Table of Contents

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

FORM 10-Q

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

For The Quarterly Period Ended March 29, 2009

OR

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

Commission File Number 1-6227

LEE ENTERPRISES, INCORPORATED

(Exact name of Registrant as specified in its Charter)

Delaware	42-0823980
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

201 N. Harrison Street, Suite 600, Davenport, Iowa 52801
(Address of principal executive offices)

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of March 29, 2009, 39,039,537 shares of Common Stock and 5,876,212 shares of Class B Common Stock of the Registrant were outstanding.

Table of Contents

TABLE OF CONTENTS

Table of Contents

FORWARD-LOOKING STATEMENTS

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for forward-looking statements. This report contains information that may be deemed forward-looking is based largely on Lee Enterprises, Incorporated’s (the Company) 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 its control, are the Company’s ability to generate cash flows and maintain liquidity sufficient to service its debt, and comply with or obtain amendments or waivers of the financial covenants contained in its credit facilities, if necessary. Other risks and uncertainties include the impact of continuing adverse economic conditions, potential changes in advertising demand, newsprint and other commodity prices, energy costs, interest rates and the availability of credit due to instability in the credit markets, labor costs, legislative and regulatory rulings and other results of operations or financial conditions, difficulties in maintaining employee and customer relationships, increased capital and other costs, competition and other risks detailed from time to time in the Company’s publicly filed documents.

The words “may”, “will”, “would”, “could”, “believes”, “expects”, “anticipates”, “intends”, “plans”, “projects”, “considers” and similar expressions generally identify 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 report. The Company does not undertake to publicly update or revise its forward-looking statements.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements

LEE ENTERPRISES, INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)

	13 Weeks Ended		26 Weeks Ended	
(Thousands, Except Per Common Share Data)	March 29, 2009	March 30, 2008	March 29, 2009	March 30, 2008
Operating revenue:				
Advertising	$141,529	$186,133	$326,112	$403,703
Circulation	47,086	49,087	94,642	98,892
Other	10,229	12,505	21,645	24,986
Total operating revenue	198,844	247,725	442,399	527,581
Operating expenses:				
Compensation	84,295	105,574	178,778	213,768
Newsprint and ink	20,664	24,349	45,818	49,452
Other operating expenses	62,871	73,250	132,821	147,376
Depreciation	8,408	8,817	16,704	16,976
Amortization of intangible assets	12,092	14,868	24,195	29,740
Impairment of goodwill and other assets	144,862	841,005	214,907	841,005
Workforce adjustments	2,351	411	3,189	411
Total operating expenses	335,543	1,068,274	616,412	1,298,728
Equity in earnings of associated companies	348	1,808	3,412	6,109
Reduction of investment in TNI	9,951	90,384	9,951	90,384
Operating loss	(146,302)	(909,125)	(180,552)	(855,422)
Non-operating income (expense):				
Financial income	549	1,520	1,820	3,316
Financial expense	(17,031)	(17,948)	(35,116)	(37,922)
Debt financing costs	(12,927)	(876)	(14,850)	(1,752)
Other, net	1,823	24	1,823	24
Total non-operating expense, net	(27,586)	(17,280)	(46,323)	(36,334)
Loss before income taxes	(173,888)	(926,405)	(226,875)	(891,756)
Income tax benefit	(63,999)	(220,841)	(69,523)	(208,587)
Minority interest	(38)	(11)	132	596
Loss from continuing operations	(109,851)	(705,553)	(157,484)	(683,765)
Discontinued operations, net	-	(1)	(5)	337
Net loss	(109,851)	(705,554)	(157,489)	(683,428)
Change in redeemable minority interest	58,094	(7,483)	57,055	(7,483)
Net loss available to common stockholders	(51,757)	(713,037)	(100,434)	(690,911)
Other comprehensive income (loss), net	12,822	(3,337)	11,076	(5,792)
Comprehensive loss available to common stockholders	$ (38,935)	$ (716,374)	$ (89,358)	$ (696,703)
Earnings (loss) per common share:				
Basic:				
Continuing operations	$(1.16)	$(15.90)	$(2.26)	$(15.25)
Discontinued operations	-	-	-	0.01
	$(1.16)	$(15.90)	$(2.26)	$(15.24)
Diluted:				
Continuing operations	$(1.16)	$(15.90)	$(2.26)	$(15.25)
Discontinued operations	-	-	-	0.01
	$(1.16)	$(15.90)	$(2.26)	$(15.24)
Dividends per common share	$ -	$ 0.19	$ -	$ 0.38

The accompanying Notes are an integral part of the Consolidated Financial Statements.

LEE ENTERPRISES, INCORPORATED
CONSOLIDATED BALANCE SHEETS
(Unaudited)

(Thousands, Except Per Share Data)	March 29, 2009	September 28, 2008 Revised - See Note 2
ASSETS		
Current assets:		
Cash and cash equivalents	$ 14,232	$ 23,459
Accounts receivable, net	81,969	100,380
Income taxes receivable	2,661	-
Inventories	11,521	18,952
Other	9,004	10,988
Total current assets	119,387	153,779
Restricted cash and investments	4,300	126,060
Investments	78,108	97,643
Property and equipment, net	278,582	292,828
Goodwill	452,127	627,023
Other intangible assets, net	637,035	701,184
Other	28,917	17,850
Total assets	$1,598,456	$2,016,367
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of long-term debt	$ 81,900	$1,337,640
Accounts payable	31,973	53,827
Compensation and other accrued liabilities	42,615	60,416
Unearned revenue	40,071	38,871
Income taxes payable	-	5,431
Dividends payable	-	8,539
Total current liabilities	196,559	1,504,724
Long-term debt, net of current maturities	1,126,281	-
Pension obligations	2,226	2,803
Postretirement and postemployment benefit obligations	37,697	58,767
Deferred income taxes	124,127	187,869
Other	33,249	34,442
Redeemable and other minority interest	241	72,244
Total liabilities	1,520,380	1,860,849
Stockholders' equity:		
Serial convertible preferred stock, no par value; authorized 500 shares; none issued	-	-
Common Stock, $2 par value; authorized 120,000 shares; issued and outstanding: March 29, 2009: 39,040 shares; September 28, 2008: 39,111 shares	78,080	78,222
Class B Common Stock, $2 par value; authorized 30,000 shares; issued and outstanding: March 29, 2009: 5,876 shares; September 28, 2008: 5,979 shares	11,752	11,958
Additional paid-in capital	136,251	134,289
Accumulated deficit	(202,276)	(112,144)
Accumulated other comprehensive income	54,269	43,193
Total stockholders' equity	78,076	155,518
Total liabilities and stockholders' equity	$1,598,456	$2,016,367

The accompanying Notes are an integral part of the Consolidated Financial Statements.

LEE ENTERPRISES, INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

(Thousands)	26 Weeks Ended March 29, 2009	March 30, 2008
Cash provided by operating activities:		
Net loss	$(157,489)	$(683,428)
Results of discontinued operations	(5)	337
Loss from continuing operations	(157,484)	(683,765)
Adjustments to reconcile loss from continuing operations to net cash provided by operating activities of continuing operations:		
Depreciation and amortization	40,899	46,716
Impairment of goodwill and other assets	214,907	841,005
Reduction of investment in TNI	9,951	90,384
Stock compensation expense	1,565	3,124
Accretion of debt fair value adjustment	(3,459)	(3,943)
Distributions greater than current earnings of associated companies	907	1,774
Deferred income taxes	(67,034)	(219,831)
Debt financing costs	14,850	1,752
Changes in operating assets and liabilities, net of acquisitions:		
Decrease in receivables	18,561	12,433
Decrease (increase) in inventories and other current assets	8,422	(4,097)
Decrease in accounts payable, accrued expenses and unearned revenue	(40,020)	(14,438)
Change in income taxes receivable or payable	(8,092)	(1,075)
Other, net	(330)	(805)
Net cash provided by operating activities of continuing operations	33,643	69,234
Cash provided by (required for) investing activities of continuing operations:		
Purchases of property and equipment	(8,398)	(13,742)
Purchases of marketable securities	(47,777)	(70,250)
Sales or maturities of marketable securities	166,109	49,895
Increase in restricted cash	2,733	15,134
Acquisitions	-	(1,224)
Other, net	1,799	2,855
Net cash provided by (required for) investing activities of continuing operations	114,466	(17,332)
Cash provided by (required for) financing activities of continuing operations:		
Proceeds from long-term debt	147,950	66,400
Payments on long-term debt	(273,950)	(96,150)
Financing costs	(22,840)	-
Common stock transactions, net	48	(19,222)
Cash dividends paid	(8,539)	(15,468)
Net cash required for financing activities of continuing operations	(157,331)	(64,440)
Net cash provided by (required for) discontinued operations:		
Operating activities	(5)	(8,895)
Investing activities	-	23,911
Net increase (decrease) in cash and cash equivalents	(9,227)	2,478
Cash and cash equivalents:		
Beginning of period	23,459	-
End of period	$ 14,232	$ 2,478

The accompanying Notes are an integral part of the Consolidated Financial Statements.

LEE ENTERPRISES, INCORPORATED

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1 BASIS OF PRESENTATION

The Consolidated Financial Statements included herein are unaudited. In the opinion of management, these financial statements contain all adjustments (consisting of only normal recurring items) necessary to present fairly the financial position of Lee Enterprises, Incorporated and subsidiaries (the Company) as of March 29, 2009 and its results of operations and cash flows for the periods presented. The Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's 2008 Annual Report on Form 10-K.

Because of acquisitions, divestitures, seasonal and other factors, the results of operations for the 13 weeks and 26 weeks ended March 29, 2009 are not necessarily indicative of the results to be expected for the full year.

The Consolidated Financial Statements include the accounts of the Company and its subsidiaries, all of which are wholly owned, except for its 50% interest in TNI Partners (TNI), 50% interest in Madison Newspapers, Inc. (MNI), and 82.5% interest in INN Partners, L.C. (INN).

Certain amounts as previously reported have been reclassified to conform with the current period presentation. See Notes 3 and 6.

References to 2009, 2008 and the like mean the fiscal year ended the last Sunday in September.

Debt and Liquidity

As discussed more fully in Note 6 (and capitalized terms used below defined), in February 2009, the Company completed a comprehensive restructuring of its Credit Agreement and completed a refinancing of its Pulitzer Notes debt, substantially enhancing its liquidity and operating flexibility until April 2012. The Company disclosed in its 2008 Annual Report on Form 10-K, in part, that the ability to extend or refinance the Pulitzer Notes as they become due and to delay the acceleration of debt maturities upon the expiration of existing waivers of default under both the Credit Agreement and the Pulitzer Notes, were factors that raised significant uncertainty about the Company's ability to continue as a going concern. The restructuring of the Credit Agreement and refinancing of the Pulitzer Notes resolve these issues.

KPMG LLP's (KPMG) auditors' report on the Company's 2008 Consolidated Financial Statements (the 2008 Report) included an explanatory paragraph, which raised substantial doubt about the Company's ability to continue as a going concern. KPMG has not reissued its 2008 Report removing the explanatory paragraph and has informed the Company that it does not expect to reevaluate its conclusion until the 2009 audit of the Consolidated Financial Statements is completed.

2 CORRECTION OF AN ERROR

The Company recorded a $30,019,000 increase in the valuation allowance for deferred tax assets in the 13 weeks ended September 28, 2008. In the 13 weeks ended December 28, 2008, the Company determined that it had not considered the benefit of net operating loss carrybacks in its determination of the 2008 valuation allowance for deferred tax assets. The correction of this error resulted in a decrease of $8,431,000 in the valuation allowance included in net deferred income tax liabilities recorded as of September 28, 2008, a corresponding increase in income tax benefit in the 13 weeks ended September 28, 2008, and a decrease in diluted loss per common share of $0.19. The Company determined that the impact of this error on previously issued Consolidated Financial Statements is not material. The September 28, 2008 Consolidated Balance Sheet included herein has been revised to reflect the corrected amounts. The corrected amounts related to the 2008 Consolidated Statement of Operations and Comprehensive Income (Loss) will be reflected in subsequent filings on Form 10-K. See Note 9.

3 ACQUISITIONS AND DIVESTITURES

All acquisitions are accounted for as purchases and, accordingly, the results of operations since the respective dates of acquisition are included in the Consolidated Financial Statements.

Acquisitions

In 2008, the Company purchased a specialty publication at a cost of $400,000 and a newspaper distribution business at a cost of $240,000 and made final cash payments totaling $984,000 related to newspaper distribution businesses purchased in 2007.

Divestitures

In 2008, the Company sold its daily newspaper in DeKalb, Illinois for $24,000,000, before income taxes. The transaction resulted in an after tax gain of $219,000, which is recorded in discontinued operations. Results of DeKalb have been classified as discontinued operations for all periods presented.

Results of discontinued operations consist of the following:

	13 Weeks Ended		26 Weeks Ended	
(Thousands)	March 29, 2009	March 30, 2008	March 29, 2009	March 30, 2008
Operating revenue	$ -	$ -	$ -	$1,376
Income from discontinued operations	$ -	$ -	$ -	$ 128
Gain (loss) on sale of discontinued operations, before income taxes	-	(1)	(8)	5,866
Income tax expense (benefit)	-	-	(3)	5,657
	$ -	$(1)	$(5)	$ 337

Tax expense of $3,382,000 recorded in results of discontinued operations in 2008 is related to goodwill basis differences recognized as a result of the sale of DeKalb operations.

4 INVESTMENTS IN ASSOCIATED COMPANIES

TNI Partners

In Tucson, Arizona, TNI, acting as agent for the Company's subsidiary, Star Publishing Company (Star Publishing), and Citizen Publishing Company (Citizen), a subsidiary of Gannett Co. Inc., is responsible for printing, delivery, advertising, and circulation of the *Arizona Daily Star* and *Tucson Citizen* as well as their related online operations and specialty publications. TNI collects all receipts and income and pays substantially all operating expenses incident to the partnership's operations and publication of the newspapers and other media.

Each newspaper is solely responsible for its own news and editorial content. Income or loss of TNI (before income taxes) is allocated equally to Star Publishing and Citizen.

Summarized results of TNI are as follows:

	13 Weeks Ended		26 Weeks Ended	
(Thousands)	March 29, 2009	March 30, 2008	March 29, 2009	March 30, 2008
Operating revenue	$18,791	$25,228	$40,790	$53,141
Operating expenses, excluding curtailment gain, workforce adjustments, depreciation and amortization	17,131	19,616	35,862	39,288
Curtailment gain	-	-	(1,332)	-
Workforce adjustments	-	-	102	247
Operating income	$ 1,660	$ 5,612	$ 6,158	$13,606
Company's 50% share of operating income	$ 830	$ 2,806	$ 3,079	$ 6,803
Less amortization of intangible assets	379	1,585	759	3,170
Equity in earnings of TNI	$ 451	$ 1,221	$ 2,320	$ 3,633

Star Publishing's 50% share of TNI depreciation and certain general and administrative expenses associated with its share of the operation and administration of TNI are reported as operating expenses in the Company's Consolidated Statements of Operations and Comprehensive Income (Loss). These amounts totaled $538,000 and $267,000 in the 13 weeks ended March 29, 2009 and March 30, 2008, respectively, and $1,129,000 and $488,000 in the 26 weeks ended March 29, 2009 and March 30, 2008, respectively.

Annual amortization of intangible assets of TNI is estimated to be $1,334,000 in each of the 52 week periods ending March 2010 through March 2013 and $1,086,000 in the 52 week period ending March 2014.

The Company's preliminary impairment analysis as of March 29, 2009 resulted in a pretax reduction in the carrying value of TNI of $9,951,000. See Note 5.

In January 2009, Citizen announced its intention to sell the assets, or discontinue publication, of the *Tucson Citizen*.

Madison Newspapers, Inc.

The Company has a 50% ownership interest in MNI, which publishes daily and Sunday newspapers, and other publications in Madison, Wisconsin, and other Wisconsin locations, as well as their related online operations. Net income or loss of MNI (after income taxes) is allocated equally to the Company and The Capital Times Company. MNI conducts its business under the trade name Capital Newspapers.

Summarized results of MNI are as follows:

	13 Weeks Ended		26 Weeks Ended	
(Thousands)	March 29, 2009	March 30, 2008	March 29, 2009	March 30, 2008
Operating revenue	$18,321	$24,797	$41,705	$52,657
Operating expenses, excluding transition and workforce reduction costs, depreciation and amortization	17,727	20,698	36,698	41,448
Transition and workforce reduction costs	319	1,345	294	1,345
Depreciation and amortization	828	1,084	1,652	2,185
Operating income (loss)	$ (553)	$ 1,670	$ 3,061	$ 7,679
Net income (loss)	$ (206)	$ 1,174	$ 2,184	$ 4,952
Company's 50% share of net income (loss)	$ (103)	$ 587	$ 1,092	$ 2,476

Debt of MNI totaled $2,285,000 at September 28, 2008.

In 2008, one of MNI's daily newspapers, *The Capital Times*, decreased print publication from six days per week to one day. The change resulted in severance and other transition costs of $2,578,000 in 2008, of which $1,345,000 was recorded in the 13 weeks and 26 weeks ended March 30, 2008.

5 GOODWILL AND OTHER INTANGIBLE ASSETS

Changes in the carrying value of goodwill are as follows:

(Thousands)	26 Weeks Ended March 29, 2009
Goodwill, beginning of period	$627,023
Goodwill impairment	174,896
Goodwill, end of period	$452,127

Identified intangible assets consist of the following:

(Thousands)	March 29, 2009	September 28, 2008
Nonamortized intangible assets:		
Mastheads	$ 40,925	$ 59,869
Amortizable intangible assets:		
Customer and newspaper subscriber lists	900,632	921,642
Less accumulated amortization	304,540	280,359
	596,092	641,283
Noncompete and consulting agreements	28,658	28,658
Less accumulated amortization	28,640	28,626
	18	32
	$637,035	$701,184

In assessing the recoverability of its goodwill and other nonamortized intangible assets, the Company makes a determination of the fair value of its business. Fair value is determined using a combination of an income approach, which estimates fair value based upon future revenue, expenses and cash flows discounted to their present value,

and a market approach, which estimates fair value using market multiples of various financial measures compared to a set of comparable public companies in the publishing industry. An impairment charge will generally be recognized when the carrying amount of the net assets of the business exceeds its estimated fair value.

The required valuation methodology and underlying financial information that are used to determine fair value require significant judgments to be made by management. These judgments include, but are not limited to, long-term projections of future financial performance and the selection of appropriate discount rates used to determine the present value of future cash flows. Changes in such estimates or the application of alternative assumptions could produce significantly different results.

The Company analyzes its goodwill and other nonamortized intangible assets for impairment on an annual basis at the end of its fiscal year, or more frequently if impairment indicators are present. Such indicators of impairment include, but are not limited to, changes in business climate and operating or cash flow losses related to such assets.

The Company reviews its amortizable intangible assets for impairment when indicators of impairment are present. The Company assesses recovery of these assets by comparing the estimated undiscounted cash flows associated with the asset or asset group with their carrying amount. The impairment amount, if any, is calculated based on the excess of the carrying amount over the fair value of those assets.

Due primarily to the increasing difference between its stock price and the per share carrying value of its net assets, the Company analyzed the carrying value of its net assets as of December 28, 2008 and again as of March 29, 2009. Recent deterioration in the Company's revenue and the overall recessionary operating environment for the Company and other publishing companies were also factors in the timing of the analysis. The Company concluded the fair value of its business did not exceed the carrying value of its net assets as of December 28, 2008 and again as of March 29, 2009.

The Company recorded pretax, non-cash charges in the 13 weeks ended December 28, 2008 and March 29, 2009 to reduce the carrying value of goodwill by $67,781,000 and $107,115,000, respectively. The Company also recorded pretax, non-cash charges of $17,884,000 and $18,928,000 to reduce the value of nonamortized and amortizable intangible assets, respectively, in the 13 weeks ended March 29, 2009. Additional pretax, non-cash charges of $9,951,000 were recorded to reduce the carrying value of TNI in the 13 weeks ended March 29, 2009. The Company recorded $13,460,000 and $39,139,000 of income tax benefits related to these charges in the 13 weeks ended December 28, 2008 and March 29, 2009, respectively.

Because of the timing of the determination of impairment and complexity of the calculations required, the Company has not completed the required determination of fair value. Accordingly, the final determination of reductions in the amounts of goodwill and other assets included in the March 29, 2009 Consolidated Balance Sheet could change significantly. Such changes would not impact the Company's cash flows.

The Company also periodically evaluates its determination of the useful lives of amortizable intangible assets. Any resulting changes in the useful lives of such intangible assets will not impact the cash flows of the Company. However, a decrease in the useful lives of such intangible assets would increase future amortization expense and decrease future reported operating results and earnings per common share. The Company tested such assets for impairment as of March 29, 2009, as noted above, and concluded no adjustments to the useful lives of such assets were required.

Annual amortization of intangible assets for each of the 52 week periods ending March 2014 is estimated to be $46,547,000, $46,340,000, $45,432,000, $41,542,000 and $40,336,000, respectively.

6 DEBT

Credit Agreement

In 2006, the Company entered into an amended and restated credit agreement (Credit Agreement) with a syndicate of financial institutions (the Lenders). The Credit Agreement provided for aggregate borrowing of up to $1,435,000,000 and replaced a $1,550,000,000 credit agreement consummated in 2005. In February 2009, the Company completed a comprehensive restructuring of the Credit Agreement, which supplemented amendments consummated earlier in 2009 (together, the 2009 Amendments).

Security

The Credit Agreement is fully and unconditionally guaranteed on a joint and several basis by substantially all of the Company's existing and future, direct and indirect subsidiaries in which the Company holds a direct or indirect interest of more than 50% (the Credit Parties); provided however, that Pulitzer Inc. (Pulitzer), a wholly-owned

subsidiary of the Company, and its subsidiaries will not become Credit Parties for so long as their doing so would violate the terms of the Pulitzer Notes discussed more fully below. The Credit Agreement is secured by first priority security interests in the stock and other equity interests owned by the Credit Parties in their respective subsidiaries.

As a result of the 2009 Amendments, the Credit Parties pledged substantially all of their tangible and intangible assets, and granted mortgages covering certain real estate, as collateral for the payment and performance of their obligations under the Credit Agreement. Assets of Pulitzer and its subsidiaries, TNI, the Company's ownership interest in, and assets of, MNI and certain employee benefit plan assets are excluded.

Interest Payments

Debt under the A Term Loan, which has a balance of $737,425,000 at March 29, 2009, and the $375,000,000 revolving credit facility bear interest, at the Company's option, at either a base rate or an adjusted Eurodollar rate (LIBOR), plus an applicable margin. The base rate for the facility is the greater of (i) the prime lending rate of Deutsche Bank Trust Company Americas at such time; (ii) 0.5% in excess of the overnight federal funds rate at such time; or (iii) 30 day LIBOR plus 1.0%. The applicable margin is a percentage determined according to the following: For revolving loans and A Term Loans maintained as base rate loans: 1.625% to 3.5%, and maintained as Eurodollar loans: 2.625% to 4.5% depending, in each instance, upon the Company's leverage ratio at such time.

Minimum LIBOR levels of 1.25%, 2.0% and 2.5% for borrowings for one month, three month and six month periods, respectively, are also in effect. At the March 29, 2009 leverage level, the Company's debt under the Credit Agreement will be priced at a LIBOR margin of 400 basis points.

Under the 2009 Amendments, contingent, non-cash payment-in-kind interest expense of 1.0% to 2.0% will be accrued in a quarterly period only in the event the Company's leverage level exceeds 7.5:1 at the end of the previous quarter. At March 29, 2009, this provision is not applicable. Such non-cash charges, if any, will be added to the principal amount of debt and will be reversed, in whole or in part, in the event the Company's total leverage ratio is below 6.0:1 in September 2011 or the Company refinances the Credit Agreement in advance of its April 2012 maturity.

Principal Payments

The Company may voluntarily prepay principal amounts outstanding or reduce commitments under the Credit Agreement at any time, in whole or in part, without premium or penalty, upon proper notice and subject to certain limitations as to minimum amounts of prepayments. The Company is required to repay principal amounts, on a quarterly basis until maturity, under the A Term Loan. Total A Term Loan payments in the 26 weeks ended March 29, 2009 and 2008 were $81,950,000 and $14,750,000, respectively. The 2009 Amendments reduce the amount and delay the timing of mandatory principal payments under the A Term Loan. Remaining payments in 2009 total $22,100,000. Payments in 2010 and 2011 total $77,800,000 and $65,000,000, respectively. Payments in 2012 prior to the April 2012 maturity total $70,000,000. The scheduled payment at maturity is $502,525,000, plus the balance of the revolving credit facility outstanding at that time.

In addition to the scheduled payments, the Company is required to make mandatory prepayments under the A Term Loan under certain other conditions. The Credit Agreement requires the Company to apply the net proceeds from asset sales to repayment of the A Term Loan. Repayments in 2008 met required repayments related to its sales transactions.

The Credit Agreement also requires the Company to accelerate future payments under the A Term Loan in the amount of 75% of its excess cash flow, as defined, beginning in 2008. The Company had excess cash flow of approximately $62,000,000 in 2008 and, as a result, paid $46,325,000 originally due under the A Term Loan in March and June 2009, subsequent to the end of the December 2008 quarter. The acceleration of such payments due to excess cash flow does not change the due dates of other A Term Loan payments.

Covenants and Other Matters

The Credit Agreement contains customary affirmative and negative covenants for financing of its type. At March 29, 2009, the Company was in compliance with such covenants. These financial covenants include a maximum total leverage ratio, as defined. The total leverage ratio is based primarily on the sum of the principal amount of debt, which equals $1,206,375,000 at March 29, 2009, plus letters of credit and certain other factors, divided by a measure of trailing 12 month operating results, which includes several elements, including distributions from TNI and MNI.

The 2009 Amendments amended the Company's covenants to take into account economic conditions and the changes to amortization of debt noted above. The Company's total leverage ratio at March 29, 2009 was 6.44:1. Under the 2009 Amendments, the Company's total leverage ratio limit will increase from 7.25:1 in March 2009

to 8.25:1 in June 2009, increase to 8.75:1 in December 2009, decrease to 8.5:1 in June 2010, decrease to 7.75:1 in September 2010, decrease to 7.5:1 in December 2010, decrease to 7.25:1 in March 2011 and decrease to 7.0:1 in June 2011. Each change in the leverage ratio limit noted above is effective on the last day of the quarter.

The Credit Agreement also includes a minimum interest expense coverage ratio, as defined. The Company's interest expense coverage ratio at March 29, 2009 was 2.69:1. The minimum interest expense coverage ratio is 2.25:1 through March 2009, and will decrease thereafter to 1.85:1 through June 2009, decrease thereafter to 1.6:1 through September 2009, decrease thereafter to 1.4:1 through March 2010 and increase periodically thereafter until it reaches 2.25:1.

The 2009 Amendments require the Company to suspend stockholder dividends and share repurchases through April 2012. The 2009 Amendments also limit capital expenditures to $20,000,000 per year, with a provision for carryover of unused amounts from the prior year. Further, the 2009 Amendments modify other covenants, including restricting the Company's ability to make additional investments and acquisitions without the consent of the Lenders, limiting additional debt beyond that permitted under the Credit Agreement, and limiting the amount of unrestricted cash and cash equivalents the Credit Parties may hold to a maximum of $10,000,000 for a five day period. Such covenants ensure that substantially all future cash flows of the Company are required to be directed toward debt reduction. Finally, the 2009 Amendments eliminated an unused incremental term loan facility.

Pulitzer Notes

In conjunction with its formation in 2000, St. Louis Post-Dispatch LLC (PD LLC) borrowed $306,000,000 (the Pulitzer Notes) from a group of institutional lenders (the Noteholders). The aggregate principal amount of the Pulitzer Notes was payable in April 2009.

In February 2009, the Pulitzer Notes and the Guaranty Agreement described below were amended (the Notes Amendment). Under the Notes Amendment, PD LLC repaid $120,000,000 of the principal amount of the debt obligation using substantially all of its previously restricted cash, which totaled $129,810,000 at December 28, 2008. The remaining debt balance of $186,000,000 has been refinanced by the Noteholders until April 2012.

The Pulitzer Notes are guaranteed by Pulitzer pursuant to a Guaranty Agreement dated May 1, 2000 (the Guaranty Agreement) with the Noteholders. The Notes Amendment provides that the obligations under the Pulitzer Notes are fully and unconditionally guaranteed on a joint and several basis by Pulitzer's existing and future subsidiaries (excluding Star Publishing and TNI). Also, as a result of the Notes Amendment, Pulitzer and each of its subsidiaries pledged substantially all of its tangible and intangible assets, and granted mortgages covering certain real estate, as collateral for the payment and performance of their obligations under the Pulitzer Notes. Assets and stock of Star Publishing, the Company's ownership interest in TNI and certain employee benefit plan assets are excluded.

The Notes Amendment increased the rate paid on the outstanding principal balance to 9.05% until April 28, 2010. The interest rate will increase by 0.50% per year thereafter.

Pulitzer may voluntarily prepay principal amounts outstanding or reduce commitments under the Pulitzer Notes at any time, in whole or in part, without premium or penalty, upon proper notice and subject to certain limitations as to minimum amounts of prepayments. The Notes Amendment provides for mandatory scheduled prepayments, including quarterly principal payments of $4,000,000 beginning in June 2009 and an additional principal payment from restricted cash, if any, of up to $4,500,000 in October 2010. The Notes Amendment establishes a $9,000,000 (reducing to $4,500,000 in October 2010) reserve of restricted cash to facilitate the liquidity of the operations of Pulitzer. All other previously existing restricted cash requirements have been eliminated. See Note 13. The Notes Amendment allocates a percentage of Pulitzer's quarterly excess cash flow (as defined) between the Noteholders and the Credit Parties and requires prepayments under certain specified events.

The Pulitzer Notes contain certain covenants and conditions including the maintenance, by Pulitzer, of the ratio of debt to EBITDA, as defined in the Guaranty Agreement, minimum net worth and limitations on the incurrence of other debt. The Notes Amendment added a requirement to maintain minimum interest coverage, as defined. The Notes Amendment amended the Pulitzer Notes and the Guaranty Agreement covenants to take into account economic conditions and the changes to amortization of debt noted above. At March 29, 2009, Pulitzer was in compliance with such covenants.

Further, the Notes Amendment adds and amends other covenants including limitations or restrictions on additional debt, distributions, loans, advances, investments, acquisitions, dispositions and mergers. Such covenants ensure that substantially all future cash flows of Pulitzer are required to be directed first toward repayment of the Pulitzer Notes and that cash flows of Pulitzer are largely segregated from those of the Credit Parties.

The Credit Agreement contains a cross-default provision tied to the terms of the Pulitzer Notes and the Pulitzer Notes have limited cross-default provisions tied to the terms of the Credit Agreement.

The 2005 purchase price allocation of Pulitzer resulted in an increase in the value of the Pulitzer Notes in the amount of $31,512,000, which is recorded as debt in the Consolidated Balance Sheets. This amount will be accreted over the remaining life of the Pulitzer Notes, until April 2012, as a reduction in interest expense using the interest method. This accretion will not increase the principal amount due, or reduce the amount of interest to be paid, to the Noteholders.

Liquidity

The Company's continuing ability to operate is dependent, in part, on its ability to remain in compliance with its debt covenants and to refinance or amend the Credit Agreement and Pulitzer Notes when they become due in April 2012, or earlier if available liquidity is consumed. As noted above, the Company is in compliance with its debt covenants at March 29, 2009.

The Company generated cash flows in 2008 sufficient to reduce debt, net of changes in cash, by $102,225,000, pay dividends totaling $32,573,000 and acquire shares of its Common Stock in the amount of $19,483,000. The Company expects to utilize a portion of its capacity under its revolving credit facility to fund a portion of the remaining 2009, 2010, 2011 and 2012 (prior to maturity) principal payments required under the Credit Agreement and Pulitzer Notes. At March 29, 2009, the Company had $282,950,000 outstanding under the revolving credit facility, and after consideration of the 2009 Amendments and letters of credit, has approximately $76,200,000 available for future use. Including cash and restricted cash, the Company's liquidity at March 29, 2009 totals $94,749,000. This liquidity amount excludes any future cash flows. Principal payments on debt in the 52 weeks ending March 2010 total $81,900,000.

There are numerous potential consequences under the Credit Agreement, and Guaranty Agreement and Note Agreement related to the Pulitzer Notes, if an Event of Default, as defined, occurs and is not remedied. Many of those consequences are beyond the control of the Company, Pulitzer, and PD LLC, respectively. The occurrence of one or more Events of Default would give rise to the right of the Lenders or the Noteholders, or both of them, to exercise their remedies under the Credit Agreement and the Note and Guaranty Agreements, respectively, including, without limitation, the right to accelerate all outstanding debt and take actions authorized in such circumstances under applicable collateral security documents.

The 2010 Redemption, as discussed more fully in Note 13, also eliminates the potential requirement for a substantial cash outflow in April 2010. This event also substantially enhances the Company's liquidity.

Other

The Company paid fees to the Lenders and Noteholders for the 2009 Amendments and Notes Amendment which, along with the related legal and financial advisory expenses, total $26,100,000. Approximately $15,500,000 of the fees were capitalized and are being expensed over the remaining term of the Credit Agreement and Pulitzer Notes, until April 2012.

Debt consists of the following:

(Thousands)	March 29, 2009	September 28, 2008	Interest Rate(s) March 29, 2009
Credit Agreement:			
A Term Loan	$ 737,425	$ 819,375	4.75-5.5%
Revolving credit facility	282,950	207,000	4.75
Pulitzer Notes:			
Principal amount	186,000	306,000	9.05
Unaccreted fair value adjustment	1,806	5,265	
	1,208,181	1,337,640	
Less current maturities	81,900	1,337,640	
	$1,126,281	$ -	

At March 29, 2009, the Company's weighted average cost of debt (including the effect of interest rate swaps and collars) was 6.02%.

Aggregate maturities of debt for each of the 52 week periods ending March 2013 are $81,900,000, $76,000,000, $96,000,000, and $952,475,000, respectively. The Company has classified in the March 29, 2009 Consolidated Balance Sheet all amounts outstanding under the Credit Agreement and Pulitzer Notes based on their scheduled maturity dates, as determined under the 2009 Amendments and the Notes Amendment, respectively. Balances as of September 28, 2008 have not been adjusted.

7 INTEREST RATE EXCHANGE AGREEMENTS

At March 29, 2009, the Company has outstanding interest rate swaps in the notional amount of $125,000,000. The interest rate swaps have original terms of four to five years, carry interest rates from 4.3% to 4.4% (plus the applicable LIBOR margin) and effectively fix the Company's interest rate on debt in the amounts, and for the time periods, of such instruments.

In 2008, the Company executed interest rate collars in the notional amount of $150,000,000. The collars have a two year term and limit LIBOR to an average floor of 3.57% and a cap of 5.0%. Such collars effectively limit the range of the Company's exposure to interest rates to LIBOR greater than the floor and less than the cap (in either case plus the applicable LIBOR margin) for the time period of such instruments.

At March 29, 2009 and September 28, 2008, the Company recorded a liability of $5,857,000 and $3,337,000, respectively, related to the fair value of such instruments. The change in this fair value is recorded in other comprehensive income, net of income taxes.

At March 29, 2009, after consideration of the interest rate swaps described above, approximately 74% of the principal amount of the Company's debt is subject to floating interest rates. The interest rate collars described above limit the Company's exposure to interest rates on an additional 12% of the principal amount of its debt.

The Company's interest rate exchange agreements at March 29, 2009 consist of the following:

(Thousands)

Notional Amount	Start Date	Maturity Date	Rate(s)	Fair Value
VARIABLE TO FIXED RATE SWAPS				
$ 50,000	November 30, 2005	November 30, 2009	4.315%	$(1,065)
50,000	November 30, 2005	November 30, 2009	4.325	(1,075)
25,000	November 30, 2005	November 30, 2010	4.395	(1,285)
$125,000				$(3,425)
COLLARS				
$ 75,000	November 30, 2007	November 30, 2009	3.53-5.00%	$(1,185)
75,000	November 30, 2007	November 30, 2009	3.61-5.00	(1,247)
$150,000				$(2,432)

8 PENSION, POSTRETIREMENT AND POSTEMPLOYMENT DEFINED BENEFIT PLANS

The Company and its subsidiaries have several noncontributory defined benefit pension plans that together cover a significant number of *St. Louis Post-Dispatch* and selected other employees. Benefits under the plans are generally based on salary and years of service. The Company's liability and related expense for benefits under the plans are recorded over the service period of active employees based upon annual actuarial calculations. Plan funding strategies are influenced by tax regulations. Plan assets consist primarily of domestic and foreign corporate equity securities, government and corporate bonds, and cash.

In addition, the Company provides retiree medical and life insurance benefits under postretirement plans at several of its operating locations. The level and adjustment of participant contributions vary depending on the specific plan. In addition, PD LLC provides postemployment disability benefits to certain employee groups prior to retirement at the *St. Louis Post-Dispatch.* The Company's liability and related expense for benefits under the postretirement plans are recorded over the service period of active employees based upon annual actuarial calculations. The Company accrues postemployment disability benefits when it becomes probable that such benefits will be paid and when sufficient information exists to make reasonable estimates of the amounts to be paid.

The Company uses a June 30 measurement date for all of its pension and postretirement medical plan obligations.

The net periodic cost (benefit) components of the Company's pension and postretirement medical plans are as follows:

Pension Plans				
	13 Weeks Ended		26 Weeks Ended	
(Thousands)	March 29, 2009	March 30, 2008	March 29, 2009	March 30, 2008
Service cost for benefits earned during the period	$ 269	$ 375	$ 538	$ 750
Interest cost on projected benefit obligation	2,388	2,334	4,776	4,668
Expected return on plan assets	(2,917)	(3,436)	(5,834)	(6,872)
Amortization of net gain	(295)	(424)	(590)	(848)
Amortization of prior service cost	(34)	(33)	(68)	(66)
	$ (589)	$(1,184)	$(1,178)	$(2,368)

Postretirement Medical Plans				
Service cost for benefits earned during the period	$ 178	$ 525	$ 527	$ 1,050
Interest cost on projected benefit obligation	1,180	1,653	2,862	3,306
Expected return on plan assets	(604)	(549)	(1,205)	(1,098)
Amortization of net gain	(622)	(158)	(1,136)	(316)
Amortization of prior service cost	(698)	(58)	(756)	(116)
	$ (566)	$ 1,413	$ 292	$ 2,826

$31,000, $61,000, $60,000 and $120,000 of net periodic pension benefit for the 13 weeks and 26 weeks ended March 29, 2009, and March 30, 2008, respectively, was allocated to TNI.

Based on its forecast at March 29, 2009, the Company expects to contribute $4,307,000 to its postretirement medical plans in 2009.

Subsequent to the June 30, 2008 measurement date, the fair value of pension plan assets declined from $151,801,000 to $100,114,000 at March 31, 2009. The decline in the value of plan assets is related to declines in worldwide equity and debt markets. In the event the value of plan assets does not recover to the June 30, 2008 level, the Company's future pension expense and funding requirements may increase if the same level of benefits is maintained and is not offset by other changes in plan assumptions.

2009 Changes to Plans

In October and December 2008, the Company notified certain participants in its postretirement medical plans of administrative changes to be made to the plans, effective in January 2009, including increases in employee premiums, changes in the plans' reimbursement of medical expenses covered by Medicare, elimination of certain coverage options and the establishment of an account-based structure. The changes will reduce annual net periodic postretirement medical cost, based on current assumptions, by approximately $5,700,000, beginning in January 2009, and reduced the benefit obligation by $23,000,000, effective in January 2009.

9 INCOME TAXES

The provision for income taxes includes deferred taxes and is based upon estimated annual effective tax rates in the tax jurisdictions in which the Company operates.

The effective tax rate for the 26 weeks ended March 29, 2009, differs from the statutory rate due to goodwill impairment charges that are partially non-deductible. In addition, in 2008, the Company substantially increased its valuation allowance for deferred tax assets, due to the uncertainty certain of such assets would be realized. In the 13 weeks ended March 29, 2009, the Company reduced the valuation allowance by $17,182,000.

The Company estimates that it is reasonably possible that up to $2,105,000 of uncertain tax benefits associated with state income tax return issues could be recognized in the 52 weeks ending March 2010 as a result of the expiration of various state statutes of limitations.

The Company files income tax returns with the IRS and various state tax jurisdictions. From time to time, the Company is subject to routine audits by those agencies, and those audits may result in proposed adjustments. The Company has considered the alternative interpretations that may be assumed by the various taxing agencies, believes its positions taken regarding its filings are valid, and that adequate tax liabilities have been recorded to resolve such matters. However, the actual outcome cannot be determined with certainty and the difference could be

material, either positively or negatively, to the Consolidated Statements of Operations and Comprehensive Income (Loss) in the periods in which such matters are ultimately determined. The Company does not believe the final resolution of such matters will be material to its consolidated financial position or cash flows.

The IRS has completed its review of the Company's income tax returns through 2004 and is presently examining income tax returns of Pulitzer for 2003, 2004 and 2005. The Company has various state income tax examinations ongoing and at various stages of completion, but generally the state income tax returns have been audited or closed to audit through 2002.

10 EARNINGS (LOSS) PER COMMON SHARE

The following table sets forth the computation of basic and diluted earnings (loss) per common share. Per share amounts may not add due to rounding.

	13 Weeks Ended		26 Weeks Ended	
(Thousands, Except Per Share Data)	March 29, 2009	March 30, 2008	March 29, 2009	March 30, 2008
Income (loss) applicable to Common Stock:				
Continuing operations	$(51,757)	$(713,036)	$(100,429)	$(691,248)
Discontinued operations	-	(1)	(5)	337
	$(51,757)	$(713,037)	$(100,434)	$(690,911)
Weighted average common shares	44,922	45,589	44,984	45,910
Less non-vested restricted Common Stock	473	755	557	579
Basic average common shares	44,449	44,834	44,427	45,331
Dilutive stock options and restricted Common Stock	-	-	-	-
Diluted average common shares	44,449	44,834	44,427	45,331
Earnings (loss) per common share:				
Basic:				
Continuing operations	$ (1.16)	$ (15.90)	$ (2.26)	$ (15.25)
Discontinued operations	-	-	-	0.01
	$ (1.16)	$ (15.90)	$ (2.26)	$ (15.24)
Diluted:				
Continuing operations	$ (1.16)	$ (15.90)	$ (2.26)	$ (15.25)
Discontinued operations	-	-	-	0.01
	$ (1.16)	$ (15.90)	$ (2.26)	$ (15.24)

For the 13 weeks and 26 weeks ended March 29, 2009 and March 30, 2008, the Company has 231,000 and 1,124,000, weighted average shares, respectively, subject to issuance under its stock option plan that have no intrinsic value and are not considered in the computation of diluted earnings per common share.

11 STOCK OWNERSHIP PLANS

Restricted Common Stock

The following table summarizes restricted Common Stock activity during the 26 weeks ended March 29, 2009:

(Thousands, Except Per Share Data)	Shares	Weighted Average Grant Date Fair Value
Outstanding, September 28, 2008	746	$21.60
Vested	(113)	39.57
Forfeited	(166)	15.62
Outstanding, March 29, 2009	467	$19.38

The fair value of restricted Common Stock vested during the 26 weeks ended March 29, 2009 totals $171,000.

Total unrecognized compensation expense for unvested restricted Common Stock as of March 29, 2009 is $3,595,000, which will be recognized over a weighted average period of 1.4 years.

Stock Options

A summary of activity related to the Company's stock option plan is as follows:

(Thousands, Except Per Share Data)	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Outstanding, September 28, 2008	263	$34.69		
Cancelled	(32)	35.00		
Outstanding, March 29, 2009	231	$34.64	5.9	$ -
Exercisable, March 29, 2009	192	$35.83	5.6	$ -

Total unrecognized compensation expense for unvested stock options as of March 29, 2009 is $128,000, which will be recognized over a weighted average period of 0.6 years.

12 FAIR VALUE MEASUREMENTS

The Company adopted FASB Statement 157, *Fair Value Measurements* (Statement 157), in 2009. Statement 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. Statement 157 establishes a three-level hierarchy of fair value measurements based on whether the inputs to those measurements are observable or unobservable and consists of the following levels:

- Level 1 – Quoted prices for identical instruments in active markets;
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable in active markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The following table summarizes the financial instruments measured at fair value in the accompanying Consolidated Financial Statements as of March 29, 2009:

(Thousands)	Level 1	Level 2	Level 3	Total
Interest rate swaps and collars	$ -	$5,857	$ -	$5,857

In the 13 weeks and 26 weeks ended March 29, 2009, the Company reduced the carrying value of property and equipment no longer in use by $935,000 and $3,199,000, respectively, based on estimates of the related fair value in the current market.

13 COMMITMENTS AND CONTINGENT LIABILITIES

Capital Expenditures

At March 29, 2009, the Company has construction and equipment purchase commitments totaling approximately $2,119,000.

Redemption of PD LLC Minority Interest

In 2000, Pulitzer and The Herald Company Inc. (Herald Inc.) completed the transfer of their respective interests in the assets and operations of the *St. Louis Post-Dispatch* and certain related businesses to a new joint venture, known as PD LLC. Pulitzer is the managing member of PD LLC. Under the terms of the related Operating Agreement, Pulitzer and another subsidiary held a 95% interest in the results of operations of PD LLC and The Herald Publishing Company, LLC (Herald), as successor to Herald Inc., held a 5% interest. Until 2008, Herald's 5% interest was reported as minority interest in the Consolidated Statements of Operations and Comprehensive Income (Loss) at historical cost, plus accumulated earnings since the acquisition of Pulitzer.

Also, under the terms of the Operating Agreement, Herald Inc. received on May 1, 2000 a cash distribution of $306,000,000 from PD LLC. This distribution was financed by the Pulitzer Notes. Pulitzer's investment in PD LLC was treated as a purchase for accounting purposes and a leveraged partnership for income tax purposes.

The Operating Agreement provided Herald a one-time right to require PD LLC to redeem its interest in PD LLC, together with its interest, if any, in STL Distribution Services (DS LLC) (The 2010 Redemption). The 2010 Redemption price for Herald's interest was to be determined pursuant to a formula. The Company recorded the present value of the remaining amount of this potential liability in its Consolidated Balance Sheet in 2008, with the offset primarily to goodwill in the amount of $55,594,000, and the remainder recorded as a reduction of retained earnings. Between March 2008 and February 2009, the Company accrued increases in the liability totaling $10,304,000, which increased net loss available to common stockholders. The present value of the 2010 Redemption in February 2009, was approximately $73,602,000.

In February 2009, in conjunction with the Notes Amendment, PD LLC redeemed the 5% interest in PD LLC and DS LLC owned by Herald pursuant to a Redemption Agreement and adopted conforming amendments to the Operating Agreement. As a result, the value of Herald's former interest (the Herald Value) will be settled, at a date determined by Herald between April 2013 and April 2015, based on a calculation of 10% of the fair market value of PD LLC and DS LLC at the time of settlement, less the balance, as adjusted, of the Pulitzer Notes or the equivalent successor debt, if any. The Company has recorded a liability of $2,300,000 at March 29, 2009 as an estimate of the amount of the Herald Value to be disbursed. The actual amount of the Herald Value will depend on such variables as future cash flows of PD LLC and DS LLC, market valuations of newspaper properties and the timing of the request for redemption.

The Redemption Agreement also terminates Herald's right to exercise its rights under the 2010 Redemption. As a result, the Company reversed substantially all of its liability for the 2010 Redemption in the 13 weeks ended March 29, 2009. The reversal reduced liabilities by $71,302,000 and increased comprehensive income by $58,522,000 and stockholders' equity by $68,826,000.

The redemption of Herald's interest in PD LLC and DS LLC is expected to generate significant tax benefits to the Company as a consequence of the resulting increase in the tax basis of the assets owned by PD LLC and DS LLC and the related depreciation and amortization deductions. The increase in basis to be amortized for income tax purposes over a 15 year period beginning in February 2009 is approximately $258,000,000.

Pursuant to an Indemnity Agreement dated May 1, 2000 (Indemnity Agreement) between Herald Inc. and Pulitzer, Herald agreed to indemnify Pulitzer for any payments that Pulitzer may make under the Guaranty Agreement. The Indemnity Agreement and related obligations of Herald to indemnify Pulitzer were also terminated pursuant to the Redemption Agreement.

Legal Proceedings

The Company is involved in a variety of legal actions that arise in the normal course of business. Insurance coverage mitigates potential loss for certain of these matters. While the Company is unable to predict the ultimate outcome of these legal actions, it is the opinion of management that the disposition of these matters will not have a material adverse effect on the Company's Consolidated Financial Statements, taken as a whole.

In April 2008, a group of newspaper carriers filed suit against the Company in the United States District Court for the Southern District of California, claiming to be employees and not independent contractors of the Company. The plaintiffs seek relief related to violation of various employment-based statutes, and request punitive damages and attorneys' fees. Since the suit is still in the earliest of phases, the Company is unable to predict whether the ultimate economic outcome, if any, could have a material effect on the Company's Consolidated Financial Statements, taken as a whole. The Company denies the allegations of employee status, consistent with past practices of the Company and the industry, and intends to vigorously contest the action, which is not covered by insurance.

14 IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In 2006, the FASB issued Statement 158, *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans*, which amends Statements 87, 88, 106 and 132(R). The Company adopted the recognition and disclosure provision of Statement 158 as of September 30, 2007.

