said party shall be deemed to be the proper address of said party.

24. No Waiver. No waiver of any covenant or condition by a part to this Lease shall be deemed to imply or constitute a further waiver of the same covenant or condition or of any other covenant or condition of this Lease.

25. No Partnership. Nothing contained in this Lease shall be construed or deemed to create a partnership or joint venture for or between Landlord and Tenant, or to create any other relationship between the parties other than that of landlord (Landlord) and tenant (Tenant).

26. Governing Law. This Lease shall be governed by and construed in accordance with the laws of, or applicable to, the State of Delaware, without application of its conflict of laws principles.

27. Counterparts. This Lease may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, e.g., www.docuSign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

28. Entire Agreement-Modification-Partial Invalidity. This Lease constitutes the entire agreement between Landlord and Tenant relating to the subject matter of this Lease. It is understood that there are no oral agreements between the parties hereto affecting this Lease and this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between the parties hereto or displayed by the Landlord to Tenant with respect to the subject matter thereof, and none shall be used to interpret or construe this Lease. It is further agreed by and between the parties hereto that there shall be no modification or amendment of this Lease, except as may be executed in writing between the parties to this Lease. Landlord and Tenant agree that this Lease is a product of their joint efforts, that it expresses their agreement and that it should not be interpreted in favor of either Landlord or Tenant or against either Landlord or Tenant because of their efforts in its preparation, and each party has had an opportunity to be represented by legal counsel. If any provision of this Lease, or the application thereof to any person or circumstance, shall, to any extent, be invalid or unenforceable, the remainder of this Lease and the application of such provision to all other persons and circumstances shall not be affected and shall be valid and enforceable to the fullest extent of the law.

29. Landlord Transfer. Landlord may transfer any or all of the Properties, and any improvements located thereon, and any of its rights under this Lease. Landlord shall thereby be released from any further obligations hereunder, provided that the assignee assumes Landlord's obligations hereunder in writing.

30. Brokers. Each party represents and warrants that it has caused or incurred no claims for brokerage commissions or finder's fees in connection with the execution of this Lease payable to any party and each party shall indemnify and hold the other harmless against and from all liabilities arising from any such claims caused or incurred by it (including without limitation, the cost of attorneys' fees in connection therewith) other than fees payable to Tenant Broker and Landlord Broker, which shall be paid by Landlord pursuant to the terms of a separate written agreement.

31. Time of Essence. Time is of the essence with respect to the performance of every covenant and condition of this Lease.

32. Headings. The captions, section numbers, article numbers and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease.

33. Palace Building. In addition to performing its obligations as Tenant of the Properties, Tenant shall perform all accounting, book keeping, reporting, property management and/or operational matters related to that certain building and underlying land located at 324 South Main Avenue West, and 23 West 4th Street South, Tulsa, Oklahoma 74103 (collectively, the "Palace Building"). Tenant shall perform its obligations related to the Palace Building to Landlord's reasonable satisfaction and in such amounts as Landlord may reasonably request, *provided however*, that Tenant shall have no duty to incur out-of-pocket expenses relating to the management of the Palace Building. The parties specifically acknowledge and agree that the Palace Building is not included in the definition of Properties under this Lease and Tenant shall have no right to any net revenues related to the Palace Building, *provided however*, in consideration for Tenant providing property management services hereunder, Landlord shall give Tenant the Rent Credit described in Section 7(c) above upon sale or other disposition of the Palace Building.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Landlord has signed this Lease as of the day and year first above written.

LANDLORD:

BH Media Group, Inc.

By: _____

Name: Ted Weschler

Title: Authorized Representative

[Landlord's Signature Page to BH Media Group, Inc. / Lee Enterprises, Incorporated Lease]

IN WITNESS WHEREOF, Tenant has signed this Lease as of the day and year first above written.

TENANT:

Lee Enterprises, Incorporated

By: _____
Name: _____
Title: _____

[Tenant's Signature Page to BH Media Group, Inc. / Lee Enterprises, Incorporated Lease]



4600 E 53rd St
Davenport, IA 52807
lee.net

NEWS RELEASE

**Lee Enterprises to buy Berkshire Hathaway newspaper operations;
Berkshire Hathaway to finance all debt**

Lee to finance acquisition and refinance long-term debt with Berkshire Hathaway at 9% annual rate

Deal adds 31 local daily news publications, nearly doubles Lee audience size

Immediately accretive to earnings before synergies, reduces balance sheet leverage

Annual run-rate revenue and cost synergies estimated at \$20-25 million

DAVENPORT, Iowa – January 29, 2020 – Lee Enterprises, Incorporated (NYSE: LEE), a trusted local news provider and leading platform for advertising in 50 markets, has entered into a definitive agreement with Berkshire Hathaway to acquire BH Media Group’s (“BHMGM”) publications and *The Buffalo News* for \$140 million in cash. Berkshire Hathaway is providing approximately \$576 million in long-term financing to Lee at a 9% annual rate. The proceeds from the Berkshire financing will be used to pay for the acquisition, refinance Lee’s approximately \$400 million of existing debt, and provide enough cash on Lee’s balance sheet to allow for the termination of Lee’s revolving credit facility. Subsequent to the deal closing, Berkshire Hathaway will be Lee’s sole lender.

