

LETTER OF AGREEMENT

RE: ISSUES RELATED TO MOVE TO THE SACRAMENTO BEE OF CERTAIN EDITORIAL PRODUCTION WORK FROM THE MODESTO BEE

1. Any Modesto Bee ("Company") Editorial Production employee who is laid off ("laid off employee") due to the transfer of Company editorial production work to The Sacramento Bee shall be offered a job at The Sacramento Bee Editorial Production Center ("EPC"). The terms and conditions of that offer are set forth in the Letter of Agreement between The Sacramento Bee and the Pacific Media Workers Guild ("Guild").
2. The Company shall give at least thirty (30) days prior notice to an employee who is to be laid off due to the transfer of Company editorial production work to The Sacramento Bee.
3. Any laid off employee who accepts an offer from The Sacramento Bee shall be eligible to receive reimbursement (up to a maximum of \$5,000) for actual moving expenses for relocating to the "greater Sacramento area" provided that the laid off employee submits documentary evidence of the claimed moving expenses and moves within twelve months of the transfer date to The Sacramento Bee.
4. Any laid-off employee who declines The Sacramento Bee's job offer shall be eligible for the following severance pay package, pursuant to the conditions set forth below.
 - (a) Regular full-time employees who stay through the established termination date (as determined by the employer), shall be eligible to receive two (2) weeks base pay for every year of full-time continuous service up to a maximum of twenty-six (26) weeks of base pay. The minimum severance pay allowance will be four weeks.
 - (b) Regular part-time and on-call employees who stay through the established

termination date (as determined by the employer), shall be eligible to receive one (1) week of base pay for every year of continuous service up to a maximum of thirteen (13) weeks of base pay. The minimum severance pay allowance will be four (4) weeks.

If an employee had a break in service from the Company, continuous service is determined from the employee's most recent rehire date. Any residual partial year of continuous service will be included in the severance pay allowance calculation on a rounded up basis.

Base pay for full-time hourly employees will be determined by multiplying their base hourly compensation rate on the established termination date by the standard number of weekly hours the employees are regularly scheduled to work. Base pay for "part-time" and "on-call" employees will be determined by multiplying the employee's regular hourly base compensation rate on the established termination date by the average number of weekly hours worked for the twenty-six week period ending on the last full payroll period prior to termination. For all employees, base pay shall be computed at the employee's current rate of pay excluding any overtime, holiday pay, vacation pay, shift or job differentials or any other premium or additional compensation.

The severance pay allowance will be paid in a lump sum and will be subject to applicable federal and state withholding taxes.

(c) Eligible employees (and, if applicable, dependents), who are covered under The Modesto Bee's health care plans (medical, dental and/or vision) as of the employee's termination date, may retain their coverage through the end of the month in which the termination occurs.

If the employee works through the established termination date and is eligible for the severance pay package, The Modesto Bee will pay the balance of the COBRA premium, for a maximum of three (3) months, provided the employee pays a portion equal to the active employee premium for the plans in which the employee is enrolled.

The Company's obligation to make COBRA premium payments shall cease immediately if the employee obtains other group health insurance coverage prior to the end of the three (3) month

period described above.

5. The severance pay allowance and the benefits set forth above will be provided by the Company only if an employee meets all the requirements of the severance pay and benefits program, including signing and not revoking a Waiver and Release form provided by the Company within the time periods established in the severance plan. The employee is responsible for complying with all terms and conditions of COBRA including completing and returning the COBRA election form with the time period indicated.

6. (a) If the employee is re-employed by The Modesto Bee, The McClatchy Company or an affiliate employer in a regular, comparable position, re-employment is contingent upon the employee repaying the Company an amount equal to the difference between (a) the number of weeks of severance pay allowance received, and (b) the number of weeks the employee has been separated from service. If the employee is re-employed in a regular, non-comparable position, the employee will be required to pay back half of the amount stated above. A "comparable position" is defined as a position for which the number of working hours and base pay are within eighty (80) percent of the working hours and base pay of the most recently held position.

(b) It is understood that an "affiliate employer" is a company that is 100% owned by The McClatchy Company.

7. An employee who is informed that he/she will be laid off on a certain date may resign and remain eligible for severance provided the employee fulfills the following conditions.

(a) The employee's resignation is effective no more than thirty (30) days prior to the employee's layoff date; and

(b) The employee provides the Company with at least two 2 weeks prior notification of the effective date of the employee's resignation; and

(c) The employee's reason for resigning is to assume immediately a new job or position with another employer or enterprise.

8. Any full-time laid off employee who is offered and accepts a non-comparable position at The Sacramento Bee shall be eligible for one (1) week of severance for every year of service up to a maximum of thirteen (13) weeks, subject to all of the terms and conditions set forth above.

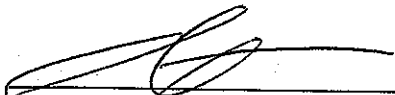
9. Any laid off employee who accepts a position at The Sacramento Bee shall be eligible for one (1) week of transition bonus for every year of service up to a maximum of thirteen (13) weeks, subject to the same terms and conditions set for calculating and receiving severance benefits described in paragraphs 4, 5, 8 and 10.

10. Any laid off employee who accepts a position at The Sacramento Bee may resign his/her position at The Sacramento Bee within the first sixty (60) days of employment and remain eligible to receive the severance benefits that he/she would have received at the time the position was eliminated. If the resigning laid off employee received a partial severance payment pursuant to paragraph 8, and/or a transition bonus pursuant to paragraph 9, he or she shall receive the difference between the full severance payment described in paragraph 4(a) and the partial payment described in paragraph 8 and/or transition bonus described in paragraph 9.

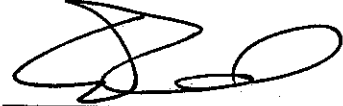
11. As to any laid off employee, the Company will inform the State Unemployment Office that the job was eliminated in Modesto and was moved to Sacramento. It is understood that the Company does not intend to challenge unemployment claims filed by laid off employees.

12. The Company will offer outplacement assistance to laid off employees through Alliance or some other similar entity. The nature of this assistance shall be at the Company's discretion.

13. Any laid off employee may, upon request, receive a letter stating that the employee lost his/her job as a result of a layoff due to the transfer of certain work to The Sacramento Bee.



The Modesto Bee
Eric Johnston, Publisher and President
6/3/13
Date



Pacific Media Workers Guild
Local 39521
Carl Hall, Executive Officer
5-28-13
Date