Statement 158 will also require the Company to change its measurement date to the last day of the fiscal year from a date three months prior to the end of the fiscal year, beginning in 2009. The change in measurement date will require a one-time adjustment to retained earnings, the effect of which cannot be determined at this time. None of the changes required will impact the Company's results of operations or cash flows.

In 2008, the FASB issued Statement 141(R), *Business Combinations,* and Statement 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51*. Statement 141(R) establishes requirements for how an acquirer in a business combination recognizes and measures the assets acquired, liabilities assumed, and any noncontrolling interests. For the Company, the provisions of Statement 141(R) are effective for business combinations occurring in 2010. Statement 160 will change the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of stockholders' equity. Statement 160 is effective for the Company in 2010. The Company has not completed its evaluation of the effects of Statements 141(R) and 160 on its Consolidated Financial Statements.

In 2008, the FASB issued Statement 161, *Disclosures About Derivative Instruments and Hedging Activities*, an amendment of FASB Statement 133. Statement 161 requires disclosure regarding the objectives and strategies for using derivative instruments and the credit-risk-related features. Statement 161 also requires disclosure of the fair value amounts and the gains and loses on derivative instruments in tabular form. Statement 161 is effective for the Company in 2010.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion includes comments and analysis relating to the Company's results of operations and financial condition as of and for the 13 weeks and 26 weeks ended March 29, 2009. This discussion should be read in conjunction with the Consolidated Financial Statements and related Notes thereto and the Company's 2008 Annual Report on Form 10-K.

NON-GAAP FINANCIAL MEASURES

No non-GAAP financial measure should be considered as a substitute for any related financial measure under accounting principles generally accepted in the United States of America (GAAP). However, the Company believes the use of non-GAAP financial measures provides meaningful supplemental information with which to evaluate its financial performance, or assist in forecasting and analyzing future periods. The Company also believes such non-GAAP financial measures are alternative indicators of performance used by investors, lenders, rating agencies and financial analysts to estimate the value of a publishing business or its ability to meet debt service requirements.

Operating Cash Flow and Operating Cash Flow Margin

Operating cash flow, which is defined as operating income (loss) before depreciation, amortization, impairment of goodwill and other assets, and equity in earnings of associated companies, and operating cash flow margin (operating cash flow divided by operating revenue) represent non-GAAP financial measures that are used in the analysis below. The Company believes these measures provide meaningful supplemental information because of their focus on the Company's results of operations before depreciation, amortization, impairment charges and earnings from equity investments.

Reconciliations of operating cash flow and operating cash flow margin to operating income (loss) and operating income (loss) margin, the most directly comparable measures under GAAP, are included in the tables below:

(Thousands)	13 Weeks Ended March 29, 2009	Percent of Revenue	13 Weeks Ended March 30, 2008	Percent of Revenue
Operating cash flow	$ 28,663	14.4%	$ 44,141	17.8%
Less depreciation and amortization	20,500	10.3	23,685	9.6
Less impairment of goodwill and other assets	144,862	NM	841,005	NM
Plus equity in earnings of associated companies	348	0.2	1,808	0.7
Less reduction of investment in TNI	9,951	NM	90,384	NM
Operating loss	$(146,302)	NM	$(909,125)	NM

(Thousands)	26 Weeks Ended March 29, 2009	Percent of Revenue	26 Weeks Ended March 30, 2008	Percent of Revenue
Operating cash flow	$ 81,793	18.5%	$116,574	22.1%
Less depreciation and amortization	40,899	9.2	46,716	8.9
Less impairment of goodwill and other assets	214,907	NM	841,005	NM
Plus equity in earnings of associated companies	3,412	0.8	6,109	1.2
Less reduction of investment in TNI	9,951	NM	90,384	NM
Operating income (loss)	$(180,552)	NM	$(855,422)	NM

Adjusted Net Income and Adjusted Earnings Per Common Share

Adjusted net income and adjusted earnings per common share, which are defined as net income (loss) available to common stockholders and earnings (loss) per common share adjusted to exclude unusual matters and those of a substantially non-recurring nature, are non-GAAP financial measures that are used in the analysis below. The Company believes these measures provide meaningful supplemental information by identifying matters that are not indicative of core business operating results or are of a substantially non-recurring nature.

Reconciliations of adjusted net income and adjusted earnings per common share to net income (loss) available to common stockholders and earnings (loss) per common share, respectively, the most directly comparable measures under GAAP, are set forth below under the caption "Overall Results".

SAME PROPERTY COMPARISONS

Certain information below, as noted, is presented on a same property basis, which is exclusive of acquisitions and divestitures consummated in the current or prior year. The Company believes such comparisons provide meaningful supplemental information for an understanding of changes in its revenue and operating expenses. Same property comparisons exclude TNI and MNI. The Company owns 50% of TNI and also owns 50% of the capital stock of MNI, both of which are reported using the equity method of accounting. Same property comparisons also exclude corporate office costs.

CRITICAL ACCOUNTING POLICIES

The Company's discussion and analysis of its results of operations and financial condition are based upon the Company's Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, the Company evaluates its estimates. The Company bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The Company's critical accounting policies include the following:

- Goodwill and other intangible assets
- Pension, postretirement and postemployment benefit plans
- Income taxes
- Revenue recognition
- Uninsured risks

Additional information regarding these critical accounting policies can be found under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2008 Annual Report on Form 10-K and the Notes to Consolidated Financial Statements, included herein.

IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS

In 2006, the FASB issued Statement 158, *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans*, which amends Statements 87, 88, 106 and 132(R). The Company adopted the recognition and disclosure provision of Statement 158 as of September 30, 2007.

Statement 158 will also require the Company to change its measurement date to the last day of the fiscal year from a date three months prior to the end of the fiscal year, beginning in 2009. The change in measurement date will require a one-time adjustment to retained earnings, the effect of which cannot be determined at this time. None of the changes required will impact the Company's results of operations or cash flows.

In 2008, the FASB issued Statement 141(R), *Business Combinations,* and Statement 160, *Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No. 51*. Statement 141(R) establishes requirements for how an acquirer in a business combination recognizes and measures the assets acquired, liabilities assumed, and any noncontrolling interests. For the Company, the provisions of Statement 141(R) are effective for business combinations occurring in 2010. Statement 160 will change the accounting and reporting for minority interests, which will be recharacterized as noncontrolling interests and classified as a component of stockholders' equity. Statement 160 is effective for the Company in 2010. The Company has not completed its evaluation of the effects of Statements 141(R) and 160 on its Consolidated Financial Statements.

In 2008, the FASB issued Statement 161, *Disclosures About Derivative Instruments and Hedging Activities*, an amendment of FASB Statement 133. Statement 161 requires disclosure regarding the objectives and strategies for using derivative instruments and the credit-risk-related features. Statement 161 also requires disclosure of the fair value amounts and the gains and loses on derivative instruments in tabular form. Statement 161 is effective for the Company in 2010.

EXECUTIVE OVERVIEW

The Company is a premier provider of local news, information and advertising in primarily midsize markets, with 49 daily newspapers and a joint interest in four others, rapidly growing online sites and more than 300 weekly newspapers and specialty publications in 23 states.

In 2005, the Company acquired Pulitzer. Pulitzer published 14 daily newspapers, including the *St. Louis Post-Dispatch,* and more than 100 weekly newspapers and specialty publications. Pulitzer also owned a 50% interest in TNI. The acquisition of Pulitzer increased the Company's circulation by more than 50% to more than 1.6 million daily and 1.9 million Sunday, and revenue, on an annualized basis, by more than 60% at that time. In 2006, the Company sold the assets of *The Daily News* in Rhinelander, Wisconsin, the smallest of these newspapers. In 2008, the Company sold the assets of *The Daily Chronicle* in DeKalb, Illinois.

The Company is focused on six key strategic priorities. They are to:

- Grow revenue creatively and rapidly;
- Deliver strong local news and information;
- Maximize its local online strength;
- Continue expanding its print and online audiences;
- Nurture employee development and achievement; and
- Exercise careful cost control.

Certain aspects of these priorities are discussed below.

Approximately 73% of the Company's revenue is derived from advertising. The Company's strategies are to increase its share of local advertising through increased sales activities in its existing markets and, over time, to increase its print and online audiences through internal expansion into existing and contiguous markets and enhancement of online offerings, augmented by selective acquisitions.

ECONOMIC CONDITIONS

The United States economy has been in a recession since December 2007, according to the National Bureau of Economic Research, and it is widely believed that certain elements of the economy, such as housing, were in decline before that time. 2008 and 2009 revenue, operating results and cash flows were significantly impacted by the recession. The duration and depth of an economic recession in markets in which the Company operates may further reduce its future advertising and circulation revenue, operating results and cash flows.

IMPAIRMENT OF GOODWILL

In the 13 weeks ended December 28, 2008 and March 29, 2009, the Company, based on its most recent analysis and in conjunction with its ongoing requirement to assess the carrying value and estimated useful lives of goodwill and identified intangible assets, concluded that the carrying value of goodwill exceeded its fair value. As a result, the Company recorded pretax, non-cash charges to reduce the carrying value of goodwill by $67,781,000 and $107,115,000, in the 13 weeks ended December 28, 2008 and March 29, 2009, respectively. The Company also recorded pretax, non-cash charges of $17,884,000 and $18,928,000 to reduce the value of nonamortized and amortizable intangible assets, respectively, in the 13 weeks ended March 29, 2009. Additional pretax, non-cash charges of $9,951,000 were recorded to reduce the carrying value of TNI in the 13 weeks ended March 29, 2009. These charges resulted in recognition of a significant loss per share for the 26 weeks ended March 29, 2009, and will result in a loss for the 52 weeks ending September 27, 2009.

Because of the timing of the determination of impairment and complexity of the calculations required, the Company has not completed the required determination of fair value. Accordingly, the final determination of reductions in the amounts of goodwill and other assets included in the March 29, 2009 Consolidated Balance Sheet could change significantly. Such changes would not impact the Company's cash flows.

DEBT AND LIQUIDITY

As discussed more fully in Note 6 to the Consolidated Financial Statements, included herein, in February 2009, the Company completed a comprehensive restructuring of its Credit Agreement and completed a refinancing of its Pulitzer Notes debt, substantially enhancing its liquidity and operating flexibility until April 2012. The Company disclosed in its 2008 Annual Report on Form 10-K, in part, that the ability to extend or refinance the Pulitzer Notes as they become due and to delay the acceleration of debt maturities upon the expiration of existing waivers of default under both the Credit Agreement and the Pulitzer Notes, were factors that raised significant uncertainty about the Company's ability to continue as a going concern. The restructuring of the Credit Agreement and refinancing of the Pulitzer Notes resolve these issues.

KPMG's auditors' report on the Company's 2008 Consolidated Financial Statements included an explanatory paragraph, which raised substantial doubt about the Company's ability to continue as a going concern. KPMG has not reissued its 2008 Report removing the explanatory paragraph and has informed the Company that it does not expect to reevaluate its conclusion until the 2009 audit of the Consolidated Financial Statements is completed.

The Company's ability to operate as a going concern is dependent on its ability to remain in compliance with debt covenants and to refinance or amend its debt agreements as they become due, or earlier if available liquidity is consumed.

13 WEEKS ENDED MARCH 29, 2009

Results, as reported in the Consolidated Financial Statements, are summarized below:

	13 Weeks Ended		Percent Change	
(Thousands, Except Per Share Data)	March 29, 2009	March 30, 2008	Total	Same Property
Advertising revenue:				
Retail	$ 79,853	$99,120	(19.4)%	(19.3)%
Classified:				
Daily newspapers:				
Employment	6,413	15,700	(59.2)	(59.2)
Automotive	7,461	10,895	(31.5)	(31.5)
Real estate	7,314	10,530	(30.5)	(30.5)
All other	9,946	9,805	1.4	1.4
Other publications	7,552	10,826	(30.2)	(31.8)
Total classified	38,686	57,756	(33.0)	(33.3)
Online	9,919	13,494	(26.5)	(26.5)
National	9,591	11,233	(14.6)	(14.6)
Niche publications	3,480	4,530	(23.2)	(23.2)
Total advertising revenue	141,529	186,133	(24.0)	(24.0)
Circulation	47,086	49,087	(4.1)	(4.1)
Commercial printing	3,042	3,805	(20.1)	(20.1)
Online services and other	7,187	8,700	(17.4)	(17.3)
Total operating revenue	198,844	247,725	(19.7)	(19.8)
Compensation	84,295	105,574	(20.2)	(21.1)
Newsprint and ink	20,664	24,349	(15.1)	(12.0)
Other operating expenses	62,871	73,250	(14.2)	(13.0)
Workforce adjustments	2,351	411	NM	NM
Total operating expenses, excluding depreciation and amortization	170,181	203,584	(16.4)	(16.1)
Operating cash flow	28,663	44,141	(35.1)	(34.4)
Depreciation and amortization	20,500	23,685	(13.4)	
Impairment of goodwill and other assets	144,862	841,005	(82.8)	
Equity in earnings of associated companies	348	1,808	(80.8)	
Reduction of Investment in TNI	9,951	90,384	(89.0)	
Operating loss	(146,302)	(909,125)	(83.9)	
Non-operating expense, net	(27,586)	(17,280)	59.6	
Loss from continuing operations before income taxes	(173,888)	(926,405)	(81.2)	
Income tax benefit	(63,999)	(220,841)	(71.0)	
Minority interest	(38)	(11)	245.5	
Loss from continuing operations	(109,851)	(705,553)	(84.4)	
Discontinued operations, net	-	(1)	-	
Net loss	(109,851)	(705,554)	(84.4)	
Change in redeemable minority interest	58,094	(7,483)	NM	
Net loss available to common stockholders	$(51,757)	$(713,037)	(92.7)	
Loss per common share:				
Basic	$ (1.16)	$ (15.90)	(92.7)	
Diluted	(1.16)	(15.90)	(92.7)	

For the 13 weeks ended March 29, 2009, total same property operating revenue decreased $48,912,000, or 19.8%, compared to the 13 weeks ended March 30, 2008.

Advertising Revenue

Same property advertising revenue decreased $44,641,000, or 24.0%, for the 13 weeks ended March 29, 2009 compared to the prior year period. Despite declines in advertising revenue, the Company's results benchmark favorably to industry statistics reported by the Newspaper Association of America.

	13 Weeks Ended		
(Thousands, Same Property)	March 29, 2009	March 30, 2008	Percent Change
Retail	$82,510	$100,066	(17.5)%
Classified:			
Employment	$10,128	$ 23,933	(57.7)%
Automotive	10,895	15,135	(28.0)
Real estate	9,411	13,888	(32.2)
Other	15,111	17,080	(11.5)
Total classified revenue	$45,545	$ 70,036	(35.0)%

On a combined basis, print and online retail advertising revenue decreased 17.5% in the 13 weeks ended March 29, 2009. Same property print retail revenue decreased $19,148,000, or 19.3%. Same property average retail rate, excluding preprint insertions, decreased 9.4%. Same property daily newspaper retail preprint insertion revenue decreased 14.7%.

On a combined basis, print and online classified revenue decreased 35.0%. Same property print classified advertising revenue decreased $19,229,000, or 33.3%, for the 13 weeks ended March 29, 2009. Higher rate print employment advertising at the daily newspapers decreased 59.2% for the period on a same property basis, reflecting rising unemployment nationally. Same property print automotive advertising decreased 31.5% amid an industry-wide decline. Same property print real estate advertising decreased 30.5% in a weak housing market nationally, which also negatively impacted the home improvement, furniture and home electronics categories of retail revenue. Other daily newspaper print classified advertising increased 1.4% on a same property basis. Same property classified advertising rates decreased 19.8%.

Advertising lineage, as reported on a same property basis for the Company's daily newspapers only, consisted of the following:

	13 Weeks Ended		
(Thousands of Inches)	March 29, 2009	March 30, 2008	Percent Change
Retail	2,457	2,946	(16.6)%
National	111	161	(31.1)
Classified	2,696	3,349	(19.5)
	5,264	6,456	(18.5)%

Online advertising revenue decreased 26.5% on a same property basis, due to a 44.8% decrease in online classified revenue, partially offset by a 12.2% increase in retail revenue.

National advertising decreased $1,642,000, or 14.6%, on a same property basis due to a 31.1% decline in lineage offset by a 21.1% increase in average national rate. Advertising in niche publications decreased 23.2% on a same property basis.

Circulation and Other Revenue

Circulation revenue decreased $2,001,000, or 4.1%, in the 13 weeks ended March 29, 2009. The Company's unaudited average daily newspaper circulation units, including TNI and MNI, decreased 7.0% and Sunday circulation decreased 4.8% for the 13 weeks ended March 29, 2009, compared to the prior year period. Results for both periods exclude *The Capital Times* in Madison, WI and the South Idaho Press in Burley, ID, which ceased daily publication in 2008. Company research in its larger markets indicates it is reaching an increasingly larger audience in these markets through modest growth in newspaper readership and rapid online growth, as well as through its specialty and niche publications.

Same property commercial printing revenue decreased $764,000, or 20.1%, in the 13 weeks ended March 29, 2009. Same property online services and other revenue decreased $1,508,000, or 17.3%, in the 13 weeks ended March 29, 2009.

Operating Expenses

Costs other than depreciation, amortization and unusual costs decreased $35,343,000, or 17.4%, in the 13 weeks ended March 29, 2009, and decreased $33,769,000, or 17.1%, on a same property basis.

Compensation expense decreased $21,279,000, or 20.2%, in the 13 weeks ended March 29, 2009 and same property compensation expense decreased 21.1% driven primarily by a decline in same property full time equivalent employees of 16.6%. Bonus programs and employee benefits have also been substantially reduced and stock compensation grants have been suspended.

Newsprint and ink costs decreased $3,685,000, or 15.1%, in the 13 weeks ended March 29, 2009 due to decreased usage from lower advertising, reduced page sizes, lighter weight paper and some reduction of content, which were partially offset by higher unit prices. Costs decreased 12.0% on a same property basis and volume decreased 31.8% on a same property basis. See Item 3, “Commodities”, included herein.

Other operating costs, which are comprised of all operating expenses not considered to be compensation, newsprint, depreciation, amortization, or unusual costs or cost reductions, decreased $10,379,000, or 14.2%, in the 13 weeks ended March 29, 2009 and decreased 13.0% on a same property basis.

Reductions in staffing resulted in workforce adjustment costs totaling $2,351,000 and $411,000 in the 13 weeks ended March 29, 2009 and March 30, 2008, respectively.

In October and December 2008, the Company notified certain participants in its postretirement medical plans of administrative changes to be made to the plans, effective in January 2009, including increases in employee premiums, changes in the plans’ reimbursement of medical expenses covered by Medicare, elimination of certain coverage options and the establishment of an account based structure. The changes are expected to reduce annual net periodic postretirement medical cost by approximately $5,700,000, beginning in January 2009, and reduced the benefit obligation by $23,000,000, effective in January 2009.

The Company is engaged in various efforts to continue to reduce its operating expenses in 2009 and beyond, including staff reductions and newsprint conservation. The Company expects its operating expenses, excluding depreciation, amortization and unusual costs and cost reductions, to decline approximately 15-16% in 2009, a decrease of more than $120,000,000.

Results of Operations

As a result of the above, operating cash flow decreased $15,478,000, or 35.1%, in the current year period. Operating cash flow margin decreased to 14.4% from 17.8% in the prior year period. Same property operating cash flow margin decreased to 16.4%, from 20.1% in the prior year period.

Depreciation and amortization expense decreased $3,185,000, or 13.4%, due primarily to impairment charges recorded in 2008 and 2009.

In the 13 weeks ended March 29, 2009, the Company, based on its most recent analysis and in conjunction with its ongoing requirement to assess the carrying value and estimated useful lives of goodwill and identified intangible assets, concluded that the carrying value of goodwill exceeded its fair value. As a result, the Company recorded a pretax, non-cash charge to reduce the carrying value of goodwill by $107,115,000. The Company also recorded pretax, non-cash charges of $17,884,000 and $18,928,000 to reduce the value of nonamortized and amortizable intangible assets, respectively. Additional pretax charges of $9,951,000 were recorded to reduce the carrying value of TNI. These charges resulted in recognition of a significant loss per share for the 13 weeks ended March 29, 2009, and will result in a loss for the 52 weeks ending September 27, 2009.

Because of the timing of the determination of impairment and complexity of the calculations required, the Company has not completed the required determination of fair value. Accordingly, the final determination of reductions in the amounts of goodwill and other assets included in the March 29, 2009 Consolidated Balance Sheet could change significantly. Such changes would not impact the Company’s cash flows.

In the 13 weeks ended March 30, 2008, the Company recorded a preliminary, pretax noncash charge to reduce the carrying value of goodwill by $721,999,000. The Company also recorded preliminary, non-cash charges of $3,034,000 and $115,972,000 to reduce the carrying value of nonamortized and amortizable intangible assets, respectively. $90,384,000 of additional pretax charges were recorded as a reduction in the carrying value of the Company’s investment in TNI.

Equity in earnings of associated companies decreased to $348,000 in the current year period, compared to $1,808,000 in the prior year. In April 2008, one of MNI’s daily newspapers, *The Capital Times*, decreased print publication from six days per week to one day.

In January 2009, Citizen announced its intention to sell the assets of, or discontinue publication of, the *Tucson Citizen*.

The above resulted in an operating loss of $146,302,000 in the 13 weeks ended March 29, 2009, compared to an operating loss of $909,125,000 in the prior year period.

Nonoperating Income and Expense

Nonoperating expense increased $10,306,000 due to an increase in debt financing costs and higher LIBOR spreads, which were partially offset by lower levels of debt and lower LIBOR rates. LIBOR has decreased substantially from its prior year levels.

Amendments to the Company's Credit Agreement consummated in 2009 will increase financial expense in 2009 in relation to LIBOR. The maximum rate will be increased to LIBOR plus 450 basis points. At the March 2009 leverage level, the Company's debt under the Credit Agreement will be priced at LIBOR plus 400 basis points. The interest rate on the Pulitzer Notes, the balance of which was reduced $120,000,000 in the 13 weeks ended March 29, 2009, increased 1% to 9.05% in February 2009, until April 2010. The interest rate will increase by 0.5% per year thereafter.

Overall Results

Income tax benefit was 36.8% of loss from continuing operations before income taxes in the current year period and 23.8% of income from continuing operations before income taxes in the prior year. In the current year period, the Company reduced the valuation allowance for deferred tax assets by $17,182,000.

Recording of the liability for the 2010 Redemption resulted in an increase in net loss available to common stockholders for the 13 weeks ended March 30, 2008, of $7,483,000. The Company reversed substantially all of its liability for the 2010 Redemption in the 13 weeks ended March 29, 2009. The reversal reduced liabilities by $71,302,000 and increased comprehensive income by $58,522,000 and stockholders' equity by $68,826,000.

As a result of all of the above, the Company recorded a loss per diluted common share of $1.16 compared to a loss of $15.90 per share in the prior year period. As detailed in the table below, diluted loss per common share, as adjusted, was $0.07 for the 13 weeks ended March 29, 2009 compared to earnings per common share of $0.09 for the 13 weeks ended March 30, 2008. Per share amounts may not add due to rounding.

	13 Weeks Ended			
	March 29, 2009		March 30, 2008	
(Thousands, Except Per Share Data)	Amount	Per Share	Amount	Per Share
Net loss available to common stockholders, as reported	$(51,757)	$ (1.16)	$(713,037)	$(15.90)
Adjustments:				
Impairment of goodwill and other assets, including TNI	154,813		931,389	
Debt financing costs	12,927		876	
Other, net	2,443		815	
	170,183		933,080	
Income tax benefit of adjustments, net, change in deferred tax valuation allowance and impact on minority interest	(63,261)		(223,299)	
	106,922	2.41	709,781	15.83
Net income (loss) available to common stockholders, as adjusted	55,165	1.24	(3,256)	(0.07)
Change in redeemable minority interest	(58,094)	(1.31)	7,483	0.17
Net income (loss), as adjusted	$ (2,929)	$(0.07)	$ 4,227	$ 0.09

Table of Contents

26 WEEKS ENDED MARCH 29, 2009

Results, as reported in the Consolidated Financial Statements, are summarized below:

	26 Weeks Ended		Percent Change	
(Thousands, Except Per Share Data)	March 29, 2009	March 30, 2008	Total	Same Property
Advertising revenue:				
Retail	$192,787	$226,722	(15.0)%	(14.9)%
Classified:				
Daily newspapers:				
Employment	15,099	31,067	(51.4)	(51.4)
Automotive	16,104	22,624	(28.8)	(28.8)
Real estate	15,440	22,073	(30.1)	(30.1)
All other	19,992	19,793	1.0	1.0
Other publications	15,909	21,466	(25.9)	(27.3)
Total classified	82,544	117,023	(29.5)	(29.7)
Online	21,540	26,969	(20.1)	(20.1)
National	22,442	24,815	(9.6)	(9.6)
Niche publications	6,799	8,174	(16.8)	(16.8)
Total advertising revenue	326,112	403,703	(19.2)	(19.2)
Circulation	94,642	98,892	(4.3)	(4.3)
Commercial printing	6,511	7,980	(18.4)	(18.4)
Online services and other	15,134	17,006	(11.0)	(11.0)
Total operating revenue	442,399	527,581	(16.1)	(16.2)
Compensation	178,778	213,768	(16.4)	(16.6)
Newsprint and ink	45,818	49,452	(7.3)	(5.1)
Other operating expenses	132,821	147,376	(9.9)	(9.3)
Workforce adjustments	3,189	411	NM	NM
Total operating expenses, excluding depreciation and amortization	360,606	411,007	(12.3)	(11.9)
Operating cash flow	81,793	116,574	(29.8)	(29.4)
Depreciation and amortization	40,899	46,716	(12.5)	
Impairment of goodwill and other assets	214,907	841,005	(74.4)	
Equity in earnings of associated companies	3,412	6,109	(44.1)	
Reduction of investment in TNI	9,951	90,384	(89.0)	
Operating loss	(180,552)	(855,422)	(78.9)	
Non-operating expense, net	(46,323)	(36,334)	27.5	
Loss from continuing operations before income taxes	(226,875)	(891,756)	(74.6)	
Income tax benefit	(69,523)	(208,587)	(66.7)	
Minority interest	132	596	(77.9)	
Loss from continuing operations	(157,484)	(683,765)	(77.0)	
Discontinued operations, net	(5)	337	NM	
Net loss	(157,489)	(683,428)	(77.0)	
Change in redeemable minority interest	57,055	(7,483)	NM	
Net loss available to common stockholders	$(100,434)	$(690,911)	(85.5)%	
Loss per common share:				
Basic	$ (2.26)	$ (15.24)	(85.2)%	
Diluted	(2.26)	(15.24)	(85.2)	

For the 26 weeks ended March 29, 2009, total same property operating revenue decreased $85,180,000, or 16.2%, compared to the 26 weeks ended March 30, 2008.

Advertising Revenue

Same property advertising revenue decreased $77,597,000, or 19.2%, for the 26 weeks ended March 29, 2009 compared to the prior year. Despite declines in advertising revenue, the Company's results benchmark favorably to industry statistics reported by the Newspaper Association of America.

	26 Weeks Ended		
(Thousands, Same Property)	March 29, 2009	March 30, 2008	Percent Change
Retail	$198,148	$228,077	(13.1)%
Classified:			
Employment	$ 23,408	$ 47,057	(50.3)%
Automotive	23,455	31,711	(26.0)
Real estate	20,150	29,168	(30.9)
Other	30,956	34,209	(9.5)
Total classified revenue	$ 97,969	$142,145	(31.1)%

On a combined basis, print and online retail advertising revenue decreased 13.1% in the 26 weeks ended March 29, 2009. Same property print retail revenue decreased $33,652,000, or 14.9%. Same property average retail rate, excluding preprint insertions, decreased 7.4%. Same property daily newspaper retail preprint insertion revenue decreased 10.8%.

On a combined basis, print and online classified revenue decreased 31.1%. Same property print classified advertising revenue decreased $34,774,000, or 29.7%, for the 26 weeks ended March 29, 2009. Higher rate print employment advertising at the daily newspapers decreased 51.4% for the period on a same property basis reflecting rising unemployment nationally. Same property print automotive advertising decreased 28.8% amid an industry-wide decline. Same property print real estate advertising decreased 30.1% in a weak housing market nationally, which also negatively impacted the home improvement, furniture and home electronics categories of retail revenue. Other daily newspaper print classified advertising increased 1.0% on a same property basis. Same property classified advertising rates decreased 16.2%.

Advertising lineage, as reported on a same property basis for the Company's daily newspapers only, consisted of the following:

	26 Weeks Ended		
(Thousands of Inches)	March 29, 2009	March 30, 2008	Percent Change
Retail	5,760	6,489	(11.2)%
National	259	341	(24.0)
Classified	5,665	6,911	(18.0)
	11,684	13,741	(15.0)%

Online advertising revenue decreased 20.1% on a same property basis, due to a 38.2% decrease in online classified revenue, partially offset by a 15.8% increase in retail revenue.

National advertising decreased $2,373,000, or 9.6%, on a same property basis due to a 24.0% decline in lineage offset by a 17.4% increase in average national rate. Advertising in niche publications decreased 16.8% on a same property basis.

Circulation and Other Revenue

Circulation revenue decreased $4,250,000, or 4.3%, in the 26 weeks ended March 29, 2009. The Company's average daily newspaper circulation units, including TNI and MNI as measured by the Audit Bureau of Circulations, or other independent organizations, decreased 4.6% and Sunday circulation decreased 3.5% for the 26 weeks ended March 29, 2009, compared to the prior year period. Results in both periods exclude *The Capital Times* in Madison, WI, which ceased daily publication in 2008. Company research in its larger markets indicates it is reaching an increasingly larger audience in these markets through modest growth in newspaper readership and rapid online growth, as well as through its specialty and niche publications.

Same property commercial printing revenue decreased $1,469,000, or 18.4%, in the 26 weeks ended March 29, 2009. Same property online services and other revenue decreased $1,871,000, or 11.0%, in the 26 weeks ended March 29, 2009.

Operating Expenses

Costs other than depreciation, amortization and unusual costs decreased $53,179,000, or 13.0%, in the 26 weeks ended March 29, 2009, and decreased $50,044,000, or 12.6%, on a same property basis.

Compensation expense decreased $34,990,000, or 16.4%, in the 26 weeks ended March 29, 2009 and same property compensation expense decreased 16.6% driven primarily by a decline in same property full time equivalent employees of 13.6%. Bonus programs and employee benefits have also been substantially reduced and stock compensation grants have been suspended.

Newsprint and ink costs decreased $3,634,000, or 7.3%, in the 26 weeks ended March 29, 2009 due to decreased usage from lower advertising, reduced page sizes, lighter weight paper and some reduction of content,which were partially offset by higher unit prices. Costs decreased 5.1% on a same property basis and volume decreased 27.7% on a same property basis. See Item 3, “Commodities”, included herein.

Other operating costs, which are comprised of all operating expenses not considered to be compensation, newsprint, depreciation, amortization, or unusual costs or cost reductions, decreased $14,555,000, or 9.9%, in the 26 weeks ended March 29, 2009 and decreased 9.3% on a same property basis.

Reductions in staffing resulted in workforce adjustment costs totaling $3,189,000 and $411,000 in the 26 weeks ended March 29, 2009 and March 30, 2008, respectively.

In October and December 2008, the Company notified certain participants in its postretirement medical plans of administrative changes to be made to the plans, effective in January 2009, including increases in employee premiums, changes in the plans’ reimbursement of medical expenses covered by Medicare, elimination of certain coverage options and the establishment of an account based structure. The changes are expected to reduce annual net periodic postretirement medical cost by approximately $5,700,000, beginning in January 2009, and reduced the benefit obligation by $23,000,000, effective in January 2009.

The Company is engaged in various efforts to continue to reduce its operating expenses in 2009 and beyond, including staff reductions and newsprint conservation. The Company expects its operating expenses, excluding depreciation, amortization and unusual costs and cost reductions, to decline approximately 15-16% in 2009, a decrease of more than $120,000,000.

Results of Operations

As a result of the above, operating cash flow decreased $34,781,000, or 29.8%, in the current year period. Operating cash flow margin decreased to 18.5% from 22.1% in the prior year period. Same property operating cash flow margin decreased to 20.6%, from 24.5% in the prior year period.

Depreciation and amortization expense decreased $5,817,000, or 12.5%, due primarily to impairment charges recorded in 2008.

In the 26 weeks ended March 29, 2009, the Company, based on its most recent analysis and in conjunction with its ongoing requirement to assess the carrying value and estimated useful lives of goodwill and identified intangible assets, concluded that the carrying value of goodwill exceeded its fair value. As a result, the Company recorded a pretax, non-cash charge to reduce the carrying value of goodwill by $174,896,000. The Company also recorded pretax, non-cash charges of $17,884,000 and $18,928,000 to reduce the value of nonamortized and amortizable intangible assets, respectively. Additional pretax charges of $9,951,000 were recorded to reduce the carrying value of TNI. These charges resulted in recognition of a significant loss per share for the 26 weeks ended March 29, 2009, and will result in a loss for the 52 weeks ending September 27, 2009.

Because of the timing of the determination of impairment and complexity of the calculations required, the Company has not completed the required determination of fair value. Accordingly, the final determination of reductions in the amounts of goodwill and other assets included in the March 29, 2009 Consolidated Balance Sheet could change significantly. Such changes would not impact the Company’s cash flows.

In the 26 weeks ended March 30, 2008, the Company recorded a preliminary, pretax noncash charge to reduce the carrying value of goodwill by $721,999,000. The Company also recorded preliminary, non-cash charges of $3,034,000 and $115,972,000 to reduce the carrying value of nonamortized and amortizable intangible assets, respectively. $90,384,000 of additional pretax charges were recorded as a reduction in the carrying value of the Company’s investment in TNI.

Equity in earnings of associated companies decreased to $3,412,000 in the current year period, compared to $6,109,000 in the prior year. In April 2008, one of MNI’s daily newspapers, *The Capital Times*, decreased print publication from six days per week to one day.

In January 2009, Citizen announced its intention to sell the assets of, or discontinue publication of, the *Tucson Citizen*.

The above resulted in an operating loss of $180,552,000 in the 26 weeks ended March 29, 2009, compared to an operating loss of $855,422,000 in the prior year period.

Nonoperating Income and Expense

Nonoperating expense increased $9,989,000 due to an increase in the debt financing costs and higher LIBOR spreads, which were partially offset by lower levels of debt and lower LIBOR rates. LIBOR has decreased substantially from its prior year levels.

Amendments to the Company's Credit Agreement consummated in 2009 will increase financial expense in 2009 in relation to LIBOR. The maximum rate will be increased to LIBOR plus 450 basis points. At the March 2009 leverage level, the Company's debt under the Credit Agreement will be priced at LIBOR plus 400 basis points. The interest rate on the Pulitzer Notes, the balance of which was reduced $120,000,000 in the 26 weeks ended March 29, 2009, increased 1% to 9.05% in February 2009, until April 2010. The interest rate will increase by 0.5% per year thereafter.

Overall Results

Income tax benefit was 30.6% of loss from continuing operations before income taxes in the current year period and 23.4% of income from continuing operations before income taxes in the prior year. In the current year period, the Company reduced the valuation allowance for deferred tax assets by $16,030,000.

Recording of the liability for the 2010 Redemption resulted in an increase in net loss available to common stockholders for the 26 weeks ended March 30, 2008, of $7,483,000. The Company reversed substatially all of its liability for the 2010 Redemption in the 26 weeks ended March 29, 2009. The reversal decreased liabilities by $71,302,000 and increased comprehensive income by $58,522,000 and stockholders equity by $68,826,000.

As a result of all of the above, the Company recorded a loss per diluted common share of $2.26 compared to a loss of $15.24 per share in the prior year period. As detailed in the table below, diluted earnings per common share, as adjusted, was $0.17 for the 26 weeks ended March 29, 2009 compared to earnings per common share of $0.60 for the 26 weeks ended March 30, 2008. Per share amounts may not add due to rounding.

	26 Weeks Ended			
	March 29, 2009		March 30, 2008	
(Thousands, Except Per Share Data)	Amount	Per Share	Amount	Per Share
Net loss available to common stockholders, as reported	$(100,434)	$(2.26)	$(690,911)	$(15.24)
Adjustments:				
Impairment of goodwill and other assets, including TNI	224,858		931,389	
Debt financing costs	14,850		1,752	
Other, net	2,665		939	
	242,373		934,080	
Income tax benefit of adjustments, net, change in deferred tax valuation allowance and impact on minority interest	(77,131)		(223,653)	
	165,242	3.72	710,427	15.67
Net income available to common stockholders, as adjusted	64,808	1.46	19,516	0.43
Change in redeemable minority interest	(57,055)	(1.28)	7,483	0.17
Net income, as adjusted	$ 7,753	$ 0.17	$ 26,999	$ 0.60

LIQUIDITY AND CAPITAL RESOURCES

Operating Activities

Cash provided by operating activities of continuing operations was $33,643,000 in the 26 weeks ended March 29, 2009, and $69,234,000 in the 26 weeks ended March 30, 2008. Losses from continuing operations in the 26 weeks ended March 29, 2009 and March 30, 2008 were caused primarily by non-cash charges for the impairment of goodwill and other assets,net of the related income tax effect. Changes in operating assets and liabilities and the timing of income tax payments accounted for the bulk of the remainder of the change in both years.

Investing Activities

Cash provided by investing activities totaled $114,466,000 in the 26 weeks ended March 29, 2009 and required $17,332,000 in the 26 weeks ended March 30, 2008. Capital spending totaled $8,398,000 in the 26 weeks ended March 29, 2009, and $13,742,000 in the 26 weeks ended March 30, 2008. The Company liquidated a substantial amount of its restricted cash and investments in the 26 weeks ended March 29, 2009 in order to fund a $120,000,000 reduction in the balance of the Pulitzer Notes.

The Company anticipates that funds necessary for capital expenditures, which are expected to total approximately $15,000,000 in 2009, and other requirements, will be available from internally generated funds, or availability under its existing Credit Agreement. The 2009 Amendments to the Credit Agreement, as discussed more fully below, limit capital expenditures to $20,000,000 in 2009.

Financing Activities

Cash required for financing activities totaled $157,331,000 in the 26 weeks ended March 29, 2009 and $64,440,000 in the 26 weeks ended March 30, 2008. Debt reduction accounted for the majority of the usage of funds in both years. The annual dividend declared was $0.76 per share in 2008 and the final 2008 dividend was paid in October 2008. The 2009 Amendments require the Company to suspend stockholder dividends and share repurchases through April 2012.

Credit Agreement

In 2006, the Company entered into the Credit Agreement with the Lenders. The Credit Agreement provided for aggregate borrowing of up to $1,435,000,000 and replaced a $1,550,000,000 credit agreement consummated in 2005. In February 2009, the Company completed a comprehensive restructuring of the Credit Agreement, which supplemented amendments consummated earlier in 2009.

Security

The Credit Agreement is fully and unconditionally guaranteed on a joint and several basis by the Credit Parties; provided however, that Pulitzer and its subsidiaries will not become Credit Parties for so long as their doing so would violate the terms of the Pulitzer Notes discussed more fully below. The Credit Agreement is secured by first priority security interests in the stock and other equity interests owned by the Credit Parties in their respective subsidiaries.

As a result of the 2009 Amendments, the Credit Parties pledged substantially all of their tangible and intangible assets, and granted mortgages covering certain real estate, as collateral for the payment and performance of their obligations under the Credit Agreement. Assets of Pulitzer and its subsidiaries, TNI, the Company's ownership interest in, and assets of, MNI and certain employee benefit plan assets are excluded.

Interest Payments

Debt under the A Term Loan, which has a balance of $737,425,000 at March 29, 2009, and the $375,000,000 revolving credit facility bear interest, at the Company's option, at either a base rate or an adjusted Eurodollar rate (LIBOR), plus an applicable margin. The base rate for the facility is the greater of (i) the prime lending rate of Deutsche Bank Trust Company Americas at such time; (ii) 0.5% in excess of the overnight federal funds rate at such time; or (iii) 30 day LIBOR plus 1.0%. The applicable margin is a percentage determined according to the following: For revolving loans and A Term Loans maintained as base rate loans: 1.625% to 3.5%, and maintained as Eurodollar loans: 2.625% to 4.5% depending, in each instance, upon the Company's leverage ratio at such time.

Minimum LIBOR levels of 1.25%, 2.0% and 2.5% for borrowings for one month, three month and six month periods, respectively, are also in effect. At the March 29, 2009 leverage level, the Company's debt under the Credit Agreement will be priced at a LIBOR margin of 400 basis points.

Under the 2009 Amendments, contingent, non-cash payment-in-kind interest expense of 1.0% to 2.0% will be accrued in a quarterly period only in the event the Company's leverage level exceeds 7.5:1 at the end of the previous quarter. At March 29, 2009, this provision is not applicable. Such non-cash charges, if any, will be added to the principal amount of debt and will be reversed, in whole or in part, in the event the Company's total leverage ratio is below 6.0:1 in September 2011 or the Company refinances the Credit Agreement in advance of its April 2012 maturity.

Principal Payments

The Company may voluntarily prepay principal amounts outstanding or reduce commitments under the Credit Agreement at any time, in whole or in part, without premium or penalty, upon proper notice and subject to certain limitations as to minimum amounts of prepayments. The Company is required to repay principal amounts, on a quarterly basis until maturity, under the A Term Loan. Total A Term Loan payments in the 26 weeks ended March 29, 2009 and 2008 were $81,950,000 and $14,750,000, respectively. The 2009 Amendments reduce the amount and delay the timing of mandatory principal payments under the A Term Loan. Remaining payments in 2009 total $22,100,000. Payments in 2010 and 2011 total $77,800,000 and $65,000,000, respectively. Payments in 2012 prior to the April 2012 maturity total $70,000,000. The scheduled payment at maturity is $502,525,000, plus the balance of the revolving credit facility outstanding at that time.

In addition to the scheduled payments, the Company is required to make mandatory prepayments under the A Term Loan under certain other conditions. The Credit Agreement requires the Company to apply the net proceeds from asset sales to repayment of the A Term Loan. Repayments in 2008 met required repayments related to its sales transactions.

The Credit Agreement also requires the Company to accelerate future payments under the A Term Loan in the amount of 75% of its excess cash flow, as defined, beginning in 2008. The Company had excess cash flow of approximately $62,000,000 in 2008 and, as a result, paid $46,325,000 originally due under the A Term Loan in March and June 2009, subsequent to the end of the December 2008 quarter. The acceleration of such payments due to excess cash flow does not change the due dates of other A Term Loan payments. The Company does not expect payments based on excess cash flow will be required for 2009.

Covenants and Other Matters

The Credit Agreement contains customary affirmative and negative covenants for financing of its type. At March 29, 2009, the Company was in compliance with such covenants. These financial covenants include a maximum total leverage ratio, as defined. The total leverage ratio is based primarily on the sum of the principal amount of debt, which equals $1,206,375,000 at March 29, 2009, plus letters of credit and certain other factors, divided by a measure of trailing 12 month operating results, which includes several elements, including distributions from TNI and MNI.

The 2009 Amendments amended the Company's covenants to take into account economic conditions and the changes to amortization of debt noted above. The Company's total leverage ratio at March 29, 2009 was 6.44:1. Under the 2009 Amendments, the Company's total leverage ratio limit will increase from 7.25:1 in March 2009 to 8.25:1 in June 2009, increase to 8.75:1 in December 2009, decrease to 8.5:1 in June 2010, decrease to 7.75:1 in September 2010, decrease to 7.5:1 in December 2010, decrease to 7.25:1 in March 2011 and decrease to 7.0:1 in June 2011. Each change in the leverage ratio limit noted above is effective on the last day of the quarter.

The Credit Agreement also includes a minimum interest expense coverage ratio, as defined. The Company's interest expense coverage ratio at March 29, 2009 was 2.69:1. The minimum interest expense coverage ratio is 2.25:1 through March 2009, and will decrease thereafter to 1.85:1 through June 2009, decrease thereafter to 1.6:1 through September 2009, decrease thereafter to 1.4:1 through March 2010 and increase periodically thereafter until it reaches 2.25:1.

The 2009 Amendments require the Company to suspend stockholder dividends and share repurchases through April 2012. The 2009 Amendments also limit capital expenditures to $20,000,000 per year, with a provision for carryover of unused amounts from the prior year. Further, the 2009 Amendments modify other covenants, including restricting the Company's ability to make additional investments and acquisitions without the consent of the Lenders, limiting additional debt beyond that permitted under the Credit Agreement, and limiting the amount of unrestricted cash and cash equivalents the Credit Parties may hold to a maximum of $10,000,000 for a five day period. Such covenants ensure that substantially all future cash flows of the Company are required to be directed toward debt reduction. Finally, the 2009 Amendments eliminated an unused incremental term loan facility.

Pulitzer Notes

In conjunction with its formation in 2000, PD LLC borrowed $306,000,000 the Pulitzer Notes from the Noteholders. The aggregate principal amount of the Pulitzer Notes was payable in April 2009.

In February 2009, the Pulitzer Notes and the Guaranty Agreement described below were amended by the Notes Amendment. Under the Notes Amendment, PD LLC repaid $120,000,000 of the principal amount of the debt obligation using substantially all of its previously restricted cash, which totaled $129,810,000 at December 28, 2008. The remaining debt balance of $186,000,000 has been refinanced by the Noteholders until April 2012.

The Pulitzer Notes are guaranteed by Pulitzer pursuant to a Guaranty Agreement dated May 1, 2000 with the Noteholders. The Notes Amendment provides that the obligations under the Pulitzer Notes are fully and unconditionally guaranteed on a joint and several basis by Pulitzer's existing and future subsidiaries (excluding Star Publishing and TNI). Also, as a result of the Notes Amendment, Pulitzer and each of its subsidiaries pledged substantially all of its tangible and intangible assets, and granted mortgages covering certain real estate, as collateral for the payment and performance of their obligations under the Pulitzer Notes. Assets and stock of Star Publishing, the Company's ownership interest in TNI and certain employee benefit plan assets are excluded.

The Notes Amendment increased the rate paid on the outstanding principal balance to 9.05% until April 28, 2010. The interest rate will increase by 0.50% per year thereafter.

Pulitzer may voluntarily prepay principal amounts outstanding or reduce commitments under the Pulitzer Notes at any time, in whole or in part, without premium or penalty, upon proper notice and subject to certain limitations as to minimum amounts of prepayments. The Notes Amendment provides for mandatory scheduled prepayments, including quarterly principal payments of $4,000,000 beginning in June 2009 and an additional principal payment from restricted cash, if any, of up to $4,500,000 in October 2010. The Notes Amendment establishes a $9,000,000 (reducing to $4,500,000 in October 2010) reserve of restricted cash to facilitate the liquidity of the operations of Pulitzer. All other previously existing restricted cash requirements have been eliminated. See Note 13 of the Notes to Consolidated Financial Statements, included herein. The Notes Amendment allocates a percentage of Pulitzer's quarterly excess cash flow (as defined) between the Noteholders and the Credit Parties and requires prepayments under certain specified events.

The Pulitzer Notes contain certain covenants and conditions including the maintenance, by Pulitzer, of the ratio of debt to EBITDA, as defined in the Guaranty Agreement, minimum net worth and limitations on the incurrence of other debt. The Notes Amendment added a requirement to maintain minimum interest coverage, as defined. The Notes Amendment amended the Pulitzer Notes and the Guaranty Agreement covenants to take into account economic conditions and the changes to amortization of debt noted above. At March 29, 2009, Pulitzer was in compliance with such covenants.

Further, the Notes Amendment adds and amends other covenants including limitations or restrictions on additional debt, distributions, loans, advances, investments, acquisitions, dispositions and mergers. Such covenants ensure that substantially all future cash flows of Pulitzer are required to be directed first toward repayment of the Pulitzer Notes and that cash flows of Pulitzer are largely segregated from those of the Credit Parties.

The Credit Agreement contains a cross-default provision tied to the terms of the Pulitzer Notes and the Pulitzer Notes have limited cross-default provisions tied to the terms of the Credit Agreement.

The 2005 purchase price allocation of Pulitzer resulted in an increase in the value of the Pulitzer Notes in the amount of $31,512,000, which is recorded as debt in the Consolidated Balance Sheets. This amount will be accreted over the remaining life of the Pulitzer Notes, until April 2012, as a reduction in interest expense using the interest method. This accretion will not increase the principal amount due, or reduce the amount of interest to be paid, to the Noteholders.

Liquidity

The Company's continuing ability to operate is dependent, in part, on its ability to remain in compliance with its debt covenants and to refinance or amend the Credit Agreement and Pulitzer Notes when they become due in April 2012, or earlier if available liquidity is consumed. As noted above, the Company is in compliance with its debt covenants at March 29, 2009, and expects to remain in compliance with such covenants.

The Company generated cash flows in 2008 sufficient to reduce debt, net of changes in cash, by $102,225,000, pay dividends totaling $32,573,000 and acquire shares of its Common Stock in the amount of $19,483,000. The Company expects to utilize a portion of its capacity under its revolving credit facility to fund a portion of the remaining 2009, 2010, 2011 and 2012 (prior to maturity) principal payments required under the Credit Agreement and Pulitzer Notes. At March 29, 2009, the Company had $282,950,000 outstanding under the revolving credit facility, and after consideration of the 2009 Amendments and letters of credit, has approximately $76,200,000 available for future use. Including cash and restricted cash, the Company's liquidity at March 29, 2009 totals $94,749,000. This liquidity amount excludes any future cash flows. Principal payments on debt in the 52 weeks ending March 2010 total $81,900,000. The Company expects substantially all principal payments due in the 52 weeks ending March 2010 will be satisfied by the Company's continuing cash flows.