Serving communities in 10 states, BHMGM owns the print and digital operations of 30 daily newspapers, as well as more than 49 paid weekly publications with digital sites and 32 other print products. BHMGM had 2019 revenues of \$373.4 million and adjusted EBITDA¹ of \$47.4 million. Lee has managed BHMGM’s publications since July 2018 under a management agreement. The transaction also includes *The Buffalo News*, Western New York’s premier news source, which is separately owned by Berkshire Hathaway. BHMGM’s real estate (including permanently attached equipment) and cash are excluded from the acquisition.

The addition of Berkshire Hathaway’s robust portfolio of high-quality local publications will add significant size and scale to Lee’s operations, bringing its portfolio of daily newspapers to 81 from 50 and nearly doubling its audience size. The transaction is expected to drive an 87% increase in revenue, a 40% increase in adjusted EBITDA and immediately reduce leverage to 3.4x before synergies. Based on Lee’s work managing BHMGM publications over the last 18 months, Lee expects \$20-25 million of anticipated annual revenue and cost synergies. As a result, Lee will benefit from a stronger financial profile and be positioned to de-lever more rapidly.

Mary Junck, Lee’s Chairman, said, “This is a compelling and transformative transaction for Lee. It both refinances our long-term debt on attractive terms and provides new revenue opportunities as well as operational synergies across an expanded portfolio. We have enjoyed a strong, long-term relationship with Berkshire Hathaway, which has been a significant investor across our capital structure for years. As manager of BH Media for the past 18 months, we have developed a deep knowledge of these properties and tremendous respect for their operators. We know first-hand the power this acquisition brings for further accelerating our industry-leading digital revenue growth while maintaining our focus on delivering high-quality local news. We look forward to capturing the tremendous value of this transaction for readers, advertisers and shareholders.”

Warren E. Buffett, Berkshire Hathaway’s Chairman and CEO, said, “My partner Charlie Munger and I have known and admired the Lee organization for over 40 years. They have delivered exceptional performance managing BH Media’s newspapers and continue to outpace the industry in digital market share and revenue.”

We had zero interest in selling the group to anyone else for one simple reason: We believe that Lee is best positioned to manage through the industry’s challenges. No organization is more committed to serving the vital role of high-quality local news, however delivered, as Lee. I am confident that our newspapers will be in the right hands going forward and I also am pleased to be deepening our long-term relationship with Lee through the financing agreement.”

Kevin Mowbray, Lee President and CEO, said, “Over the past 18 months, we have developed a strong bond and shared culture with the outstanding operators at BH Media. This highly collaborative relationship has driven digital and subscription revenue growth, margin expansion and continued innovation. We are confident we can achieve even greater success as one, integrated company. This unique transaction is immediately accretive to earnings, decreases leverage and provides compelling refinancing terms, while avoiding tens of millions in fees associated with traditional refinancing agreements and no intermediaries were involved. Most gratifying, it expands our partnership with a single long-term lender who shares our passion for the indispensable services we provide to our communities.”

Financing Details

The approximately \$576 million in long-term financing from Berkshire Hathaway will have an interest rate of 9% annually with a 25-year maturity and no performance covenants. The financing requires no fees, will result in approximately \$5 million of interest rate savings on Lee's refinanced debt annually, and will eliminate Lee’s existing \$23 million revolving credit facility. With a stronger growth profile and a more flexible balance sheet, Lee will be able to de-lever more quickly over the long term. Lee will continue to prioritize deleveraging, including strategically monetizing noncore assets.

Acquisition Details

The acquisition is expected to be immediately accretive to earnings and will reduce Lee’s leverage from 3.5x to 3.4x, before any cost and revenue synergies. Lee has identified approximately \$20-25 million of highly achievable annual synergies, including revenue synergies from the management of digital advertising and subscriber programs, and cost synergies, primarily from the reduction of administrative expenses. Lee expects to achieve the full synergy run-rate within 24 months of closing, which is expected in mid-March 2020, subject to customary regulatory approvals.

As part of the agreement, Lee will enter into a 10-year lease for BHMG’s real estate. The initial lease payment is \$8 million annually, payable in monthly installments, with Lee assuming responsibility for the maintenance and expense associated with the BHMG property. Lease payments can be reduced to the extent BHMG real estate is monetized.