There are numerous potential consequences under the Credit Agreement, and Guaranty Agreement and Note Agreement related to the Pulitzer Notes, if an Event of Default, as defined, occurs and is not remedied. Many of those consequences are beyond the control of the Company, Pulitzer, and PD LLC, respectively. The occurrence of one or more Events of

Default would give rise to the right of the Lenders or the Noteholders, or both of them, to exercise their remedies under the Credit Agreement and the Note and Guaranty Agreements, respectively, including, without limitation, the right to accelerate all outstanding debt and take actions authorized in such circumstances under applicable collateral security documents.

The 2010 Redemption also eliminates the potential requirement for a substantial cash outflow in April 2010. This event also substantially enhances the Company's liquidity.

Interest Rate Exchange Agreements

At March 29, 2009, the Company had outstanding interest rate swaps in the notional amount of $125,000,000. The interest rate swaps have original terms of four to five years, carry interest rates from 4.3% to 4.4% (plus the applicable LIBOR margin) and effectively fix the Company's interest rate on debt in the amount, and for the time periods, of such instruments. In November 2008, interest rate swaps with notional amounts of $75,000,000 expired.

In 2008, the Company executed interest rate collars in the notional amount of $150,000,000. The collars have a two year term and limit LIBOR to an average floor of 3.57% and a cap of 5.0%. Such collars effectively limit the range of the Company's exposure to interest rates to LIBOR greater than the floor and less than the cap (in either case plus the applicable LIBOR margin) for the time period of such instruments.

Discontinued Operations and Other Matters

Cash required by discontinued operations totaled $5,000 in the 26 weeks ended March 29, 2009 and provided $15,016,000 in the 26 weeks ended March 30, 2008. Cash proceeds from the sales of discontinued operations and cash generated from operations were the primary sources of funds in the prior year period.

Cash and cash equivalents decreased $9,227,000 in the 26 weeks ended March 29, 2009, and increased $2,478,000 in the 26 weeks ended March 30, 2008.

INFLATION

The Company anticipates that changing costs of newsprint, its basic raw material, may impact future operating costs. Energy costs have also become more volatile. Price increases (or decreases) for the Company's products are implemented when deemed appropriate by management. The Company continuously evaluates price increases, productivity improvements, sourcing efficiencies and other cost reductions to mitigate the impact of inflation.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company is exposed to market risk stemming from changes in interest rates and commodity prices. Changes in these factors could cause fluctuations in earnings and cash flows. In the normal course of business, exposure to certain of these market risks is managed as described below.

INTEREST RATES

Restricted Cash and Investments

Interest rate risk in the Company's restricted cash and investments is managed by investing only in short-term securities.

Debt

The Company's debt structure and interest rate risk are managed through the use of fixed and floating rate debt. The Company's primary exposure is to LIBOR. A 100 basis point increase to LIBOR, to the extent such increase exceeds the applicable LIBOR floor, would decrease income from continuing operations before income taxes on an annualized basis by approximately $7,450,000, based on $745,375,000 of floating rate debt outstanding at March 29, 2009, after consideration of the interest rate swaps described below, and excluding debt subject to interest rate collars described below. Such interest rates may also decrease. Based on interest rates at the end of April 2009, LIBOR would need to increase approximately 80 to 100 basis points before the Company's borrowing cost would begin to be impacted.

At March 29, 2009, the Company has outstanding interest rate swaps in the notional amount of $125,000,000. The interest rate swaps have original terms of four to five years, carry interest rates from 4.3% to 4.4% (plus the applicable LIBOR margin) and effectively fix the Company's interest rate on debt in the amount, and for the time periods, of such instruments. In November 2008, interest rate swaps with notional amounts of $75,000,000 expired.

In 2008, the Company executed interest rate collars in the notional amount of $150,000,000. The collars have a two year term and limit LIBOR to an average floor of 3.57% and a cap of 5.0%. Such collars effectively limit the range of the Company's exposure to interest rates to LIBOR greater than the floor and less than the cap (in either case plus the applicable LIBOR margin) for the time period of such instruments.

At March 29, 2009, after consideration of the interest rate swaps described above, approximately 74% of the principal amount of the Company's debt is subject to floating interest rates. The interest rate collars described above limit the Company's exposure to interest rates on an additional 12% of the principal amount of its debt.

Certain of the Company's interest-earning assets, including those in employee benefit plans, also function as a natural hedge against fluctuations in interest rates on debt.

COMMODITIES

Certain materials used by the Company are exposed to commodity price changes. The Company manages this risk through instruments such as purchase orders and non-cancelable supply contracts. The Company is a participant in a buying cooperative with other publishing companies, primarily for acquisition of newsprint. The Company is also involved in continuing programs to mitigate the impact of cost increases through identification of sourcing and operating efficiencies. Primary commodity price exposures are newsprint and, to a lesser extent, ink and energy costs.

Unprecedented declines in newsprint demand are expected to continue throughout 2009 as newsprint consumption is suppressed by economic conditions, newsprint conservation programs, and the reduction of inventories. Many newsprint conservation programs were initiated in response to 2008 increases in newsprint pricing and are playing a role in cost containment during the current economic down cycle. Newsprint producers are struggling to balance supply capacity with current financial demands. They are likely to continue to implement extensive production curtailment programs including permanent, indefinite, and temporary capacity shutdowns. As a result, newsprint pricing has begun to decline on a monthly basis because of reduced usage and lower order volumes from newsprint consumers. This trend will likely continue through most of calendar 2009 until newsprint producers remove enough production capacity to balance supply with demand. The final extent of changes in price, if any, is subject to negotiation between such manufacturers and the Company.

A $10 per metric ton price decline for 30 pound newsprint would result in an annualized increase in income before income taxes of approximately $1,000,000 based on anticipated consumption rates in 2009, excluding consumption of MNI and TNI and the impact of LIFO accounting. Such prices may also increase.

SENSITIVITY TO CHANGES IN VALUE

The Company's fixed rate debt consists of the Pulitzer Notes, which are not traded on an active market and held by a small group of Noteholders. Coupled with the volatility of substantially all domestic credit markets that exists in the current recession, the Company is unable, as of March 29, 2009, to measure the maximum potential impact on fair value of fixed rate debt of the Company in one year from adverse changes in market interest rates under normal market conditions. The change in value, if determined, could be significant.

Changes in the value of interest rate swaps and interest rate collars from movements in interest rates are not determinable, due to the number of variables involved in the pricing of such instruments. However, increases in interest rates would generally result in increases in the fair value of such instruments.

Item 4. Controls and Procedures

In order to ensure that the information that must be disclosed in filings with the Securities and Exchange Commission is recorded, processed, summarized and reported in a timely manner, the Company has disclosure controls and procedures in place. The chief executive officer, Mary E. Junck, and chief financial officer, Carl G. Schmidt, have reviewed and evaluated the disclosure controls and procedures as of March 29, 2009, and have concluded that such controls and procedures are effective.

There have been no changes in internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, such controls during the 13 weeks ended March 29, 2009.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

In April 2008, a group of newspaper carriers filed suit against the Company in the United States District Court for the Southern District of California, claiming to be employees and not independent contractors of the Company. The plaintiffs seek relief related to violation of various employment-based statutes, and request punitive damages and attorneys' fees. Since the suit is still in the earliest of phases, the Company is unable to predict whether the ultimate economic outcome, if any, could have a material effect on the Company's Consolidated Financial Statements, taken as a whole. The Company denies the allegations of employee status, consistent with past practices of the Company and the industry, and intends to vigorously contest the action, which is not covered by insurance.

Item 2(c). Issuer Purchases of Equity Securities

During the 13 weeks ended March 29, 2009, the Company purchased shares of Common Stock, as noted in the table below, in transactions with participants in its 1990 Long-Term Incentive Plan. The transactions resulted from the withholding of shares to pay taxes related to the restricted stock vesting.

Month	Shares Purchased	Average Price Per Share
March	265	$0.39

Item 4. Submission of Matters to a Vote of Security Holders

The Annual Meeting of Stockholders of the Company was held on March 10, 2009. William E. Mayer, Gregory P. Schermer and Mark B. Vittert were elected as directors for three-year terms expiring at the 2012 annual meeting.

Votes were cast for nominees for director as follows:

	For	Withheld
William E. Mayer	67,334,409	7,329,311
Gregory P. Schermer	70,668,177	3,995,543
Mark B. Vittert	66,933,586	7,730,134

Discretionary authority was given to the Board of Directors to amend the Company's Restated Certificate of Incorporation to effect a reverse stock split of the issued and outstanding shares of Common Stock and Class B Common Stock. The Board of Directors was given the authority to combine a whole number of outstanding shares of Common Stock and Class B Common Stock in a range of not less than five and not more than ten shares, into one share of Common Stock or one share of Class B Common Stock, at any time prior to June 30, 2009. 71,131,772 of votes were cast for the proposal and 3,595,391 votes against, with 233,411 votes abstaining.

Item 6. Exhibits

Number	Description
10.1	Third Amendment, Consent and Waiver to Credit Agreement and First Amendment to Intercompany Subordination Agreement and Mortgages, dated as of February 18, 2009, among Lee Enterprises, Incorporated ("Company"), Deutsche Bank Trust Company Americas ("Deutsche Bank Trust"), as Administrative Agent and as Collateral Agent, and the Lenders party to the Amended and Restated Credit Agreement, dated as of December 21, 2005, among the Company, Deutsche Bank Trust, as Administrative Agent, Deutsche Bank Securities Inc. and SunTrust Capital Markets, Inc., as Joint Lead Arrangers, Deutsche Bank Securities Inc., as Book Running Manager, SunTrust Bank, as Syndication Agent, and Bank of America, N.A., The Bank of New York and The Bank of Tokyo-Mitsubishi, Ltd., Chicago Branch, as Co-Documentation Agents and other Lenders party thereto.
10.2	Amended and Restated Pledge Agreement, dated as of December 21, 2005, among Lee Enterprises, Incorporated ("Company") and certain Subsidiaries of the Company party thereto and Deutsche Bank Trust Company Americas, as Collateral Agent.
10.3	Amended and Restated Subsidiaries Guaranty, dated as of December 21, 2005, among Lee Enterprises, Incorporated ("Company") and certain Subsidiaries of the Company party thereto in favor of Deutsche Bank Trust Company Americas, as Administrative Agent.
10.4	Amended and Restated Intercompany Subordination Agreement, dated as of December 21, 2005, among Lee Enterprises, Incorporated ("Company") and certain Subsidiaries of the Company party thereto and Deutsche Bank Trust Company Americas, as Collateral Agent.
10.5	Third Amendment to Limited Waiver to Note Agreement and Guaranty Agreement, dated as of February 6, 2009, among St. Louis Post-Dispatch LLC, Pulitzer Inc. and the Noteholders party thereto.
10.6	Limited Waiver and Amendment No. 5 to Note Agreement, dated as of February 18, 2009, among St. Louis Post-Dispatch LLC and the Noteholders party thereto.
10.7	Security Agreement, dated as of February 18, 2009, among Pulitzer Inc., St. Louis Post-Dispatch LLC and each Subsidiary of the Company party thereto.
10.8	Pledge Agreement, dated as of February 18, 2009, among Pulitzer Inc., St. Louis Post-Dispatch LLC and each Subsidiary of Pulitzer Inc. party thereto in favor of The Bank New York Mellon Trust Company, N.A., as Collateral Agent, on behalf and for the benefit of the Secured Parties (as defined therein).
10.9	Subsidiary Guaranty Agreement, dated as of February 18, 2009, among the Subsidiaries of Pulitzer Inc. party thereto in favor of the Noteholders under the Note Agreement, dated as of May 1, 2000, among St. Louis Post-Dispatch LLC and the Noteholders party thereto.
10.10	Set-Off Agreement, dated as of February 18, 2009, among Lee Enterprises, Incorporated, Lee Procurement Solutions Co. and Pulitzer Inc.
10.11	Limited Waiver and Amendment No. 5 to Guaranty Agreement, dated as of February 18, 2009, among Pulitzer Inc., in favor of the Noteholders under the Note Agreement, dated as of May 1, 2000, among St. Louis Post-Dispatch LLC and the Noteholders party thereto.
10.12	Redemption Agreement, dated February 18, 2009, among St. Louis Post-Dispatch LLC, STL Distribution Services LLC, The Herald Publishing Company, LLC, Pulitzer Inc. and Pulitzer Technologies, Inc.
10.13	Amendment Number Two to Operating Agreement of St. Louis Post-Dispatch LLC, effective February 18, 2009, between Pulitzer Inc. and Pulitzer Technologies, Inc.
31.1	Rule 13a-14(a)/15d-14(a) certification
31.2	Rule 13a-14(a)/15d-14(a) certification
32	Section 1350 certification

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

/s/ Carl G. Schmidt — Date: May 8, 2009

Carl G. Schmidt
Vice President, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)

Exhibit 10.1 - Third Amendment, Consent and Waiver to Credit Agreement and First Amendment to Intercompany Subordination Agreement and Mortgages

THIRD AMENDMENT, CONSENT AND WAIVER TO CREDIT AGREEMENT AND FIRST AMENDMENT TO INTERCOMPANY SUBORDINATION AGREEMENT AND MORTGAGES

THIRD AMENDMENT, CONSENT AND WAIVER TO CREDIT AGREEMENT AND FIRST AMENDMENT TO INTERCOMPANY SUBORDINATION AGREEMENT AND MORTGAGES (this "Amendment"), dated as of February 18, 2009, among LEE ENTERPRISES, INCORPORATED, a Delaware corporation (the "Borrower"), the lenders party to the Credit Agreement referred to below (the "Lenders") and DEUTSCHE BANK TRUST COMPANY AMERICAS, as Administrative Agent (in such capacity, the "Administrative Agent") and as Collateral Agent (in such capacity, the "Collateral Agent"). Unless otherwise indicated, all capitalized terms used herein and not otherwise defined herein shall have the respective meanings provided such terms in the Credit Agreement.

W I T N E S S E T H :

WHEREAS, the Borrower, the Lenders and the Administrative Agent are parties to an Amended and Restated Credit Agreement, dated as of December 21, 2005 (as amended, restated, modified and/or supplemented to, but not including, the date hereof, the "Credit Agreement");

WHEREAS, the Borrower, the Collateral Agent and certain Subsidiaries of the Borrower are parties to an Amended and Restated Credit Intercompany Subordination Agreement, dated as of December 21, 2005 (as amended, restated, modified and/or supplemented to, but not including, the date hereof, the "Intercompany Subordination Agreement");

WHEREAS, the Borrower, the Lenders and the Administrative Agent entered into the Second Waiver to Credit Agreement, dated as of December 22, 2008 (the "Second Waiver"), pursuant to which the Lenders had agreed to waive the Specified Events of Defaults (as defined in the Second Waiver) on the terms and conditions set forth therein; and

WHEREAS, subject to the terms, conditions and agreements herein set forth, the parties hereto have agreed to amend the Credit Agreement and the Intercompany Subordination Agreement, consent to certain actions to be taken under the Credit Agreement and waive the Specified Events of Default thereunder, in each case as herein provided;

NOW, THEREFORE, it is agreed:

I. Amendments to the Credit Agreement.

1. The definition of "A Term Loan Maturity Date" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"A Term Loan Maturity Date" shall mean April 28, 2012.

2. The definition of "Applicable Commitment Commission Percentage" and "Applicable Margin" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"Applicable Commitment Commission Percentage" and "Applicable Margin" shall mean: (A) from and after any Start Date to and including the corresponding End Date described below, (i) with respect to Commitment Commission, the respective per annum percentage set forth in the table below under the column "Applicable Commitment Commission Percentage", and (ii) with respect to A Term Loans, Revolving Loans and Swingline Loans, the respective percentage per annum set forth in the table below under the respective Tranche and Type of Loans and (in the case of preceding sub-clauses (i) and (ii)) opposite the respective Level (i.e., Level 1, Level 2, Level 3, Level 4, Level 5, Level 6 or Level 7, as the case may be) indicated to have been achieved in respect of the respective Start Date (as shown in any respective officer's certificate delivered in accordance with the following sentences), (B) with respect to B Term Loans maintained as (i) Base Rate Loans, a percentage per annum equal to 1.50%, and (ii) Eurodollar Loans, a percentage per annum equal to 2.50%, and (C) with respect to any Type of Incremental Term Loan of a given Tranche that is neither an A Term Loan nor a B Term Loan, that percentage per annum set forth in, or calculated in accordance with, Section 2.14 and the relevant Incremental Term Loan Commitment Agreement:

"Level	Total Leverage Ratio	A Term Loan, Revolving Loans and Swingline Loans Base Rate Margin	A Term Loan and Revolving Loans Eurodollar Margin	Applicable Commitment Commission Percentage
7	Equal to or greater than 6.75 to 1.00	3.50%	4.50%	0.50%
6	Equal to or greater than 6.25 to 1.00 but less than 6.75 to 1.00	3.00%	4.00%	0.50%
5	Equal to or greater than 5.75 to 1.00, but less than 6.25 to 1.00	2.50%	3.50%	0.50%
4	Equal to or greater than 5.00 to 1.00 but less than 5.75 to 1.00	2.00%	3.00%	0.50%
3	Equal to or greater than 4.50 to 1.00 but less than 5.00 to 1.00	1.875%	2.875%	0.50%
2	Equal to or greater than 4.00 to 1.00 but less than 4.50 to 1.00	1.75%	2.75%	0.50%
1	Less than 4.00 to 1.00	1.625%	2.625%	0.50%";

The Total Leverage Ratio used in a determination of Applicable Commitment Commission Percentage and Applicable Margins shall be determined based on the delivery of a certificate of the Borrower (each, a "Quarterly Pricing Certificate") by an Authorized Officer of the Borrower to the Administrative Agent (with a copy to be sent

by the Administrative Agent to each Lender), within (i) 45 days after the last day of each of the first three fiscal quarters in each fiscal year of the Borrower and (ii) 90 days after the last day of the fourth fiscal quarter of each fiscal year of the Borrower, each of which Quarterly Pricing Certificates shall set forth the calculation of the Total Leverage Ratio as at the last day of the Test Period ended immediately prior to the relevant Start Date (but determined on a Pro Forma Basis solely to give effect to all Permitted Acquisitions (if any) and all Significant Asset Sales (if any) consummated on or after the first day of such Test Period and on or prior to the date of delivery of any such Quarterly Pricing Certificate and any Indebtedness incurred, assumed or permanently repaid in connection therewith) and the Applicable Commitment Commission Percentage and Applicable Margins which shall be thereafter applicable (until same are changed or cease to apply in accordance with the following provisions of this definition); provided that at the time of the consummation of any Permitted Acquisition or Significant Asset Sale, an Authorized Officer of the Borrower shall deliver to the Administrative Agent a certificate setting forth the calculation of the Total Leverage Ratio on a Pro Forma Basis (solely to give effect to all Permitted Acquisitions (if any) and all Significant Asset Sales (if any) consummated on or after the first day of such Test Period and on or prior to the date of the delivery of such certificate and any Indebtedness incurred or assumed in connection therewith) as of the last day of the last Calculation Period ended prior to the date on which such Permitted Acquisition or Significant Asset Sale is consummated for which financial statements have been made available (or were required to be made available) pursuant to Section 9.01(a) or (b), as the case may be, and the date of such consummation shall be deemed to be a Start Date and the Applicable Commitment Commission Percentage and Applicable Margins which shall be thereafter applicable (until same are changed or cease to apply in accordance with the following sentences) shall be based upon the Total Leverage Ratio as so calculated. The Applicable Commitment Commission Percentage and Applicable Margins so determined shall apply, except as set forth in the immediately succeeding sentence, from the relevant Start Date to the earliest of (x) the date on which the next officer's certificate is delivered to the Administrative Agent, (y) the date on which the next Permitted Acquisition or Significant Asset Sale is consummated or (z) the date which is 45 days following the last day of the Test Period (or 90 days following the last day of the Test Period in respect of the fourth fiscal quarter of the Borrower, in either case) in which the previous Start Date occurred (such earliest date, the "End Date"), at which time, if no officer's certificate has been delivered to the Administrative Agent indicating an entitlement to new Applicable Commitment Commission Percentage and Applicable Margins (and thus commencing a new Start Date), the Applicable Commitment Commission Percentage and Applicable Margins shall be those applicable to a Total Leverage Ratio based on a Level 7 until such time as a new Start Date shall commence as provided above. Notwithstanding anything to the contrary contained above in this definition, (x) the Applicable Commitment Commission Percentage and Applicable Margins shall be those applicable to a Total Leverage Ratio based on a Level 7 at all times during which any Default or Event of Default shall occur and be continuing and (y) (A) for periods prior to the Third Amendment Effective Date, the Applicable Commitment Commission Percentage and Applicable Margin shall be calculated in accordance with this definition prior to giving effect to the Third Amendment and (B) for the period from and including the Third Amendment Effective Date until the first Start Date thereafter, the Applicable Commitment Commission Percentage and Applicable Margin shall be those applicable to a Total Leverage Ratio based on Level 5.

3. The definition of "Base Rate" appearing in Section 1.01 of the Credit Agreement is hereby amended by inserting the following new sentence at the end thereof:

"Notwithstanding the foregoing, from and after the Third Amendment Effective Date, in no event shall the Base Rate be less than 1.00% per annum at any time."

4. The definition of "Consolidated EBITDA" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"Consolidated EBITDA" shall mean, for any period, Consolidated Net Income for such period plus all amounts deducted in the computation thereof on account of (without duplication) (a) Consolidated Interest Expense plus the aggregate amount of all PIK Interest, (b) depreciation and amortization expense, (c) income and profits taxes, (d) in the case of any period including the Borrower's fiscal quarter ending closest to March 31, 2009, the fees and expenses incurred in connection with the Third Amendment and the PD LLC Notes Amendment, and (e) in the case of any period including any fiscal quarter of the Borrower ending in the Borrower's fiscal year ending closest to September 30, 2009, up to the amount of Restructuring Charges actually recorded or accrued during such period.

5. The definition of "Consolidated Indebtedness" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"Consolidated Indebtedness" shall mean, at any time, the sum of (without duplication) (i) all Indebtedness of the Borrower and its Subsidiaries (on a consolidated basis) as would be required to be reflected as debt or Capitalized Lease Obligations on the liability side of a consolidated balance sheet of the Borrower and its Subsidiaries in accordance with GAAP, (ii) all Indebtedness of the Borrower and its Subsidiaries of the type described in clauses (ii), (vii) and (viii) of the definition of Indebtedness and (iii) all Contingent Obligations of the Borrower and its Subsidiaries in respect of Indebtedness of any third Person of the type referred to in preceding clauses (i) and (ii); provided that (A) the amount of Indebtedness in respect of any Interest Rate Protection Agreements and Other Hedging Agreements shall be at any time (a) if any such Interest Rate Protection Agreements or Other Hedging Agreements have been closed out, the unamortized termination value thereof, and (b) in all other cases, the unrealized net loss position, if any, of the Borrower and/or its Subsidiaries thereunder on a marked-to-market basis determined no more than one month prior to such time, and (B) the aggregate unpaid PIK Interest Amount shall be excluded from the calculation of Consolidated Indebtedness."

6. The definition of "Consolidated Interest Expense" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"Consolidated Interest Expense" shall mean, for any period, the sum for the Borrower and its Subsidiaries for such period, determined on a consolidated basis in

accordance with GAAP, of all amounts which would be deducted in computing Consolidated Net Income on account of interest on Indebtedness ((x) including (whether or not so deducted) (i) imputed interest in respect of Capitalized Lease Obligations, (ii) the "deemed interest expense" (i.e., the interest expense which would have been applicable if the respective obligations were structured as on-balance sheet financing arrangements) with respect to all Indebtedness of the Borrower and its Subsidiaries of the type described in clause (viii) of the definition of "Indebtedness" contained herein (to the extent same does not arise from a financing arrangement constituting an operating lease), (iii) amortization of debt discount and expense and (iv) all commissions, discounts and other regularly accruing commitment, letter of credit and other banking fees and charges (including all Commitment Commissions, Letter of Credit Fees and Facing Fees but (y) excluding the aggregate amount of all PIK Interest).

7. The definition of "Eurodollar Rate" appearing in Section 1.01 of the Credit Agreement is hereby amended by inserting the following new sentence at the end thereof:

"Notwithstanding the foregoing, from and after the Third Amendment Effective Date, in no event shall the Eurodollar Rate be less than (i) in the case of a Eurodollar Loan with a one month Interest Period, 1.25% per annum for any such Interest Period, (ii) in the case of a Eurodollar Loan with a two month Interest Period, 1.75% per annum for any such Interest Period, (iii) in the case of a Eurodollar Loan with a three month Interest Period, 2.00% per annum for any such Interest Period, and (iv) in the case of a Eurodollar Loan with a six month Interest Period, 2.50% per annum for any such Interest Period."

8. The definition of "Excess Cash Flow" appearing in Section 1.01 of the Credit Agreement is hereby amended by restating sub-clause (2) of the parenthetical appearing in clause (b)(ii) thereof in its entirety as follows:

"(2) repayments of Loans and the PIK Interest Amount, provided that repayments of Loans and the PIK Interest Amount shall be deducted in determining Excess Cash Flow to the extent such repayments were (x) required as a result of a Scheduled Term Loan Repayment pursuant to Section 5.02(b) or (y) made as a voluntary prepayment pursuant to Section 5.01 with internally generated funds (but in the case of a voluntary prepayment of Revolving Loans or Swingline Loans, only to the extent accompanied by a voluntary reduction of the Total Revolving Loan Commitment in an amount equal to such prepayment) and".

9. The definition of "Excluded Domestic Subsidiary" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"Excluded Domestic Subsidiary" shall mean Pulitzer and each Domestic Subsidiary of Pulitzer, but only so long as Pulitzer and its Domestic Subsidiaries have not become Subsidiary Guarantors by virtue of the restrictions set forth in any of the PD LLC Notes Documents or in any of the documents evidencing Permitted PD LLC Notes Refinancing Indebtedness, as the case may be.

10. The definition of "Net Sale Proceeds" appearing in Section 1.01 of the Credit Agreement is hereby amended by restating clause (iii) of said definition in its entirety as follows:

"(iii) the amount of such gross cash proceeds required to be used (x) in the case of any assets of any Excluded Domestic Subsidiary so sold or disposed of, to permanently repay (A) the PD LLC Notes or any Permitted PD LLC Notes Refinancing Indebtedness pursuant to the terms of the PD LLC Notes Documents or the documents governing such Permitted PD LLC Notes Refinancing Indebtedness or (B) any Indebtedness of any Excluded Domestic Subsidiary (other than Indebtedness of the Lenders pursuant to this Agreement) that is secured by the respective assets which were sold or otherwise disposed of or (y) in the case of any assets of the Borrower or any of its Subsidiaries (other than any Excluded Domestic Subsidiary) so sold or disposed of, to permanently repay any Indebtedness (other than Indebtedness of the Lenders pursuant to this Agreement) which is secured by the respective assets which were sold or otherwise disposed of,".

11. The definition of "Obligations" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"Obligations" shall mean all amounts owing to the Administrative Agent, the Collateral Agent, any Issuing Lender, the Swingline Lender or any Lender pursuant to the terms of this Agreement and each other Credit Document, including, without limitation, all amounts in respect of any principal, premium, interest (including PIK Interest, the PIK Interest Amount and any interest, fees and/or expenses accruing subsequent to the filing of a petition in bankruptcy, reorganization or similar proceeding at the rate provided for in this Agreement, whether or not such interest, fees and/or expenses are an allowed claim under any such proceeding or under applicable state, federal or foreign law), penalties, fees, expenses, indemnifications, reimbursements (including Unpaid Drawings with respect to Letters of Credit), damages and other liabilities, and guarantees of the foregoing amounts.

12. The definition of "PD LLC Notes Documents" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"PD LLC Notes" shall mean PD LLC's Adjustable Rate Senior Notes due 2012 issued pursuant to the PD LLC Notes Agreement, as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment) and as the same may be further amended, restated, modified and/or supplemented from time to time in accordance with the terms hereof and thereof.

13. The definition of "PD LLC Notes Agreement" appearing in Section 1.01 of the Credit Agreement is hereby amended by replacing the text "Restatement Effective Date" appearing therein with the text "Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment)".

14. The definition of "PD LLC Notes Documents" appearing in Section 1.01 of the Credit Agreement is hereby amended by (i) inserting the text "(including all Collateral Documents (as defined in the PD LLC Notes Agreement))" immediately after the text "all other documents" appearing therein and (ii) replacing the text "Restatement Effective Date" appearing therein with the text "Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment)".

15. The definition of "PD LLC Notes Guaranty" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"PD LLC Notes Guaranty" shall mean, collectively, (i) that certain Guaranty Agreement, dated as of May 1, 2000, as amended by Amendment No. 1 to Guaranty Agreement dated as of August 7, 2000, Amendment No. 2 to Guaranty Agreement dated as of November 23, 2004, Amendment No. 3 to Guaranty Agreement dated as of June 2005, Amendment No. 4 to Guaranty Agreement dated as of February 1, 2006 and Limited Waiver and Amendment No. 5 to Guaranty Agreement dated as of the Third Amendment Effective Date, made by Pulitzer to the holders from time to time of the PD LLC Notes as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment) and as the same may be further amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof and hereof and (ii) that certain Subsidiary Guaranty Agreement, dated as of the Third Amendment Effective Date, from all of the Subsidiaries of Pulitzer (other than Star Publishing) in favor of the holders from time to time of the PD LLC Notes, as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment) and as the same may be further amended, restated, modified and/or supplemented from time to time in accordance with the terms thereof and hereof.

16. The definition of "PD LLC Refinancing Amendment" appearing in Section 1.01 of the Credit Agreement is hereby deleted in its entirety.

17. The definition of "Permitted PD LLC Notes Refinancing Indebtedness" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"Permitted PD LLC Notes Refinancing Indebtedness" shall mean Indebtedness solely of PD LLC so long as (i) the proceeds of such Indebtedness are used solely to refinance in full the PD LLC Notes outstanding at such time and to pay any fees and expenses incurred in connection with obtaining such Indebtedness, (ii) such Indebtedness does not have any amortization, redemption, sinking fund, maturity or similar requirement prior to April 28, 2013 (other than for interim payments or prepayments prior to final maturity on terms no more restrictive than those set forth in the PD LLC Notes Documents as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment)), (iii) the aggregate principal amount of such Indebtedness shall not be more than the aggregate principal amount of the PD LLC Notes outstanding at such time (plus the amount of any accrued and unpaid interest thereon and the amount of any fees and expenses incurred in connection with the incurrence thereof), (iv) the restrictions on the ability of Pulitzer and its Subsidiaries to pay cash Dividends and make Intercompany Loans to, and otherwise engage in transactions with, the Borrower and its other Subsidiaries shall be no more restrictive than those restrictions

that exist in the PD LLC Notes Documents as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment) and (v) all of the other terms and conditions thereof (and the documentation with respect thereto) are in form and substance reasonably satisfactory to the Administrative Agent.

18. The definition of "Required Lenders" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"Required Lenders" shall mean, at any time, Non-Defaulting Lenders the sum of whose outstanding Term Loans, respective shares in the PIK Interest Amount and Revolving Loan Commitments at such time (or, after the termination thereof, outstanding Revolving Loans and RL Percentages of (x) outstanding Swingline Loans at such time and (y) Letter of Credit Outstandings at such time) represents at least a majority of the sum of (i) all outstanding Term Loans of Non-Defaulting Lenders at such time, (ii) the aggregate shares of Non-Defaulting Lenders in the PIK Interest Amount at such time and (iii) the Total Revolving Loan Commitment in effect at such time less the Revolving Loan Commitments of all Defaulting Lenders at such time (or, after the termination thereof, the sum of the then total outstanding Revolving Loans of Non-Defaulting Lenders and the aggregate RL Percentages of all Non-Defaulting Lenders of the total outstanding Swingline Loans and Letter of Credit Outstandings at such time).

19. The definition of "Revolving Loan Maturity Date" appearing in Section 1.01 of the Credit Agreement is hereby restated in its entirety as follows:

"Revolving Loan Maturity Date" shall mean April 28, 2012.

20. Section 1.01 of the Credit Agreement is hereby further amended by inserting the following new definitions in the appropriate alphabetical order:

"Applicable PIK Interest Rate" shall mean, with respect to each PIK Interest Accrual Period (or portion thereof) (i) during the period from and including the Third Amendment Effective Date through and including the last day of the Borrower's fiscal quarter ending closest to March 31, 2010, a rate per annum equal to 1.00%, (ii) during the period from and including the first day of the Borrower's fiscal quarter beginning closest to April 1, 2010 through and including the last day of the Borrower's fiscal quarter ending closest to March 31, 2011, a rate per annum equal to 1.50%, and (iii) thereafter, a rate per annum equal to 2.00%.

"A Term Loan PIK Interest Amount" shall mean (i) the aggregate amount of PIK Interest accrued and/or paid in respect of outstanding A Term Loans pursuant to Sections 2.08(a) and/or 2.08(b) and (ii) the aggregate amount of PIK Interest accrued and/or paid pursuant to Section 2.08(c) initially in respect of such PIK Interest referred to in preceding clause (i).

"Base Rate Basic Interest" shall have the meaning provided in Section 2.08(a).

"Base Rate Basic Interest Rate" shall have the meaning provided in Section 2.08(a).

"Base Rate PIK Interest" shall have the meaning provided in Section 2.08(a).

"Base Rate PIK Interest Rate" shall have the meaning provided in Section 2.08(a).

"Basic Interest" shall have the meaning provided in Section 2.08(b).

"Eurodollar Rate Basic Interest" shall have the meaning provided in Section 2.08(b).

"Eurodollar Rate Basic Interest Rate" shall have the meaning provided in Section 2.08(b).

"Eurodollar Rate PIK Interest" shall have the meaning provided in Section 2.08(b).

"Eurodollar Rate PIK Interest Rate" shall have the meaning provided in Section 2.08(b).

"Lee Procurement" shall mean Lee Procurement Solutions Co., an Iowa corporation and a Qualified Wholly-Owned Domestic Subsidiary Guarantor.

"Pay-Off Date" shall mean the date upon which the Total Commitment has been terminated, no Note is outstanding, all Loans have been repaid in full in cash, all Letters of Credit have been terminated and all other Obligations then outstanding (other than (i) if prior to the last day of the Borrower's fiscal year ending closest to September 30, 2011, the aggregate unpaid PIK Interest Amount, or (ii) if on or after the last day of the Borrower's fiscal year ending closest to September 30, 2011, 50% of the aggregate unpaid PIK Interest Amount) have been paid in full in cash.

"PD LLC Notes Amendment" shall mean one or more amendments to (or terminations of and/or additions to, as applicable) the applicable PD LLC Notes Documents collectively containing the principal terms and conditions described in the term sheet attached as Exhibit A to the Third Amendment and otherwise in form and substance satisfactory to the Administrative Agent.

"PIK Interest" shall have the meaning provided in Section 2.08(b).

"PIK Interest Accrual Period" shall mean the period from and after any Start Date to and including the corresponding End Date, but only in the event that the Total Leverage Ratio indicated to have been achieved in respect of the respective Start Date (as shown in the applicable Quarterly Pricing Certificate) is greater than 7.50:1.00 (it being understood that no PIK Interest Accrual Period shall apply to periods prior to the Third Amendment Effective Date).

"PIK Interest Amount" shall mean, collectively, the A Term Loan PIK Interest Amount and the Revolving Loan PIK Interest Amount.

"Pulitzer Free Cash Flow" shall mean "Excess Cash Flow" under, and as defined in, the PD LLC Note Documents (as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment)).

"Restricted Cash Reserve Account" shall have the meaning provided in the PD LLC Note Agreement as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment).

"Revolving Loan PIK Interest Amount" shall mean (i) the aggregate amount of PIK Interest accrued and/or paid in respect of outstanding Revolving Loans pursuant to Sections 2.08(a) and/or 2.08(b) and (ii) the aggregate amount of PIK Interest accrued and/or paid pursuant to Section 2.08(c) initially in respect of such PIK Interest referred to in preceding clause (i).

"Star Publishing" shall mean Star Publishing Company, an Arizona corporation and a Subsidiary of Pulitzer.

"Third Amendment" shall mean the Third Amendment, Consent and Waiver to this Agreement, dated as of February 18, 2009.

"Third Amendment Effective Date" shall have the meaning provided in the Third Amendment."

21. Section 2.08 of the Credit Agreement is hereby restated in its entirety as follows:

"2.08. Interest. (a) The Borrower agrees to pay interest in respect of the unpaid principal amount of each Base Rate Loan from the date of Borrowing thereof until the earlier of (i) the maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such Base Rate Loan to a Eurodollar Loan pursuant to Section 2.06 or 2.09, as applicable, at a rate per annum which shall be equal to the sum of (I) the relevant Applicable Margin plus the Base Rate (the "Base Rate Basic Interest Rate," and such interest at the Base Rate Basic Interest Rate, the "Base Rate Basic Interest") as in effect from time to time, plus (II) during each PIK Interest Accrual Period (but otherwise subject to the last sentence of Section 2.08(e)), the Applicable PIK Interest Rate (the "Base Rate PIK Interest Rate," and such interest at the Base Rate PIK Interest Rate, the "Base Rate PIK Interest").

(b) The Borrower agrees to pay interest in respect of the unpaid principal amount of each Eurodollar Loan from the date of Borrowing thereof until the earlier of (i) the maturity thereof (whether by acceleration or otherwise) and (ii) the conversion of such Eurodollar Loan to a Base Rate Loan pursuant to Section 2.06, 2.09 or 2.10, as applicable, at a rate per annum which shall, during each Interest Period applicable thereto, be equal to the sum of (I) the relevant Applicable Margin plus the Eurodollar Rate for such Interest Period (the "Eurodollar Rate Basic Interest Rate," and such interest at the Eurodollar Rate

Basic Interest Rate, the "Eurodollar Rate Basic Interest;" and the Eurodollar Rate Basic Interest and the Base Rate Basic Interest are collectively referred to as the "Basic Interest") plus (II) during each PIK Interest Accrual Period (but otherwise subject to the last sentence of Section 2.08(e)), the Applicable PIK Interest Rate (the "Eurodollar Rate PIK Interest Rate," and such interest at the Eurodollar Rate PIK Interest Rate, the "Eurodollar Rate PIK Interest;" and the Eurodollar Rate PIK Interest and the Base Rate PIK Interest, together with any interest on the unpaid PIK Interest Amount pursuant to Section 2.08(c), are collectively referred to as the "PIK Interest").

(c) The Borrower agrees to pay interest in respect of the unpaid PIK Interest Amount from time to time outstanding (subject to the last sentence of Section 2.08(e)) at a rate of 6.0% per annum.

(d) Notwithstanding anything to the contrary contained in this Agreement, the unpaid principal amount of each Loan and the unpaid PIK Interest Amount shall bear interest at a rate per annum equal to the rate which is 2% in excess of the rate otherwise applicable to such Loan or such PIK Interest Amount, as applicable, at all times that an Event of Default shall have occurred and be continuing. In addition (but without duplication of any amounts payable pursuant to the immediately preceding sentence), overdue principal and, to the extent permitted by law, overdue interest in respect of each Loan and the unpaid PIK Interest Amount shall, in each case, bear interest at a rate per annum equal to (A) in the case of Loans, the greater of (x) the rate which is 2% in excess of the rate then borne by such Loans and (y) the rate which is 2% in excess of the rate otherwise applicable to Base Rate Loans of the respective Tranche from time to time, (B) in the case of the PIK Interest Amount, at a rate of 8% per annum, and (c) in the case of other overdue amounts payable hereunder and under any other Credit Document, at a rate per annum equal to the rate which is 2% in excess of the rate applicable to Revolving Loans that are maintained at Base Rate Loans from time to time. Interest that accrues under this Section 2.08(d) shall be payable on demand. Payment or acceptance of the increased rates of interest provided for in this Section 2.08(d) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Lender.

(e) Accrued (and theretofore unpaid) interest shall be payable (in the case of Basic Interest, in cash, and in the case of PIK Interest, by having the amount of such PIK Interest added to the applicable PIK Interest Amount then in effect and continue to accrue (with interest thereon) for the account of the respective Lenders as described below) (i) in respect of each Base Rate Loan, (x) quarterly in arrears on each Quarterly Payment Date, (y) on the date of any repayment or prepayment in full of all outstanding Base Rate Loans, and (z) at maturity (whether by acceleration or otherwise) and, after such maturity, on demand, (ii) in respect of each Eurodollar Loan, (x) on the last day of each Interest Period applicable thereto and, in the case of an Interest Period in excess of three months, on each date occurring at three month intervals after the first day of such Interest Period, (y) on the date of any repayment or prepayment (on the amount repaid or prepaid), and (z) at maturity (whether by acceleration or otherwise) and, after such maturity, on demand, and (iii) in respect of (x) Base Rate PIK Interest, on each date when Base Rate Basic Interest is otherwise payable on the respective Base Rate Loans as provided in clause (i) above in this

Section 2.08(e), (y) Eurodollar Rate PIK Interest, on each date when Eurodollar Rate Basic Interest is otherwise payable on the respective Eurodollar Rate Loans as provided in clause (ii) above, and (z) PIK Interest payable under Section 2.08(c), (A) quarterly in arrears on each Quarterly Payment Date, (B) on the date of any repayment or prepayment in full of the unpaid A Term Loan PIK Interest Amount or Revolving Loan PIK Interest Amount, as the case may be, and (C) at maturity (whether by acceleration or otherwise) and, after such maturity, on demand. Base Rate Basic Interest and Eurodollar Rate Basic Interest payable under Sections 2.08(a) and 2.08(b), respectively, shall be payable in cash, and PIK Interest payable under Sections 2.08(a), 2.08(b) and 2.08(c) shall be payable by adding the amount thereof on each date when such PIK Interest is due to increase the unpaid amount of the A Term Loan PIK Interest Amount or the Revolving Loan PIK Interest Amount, as applicable; provided, however, notwithstanding the foregoing, all accrued and unpaid PIK Interest shall be payable in cash at maturity (whether by acceleration or otherwise).

Notwithstanding anything to the contrary contained above in this Section 2.08 or elsewhere in this Agreement, (A) to the extent that either (x) the Pay-off Date occurs prior to the last day of the Borrower's fiscal year ending closest to September 30, 2011 (other than as a result of a repayment following the Obligations being declared, or otherwise becoming, due and payable pursuant to Section 11) or (y) the Total Leverage Ratio as of the last day of the Borrower's fiscal year ending closest to September 30, 2011 is less than 6.00:1.00, 100% of the aggregate unpaid PIK Interest Amount at such time shall be forgiven and shall no longer be considered outstanding and no further PIK Interest shall accrue or be paid pursuant to this Section 2.08 and (B) to the extent that the Pay-off Date occurs on or after the last day of the Borrower's fiscal year ending closest to September 30, 2011 but before April 28, 2012 (other than as a result of a repayment following the Obligations being declared, or otherwise becoming, due and payable pursuant to Section 11), 50% of the aggregate unpaid PIK Interest Amount at such time shall be forgiven and shall no longer be considered outstanding (and with such reduction to be applied ratably to the unpaid A Term Loan PIK Interest Amount and the Revolving Loan PIK Interest Amount).

(f) Upon each Interest Determination Date, the Administrative Agent shall determine the Eurodollar Rate for each Interest Period applicable to the respective Eurodollar Loans and shall promptly notify the Borrower and the Lenders thereof. Each such determination shall, absent manifest error, be final and conclusive and binding on all parties hereto."

22. Section 5.01(a) of the Credit Agreement is hereby amended by restating clause (v) of said Section in its entirety as follows:

"and (v) each voluntary prepayment of any Tranche of Term Loans pursuant to this Section 5.01(a) shall be applied to reduce the remaining Scheduled Term Loan Repayments of such Tranche of Term Loans in inverse order of maturity."

23. Section 5.01 of the Credit Agreement is hereby further amended by inserting the following new clause (c) at the end thereof:

"(c) The Borrower shall have the right to prepay the unpaid PIK Interest Amount, without premium or penalty, in whole or in part any time and from time to time on the following terms and conditions: (i) no Loans shall be outstanding; (ii) the Borrower shall give the Administrative Agent prior to 12:00 Noon (New York time) at the Notice Office at least one Business Day's prior written notice (or telephonic notice promptly confirmed in writing) of its intent to prepay the unpaid PIK Interest Amount, which notice shall specify whether the A Term Loan PIK Interest Amount and/or the Revolving Loan PIK Interest Amount shall be prepaid and the amount of such prepayment, and which notice the Administrative Agent shall promptly transmit to each of the Lenders; (ii) each partial prepayment of the unpaid PIK Interest Amount pursuant to this Section 5.01(c) shall be in the aggregate amount of at least $1,000,000 (or such lesser amount as is acceptable to the Administrative Agent); and (ii) each voluntary prepayment of the unpaid PIK Interest Amount made pursuant to this Section 5.01(c) shall be allocated between the A Term Loan PIK Interest Amount and the Revolving Loan PIK Interest Amount on a pro rata basis (based on the respective aggregate unpaid amounts thereof)."

24. Section 5.02(b) of the Credit Agreement is hereby amended by deleting the table appearing in clause (i) of said Section in its entirety and inserting the following new table in lieu thereof:

"Scheduled A Term Loan Repayment Date	**Amount**
The last Business Day of the Borrower's fiscal quarter ending closest to September 30, 2006	$11,875,000
The last Business Day of the Borrower's fiscal quarter ending closest to December 31, 2006	$11,875,000
The last Business Day of the Borrower's fiscal quarter ending closest to March 31, 2007	$11,875,000
The last Business Day of the Borrower's fiscal quarter ending closest to June 30, 2007	$11,875,000
The last Business Day of the Borrower's fiscal quarter ending closest to September 30, 2007	$11,875,000
The last Business Day of the Borrower's fiscal quarter ending closest to December 31, 2007	$11,875,000

"Scheduled A Term Loan Repayment Date	Amount
The last Business Day of the Borrower's fiscal quarter ending closest to March 31, 2008	$11,875,000
The last Business Day of the Borrower's fiscal quarter ending closest to June 30, 2008	$11,875,000
The last Business Day of the Borrower's fiscal quarter ending closest to September 30, 2008	$35,625,000
The last Business Day of the Borrower's fiscal quarter ending closest to December 31, 2008	$35,625,000
July 20, 2009	$22,100,000
October 20, 2009	$32,800,000
January 20, 2010	$15,000,000
April 20, 2010	$15,000,000
July 20, 2010	$15,000,000
October 20, 2010	$15,000,000
January 20, 2011	$15,000,000
April 20, 2011	$15,000,000
July 20, 2011	$20,000,000
October 20, 2011	$20,000,000

"Scheduled A Term Loan Repayment Date	Amount
January 20, 2012	$ 25,000,000
April 20, 2012	$ 25,000,000
A Term Loan Maturity Date	$502,525,000

The Borrower and the Lenders hereby acknowledge and agree that the amounts set forth in the table above from and after the Third Amendment Effective Date already take into account any prepayments made by the Borrower prior to the Third Amendment Effective Date."

25. Section 5.02(g) of the Credit Agreement is hereby amended and restated in its entirety as follows:

"(g) (I) Each amount required to be applied pursuant to Sections 5.02(c), (d), (e) and (f) in accordance with this Section 5.02(g) shall be applied (1) first, to repay principal of outstanding Term Loans and shall be allocated among each Tranche of outstanding Term Loans on a pro rata basis, with each Tranche of Term Loans to be allocated its Term Loan Percentage of the amount of the respective repayment, and (2) second, to the extent in excess of the amounts required to be applied pursuant to preceding clause (1), to repay the unpaid PIK Interest Amount.

(II) The amount of each principal repayment of each Tranche of Term Loans pursuant to this Section 5.02(g) shall be applied to reduce the then remaining Scheduled Term Loan repayments of such Tranche of Term Loans in inverse order of maturity."

26. Section 5.02(h) of the Credit Agreement is hereby amended by inserting the following new sentence at the end thereof:

"Each repayment of the PIK Interest Amount required by this Section 5.02 shall be applied ratably to the unpaid A Term Loan PIK Interest Amount and Revolving Loan PIK Interest (based on the respective aggregate amounts thereof)."

27. Section 5.02(i) of the Credit Agreement is hereby restated in its entirety as follows:

"(i) In addition to any other mandatory repayments pursuant to this Section 5.02, (i) all then outstanding Swingline Loans shall be repaid in full on the Swingline Expiry Date, (ii) all then outstanding Loans shall be repaid in full on the respective Maturity Date for such Tranche of Loans, (iii) the aggregate unpaid PIK Interest Amount shall be repaid in full on April 28, 2012 and (iv) unless the Required Lenders otherwise agree in writing, all then outstanding Loans and other Obligations shall be repaid in full on the date on which a Change of Control occurs."

28. Section 7 of the Credit Agreement is hereby amended by inserting the following new Section 7.03 immediately after Section 7.02 thereof:

"7.03. No Excess Cash. The obligation of each Lender to make Revolving Loans (other than pursuant to a Mandatory Borrowing), and the obligation of the Swingline Lender to make Swingline Loans, in each case, shall be subject to the satisfaction of the condition that the Borrower shall have delivered to the Administrative Agent together with the relevant Notice of Borrowing, a certificate of an Authorized Officer of the Borrower certifying (x) in detail reasonably satisfactory to the Administrative Agent, as to the use of the proceeds of such Borrowing, and (y) that as of the date of such requested Borrowing, the aggregate amount of Unrestricted cash and Cash Equivalents owned or held by the Borrower and its Subsidiaries (other than Excluded Domestic Subsidiaries), determined after giving pro forma effect to such Borrowing and the application of proceeds therefrom (which application shall be made within two Business Days of the date of such Borrowing and the proceeds thereof applied in a manner consistent with the foregoing certifications) and from any other Unrestricted cash and Cash Equivalents then held or owned by the Borrower and its Subsidiaries (other than Excluded Domestic Subsidiaries) (to the extent such proceeds and/or other Unrestricted cash and Cash Equivalents are to be utilized by the Borrower and its Subsidiaries (other than Excluded Domestic Subsidiaries) within two Business Days of such date for a permitted purpose under this Agreement other than an Investment in Unrestricted cash and Cash Equivalents or in a Subsidiary of the Borrower), shall not exceed $10,000,000."

29. Section 9.01(b) of the Credit Agreement is hereby amended by restating the parenthetical appearing in clause (i) thereof in its entirety as follows:

"(which audit shall be without a "going concern" or like qualification or exception and without any qualification or exception as to scope of audit; provided, however, the audit opinion in respect of the Borrower's fiscal year ending closest to September 30, 2011 may contain a "going concern" qualification as a result of the PD LLC Notes being treated as current obligations on the Borrower's consolidated balance sheet and/or the financing arrangements under this Agreement and the PD LLC Notes)".

30. Section 9.01 of the Credit Agreement is hereby further amended by inserting the following new clause (j) at the end of said Section:

"(j) Monthly Reports. Within 30 days after the end of each fiscal month of the Borrower, the consolidated balance sheet of the Borrower and its Subsidiaries as at the end of such fiscal month and the related consolidated statements of income for such fiscal month and for the elapsed portion of the fiscal year ended with the last day of such fiscal month, in each case setting forth comparative figures for the corresponding fiscal month in the prior fiscal year."

31. Section 9.12(a) of the Credit Agreement is hereby restated in its entirety as follows:

"9.12. Excluded Domestic Subsidiaries; Further Assurances; etc. (a) The Borrower will cause each Excluded Domestic Subsidiary (whether existing on the Third Amendment Effective Date or thereafter created, established or acquired, but excluding Star Publishing unless it is (or becomes) a Wholly-Owned Domestic Subsidiary) that has not entered into the Subsidiaries Guaranty, the Security Agreement and/or the Pledge Agreement because to have done so would have violated the terms and conditions contained in the applicable PD LLC Notes Documents (as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment) or the Permitted PD LLC Notes Refinancing Indebtedness, to take all actions required for such Excluded Domestic Subsidiary to become a party to the Subsidiaries Guaranty, the Security Agreement and/or the Pledge Agreement in accordance with the terms of the Subsidiaries Guaranty, the Security Agreement and/or the Pledge Agreement upon the date upon which the restrictions set forth in the applicable PD LLC Notes Documents or Permitted PD LLC Notes Refinancing Indebtedness, as the case may be, cease to apply to such Excluded Domestic Subsidiary. On the date on which any Excluded Domestic Subsidiary becomes a party to the Subsidiaries Guaranty, the Security Agreement and the Pledge Agreement pursuant to this Section 9.12(a), such Excluded Domestic Subsidiary shall no longer be an "Excluded Domestic Subsidiary" but instead shall be a "Subsidiary Guarantor" for all purposes of this Agreement and each other Credit Document."

32. Section 9 of the Credit Agreement is hereby further amended by inserting the following new Section 9.19 at the end of said Section:

"9.19. Pulitzer Distributions; Restricted Cash Reserve Account. (a) No later than the 45th day after the end of each fiscal quarter of Pulitzer ending after the Third Amendment Effective Date (commencing with the Pulitzer's fiscal quarter ending closest to March 31, 2009), the Borrower will cause Pulitzer, to the maximum extent permitted pursuant to the PD LLC Note Documents (as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment)), to distribute not less than 80% of Pulitzer Free Cash Flow for each fiscal quarter of Pulitzer to the Borrower and/or the Qualified Wholly-Owned Subsidiary Guarantors, which distribution, however, may be made in the form of an unsecured Intercompany Loan to Lee Procurement.

(b) On the Third Amendment Effective Date, Pulitzer will deposit $9,000,000 into the Restricted Cash Reserve Account, which cash may only be applied (x) solely during the period from the Third Amendment Effective Date through and including April 28, 2009, for the general corporate purposes of Pulitzer and its Subsidiaries and (y) at any time (I) to the extent required to satisfy a shortfall in cash at Pulitzer and its Subsidiaries required to make scheduled interim repayments of principal at par and/or interest in respect of the PD LLC Notes or payments of principal at par and/or interest in respect of the PD LLC Notes due upon maturity, in each case required to be made pursuant to the PD LLC Note Agreement as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment), (II) to fund the principal repayment on

the PD LLC Notes at par on October 28, 2010 as required pursuant to Section 4A(ii) of the PD LLC Note Agreement as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment) in an aggregate principal amount not to exceed $4,500,000 or (III) by the collateral agent under the PD LLC Notes Documents in satisfaction of obligations owing under the PD LLC Notes Agreement or any of the other PD LLC Notes Documents in connection with the exercise of remedies following the occurrence of any event of default thereunder, provided that any such cash applied as provided in preceding clause (x) shall be reimbursed to the Restricted Cash Reserve Account on prior to April 28, 2009 so that the aggregate amount of cash deposited in the Restricted Cash Reserve Account on April 28, 2009 is $9,000,000 less the amount, if any, used by PD LLC to make an interest payment on such date.

33. Section 10.01 of the Credit Agreement is hereby amended by (i) deleting the word "and" appearing at the end of clause (xvi) thereof, (ii) deleting the period appearing at the end of clause (xvii) thereof and inserting "; and" in lieu thereof and (iii) inserting the following new clause (xviii) at the end thereof:

"(xviii) Liens solely on the assets of Pulitzer and its Subsidiaries (other than the assets of Star Publishing) to secure their respective obligations in respect of the PD LLC Notes Documents and any Permitted PD LLC Notes Refinancing Indebtedness (including any guaranty or pledge thereof by Pulitzer and/or one or more of its Subsidiaries)."

34. Section 10.02(iv) of the Credit Agreement is hereby amended by restating the existing clause (z) of said Section in its entirety as follows:

"(z) the assets sold pursuant to this clause (iv) shall not, in the aggregate, be comprised of assets that generated in any fiscal year of the Borrower more than 5% of the Consolidated EBITDA for the immediately preceding fiscal year of the Borrower."

35. Section 10.02(ix) of the Credit Agreement is hereby amended by inserting the text "(other than an Excluded Domestic Subsidiary)" immediately after the text "any Subsidiary of the Borrower" appearing therein.

36. Section 10.03(iii) of the Credit Agreement is hereby amended by deleting the amount "$1,000,000" appearing therein and inserting the amount "$250,000" in lieu thereof.

37. The text of each of clauses (v), (vi), (vii), (viii) and (ix) of Section 10.03 of the Credit Agreement is hereby deleted in its entirety and replaced in each such clause with the text "(Intentionally omitted)."

38. Sections 10.04(xi) and (xii) of the Credit Agreement are hereby restated in their entirety as follows:

"(xi) Indebtedness of PD LLC under the PD LLC Notes and the other PD LLC Notes Documents and of Pulitzer and one or more of its other Subsidiaries (other than Star Publishing) under the PD LLC Notes Guaranty and the other PD LLC Notes Documents, in an aggregate principal amount (without duplication in the case of amounts owing by Pulitzer and its other Subsidiaries under the PD LLC Notes Guaranty) not to exceed $186,000,000 (less the amount of any repayments of principal thereof after the Third Amendment Effective Date);

(xii) Indebtedness of PD LLC incurred pursuant to the Permitted PD LLC Notes Refinancing Indebtedness and of Pulitzer and one or more of its other Subsidiaries (other than Star Publishing) under a guaranty thereof complying with the requirements set forth in the definition of "Permitted PD LLC Notes Refinancing Indebtedness" in Section 1.01; and".

39. Section 10.05(ii) of the Credit Agreement is hereby restated in its entirety as follows:

"(ii) the Borrower and its Subsidiaries may acquire and hold cash and Cash Equivalents, provided that during any time that Revolving Loans or Swingline Loans are outstanding, the aggregate amount of Unrestricted cash and Cash Equivalents permitted to be held by the Borrower and its Subsidiaries (excluding Excluded Domestic Subsidiaries) shall not exceed $10,000,000 for any period of five consecutive Business Days;".

40. Section 10.05(v) of the Credit Agreement is hereby amended by deleting the amount "$10,000,000" appearing therein and inserting the amount "$2,500,000" in lieu thereof.

41. Section 10.06 of the Credit Agreement is hereby amended by inserting the following new sentence at the end thereof:

"Notwithstanding anything to the contrary contained in this Agreement, except to the extent expressly permitted by clauses (i) through (vi) above, the transactions between the Borrower and its Subsidiaries (other than Pulitzer and its Subsidiaries) on the one hand, and Pulitzer and its Subsidiaries on the other hand, shall be limited to those activities described on Exhibit B to the Third Amendment."

42. Section 10.08 of the Credit Agreement is hereby restated in its entirety as follows:

"10.08. Interest Expense Coverage Ratio. The Borrower will not permit the Interest Expense Coverage Ratio for any Test Period ending on the last day of a fiscal quarter of the Borrower ending closest to the relevant date set forth below to be less than the ratio set forth opposite such fiscal quarter below:

Fiscal Quarter Ending Closest to	Ratio
On or prior to June 30, 2008	2.50:1.00

Fiscal Quarter Ending Closest to	Ratio
September 30, 2008 through and including December 31, 2008	2.00:1.00
March 31, 2009	2.25:1.00
June 30, 2009	1.85:1.00
September 30, 2009	1.60:1.00
December 31, 2009	1.40:1.00
March 31, 2010	1.40:1.00
June 30, 2010	1.45:1.00
September 30, 2010	1.55:1.00
December 31, 2010	1.60:1.00
March 31, 2011	1.70:1.00
June 30, 2011	1.80:1.00
September 30, 2011	1.95:1.00
December 31, 2011	2.10:1.00
March 31, 2012	2.25:1.00".

43. Section 10.09 of the Credit Agreement is hereby restated in its entirety as follows:

"10.09 Total Leverage Ratio. The Borrower will not permit the Total Leverage Ratio at any time during a period set forth below to be greater than the ratio set forth opposite such period below:

Period	Ratio
From the Original Effective Date through and including the last day of the Borrower's fiscal quarter ending closest to September 30, 2005	6.25:1.00
The first day of the Borrower's fiscal quarter beginning closest to October 1, 2005 through and including the last day of the Borrower's fiscal quarter ending closest to June 30, 2006	6.00:1.00
The first day of the Borrower's fiscal quarter beginning closest to July 1, 2006 through and including the last day of the Borrower's fiscal quarter ending closest to September 30, 2007	5.75:1.00
The first day of the Borrower's fiscal quarter beginning closest to October 1, 2007 through and including the day before the last day of the Borrower's fiscal quarter ending closest to September 30, 2008	5.25:1.00

Period	Ratio
The last day of the Borrower's fiscal quarter ending closest to September 30, 2008 through and including the day before the last day of the Borrower's fiscal quarter ending closest to December 31, 2008	6.25:1.00
The last day of the Borrower's fiscal quarter ending closest to December 31, 2008 through and including the day before the last day of the Borrower's fiscal quarter ending closest to March 31, 2009	6.50:1.00
The last day of the Borrower's fiscal quarter ending closest to March 31, 2009 through and including the day before the last day of the Borrower's fiscal quarter ending closest to June 30, 2009	7.25:1.00
The last day of the Borrower's fiscal quarter ending closest to June 30, 2009 through and including the day before the last day of the Borrower's fiscal quarter ending closest to December 31, 2009	8.25:1.00
The last day of the Borrower's fiscal quarter ending closest to December 31, 2009 through and including the day before the last day of the Borrower's fiscal quarter ending closest to June 30, 2010	8.75:1.00
The last day of the Borrower's fiscal quarter ending closest to June 30, 2010 through and including the day before the last day of the Borrower's fiscal quarter ending closest to September 30, 2010	8.50:1.00
The last day of the Borrower's fiscal quarter ending closest to September 30, 2010 through and including the day before the last day of the Borrower's fiscal quarter ending closest to December 31, 2010	7.75:1.00
The last day of the Borrower's fiscal quarter ending closest to December 31, 2010 through and including the day before the last day of the Borrower's fiscal quarter ending closest to March 31, 2011	7.50:1.00
The last day of the Borrower's fiscal quarter ending closest to March 31, 2011 through and including the day before the last day of the Borrower's fiscal quarter ending closest to June 30, 2011	7.25:1.00
The last day of the Borrower's fiscal quarter ending closest to June 30, 2011 through and including the day before the last day of the Borrower's fiscal quarter ending closest to September 30, 2011	7.00:1.00

Period	Ratio
The last day of the Borrower's fiscal quarter ending closest to September 30, 2011 through and including the day before the last day of the Borrower's fiscal quarter ending closest to December 31, 2011	6.75:1.00
The last day of the Borrower's fiscal quarter ending closest to December 31, 2011 through and including the day before the last day of the Borrower's fiscal quarter ending closest to March 31, 2012	6.50:1.00
The last day of the Borrower's fiscal quarter ending closest to March 31, 2012 and thereafter	6.25:1.00".

44. Section 10.10 of the Credit Agreement is hereby amended by (i) restating clauses (iv) and (v) thereof in their entirety as follows:

"(iv) make (or give any notice in respect of) any voluntary or optional payment or prepayment on or redemption, repurchase or acquisition for value of (including, without limitation, by way of depositing with the trustee with respect thereto or any other Person money or securities before due for the purpose of paying when due), or any prepayment or redemption as a result of any asset sale or similar event of, the PD LLC Notes, the PD LLC Notes Guaranty or the Permitted PD LLC Notes Refinancing Indebtedness, provided that (v) PD LLC may make a principal repayment on the PD LLC Notes on the Third Amendment Effective Date at par in an aggregate principal amount of $120,000,000, (w) PD LLC may make payments on the PD LLC Notes at par (A) in connection with a Change of Control (as defined in the PD LLC Notes Agreement) as required pursuant to Section 4E of the PD LLC Notes Agreement as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment) or (B) with proceeds of Asset Sales and/or Recovery Events to the extent representing proceeds from assets of Pulitzer and its Subsidiaries, (x) on or after June 28, 2009, PD LLC may make quarterly amortization payments at par in a principal amount of no greater than $4,000,000 as required pursuant to Section 4A(i) of the PD LLC Notes Agreement as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment), (y) on or after October 28, 2010, PD LLC may make the principal repayment on the PD LLC Notes at par as required pursuant to Section 4A(ii) of the PD LLC Notes Agreement as in effect on the Third Amendment Effective Date (after giving effect to the PD LLC Notes Amendment) in an aggregate principal amount not to exceed $4,500,000 and (z) contemporaneous with the payment by Pulitzer of all distributions required to be made pursuant to Section 9.19 during each fiscal quarter of Pulitzer, PD LLC may make payments on the PD LLC Notes at par in an aggregate principal amount not to exceed 20% of Pulitzer Free Cash Flow for such fiscal quarter;

(v) amend or modify, or permit the amendment or modification of, any provision of any PD LLC Note Document or any indenture, purchase agreement, loan agreement, security document or other agreement or instrument relating to the Permitted PD LLC Notes Refinancing Indebtedness, other than the PD LLC Notes Amendment and any such other amendments or modifications with the prior written consent of the Administrative Agent which are not adverse to the Lenders in any material respect";

and (ii) adding the following new sentence at the end thereof:

"Notwithstanding anything to the contrary contained herein or in any other Credit Document, in no event shall (x) the Borrower or any of its Subsidiaries (other than Pulitzer and its Subsidiaries) be permitted to pay any fee to the holders of the PD LLC Notes (or any agent or advisor in respect thereof) in connection with any amendment, modification, change or waiver of, or forbearance with respect to, any term or provision of any PD LLC Notes Document or Permitted PD LLC Notes Refinancing Indebtedness or, except as otherwise permitted in Section 10.06, make any other payment on behalf of Pulitzer or any of its Subsidiaries, (y) the Borrower or any of its Subsidiaries (other than Pulitzer and its Subsidiaries) be permitted to prepay or repay any amounts (including in respect of interest) owing to Pulitzer or any of its Subsidiaries in respect of any Intercompany Loans or other Intercompany Debt (other than the set-off and netting arrangements as, and to the extent, described on Exhibit B to the Third Amendment) or (z) the Borrower or any of its Subsidiaries be permitted to make any payments (whether in cash, property or securities) to Herald or any of its Affiliates in connection with the amendment of the PD LLC Operating Agreement and the termination of the PD LLC Indemnity Agreement on the Third Amendment Effective Date or otherwise (and/or settlement of Herald's capital account in PD LLC) until after April 28, 2013 and then in accordance with the terms of the PD LLC Notes Amendment, provided that (A) such payment shall be settled through a phantom equity interest in PD LLC, (B) no such payment shall be made unless all Letters of Credit and the Total Commitment have been terminated and all Obligations (other than indemnities described in Section 13.13 which are not then due and payable) have been repaid in full in cash and (C) notwithstanding preceding sub-clause (B), the phantom equity interest issued to Herald or any of its Affiliates under preceding sub-clause (A) may be redeemed for common stock of the Borrower at any time."

45. Section 10.11(iii) of the Credit Agreement is hereby restated in its entirety as follows:

"(iii) the PD LLC Notes Documents (as in effect on the Third Amendment Effective Date (and after giving effect to the PD LLC Notes Amendment)) and the Permitted PD LLC Notes Refinancing Indebtedness (as in effect at the time of the issuance or incurrence thereof so long as such restrictions are no more restrictive in any material respect than those restrictions set forth in the PD LLC Notes Documents as in effect on the Third Amendment Effective Date (and after giving effect to the PD LLC Notes Amendment)), in each case so long as such restrictions apply solely to Pulitzer and/or its applicable Subsidiaries".

46. Section 10.12 of the Credit Agreement is hereby amended by (i) restating the parenthetical appearing in clause (a) thereof in its entirety as follows:

"(other than Qualified Preferred Stock of the Borrower and/or the phantom equity interest in PD LLC permitted under Section 10.10 on terms reasonably satisfactory to the Administrative Agent)"; and

(ii) deleting clause (c) thereof in its entirety.

47. Section 11.04 of the Credit Agreement is hereby amended by deleting the amount "$25,000,000" appearing therein and inserting the amount "$10,000,000" in lieu thereof.

48. Section 13.04(b) of the Credit Agreement is hereby amended by inserting the following new sentence at the end thereof:

"Each assignment of outstanding Term Loans and Revolving Loan Commitments (or, if the Total Revolving Loan Commitment has terminated, outstanding Revolving Loans) pursuant to this Section 13.04(b) shall be accompanied by a proportionate assignment of such assignor Lender's interest in the unpaid A Term Loan PIK Interest Amount or Revolving Loan PIK Amount, as the case may be."

49. Section 13.06(b) of the Credit Agreement is hereby amended by inserting the text "PIK Interest Amount," immediately after the text "the Loans," appearing therein.

50. Section 13.12(a) of the Credit Agreement is hereby amended by (i) restating clause (i) thereof in its entirety as follows:

"(i) (x) extend the final scheduled maturity of any Loan, Note or PIK Interest Amount or extend the stated expiration date of any Letter of Credit beyond the Revolving Loan Maturity Date, or reduce the rate or extend the time of payment of interest or Fees thereon (except in connection with the waiver of applicability of any post-default increase in interest rates), or reduce the principal amount thereof (it being understood that any amendment or modification to the financial definitions in this Agreement or to Section 13.07(a) shall not constitute a reduction in the rate of interest or Fees for the purposes of this clause (i)), or (y) reduce the amount of, or extend the date of, any Scheduled Term Loan Repayment of a given Tranche of Term Loans";

(ii) deleting the word "or" appearing immediately preceding the text "(6)" appearing in said Section and (iii) inserting the following new text immediately preceding the period at the end of said Section:

", or (7) without the written consent of the Majority Lenders with Revolving Loans and/or Revolving Loan Commitments, amend, modify or waive any condition precedent set forth in Section 7 with respect to the making of Revolving Loans, Swingline Loans or the issuance of Letters or Credit".

II. Consents and Waiver to the Credit Agreement.

1. The Lenders hereby consent to the $120,000,000 aggregate prepayment at par of the PD LLC Notes on the Third Amendment Effective Date (but immediately after giving effect thereto) and the amendments and other modifications to, and termination of, the applicable PD LLC Notes Documents pursuant to the PD LLC Notes Amendment.

2. The Lenders hereby waive any Default or Event of Default that may arise under the Credit Agreement solely as a result of the Specified Events of Default.

3. The Lenders hereby agree that the provisions of Section 2 of the Second Waiver shall no longer be applicable except for the provisions of clauses (iii), (iv)(II) and (v) thereof, which clauses shall remain in full force and effect on and after the Third Amendment Effective Date except to the extent otherwise agreed by the Required Lenders.

III. Amendments to Intercompany Subordination Agreement and Mortgages.

1. The definition of "Intercompany Debt" appearing in Section 7 of the Intercompany Subordination Agreement is hereby restated in its entirety as follows:

"Intercompany Debt" shall mean any Indebtedness, payables or other obligations, whether now existing or hereinafter incurred, owed by the Borrower or any Subsidiary Guarantor to the Borrower or any Subsidiary of the Borrower, provided that no such payables or other obligations incurred by any Credit Party after the Third Amendment Effective Date and owing to Pulitzer or any of its Subsidiaries shall constitute Intercompany Debt. For the avoidance of doubt, all such Intercompany Debt outstanding on the Third Amendment Effective Date and owed to Pulitzer or any of its Subsidiaries (after giving effect to any netting arrangements as, and to the extent, described on Exhibit B to the Third Amendment and leaving an Intercompany Debt balance of approximately $245,000,000 in the aggregate as of February 1, 2009) shall continue to be subordinated on, and subject to, the terms of this Agreement.

2. The definition of "Default Interest Rate" appearing in each of the Mortgages heretofore executed is hereby amended by deleting the reference to "Section 2.08(c)" appearing therein and inserting the reference to "Section 2.08(d)" in lieu thereof.

IV. Miscellaneous Provisions.

1. In order to induce the Lenders to enter into this Amendment, the Borrower hereby represents and warrants that (i) no Default or Event of Default exists as of the Third Amendment Effective Date (as defined below), both immediately before and immediately after giving effect to this Amendment on such date (other than the Specified Events of Default for periods prior to the Third Amendment Effective Date), and (ii) all of the representations and warranties contained in the Credit Agreement and in the other Credit Documents are true and correct in all material respects on the Third Amendment Effective Date, both immediately before and immediately after giving effect to this Amendment on such date, with the same effect as though such representations and warranties had been made on and as of the Third Amendment Effective Date (it being understood that any representation or warranty made as of a specific date shall be true and correct in all material respects as of such specific date).

2. The Credit Parties acknowledge and agree that the Credit Agreement (as modified hereby) and each other Credit Document, and all Obligations and Liens thereunder, are valid and enforceable against the Credit Parties in every respect and all of the terms and conditions thereof are legally binding upon the Credit Parties, in each case all without offset, counterclaims or defenses of any kind.

3. In further consideration of the Lenders' execution of this Amendment, each Credit Party unconditionally and irrevocably acquits and fully forever releases and discharges each Lender, each Issuing Lender, the Administrative Agent, the Collateral Agent and all affiliates, partners, subsidiaries, officers, employees, agents, attorneys, principals, directors and shareholders of such Persons, and their respective heirs, legal representatives, successors and assigns (collectively, the "Releasees") from any and all claims, demands, causes of action, obligations, remedies, suits, damages and liabilities of any nature whatsoever, whether now known, suspected or claimed, whether arising under common law, in equity or under statute, which such Credit Party ever had or now has against any of the Releasees and which may have arisen at any time prior to the Third Amendment Effective Date and which were in any manner related to this Amendment, the Credit Agreement, any other Credit Document or related documents, instruments or agreements or the enforcement or attempted or threatened enforcement by any of the Releasees of any of their respective rights, remedies or recourse related thereto (collectively, the "Released Claims"). Each Credit Party covenants and agrees never to commence, voluntarily aid in any way, prosecute or cause to be commenced or prosecuted against any of the Releasees any action or other proceeding based upon any of the Released Claims.

4. This Amendment is limited as specified and shall not constitute a modification, acceptance or waiver of any other provision of the Credit Agreement or any other Credit Document.

5. This Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts when executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A complete set of counterparts shall be lodged with the Borrower and the Administrative Agent.

6. **THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.**

7. This Amendment shall become effective on the date (the "Third Amendment Effective Date") when each of the following conditions shall have been satisfied:

(i) the Borrower, each other Credit Party and each Lender shall have signed a counterpart hereof (whether the same or different counterparts) and shall have delivered (including by way of facsimile or other electronic transmission) the same to White & Case LLP, 1155 Avenue of the Americas, New York, NY 10036 Attention: May Yip (facsimile number: 212-354-8113 / e-mail address: myip@whitecase.com);

(ii) the Borrower shall have paid to the Administrative Agent and the Lenders all fees, costs and expenses (including, without limitation, the fees and expenses of White & Case LLP and Alvarez & Marsal North America, LLC) payable to the Administrative Agent and the Lenders to the extent then due;

(iii) the PD LLC Notes Amendment shall have become (or concurrently with the Third Amendment Effective Date shall become) effective in accordance with the terms hereof and thereof;

(iv) the Administrative Agent shall have received all information and copies of all certificates, documents and papers, including good standing certificates, bring-down certificates, resolutions and any other records of Company proceedings and governmental approvals, if any, which the Administrative Agent reasonably may have requested in connection with this Third Amendment and the transactions contemplated herein, such documents and papers, where appropriate, to be certified by proper Company or governmental authorities;

(v) the Administrative Agent shall have received from counsel to the Credit Parties reasonably satisfactory to the Administrative Agent an opinion or opinions addressed to the Administrative Agent and each of the Lenders and dated the Third Amendment Effective Date in form and substance satisfactory to the Administrative Agent and covering such matters incident to this Third Amendment and the transactions contemplated herein as the Administrative Agent may reasonably request;

(vi) the PD LLC Operating Agreement shall have been amended and the PD LLC Indemnity Agreement shall have been terminated in each case in accordance with the PD LLC Notes Amendment and neither the Borrower nor any of its Subsidiaries shall have any further obligations to Herald or any of its Affiliates thereunder (whether pursuant to Section 3.11(b) or Section 7.2 of the PD LLC Operating Agreement or otherwise), other than as set forth in Section 10.10 of the Credit Agreement after giving effect to this Amendment; and

(vii) the Borrower shall have paid to the Administrative Agent for the account of each Lender which has executed and delivered to the Administrative Agent (or its designee) a counterpart hereof, a non-refundable cash fee (the "Amendment Fee") in Dollars in an amount equal to 50 basis points (0.50%) on an amount equal to the sum of (i) the aggregate principal amount of all Term Loans of such Lender outstanding on the Third Amendment Effective Date plus (ii) the Revolving Loan Commitment of such Lender as in effect on the Third Amendment Effective Date. The Amendment Fee shall not be subject to counterclaim or set-off, or be otherwise affected by, any claim or dispute relating to any other matter.

8. By executing and delivering a counterpart hereof, each Credit Party hereby agrees that all Obligations of the Credit Parties shall be fully guaranteed pursuant to the Subsidiaries Guaranty and shall be fully secured pursuant to the Security Documents, in each case, in accordance with the respective terms and provisions thereof and that this Amendment does not in any manner constitute a novation of any Obligations under any of the Credit Documents.

9. From and after the Third Amendment Effective Date, all references in the Credit Agreement and each of the other Credit Documents to the Credit Agreement shall be deemed to be references to the Credit Agreement as modified hereby.

* * *

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Amendment as of the date first above written.

LEE ENTERPRISES, INCORPORATED, as a Borrower

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Vice President, Chief Financial Officer and Treasurer

DEUTSCHE BANK TRUST COMPANY AMERICAS,
Individually and as Administrative Agent

By: /s/ Susan LeFevre
Name: Susan LeFevre
Title: Director

By: /s/ Dusan Lazarov
Name: Dusan Lazarov
Title: Vice President

Each of the undersigned, each being a Subsidiary Guarantor under, and as defined in, the Credit Agreement referenced in the foregoing Amendment, hereby consents to the entering into of the Amendment and agrees to all of the provisions thereof (including, without limitation, Sections 2, 3 and 8 of Part IV thereof). **THE FOREGOING CONSENT BY EACH SUBSIDIARY GUARANTOR SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAW PRINCIPLES.**

ACCUDATA, INC.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

INN PARTNERS, L.C.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

JOURNAL – STAR PRINTING CO.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

K. FALLS BASIN PUBLISHING, INC.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

LEE CONSOLIDATED HOLDINGS CO.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

LEE PUBLICATIONS, INC.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

LEE PROCUREMENT SOLUTIONS CO.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

LINT CO.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

SIOUX CITY NEWSPAPERS, INC.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

TARGET MARKETING SYSTEMS, INC.,

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

SIGNATURE PAGE TO THE THIRD AMENDMENT TO THE CREDIT AGREEMENT, DATED AS OF THE DATE FIRST REFERENCED ABOVE, AMONG LEE ENTERPRISES, INCORPORATED, VARIOUS LENDERS AND DEUTSCHE BANK TRUST COMPANY AMERICAS, AS ADMINISTRATIVE AGENT

ALLIED IRISH BANKS, p.l.c

By: /s/ Jim Dennehy
Name: Jim Dennehy
Title: Director

By: /s/ Joseph Augustini
Name: Joseph Augustini
Title: Senior Vice President

ASSOCIATED BANK, N.A.

By: /s/ Michael A. McPeek
Name: Michael A. McPeek
Title: Senior Vice President

BANK OF AMERICA, N.A.

By: /s/ John W. Woodiel III
Name: John W. Woodiel III
Title: Senior Vice President

THE BANK OF NOVA SCOTIA

By: /s/ Thane Rattew
Name: Thane Rattew
Title: Managing Director

THE BANK OF NEW YORK MELLON

By: /s/ Lily A. Dastur
Name: Lily A. Dastur
Title: Vice President

BANK OF COMMUNICATIONS CO., LTD.,
NEW YORK BRANCH

By: /s/ Shelley He
Name: Shelley He
Title: Deputy General Manager

BANK OF THE WEST

By: /s/ Michael Creith
Name: Michael Creith
Title: Vice President

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD, NEW YORK BRANCH

By: /s/ Jose Carlos
Name: Jose Carlos
Title: Authorized Signatory

CITIBANK N.A.

By: /s/ Kate Kang
Name: Kate Kang
Title: Vice President

COMERICA BANK

By: /s/ Sarah R. West
Name: Sarah R. West
Title: Vice President

ERSTE GROUP BANK AG

By: /s/ Robert J. Wagman
Name: Robert J. Wagman
Title: Director

By: /s/ Bryan Lynch
Name: Bryan Lynch
Title: Executive Director

FORTIS CAPITAL SA/NV, NEW YORK BRANCH

By: /s/ Barbara E. Nash
Name: Barbara E. Nash
Title: Managing Director & Group Head

By: /s/ Douglas Riahi
Name: Douglas Riahi
Title: Managing Director

HSH NORDBANK AG, NEW YORK BRANCH

By: /s/ Garry Weiss
Name: Garry Weiss
Title: Authorized Signatory

By: /s/ Roland Kiser
Name: Roland Kiser
Title: General Manager

JPMORGAN CHASE BANK, NA

By: /s/ Phillip D. Martin
Name: Phillip D. Martin
Title: Senior Vice President

MEGA INTERNATIONAL COMMERCIAL BANK, NEW YORK BRANCH

By: /s/ Tsang-Pei Hsu
Name: Tsang-Pei Hsu
Title: VP & Deputy Manager

MIZUHO CORPORATE BANK, LTD.

By: /s/ Raymond Ventura
Name: Raymond Ventura
Title: Deputy General Manager

MORGAN STANLEY BANK, N.A.

By: /s/ Melissa James
Name: Melissa James
Title: Authorized Signatory

NATIONAL CITY BANK

By: /s/ Derek R. Cook
Name: Derek R. Cook
Title: Senior Vice President

THE NORTHERN TRUST COMPANY

By: /s/ Thomas Hasenauer
Name: Thomas Hasenauer
Title: Vice President

QUAD CITY BANK AND TRUST COMPANY

By: /s/ Rebecca E. Skafidas
Name: Rebecca E. Skafidas
Title: Assistant Vice President

COÖPERATIEVE CENTRALE
RAIFFEISEN-BOERENLEENBANK B.A., "RABOBANK
NEDERLAND", NEW YORK BRANCH

By: /s/ Eric Hurshman
Name: Eric Hurshman
Title: Managing Director

By: /s/ Brett Delfino
Name: Brett Delfino
Title: Executive Director

SCOTIABANC INC.

By: /s/ J.F. Todd
Name: J.F. Todd
Title: Managing Director

SUMITOMO MITSUI BANKING CORPORATION

By: /s/ Leo E. Pagarigan
Name: Leo E. Pagarigan
Title: General Manager

SUNTRUST

By: /s/ Amanda K. Parks
Name: Amanda K. Parks
Title: SVP

UNION BANK OF CALIFORNIA

By: /s/ Daniel J. Isenberg
Name: Daniel J. Isenberg
Title: Vice President

UNITED OVERSEAS BANK LIMITED,
NEW YORK AGENCY

By: /s/ Philip Cheong
Name: Philip Cheong
Title: Deputy General Manager

By: /s/ Mario Sheng
Name: Mario Sheng
Title: Assistant Vice President

U.S. BANK NATIONAL ASSOCIATION

By: /s/ Dale L. Welke
Name: Dale L. Welke
Title: Vice President

WACHOVIA BANK, N.A.

By: /s/ Joe Mynatt
Name: Joe Mynatt
Title: Director

WEBSTER BANK, NATIONAL ASSOCIATION

By: /s/ John Gilsenan
Name: John Gilsenan
Title: Vice President

WELLS FARGO BANK, N.A.

By: /s/ Ronald P. Christenson
Name: Ronald P. Christenson
Title: Vice President

WEST LB

By: /s/ Petra Beckert
Name: Petra Beckert
Title: Executive Director

By: /s/ E. Keith Min
Name: E. Keith Min
Title: Executive Director

Exhibit 10.2 - Amended and Restated Pledge Agreement

EXHIBIT I

AMENDED AND RESTATED PLEDGE AGREEMENT

AMENDED AND RESTATED PLEDGE AGREEMENT (as amended, modified, restated and/or supplemented from time to time, this "Agreement"), dated as of December 21, 2005, among each of the undersigned pledgors (each, a "Pledgor" and, together with any other entity that becomes a pledgor hereunder pursuant to Section 30 hereof, the "Pledgors") and Deutsche Bank Trust Company Americas, as collateral agent (together with any successor collateral agent, the "Pledgee"), for the benefit of the Secured Creditors (as defined below). Except as otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, Lee Enterprises, Incorporated (the "Borrower"), the lenders from time to time party thereto (the "Lenders"), Deutsche Bank Securities Inc. and SunTrust Capital Markets, Inc. as Joint Lead Arrangers, Deutsche Bank Securities Inc., as Book Running Manager, SunTrust Bank, as Syndication Agent, Bank of America, N.A., The Bank of New York and The Bank of Tokyo-Mitsubishi, Ltd., Chicago Branch, as Co-Documentation Agents, and Deutsche Bank Trust Company Americas, as administrative agent (together with any successor administrative agent, the "Administrative Agent"), have entered into an Amended and Restated Credit Agreement, dated as of December 21, 2005 (as amended, modified, restated and/or supplemented from time to time, the "Credit Agreement"), providing for the making and continuation of Loans to, and the issuance and maintenance of, and participation in, Letters of Credit for the account of, the Borrower, all as contemplated therein (the Lenders, each Issuing Lender, the Administrative Agent, the Pledgee and each other Agent are herein called the "Lender Creditors");

WHEREAS, the Borrower and/or one or more of its Qualified Wholly-Owned Domestic Subsidiaries have heretofore entered into, and/or may at any time and from time to time after the date hereof enter into, one or more Interest Rate Protection Agreements or Other Hedging Agreements with one or more Lenders or any affiliate thereof (each such Lender or affiliate, even if the respective Lender subsequently ceases to be a Lender under the Credit Agreement for any reason, together with such Lender's or affiliate's successors and assigns, if any, collectively, the "Other Creditors" and, together with the Lender Creditors, the "Secured Creditors"; and with each such Interest Rate Protection Agreement and/or Other Hedging Agreement with an Other Creditor being herein called a "Secured Hedging Agreement");

WHEREAS, pursuant to the Subsidiaries Guaranty, each Subsidiary Guarantor has jointly and severally guaranteed to the Secured Creditors the payment when due of all Guaranteed Obligations as described therein;

WHEREAS, the Pledgors have heretofore entered into a Pledge Agreement, dated June 3, 2005 (as amended, restated, supplemented and/or modified to, but not including, the date hereof, the "Original Pledge Agreement");

WHEREAS, it is a condition precedent to the making and continuation of Loans to the Borrower and the issuance and maintenance of, and participation in, Letters of Credit for the account of the Borrower under the Credit Agreement and to the Other Creditors entering into and maintaining Secured Hedging Agreements that each Pledgor shall have executed and delivered to the Pledgee this Agreement; and

WHEREAS, each Pledgor desires to execute this Agreement to satisfy the conditions described in the preceding paragraph and to amend and restate the Original Pledge Agreement in the form of this Agreement;

WHEREAS, each Pledgor will obtain benefits from the incurrence and continuation of Loans by the Borrower and the issuance and maintenance of, and participation in, Letters of Credit for the account of the Borrower under the Credit Agreement and the entering into and maintaining by the Borrower and/or one or more of its Qualified Wholly-Owned Domestic Subsidiaries of Secured Hedging Agreements and, accordingly, desires to execute this Agreement in order to satisfy the condition described in the preceding paragraph and to induce the Lenders to make and continue Loans to the Borrower and issue, maintain, and/or participate in, Letters of Credit for the account of the Borrower and the Other Creditors to maintain and/or enter into Secured Hedging Agreements with the Borrower and/or one or more of its Qualified Wholly-Owned Domestic Subsidiaries;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Pledgor, the receipt and sufficiency of which are hereby acknowledged, each Pledgor hereby makes the following representations and warranties to the Pledgee for the benefit of the Secured Creditors and hereby covenants and agrees with the Pledgee for the benefit of the Secured Creditors as follows:

1. SECURITY FOR OBLIGATIONS. This Agreement is made by each Pledgor for the benefit of the Secured Creditors to secure:

(i) the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of all obligations, liabilities and indebtedness (including, without limitation, principal, premium, interest (including, without limitation, all interest that accrues on or after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of any Pledgor or any Subsidiary thereof at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding), reimbursement obligations under Letters of Credit, fees, costs and indemnities) of such Pledgor owing to the Lender Creditors, whether now existing or hereafter incurred under, arising out of, or in connection with, each Credit Document to which such Pledgor is a party (including, in the case of each Pledgor that is a Subsidiary Guarantor, all such obligations, liabilities and indebtedness of such Pledgor under the Subsidiaries Guaranties) and the due performance and compliance by such Pledgor with all of the terms, conditions and agreements contained in each such Credit Document (all such obligations, liabilities and indebtedness under this clause (i), except to the extent consisting of obligations, liabilities or indebtedness with respect to the Secured Hedging Agreements being herein collectively called the "Credit Document Obligations");

(ii) the full and prompt payment when due (whether at stated maturity, by acceleration or otherwise) of all obligations, liabilities and indebtedness (including, without limitation, all interest that accrues on or after the commencement of any case, proceeding or other action relating to the bankruptcy, insolvency, reorganization or similar proceeding of any Pledgor or any Subsidiary thereof at the rate provided for in the respective documentation, whether or not a claim for post-petition interest is allowed in any such proceeding) owing by such Pledgor to the Other Creditors now existing or hereafter incurred under, arising out of or in connection with each Secured Hedging Agreement, whether such Secured Hedging Agreement is now in existence or hereinafter arising (including, in the case of a Pledgor that is a Subsidiary Guarantor, all obligations, liabilities and indebtedness of such Pledgor under the Subsidiaries Guaranty in respect of each Secured Hedging Agreements), and the due performance and compliance by such Pledgor with all of the terms, conditions and agreements contained in each Secured Hedging Agreement (all such obligations, liabilities and indebtedness under this clause (ii) being herein collectively called the "Other Obligations");

(iii) any and all sums advanced by the Pledgee in order to preserve the Collateral (as hereinafter defined) or preserve its security interest in the Collateral;

(iv) in the event of any proceeding for the collection or enforcement of any indebtedness, obligations or liabilities of such Pledgor referred to in clauses (i) and (ii) above, after an Event of Default shall have occurred and be continuing, the reasonable expenses of retaking, holding, preparing for sale or lease, selling or otherwise disposing of or realizing on the Collateral, or of any exercise by the Pledgee of its rights hereunder, together with reasonable attorneys' fees and court costs;

(v) all amounts paid by any Indemnitee as to which such Indemnitee has the right to reimbursement under Section 11 of this Agreement; and

(vi) all amounts owing to any Agent or any of its affiliates pursuant to any of the Credit Documents in its capacity as such;

all such obligations, liabilities, indebtedness, sums and expenses set forth in clauses (i) through (vi) of this Section 1 being herein collectively called the "Obligations", it being acknowledged and agreed that the "Obligations" shall include extensions of credit of the types described above, whether outstanding on the date of this Agreement or extended from time to time after the date of this Agreement.

2. DEFINITIONS. (a) Unless otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement shall be used herein as therein defined. Reference to singular terms shall include the plural and vice versa.

(b) The following capitalized terms used herein shall have the definitions specified below:

"Administrative Agent" shall have the meaning set forth in the recitals hereto.

"Adverse Claim" shall have the meaning given such term in Section 8-102(a)(1) of the UCC.

"Agreement" shall have the meaning set forth in the first paragraph hereof.

"Borrower" shall have the meaning set forth in the recitals hereto.

"Certificated Security" shall have the meaning given such term in Section 8-102(a)(4) of the UCC.

"Class" shall have the meaning provided in Section 22 hereof.

"Clearing Corporation" shall have the meaning given such term in Section 8-102(a)(5) of the UCC.

"Collateral" shall have the meaning set forth in Section 3.1 hereof.

"Credit Agreement" shall have the meaning set forth in the recitals hereto.

"Credit Document Obligations" shall have the meaning set forth in Section 1(i) hereof.

"Domestic Corporation" shall have the meaning set forth in the definition of "Stock."

"Event of Default" shall mean any Event of Default under, and as defined in, the Credit Agreement and shall in any event include, without limitation, any payment default on any of the Obligations after the expiration of any applicable grace period.

"Exempted Foreign Entity" shall mean any Foreign Corporation and any limited liability company organized under the laws of a jurisdiction other than the United States or any State thereof or the District of Columbia that, in any such case, is treated as a corporation or an association taxable as a corporation for U.S. federal income tax purposes.

"Foreign Corporation" shall have the meaning set forth in the definition of "Stock".

"Indemnitees" shall have the meaning set forth in Section 11 hereof.

"Investment Property" shall have the meaning given such term in Section 9-102(a)(49) of the UCC.

"Lender Creditors" shall have the meaning set forth in the recitals hereto.

"Lenders" shall have the meaning set forth in the recitals hereto.

"Limited Liability Company Assets" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all limited liability company capital and interest in other limited liability companies), at any time owned by any Pledgor or represented by any Limited Liability Company Interest.

"Limited Liability Company Interests" shall mean the entire limited liability company membership interest at any time owned by any Pledgor in any limited liability company that is a Subsidiary of such Pledgor.

"Location" of any Pledgor has the meaning given such term in Section 9-307 of the UCC.

"Non-Voting Equity Interests" shall mean all Equity Interests of any Person which are not Voting Equity Interests.

"Obligations" shall have the meaning set forth in Section 1 hereof.

"Original Pledge Agreement" shall have the meaning set forth in the recitals hereto.

"Other Creditors" shall have the meaning set forth in the recitals hereto.

"Other Obligations" shall have the meaning set forth in Section 1(ii) hereof.

"Partnership Assets" shall mean all assets, whether tangible or intangible and whether real, personal or mixed (including, without limitation, all partnership capital and interest in other partnerships), at any time owned by any Pledgor or represented by any Partnership Interest.

"Partnership Interest" shall mean the entire general partnership interest or limited partnership interest at any time owned by any Pledgor in any general partnership or limited partnership that is a Subsidiary of such Pledgor.

"Pledgee" shall have the meaning set forth in the first paragraph hereof.

"Pledgor" shall have the meaning set forth in the first paragraph hereof.

"Primary Obligations" shall have the meaning provided in Section 9 hereof.

"Pro Rata Share" shall have the meaning provided in Section 9 hereof.

"Proceeds" shall have the meaning given such term in Section 9-102(a)(64) of the UCC.

"Registered Organization" shall have the meaning given such term in Section 9-102(a)(70) of the UCC.

"Representative" shall have the meaning provided in Section 9(e) hereof.

"Required Secured Creditors" shall mean (i) at any time when any Credit Document Obligations or Letters of Credit are outstanding or any Commitments under the Credit

Agreement exist, the Required Lenders (or, to the extent provided in Section 13.12 of the Credit Agreement, each of the Lenders) and (ii) at any time after all of the Credit Document Obligations have been paid in full and all Commitments and Letters of Credit under the Credit Agreement have been terminated and no further Commitments and Letters of Credit may be provided thereunder, the holders of a majority of the Other Obligations.

"Requisite Creditors" shall have the meaning provided in Section 22 hereof.

"Secured Creditors" shall have the meaning set forth in the recitals hereto.

"Secured Debt Agreements" shall mean and includes (x) this Agreement, (y) the other Credit Documents and (z) the Secured Hedging Agreements.

"Secured Hedging Agreements" shall have the meaning set forth in the recitals hereto.

"Securities Account" shall have the meaning given such term in Section 8-501(a) of the UCC.

"Securities Act" shall mean the Securities Act of 1933, as amended, as in effect from time to time.

"Securities Intermediary" shall have the meaning given such term in Section 8-102(14) of the UCC.

"Security" and "Securities" shall have the meaning given such term in Section 8-102(a)(15) of the UCC and shall in any event also include all Stock.

"Security Entitlement" shall have the meaning given such term in Section 8-102(a)(17) of the UCC.

"Stock" shall mean (x) with respect to corporations incorporated under the laws of the United States or any State thereof or the District of Columbia (each, a "Domestic Corporation"), all of the issued and outstanding shares of capital stock at anytime owned by any Pledgor of any Domestic Corporation that is a Subsidiary of such Pledgor and (y) with respect to corporations not Domestic Corporations (each, a "Foreign Corporation"), all of the issued and outstanding shares of capital stock at any time owned by any Pledgor of any Foreign Corporation that is a Subsidiary of such Pledgor.

"Termination Date" shall have the meaning set forth in Section 20 hereof.

"Transmitting Utility" has the meaning given such term in Section 9-102(a)(80) of the UCC.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York from time to time; provided that all references herein to specific Sections or subsections of the UCC are references to such Sections or subsections, as the case may be, of the Uniform Commercial Code as in effect in the State of New York on the date hereof.

"Uncertificated Security" shall have the meaning given such term in Section 8-102(a)(18) of the UCC.

"Voting Equity Interests" of any Person shall mean all classes of Equity Interests of such Person entitled to vote.