The acquisition includes the following daily newspapers and their digital operations:

- ALABAMA: Dothan Eagle, Opelika-Auburn News
 - IOWA: The Daily Nonpareil in Council Bluffs
 - NEBRASKA: Omaha World-Herald, The Grand Island Independent, Scottsbluff Star-Herald, The North Platte Telegraph, Kearney Hub, York News-Times
 - NEW JERSEY: The Press of Atlantic City
 - NEW YORK: The Buffalo News
 - NORTH CAROLINA: Winston-Salem Journal, Greensboro News & Record, The News Herald in Morganton, The McDowell News, Statesville Record and Landmark, Hickory Daily Record
 - OKLAHOMA: Tulsa World
 - SOUTH CAROLINA: The Florence Morning News
 - TEXAS: The Eagle in Bryan-College Station, Waco Tribune-Herald
 - VIRGINIA: Richmond Times-Dispatch, The Daily Progress in Charlottesville, The Roanoke Times, Bristol Herald Courier, News & Advance in Lynchburg, Martinsville Bulletin, Danville Register & Bee, The Free Lance-Star in Fredericksburg, Culpeper Star-Exponent, The News Virginian in Waynesboro
-

Additional details regarding today's announcements will be filed with the Securities and Exchange Commission.

Conference Call

Lee has scheduled a conference call and audio webcast for 9 a.m. CT today. The live webcast will be accessible at www.lee.net/webcast. The webcast also will be available for replay two hours later. The call also may be monitored on a listen-only line by dialing (toll free) 800-309-1256 and entering a conference passcode of 825818 at least five minutes before the scheduled beginning.

About Lee Enterprises

Lee Enterprises is a leading provider of local news and information, and a major platform for advertising, with daily newspapers, rapidly growing digital products and more than 200 weekly and specialty publications serving 50 markets in 20 states. Year to date, Lee's newspapers have average circulation of 0.7 million daily and 1.0 million Sunday, and are estimated to reach almost three million readers in print alone. Lee's markets include St. Louis, MO; Lincoln, NE; Madison, WI; Davenport, IA; Billings, MT; Bloomington, IL; and Tucson, AZ. Lee Common Stock is traded on the New York Stock Exchange under the symbol LEE. For more information about Lee, please visit www.lee.net.

Notes

(1) *Adjusted EBITDA* is a non-GAAP financial performance measure that enhances financial statement users overall understanding of the operating performance of the Company. The measure isolates unusual, infrequent or non-cash transactions from the operating performance of the business. Adjusted EBITDA is defined as net income (loss), plus nonoperating expenses, income tax expense (benefit), depreciation and amortization, assets loss (gain) on sales, impairments and other, and restructuring costs and other. A table reconciling adjusted EBITDA to net income, the most directly comparable measure under GAAP, is set forth below:

Reconciliation of Non-GAAP financial measures

Adjusted EBITDA	BHMG
Net Income	14,885
Adjusted to exclude	
Income tax expense	4,320
Assets loss (gain) on sales, impairments and other	1,981
Depreciation and amortization	24,761
Restructuring costs and other	1,422
Adjusted EBITDA	47,368

Forward-Looking Statements

The Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for forward-looking statements. This release contains information that may be deemed forward-looking that is based largely on our current expectations, and is subject to certain risks, trends and uncertainties that could cause actual results to differ materially from those anticipated. Among such risks, trends and other uncertainties, which in some instances are beyond our control, are:

- Our ability to generate cash flows and maintain liquidity sufficient to service our debt;
- Our ability to manage declining print revenue;
- That the warrants issued in our refinancing will not be exercised;
- Change in advertising and subscription demand;
- Changes in technology that impact our ability to deliver digital advertising;
- Potential changes in newsprint, other commodities and energy costs;
- Interest rates;

- Labor costs;
- Significant cyber security breaches or failure of our information technology systems;
- Legislative and regulatory rulings;
- Our ability to achieve planned expense reductions;
- Our ability to maintain employee and customer relationships;
- Our ability to manage increased capital costs;
- Our ability to maintain our listing status on the NYSE;
- Competition; and
- Other risks detailed from time to time in our publicly filed documents.

Any statements that are not statements of historical fact (including statements containing the words “may”, “will”, “would”, “could”, “believes”, “expects”, “anticipates”, “intends”, “plans”, “projects”, “considers” and similar expressions) generally should be considered forward-looking statements. Readers are cautioned not to place undue reliance on such forward-looking statements, which are made as of the date of this release. We do not undertake to publicly update or revise our forward-looking statements, except as required by law.

Additional risk factors that could cause actual results to differ materially from expectations include, but are not limited to, the risks identified by Lee in its most recent Annual Report on Form 10-K, its Quarterly Reports on Form 10-Q and its Current Reports on Form 8-K. All forward-looking statements speak only as of the date on which they are made. Except to the extent required by law, Lee expressly disclaims any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in its expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

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