3. PLEDGE OF SECURITIES, ETC.

3.1 Pledge. To secure the Obligations now or hereafter owed or to be performed by such Pledgor, each Pledgor does hereby grant, pledge and assign to the Pledgee for the benefit of the Secured Creditors, and does hereby create a continuing security interest in favor of the Pledgee for the benefit of the Secured Creditors in, all of its right, title and interest in and to the following, whether now existing or hereafter from time to time acquired (collectively, the "Collateral"):

(a) all Stock owned or held by such Pledgor from time to time and all options and warrants owned by such Pledgor from time to time to purchase Stock;

(b) all Limited Liability Company Interests owned by such Pledgor from time to time and all of its right, title and interest in each limited liability company to which each such Limited Liability Company Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Limited Liability Company Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses, Limited Liability Company Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Limited Liability Company Interests;

(B) all other payments due or to become due to such Pledgor in respect of Limited Liability Company Interests, whether under any limited liability company agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any limited liability company agreement or operating agreement, or at law or otherwise in respect of such Limited Liability Company Interests;

(D) all present and future claims, if any, of such Pledgor against any such limited liability company for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor's rights under any limited liability company agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Limited Liability Company Interests, including any power to terminate, cancel or

modify any such limited liability company agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of any of such Pledgor in respect of such Limited Liability Company Interests and any such limited liability company, to make determinations, to exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Limited Liability Company Asset, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(c) all Partnership Interests owned by such Pledgor from time to time and all of its right, title and interest in each partnership to which each such Partnership Interest relates, whether now existing or hereafter acquired, including, without limitation, to the fullest extent permitted under the terms and provisions of the documents and agreements governing such Partnership Interests and applicable law:

(A) all its capital therein and its interest in all profits, income, surpluses, losses, Partnership Assets and other distributions to which such Pledgor shall at any time be entitled in respect of such Partnership Interests;

(B) all other payments due or to become due to such Pledgor in respect of Partnership Interests, whether under any partnership agreement or otherwise, whether as contractual obligations, damages, insurance proceeds or otherwise;

(C) all of its claims, rights, powers, privileges, authority, options, security interests, liens and remedies, if any, under any partnership agreement or operating agreement, or at law or otherwise in respect of such Partnership Interests;

(D) all present and future claims, if any, of such Pledgor against any such partnership for monies loaned or advanced, for services rendered or otherwise;

(E) all of such Pledgor’s rights under any partnership agreement or operating agreement or at law to exercise and enforce every right, power, remedy, authority, option and privilege of such Pledgor relating to such Partnership Interests, including any power to terminate, cancel or modify any partnership agreement or operating agreement, to execute any instruments and to take any and all other action on behalf of and in the name of such Pledgor in respect of such Partnership Interests and any such partnership, to make determinations, to

exercise any election (including, but not limited to, election of remedies) or option or to give or receive any notice, consent, amendment, waiver or approval, together with full power and authority to demand, receive, enforce, collect or receipt for any of the foregoing or for any Partnership Asset, to enforce or execute any checks, or other instruments or orders, to file any claims and to take any action in connection with any of the foregoing; and

(F) all other property hereafter delivered in substitution for or in addition to any of the foregoing, all certificates and instruments representing or evidencing such other property and all cash, securities, interest, dividends, rights and other property at any time and from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all thereof;

(d) all other Investment Property that constitutes Equity Interests of a Person that is a Subsidiary of a Pledgor; and

(e) all Proceeds of any and all of the foregoing;

provided that (x) except in the circumstances and to the extent provided by Section 9.16 of the Credit Agreement (in which case this clause (x) shall no longer be applicable), no Pledgor shall be required at any time to pledge hereunder more than 65% of the total combined voting power of all classes of Voting Equity Interests of any Exempted Foreign Entity and (y) each Pledgor shall be required to pledge hereunder 100% of the Non-Voting Equity Interests of each Exempted Foreign Entity at any time and from time to time acquired by such Pledgor, which Non-Voting Equity Interests shall not be subject to the limitations described in preceding clause (x).

3.2 Procedures. (a) To the extent that any Pledgor at any time or from time to time owns, acquires or obtains any right, title or interest in any Collateral, such Collateral shall automatically (and without the taking of any action by such Pledgor) be pledged pursuant to Section 3.1 of this Agreement and, in addition thereto, such Pledgor shall (to the extent provided below) take the following actions as set forth below (as promptly as practicable and, in any event, within 10 days after it obtains such Collateral) for the benefit of the Pledgee and the other Secured Creditors:

(i) with respect to a Certificated Security (other than a Certificated Security credited on the books of a Clearing Corporation or Securities Intermediary), such Pledgor shall physically deliver such Certificated Security to the Pledgee, endorsed to the Pledgee or endorsed in blank;

(ii) with respect to an Uncertificated Security (other than an Uncertificated Security credited on the books of a Clearing Corporation or Securities Intermediary), such Pledgor shall cause the issuer of such Uncertificated Security to duly authorize, execute, and deliver to the Pledgee, an agreement for the benefit of the Pledgee and the other Secured Creditors substantially in the form of Annex G hereto (appropriately completed to the satisfaction of the Pledgee and with such modifications, if any, as shall be satisfactory to the Pledgee) pursuant to which such issuer agrees to comply with any

and all instructions originated by the Pledgee without further consent by the registered owner and not to comply with instructions regarding such Uncertificated Security (and any Partnership Interests and Limited Liability Company Interests issued by such issuer) originated by any other Person other than a court of competent jurisdiction;

(iii) with respect to a Certificated Security, Uncertificated Security, Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary (including a Federal Reserve Bank, Participants Trust Company or The Depository Trust Company), such Pledgor shall promptly notify the Pledgee thereof and shall promptly take (x) all actions required (i) to comply with the applicable rules of such Clearing Corporation or Securities Intermediary and (ii) to perfect the security interest of the Pledgee under applicable law (including, in any event, under Sections 9-314(a), (b) and (c), 9-106 and 8-106(d) of the UCC) and (y) such other actions as the Pledgee deems necessary or desirable to effect the foregoing;

(iv) with respect to a Partnership Interest or a Limited Liability Company Interest (other than a Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary), (1) if such Partnership Interest or Limited Liability Company Interest is represented by a certificate and is a Security for purposes of the UCC, the procedure set forth in Section 3.2(a)(i) hereof, and (2) if such Partnership Interest or Limited Liability Company Interest is not represented by a certificate or is not a Security for purposes of the UCC, the procedure set forth in Section 3.2(a)(ii) hereof; and

(v) with respect to cash proceeds from any of the Collateral, (i) establishment by the Pledgee of a cash account in the name of such Pledgor over which the Pledgee shall have "control" within the meaning of the UCC and at any time any Default or Event of Default is in existence no withdrawals or transfers may be made therefrom by any Person except with the prior written consent of the Pledgee and (ii) deposit of such cash in such cash account.

(b) In addition to the actions required to be taken pursuant to Section 3.2(a) hereof, each Pledgor shall take the following additional actions with respect to the Collateral:

(i) with respect to all Collateral of such Pledgor whereby or with respect to which the Pledgee may obtain "control" thereof within the meaning of Section 8-106 of the UCC (or under any provision of the UCC as same may be amended or supplemented from time to time, or under the laws of any relevant State other than the State of New York), such Pledgor shall take all actions as may be requested from time to time by the Pledgee so that "control" of such Collateral is obtained and at all times held by the Pledgee; and

(ii) each Pledgor shall from time to time cause appropriate financing statements (on appropriate forms) under the Uniform Commercial Code as in effect in the various relevant States, covering all Collateral hereunder (with the form of such financing statements to be satisfactory to the Pledgee), to be filed in the relevant filing offices so that at all times the Pledgee's security interest in all Investment Property and other

Collateral which can be perfected by the filing of such financing statements (in each case to the maximum extent perfection by filing may be obtained under the laws of the relevant States, including, without limitation, Section 9-312(a) of the UCC) is so perfected.

3.3 Subsequently Acquired Collateral. If any Pledgor shall acquire (by purchase, stock dividend, distribution or otherwise) any additional Collateral at any time or from time to time after the date hereof, (i) such Collateral shall automatically (and without any further action being required to be taken) be subject to the pledge and security interests created pursuant to Section 3.1 hereof and, furthermore, such Pledgor will thereafter take (or cause to be taken) all action (as promptly as practicable and, in any event, within 10 days after it obtains such Collateral) with respect to such Collateral in accordance with the procedures set forth in Section 3.2 hereof, and will promptly thereafter deliver to the Pledgee (i) a certificate executed by an authorized officer of such Pledgor describing such Collateral and certifying that the same has been duly pledged in favor of the Pledgee (for the benefit of the Secured Creditors) hereunder and (ii) supplements to Annexes A through F hereto as are necessary to cause such Annexes to be complete and accurate at such time. Without limiting the foregoing, each Pledgor shall be required to pledge hereunder the Equity Interests of any Exempted Foreign Entity at any time and from time to time after the date hereof acquired by such Pledgor, provided that (x) except in the circumstances and to the extent provided by Section 9.16 of the Credit Agreement, no Pledgor shall be required at any time to pledge hereunder more than 65% of the total combined voting power of all classes of Voting Equity Interests of any Exempted Foreign Entity and (y) each Pledgor shall be required to pledge hereunder 100% of the Non-Voting Equity Interests of each Exempted Foreign Entity at any time and from time to time acquired by such Pledgor.

3.4 Transfer Taxes. Each pledge of Collateral under Section 3.1 or Section 3.3 hereof shall be accompanied by any transfer tax stamps required in connection with the pledge of such Collateral.

3.5 Certain Representations and Warranties Regarding the Collateral. Each Pledgor represents and warrants that on the date hereof: (i) each Subsidiary of such Pledgor, and the direct ownership thereof, is listed in Annex B hereto; (ii) the Stock (and any warrants or options to purchase Stock) held by such Pledgor consists of the number and type of shares of the stock (or warrants or options to purchase any stock) of the corporations as described in Annex C hereto; (iii) such Stock referenced in clause (ii) of this paragraph constitutes that percentage of the issued and outstanding capital stock of the issuing corporation as is set forth in Annex C hereto; (iv) the Limited Liability Company Interests held by such Pledgor consist of the number and type of interests of the Persons described in Annex D hereto; (v) each such Limited Liability Company Interest referenced in clause (iv) of this paragraph constitutes that percentage of the issued and outstanding equity interest of the issuing Person as set forth in Annex D hereto; (vi) the Partnership Interests held by such Pledgor consist of the number and type of interests of the Persons described in Annex E hereto; (vii) each such Partnership Interest referenced in clause (vi) of this paragraph constitutes that percentage or portion of the entire partnership interest of the Partnership as set forth in Annex E hereto; (viii) the exact address of the chief executive office of such Pledgor is listed on Annex F hereto; (ix) such Pledgor has complied with the respective procedure set forth in Section 3.2(a) hereof with respect to each item of Collateral described in Annexes C through E hereto for such Pledgor; and (x) on the date hereof, such Pledgor owns no other Stock, Limited Liability Company Interests or Partnership Interests.

4. APPOINTMENT OF SUB-AGENTS; ENDORSEMENTS, ETC. The Pledgee shall have the right to appoint one or more sub-agents for the purpose of retaining physical possession of the Collateral, which may be held (in the discretion of the Pledgee) in the name of the relevant Pledgor, endorsed or assigned in blank or in favor of the Pledgee or any nominee or nominees of the Pledgee or a sub-agent appointed by the Pledgee.

5. VOTING, ETC., WHILE NO EVENT OF DEFAULT. Unless and until there shall have occurred and be continuing an Event of Default, each Pledgor shall be entitled to exercise any and all voting and other consensual rights pertaining to the Collateral owned by it, and to give consents, waivers or ratifications in respect thereof; provided that, in each case, no vote shall be cast or any consent, waiver or ratification given or any action taken or omitted to be taken which would violate, result in a breach of any covenant contained in, or be inconsistent with any of the terms of any Secured Debt Agreement, or which could reasonably be expected to have the effect of impairing the value of the Collateral or any part thereof or the position or interests of the Pledgee or any other Secured Creditor in the Collateral, unless expressly permitted by the terms of the Secured Debt Agreements. All such rights of each Pledgor to vote and to give consents, waivers and ratifications shall cease in case an Event of Default has occurred and is continuing, and Section 7 hereof shall become applicable.

6. DIVIDENDS AND OTHER DISTRIBUTIONS. Unless and until there shall have occurred and be continuing an Event of Default, all cash dividends, cash distributions, cash Proceeds and other cash amounts payable in respect of the Collateral shall be paid to the respective Pledgor. The Pledgee shall be entitled to receive directly, and to retain as part of the Collateral:

(i) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash dividends other than as set forth above) paid or distributed by way of dividend or otherwise in respect of the Collateral;

(ii) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash (although such cash may be paid directly to the respective Pledgor so long as no Event of Default then exists)) paid or distributed in respect of the Collateral by way of stock-split, spin-off, split-up, reclassification, combination of shares or similar rearrangement; and

(iii) all other or additional stock, notes, certificates, limited liability company interests, partnership interests, instruments or other securities or property (including, but not limited to, cash) which may be paid in respect of the Collateral by reason of any consolidation, merger, exchange of stock, conveyance of assets, liquidation or similar corporate or other reorganization.

Nothing contained in this Section 6 shall limit or restrict in any way the Pledgee's right to receive the proceeds of the Collateral in any form in accordance with Section 3 of this Agreement. All dividends, distributions or other payments which are received by any Pledgor contrary to the provisions of this Section 6 or Section 7 hereof shall be received in trust for the benefit of the Pledgee, shall be segregated from other property or funds of such Pledgor and shall be forthwith paid over to the Pledgee as Collateral in the same form as so received (with any necessary endorsement).

7. REMEDIES IN CASE OF AN EVENT OF DEFAULT. If there shall have occurred and be continuing an Event of Default, then and in every such case, the Pledgee shall be entitled to exercise all of the rights, powers and remedies (whether vested in it by this Agreement, any other Secured Debt Agreement or by law) for the protection and enforcement of its rights in respect of the Collateral, and the Pledgee shall be entitled to exercise all the rights and remedies of a secured party under the UCC as in effect in any relevant jurisdiction and also shall be entitled, without limitation, to exercise the following rights, which each Pledgor hereby agrees to be commercially reasonable:

(i) to receive all amounts payable in respect of the Collateral otherwise payable under Section 6 hereof to the respective Pledgor;

(ii) to transfer all or any part of the Collateral into the Pledgee's name or the name of its nominee or nominees;

(iii) to vote (and exercise all rights and powers in respect of voting) all or any part of the Collateral (whether or not transferred into the name of the Pledgee) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof (each Pledgor hereby irrevocably constituting and appointing the Pledgee the proxy and attorney-in-fact of such Pledgor, with full power of substitution to do so);

(iv) at any time and from time to time to sell, assign and deliver, or grant options to purchase, all or any part of the Collateral, or any interest therein, at any public or private sale, without demand of performance, advertisement or, notice of intention to sell or of the time or place of sale or adjournment thereof or to redeem or otherwise purchase or dispose (all of which are hereby waived by each Pledgor), for cash, on credit or for other property, for immediate or future delivery without any assumption of credit risk, and for such price or prices and on such terms as the Pledgee in its absolute discretion may determine, provided at least 10 days' written notice of the time and place of any such sale shall be given to the respective Pledgor. The Pledgee shall not be obligated to make any such sale of Collateral regardless of whether any such notice of sale has theretofore been given. Each Pledgor hereby waives and releases to the fullest extent permitted by law any right or equity of redemption with respect to the Collateral, whether before or after sale hereunder, and all rights, if any, of marshalling the Collateral and any other security or the Obligations or otherwise. At any such sale, unless prohibited by applicable law, the Pledgee on behalf of the Secured Creditors may bid for and purchase all or any part of the Collateral so sold free from any such right or equity of redemption. Neither the Pledgee nor any other Secured Creditor shall be liable for failure to collect or realize upon any or all of the Collateral or for any delay in so doing nor shall any of them be under any obligation to take any action whatsoever with regard thereto; and

(v) to set off any and all Collateral against any and all Obligations, and to withdraw any and all cash or other Collateral from any and all accounts described in Section 3.2(a)(v) hereof and to apply such cash and other Collateral to the payment of any and all Obligations.

8. REMEDIES, CUMULATIVE, ETC. Each and every right, power and remedy of the Pledgee provided for in this Agreement or in any other Secured Debt Agreement, or now or hereafter existing at law or in equity or by statute shall be cumulative and concurrent and shall be in addition to every other such right, power or remedy. The exercise or beginning of the exercise by the Pledgee or any other Secured Creditor of any one or more of the rights, powers or remedies provided for in this Agreement or any other Secured Debt Agreement or now or hereafter existing at law or in equity or by statute or otherwise shall not preclude the simultaneous or later exercise by the Pledgee or any other Secured Creditor of all such other rights, powers or remedies, and no failure or delay on the part of the Pledgee or any other Secured Creditor to exercise any such right, power or remedy shall operate as a waiver thereof. No notice to or demand on any Pledgor in any case shall entitle it to any other or further notice or demand in similar or other circumstances or constitute a waiver of any of the rights of the Pledgee or any other Secured Creditor to any other or further action in any circumstances without notice or demand. The Secured Creditors agree that this Agreement may be enforced only by the action of the Pledgee, in each case, acting upon the instructions of the Required Secured Creditors, and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Agreement or to realize upon the security to be granted hereby, it being understood and agreed that such rights and remedies may be exercised by the Pledgee for the benefit of the Secured Creditors upon the terms of this Agreement.

9. APPLICATION OF PROCEEDS. (a) All monies collected by the Pledgee pursuant to the terms of this Agreement upon any sale or other disposition of Collateral, together with all other monies received by the Pledgee hereunder, shall be applied as follows:

(i) first, to the payment of all amounts owing to the Pledgee of the type described in clauses (iii), (iv) and (v) of Section 1 hereof;

(ii) second, to the extent proceeds remain after the application pursuant to the preceding clause (i), to the payment of all amounts owing to the Administrative Agent of the type described in clauses (v) and (vi) of Section 1 hereof;

(iii) third, to the extent proceeds remain after the application pursuant to the preceding clauses (i) and (ii), an amount equal to the outstanding Primary Obligations shall be paid to the Secured Creditors as provided in Section 9(e) hereof, with each Secured Creditor receiving an amount equal to its outstanding Primary Obligations or, if the proceeds are insufficient to pay in full all such Primary Obligations, its Pro Rata Share of the amount remaining to be distributed;

(iv) fourth, to the extent proceeds remain after the application pursuant to the preceding clauses (i) through (iii), inclusive, an amount equal to the outstanding Secondary Obligations shall be paid to the Secured Creditors as provided in Section 9(e) hereof, with each Secured Creditor receiving an amount equal to its outstanding Secondary Obligations or, if the proceeds are insufficient to pay in full all such Secondary Obligations, its Pro Rata Share of the amount remaining to be distributed; and

(v) fifth, to the extent proceeds remain after the application pursuant to the preceding clauses (i) through (iv), inclusive, and following the termination of this Agreement pursuant to Section 20 hereof, to the relevant Pledgor or to whomever may be lawfully entitled to receive such surplus.

(b) For purposes of this Agreement, (x) "Pro Rata Share" shall mean, when calculating a Secured Creditor's portion of any distribution or amount, that amount (expressed as a percentage) equal to a fraction the numerator of which is the then unpaid amount of such Secured Creditor's Primary Obligations or Secondary Obligations, as the case may be, and the denominator of which is the then outstanding amount of all Primary Obligations or Secondary Obligations, as the case may be, (y) "Primary Obligations" shall mean (i) in the case of the Credit Document Obligations, all principal of, premium, fees and interest on, all Loans, all Unpaid Drawings, the Stated Amount of all outstanding Letters of Credit and all Fees and (ii) in the case of the Other Obligations, all amounts due under each Secured Hedging Agreement (other than indemnities, fees (including, without limitation, attorneys' fees) and similar obligations and liabilities) and (z) "Secondary Obligations" shall mean all Obligations other than Primary Obligations.

(c) When payments to Secured Creditors are based upon their respective Pro Rata Shares, the amounts received by such Secured Creditors hereunder shall be applied (for purposes of making determinations under this Section 9 only) (i) first, to their Primary Obligations and (ii) second, to their Secondary Obligations. If any payment to any Secured Creditor of its Pro Rata Share of any distribution would result in overpayment to such Secured Creditor, such excess amount shall instead be distributed in respect of the unpaid Primary Obligations or Secondary Obligations, as the case may be, of the other Secured Creditors, with each Secured Creditor whose Primary Obligations or Secondary Obligations, as the case may be, have not been paid in full to receive an amount equal to such excess amount multiplied by a fraction the numerator of which is the unpaid Primary Obligations or Secondary Obligations, as the case may be, of such Secured Creditor and the denominator of which is the unpaid Primary Obligations or Secondary Obligations, as the case may be, of all Secured Creditors entitled to such distribution.

(d) Each of the Secured Creditors, by their acceptance of the benefits hereof, agrees and acknowledges that if the Lender Creditors receive a distribution on account of undrawn amounts with respect to Letters of Credit issued under the Credit Agreement (which shall only occur after all outstanding Revolving Loans under the Credit Agreement and Unpaid Drawings have been paid in full), such amounts shall be paid to the Administrative Agent under the Credit Agreement and held by it, for the equal and ratable benefit of the Lender Creditors, as cash security for the repayment of Obligations owing to the Lender Creditors as such. If any amounts are held as cash security pursuant to the immediately preceding sentence, then upon the termination of all outstanding Letters of Credit under the Credit Agreement, and after the

application of all such cash security to the repayment of all Obligations owing to the Lender Creditors after giving effect to the termination of all such Letters of Credit, if there remains any excess cash, such excess cash shall be returned by the Administrative Agent to the Pledgee for distribution in accordance with Section 9(a) hereof.

(e) All payments required to be made hereunder shall be made (x) if to the Lender Creditors, to the Administrative Agent for the account of the Lender Creditors and (y) if to the Other Creditors, to the trustee, paying agent or other similar representative (each, a "Representative") for the Other Creditors or, in the absence of such a Representative, directly to the Other Creditors.

(f) For purposes of applying payments received in accordance with this Section 9, the Pledgee shall be entitled to rely upon (i) the Administrative Agent and (ii) the Representative or, in the absence of such a Representative, upon the Other Creditors for a determination (which the Administrative Agent, each Representative and the Other Creditors agree (or shall agree) to provide upon request of the Pledgee) of the outstanding Primary Obligations and Secondary Obligations owed to the Lender Creditors or the Other Creditors, as the case may be. Unless it has received written notice from a Lender Creditor or an Other Creditor to the contrary, the Administrative Agent and each Representative, in furnishing information pursuant to the preceding sentence, and the Pledgee, in acting hereunder, shall be entitled to assume that no Secondary Obligations are outstanding. Unless it has written notice from an Other Creditor to the contrary, the Pledgee, in acting hereunder, shall be entitled to assume that no Secured Hedging Agreements are in existence.

(g) It is understood and agreed that each Pledgor shall remain jointly and severally liable with respect to its Obligations to the extent of any deficiency between the amount of the proceeds of the Collateral pledged by it hereunder and the aggregate amount of such Obligations.

10. PURCHASERS OF COLLATERAL. Upon any sale of the Collateral by the Pledgee hereunder (whether by virtue of the power of sale herein granted, pursuant to judicial process or otherwise), the receipt of the Pledgee or the officer making such sale shall be a sufficient discharge to the purchaser or purchasers of the Collateral so sold, and such purchaser or purchasers shall not be obligated to see to the application of any part of the purchase money paid over to the Pledgee or such officer or be answerable in any way for the misapplication or nonapplication thereof.

11. INDEMNITY. Each Pledgor jointly and severally agrees (i) to indemnify, reimburse and hold harmless the Pledgee and each other Secured Creditor and their respective successors, assigns, employees, agents and affiliates (individually an "Indemnitee", and collectively, the "Indemnitees") from and against any and all obligations, damages, injuries, penalties, claims, demands, losses, judgments and liabilities (including, without limitation, liabilities for penalties) of whatsoever kind or nature, and (ii) to reimburse each Indemnitee for all reasonable costs, expenses and disbursements, including reasonable attorneys' fees and expenses, in each case arising out of or resulting from this Agreement or the exercise by any Indemnitee of any right or remedy granted to it hereunder or under any other Secured Debt Agreement (but excluding any obligations, damages, injuries, penalties, claims, demands, losses,

judgments and liabilities (including, without limitation, liabilities for penalties) or expenses of whatsoever kind or nature to the extent incurred or arising by reason of gross negligence or willful misconduct of such Indemnitee (as determined by a court of competent jurisdiction in a final and non-appealable decision)). In no event shall the Pledgee hereunder be liable, in the absence of gross negligence or willful misconduct on its part (as determined by a court of competent jurisdiction in a final and non-appealable decision), for any matter or thing in connection with this Agreement other than to account for monies or other property actually received by it in accordance with the terms hereof. If and to the extent that the obligations of any Pledgor under this Section 11 are unenforceable for any reason, such Pledgor hereby agrees to make the maximum contribution to the payment and satisfaction of such obligations which is permissible under applicable law. The indemnity obligations of each Pledgor contained in this Section 11 shall continue in full force and effect notwithstanding the full payment of all the Notes issued under the Credit Agreement, the termination of all Secured Hedging Agreements and Letters of Credit, and the payment of all other Obligations and notwithstanding the discharge thereof.

12. PLEDGEE NOT A PARTNER OR LIMITED LIABILITY COMPANY MEMBER. (a) Nothing herein shall be construed to make the Pledgee or any other Secured Creditor liable as a member of any limited liability company or as a partner of any partnership and neither the Pledgee nor any other Secured Creditor by virtue of this Agreement or otherwise (except as referred to in the following sentence) shall have any of the duties, obligations or liabilities of a member of any limited liability company or as a partner in any partnership. The parties hereto expressly agree that, unless the Pledgee shall become the absolute owner of Collateral consisting of a Limited Liability Company Interest or a Partnership Interest pursuant hereto, this Agreement shall not be construed as creating a partnership or joint venture among the Pledgee, any other Secured Creditor, any Pledgor and/or any other Person.

(b) Except as provided in the last sentence of paragraph (a) of this Section 12, the Pledgee, by accepting this Agreement, did not intend to become a member of any limited liability company or a partner of any partnership or otherwise be deemed to be a co-venturer with respect to any Pledgor, any limited liability company, partnership and/or any other Person either before or after an Event of Default shall have occurred. The Pledgee shall have only those powers set forth herein and the Secured Creditors shall assume none of the duties, obligations or liabilities of a member of any limited liability company or as a partner of any partnership or any Pledgor except as provided in the last sentence of paragraph (a) of this Section 12.

(c) The Pledgee and the other Secured Creditors shall not be obligated to perform or discharge any obligation of any Pledgor as a result of the pledge hereby effected.

(d) The acceptance by the Pledgee of this Agreement, with all the rights, powers, privileges and authority so created, shall not at any time or in any event obligate the Pledgee or any other Secured Creditor to appear in or defend any action or proceeding relating to the Collateral to which it is not a party, or to take any action hereunder or thereunder, or to expend any money or incur any expenses or perform or discharge any obligation, duty or liability under the Collateral.

13. FURTHER ASSURANCES; POWER-OF-ATTORNEY. (a) Each Pledgor agrees that it will join with the Pledgee in executing and, at such Pledgor's own expense, file and refile under the UCC or other applicable law such financing statements, continuation statements and other documents, in form reasonably acceptable to the Pledgee, in such offices as the Pledgee (acting on its own or on the instructions of the Required Secured Creditors) may reasonably deem necessary or appropriate and wherever required or permitted by law in order to perfect and preserve the Pledgee's security interest in the Collateral hereunder and hereby authorizes the Pledgee to file financing statements and amendments thereto relative to all or any part of the Collateral (including, without limitation, (x) financing statements which list the Collateral specifically and/or "all assets" as collateral and (y) "in lieu of" financing statements) without the signature of such Pledgor where permitted by law, and agrees to do such further acts and things and to execute and deliver to the Pledgee such additional conveyances, assignments, agreements and instruments as the Pledgee may reasonably require or deem advisable to carry into effect the purposes of this Agreement or to further assure and confirm unto the Pledgee its rights, powers and remedies hereunder or thereunder.

(b) Each Pledgor hereby constitutes and appoints the Pledgee its true and lawful attorney-in-fact, irrevocably, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, from time to time after the occurrence and during the continuance of an Event of Default, in the Pledgee's discretion, to act, require, demand, receive and give acquittance for any and all monies and claims for monies due or to become due to such Pledgor under or arising out of the Collateral, to endorse any checks or other instruments or orders in connection therewith and to file any claims or take any action or institute any proceedings and to execute any instrument which the Pledgee may deem necessary or advisable to accomplish the purposes of this Agreement, which appointment as attorney is coupled with an interest.

14. THE PLEDGEE AS COLLATERAL AGENT. The Pledgee will hold in accordance with this Agreement all items of the Collateral at any time received under this Agreement. It is expressly understood, acknowledged and agreed by each Secured Creditor that by accepting the benefits of this Agreement each such Secured Creditor acknowledges and agrees that the obligations of the Pledgee as holder of the Collateral and interests therein and with respect to the disposition thereof, and otherwise under this Agreement, are only those expressly set forth in this Agreement and in Section 12 of the Credit Agreement. The Pledgee shall act hereunder on the terms and conditions set forth herein and in Section 12 of the Credit Agreement.

15. TRANSFER BY THE PLEDGORS. Except as permitted (i) prior to the date all Credit Document Obligations have been paid in full and all Commitments and Letters of Credit under the Credit Agreement have been terminated, pursuant to the Credit Agreement, and (ii) thereafter, pursuant to the other Secured Debt Agreements, no Pledgor will sell or otherwise dispose of, grant any option with respect to, or mortgage, pledge or otherwise encumber any of the Collateral or any interest therein.

16. REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PLEDGORS. (a) Each Pledgor represents, warrants and covenants as to itself and each of its Subsidiaries that:

(i) it is the legal, beneficial and record owner of, and has good and marketable title to, all of its Collateral and that it has sufficient interest in all of its Collateral in which a security interest is purported to be created hereunder for such security interest to attach (subject, in each case, to no pledge, lien, mortgage, hypothecation, security interest, charge, option, Adverse Claim or other encumbrance whatsoever, except the liens and security interests created by this Agreement);

(ii) it has full power, authority and legal right to pledge all the Collateral pledged by it pursuant to this Agreement;

(iii) this Agreement has been duly authorized, executed and delivered by such Pledgor and constitutes a legal, valid and binding obligation of such Pledgor enforceable against such Pledgor in accordance with its terms, except to the extent that the enforceability hereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting creditors' rights generally and by general equitable principles (regardless of whether enforcement is sought in equity or at law);

(iv) except to the extent already obtained or made, no consent of any other party (including, without limitation, any stockholder, partner, member or creditor of such Pledgor or any of its Subsidiaries) and no consent, license, permit, approval or authorization of, exemption by, notice or report to, or registration, filing or declaration with, any governmental authority is required to be obtained by such Pledgor in connection with (a) the execution, delivery or performance of this Agreement by such Pledgor, (b) the validity or enforceability of this Agreement against such Pledgor, (c) the perfection or enforceability of the Pledgee's security interest in such Pledgor's Collateral or (d) except for compliance with or as may be required by applicable securities laws, the exercise by the Pledgee of any of its rights or remedies provided herein;

(v) neither the execution, delivery or performance by such Pledgor of this Agreement or any other Secured Debt Agreement to which it is a party, nor compliance by it with the terms and provisions hereof and thereof nor the consummation of the transactions contemplated therein: (i) will contravene any provision of any applicable law, statute, rule or regulation, or any applicable order, writ, injunction or decree of any court, arbitrator or governmental instrumentality, domestic or foreign, applicable to such Pledgor; (ii) will conflict or be inconsistent with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to this Agreement) upon any of the properties or assets of such Pledgor or any of its Subsidiaries pursuant to the terms of any indenture, lease, mortgage, deed of trust, credit agreement, loan agreement or any other material agreement, contract or other instrument to which such Pledgor or any of its Subsidiaries is a party or is otherwise bound, or by which it or any of its properties or assets is bound or to which it may be subject; or (iii) will violate any provision of the certificate of incorporation, by-laws, certificate of partnership, partnership agreement, certificate of formation or limited liability company agreement (or equivalent organizational documents), as the case may be, of such Pledgor or any of its Subsidiaries;

(vi) all of such Pledgor's Collateral has been duly and validly issued, is fully paid and non-assessable and is subject to no options to purchase or similar rights;

(vii) the pledge, collateral assignment and delivery to the Pledgee of such Pledgor's Collateral consisting of Certificated Securities pursuant to this Agreement creates a valid and perfected first priority security interest in such Certificated Securities, and the Proceeds thereof, subject to no prior Lien or encumbrance or to any agreement purporting to grant to any third party a Lien or encumbrance on the property or assets of such Pledgor which would include the Securities and the Pledgee is entitled to all the rights, priorities and benefits afforded by the UCC or other relevant law as enacted in any relevant jurisdiction to perfect security interests in respect of such Collateral; and

(viii) "control" (as defined in Section 8-106 of the UCC) has been obtained by the Pledgee over all of such Pledgor's Collateral consisting of Securities with respect to which such "control" may be obtained pursuant to Section 8-106 of the UCC, except to the extent that the obligation of the applicable Pledgor to provide the Pledgee with "control" of such Collateral has not yet arisen under this Agreement; provided that in the case of the Pledgee obtaining "control" over Collateral consisting of a Security Entitlement, such Pledgor shall have taken all steps in its control so that the Pledgee obtains "control" over such Security Entitlement.

(b) Each Pledgor covenants and agrees that it will defend the Pledgee's right, title and security interest in and to such Pledgor's Collateral and the proceeds thereof against the claims and demands of all persons whomsoever; and each Pledgor covenants and agrees that it will have like title to and right to pledge any other property at any time hereafter pledged to the Pledgee by such Pledgor as Collateral hereunder and will likewise defend the right thereto and security interest therein of the Pledgee and the other Secured Creditors.

(c) Each Pledgor covenants and agrees that it will take no action which would violate any of the terms of any Secured Debt Agreement.

17. LEGAL NAMES; TYPE OF ORGANIZATION (AND WHETHER A REGISTERED ORGANIZATION AND/OR A TRANSMITTING UTILITY); JURISDICTION OF ORGANIZATION; LOCATION; ORGANIZATIONAL IDENTIFICATION NUMBERS; CHANGES THERETO; ETC. The exact legal name of each Pledgor, the type of organization of such Pledgor, whether or not such Pledgor is a Registered Organization, the jurisdiction of organization of such Pledgor, such Pledgor's Location, the organizational identification number (if any) of each Pledgor, and whether or not such Pledgor is a Transmitting Utility, is listed on Annex A hereto for such Pledgor. No Pledgor shall change its legal name, its type of organization, its status as a Registered Organization (in the case of a Registered Organization), its status as a Transmitting Utility or as a Person which is not a Transmitting Utility, as the case may be, its jurisdiction of organization, its Location, or its organizational identification number (if any), except that any such changes shall be permitted (so long as not in violation of the applicable requirements of the Secured Debt Agreements and so long as same do not involve (x) a Registered Organization ceasing to constitute same or (y) any Pledgor changing its jurisdiction of organization or Location from the United States or a State thereof to a jurisdiction of organization or Location, as the case may be, outside the United States or a State thereof) if (i) it

shall have given to the Collateral Agent not less than 15 days' prior written notice of each change to the information listed on Annex A (as adjusted for any subsequent changes thereto previously made in accordance with this sentence), together with a supplement to Annex A which shall correct all information contained therein for such Pledgor, and (ii) in connection with the respective such change or changes, it shall have taken all action reasonably requested by the Pledgee to maintain the security interests of the Pledgee in the Collateral intended to be granted hereby at all times fully perfected and in full force and effect. In addition, to the extent that any Pledgor does not have an organizational identification number on the date hereof and later obtains one, such Pledgor shall promptly thereafter deliver a notification of the Collateral Agent of such organizational identification number and shall take all actions reasonably satisfactory to the Pledgee to the extent necessary to maintain the security interest of the Pledgee in the Collateral intended to be granted hereby fully perfected and in full force and effect.

18. PLEDGORS' OBLIGATIONS ABSOLUTE, ETC. The obligations of each Pledgor under this Agreement shall be absolute and unconditional and shall remain in full force and effect without regard to, and shall not be released, suspended, discharged, terminated or otherwise affected by, any circumstance or occurrence whatsoever (other than termination of this Agreement pursuant to Section 20 hereof), including, without limitation:

(i) any renewal, extension, amendment or modification of, or addition or supplement to or deletion from any Secured Debt Agreement (other than this Agreement in accordance with its terms), or any other instrument or agreement referred to therein, or any assignment or transfer of any thereof;

(ii) any waiver, consent, extension, indulgence or other action or inaction under or in respect of any such agreement or instrument including, without limitation, this Agreement (other than a waiver, consent or extension with respect to this Agreement in accordance with its terms);

(iii) any furnishing of any additional security to the Pledgee or its assignee or any acceptance thereof or any release of any security by the Pledgee or its assignee;

(iv) any limitation on any party's liability or obligations under any such instrument or agreement or any invalidity or unenforceability, in whole or in part, of any such instrument or agreement or any term thereof; or

(v) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to any Pledgor or any Subsidiary of any Pledgor, or any action taken with respect to this Agreement by any trustee or receiver, or by any court, in any such proceeding, whether or not such Pledgor shall have notice or knowledge of any of the foregoing.

19. SALE OF COLLATERAL WITHOUT REGISTRATION. (a) If an Event of Default shall have occurred and be continuing and any Pledgor shall have received from the Pledgee a written request or requests that such Pledgor cause any registration, qualification or compliance under any federal or state securities law or laws to be effected with respect to all or any part of the Collateral, such Pledgor as soon as practicable and at its expense will use its best

efforts to cause such registration to be effected (and be kept effective) and will use its best efforts to cause such qualification and compliance to be effected (and be kept effective) as may be so requested and as would permit or facilitate the sale and distribution of such Collateral, including, without limitation, registration under the Securities Act, as then in effect (or any similar statute then in effect), appropriate qualifications under applicable blue sky or other state securities laws and appropriate compliance with any other governmental requirements; provided, that the Pledgee shall furnish to such Pledgor such information regarding the Pledgee as such Pledgor may request in writing and as shall be required in connection with any such registration, qualification or compliance. Each Pledgor will cause the Pledgee to be kept reasonably advised in writing as to the progress of each such registration, qualification or compliance and as to the completion thereof, will furnish to the Pledgee such number of prospectuses, offering circulars and other documents incident thereto as the Pledgee from time to time may reasonably request, and will indemnify, to the extent permitted by law, the Pledgee and all other Secured Creditors participating in the distribution of such Collateral against all claims, losses, damages and liabilities caused by any untrue statement (or alleged untrue statement) of a material fact contained therein (or in any related registration statement, notification or the like) or by any omission (or alleged omission) to state therein (or in any related registration statement, notification or the like) a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same may have been caused by an untrue statement or omission based upon information furnished in writing to such Pledgor by the Pledgee or such other Secured Creditor expressly for use therein.

(b) If at any time when the Pledgee shall determine to exercise its right to sell all or any part of the Collateral pursuant to Section 7 hereof, and such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act, as then in effect, the Pledgee may, in its sole and absolute discretion, sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Pledgee may deem necessary or advisable in order that such sale may legally be effected without such registration. Without limiting the generality of the foregoing, in any such event the Pledgee, in its sole and absolute discretion (i) may proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof shall have been filed under such Securities Act, (ii) may approach and negotiate with a single possible purchaser to effect such sale, and (iii) may restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In the event of any such sale, the Pledgee shall incur no responsibility or liability for selling all or any part of the Collateral at a price which the Pledgee, in its sole and absolute discretion, may in good faith deem reasonable under the circumstances, notwithstanding the possibility that a substantially higher price might be realized if the sale were deferred until the registration as aforesaid.

20. TERMINATION; RELEASE. (a) On the Termination Date, this Agreement shall terminate (provided that all indemnities set forth herein including, without limitation, in Section 11 hereof shall survive any such termination) and the Pledgee, at the request and expense of such Pledgor, will execute and deliver to such Pledgor a proper instrument or instruments (including UCC termination statements) acknowledging the satisfaction and termination of this Agreement (including, without limitation, UCC termination statements and instruments of satisfaction, discharge and/or reconveyance), and will duly release from the security interest

created hereby and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as may be in the possession of the Pledgee and as has not theretofore been sold or otherwise applied or released pursuant to this Agreement, together with any moneys at the time held by the Pledgee or any of its sub-agents hereunder and, with respect to any Collateral consisting of an Uncertificated Security, a Partnership Interest or a Limited Liability Company Interest (other than an Uncertificated Security, Partnership Interest or Limited Liability Company Interest credited on the books of a Clearing Corporation or Securities Intermediary), a termination of the agreement relating thereto executed and delivered by the issuer of such Uncertificated Security pursuant to Section 3.2(a)(ii) or by the respective partnership or limited liability company pursuant to Section 3.2(a)(iv)(2). As used in this Agreement, "Termination Date" shall mean the date upon which the Commitments under the Credit Agreement have been terminated and all Secured Hedging Agreements entitled to the benefits of this Agreement have been terminated, no Letter of Credit or Note (as defined in the Credit Agreement) is outstanding (and all Loans have been paid in full), all Letters of Credit have been terminated, and all other Obligations (other than indemnities described in Section 11 hereof and described in Section 13.01 of the Credit Agreement, in each case which are not then due and payable) then due and payable have been paid in full.

(b) In the event that any part of the Collateral is sold or otherwise disposed of (to a Person other than a Credit Party) (x) at any time prior to the time at which all Credit Document Obligations have been paid in full and all Commitments and Letters of Credit under the Credit Agreement have been terminated, in connection with a sale or disposition permitted by Section 10.02 of the Credit Agreement or is otherwise released at the direction of the Required Lenders (or all the Lenders if required by Section 13.12 of the Credit Agreement) or (y) at any time thereafter, to the extent permitted by the other Secured Debt Agreements, and in the case of clauses (x) and (y), the proceeds of such sale or disposition (or from such release) are applied in accordance with the terms of the Credit Agreement or such other Secured Debt Agreement, as the case may be, to the extent required to be so applied, the Pledgee, at the request and expense of such Pledgor, will duly release from the security interest created hereby (and will execute and deliver such documentation, including termination or partial release statements and the like in connection therewith) and assign, transfer and deliver to such Pledgor (without recourse and without any representation or warranty) such of the Collateral as is then being (or has been) so sold or released and as may be in the possession of the Pledgee (or, in the case of Collateral held by any sub-agent designated pursuant to Section 4 hereto, such sub-agent) and has not theretofore been released pursuant to this Agreement.

(c) At any time that any Pledgor desires that Collateral be released as provided in the foregoing Section 20(a) or (b), it shall deliver to the Pledgee (and the relevant sub-agent, if any, designated pursuant to Section 4 hereof) a certificate signed by an Authorized Officer of such Pledgor stating that the release of the respective Collateral is permitted pursuant to Section 20(a) or (b) hereof. If reasonably requested by the Pledgee (although the Pledgee shall have no obligation to make any such request), the relevant Pledgor shall furnish appropriate legal opinions (from counsel, reasonably acceptable to the Pledgee) to the effect set forth in the immediately preceding sentence.

(d) Upon the occurrence of the Security Release Date, the Pledgors shall be automatically released from this Agreement and all security interests created hereunder shall be

released automatically without further action on the part of the Pledgee and this Agreement shall, as to each Pledgor, terminate, and have no further force or effect (provided that all indemnitees set forth herein, including, without limitation, in Section 11 hereof shall survive any such termination).

(e) The Pledgee shall have no liability whatsoever to any other Secured Creditor as the result of any release of Collateral by it in accordance with (or which the Collateral Agent in good faith believes to be in accordance with) this Section 20.

21. NOTICES, ETC. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Pledgee or any Pledgor shall not be effective until received by the Pledgee or such Pledgor, as the case may be. All notices and other communications shall be in writing and addressed as follows:

(a) if to any Pledgor, at its address set forth opposite its signature below;

(b) if to the Pledgee, at:

60 Wall Street

New York, New York 10005

Attention: Stephen Cayer

Telephone No.: (212) 250-3536

Telecopier No.: (212) 797-5904

(c) if to any Lender Creditor, either (x) to the Administrative Agent, at the address of the Administrative Agent specified in the Credit Agreement, or (y) at such address as such Lender Creditor shall have specified in the Credit Agreement;

(d) if to any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Pledgors and the Pledgee;

or at such other address or addressed to such other individual as shall have been furnished in writing by any Person described above to the party required to give notice hereunder.

22. WAIVER; AMENDMENT. Except as provided in Sections 30 and 32 hereof, none of the terms and conditions of this Agreement may be changed, waived, modified or varied in any manner whatsoever unless in writing duly signed by each Pledgor directly affected thereby (it being understood that the addition or release of any Pledgor hereunder shall not constitute a change, waiver, discharge or termination affecting any Pledgor other than the Pledgor so added or released) and the Pledgee (with the written consent of the Required Secured Creditors); provided, however, that any change, waiver, modification or variance affecting the rights and benefits of a single Class of Secured Creditors (and not all Secured Creditors in a like or similar manner) also shall require the written consent of the Requisite Creditors of such

affected Class. For the purpose of this Agreement, the term "Class" shall mean each class of Secured Creditors, i.e., whether (x) the Lender Creditors as holders of the Credit Document Obligations or (y) the Other Creditors as the holders of the Other Obligations. For the purpose of this Agreement, the term "Requisite Creditors" of any Class shall mean each of (x) with respect to the Credit Document Obligations, the Required Lenders (or, to the extent provided in Section 13.12 of the Credit Agreement, each of the Lenders), and (y) with respect to the Other Obligations, the holders of at least a majority of all Other Obligations outstanding from time to time.

23. SUCCESSORS AND ASSIGNS. This Agreement shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect, subject to release and/or termination as set forth in Section 20 hereof, (ii) be binding upon each Pledgor, its successors and assigns; provided, however, that no Pledgor shall assign any of its rights or obligations hereunder without the prior written consent of the Pledgee (with the prior written consent of the Required Secured Creditors), and (iii) inure, together with the rights and remedies of the Pledgee hereunder, to the benefit of the Pledgee, the other Secured Creditors and their respective successors, transferees and assigns. All agreements, statements, representations and warranties made by each Pledgor herein or in any certificate or other instrument delivered by such Pledgor or on its behalf under this Agreement shall be considered to have been relied upon by the Secured Creditors and shall survive the execution and delivery of this Agreement and the other Secured Debt Agreements regardless of any investigation made by the Secured Creditors or on their behalf.

24. HEADINGS DESCRIPTIVE. The headings of the several Sections of this Agreement are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

25. GOVERNING LAW; SUBMISSION TO JURISDICTION; VENUE; WAIVER OF JURY TRIAL. (a) THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE CONSTRUED IN ACCORDANCE WITH AND BE GOVERNED BY THE INTERNAL LAW OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES. ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT MAY BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK OR OF THE UNITED STATES FOR THE SOUTHERN DISTRICT OF NEW YORK, IN EACH CASE WHICH ARE LOCATED IN THE COUNTY OF NEW YORK, AND, BY EXECUTION AND DELIVERY OF THIS AGREEMENT, EACH PLEDGOR HEREBY IRREVOCABLY ACCEPTS FOR ITSELF AND IN RESPECT OF ITS PROPERTY, GENERALLY AND UNCONDITIONALLY, THE NON-EXCLUSIVE JURISDICTION OF THE AFORESAID COURTS. EACH PLEDGOR HEREBY FURTHER IRREVOCABLY WAIVES ANY CLAIM THAT ANY SUCH COURTS LACK PERSONAL JURISDICTION OVER SUCH PLEDGOR, AND AGREES NOT TO PLEAD OR CLAIM IN ANY LEGAL ACTION OR PROCEEDING WITH RESPECT TO THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN ANY OF THE AFORESAID COURTS THAT ANY SUCH COURT LACKS PERSONAL JURISDICTION OVER SUCH PLEDGOR. EACH PLEDGOR FURTHER IRREVOCABLY CONSENTS TO THE SERVICE OF PROCESS OUT OF ANY OF THE AFOREMENTIONED COURTS IN ANY SUCH ACTION OR

PROCEEDING BY THE MAILING OF COPIES THEREOF BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, TO ANY SUCH PLEDGOR AT ITS ADDRESS FOR NOTICES AS PROVIDED IN SECTION 21 ABOVE, SUCH SERVICE TO BECOME EFFECTIVE 30 DAYS AFTER SUCH MAILING. EACH PLEDGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION TO SUCH SERVICE OF PROCESS AND FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY ACTION OR PROCEEDING COMMENCED HEREUNDER OR UNDER ANY OTHER CREDIT DOCUMENT THAT SUCH SERVICE OF PROCESS WAS IN ANY WAY INVALID OR INEFFECTIVE. NOTHING HEREIN SHALL AFFECT THE RIGHT OF THE PLEDGEE UNDER THIS AGREEMENT, OR ANY SECURED CREDITOR, TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO COMMENCE LEGAL PROCEEDINGS OR OTHERWISE PROCEED AGAINST ANY PLEDGOR IN ANY OTHER JURISDICTION.

(b) EACH PLEDGOR HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER CREDIT DOCUMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (a) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT ANY SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.

(c) EACH OF THE PARTIES TO THIS AGREEMENT HEREBY IRREVOCABLY WAIVES ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE OTHER CREDIT DOCUMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

26. PLEDGOR'S DUTIES. It is expressly agreed, anything herein contained to the contrary notwithstanding, that each Pledgor shall remain liable to perform all of the obligations, if any, assumed by it with respect to the Collateral and the Pledgee shall not have any obligations or liabilities with respect to any Collateral by reason of or arising out of this Agreement, except for the safekeeping of Collateral actually in Pledgor's possession, nor shall the Pledgee be required or obligated in any manner to perform or fulfill any of the obligations of any Pledgor under or with respect to any Collateral.

27. COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with each Pledgor and the Pledgee.

28. SEVERABILITY. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

29. RECOURSE. This Agreement is made with full recourse to each Pledgor and pursuant to and upon all the representations, warranties, covenants and agreements on the part of such Pledgor contained herein and in the other Secured Debt Agreements and otherwise in writing in connection herewith or therewith.

30. ADDITIONAL PLEDGORS. It is understood and agreed that any Subsidiary of the Borrower that is required to become a party to this Agreement after the date hereof pursuant to the requirements of the Credit Agreement or any other Secured Debt Agreement, shall become a Pledgor hereunder by (x) executing a counterpart hereof and delivering same to the Pledgee or executing a joinder agreement and delivering same to the Pledgee, in each case as may be required by (and in form and substance satisfactory to) the Pledgee, (y) delivering supplements to Annexes A through F, hereto as are necessary to cause such annexes to be complete and accurate with respect to such additional Pledgor on such date and (z) taking all actions as specified in this Agreement as would have been taken by such Pledgor had it been an original party to this Agreement, in each case with all documents required above to be delivered to the Pledgee and with all documents and actions required above to be taken to the reasonable satisfaction of the Pledgee.

31. LIMITED OBLIGATIONS. It is the desire and intent of each Pledgor and the Secured Creditors that this Agreement shall be enforced against each Pledgor to the fullest extent permissible under the laws applied in each jurisdiction in which enforcement is sought. Notwithstanding anything to the contrary contained herein, in furtherance of the foregoing, it is noted that the obligations of each Pledgor constituting a Subsidiary Guarantor have been limited as provided in the Subsidiaries Guaranty.

32. RELEASE OF PLEDGORS. If at any time all of the Equity Interests of any Pledgor owned by the Borrower or any of its Subsidiaries are sold (to a Person other than a Credit Party) in a transaction permitted pursuant to the Credit Agreement (and which does not violate the terms of any other Secured Debt Agreement then in effect), then, such Pledgor shall be released as a Pledgor pursuant to this Agreement without any further action hereunder (it being understood that the sale of all of the Equity Interests in any Person that owns, directly or indirectly, all of the Equity Interests in any Pledgor shall be deemed to be a sale of all of the Equity Interests in such Pledgor for purposes of this Section), and the Pledgee is authorized and directed to execute and deliver such instruments of release as are reasonably satisfactory to it. At any time that the Borrower desires that a Pledgor be released from this Agreement as provided in this Section 32, the Borrower shall deliver to the Pledgee a certificate signed by an Authorized Officer of the Borrower stating that the release of such Pledgor is permitted pursuant to this Section 32. If requested by Pledgee (although the Pledgee shall have no obligation to make any such request), the Borrower shall furnish legal opinions (from counsel acceptable to the Pledgee) to the effect set forth in the immediately preceding sentence. The Pledgee shall have no liability whatsoever to any other Secured Creditor as a result of the release of any Pledgor by it in accordance with, or which it believes in good faith to be in accordance with, this Section 32.

33. AMENDMENT AND RESTATEMENT. Each of the Collateral Agent and each of the Pledgors hereby acknowledges and agrees that from and after the Restatement Effective Date, this Agreement amends, restates and supersedes the Original Pledge Agreement in its entirety.

* * * *

IN WITNESS WHEREOF, each Pledgor and the Pledgee have caused this Agreement to be executed by their duly elected officers duly authorized as of the date first above written.

Address:

201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

LEE ENTERPRISES, INCORPORATED,
as a Pledgor

By: /s/ Carl G. Schmidt
Title: Vice President, Chief Financial Officer and Treasurer

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

ACCUDATA, INC.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

INN PARTNERS, L.C.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

JOURNAL – STAR PRINTING CO.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

K. FALLS BASIN PUBLISHING, INC.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

LEE CONSOLIDATED HOLDINGS CO.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

LEE PUBLICATIONS, INC.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

LEE PROCUREMENT SOLUTIONS CO.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

LINT CO.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

SIOUX CITY NEWSPAPERS, INC.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

TARGET MARKETING SYSTEMS, INC.,
as a Pledgor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

Accepted and Agreed to:

DEUTSCHE BANK TRUST COMPANY AMERICAS
as Collateral Agent and Pledgee

By: /s/ Susan L. LeFevre
Title: Director

By: /s/ Lana Gifas
Title: Vice President

Exhibit 10.3 - Amended and Restated Subsidiaries Guaranty

EXHIBIT G

AMENDED AND RESTATED SUBSIDIARIES GUARANTY

AMENDED AND RESTATED SUBSIDIARIES GUARANTY (as amended, modified, restated and/or supplemented from time to time, this "Guaranty"), dated as of December 21, 2005, made by and among each of the undersigned guarantors (each, a "Guarantor" and, together with any other entity that becomes a guarantor hereunder pursuant to Section 22 hereof, collectively, the "Guarantors") in favor of Deutsche Bank Trust Company Americas, as Administrative Agent (together with any successor administrative agent, the "Administrative Agent"), for the benefit of the Secured Creditors (as defined below). Except as otherwise defined herein, all capitalized terms used herein and defined in the Credit Agreement (as defined below) shall be used herein as therein defined.

W I T N E S S E T H :

WHEREAS, Lee Enterprises, Incorporated (the "Borrower"), the lenders from time to time party thereto (the "Lenders"), Deutsche Bank Securities Inc. and SunTrust Capital Markets, Inc., as Joint Lead Arrangers, Deutsche Bank Securities Inc., as Book Running Manager, SunTrust Bank, as Syndication Agent, Bank of America, N.A., The Bank of New York and The Bank of Tokyo-Mitsubishi, Ltd., Chicago Branch, as Co-Documentation Agents, and the Administrative Agent have entered into an Amended and Restated Credit Agreement, dated as of December 21, 2005 (as amended, modified, restated and/or supplemented from time to time, the "Credit Agreement"), providing for the making and continuation of Loans to, and the issuance and maintenance of, and participation in, Letters of Credit for the account of, the Borrower, all as contemplated therein (the Lenders, each Issuing Lender, the Administrative Agent, the Collateral Agent and each other Agent are herein called the "Lender Creditors");

WHEREAS, the Borrower and/or one or more of its Qualified Wholly-Owned Domestic Subsidiaries have heretofore entered into, and/or may at any time and from time to time after the date hereof enter into, one or more Interest Rate Protection Agreements and/or Other Hedging Agreements with one or more Lenders or any affiliate thereof (each such Lender or affiliate, even if the respective Lender subsequently ceases to be a Lender under the Credit Agreement for any reason, together with such Lender's or affiliate's successors and assigns, if any, collectively, the "Other Creditors" and, together with the Lender Creditors, the "Secured Creditors"; and with each such Interest Rate Protection Agreement and/or Other Hedging Agreement with an Other Creditor being herein called a "Secured Hedging Agreement");

WHEREAS, each Guarantor is a direct or indirect Subsidiary of the Borrower;

WHEREAS, the Guarantors have heretofore entered into a Subsidiaries Guaranty, dated as of June 3, 2005 (as amended, restated, modified and/or supplemented to, but not including, the date hereof, the "Original Subsidiaries Guaranty");

WHEREAS, it is a condition precedent to the making and continuation of Loans to the Borrower and the issuance and maintenance of, and participation in, Letters of Credit for the account of the Borrower under the Credit Agreement and to the Other Creditors entering into and maintaining Secured Hedging Agreements that each Guarantor shall have executed and delivered to the Administrative Agent this Guaranty; and

WHEREAS, each Guarantor will obtain benefits from the incurrence and continuation of Loans by the Borrower and the issuance and maintenance of, and participation in, Letters of Credit for the account of the Borrower under the Credit Agreement and the entering into and maintaining by the Borrower and/or one or more of its Qualified Wholly-Owned Domestic Subsidiaries of Secured Hedging Agreements and, accordingly, desires to execute this Guaranty in order to satisfy the condition described in the preceding paragraph and to induce the Lenders to make and continue Loans to the Borrower and issue, maintain, and/or participate in, Letters of Credit for the account of the Borrower and the Other Creditors to maintain and/or enter into Secured Hedging Agreements with the Borrower and/or one or more of its Qualified Wholly-Owned Domestic Subsidiaries;

WHEREAS, the Guarantors desire to amend and restate the Original Subsidiaries Guaranty in the form of this Guaranty;

NOW, THEREFORE, in consideration of the foregoing and other benefits accruing to each Guarantor, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby makes the following representations and warranties to the Administrative Agent for the benefit of the Secured Creditors and hereby covenants and agrees with each other Guarantor and the Administrative Agent for the benefit of the Secured Creditors as follows:

1. GUARANTY. (a) Each Guarantor, jointly and severally, irrevocably, absolutely and unconditionally guarantees as a primary obligor and not merely as surety:

(i) to the Lender Creditors the full and prompt payment when due (whether at the stated maturity, by required prepayment, declaration, acceleration, demand or otherwise) of (x) the principal of, premium, if any, and interest on the Notes issued by, and the Loans made to, the Borrower under the Credit Agreement, and all reimbursement obligations and Unpaid Drawings with respect to Letters of Credit and (y) all other obligations (including, without limitation, obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due), liabilities and indebtedness owing by the Borrower to the Lender Creditors under each Credit Document to which the Borrower is a party (including, without limitation, indemnities, Fees and interest thereon (including, without limitation, any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for in the Credit Agreement, whether or not such interest is an allowed claim in any such proceeding)), whether now existing or hereafter incurred under, arising out of or in connection with each such Credit Document and the due performance and compliance by the Borrower with all of the terms, conditions, covenants and agreements contained in all such Credit Documents (all such principal, premium, interest, liabilities, indebtedness and obligations under this clause (i), except to the extent consisting of obligations or liabilities with respect to Secured Hedging Agreements, being herein collectively called the "Credit Document Obligations"); and

(ii) to each Other Creditor the full and prompt payment when due (whether at the stated maturity, by required prepayment, declaration, acceleration, demand or otherwise) of all obligations (including, without limitation, obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due), liabilities and indebtedness (including, without limitation, any interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided for in the respective Secured Hedging Agreements, whether or not such interest is an allowed claim in any such proceeding) owing by the Borrower and each other Guaranteed Party (as defined below) under each Secured Hedging Agreement to which it is a party, whether now in existence or hereafter arising, and the due performance and compliance by the Borrower and each such other Guaranteed Party with all of the terms, conditions, covenants and agreements contained therein (all such obligations, liabilities and indebtedness being herein collectively called the "Other Obligations" and, together with the Credit Document Obligations are herein collectively called the "Guaranteed Obligations").

As used herein, the term "Guaranteed Party" shall mean the Borrower and each Qualified Wholly-Owned Domestic Subsidiary of the Borrower party to any Secured Hedging Agreement. Each Guarantor understands, agrees and confirms that the Secured Creditors may enforce this Guaranty up to the full amount of the Guaranteed Obligations against such Guarantor without proceeding against any other Guarantor, the Borrower or any other Guaranteed Party, or against any security for the Guaranteed Obligations, or under any other guaranty covering all or a portion of the Guaranteed Obligations. This Guaranty is a guaranty of prompt payment and performance and not of collection.

(b) Additionally, each Guarantor, jointly and severally, unconditionally, absolutely and irrevocably, guarantees the payment of any and all Guaranteed Obligations whether or not due or payable by the Borrower or any other Guaranteed Party upon the occurrence in respect of the Borrower or any other Guaranteed Party of any of the events specified in Section 11.05 of the Credit Agreement, and unconditionally, absolutely and irrevocably, jointly and severally, promises to pay such Guaranteed Obligations to the Secured Creditors, or order, on demand.

2. LIABILITY OF GUARANTORS ABSOLUTE. The liability of each Guarantor hereunder is primary, absolute, joint and several, and unconditional and is exclusive and independent of any security for or other guaranty of the indebtedness of the Borrower or any other Guaranteed Party whether executed by such Guarantor, any other Guarantor, any other guarantor or by any other party, and the liability of each Guarantor hereunder shall not be affected or impaired by any circumstance or occurrence whatsoever, including, without limitation: (a) any direction as to application of payment by the Borrower, any other Guaranteed Party or any other party, (b) any other continuing or other guaranty, undertaking or maximum liability of a Guarantor or of any other party as to the Guaranteed Obligations, (c) any payment on or in reduction of any such other guaranty or undertaking, (d) any dissolution, termination or increase, decrease or change in personnel by the Borrower or any other Guaranteed Party, (e) the failure of the Guarantor to receive any benefit from or as a result of its execution, delivery and performance of this Guaranty, (f) any payment made to any Secured Creditor on the indebtedness which any Secured Creditor repays the Borrower or any other Guaranteed Party

pursuant to court order in any bankruptcy, reorganization, arrangement, moratorium or other debtor relief proceeding, and each Guarantor waives any right to the deferral or modification of its obligations hereunder by reason of any such proceeding, (g) any action or inaction by the Secured Creditors as contemplated in Section 5 hereof or (h) any invalidity, rescission, irregularity or unenforceability of all or any part of the Guaranteed Obligations or of any security therefor.

3. OBLIGATIONS OF GUARANTORS INDEPENDENT. The obligations of each Guarantor hereunder are independent of the obligations of any other Guarantor, any other guarantor, the Borrower or any other Guaranteed Party, and a separate action or actions may be brought and prosecuted against each Guarantor whether or not action is brought against any other Guarantor, any other guarantor, the Borrower or any other Guaranteed Party and whether or not any other Guarantor, any other guarantor, the Borrower or any other Guaranteed Party be joined in any such action or actions. Each Guarantor waives (to the fullest extent permitted by applicable law) the benefits of any statute of limitations affecting its liability hereunder or the enforcement thereof. Any payment by the Borrower or any other Guaranteed Party or other circumstance which operates to toll any statute of limitations as to the Borrower or such other Guaranteed Party shall operate to toll the statute of limitations as to each Guarantor.

4. WAIVERS BY GUARANTORS. (a) Each Guarantor hereby waives (to the fullest extent permitted by applicable law) notice of acceptance of this Guaranty and notice of the existence, creation or incurrence of any new or additional liability to which it may apply, and waives promptness, diligence, presentment, demand of payment, demand for performance, protest, notice of dishonor or nonpayment of any such liabilities, suit or taking of other action by the Administrative Agent or any other Secured Creditor against, and any other notice to, any party liable thereon (including such Guarantor, any other Guarantor, any other guarantor, the Borrower or any other Guaranteed Party) and each Guarantor further hereby waives any and all notice of the creation, renewal, extension or accrual of any of the Guaranteed Obligations and notice or proof of reliance by any Secured Creditor upon this Guaranty, and the Guaranteed Obligations shall conclusively be deemed to have been created, contracted or incurred, or renewed, extended, amended, modified, supplemented or waived, in reliance upon this Guaranty.

(b) Each Guarantor waives any right to require the Secured Creditors to: (i) proceed against the Borrower, any other Guaranteed Party, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other party; (ii) proceed against or exhaust any security held from the Borrower, any other Guaranteed Party, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other party; or (iii) pursue any other remedy in the Secured Creditors' power whatsoever. Each Guarantor waives any defense based on or arising out of any defense of the Borrower, any other Guaranteed Party, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other party other than payment in full in cash of the Guaranteed Obligations, including, without limitation, any defense based on or arising out of the disability of the Borrower, any other Guaranteed Party, any other Guarantor, any other guarantor of the Guaranteed Obligations or any other party, or the unenforceability of the Guaranteed Obligations or any part thereof from any cause, or the cessation from any cause of the liability of the Borrower or any other Guaranteed Party other than payment in full in cash of the Guaranteed Obligations. The Secured Creditors may, at their election, foreclose on any collateral serving as security held by the Administrative Agent, the Collateral Agent or the other

Secured Creditors by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable (to the extent such sale is permitted by applicable law), or exercise any other right or remedy the Secured Creditors may have against the Borrower, any other Guaranteed Party or any other party, or any security, without affecting or impairing in any way the liability of any Guarantor hereunder except to the extent the Guaranteed Obligations have been paid in full in cash. Each Guarantor waives any defense arising out of any such election by the Secured Creditors, even though such election operates to impair or extinguish any right of reimbursement, contribution, indemnification or subrogation or other right or remedy of such Guarantor against the Borrower, any other Guaranteed Party, any other guarantor of the Guaranteed Obligations or any other party or any security.

(c) Each Guarantor has knowledge and assumes all responsibility for being and keeping itself informed of the Borrower's, each other Guaranteed Party's and each other Guarantor's financial condition, affairs and assets, and of all other circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations and the nature, scope and extent of the risks which such Guarantor assumes and incurs hereunder, and has adequate means to obtain from the Borrower, each other Guaranteed Party and each other Guarantor on an ongoing basis information relating thereto and the Borrower's, each other Guaranteed Party's and each other Guarantor's ability to pay and perform its respective Guaranteed Obligations, and agrees to assume the responsibility for keeping, and to keep, so informed for so long as this Guaranty is in effect. Each Guarantor acknowledges and agrees that (x) the Secured Creditors shall have no obligation to investigate the financial condition or affairs of the Borrower, any other Guaranteed Party or any other Guarantor for the benefit of such Guarantor nor to advise such Guarantor of any fact respecting, or any change in, the financial condition, assets or affairs of the Borrower, any other Guaranteed Party or any other Guarantor that might become known to any Secured Creditor at any time, whether or not such Secured Creditor knows or believes or has reason to know or believe that any such fact or change is unknown to such Guarantor, or might (or does) increase the risk of such Guarantor as guarantor hereunder, or might (or would) affect the willingness of such Guarantor to continue as a guarantor of the Guaranteed Obligations hereunder and (y) the Secured Creditors shall have no duty to advise any Guarantor of information known to them regarding any of the aforementioned circumstances or risks.

(d) Each Guarantor hereby acknowledges and agrees that no Secured Creditor nor any other Person shall be under any obligation (a) to marshal any assets in favor of such Guarantor or in payment of any or all of the liabilities of any Guaranteed Party under the Credit Documents or the obligation of such Guarantor hereunder or (b) to pursue any other remedy that such Guarantor may or may not be able to pursue itself any right to which such Guarantor hereby waives.

(e) Each Guarantor warrants and agrees that each of the waivers set forth in Section 3 and in this Section 4 is made with full knowledge of its significance and consequences and that if any of such waivers are determined to be contrary to any applicable law or public policy, such waivers shall be effective only to the maximum extent permitted by applicable law.

5. RIGHTS OF SECURED CREDITORS. Subject to Sections 4 and 13 hereof, any Secured Creditor may (except as shall be required by applicable statute and cannot be waived) at any time and from time to time without the consent of, or notice to, any Guarantor, without incurring responsibility to such Guarantor, without impairing or releasing the obligations or liabilities of such Guarantor hereunder, upon or without any terms or conditions and in whole or in part:

(a) change the manner, place or terms of payment of, and/or change, increase or extend the time of payment of, renew, increase, accelerate or alter, any of the Guaranteed Obligations (including, without limitation, any increase or decrease in the rate of interest thereon or the principal amount thereof), any security therefor, or any liability incurred directly or indirectly in respect thereof, and the guaranty herein made shall apply to the Guaranteed Obligations as so changed, extended, increased, accelerated, renewed or altered;

(b) take and hold security for the payment of the Guaranteed Obligations and sell, exchange, release, surrender, impair, realize upon or otherwise deal with in any manner and in any order any property or other collateral by whomsoever at any time pledged or mortgaged to secure, or howsoever securing, the Guaranteed Obligations or any liabilities (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and/or any offset thereagainst;

(c) exercise or refrain from exercising any rights against the Borrower, any other Guaranteed Party, any other Credit Party, any Subsidiary thereof, any other guarantor of the Borrower or others or otherwise act or refrain from acting;

(d) release or substitute any one or more endorsers, Guarantors, other guarantors, the Borrower, any other Guaranteed Party or other obligors;

(e) settle or compromise any of the Guaranteed Obligations, any security therefor or any liability (including any of those hereunder) incurred directly or indirectly in respect thereof or hereof, and may subordinate the payment of all or any part thereof to the payment of any liability (whether due or not) of the Borrower or any other Guaranteed Party to creditors of the Borrower or such other Guaranteed Party other than the Secured Creditors;

(f) apply any sums by whomsoever paid or howsoever realized to any liability or liabilities of the Borrower or any other Guaranteed Party to the Secured Creditors regardless of what liabilities of the Borrower or such other Guaranteed Party remain unpaid;

(g) consent to or waive any breach of, or any act, omission or default under, any of the Secured Hedging Agreements, the Credit Documents or any of the instruments or agreements referred to therein, or otherwise amend, modify or supplement any of the Secured Hedging Agreements, the Credit Documents or any of such other instruments or agreements;

(h) act or fail to act in any manner which may deprive such Guarantor of its right to subrogation against the Borrower or any other Guaranteed Party to recover full indemnity for any payments made pursuant to this Guaranty; and/or

(i) take any other action or omit to take any other action which would, under otherwise applicable principles of common law, give rise to a legal or equitable discharge of such Guarantor from its liabilities under this Guaranty (including, without limitation, any action or omission whatsoever that might otherwise vary the risk of such Guarantor or constitute a legal or equitable defense to or discharge of the liabilities of a guarantor or surety or that might otherwise limit recourse against such Guarantor).

No invalidity, illegality, irregularity or unenforceability of all or any part of the Guaranteed Obligations, the Credit Documents or any other agreement or instrument relating to the Guaranteed Obligations or of any security or guarantee therefor shall affect, impair or be a defense to this Guaranty, and this Guaranty shall be primary, absolute and unconditional notwithstanding the occurrence of any event or the existence of any other circumstances which might constitute a legal or equitable discharge of a surety or guarantor except payment in full in cash of the Guaranteed Obligations.

6. CONTINUING GUARANTY. This Guaranty is a continuing one and all liabilities to which it applies or may apply under the terms hereof shall be conclusively presumed to have been created in reliance hereon. No failure or delay on the part of any Secured Creditor in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly specified are cumulative and not exclusive of any rights or remedies which any Secured Creditor would otherwise have. No notice to or demand on any Guarantor in any case shall entitle such Guarantor to any other further notice or demand in similar or other circumstances or constitute a waiver of the rights of any Secured Creditor to any other or further action in any circumstances without notice or demand. It is not necessary for any Secured Creditor to inquire into the capacity or powers of the Borrower or any other Guaranteed Party or the officers, directors, partners or agents acting or purporting to act on its or their behalf, and any indebtedness made or created in reliance upon the professed exercise of such powers shall be guaranteed hereunder.

7. SUBORDINATION OF INDEBTEDNESS HELD BY GUARANTORS. Any indebtedness of the Borrower or any other Guaranteed Party now or hereafter held by any Guarantor is hereby subordinated to the indebtedness of the Borrower or such other Guaranteed Party to the Secured Creditors; and such indebtedness of the Borrower or such other Guaranteed Party to any Guarantor, if the Administrative Agent or the Collateral Agent, after an Event of Default has occurred and is continuing, so requests, shall be collected, enforced and received by such Guarantor as trustee for the Secured Creditors and be paid over to the Secured Creditors on account of the indebtedness of the Borrower or such other Guaranteed Party to the Secured Creditors, but without affecting or impairing in any manner the liability of such Guarantor under the other provisions of this Guaranty. Prior to the transfer by any Guarantor of any note or negotiable instrument evidencing any indebtedness of the Borrower or any other Guaranteed Party to such Guarantor, such Guarantor shall mark such note or negotiable instrument with a legend that the same is subject to this subordination. Without limiting the generality of the foregoing, each Guarantor hereby agrees with the Secured Creditors that it will not exercise any right of subrogation which it may at any time otherwise have as a result of this Guaranty (whether contractual, under Section 509 of the Bankruptcy Code or otherwise) until all Guaranteed Obligations have been irrevocably paid in full in cash; provided, that if any amount shall be paid to such Guarantor on account of such subrogation rights at any time prior to the irrevocable payment in full in cash of all the Guaranteed Obligations, such amount shall be held

in trust for the benefit of the Secured Creditors and shall forthwith be paid to the Secured Creditors to be credited and applied upon the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms of the Credit Documents or, if the Credit Documents do not provide for the application of such amount, to be held by the Secured Creditors as collateral security for any Guaranteed Obligations thereafter existing.

8. GUARANTY ENFORCEABLE BY ADMINISTRATIVE AGENT OR COLLATERAL AGENT. Notwithstanding anything to the contrary contained elsewhere in this Guaranty, the Secured Creditors agree (by their acceptance of the benefits of this Guaranty) that this Guaranty may be enforced only by the action of the Administrative Agent or the Collateral Agent, in each case acting upon the instructions of the Required Lenders (or, after the date on which all Credit Document Obligations have been paid in full, the holders of at least a majority of the outstanding Other Obligations) and that no other Secured Creditor shall have any right individually to seek to enforce or to enforce this Guaranty or to realize upon the security to be granted by the Security Documents, it being understood and agreed that such rights and remedies may be exercised by the Administrative Agent or the Collateral Agent or, after all the Credit Document Obligations have been paid in full, by the holders of at least a majority of the outstanding Other Obligations, as the case may be, for the benefit of the Secured Creditors upon the terms of this Guaranty and the Security Documents. The Secured Creditors further agree that this Guaranty may not be enforced against any director, officer, employee, partner, member or stockholder of any Guarantor (except to the extent such partner, member or stockholder is also a Guarantor hereunder). It is understood and agreed that the agreement in this Section 8 is among and solely for the benefit of the Secured Creditors and that, if the Required Lenders (or, after the date on which all Credit Document Obligations have been paid in full, the holders of at least a majority of the outstanding Other Obligations) so agree (without requiring the consent of any Guarantor), this Guaranty may be directly enforced by any Secured Creditor.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS OF GUARANTORS. In order to induce the Lenders to make Loans to, and issue Letters of Credit for the account of, the Borrower pursuant to the Credit Agreement, and in order to induce the Other Creditors to execute, deliver and perform the Secured Hedging Agreements to which they are a party, each Guarantor represents, warrants and covenants that:

(a) such Guarantor (i) is a duly organized and validly existing Company in good standing under the laws of the jurisdiction of its organization, (ii) has the Company power and authority to own its property and assets and to transact the business in which it is engaged and presently proposes to engage and (iii) is duly qualified and is authorized to do business and is in good standing in each jurisdiction where the nature of its business requires such qualification, except for failures to be so qualified which, either individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect;

(b) such Guarantor has the Company power and authority to execute, deliver and perform the terms and provisions of this Guaranty and each other Document (such term, for purposes of this Guaranty, to mean each Document (as defined in the Credit Agreement) and each Secured Hedging Agreement) to which it is a party and has taken all necessary Company action to authorize the execution, delivery and performance by it of this Guaranty and each such other Document;

(c) such Guarantor has duly executed and delivered this Guaranty and each other Document to which it is a party, and this Guaranty and each such other Document constitutes the legal, valid and binding obligation of such Guarantor enforceable in accordance with its terms, except to the extent that the enforceability hereof or thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws generally affecting creditors' rights and by equitable principles (regardless of whether enforcement is sought in equity or at law);

(d) neither the execution, delivery or performance by such Guarantor of this Guaranty or any other Document to which it is a party, nor compliance by it with the terms and provisions hereof and thereof, will (i) contravene any provision of any applicable law, statute, rule or regulation or any applicable order, writ, injunction or decree of any court or governmental instrumentality, (ii) conflict with or result in any breach of any of the terms, covenants, conditions or provisions of, or constitute a default under, or result in the creation or imposition of (or the obligation to create or impose) any Lien (except pursuant to the Security Documents) upon any of the property or assets of such Guarantor or any of its Subsidiaries pursuant to the terms of any material indenture, mortgage, deed of trust, loan agreement, credit agreement, or any other material agreement, contract or instrument to which such Guarantor or any of its Subsidiaries is a party or by which it or any of its property or assets is bound or to which it may be subject or (iii) violate any provision of the certificate or articles of incorporation, by-laws, partnership agreement or limited liability company agreement (or equivalent organizational documents), as the case may be, of such Guarantor or any of its Subsidiaries;

(e) no order, consent, approval, license, authorization or validation of, or filing, recording or registration with (except as have been obtained or made prior to the date when required and which remain in full force and effect), or exemption by, any governmental or public body or authority, or any subdivision thereof, is required to authorize, or is required in connection with, (i) the execution, delivery and performance of this Guaranty by such Guarantor or any other Document to which such Guarantor is a party or (ii) the legality, validity, binding effect or enforceability of this Guaranty or any other Document to which such Guarantor is a party;

(f) there are no actions, suits or proceedings pending or, to such Guarantor's knowledge, threatened (i) with respect to this Guaranty or any other Document to which such Guarantor is a party or (ii) with respect to such Guarantor or any of its Subsidiaries that, either individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect;

(g) until the termination of the Total Commitment and all Secured Hedging Agreements and until such time as no Note or Letter of Credit remains outstanding and all Guaranteed Obligations have been paid in full (other than indemnities described in Section 13.01 of the Credit Agreement and analogous provisions in the Pledge Agreement which are not then due and payable), such Guarantor will comply, and will cause each of its Subsidiaries to comply, with all of the applicable provisions, covenants and agreements contained in Sections 9 and 10 of the Credit Agreement, and will take, or will refrain from taking, as the case may be, all actions that are necessary to be taken or not taken so that no violation of any provision, covenant or agreement contained in Sections 9 and 10 of the Credit Agreement, and so that no Default or Event of Default, is caused by the actions of such Guarantor or any of its Subsidiaries; and

(h) an executed (or conformed) copy of each of the Credit Documents, the Secured Hedging Agreements has been made available to a senior officer of such Guarantor and such officer is familiar with the contents thereof.

10. EXPENSES. The Guarantors hereby jointly and severally agree to pay all reasonable out-of-pocket costs and expenses of the Collateral Agent, the Administrative Agent and each other Secured Creditor in connection with the enforcement of this Guaranty and the protection of the Secured Creditors' rights hereunder and any amendment, waiver or consent relating hereto (including, in each case, without limitation, the reasonable fees and disbursements of counsel (including in-house counsel) employed by the Collateral Agent, the Administrative Agent and each other Secured Creditor).

11. BENEFIT AND BINDING EFFECT. This Guaranty shall be binding upon each Guarantor and its successors and assigns and shall inure to the benefit of the Secured Creditors and their successors and assigns.

12. AMENDMENTS; WAIVERS. Neither this Guaranty nor any provision hereof may be changed, waived, discharged or terminated except with the written consent of each Guarantor directly affected thereby (it being understood that the addition or release of any Guarantor hereunder shall not constitute a change, waiver, discharge or termination affecting any Guarantor other than the Guarantor so added or released) and with the written consent of either (x) the Required Lenders (or, to the extent required by Section 13.12 of the Credit Agreement, with the written consent of each Lender) at all times prior to the time at which all Credit Document Obligations have been paid in full or (y) the holders of at least a majority of the outstanding Other Obligations at all times after the time at which all Credit Document Obligations have been paid in full; provided, that any change, waiver, modification or variance affecting the rights and benefits of a single Class (as defined below) of Secured Creditors (and not all Secured Creditors in a like or similar manner) shall also require the written consent of the Requisite Creditors (as defined below) of such Class of Secured Creditors. For the purpose of this Guaranty, the term "Class" shall mean each class of Secured Creditors, i.e., whether (x) the Lender Creditors as holders of the Credit Document Obligations or (y) the Other Creditors as the holders of the Other Obligations. For the purpose of this Guaranty, the term "Requisite Creditors" of any Class shall mean (x) with respect to the Credit Document Obligations, the Required Lenders (or, to the extent required by Section 13.12 of the Credit Agreement, each Lender) and (y) with respect to the Other Obligations, the holders of at least a majority of all Other Obligations outstanding from time to time under the Secured Hedging Agreements.

13. SET OFF. In addition to any rights now or hereafter granted under applicable law (including, without limitation, Section 151 of the New York Debtor and Creditor Law) and not by way of limitation of any such rights, upon the occurrence and during the continuance of an Event of Default (such term to mean and include any "Event of Default" as defined in the Credit Agreement and any payment default under any Secured Hedging Agreement continuing after any applicable grace period), each Secured Creditor is hereby authorized, at any time or from time to time, without notice to any Guarantor or to any other Person, any such notice being expressly waived, to set off and to appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by such Secured Creditor to or for the credit or the account of such Guarantor, against and on account of the obligations and liabilities

of such Guarantor to such Secured Creditor under this Guaranty, irrespective of whether or not such Secured Creditor shall have made any demand hereunder and although said obligations, liabilities, deposits or claims, or any of them, shall be contingent or unmatured. Each Secured Creditor (by its acceptance of the benefits hereof) acknowledges and agrees that the provisions of this Section 13 are subject to the sharing provisions set forth in Section 13.06 of the Credit Agreement.

14. NOTICE. Except as otherwise specified herein, all notices, requests, demands or other communications to or upon the respective parties hereto shall be sent or delivered by mail, telegraph, telex, telecopy, cable or courier service and all such notices and communications shall, when mailed, telegraphed, telexed, telecopied, or cabled or sent by courier, be effective when deposited in the mails, delivered to the telegraph company, cable company or overnight courier, as the case may be, or sent by telex or telecopier, except that notices and communications to the Administrative Agent or any Guarantor shall not be effective until received by the Administrative Agent or such Guarantor, as the case may be. All notices and other communications shall be in writing and addressed to such party at (i) in the case of any Lender Creditor, as provided in the Credit Agreement, (ii) in the case of any Guarantor, at its address set forth opposite its signature below, and (iii) in the case of any Other Creditor, at such address as such Other Creditor shall have specified in writing to the Guarantors; or in any case at such other address as any of the Persons listed above may hereafter notify the others in writing.

15. REINSTATEMENT. If any claim is ever made upon any Secured Creditor for repayment or recovery of any amount or amounts received in payment or on account of any of the Guaranteed Obligations and any of the aforesaid payees repays all or part of said amount by reason of (i) any judgment, decree or order of any court or administrative body having jurisdiction over such payee or any of its property or (ii) any settlement or compromise of any such claim effected by such payee with any such claimant (including, without limitation, the Borrower or any other Guaranteed Party), then and in such event each Guarantor agrees that any such judgment, decree, order, settlement or compromise shall be binding upon such Guarantor, notwithstanding any revocation hereof or the cancellation of any Note, any Secured Hedging Agreement or any other instrument evidencing any liability of the Borrower or any other Guaranteed Party, and such Guarantor shall be and remain liable to the aforesaid payees hereunder for the amount so repaid or recovered to the same extent as if such amount had never originally been received by any such payee.

16. CONSENT TO JURISDICTION; SERVICE OF PROCESS; AND WAIVER OF TRIAL BY JURY. (a)THIS GUARANTY AND THE RIGHTS AND OBLIGATIONS OF THE SECURED CREDITORS AND OF THE UNDERSIGNED HEREUNDER SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAW OF THE STATE OF NEW YORK. Any legal action or proceeding with respect to this Guaranty or any other Credit Document to which any Guarantor is a party may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York, in each case located within the County of New York, and, by execution and delivery of this Guaranty, each Guarantor hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the personal jurisdiction of the aforesaid courts. Each Guarantor hereby further irrevocably waives any claim that any such courts lack personal jurisdiction over such Guarantor, and agrees not to plead or claim, in any legal action or proceeding with respect to this Guaranty

or any other Credit Document to which such Guarantor is a party brought in any of the aforesaid courts, that any such court lacks personal jurisdiction over such Guarantor. Each Guarantor further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to each Guarantor at its address set forth opposite its signature below, such service to become effective 30 days after such mailing. Each Guarantor hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other Credit Document to which such Guarantor is a party that such service of process was in any way invalid or ineffective. Nothing herein shall affect the right of any of the Secured Creditors to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against each Guarantor in any other jurisdiction.

(b) Each Guarantor hereby irrevocably waives (to the fullest extent permitted by applicable law) any objection which it may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Guaranty or any other Credit Document to which such Guarantor is a party brought in the courts referred to in clause (a) above and hereby further irrevocably waives and agrees not to plead or claim in any such court that such action or proceeding brought in any such court has been brought in an inconvenient forum.

(c) EACH GUARANTOR AND EACH SECURED CREDITOR (BY ITS ACCEPTANCE OF THE BENEFITS OF THIS GUARANTY) HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS GUARANTY, THE OTHER CREDIT DOCUMENTS TO WHICH SUCH GUARANTOR IS A PARTY OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY.

17. RELEASE OF GUARANTORs. (a) In the event that all of the Equity Interests of one or more Guarantors is sold or otherwise disposed of or liquidated in compliance with the requirements of Section 10.02 of the Credit Agreement (or such sale, other disposition or liquidation has been approved in writing by the Required Lenders (or all the Lenders if required by Section 13.12 of the Credit Agreement)) and the proceeds of such sale, disposition or liquidation are applied in accordance with the provisions of the Credit Agreement, to the extent applicable, such Guarantor shall, upon consummation of such sale or other disposition (except to the extent that such sale or disposition is to the Borrower or another Subsidiary thereof), be released from this Guaranty automatically and without further action and this Guaranty shall, as to each Guarantor, terminate, and have no further force or effect (it being understood and agreed that the sale of one or more Persons that own, directly or indirectly, all of the Equity Interests of any Guarantor shall be deemed to be a sale of such Guarantor for the purposes of this Section 17(a)).

(b) Upon the occurrence of the Guaranty Release Date, the Guarantors shall be released from this Guaranty automatically and without further action and this Guaranty shall, as to each Guarantor, terminate, and have no further force or effect.

18. CONTRIBUTION. At any time a payment in respect of the Guaranteed Obligations is made under this Guaranty, the right of contribution of each Guarantor against each other Guarantor shall be determined as provided in the immediately following sentence, with the right of contribution of each Guarantor to be revised and restated as of each date on which a payment (a "Relevant Payment") is made on the Guaranteed Obligations under this Guaranty. At any time that a Relevant Payment is made by a Guarantor that results in the aggregate payments made by such Guarantor in respect of the Guaranteed Obligations to and including the date of the Relevant Payment exceeding such Guarantor's Contribution Percentage (as defined below) of the aggregate payments made by all Guarantors in respect of the Guaranteed Obligations to and including the date of the Relevant Payment (such excess, the "Aggregate Excess Amount"), each such Guarantor shall have a right of contribution against each other Guarantor who has made payments in respect of the Guaranteed Obligations to and including the date of the Relevant Payment in an aggregate amount less than such other Guarantor's Contribution Percentage of the aggregate payments made to and including the date of the Relevant Payment by all Guarantors in respect of the Guaranteed Obligations (the aggregate amount of such deficit, the "Aggregate Deficit Amount") in an amount equal to (x) a fraction the numerator of which is the Aggregate Excess Amount of such Guarantor and the denominator of which is the Aggregate Excess Amount of all Guarantors multiplied by (y) the Aggregate Deficit Amount of such other Guarantor. A Guarantor's right of contribution pursuant to the preceding sentences shall arise at the time of each computation, subject to adjustment to the time of each computation; provided that no Guarantor may take any action to enforce such right until the Guaranteed Obligations have been irrevocably paid in full in cash and the Total Commitment, all Secured Hedging Agreements and all Letters of Credit have been terminated, it being expressly recognized and agreed by all parties hereto that any Guarantor's right of contribution arising pursuant to this Section 18 against any other Guarantor shall be expressly junior and subordinate to such other Guarantor's obligations and liabilities in respect of the Guaranteed Obligations and any other obligations owing under this Guaranty. As used in this Section 18: (i) each Guarantor's "Contribution Percentage" shall mean the percentage obtained by dividing (x) the Adjusted Net Worth (as defined below) of such Guarantor by (y) the aggregate Adjusted Net Worth of all Guarantors; (ii) the "Adjusted Net Worth" of each Guarantor shall mean the greater of (x) the Net Worth (as defined below) of such Guarantor and (y) zero; and (iii) the "Net Worth" of each Guarantor shall mean the amount by which the fair saleable value of such Guarantor's assets on the date of any Relevant Payment exceeds its existing debts and other liabilities (including contingent liabilities, but without giving effect to any Guaranteed Obligations arising under this Guaranty on such date). Notwithstanding anything to the contrary contained above, any Guarantor that is released from this Guaranty pursuant to Section 17 hereof shall thereafter have no contribution obligations, or rights, pursuant to this Section 18, and at the time of any such release, if the released Guarantor had an Aggregate Excess Amount or an Aggregate Deficit Amount, same shall be deemed reduced to $0, and the contribution rights and obligations of the remaining Guarantors shall be recalculated on the respective date of release (as otherwise provided above) based on the payments made hereunder by the remaining Guarantors. All parties hereto recognize and agree that, except for any right of contribution arising pursuant to this Section 18, each Guarantor who makes any payment in respect of the Guaranteed Obligations shall have no right of contribution or subrogation against any other Guarantor in respect of such payment until all of the Guaranteed Obligations have been irrevocably paid in full in cash. Each of the Guarantors recognizes and acknowledges that the rights to contribution

arising hereunder shall constitute an asset in favor of the party entitled to such contribution. In this connection, each Guarantor has the right to waive its contribution right against any Guarantor to the extent that after giving effect to such waiver such Guarantor would remain solvent, in the determination of the Required Lenders.

19. LIMITATION ON GUARANTEED OBLIGATIONS. Each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby confirms that it is its intention that this Guaranty not constitute a fraudulent transfer or conveyance for purposes of the Bankruptcy Code, the Uniform Fraudulent Conveyance Act of any similar Federal or state law. To effectuate the foregoing intention, each Guarantor and each Secured Creditor (by its acceptance of the benefits of this Guaranty) hereby irrevocably agrees that the Guaranteed Obligations guaranteed by such Guarantor shall be limited to such amount as will, after giving effect to such maximum amount and all other (contingent or otherwise) liabilities of such Guarantor that are relevant under such laws and after giving effect to any rights to contribution pursuant to any agreement providing for an equitable contribution among such Guarantor and the other Guarantors, result in the Guaranteed Obligations of such Guarantor in respect of such maximum amount not constituting a fraudulent transfer or conveyance.

20. COUNTERPARTS. This Guaranty may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument. A set of counterparts executed by all the parties hereto shall be lodged with the Borrower and the Administrative Agent.

21. PAYMENTS. All payments made by any Guarantor hereunder will be made without setoff, counterclaim or other defense and on the same basis as payments are made by the Borrower under Sections5.03 and 5.04 of the Credit Agreement.

22. ADDITIONAL GUARANTORS. It is understood and agreed that any Subsidiary of the Borrower that is required to execute a counterpart of this Guaranty after the date hereof pursuant to the Credit Agreement shall become a Guarantor hereunder by (x) executing and delivering a counterpart hereof to the Administrative Agent or executing a joinder agreement and delivering same to the Administrative Agent, in each case as may be requested by (and in form and substance satisfactory to) the Administrative Agent and (y) taking all actions as specified in this Guaranty as would have been taken by such Guarantor had it been an original party to this Guaranty, in each case with all documents required above to be delivered to the Administrative Agent with all documents and actions required to be taken above to be taken to the reasonable satisfaction of the Administrative Agent.

23. HEADINGS DESCRIPTIVE. The headings of the several Sections of this Guaranty are inserted for convenience only and shall not in any way affect the meaning or construction of any provision of this Guaranty.

24. ORIGINAL SUBSIDIARIES GUARANTY. Each of the Administrative Agent and each of the Guarantors hereby acknowledges and agrees that from and after the Restatement Effective Date, this Guaranty amends, restates and supercedes the Original Subsidiaries Guaranty in its entirety.

IN WITNESS WHEREOF, each Guarantor has caused this Guaranty to be executed and delivered as of the date first above written.

Address:

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

ACCUDATA, INC.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

INN PARTNERS, L.C.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

JOURNAL – STAR PRINTING CO.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

K. FALLS BASIN PUBLISHING, INC.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

LEE CONSOLIDATED HOLDINGS CO.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

LEE PUBLICATIONS, INC.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

LEE PROCUREMENT SOLUTIONS CO.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

LINT CO.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

SIOUX CITY NEWSPAPERS, INC.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

c/o Lee Enterprises, Incorporated
201 North Harrison Street, Suite 600
Davenport, Iowa 52801
Attention: Chief Financial Officer
Tel: (563) 383-2179
Fax: (563) 327-2600

TARGET MARKETING SYSTEMS, INC.,
as a Guarantor

By: /s/ C. D. Waterman III
Title: Secretary

Accepted and Agreed to:

DEUTSCHE BANK TRUST COMPANY AMERICAS,
as Administrative Agent

By: /s/ Susan L. LeFevre
Title: Director

By: /s/ Lana Gifas
Title: Vice President

Exhibit 10.4 - Amended and Restated Intercompany Subordination Agreement

EXHIBIT H
[CONFORMED AS EXECUTED]

AMENDED AND RESTATED INTERCOMPANY SUBORDINATION AGREEMENT

THIS AMENDED AND RESTATED INTERCOMPANY SUBORDINATION AGREEMENT (as amended, restated, modified and/or supplemented from time to time, this "Agreement"), dated as of December 21, 2005, made by each of the undersigned (each, a "Party" and, together with any entity that becomes a party to this Agreement pursuant to Section 9 hereof, the "Parties") and Deutsche Bank Trust Company Americas, as collateral agent (in such capacity, together with any successor collateral agent, the "Collateral Agent"), for the benefit of the Senior Creditors (as defined below). Unless otherwise defined herein, all capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement referred to below.

W I T N E S S E T H:

WHEREAS, Lee Enterprises, Incorporated (the "Borrower"), the lenders from time to time party thereto (the "Lenders"), Deutsche Bank Securities Inc. and SunTrust Capital Markets, Inc., as Joint Lead Arrangers (the "Joint Lead Arrangers"), Deutsche Bank Securities Inc., as Book Running Manager (the "Book Running Manager"), SunTrust Bank, as Syndication Agent (the "Syndication Agent"), Bank of America, N.A., The Bank of New York and The Bank of Tokyo-Mitsubishi, Ltd., Chicago Branch, as Co-Documentation Agents (the "Co-Documentation Agents"), and Deutsche Bank Trust Company Americas, as administrative agent (together with any successor administrative agent, the "Administrative Agent"), have entered into an Amended and Restated Credit Agreement, dated as of December 21, 2005, providing for the making and continuation of Loans to the Borrower and the issuance and maintenance of, and participation in, Letters of Credit for the account of the Borrower, all as contemplated therein (with the Lenders, each Issuing Lender, the Administrative Agent, the Collateral Agent and each other Agent being herein called the "Lender Creditors") (as used herein, the term "Credit Agreement" means the Amended and Restated Credit Agreement described above in this paragraph, as the same may be amended, restated, modified, supplemented, extended, renewed, refinanced, replaced, or refunded from time to time, and including any agreement extending the maturity of, or refinancing or restructuring (including, but not limited to, the inclusion of additional borrowers or guarantors thereunder or any increase in the amount borrowed) all or any portion of, the indebtedness under such agreement or any successor agreement, whether or not with the same agent, trustee, representative, lenders or holders; provided that, with respect to any subsequent agreement providing for the refinancing or replacement of indebtedness under the Credit Agreement, such agreement shall only be treated as, or as part of, the Credit Agreement hereunder if (i) either (A) all obligations under the Credit Agreement being refinanced or replaced shall be paid in full at the time of such refinancing or replacement, and all Commitments and Letters of Credit issued pursuant to the refinanced or replaced Credit Agreement shall have terminated in accordance with their terms or (B) the Required Lenders shall have consented in writing to the refinancing or replacement indebtedness being treated as indebtedness pursuant to the Credit Agreement, and (ii) a notice to the effect that the refinancing or replacement indebtedness shall be treated as issued under the Credit Agreement shall be delivered by the Borrower to the Collateral Agent);

WHEREAS, the Borrower and/or one or more of its Qualified Wholly-Owned Domestic Subsidiaries have heretofore entered into, and/or may at any time and from time to time after the date hereof enter into, one or more Interest Rate Protection Agreements or Other Hedging Agreements with one or more Lenders or any affiliate thereof (each such Lender or affiliate, even if the respective Lender subsequently ceases to be a Lender under the Credit Agreement for any reason, together with such Lender's or affiliate's successors and assigns, if any, collectively, the "Hedging Creditors"; and with each such Interest Rate Protection Agreement and/or Other Hedging Agreement with a Hedging Creditor being herein called a "Secured Hedging Agreement);

WHEREAS, the Parties have heretofore entered into an Intercompany Subordination Agreement, dates as of June 3, 2005 (as amended, restated, modified and/or supplemented to, but not including, the date hereof, the "Original Intercompany Subordination Agreement");

WHEREAS, the Parties desire to amend and restate the Original Intercompany Subordination Agreement in the form of this Agreement;

WHEREAS, pursuant to the Subsidiaries Guaranty, each Subsidiary Guarantor has jointly and severally guaranteed to the Guaranteed Creditors the payment when due of all Guaranteed Obligations (as defined in the Subsidiaries Guaranty);

WHEREAS, it is a condition precedent to the extensions of credit under the Credit Agreement that this Agreement be executed and delivered by the original Parties hereto;

WHEREAS, additional Parties may from time to time become parties hereto in order to allow for certain extensions of credit in accordance with the requirements of the Credit Agreement; and

WHEREAS, each of the Parties desires to execute this Agreement to satisfy the conditions described in the immediately preceding paragraphs.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the Parties and the Collateral Agent (for the benefit of the Senior Creditors) hereby agree as follows:

1. The Subordinated Debt (as defined in Section 7 hereof) and all payments of principal, interest and all other amounts thereunder are hereby, and shall continue to be, subject and subordinate in right of payment to the prior payment in full, in cash, of all Senior Indebtedness to the extent, and in the manner, set forth herein. The foregoing shall apply notwithstanding the availability of collateral to the Senior Creditors or the holders of Subordinated Debt or the actual date and time of execution, delivery, recordation, filing or perfection of any security interests granted with respect to the Senior Indebtedness or the Subordinated Debt, or the lien or priority of payment thereof, and in any instance wherein the Senior Indebtedness or any claim for the Senior Indebtedness (as defined in Section 7 hereof) is subordinated, avoided or disallowed, in whole or in part, under the Bankruptcy Code or other

applicable federal, foreign, state or local law. In the event of a proceeding, whether voluntary or involuntary, for insolvency, liquidation, reorganization, dissolution, bankruptcy or other similar proceeding pursuant to the Bankruptcy Code or other applicable federal, foreign, state or local law (each, a "Bankruptcy Proceeding"), the Senior Indebtedness shall include all interest accrued on the Senior Indebtedness, in accordance with and at the rates specified in the Senior Indebtedness, both for periods before and for periods after the commencement of any of such proceedings, even if the claim for such interest is not allowed pursuant to the Bankruptcy Code or other applicable law.

2. Each Party (as a lender of any Subordinated Debt) hereby agrees that until all Senior Indebtedness has been repaid in full in cash:

(a) Such Party shall not, without the prior written consent of the Required Senior Creditors (as defined in Section 7 hereof), which consent may be withheld or conditioned in the Required Senior Creditors' sole discretion, commence, or join or participate in, any Enforcement Action (as defined in Section 7 hereof).

(b) In the event that (i) all or any portion of any Senior Indebtedness becomes due (whether at stated maturity, by acceleration or otherwise), (ii) any Event of Default under the Credit Agreement or any event of default under, and as defined in, any other Senior Indebtedness (or the documentation governing the same), then exists or would result from such payment on the Subordinated Debt (including, without limitation, pursuant to Section 11.10 of the Credit Agreement), (iii) such Party receives any payment or prepayment of principal, interest or any other amount, in whole or in part, of (or with respect to) the Subordinated Debt in violation of the terms of the Credit Agreement or any other Senior Indebtedness (or the documentation governing the same) or (iv) any distribution, division or application, partial or complete, voluntary or involuntary, by operation of law or otherwise, is made of all or any part of the property, assets or business of the Borrower or any of its Subsidiaries or the proceeds thereof, in whatever form, to any creditor or creditors of the Borrower or any of its Subsidiaries or to any holder of indebtedness of the Borrower or any of its Subsidiaries or by reason of any liquidation, dissolution or other winding up of the Borrower, any of its Subsidiaries or their respective businesses, or of any receivership or custodianship for the Borrower or any of its Subsidiaries or of all or substantially all of their respective property, or of any insolvency or bankruptcy proceedings or assignment for the benefit of creditors or any proceeding by or against the Borrower or any of its Subsidiaries for any relief under any bankruptcy, reorganization or insolvency law or laws, federal, foreign, state or local, or any law, federal, foreign, state or local relating to the relief of debtors, readjustment of indebtedness, reorganization, composition or extension, then, and in any such event, any payment or distribution of any kind or character, whether in cash, property or securities, which shall be payable or deliverable with respect to any or all of the Subordinated Debt or which has been received by any Party shall be held in trust by such Party for the benefit of the Senior Creditors and shall forthwith be paid or delivered directly to the Senior Creditors for application to the payment of the Senior Indebtedness (after giving effect to the relative priorities of such Senior Indebtedness) to the extent necessary to make payment in full in cash of all sums due under the Senior Indebtedness remaining unpaid after giving effect to any concurrent payment or distribution to the Senior Creditors. In any such event, the Senior Creditors may, but shall not be obligated to, demand, claim and collect any such payment or distribution that would, but for these subordination provisions, be payable or

deliverable with respect to the Subordinated Debt. In the event of the occurrence of any event referred to in subclauses (i), (ii), (iii) or (iv) of the second preceding sentence of this clause (b) and until the Senior Indebtedness shall have been fully paid in cash and satisfied and all of the obligations of the Borrower or any of its Subsidiaries to the Senior Creditors have been performed in full, no payment of any kind or character (whether in cash, property, securities or otherwise) shall be made to or accepted by any Party in respect of the Subordinated Debt. Notwithstanding anything to the contrary contained above, if one or more of the events referred to in subclauses (i) through (iv) of the first sentence of this clause (b) is in existence, the Required Senior Creditors may agree in writing that payments may be made with respect to the Subordinated Debt which would otherwise be prohibited pursuant to the provisions contained above, provided that any such waiver shall be specifically limited to the respective payment or payments which the Required Senior Creditors agree may be so paid to any Party in respect of the Subordinated Debt.

(c) If such Party shall acquire by indemnification, subrogation or otherwise, any lien, estate, right or other interest in any of the assets or properties of the Borrower or any of its Subsidiaries, that lien, estate, right or other interest shall be subordinate in right of payment to the Senior Indebtedness and the lien of the Senior Indebtedness as provided herein, and such Party hereby waives any and all rights it may acquire by subrogation or otherwise to any lien of the Senior Indebtedness or any portion thereof until such time as all Senior Indebtedness has been repaid in full in cash.

(d) Such Party shall not pledge, assign, hypothecate, transfer, convey or sell any Subordinated Debt or any interest in any Subordinated Debt to any entity (other than under the relevant Security Documents (as hereinafter defined) or in accordance with the relevant requirements of the Credit Agreement to a Credit Party which is a Party hereto) without the prior written consent of the Administrative Agent (with the prior written consent of the Required Senior Creditors).

(e) After request by the Administrative Agent or the Required Senior Creditors, such Party shall within ten (10) days furnish the Senior Creditors with a statement, duly acknowledged and certified setting forth the original principal amount of the notes evidencing the indebtedness of the Subordinated Debt, the unpaid principal balance, all accrued interest but unpaid interest and any other sums due and owing thereunder, the rate of interest, the monthly payments and that, to the best knowledge of such Party, there exists no defaults under the Subordinated Debt, or if any such defaults exist, specifying the defaults and the nature thereof.

(f) In any case commenced by or against the Borrower or any of its Subsidiaries under the Bankruptcy Code or any similar federal, foreign, state or local statute (a "Reorganization Proceeding"), to the extent permitted by applicable law, the Required Senior Creditors shall have the exclusive right to exercise any voting rights in respect of the claims of such Party against the Borrower or any of its Subsidiaries.

(g) If, at any time, all or part of any payment with respect to Senior Indebtedness theretofore made (whether by the Borrower, any other Credit Party or any other Person or enforcement of any right of setoff or otherwise) is rescinded or must otherwise be

returned by the holders of Senior Indebtedness for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower, any other Credit Party or such other Persons), the subordination provisions set forth herein shall continue to be effective or be reinstated, as the case may be, all as though such payment had not been made.

(h) Such Party shall not object to the entry of any order or orders approving any cash collateral stipulations, adequate protection stipulations or similar stipulations executed by the Senior Creditors in any Reorganization Proceeding or any other proceeding under the Bankruptcy Code.

(i) Such Party waives any marshalling rights with respect to the Senior Creditors in any Reorganization Proceeding or any other proceeding under the Bankruptcy Code.

3. Each Party hereby represents, warrants and covenants as follows:

(a) each Party will deliver a schedule setting forth all Intercompany Debt to the Administrative Agent within 10 days after any request by the Administrative Agent or the Required Senior Creditors (although any failure to deliver such a supplement shall have no effect whatsoever on the subordination provisions contained herein, which shall apply to all Subordinated Debt whether or not listed on said schedule); and

(b) each Party will not lend, hold or permit to exist any Intercompany Debt owed by it or to it (in accordance with the definition thereof contained herein) unless each obligee or obligor, as the case may be, with respect to such Intercompany Debt is (or concurrently with such extension becomes) a Party to this Agreement.

4. Any payments made to, or received by, any Party in respect of any guaranty or security in support of the Subordinated Debt shall be subject to the terms of this Agreement and applied on the same basis as payments made directly by the obligor under such Subordinated Debt. To the extent that the Borrower or any of its Subsidiaries (other than the respective obligor or obligors which are already Parties hereto) provides a guaranty or any security in support of any Subordinated Debt, the Party which is the lender of the respective Subordinated Debt will cause each such Person to become a Party hereto (if such Person is not already a Party hereto) not later than the date of the execution and delivery of the respective guarantee or security documentation, provided that any failure to comply with the foregoing requirements of this Section 4 will have no effect whatsoever on the subordination provisions contained herein (which shall apply to all payments received with respect to any guarantee or security for any Subordinated Debt, whether or not the Person furnishings such guarantee or security is a Party hereto).

5. Each Party hereby acknowledges and agrees that no payments will be accepted by it in respect of the Subordinated Debt (unless promptly turned over to the holders of Senior Indebtedness as contemplated by Section 2 above) to the extent such payments would be prohibited under any Senior Indebtedness (or the documentation governing the same).

6. In addition to the foregoing agreements, each Party hereby acknowledges and agrees that, with respect to all Intercompany Debt (whether or not same constitutes Subordinated Debt), that (x) such Intercompany Debt (and any promissory notes or other

instruments evidencing same) may be pledged, and delivered for pledge, by the Borrower or any of its Subsidiaries pursuant to any Security Document (as used herein, the term "Security Documents" shall mean the Pledge Agreement (as defined in the Credit Agreement) and also shall include any other security documentation executed and delivered in connection with, or pursuant to, the Credit Agreement) to which the Borrower or the respective such Subsidiary is, or at any time in the future becomes, a party and (y) with respect to all Intercompany Debt so pledged, the Collateral Agent shall be entitled to exercise all rights and remedies with respect to such Intercompany Debt to the maximum extent provided in the various Security Documents (in accordance with the terms thereof and subject to the requirements of applicable law). Furthermore, with respect to all Intercompany Debt at any time owed to the Borrower or any of its Subsidiaries which is a Credit Party, and notwithstanding anything to the contrary contained in the terms of such Intercompany Debt, each obligor (including any guarantor) and obligee with respect to such Intercompany Debt hereby agrees, for the benefit of the holders from time to time of the Senior Indebtedness, that the Administrative Agent or the Collateral Agent may at any time, and from time to time, acting on its own or at the request of the Required Senior Creditors, accelerate the maturity of such Intercompany Debt if (x) any obligor (including any guarantor) of such Intercompany Debt is subject to any Bankruptcy Proceeding or (y) any event of default under the Credit Agreement shall have occurred and be continuing. Any such acceleration of the maturity of any Intercompany Debt shall be made by written notice by the Administrative Agent or Collateral Agent to the obligor on the respective Intercompany Debt; provided that no such notice shall be required (and the acceleration shall automatically occur) either upon the occurrence of a Bankruptcy Proceeding with respect to the respective obligor (or any guarantor) of the respective Intercompany Debt or upon (or following) any acceleration of the maturity of any Loans pursuant to the Credit Agreement.

7. Definitions. As and in this Agreement, the terms set forth below shall have the respective meanings provided below:

"Credit Document Obligations Termination Date" shall mean the first date after the Restatement Effective Date upon which all Commitments and Letters of Credit under the Credit Agreement have terminated and all Credit Document Obligations have been paid in full in cash.

"Enforcement Action" shall mean any acceleration of all or any part of the Subordinated Debt, any foreclosure proceeding, the exercise of any power of sale, the obtaining of a receiver, the seeking of default interest, the suing on, or otherwise taking action to enforce the obligation of the Borrower or any of its Subsidiaries to pay any amounts relating to any Subordinated Debt, the exercising of any banker's lien or rights of set-off or recoupment, the institution of a Bankruptcy Proceeding against the Borrower or any of its Subsidiaries, or the taking of any other enforcement action against any asset or Property of the Borrower or its Subsidiaries.

"Intercompany Debt" shall mean any Indebtedness, payables or other obligations, whether now existing or hereinafter incurred, owed by the Borrower or any Subsidiary Guarantor to the Borrower or any Subsidiary of the Borrower.

"Obligation" shall mean any principal, interest, premium, penalties, fees, indemnities and other liabilities and obligations payable under the documentation governing any indebtedness (including, without limitation, all interest accruing after the commencement of any bankruptcy, insolvency, receivership or similar proceeding at the rate provided in the governing documentation, whether or not such interest is an allowed claim in such proceeding).

"Required Senior Creditors" shall mean (i) the Required Lenders (or, to the extent required by Section 13.12 of the Credit Agreement, each of the Lenders) at all times prior to the Credit Document Obligations Termination Date, and (ii) the holders of at least a majority of the other outstanding Senior Indebtedness at all times after the Credit Document Obligations Termination Date.

"Secured Hedging Agreements" shall have the meaning provided in the recitals to this Agreement.

"Senior Creditors" shall mean all holders from time to time of any Senior Indebtedness and shall include, without limitation, the Lender Creditors and the Hedging Creditors.

"Senior Indebtedness" shall mean:

(i) all Obligations (including Obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities (including, without limitation, indemnities, Fees and interest thereon) of each Credit Party (whether as obligor, guarantor or otherwise) to the Lender Creditors, whether now existing or hereafter incurred under, arising out of or in connection with each Credit Document to which it is at any time a party (including, without limitation, all such obligations and liabilities of each Credit Party under the Credit Agreement (if a party thereto) and under the Subsidiaries Guaranty (if a party thereto) or under any other guarantee by it of obligations pursuant to the Credit Agreement) and the due performance and compliance by each Credit Party with the terms of each such Credit Document (all such obligations and liabilities under this clause (i), except to the extent consisting of obligations or indebtedness with respect to Secured Hedging Agreements, being herein collectively called the "Credit Document Obligations"); and

(ii) all Obligations (including Obligations which, but for the automatic stay under Section 362(a) of the Bankruptcy Code, would become due) and liabilities of each Credit Party to the Hedging Creditors, whether now existing or hereafter incurred under, arising out of or in connection with any Secured Hedging Agreement (including, without limitation, all such obligations and liabilities of such Credit Party under the Subsidiaries Guaranty (if a party thereto) with respect thereto or under any other guarantee by it of obligations pursuant to any Secured Hedging Agreement) and the due performance and compliance by each Credit Party with the terms of each such Secured Hedging Agreement (all such obligations and liabilities under this clause (ii) being herein collectively called the "Hedging Obligations").

"Subordinated Debt" shall mean the principal of, interest on, and all other amounts owing from time to time in respect of, all Intercompany Debt (including, without limitation, pursuant to guarantees thereof or security therefor and intercompany payables not evidenced by a note) at any time outstanding.

8. Each Party agrees to be fully bound by all terms and provisions contained in this Agreement, both with respect to any Subordinated Debt (including any guarantees thereof and security therefor) owed to it, and with respect to all Subordinated Debt (including all guarantees thereof and security therefor) owing by it.

9. It is understood and agreed that any Subsidiary of the Borrower that is required to execute a counterpart of this Agreement after the date hereof pursuant to the requirements of the Credit Agreement or any other Senior Indebtedness shall become a Party hereunder by executing a counterpart hereof (or a joinder agreement in form and substance reasonably satisfactory to the Administrative Agent) and delivering same to the Collateral Agent.

10. No failure or delay on the part of any party hereto or any holder of Senior Indebtedness in exercising any right, power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder.

11. Each Party hereto acknowledges that to the extent that no adequate remedy at law exists for breach of its obligations under this Agreement, in the event any Party fails to comply with its obligations hereunder, the Collateral Agent, the Administrative Agent or the holders of Senior Indebtedness shall have the right to obtain specific performance of the obligations of such defaulting Party, injunctive relief or such other equitable relief as may be available.

12. Any notice to be given under this Agreement shall be in writing and shall be sent in accordance with the provisions of the Credit Agreement.

13. In the event of any conflict between the provisions of this Agreement and the provisions of the Subordinated Debt, the provisions of this Agreement shall prevail.

14. No Person other than the parties hereto, the Senior Creditors from time to time and their successors and assigns as holders of the Senior Indebtedness and the Subordinated Debt shall have any rights under this Agreement.

15. This Agreement may be executed in any number of counterparts each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

16. No amendment, supplement, modification, waiver or termination of this Agreement shall be effective against a party against whom the enforcement of such amendment, supplement, modification, waiver or termination would be asserted, unless such amendment, supplement, modification, waiver or termination was made in a writing signed by such party, provided that amendments hereto shall be effective as against the Senior Creditors only if executed and delivered by the Collateral Agent (with the written consent of the Required Senior Creditors at such time).

17. In case any one or more of the provisions confined in this Agreement, or any application thereof, shall be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein, and any other application thereof, shall not in any way be affected or impaired thereby.

18. (a) **THIS AGREEMENT SHALL BE CONSTRUED IN ACCORDANCE WITH AND GOVERNED BY THE INTERNAL LAWS OF THE STATE OF NEW YORK WITHOUT REGARD TO CONFLICTS OF LAWS PRINCIPLES.**

(b) Any legal action or proceeding with respect to this Agreement may be brought in the courts of the State of New York or of the United States of America for the Southern District of New York in each case which are located in the County of New York, and, by execution and delivery of this Agreement, each Party hereby irrevocably accepts for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts. Each Party hereby further irrevocably waives any claim that any such court lacks personal jurisdiction over such Party, and agrees not to plead or claim in any legal action or proceeding with respect to this Agreement or any other Credit Document to which such Party is a party brought in any of the aforesaid courts that any such court lacks personal jurisdiction over such Party. Each Party further irrevocably consents to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such Party at its address set forth opposite is signature below, such service to become effective 30 days after such mailing. Each Party hereby irrevocably waives any objection to such service of process and further irrevocably waives and agrees not to plead or claim in any action or proceeding commenced hereunder or under any other Credit Document to which such Party is a party that such service of process was in any way invalid or ineffective. Nothing herein shall affect the right of any of the Senior Creditors to serve process in any other manner permitted by law or to commence legal proceedings or otherwise proceed against each Party in any other jurisdiction.

(c) **EACH PARTY HEREBY IRREVOCABLY WAIVES ANY OBJECTION WHICH IT MAY NOW OR HEREAFTER HAVE TO THE LAYING OF VENUE OF ANY OF THE AFORESAID ACTIONS OR PROCEEDINGS ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT BROUGHT IN THE COURTS REFERRED TO IN CLAUSE (b) ABOVE AND HEREBY FURTHER IRREVOCABLY WAIVES AND AGREES NOT TO PLEAD OR CLAIM IN ANY SUCH COURT THAT SUCH ACTION OR PROCEEDING BROUGHT IN ANY SUCH COURT HAS BEEN BROUGHT IN AN INCONVENIENT FORUM.**

(d) **EACH PARTY HEREBY IRREVOCABLY WAIVES ALL RIGHTS TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.**

19. This Agreement shall bind and inure to the benefit of the Administrative Agent, the other Senior Creditors and each Party and their respective successors, permitted transferees and assigns.

20. Each of the Collateral Agent and each of the Parties hereby acknowledges and agrees that from and after the Restatement Effective Date, this Agreement amends, restates and supercedes the Original Intercompany Subordination Agreement in its entirety.

* * *

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized officers to execute and deliver this Agreement as of the date first above written.

LEE ENTERPRISES, INCORPORATED

By: /s/ Carl G. Schmidt
Title: Vice President, Chief Financial Officer & Treasurer

ACCUDATA, INC.

By: /s/ C. D. Waterman III
Title: Secretary

INN PARTNERS, L.C.

By: /s/ C. D. Waterman III
Title: Secretary

JOURNAL – STAR PRINTING CO.

By: /s/ C. D. Waterman III
Title: Secretary

K. FALLS BASIN PUBLISHING, INC.

By: /s/ C. D. Waterman III
Title: Secretary

LEE CONSOLIDATED HOLDINGS CO.

By: /s/ C. D. Waterman III
Title: Secretary

LEE PUBLICATIONS, INC.

By: /s/ C. D. Waterman III
Title: Secretary

LEE PROCUREMENT SOLUTIONS CO.

By: /s/ C. D. Waterman III
Title: Secretary

LINT CO.

By: /s/ C. D. Waterman III
Title: Secretary

SIOUX CITY NEWSPAPERS, INC.

By: /s/ C. D. Waterman III
Title: Secretary

TARGET MARKETING SYSTEMS, INC.

By: /s/ C. D. Waterman III
Title: Secretary

DEUTSCHE BANK TRUST COMPANY AMERICAS, as Collateral Agent

By: /s/ Susan L. LeFevre
Title: Director

By: /s/ Lana Gifas
Title: Vice President

Exhibit 10.5 - Third Amendment to Limited Waiver to Note Agreement and Guaranty Agreement

THIRD AMENDMENT TO LIMITED WAIVER TO NOTE AGREEMENT AND GUARANTY AGREEMENT

THIS THIRD AMENDMENT TO LIMITED WAIVER TO NOTE AGREEMENT AND GUARANTY AGREEMENT (this "**Amendment**") is entered into as of February 6, 2009 by and among ST. LOUIS POST-DISPATCH LLC, a Delaware limited liability company (the "**Company**"), PULITZER INC., a Delaware corporation (the "**Guarantor**"), and the undersigned holders of Notes (as hereinafter defined) (the Company, the Guarantor and the undersigned holders of Notes being collectively referred to herein as the **"Parties"**). Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Waiver or the Note Agreement (as each such term is defined in Recital A below), as amended hereby.

Recitals

A. Reference is made to (i) that certain Note Agreement, dated as of May 1, 2000, among the Company and the holders of the senior notes issued thereunder, as amended prior to the date hereof (the "**Note Agreement**") and (ii) that certain Limited Waiver to Note Agreement and Guaranty Agreement, entered into as of December 26, 2008, by and among the Parties, as amended prior to the date hereof (the **"Waiver"**).

B. The Company and the Guarantor have requested, and the holders of the Notes have agreed, subject to the terms and conditions of this Amendment, to amend and extend the terms of the Waiver as set forth herein.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Amendment to Waiver. Paragraph D. of the Recitals to the Waiver is hereby amended by deleting "and" at the end of clause (a), designating clause (b) as clause (c) and adding the following new clause (b):

"(b) Section 5.1(i) of the Guaranty Agreement in the event that the ratio of Consolidated Debt as of December 28, 2008 to EBITDA for the four fiscal quarters most recently ended is greater than 4.25 to 1.00, and".

2. Extension of Waiver Period. Paragraph 2 of the Waiver is hereby amended by substituting "February 13, 2009" for "February 6, 2009" in each place that the latter date appears in such paragraph.

3. Waiver Remains in Full Force and Effect. Except as expressly amended by this Amendment, all terms, conditions, covenants and other provisions contained in the Waiver are hereby ratified and shall be and remain in full force and effect; provided, however, that (a) the conditions to effectiveness contained herein shall supersede those contained in the Waiver, and (b) no additional Waiver Fee or other fee shall be payable in connection with this Amendment.

4. Conditions to Effectiveness. This Amendment shall become effective, as of the date first written above (the "**Effective Date**"), when the Company, the Guarantor and the Required Holders shall have signed a counterpart hereof (whether the same or separate counterparts) and shall have delivered (including by way of facsimile or other electronic transmission) the same to Bingham McCutchen LLP, One State Street, Hartford CT 06001, Attention: Chip Fisher (facsimile number: 860-240-2564/e-mail address: chip.fisher @bingham.com).

5. Miscellaneous.

(a) Ratification and Confirmation. Except as specifically modified herein, the Waiver shall remain in full force and effect, and is hereby ratified and confirmed.

(b) No Waiver. Except as expressly provided herein, the execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any holder of Notes, nor constitute a waiver of any provision of the Note Agreement, the Guaranty Agreement, any Note or any other instrument or agreement entered into in connection therewith or otherwise related thereto.

(c) Representation and Warranty. The Company and the Guarantor jointly and severally represent and warrant that (i) none of the events described in clauses (w), (x) or (y) of Section 2 of the Waiver has occurred and (ii) each is in compliance with its respective obligations under Section 3 of the Waiver.

(d) **GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK.**

(e) Counterparts. This Amendment may be executed in counterparts (including those transmitted by facsimile), each of which shall be deemed an original and all of which taken together shall constitute one and the same document. Delivery of this Amendment may be made by facsimile transmission of a duly executed counterpart copy hereof.

[The remainder of this page is intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

ST. LOUIS POST-DISPATCH LLC

By: PULITZER INC., as Managing Member

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

PULITZER INC.

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: /s/ Paul H. Procyk
Name: Paul H. Procyk
Title: Vice President

[Signature Page to Third Amendment to Limited Waiver]

AMERICAN GENERAL LIFE INSURANCE COMPANY AIG ANNUITY INSURANCE COMPANY

By: AIG Global Investment Corp., Investment Advisor

By: /s/ Richard Conway
Name: Richard Conway
Title: Managing Director

AIG EDISON LIFE INSURANCE COMPANY

By: AIG Global Investment Corp., as Investment Sub-adviser

By: /s/ Richard Conway
Name: Richard Conway
Title: Managing Director

GENWORTH LIFE AND ANNUITY INSURANCE COMPANY
(as Successor by Merger to First Colony Insurance Company)

By: /s/ John R. Endres
Name: John R. Endres
Title: Investment Officer

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ Richard A. Strait
Name: Richard A. Strait
Its Authorized Representative

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, for its Group Annuity Separate Account

By: /s/ Richard A. Strait
Name: Richard A. Strait
Its Authorized Representative

PACIFIC LIFE INSURANCE COMPANY

By: /s/ Diane W. Dales
Name: Diane W. Dales
Title: Assistant Vice President

By: /s/ Peter S. Fiek
Name: Peter S. Fiek
Title: Assistant Secretary

Exhibit 10.6 - Limited Waiver and Amendment No. 5 to Note Agreement

EXECUTION COPY

LIMITED WAIVER AND AMENDMENT NO. 5 TO NOTE AGREEMENT

THIS LIMITED WAIVER AND AMENDMENT NO. 5 TO NOTE AGREEMENT (this "**Amendment**") is entered into as of February 18, 2009 by and between ST. LOUIS POST-DISPATCH LLC, a Delaware limited liability company (the "**Company**"), and the undersigned holders of Notes (as hereinafter defined).

Recitals

A. The Company entered into that certain Note Agreement dated as of May 1, 2000, as amended by (i) Amendment No. 1 to Note Agreement dated as of November 23, 2004, (ii) Amendment No. 2 to Note Agreement dated as of February 1, 2006, (iii) Amendment No. 3 to Note Agreement dated as of November 19, 2008, (iv) the Limited Waiver to Note Agreement and Guaranty Agreement (as amended), dated as of December 26, 2008 and (v) Amendment No. 4 and First Amendment to Limited Waiver to Note Agreement and Guaranty Agreement, dated as of January 16, 2009 (as so amended and as the same may be further amended, restated, supplemented or otherwise modified from time to time, the "**Note Agreement**"), with the several Purchasers listed in the Purchaser Schedule attached thereto, pursuant to which the Company issued and sold to such Purchasers the Company's 8.05% Senior Notes due April 28, 2009 in the aggregate principal amount of $306,000,000 (together with any such promissory notes that may have been issued in substitution or exchange therefor prior to the date hereof, the "**Notes**").

B. As of the Effective Date (as hereinafter defined), the undersigned holders of Notes together hold 100% of the aggregate outstanding principal amount of the Notes.

C. The Company and the Guarantor have informed the holders of Notes that certain Events of Default do or may exist under the Note Agreement as a result of, (i) the Company failing to deliver audited financial statements and compliance certificates for the fiscal year ended September 28, 2008, (ii) the inclusion of certain limiting conditions in the audited reports of the Company for the fiscal year ended September 28, 2008, (iii) the violation of the requirement to have Consolidated Net Worth at a specified level for the fiscal quarters ended September 28, 2008 and December 28, 2008, as required by Section 5.1(ii) of the Guaranty Agreement, (iv) the violation of the requirement to have the ratio of Consolidated Debt as of December 28, 2008 to EBITDA for the four fiscal quarters ended on such date not be greater than 4.25 to 1.00, as required by Section 5.1(i) of the Guaranty Agreement and (v) the asserted violation of the requirements of paragraph 6C(7) of the Note Agreement and Sections 5.2, 5.4 and 5.8 of the Guaranty Agreement (collectively, the "**Existing Defaults**").

D. The Company has requested that the holders of Notes waive the Existing Defaults and amend the Note Agreement in certain respects, as set forth in this Amendment, and the undersigned holders of Notes, subject to the terms and conditions set forth herein, are willing to agree to such waivers and amendments.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Note Agreement (as amended by this Amendment) or the Guaranty Agreement (as defined in the Note Agreement).

2. Amendments to Paragraph 4 (Prepayments). Paragraph 4 of the Note Agreement is hereby amended and restated in its entirety to read as follows:

4A. **Mandatory Scheduled Prepayments.**

(i) On June 28, 2009 and on the 28th day of each September, December, March and June thereafter to and including March 28, 2012, the Company will prepay $4,000,000 principal amount (or such lesser principal amount as shall then be outstanding) of the Notes at par and without payment of the Yield-Maintenance Amount or any premium. The Company shall pay the entire remaining outstanding principal amount of the Notes on April 28, 2012.

(ii) On October 28, 2010, the Company will prepay a principal amount of Notes equal to the lesser of (i) $4,500,000 and (ii) the amount of cash on deposit in the Restricted Cash Reserve Account in excess of $4,500,000 at par and without payment of the Yield-Maintenance Amount or any premium. Such prepayment shall be funded from the Restricted Cash Reserve Account.

4B. **Excess Cash Flow Sweep.** On the 45th day after the last day of each fiscal quarter of the Guarantor (commencing with the first fiscal quarter ending closest to March 31, 2009 through and including the last day of the fiscal quarter ending closest to December 31, 2011), the Company will prepay a principal amount of Notes (subject to the proviso to the penultimate sentence of this paragraph 4B, an "**Excess Cash Flow Sweep Prepayment**") equal to the largest integral multiple of $500,000 that is evenly divisible into the sum of (i) 20% of Excess Cash Flow for such fiscal quarter plus (ii) the entire amount on deposit in the Excess Cash Flow Reserve Account on each due date for the Excess Cash Flow Sweep Prepayment. The Excess Cash Flow Sweep Prepayment shall be made at par and without payment of the Yield-Maintenance Amount or any premium. Any portion of 20% of Excess Cash Flow for any fiscal quarter of the Guarantor not applied to an Excess Cash Flow Sweep Prepayment on a due date therefor shall be deposited into the Excess Cash Flow Reserve Account on such date and such portion, together with any amount on deposit in the Excess Cash Flow Reserve Account on such due date that is also not so applied, shall be retained therein until the next due date for an Excess Cash Flow Sweep Prepayment; provided that the entire amount on deposit in the Excess Cash Flow Reserve Account on the 45th day after the end of the Guarantor's fiscal quarter ending closest to December 31, 2011 shall be part of the Excess Cash Flow Sweep Prepayment due on such date. Simultaneously with each prepayment made pursuant to this paragraph 4B, the Company shall deliver to each holder of Notes the calculation, in reasonable detail, of the amount of the Excess Cash Flow Sweep Prepayment and the amount held in the Excess Cash Flow Reserve Account in each case as of such prepayment date.

4C. **Optional Prepayments.**

(i) The Notes shall be subject to prepayment, in whole at any time or from time to time in part (in a minimum principal amount of $500,000 and integral multiples of $100,000 above that amount) at the option of the Company, at 100% of the principal amount so prepaid, but without payment of the Yield-Maintenance Amount or any premium.

(ii) The Company shall give the holder of each Note irrevocable written notice of any prepayment pursuant to paragraph 4C(i) not less than 10 Business Days prior to the prepayment date (which shall be a Business Day), specifying such prepayment date and the principal amount of the Notes, and of the Notes held by such holder, to be prepaid on such date and stating that such prepayment is to be made pursuant to paragraph 4C(i). Notice of prepayment having been given as aforesaid, the principal amount of the Notes specified in such notice (but without the Yield-Maintenance Amount or any premium) shall become due and payable on such prepayment date.

4D. **Asset Sale Prepayments.** The Company shall, and shall cause each Subsidiary to, deposit all Asset Sale Proceeds into the Asset Sale Proceeds Reserve Account immediately upon receipt thereof. At any time when the amount on deposit in the Asset Sale Proceeds Reserve Account shall exceed $500,000, the Company will prepay a principal amount of Notes (an "**Asset Sale Prepayment**") equal to the largest integral multiple of $500,000 that is evenly divisible into the amount on deposit in the Asset Sale Proceeds Reserve Account. Such payment shall be due and payable by the Company on the third Business Day after the amount on deposit in such account exceeds $500,000 and shall be made without the Yield-Maintenance Amount or any premium. Simultaneously with each prepayment made pursuant to this paragraph 4D, the Company shall deliver to each holder of Notes a description, in reasonable detail, of the Asset Sales giving rise to the Asset Sale Prepayment.

4E. **Prepayment upon Change of Control.** Promptly and in any event within 5 Business Days after the occurrence of a Change of Control, the Company will give written notice thereof (a "**Change of Control Notice**") to the holders of all outstanding Notes, which Change of Control Notice shall (i) refer specifically to this paragraph 4E, (ii) describe the Change of Control in reasonable detail and specify the Change of Control Prepayment Date and the Response Date (as respectively defined below) in respect thereof and (iii) offer to prepay all outstanding Notes at the price specified below on the date therein specified (the "**Change of Control Prepayment Date**"), which shall be a Business Day not more than 15 days after the date of such Change of Control Notice. Each holder of a Note will notify the Company of such holder's acceptance or rejection of such offer by giving written notice of such acceptance or rejection to the Company on or before the date specified in such Change of Control Notice (the "**Response Date**"), which specified date shall be a Business Day not less than 7 days nor more than 12 days after the date of such Change of Control Notice. The Company shall prepay on the Change of Control Prepayment Date all of the outstanding Notes held by the holders as to which such offer has been so accepted (it being understood that failure of any holder to accept such offer on or before the Response Date shall be deemed to constitute acceptance by such holder), at the principal amount of each such Note, together with

interest accrued thereon to the Change of Control Prepayment Date but without payment of the Yield-Maintenance Amount or any premium. If any holder shall reject such offer on or before the Response Date, such holder shall be deemed to have waived its rights under this paragraph 4E to require prepayment of all Notes held by such holder in respect of such Change of Control but not in respect of any subsequent Change of Control. For purposes of this paragraph 4E, any holder of more than one Note may act separately with respect to each Note so held (with the effect that a holder of more than one Note may accept such offer with respect to one or more Notes so held and reject such offer with respect to one or more other Notes so held).

4F. **Application of Certain Prepayments.** Any prepayment of the Notes pursuant to any provision hereof, other than paragraph 4A(i) or paragraph 4E, shall be applied to the payment of principal of the Notes in the inverse order of maturity, as set forth in paragraph 4A(i), beginning with the payment due on the maturity date of the Notes. Any prepayment of the Notes pursuant to paragraph 4E shall be applied ratably to reduce each prepayment or payment of principal of the Notes due pursuant to paragraph 4A(i).

4G. **Partial Payments Pro Rata.** Upon any partial prepayment of the Notes pursuant to any provision hereof (other than paragraph 4E), the principal amount so prepaid shall be allocated to all Notes at the time outstanding in proportion to the respective outstanding principal amounts thereof.

4H. **Retirement of Notes.** The Company shall not, and shall not permit any of its Subsidiaries or Affiliates to, prepay or otherwise retire in whole or in part prior to their stated final maturity (other than by prepayment pursuant to this paragraph 4 or upon acceleration of such final maturity pursuant to paragraph 7A), or purchase or otherwise acquire, directly or indirectly, Notes held by any holder.

4I. **Use of Debt to Make Prepayment.** No prepayment of less than the entire outstanding principal amount of the Notes will be made with the proceeds of any Debt incurred by the Guarantor, the Company or any of the Guarantor's other Subsidiaries, except unsecured Debt subordinated to payment of the Notes on terms and conditions satisfactory to the Required Holders.

4J. **Prepayment of Interest upon Payment in Full of Notes.** Any payment or prepayment of any Notes pursuant to this paragraph 4 which results in the payment or prepayment of the entire outstanding principal amount of such Notes shall be made together with all accrued and unpaid interest thereon as of the date of such payment or prepayment.

3. <u>Amendments to Paragraph 5 (Affirmative Covenants)</u>.

(a) Paragraph 5A(ii) of the Note Agreement is amended by adding "and shall not in any event include any scope limitation or any going concern or other material qualification (except that such opinion for the Guarantor's fiscal year ending in September 2011 may include a going concern limitation related only to the refinancing of the Notes and the Debt outstanding under the Credit Agreement)" after "Required Holder(s)" and before "and" in the penultimate line thereof.

(b) Paragraph 5A of the Note Agreement is amended by (i) deleting "and" at the end of clause (iv), (ii) renaming clause (v) as clause (vii), and (iii) adding the following new clauses (v) and (vi) immediately following clause (iv):

"(v) within 30 days after the end of each fiscal month of Lee, the consolidated balance sheet of Lee and its Subsidiaries as at the end of such fiscal month and the related consolidated statements of income for such fiscal month and for the elapsed portion of the fiscal year ended with the last day of such fiscal month, in each case setting forth comparative figures for the corresponding fiscal month in the prior fiscal year;

(vi) no later than the first Business Day of each week (beginning on March 2, 2009), a forecast for the succeeding 13-week period of the projected consolidated cash flows of Lee and its Subsidiaries, taken as a whole, together with a variance report of actual cash flow for the immediately preceding period for which a forecast was delivered against the then current forecast for such preceding period provided that such reports shall be required to be delivered pursuant to this clause (vi) only so long as they shall be required to be delivered pursuant to the Credit Agreement; and".

(c) Paragraph 5A of the Note Agreement is further amended by adding the following sentence to the end of the paragraph:

"Nothing herein shall require, or be deemed to require, the Company to deliver any audited financial statements, or a certificate of accountants related to any Event of Default or Default, for the Company."

4. Amendment to Paragraph 6B (Limitation on Distributions). Paragraph 6B of the Note Agreement is hereby amended and restated as follows:

"**6B. Limitation on Distributions.** Neither the Company nor any Subsidiary will declare or make, or incur any liability to declare or make, any distributions or payments in respect of its Equity Interests, except distributions or payments to the Guarantor, the Company or any Subsidiary of the Company."

5. Amendments to Paragraph 6C(1) (Liens). Paragraph 6C(1) of the Note Agreement is hereby amended by (i) deleting clause (i) thereof and replacing it with "(i) [Reserved]", (ii) deleting the reference to "and" in clause (viii), (iii) deleting the "." at the end of clause (ix) and inserting in lieu thereof "; and", and (iv) inserting the following clause (x) to the end thereof:

"(x) Liens in favor of the Collateral Agent to secure the Secured Obligations."

6. Amendments to Paragraph 6C(2) (Debt). Paragraph 6C(2) of the Note Agreement is hereby amended by (i) amending clause (i) thereof to add the phrase "and the Subsidiary Guaranty Agreement" after the word "Notes", (ii) amending clause (ii) thereof to add "or any of its Subsidiaries or Debt owing by a Subsidiary of the Company to the Company or the

Guarantor" immediately after "Guarantor", (iii) deleting the reference to "$15,000,000" in clause (v) and inserting "$5,000,000" in lieu thereof, and (iv) deleting "and" at the end of clause (v), (v) deleting "." at the end of clause (vi) and inserting "; and" in lieu thereof, and (vi) inserting the following clauses (vii) and (viii) to the end thereof:

"(vii) unsecured Debt in respect of the reimbursement obligations of letters of credit issued or in respect of worker's compensation arrangements not to exceed $5,000,000 outstanding at any time; and

"(viii) unsecured Debt subordinated to the Secured Obligations on terms and conditions satisfactory to the Required Holders.

7. Amendments to Paragraph 6C(3) (Loans, Advances and Investments).

(a) Paragraph 6C(3) of the Note Agreement is hereby amended by (i) inserting "or the Guarantor" after the word "Subsidiary" in clause (i) thereof, (ii) inserting the words "the Guarantor," immediately before "the Company" in clause (ii) thereof, and (iii) amending and restating clause (iv) in its entirety as follows:

"(iv) make and permit to remain outstanding investments in notes receivable or other consideration to the extent permitted by paragraph 6C(4) but only to the extent that the aggregate uncollected amount of all such notes receivable and other consideration, together with all such notes receivable and other consideration of the Guarantor and its Subsidiaries, would be permitted under clause (iv) of Section 5.4 of the Guaranty Agreement;"

(b) Paragraph 6C(3) of the Note Agreement is hereby amended by inserting the following to the end thereof:

"The Company shall only redeem the "phantom equity interest" referred to in clause (iii) of the definition of "Change of Control" with common stock of Lee at any time when the Notes, or any other obligations under the Transaction Documents, are outstanding."

8. Amendment to Paragraph 6C(4) (Sale or Disposition of Capital Assets). Paragraph 6C(4) of the Note Agreement is hereby amended and restated in its entirety as follows:

"**6C(4). Asset Sales.** Engage in any Asset Sale (i) if the aggregate amount of Asset Sale Proceeds in respect of any one transaction or series of related transactions would be equal to or less than $500,000 unless at least 75% of such Asset Sale Proceeds consist of cash or (ii) if the aggregate amount of Asset Sale Proceeds in respect of any one transaction or series of related transactions would be more than $500,000 unless such Asset Sale Proceeds consist only of cash and the Required Holders have given their prior written consent thereto."

9. Amendment to Paragraph 6C(6) (Merger). Paragraph 6C(6) of the Note Agreement is hereby amended and restated in its entirety as follows:

"**6C(6). Merger.** Merge or consolidate with any other Person, except that any Subsidiary may merge or consolidate with the Company (provided that the Company shall be the continuing or surviving Person) or any one or more other Subsidiaries; provided that nothing in this paragraph 6C(6) shall restrict the ability of any Subsidiary which is not a Material Subsidiary to merge or consolidate with any Person (so long as in connection with any such merger with a Person which is not the Company, the Guarantor or another Subsidiary, the Company or a Subsidiary shall have received only cash consideration for such merger)."

10. Amendment to Paragraph 6D (Restrictions Upon Modification of Limited Liability Company Agreement). Paragraph 6D of the Note Agreement is hereby deleted in its entirety and replaced with "6D. [Reserved]".

11. Amendment to Paragraph 6E (Limitations on Certain Restrictive Agreements). Paragraph 6E of the Note Agreement is hereby amended to delete "Except as set forth in the Limited Liability Company Agreement (as in effect on the date hereof), the" and replace it with "The".

12. Amendments to Paragraph 7A (Acceleration). Paragraph 7A of the Note Agreement is hereby amended by amending and restating clause (xiv), and adding clauses (xv), (xvi), (xvii), (xviii) and (xix), all as set forth below:

"(xiv) a Guaranty Event of Default shall have occurred and be continuing (it being understood that no Guaranty Event of Default shall exist or arise as a result of non-compliance with Section 5.1(i) or Section 5.1(iii) of the Guaranty Agreement prior to the occurrence of the earlier of (a) an election of the Guarantor pursuant to the first sentence after clause (iii) of Section 5.1 and (b) the expiration of the 45 day period referred to in such sentence, so long as an election as to the maximum amount permissible under such first sentence would be sufficient to cure such non-compliance);

(xv) Debt under the Credit Agreement is declared to be, or becomes, due and payable prior to the scheduled final maturity thereof or all such Debt shall not be paid on the final maturity date therefor; or

(xvi) the Credit Agreement shall be replaced, or shall be amended (other than pursuant to the Third Amendment, Consent and Waiver to Credit Agreement, dated as of February 18, 2009) to change (a) the amount to be advanced, or the interest or fees payable, thereunder, (b) provisions relating to amortization or maturity of the Debt to be outstanding thereunder, or the time during which any facility will be available or (c) the types of facilities to be provided and at or about the time of any such replacement or the time any such amendment becomes effective, a majority in principal amount (or in the case of a change only to either or both interest or fees payable under the Credit Agreement, two-thirds in principal amount) of the Debt outstanding under the Credit Agreement shall be replaced or refinanced with the effect that a majority (or in the case of a change only to either or both interest or fees payable under the Credit Agreement, two-thirds in principal amount) of the sum of (x) any remaining Debt outstanding under the Credit Agreement plus (y) any new Debt incurred by Lee or any of its Subsidiaries in connection with such replacement or refinancing shall be held by lenders other than the lenders under the Credit Agreement as in effect immediately prior to such refinancing or replacement; or

(xvii) Lee or any Material Lee Subsidiary shall commence a voluntary case concerning itself under any Bankruptcy Law; or an involuntary case is commenced against Lee or any Material Lee Subsidiary, and the petition is not controverted within 15 days, or is not dismissed within 60 days after the filing thereof; or a custodian (as defined under Title 11 of the United States Code) is appointed for, or takes charge of, all or substantially all of the property of Lee or any Material Lee Subsidiary, to operate all or any substantial portion of the business of Lee or any Material Lee Subsidiary; or Lee or any Material Lee Subsidiary commences any other proceeding under any Bankruptcy Law relating to Lee or any Material Lee Subsidiary, or there is commenced against Lee or any Material Lee Subsidiary any such proceeding which remains undismissed for a period of 60 days after the filing thereof; or Lee or any Material Lee Subsidiary is adjudicated insolvent or bankrupt; or any order for relief or other order approving any such case or proceeding is entered; or Lee or any Material Lee Subsidiary makes a general assignment for the benefit of creditors; or any action is taken by Lee or any Material Lee Subsidiary for the purpose of effecting any of the foregoing; or

(xviii) any Credit Party shall fail to perform or observe any other agreement, term or condition contained in any Transaction Document to which it is a party (other than this Agreement, the Notes or the Guaranty) and such failure shall not be remedied within thirty (30) days after any Responsible Officer obtains knowledge thereof; or

(xix) Lee or Lee Procurement Solutions Co. shall be a party to any agreement that restricts the Guarantor or any of its Subsidiaries from compliance in full with all provisions of all Transaction Documents;"

13. Amendments to Paragraph 10A (Yield-Maintenance Terms). Paragraph 10A of the Note Agreement is amended by amending and restating the following defined terms in their entirety:

"**Called Principal**" shall mean, with respect to any Note, the principal of such Note that has become or is declared to be immediately due and payable pursuant to paragraph 7A.

"**Settlement Date**" shall mean, with respect to the Called Principal of any Note, the date on which such Called Principal has become or is declared to be immediately due and payable pursuant to paragraph 7A.

14. Amendments to Paragraph 10B (Other Terms). Paragraph 10B of the Note Agreement is amended by adding the following new definitions in the appropriate alphabetical position therein:

"**Adjusted Consolidated Net Income**" shall mean, for any fiscal quarter of the Guarantor, Consolidated Net Income for such fiscal quarter (A) plus the sum of (without

duplication) (i) the amount of all net non-cash charges (including, without limitation, indirect intercompany charges from Lee, depreciation, amortization, tax expense and non-cash interest expense) and net non-cash losses which were included in arriving at Consolidated Net Income for such fiscal quarter and (ii) any extraordinary cash gains to the extent not already included in arriving at Consolidated Net Income for such fiscal quarter (other than extraordinary cash gains, if any, that constitute gains from sales or other dispositions of assets) and (B) less the sum of (without duplication) (i) the amount of all net non-cash gains and non-cash credits which were included in arriving at Consolidated Net Income for such fiscal quarter, (ii) cash expenditures for taxes and (iii) any extraordinary cash losses to the extent not already included in arriving at Consolidated Net Income for such fiscal quarter.

"**Adjusted Consolidated Working Capital**" shall mean, at any time, the result, if positive of (a) the consolidated current assets of the Guarantor and its Subsidiaries, determined in accordance with GAAP, at such time (but excluding cash and Cash Equivalents) minus (b) the consolidated current liabilities of the Guarantor and its Subsidiaries, determined in accordance with GAAP, at such time (but excluding the current portion of any Debt under this Agreement and the current portion of any other long-term Debt which would otherwise be included therein).

"**Amendment No. 5**" means the Limited Waiver and Amendment No. 5 to Note Agreement, dated as of February 18, 2009, by and between the Company and the then current holders of the Notes.

"**Asset Sale**" shall have the meaning specified in the Guaranty Agreement.

"**Asset Sale Prepayment**" shall have the meaning specified in paragraph 4D.

"**Asset Sale Proceeds**" shall have the meaning specified in the Guaranty Agreement.

"**Asset Sale Proceeds Reserve Account**" shall have the meaning set forth in the Security Agreement.

"**Capital Expenditures**" shall mean, with respect to any Person, all expenditures by such Person which should be capitalized in accordance with GAAP and, without duplication, the amount of all Capitalized Lease Obligations incurred by such Person.

"**Capitalized Lease Obligations**" shall mean, with respect to any Person, all rental obligations of such Person which, under GAAP, are or will be required to be capitalized on the books of such Person, in each case taken at the amount thereof accounted for as indebtedness in accordance with such principles.

"**Cash Equivalents**" shall mean, as to any Person, (i) securities issued or directly and fully guaranteed or insured by the United States or any agency or instrumentality thereof (provided that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than twelve months from the date of acquisition, (ii) marketable direct obligations issued by any state of the United States or any political

subdivision of any such state or any public instrumentality thereof maturing within twelve months from the date of acquisition thereof and, at the time of acquisition, having one of the two highest ratings obtainable from either S&P or Moody's, (iii) dollar denominated time deposits, certificates of deposit and bankers acceptances of any commercial bank having, or which is the principal banking subsidiary of a bank holding company having, a long-term unsecured debt rating of at least "A" or the equivalent thereof from S&P or "A2" or the equivalent thereof from Moody's with maturities of not more than twelve months from the date of acquisition by such Person, (iv) repurchase obligations with a term of not more than seven days for underlying securities of the types described in clause (i) above entered into with any bank meeting the qualifications specified in clause (iii) above, (v) commercial paper issued by any Person incorporated in the United States rated at least A-1 or the equivalent thereof by S&P or at least P-1 or the equivalent thereof by Moody's and in each case maturing not more than twelve months after the date of acquisition by such Person, and (vi) investments in money market funds substantially all of whose assets are comprised of securities of the types described in clauses (i) through (v) above.

"**Change of Control**" shall mean (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) (A) is or shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act as in effect on the Effective Date), directly or indirectly, of 30% or more on a fully diluted basis of the Voting Equity Interests of Lee or (B) shall have obtained the power (whether or not exercised) to elect a majority of Lee's directors, (ii) the board of directors of Lee shall cease to consist of a majority of Continuing Directors (as defined in the Credit Agreement), (iii) the failure of Lee to directly or indirectly hold 100% of the Equity Interests of the Company (it being understood that the "phantom equity interests" to be held by Herald, as contemplated by the Redemption Agreement (as in effect on the Effective Date), shall be deemed not to be an Equity Interest for purposes of this definition) or (iv) a "change of control" or similar event shall occur as provided in the Credit Agreement or any other agreement evidencing Debt with an aggregate outstanding principal amount of at least $25,000,000.

"**Change of Control Notice**" shall have the meaning specified in paragraph 4E.

"**Change of Control Prepayment Date**" shall have the meaning specified in paragraph 4E.

"**Collateral Agent**" shall mean The Bank of New York Mellon Trust Company in its capacity as collateral agent for the holders from time to time of the Notes, together with its successors and assigns in such capacity.

"**Collateral Documents**" shall mean the Security Agreement, the Pledge Agreement, the Deeds of Trust and each of the other security agreements, pledge agreements, trademark security agreements, copyright security agreements, deeds of trust, mortgages, leasehold mortgages or other agreements or instruments from time to time executed and delivered pursuant to the terms hereof or thereof which grants a Lien in favor of the Collateral Agent securing the obligations of the Credit Parties under any of

the Notes and the other Transaction Documents, as each may be amended, restated, supplemented or otherwise modified from time to time, together with all financing statements or comparable documents filed with respect thereto under the Uniform Commercial Code of any jurisdiction or comparable law.

"**Consolidated Net Income**" shall mean, for any period, the net income (or loss) of the Guarantor and its Subsidiaries for such period, determined on a consolidated basis in accordance with GAAP, excluding:

(a) any gains arising from (i) the sale or other disposition of any assets (other than current assets) to the extent that the aggregate amount of the gains during such period exceeds the aggregate amount of the losses during such period from the sale, abandonment or other disposition of assets (other than current assets), (ii) any write-up of assets or (iii) the acquisition of outstanding securities of the Guarantor or any of its Subsidiaries;

(b) any losses arising from the sale or other disposition of any assets (other than current assets) to the extent the aggregate amount of losses during such period exceeds the aggregate amount of gains during such period from such sale;

(c) any amount representing any interest in the undistributed earnings of (i) any other Person that is not a Subsidiary of the Guarantor, (ii) Star Publishing Company, (iii) TNI Partners and (iv) any other Subsidiary of the Guarantor that is accounted for by the Guarantor by the equity method of accounting;

(d) any earnings, prior to the date of acquisition, of any Person acquired in any manner, and any earnings of any Subsidiary of the Guarantor acquired prior to its becoming a Subsidiary of the Guarantor;

(e) any earnings of a successor to or transferee of the assets of the Guarantor prior to its becoming such successor or transferee;

(f) any deferred credit (or amortization of a deferred credit) arising from the acquisition of any Person;

(g) any extraordinary gains or extraordinary losses not covered by clause (a) or (b) above;

(h) any non-cash charges related to goodwill and asset write-offs and write-downs; and

(i) any non-cash income, including non-cash interest income.

"**Credit Agreement**" shall mean the Amended and Restated Credit Agreement, among Lee, various lenders party thereto and Deutsche Bank Trust Company Americas, as administrative agent, dated as of December 21, 2005 (as amended, restated, supplemented or otherwise modified from time to time).

"**Credit Party**" shall mean the Guarantor, the Company and the Guarantor's other Subsidiaries that are parties to the Subsidiary Guaranty Agreement.

"**Deeds of Trust**" shall have the meaning set forth in Amendment No. 5.

"**Effective Date**" shall mean the "Effective Date," as defined in Amendment No. 5.

"**Environmental Laws**" shall mean 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 but not limited to those related to Hazardous Materials.

"**Equity Interests**" of any Person shall mean any and all shares, interests, rights to purchase, warrants, options, participations or other equivalents of or interests in (however designated) equity of such Person, including any common stock, any preferred stock, any limited or general partnership interest and any limited liability company membership interest.

"**Excess Cash Flow**" shall mean, for any fiscal quarter of the Guarantor (commencing with the fiscal quarter ending March 29, 2009), the remainder of (a) the sum of, without duplication, (i) Adjusted Consolidated Net Income for such fiscal quarter and (ii) the decrease, if any, in Adjusted Consolidated Working Capital from the first day to the last day of such fiscal quarter, minus (b) the sum of, without duplication, (i) the aggregate amount of all cash Capital Expenditures made by the Guarantor and its Subsidiaries during such fiscal quarter, to the extent permitted by Section 5.12 of the Guaranty Agreement (other than Capital Expenditures to the extent financed with equity proceeds, Equity Interests, insurance proceeds or Debt), (ii) the aggregate amount of all permanent principal payments of Debt for borrowed money of the Guarantor and its Subsidiaries and the amount of all permanent repayments of the principal component of Capitalized Lease Obligations of the Guarantor and its Subsidiaries during such fiscal quarter (other than repayments made with the proceeds of asset sales (other than current assets), equity proceeds, Equity Interests, insurance or Debt), (iii) the increase, if any, in Adjusted Consolidated Working Capital from the first day to the last day of such quarter, and (iv) the amount by which the aggregate amount of funds on deposit in the Restricted Cash Reserve Account at the close of business on the last day of such fiscal quarter exceeds the amount on deposit therein at the close of business on the last day of the immediately preceding fiscal quarter, provided that (a) for the fiscal quarter ending closest to March 31, 2009, the aggregate amount of funds on deposit in such account on the last day of the immediately preceding fiscal quarter shall be deemed to be equal to $9,000,000 and (b) for the fiscal quarter ending closest to June 30, 2009, the aggregate amount of funds on deposit in such account on the last day of the immediately preceding fiscal quarter shall be deemed to be equal to the amount on deposit therein on April 28,

2009 (but prior, in any event, to giving effect to any withdrawal from such account for the interest payment on the Notes due on such date); provided further that, for purposes of this clause (iv), the amount on deposit in the Restricted Cash Reserve Account shall at no time be deemed to be more than $9,000,000 or, if after October 28, 2010, $4,500,000, even if the actual amount on deposit is more than whichever of such amounts shall then be applicable.

"**Excess Cash Flow Reserve Account**" shall have the meaning set forth in the Security Agreement.

"**Excess Cash Flow Sweep Prepayment**" shall have the meaning specified in paragraph 4B.

"Exchange Act" shall mean the Securities Exchange Act of 1934, as amended, or any successor federal statute, and the rules and regulations of the United States Securities and Exchange Commission promulgated thereunder, all as the same shall be in effect from time to time.

"**GAAP**" means generally accepted accounting principles in the United States, as in effect from time to time.

"**Governmental Authority**" shall mean

(a) the government of

(i) the United States of America and any state or other political subdivision thereof; or

(ii) any other jurisdiction in which the Guarantor or a Subsidiary of the Guarantor conducts all or any part of its business, or that properly asserts any jurisdiction over the conduct of the affairs of or the property of the Guarantor or any of its Subsidiaries; and

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"**Hazardous Materials**" shall mean any and all pollutants, toxic or hazardous wastes or other substances that pose a hazard to health and safety, the removal of which may be required or the generation, manufacture, refining, production, processing, treatment, storage, handling, transportation, transfer, use, disposal, release, discharge, spillage, seepage or filtration of which is or shall be restricted, prohibited or penalized by any applicable law, including, without limitation, asbestos, urea formaldehyde foam insulation, polychlorinated biphenyls, petroleum, petroleum products, lead based paint, radon gas or similar restricted, prohibited or penalized substances.

"**Intercompany Account**" shall mean an account in the name of the Guarantor, as to which an account control agreement acceptable to the Required Holders is in effect, into which the Guarantor shall deposit all amounts needed to make the payments referred to in Section 5.8(ii) of the Guaranty Agreement.

"**Material Adverse Effect**" shall mean a material adverse effect on (a) the business, financial condition, assets or properties of the Guarantor and its Subsidiaries taken as a whole, or (b) the ability of any Credit Party to perform its obligations under this Agreement, the Notes or any other Transaction Document, or (c) the validity or enforceability of this Agreement, the Notes or any other Transaction Document.

"**Material Lee Subsidiary**" shall mean Lee Procurement Solutions Co., Lee Publications, Inc and each other Subsidiary of Lee whose revenues represent 25% of consolidated revenues of Lee or whose assets represent 25% of consolidated assets of Lee, in each case as determined on a consolidated basis in accordance with GAAP.

"**Moody's**" shall mean Moody's Investors Service, Inc.

"**Note Documents**" shall mean the Note Agreement and the Guaranty Agreement.

"**Off-Balance Sheet Liabilities**" of any Person shall mean (i) any repurchase obligation or liability of such Person with respect to accounts or notes receivable sold by such Person, (ii) any liability of such Person under any sale and leaseback transactions that do not create a liability on the balance sheet of such Person, (iii) any obligation under a Synthetic Lease or (iv) any obligation arising with respect to any other transaction which is the functional equivalent of or takes the place of borrowing but which does not constitute a liability on the balance sheet of such Person.

"**Pledge Agreement**" shall mean that certain Pledge Agreement, dated as of February 18, 2009, made by the Guarantor, Pulitzer Technologies, Inc., and certain other Subsidiaries of the Guarantor in favor of the Collateral Agent for the benefit of the holders from time to time of the Notes, as amended, supplemented or otherwise modified from time to time.

"**Redemption Agreement**" means the Redemption Agreement, dated as of February 18, 2009, among the Company, STL Distribution Services LLC, a Delaware limited liability company, The Herald Publishing Company, LLC, a New York limited liability company, the Guarantor and Pulitzer Technologies, Inc. a Delaware corporation.

"**Response Date**" shall have the meaning specified in paragraph 4E.

"**Restricted Cash Reserve Account**" shall have the meaning set forth in the Security Agreement.

"**S&P**" shall mean Standard & Poor's Ratings Services, a division of McGraw-Hill, Inc.

"**Secured Obligations"** shall have the meaning specified in the Security Agreement.

"**Security Agreement**" shall mean that certain Security Agreement, dated February 18, 2009, made by the Guarantor, the Company and each of the other Subsidiaries of the Guarantor except for Star Publishing Company and TNI Partners in favor of the Collateral Agent for the benefit of the holders from time to time of the Notes, as amended, supplemented or otherwise modified from time to time.

"**Subsidiary Guaranty Agreement**" shall mean that certain Subsidiary Guaranty Agreement, dated as of February 18, 2009, made by all Subsidiaries of the Guarantor (other than Star Publishing Company and TNI Partners) in favor of the holders of the Notes, as amended, supplemented or otherwise modified from time to time.

"**Swap**" shall mean, with respect to any Person, payment obligations with respect to interest rate swaps, currency swaps and similar obligations obligating such Person to make payments, whether periodically or upon the happening of a contingency.

"**Synthetic Lease**" shall mean a lease transaction under which the parties intend that (i) the lease will be treated as an "operating lease" by the lessee and (ii) the lessee will be entitled to various tax and other benefits ordinarily available to owners (as opposed to lessees) of like property.

"**Transaction Documents**" shall mean the Note Agreement, the Notes, the Guaranty Agreement, the Subsidiary Guaranty Agreement, the Collateral Documents and any and all other agreements and certificates from time to time executed and delivered by or on behalf of any Credit Party related thereto.

"**Voting Equity Interests**" shall mean, as to any Person, any class or classes of outstanding Equity Interests of such Person pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect at least a majority of the board of directors of such Person.

15. Amendments to Paragraph 10B (Other Terms). Paragraph 10B of the Note Agreement is amended by amending and restating the following defined terms in their entirety:

"**Debt**" shall mean and include without duplication:

(i) all obligations for borrowed money or obligations represented by notes payable and drafts accepted representing extensions of credit, all obligations evidenced by bonds, debentures, notes or other similar instruments and all obligations upon which interest charges are customarily paid;

(ii) Capitalized Lease Obligations;

(iii) indebtedness secured by any Lien existing on property owned by the Company or any Subsidiary subject to such Lien, whether or not the indebtedness secured thereby shall have been assumed by the Company or any Subsidiary;

(iv) guaranties, endorsements (other than endorsements of negotiable instruments for collection in the ordinary course of business) and other contingent liabilities (whether direct or indirect) in connection with the obligations, stock or dividends of any Person;

(v) obligations under any contract providing for the making of loans, advances or capital contributions to any Person, or for the purchase of any property from any Person, in each case in order to enable such Person primarily to maintain working capital, net worth or any other balance sheet condition or to pay debt, dividends or expenses;

(vi) obligations under any contract for the purchase of materials, supplies or other property from any Person if such contract (or any related document) requires that payment for such materials, supplies or other property shall be made regardless of whether or not delivery of such materials, supplies or other property is ever made or tendered;

(vii) obligations under any contract to rent or lease (as lessee) any real or personal property if such contract (or any related document) provides that the obligation to make payments thereunder is absolute and unconditional under conditions not customarily found in commercial leases then in general use or requires that the lessee purchase or otherwise acquire securities or obligations of the lessor;

(viii) obligations under any contract for the sale or use of materials, supplies or other property, or the rendering of services, if such contract (or any related document) requires that payment for such materials, supplies or other property, or the use thereof, or payment for such services, shall be subordinated to any indebtedness (of the purchaser or user of such materials, supplies or other property or the Person entitled to the benefit of such services) owed or to be owed to any Person;

(ix) obligations under any other contract which, in economic effect, is substantially equivalent to a guarantee;

(x) all Off-Balance Sheet Liabilities; and

(xi) all Swaps;

provided, however, that Debt shall not include (a) loans, advances and capital contributions by the Company to any Subsidiary or by any Subsidiary to the Company or another Subsidiary, (b) the guaranty of the obligations of the Company or a Subsidiary under an executory contract to purchase or sell a business, or (c) the obligation to redeem the phantom equity interests referred to in clause (iii) of the definition of “Change of Control”.

"**Required Holders**" shall mean, (a) at any time that there are more than two non-affiliated holders of Notes, the holders of at least 60% of the aggregate principal amount of the Notes from time to time outstanding, so long as at least two of such holders are not affiliates and (b) otherwise, the holders of 51% of the aggregate principal amount of the Notes.

"**Responsible Officer**" shall mean the chief executive officer, chief operating officer, chief administrative officer or chief financial officer of any Credit Party or any other officer of such Credit Party involved principally in its financial administration or its controllership function.

16. Amendment to Paragraph 11C (Consent to Amendments). Paragraph 11C of the Note Agreement is hereby amended by inserting the following sentence immediately after the first sentence thereof:

"For the avoidance of doubt, neither a waiver of the Company's failure to make a principal payment required by paragraph 4B (or any other provision of paragraph 4), nor any amendment of such paragraph (or any such other provision of paragraph 4) (to the extent such amendment would affect the timing, amount or allocation of any prepayments), shall be effective without the consent of the holders of all Notes then outstanding and any such failure, if not waived, would constitute an Event of Default having the effect, *inter alia*, of prohibiting the making of the senior unsecured loans and advances referred to in Section 5.4(xxiv) of the Guaranty Agreement."

17. Global Amendments.

(a) The Note Agreement is hereby amended by substituting "April 28, 2012" for "April 28, 2009" in each place that the latter date appears in the Note Agreement (including, without limitation, exhibits thereto).

(b) The Note Agreement is hereby amended by substituting the phrase "Adjustable Rate" for "8.05%" in each place that the latter appears in the Note Agreement (including, without limitation, exhibits thereto).

18. Notes.

(a) The first paragraph of the form of Note attached as Exhibit A to the Note Agreement is hereby amended and restated to read in its entirety as set forth below:

FOR VALUE RECEIVED, the undersigned, ST.LOUIS POST-DISPATCH LLC (the "**Company**"**)**, a limited liability company organized and existing under the laws of the State of Delaware, hereby promises to pay to _____, or registered assigns, the principal sum of ____ DOLLARS on April 28, 2012, with interest (computed on the basis of a 360-day year of 30 day months) (a) on the unpaid balance hereof (i) at the rate of 8.05% per annum prior to February 18, 2009, (ii) at the rate of 9.05% per annum on and after February 18, 2009 to, but not including, April 28, 2010, (iii) at the rate of 9.55% per annum on and after April 28, 2010

to, but not including, April 28, 2011 and (iv) at the rate of 10.05% per annum at all times thereafter, such interest to accrue from the date hereof and to be payable quarterly on the 28th day of January, April, July and October in each year, commencing with the January, April, July and October next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default (as defined in the Note Agreement referred to below), on such unpaid balance and on any overdue payment of any Yield-Maintenance Amount (as defined in the Note Agreement referred to below), payable quarterly as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 2.0% above the interest rate otherwise in effect at such time pursuant to the foregoing clause (a) or (ii) 2.0% over the rate of interest publicly announced by The Bank of New York from time to time in New York City as its prime rate.

Any Note issued on or after the date hereof shall include the amended and restated first paragraph set forth above.

(b) (i) The first paragraph of each Note that is outstanding on the Effective Date (each an "**Existing Note**") is hereby, without any further action required on the part of any other Person, deemed to be automatically amended and restated as set forth in Section 18(a) of this Amendment (except that the principal amount and payee of each such Note shall remain unchanged). In addition, the heading "8.05% SENIOR NOTE DUE APRIL 28, 2009" in each such Note shall be replaced with "ADJUSTABLE RATE SENIOR NOTE DUE APRIL 28, 2012".

(ii) Within 30 days after the Effective Date, the Company will deliver to special counsel to the holders of Notes, Bingham McCutchen LLP, at One State Street, Hartford, CT 06103, one or more Notes, in the denominations and of the series, as may be requested by any such holder, dated as of the date of the last interest payment date, and payable to such holder of Notes or as otherwise requested by such holder, against delivery by such holder of Notes of the Existing Notes held by it. Bingham McCutchen LLP will forward each of the Notes to the holders of Notes, and will forward the Existing Notes to the Company for cancellation. All amounts owing under, and evidenced by, any Existing Note as of the Effective Date shall continue to be outstanding under, and shall after any exchange referred to above be evidenced by, the Note or Notes issued in exchange therefor, and shall be repayable in accordance with this Amendment and such Note or Notes.

19. Waivers. In reliance on the representations and warranties set forth in Section 20 below, the undersigned holders of Notes hereby waive the Existing Defaults. The foregoing is a limited waiver and shall not be deemed to constitute a waiver of any other Event of Default or any future breach of the Note Agreement. The holders of Notes hereby reserve their rights under the Note Agreement, the Notes, the Guaranty and applicable law in respect of such other Events of Default and future breaches.

20. Representations and Warranties of the Company.

(a) **Organization; Power and Authority.** The Company hereby represents and warrants that the Company is a limited liability company duly organized and validly existing in good standing under the laws of the State of Delaware. The Company has all requisite limited liability company power to execute and deliver this Amendment and to perform its obligations under this Amendment and the Note Agreement as amended hereby.

(b) **Authorization, Etc.** The execution and delivery by the Company of this Amendment and the performance by the Company of its obligations under this Amendment and the Note Agreement as amended hereby have been duly authorized by all requisite limited liability company action on the part of the Company. The Company has duly executed and delivered this Amendment, and this Amendment and the Note Agreement as amended hereby constitute the legal, valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, enforceable against the Company in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(c) **Disclosure.** This Amendment and the documents, certificates and statements furnished to the holders of the Notes by or on behalf of the Company in connection herewith, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein and therein not misleading in light of the circumstances at the time made. The projections of the future financial performance of the Company and its Subsidiaries, and of the Guarantor and its Subsidiaries, were prepared based by the Company and the Guarantor in good faith utilizing assumptions believed by the Company and the Guarantor to be reasonable at the time made, it being recognized however that projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by such projections may differ from the projected results.

(d) **No Conflicts.** The execution, delivery and performance by the Company of this Amendment will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, material lease, corporate charter or by-laws, or any other material agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

(e) **No Defaults.** Except for the Existing Defaults, no event has occurred and no condition exists that, upon the execution and delivery of this Amendment and the effectiveness of this Amendment, would constitute a Default or an Event of Default.

(f) **Perfection Certificates.** The Company hereby represents and warrants that the perfection certificates from the Company and each of its Subsidiaries dated the date hereof (the "**Perfection Certificates**") are accurate in all material respects.

(g) **Environmental Matters.**

Except as disclosed in Schedule A attached hereto:

(i) neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(ii) neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(iii) neither the Company nor any Subsidiary has stored any Hazardous Materials on real properties now or, to the knowledge of the Company or and such Subsidiary, formerly owned, leased or operated by any of them and, to the knowledge of the Company or any such Subsidiary, has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(iv) All buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

21. Conditions to Effectiveness. This Amendment shall become effective, as of the date first written above (the "**Effective Date**"), upon satisfaction of the following conditions precedent (except to the extent that satisfaction of any such condition is provided for in the post-closing letter referred to in Section 21(a)(xiv)):

(a) The undersigned holders of Notes shall have received the following, each in form and substance satisfactory to such holders, in their sole discretion, duly executed and delivered by each of the parties thereto:

(i) a counterpart of this Amendment;

(ii) Amendment No. 5 to Guaranty Agreement, dated as of even date herewith, with respect to the Guaranty Agreement;

(iii) the Third Amendment, Consent and Waiver to the Credit Agreement;

(iv) a Pledge Agreement, in the form of Exhibit A hereto, from the Guarantor, Pulitzer Technologies, Inc., and certain other Subsidiaries of the Guarantor;

(v) a Security Agreement, in the form of Exhibit B hereto, from the Guarantor and each of its Subsidiaries except Star Publishing Company and TNI Partners;

(vi) Collateral Agency Agreement, in the form of Exhibit C hereto;

(vii) Trademark Security Agreement, in the form of Exhibit D hereto;

(viii) Copyright Security Agreement, in the form of Exhibit E hereto;

(ix) Deeds of Trust (the "**Deeds of Trust**"), in the respective forms set forth as Exhibits F-1, F-2 and F-3 hereto, from the Company;

(x) Deposit Account Control Agreements from Bank of America, in respect of the Intercompany Account;

(xi) Subsidiary Guaranty Agreement, in the form set forth as Exhibit G hereto, from each Subsidiary of the Guarantor other than Star Publishing Company and TNI Partners;

(xii) Certificate dated the Effective Date, signed by the President or a Vice President of the Company, to the effect that (a) the representations and warranties of the Company set forth in Section 20 are true and correct on the Effective Date, (b) the Company and each of its Subsidiaries has performed all of its obligations under this Section 21 which are to be performed on or prior to the Effective Date, and (c) after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing;

(xiii) Certificate of the Secretary or Assistant Secretary of the Company and each of its Subsidiaries, dated the Effective Date, certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of this Amendment and the other Transaction Documents; and

(xiv) the Company and the Guarantor shall have executed and delivered the post-closing letter attached as Exhibit H hereto.

(b) The Company shall have prepaid $120,000,000 in principal amount of the Notes, together with interest accrued thereon to the date of payment, but without payment of the Yield-Maintenance Amount or any premium (leaving $186,000,000 in principal amount of the Notes outstanding immediately after giving effect to such prepayment).

(c) The Guarantor shall have established the Restricted Cash Reserve Account, the Excess Cash Flow Reserve Account, the Asset Sale Proceeds Reserve Account and the Intercompany Account.

(d) On or prior to the Effective Date, the Guarantor shall enter into an agreement with Lee and Lee Procurement Solutions Co. providing for the set-off of all amounts owing by the Guarantor to Lee Procurement Solutions Co. as of the Effective Date against all amounts owing by Lee to the Guarantor (the balance remaining after such set-off being the Lee Payable).

(e) The Company shall cause $9,000,000 held by it on the Effective Date as Restricted Cash (as defined in the Limited Liability Company Agreement) to be deposited into the Restricted Cash Reserve Account.

(f) Herald shall have ceased to be a Member (as defined in the Limited Liability Company Agreement) of the Company and shall have no rights under the Limited Liability Company Agreement, and the Limited Liability Company Agreement shall have been amended to eliminate Section 7.2 thereof and any other provisions that grant rights to Herald. In exchange for the foregoing, Herald shall have received a claim against the Company, ranking subordinate to the Notes, in each case on terms and conditions satisfactory to the Required Holders, that (i) may only be sold to or redeemed by the Company or any Subsidiary for cash at such time after April 28, 2013 as none of the Notes is outstanding or (ii) may be exchanged for common stock of Lee at any time (regardless of whether any Notes are then outstanding).

(g) The representations and warranties of the Company, contained in this Amendment shall be true on and as of the Effective Date (except for those which expressly relate to an earlier date, which shall be true on and as of such earlier date).

(h) The undersigned holders of Notes shall have received from Bingham McCutchen LLP and Bryan Cave LLP, who are acting as the special counsel to the holders of Notes in this transaction, and from Lane & Waterman LLP and Sidley Austin LLP, counsel for the Company, their respective opinions dated the Effective Date, in form and substance satisfactory to such holders of Notes.

(i) The Company shall have paid the holders of Notes, ratably in accordance with the respective principal amounts of Notes held by them, a fee in the aggregate amount of $930,000. Such fee shall be paid by wire transfer of immediately available funds in accordance with the payment instructions set forth in the Purchaser Schedule to the Note Agreement, or as otherwise directed by such holders of Notes in a written notice to the Company.

(j) Without limiting the provisions of paragraph 11B of the Note Agreement, the Company shall have paid on or before the Effective Date the fees, charges and disbursements of: (i) Bingham McCutchen LLP and Bryan Cave LLP, special counsel to the holders of Notes, (ii) Conway, Del Genio, Gries, & Co. LLC, (iii) The Bank of New York Mellon Trust Company, as collateral agent, and its counsel, and (iv) Baker Botts LLP as local counsel to the holders of Notes, to the extent reflected in a statement of each such Person rendered to the Company at least one Business Day prior to the Effective Date.

(k) Each condition precedent in Section 8 of the Guaranty Amendment shall have been satisfied.

22. Release.

(a) In consideration of the agreements of the holders of Notes contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Company, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges each holder of Notes and their respective successors and assigns, and its present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents, financial advisors and other representatives (the holders of Notes and all such other Persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set off, demands and liabilities whatsoever (individually, a "**Claim**" and collectively, "**Claims**") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which the Company or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the day and date of this Amendment for or on account of, or in relation to, or in any way in connection with the Note Documents or transactions thereunder or related thereto.

(b) The Company understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) The Company agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above. The Company acknowledges and agrees that the Releasees have fully performed all obligations and undertakings owed to the Company under or in any way in connection with the Note Documents or transactions thereunder or related thereto as of the date hereof.

23. Covenant Not to Sue. The Company, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by the Company pursuant to Section 22 above. If the Company or any of its successors, assigns or other legal representatives violates the foregoing covenant, such Person, for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

24. Miscellaneous.

(a) References to Note Agreement. Upon and after the date of this Amendment, each reference to the Note Agreement in the Note Agreement, the Guaranty Agreement, the Notes or any other instrument or agreement entered into in connection therewith or otherwise related thereto shall mean and be a reference to the Note Agreement as amended by this Amendment.

(b) Ratification and Confirmation. Except as specifically amended herein, the Note Agreement shall remain in full force and effect, and is hereby ratified and confirmed.

(c) No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any holder of Notes, nor constitute a waiver of any provision of the Note Agreement, the Guaranty Agreement, any Note or any other instrument or agreement entered into in connection therewith or otherwise related thereto.

(d) Expenses. The Company agrees to pay promptly, or to cause the Guarantor to pay promptly, all expenses of the holders of Notes related to this Amendment and all matters contemplated hereby, including, without limitation, all fees and expenses of the holders' special counsel.

(e) **GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.**

(f) Counterparts. This Amendment may be executed in counterparts (including those transmitted by electronic transmission (including, without limitation, facsimile and e-mail)), each of which shall be deemed an original and all of which taken together shall constitute one and the same document. Delivery of this Amendment may be made by facsimile transmission of a duly executed counterpart copy hereof.

[The remainder of this page is intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

ST. LOUIS POST-DISPATCH LLC

By: Pulitzer Inc., Managing Member

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

THE PRUDENTIAL INSURANCE
COMPANY OF AMERICA

By: /s/ Paul H. Procyk
Name: Paul H. Procyk
Title: Vice-President

[Signature page to Limited Waiver and Amendment No. 5 to Note Agreement (St. Louis Post-Dispatch LLC)]

AMERICAN GENERAL LIFE INSURANCE COMPANY
AIG ANNUITY INSURANCE COMPANY

By: AIG Global Investment Corp., Investment Advisor

By: /s/ Richard Conway
Name: Richard Conway
Title: Managing Director

AIG EDISON LIFE INSURANCE COMPANY

By: AIG Global Investment Corp., Investment Sub-Advisor

By: /s/ Richard Conway
Name: Richard Conway
Title: Managing Director

[Signature page to Limited Waiver and Amendment No. 5 to Note Agreement (St. Louis Post-Dispatch LLC)]

GENWORTH LIFE AND ANNUITY INSURANCE COMPANY
(as Successor by Merger to First Colony Insurance Company)

By: /s/ John R. Endres
Name: John R. Endres
Title: Investment Officer

[Signature page to Limited Waiver and Amendment No. 5 to Note Agreement (St. Louis Post-Dispatch LLC)]

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ Richard A. Strait
Name: Richard A. Strait
Its Authorized Representative

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, for its Group Annuity Separate Account

By: /s/ Richard A. Strait
Name: Richard A. Strait
Its Authorized Representative

[Signature page to Limited Waiver and Amendment No. 5 to Note Agreement (St. Louis Post-Dispatch LLC)]

PACIFIC LIFE INSURANCE COMPANY

By: /s/ Diane W. Dales
Name: Diane W. Dales
Title: Assistant Vice President

By: /s/ Peter S. Fiek
Name: Peter S. Fiek
Title: Assistant Secretary

[Signature page to Limited Waiver and Amendment No. 5 to Note Agreement (St. Louis Post-Dispatch LLC)]

Exhibit 10.7 - Security Agreement

EXECUTION COPY

SECURITY AGREEMENT

This **SECURITY AGREEMENT (**together with all exhibits and schedules hereto, as amended, supplemented or otherwise modified from time to time, this "**Agreement**"), dated as of February 18, 2009, is made by **PULITZER INC.**, a Delaware corporation (together with its successors and assigns, the "**Company**"), **ST. LOUIS POST-DISPATCH LLC**, a Delaware limited liability company (together with its successors and assigns, the "**Borrower**"), and each Subsidiary of the Company on the signature pages hereto (collectively, the "**Initial Subsidiary Grantors**") and each of the other Persons (as defined below) that from time to time becomes an "Additional Grantor" pursuant to Section 12(m) of this Agreement (each, a "**Grantor**" and, collectively, the "**Grantors**") in favor of the Collateral Agent, on behalf and for the benefit of the Secured Parties (as each such term is defined below).

RECITALS

A. Reference is made to that certain Note Agreement, dated as of May 1, 2000 (as amended, including pursuant to the Note Amendment (as defined below), and as in effect on the date hereof, and as the same from time to time hereafter may be amended, restated, supplemented or otherwise modified, the "**Note Agreement**"), by and among St. Louis Post-Dispatch LLC, a Delaware limited liability company (the "**Borrower**"), and the Purchasers named therein, pursuant to which, subject to the terms and conditions set forth therein, the Borrower did issue and sell to such Purchasers, and such Purchasers did purchase from the Borrower, the Notes (as defined below).

B. Reference is also made to that certain Guaranty Agreement, dated as of May 1, 2000 (as amended, including pursuant to the Guaranty Amendment (as defined below), and as in effect on the date hereof, and as the same from time to time hereafter may be amended, restated, supplemented or otherwise modified, the "**Guaranty Agreement**"), by and among the Company and the Purchasers, pursuant to which, subject to the terms and conditions set forth therein, the Company did guarantee the full, complete and final payment and performance of the "Guaranteed Obligations" (as defined in the Guaranty Agreement).

C. Concurrently herewith, the Borrower is entering into a certain Limited Waiver and Amendment No. 5 to Note Agreement, dated the date hereof (the "**Note Amendment**"), with the Purchasers, pursuant to which the Purchasers and the Borrower have, among other things, agreed to amend certain provisions of the Note Agreement and make certain financial accommodations to the Borrower as provided in such amendment.

D. Concurrently herewith, the Company is also entering into a certain Limited Waiver and Amendment No. 5 to Guaranty Agreement, dated the date hereof (the "**Guaranty Amendment**"), with the Purchasers, pursuant to which the Purchasers and the Company have, among other things, agreed to amend certain provisions of the Guaranty Agreement and make certain financial accommodations to the Company as provided in such amendment.

E. Concurrently herewith, each Initial Subsidiary Grantor, and each additional Person that hereinafter executes a joinder thereto, is entering into a certain Subsidiary Guaranty Agreement, dated the date hereof (the "Subsidiary Guaranty Agreement"), with the Purchasers, pursuant to which such Persons have, among other things, agreed to guarantee the full, complete and final payment and performance of the "Guaranteed Obligations" (as defined in the Subsidiary Guaranty Agreement).

F. The Purchasers are willing to enter into the Note Amendment and Guaranty Amendment and otherwise make, extend and maintain certain financial accommodations to the Borrower and Company as provided in such amendments, but only upon the condition, among others, that the Company, the Borrower and the Initial Subsidiary Grantors shall have executed and delivered this Agreement to the Collateral Agent, on behalf and for the benefit of the Secured Parties.

AGREEMENT

NOW, THEREFORE, in order to induce the Purchasers to enter into the Note Amendment and the Guaranty Amendment and to otherwise make, extend and maintain financial accommodations to or for the benefit of the Credit Parties on the terms and subject to the conditions set forth therein, and for other good and valuable consideration, and intending to be legally bound, each Grantor, jointly and severally, hereby represents, warrants, covenants and agrees as follows:

SECTION 1. Defined Terms. Capitalized terms not defined herein shall have the meanings given to them in the Note Agreement. The following capitalized terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

"**Account**" means and includes any "*account*," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Account Debtor**" means a Person obligated on an Account, Chattel Paper or General Intangible, but does not include a Person obligated to pay on or under an Instrument, even if such Instrument constitutes a part of Chattel Paper.

"**Additional Grantor**" has the meaning specified for such term in **Section 12(m)** of this Agreement.

"**Affiliate**" has the meaning specified for such term in the Note Agreement.

"**Agreement**" has the meaning specified for such term in the introductory paragraph hereto.

"**Asset Sale Proceeds Reserve Account**" has the meaning specified in Section 6(a)(iii).

"**Bankruptcy Code**" means the provisions of Title 11 of the United States Code, 11 U.S.C. §§101 *et seq*., as now and hereafter in effect, any successors to such statute and any other applicable bankruptcy, insolvency or other similar law of any jurisdiction including, without limitation, any law of any jurisdiction relating to the reorganization, readjustment, liquidation, dissolution, release or other relief of debtors, or providing for the appointment of a receiver, trustee, custodian or conservator or other similar official for all or any substantial part of such debtor's assets, or for the making of an assignment for the benefit of creditors of a debtor.

"**Borrower**" has the meaning specified for such term in the introductory paragraph hereto.

"**Certificate of Title**" means all certificates of title (or similar ownership documents) with respect to which applicable law provides for a security interest to be identified on such certificate as a condition for the perfection or priority of a security interest over the rights of a lien creditor or other persons with respect thereto.

"**Chattel Paper**" means and includes any "*chattel paper,*" as such term is defined in Article 9 of the UCC, now owned or hereafter acquired or received by Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Collateral**" means all of each Grantor's: (i) Accounts; (ii) Chattel Paper; (ii) Commercial Tort Claims; (iii) Contracts; (iv) Deposit Accounts; (v) Documents; (vi) Equipment; (vii) Fixtures; (viii) General Intangibles; (ix) Instruments; (x) Inventory; (xi) Investment Property; (xii) Letter-of-Credit Rights; (xiii) Supporting Obligations; (xiv) other goods and personal property of such Grantor whether tangible or intangible and whether now or hereafter owned or existing, leased, consigned by or to, or acquired by, such Grantor and wherever located; and (xv) to the extent not otherwise included, all Proceeds of each of the foregoing and all accessions to, substitutions and replacements for, and rents, profits and products of each of the foregoing. Notwithstanding the foregoing, the term "Collateral" shall not include "intent-to-use" trademarks at all times prior to the first use thereof, whether by the actual use thereof in commerce, the recording of a statement of use with the United States Patent and Trademark Office or otherwise.

"**Collateral Agent**" means The Bank of New York Mellon Trust Company, N.A. in its capacity as collateral agent for the Secured Parties, together with its successors and assigns in such capacity.

"**Collateral Documents**" has the meaning specified for such term in the Note Agreement.

"**Commercial Tort Claims**" means any claim arising in tort now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest, including, without limitation, those from time to time listed on ***Schedule VI*** hereto.

"**Commodity Account**" means and includes any "*commodity account,*" as such term is defined in Article 9 of the UCC, now owned or hereafter acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Company**" has the meaning specified for such term in the introductory paragraph hereto.

"**Contract**" means any contract (including any customer, vendor, supplier, service or maintenance contract), lease, license (including any License), undertaking, purchase order, permit, franchise agreement or other agreement (other than any right evidenced by Chattel Paper, Documents or Instruments), whether in written or electronic form, in or under which any Grantor may now hold or hereafter acquires or receives any right or interest, including with respect to an Account, any agreement relating to the terms of payment or the terms of performance thereof.

"**Copyright**" means any of the following now owned or hereafter acquired or created (as a work for hire for the benefit of such Grantor) by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest, in whole or in part: (a) any copyright, whether registered or unregistered, held pursuant to the laws of the United States of America or of any other country or foreign jurisdiction; (b) registration, application or recording in the United States Copyright Office or in any similar office or agency of the United States of America or any other country or foreign jurisdiction; (c) any continuation, renewal or extension thereof; and (d) any registration to be issued in any pending application, and shall include any right or interest in and to work protectable by any of the foregoing which are presently or in the future owned, created or authorized (as a work for hire for the benefit of such Grantor) or acquired by such Grantor, in whole or in part.

"**Copyright License**" means any agreement, whether in written or electronic form, now owned or hereafter acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest granting any right to use or right not to be sued with respect to the use of any Copyright or any work protectable by Copyright.

"**Credit Party**" means the Company, the Borrower and each Initial Subsidiary Grantor.

"**Deposit Account**" means and includes any "*deposit account*" as such term is defined in Article 9 of the UCC.

"**Designated Accounts**" has the meaning specified in Section 6(a).

"**Documents**" means and includes any "*documents*," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Equipment**" means and includes any "*equipment*," as such term is defined in Article 9 of the UCC, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Event of Default**" has the meaning specified for such term in Section 8 hereof.

"**Excess Cash Flow Deposit Amount**" means, with respect to any date of an Excess Cash Flow Sweep Prepayment, that portion of the 20% of Excess Cash Flow for the applicable fiscal quarter of the Company which is not applied to an Excess Cash Flow Sweep Prepayment on such date, as provided in paragraph 4B of the Note Agreement.

"**Excess Cash Flow Sweep Account**" has the meaning specified in Section 6(a)(i).

"**Fixtures**" means and includes any "*fixtures*," as such term is defined in Article 9 of the UCC, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**GAAP**" means generally accepted accounting principles (including International Financial Reporting Standards, as applicable) as in effect from time to time.

"**General Intangible**" means and includes any "*general intangible*," as such term is defined in Article 9 of the UCC, now owned or hereafter acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Grantors**" has the meaning specified for such term in the Preamble hereto.

"**Guaranty Agreement**" has the meaning specified for such term in the Recitals hereto.

"**Guaranty Amendment**" has the meaning specified for such term in the Recitals hereto.

"**Initial Subsidiary Grantors**" has the meaning specified for such term in the Preamble hereto.

"**Instrument**" means and includes any "*instrument*," as such term is defined in Article 9 of the UCC, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Intellectual Property**" means any intellectual property, in any medium, of any kind or nature whatsoever, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest, and shall include, in any event, any Copyright, Trademark, Patent, trade secret, customer list, Internet domain name (including any right related to the registration thereof), proprietary or confidential information, mask work, source, object or other programming code, invention (whether or not patented or patentable), technical information, procedure, design, knowledge, know-how, software, data base, data, skill, expertise, recipe, experience, process, model, drawing, material or record.

"**Inventory**" means and includes any "*inventory,*" as such term is defined in Article 9 of the UCC, wherever located, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Investment Property**" means and includes any *"investment property,"* as such term is defined in Article 9 of the UCC, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Joinder Agreement**" means a Joinder Agreement substantially in the form of ***Exhibit A*** attached hereto.

"**Letter-of-Credit Right**" means any right now owned or hereafter acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest, in each case to payment or performance under a letter of credit (as such term is defined in Article 5 of the UCC), whether or not the beneficiary has demanded or is at the time entitled to demand payment or performance.

"**Lien**" has the meaning specified for such term in the Note Agreement.

"**License**" means any Copyright License, Patent License, Trademark License or other license of rights or interests, whether in-bound or out-bound, whether in written or electronic form, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest, and shall include any renewals or extensions of any of the foregoing thereof.

"**Material Adverse Effect**" means a material adverse effect on (i) the business, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, or (ii) the ability of any Credit Party to perform its obligations under any of the Transaction Documents, or (iii) the validity or enforceability of any of the Transaction Documents.

"**Note Agreement**" has the meaning specified for such term in the Recitals hereto.

"**Note Amendment**" has the meaning specified for such term in the Recitals hereto.

"**Note Documents**" means the Note Agreement and Guaranty Agreement.

"**Patent**" means any of the following now hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest: (a) letters patent and right corresponding thereto, of the United States of America or any other country or other foreign jurisdiction, any registration and recording thereof, and any application for letters patent, and rights corresponding thereto, of the United States of America or any other country or other foreign jurisdiction, including, without limitation, registrations, recordings and applications in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any State thereof or any other country or other foreign jurisdiction; (b) any reissue, continuation, continuation-in-part or extension thereof; (c) any petty patent, divisional, and patent of addition; and (d) any patent to issue in any such application.

"**Patent License**" means any agreement, whether in written or electronic form, now hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest granting any right to use or right not to be sued with respect to any Patent or any invention on which a Patent is in existence.

"**Permitted Investments**" has the meaning specified for such term in the Collateral Agency Agreement.

"**Person**" has the meaning specified for such term in the Note Agreement.

"**Pledge Agreement**" means that certain Pledge Agreement dated the date hereof entered into by the Company in favor of the Collateral Agent for the benefit of the Secured Parties.

"**Proceeds**" means and includes any "*proceeds*," as such term is defined in Article 9 of the UCC, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Purchasers**" means the original Purchasers of the Notes pursuant to the Note Agreement, each of whom holds Notes on the date hereof.

"**Requirement of Law**" means, as to any Person, any law, treaty, rule, regulation, guideline or determination of an arbitrator, a court or other governmental authority, in each case applicable to or binding upon the Person or any of its property or to which the Person or any of its property is subject.

"**Required Holders**" has the meaning specified for such term in the Note Agreement.

"**Restricted Cash Reserve Account**" has the meaning specified in Section 6(a(ii).

"**Secured Obligations**" means (a) all obligations of the Borrower for the payment of the principal amount of the Notes, accrued interest thereon, Yield-Maintenance Amount, non-usage fees and all other fees and amounts due to the holders of Notes pursuant to the terms of the Note Agreement and the other Transaction Documents, (b) the "Guaranteed Obligations" as such term is defined in the Guaranty Agreement, (c) the "Guaranteed Obligation" as such term is defined in the Subsidiary Guaranty Agreement and (d) any and all other debts, liabilities and reimbursement obligations, indemnity obligations and other obligations for monetary amounts, fees, expenses, costs or other sums (including reasonable attorneys' fees and costs) chargeable to any Credit Party under or pursuant to any of the Transaction Documents.

"**Secured Parties**" means the holders from time to time of the Notes.

"**Securities Account**" means and includes any "*securities account,*" as such term is defined in Article 9 of the UCC, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Subsidiary**" has the meaning specified for such term in the Note Agreement.

"**Subsidiary Guaranty Agreement**" has the meaning specified for such term in the Recitals hereto.

"**Supporting Obligations**" means and includes any "*supporting obligations,*" as such term is defined in Article 9 of the UCC, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest.

"**Trademark License**" means any agreement, whether in written or electronic form, now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any right or interest granting any right to use or right not to be sued for the use of any Trademark or Trademark registration.

"**Trademarks**" means any of the following now or hereafter owned or acquired or received by any Grantor or in which any Grantor now holds or hereafter acquires or receives any

right or interest: (a) any trademark, service mark, trade name, corporate name, business name, trade style, logo, other source or business identifier, print or label on which any of the foregoing have appeared or appear, design or other general intangibles of like nature, now existing or hereafter adopted or acquired, all registrations and recordings thereof, and any applications in connection therewith, including registration, recording and application in the United States Patent and Trademark Office or in any similar office or agency of the United States of America, any State thereof or any other country or other foreign jurisdiction; and (b) any reissue, extension or renewal of any of the foregoing.

"**Transaction Documents**" has the meaning specified for such term in the Note Agreement.

"**UCC**" means the Uniform Commercial Code as the same may from time to time be in effect in the State of New York (and each reference in this Agreement to an Article thereof shall refer to that Article as from time to time in effect; *provided*, *however,* in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Collateral Agent's 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, the term "*UCC*" shall mean the Uniform Commercial Code (including the Articles, Divisions, Parts, Chapters, Sections and the like, as applicable, thereof) as in effect at such time in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection or priority and for purposes of definitions related to such provisions.

SECTION 2. Grant of Security Interest. As security for the full, complete and final payment and performance when due (whether at stated maturity, by acceleration or otherwise) of all the Secured Obligations and in order to induce the Purchasers to enter into the Note Amendment and the Guaranty Amendment, and make, extend and maintain financial accommodations to and for the benefit of the Credit Parties upon the terms and subject to the conditions of the Transaction Documents, each Grantor hereby mortgages, pledges and hypothecates to the Collateral Agent, on behalf and for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, on behalf and for the benefit of the Secured Parties, a security interest in and to all of such Grantor's respective right, title and interest in, to and under the Collateral, whether now existing or hereafter arising or acquired.

SECTION 3. Assignment of Contracts; Rights of the Collateral Agent; Collection of Accounts.

(a) In furtherance of Section 2 and the purposes of this Agreement, each Grantor hereby mortgages, pledges and hypothecates to the Collateral Agent, on behalf and for the benefit of the Secured Parties, and hereby grants to the Collateral Agent, on behalf and for the benefit of the Secured Parties, a security interest in and to, all right, title and interest of such Grantor in and to, and all benefits accruing to such Grantor pursuant to, each of the Contracts, Instruments, Chattel Paper and Investment Property, provided, however, that, unless an Event of Default shall have occurred and be continuing, such Grantor shall have the right to exercise any of its rights under the Contracts, Instruments, Chattel Paper or Investment Property to which it is a party or by which it is bound (including the right to enter into possession of and use any and all property leased or licensed to such Grantor, as lessee or licensee, the right to use any or all of the

facilities made available to such Grantor and the right to make all waivers and agreements, to give all notices, consents and releases, to take all action upon the happening of any default giving rise to a right in favor of such Grantor, under any of the Contracts, Instruments, Chattel Paper or Investment Property to which it is a party or by which it is bound, and to do any and all other things whatsoever which such Grantor is or may become entitled to do under any of the Contracts, Instruments, Chattel Paper or Investment Property to which it is a party or by which it is bound); and provided, further, that during the continuance of any Event of Default, the Collateral Agent shall have the right (but not the obligation) to exercise any and all rights under the Contracts, Instruments, Chattel Paper and Investment Property (including all rights set forth in the parenthetical in the immediately preceding proviso and in Section 3(d)).

(b) Notwithstanding anything contained in this Agreement to the contrary, each Grantor expressly agrees that it shall not default under any of its Contracts, Instruments, Chattel Paper or Investment Property, it shall observe and perform all the conditions and obligations to be observed and performed by it thereunder and that it shall perform all of its duties and obligations thereunder, all in accordance with and pursuant to the terms and provisions of each such Contract, Instrument, Chattel Paper or Investment Property unless and to the extent such default(s) or other failure(s) could not, individually or in the aggregate, with reasonable likelihood, be expected to have a Material Adverse Effect; provided, however, that Grantor may suspend performance of its obligations under any such Contract, Instrument, Chattel Paper or Investment Property in the event of a material breach of such Contract, Instrument, Chattel Paper or Investment Property by a third party. Neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any Contract, Instrument, Chattel Paper or Investment Property by reason of or arising out of this Agreement or the granting to the Collateral Agent of a security interest therein or the receipt by the Collateral Agent or any Secured Party of any payment relating to any Contract, Instrument, Chattel Paper or Investment Property pursuant hereto, nor shall the Collateral Agent or any Secured Party be required or obligated in any manner to perform or fulfill any of the obligations of any Grantor under or pursuant to any Contract, Instrument, Chattel Paper or Investment Property, or to make any payment, or to make any inquiry as to the nature or the sufficiency of any payment received by it or the sufficiency of any performance by any party under any Contract, Instrument, Chattel Paper or Investment Property, or to present or file any claim, or to take any action to collect or enforce any performance or the payment of any amounts which may have been assigned to it or to which it may be entitled at any time or times.

(c) The Collateral Agent authorizes each Grantor to collect its Accounts; provided that the Collateral Agent may, upon the occurrence and during the continuation of any Event of Default and without notice, limit or terminate said authority at any time. If required by the Collateral Agent at any time during the continuation of any Event of Default, any Proceeds, when first collected by any Grantor, received in payment of any such Account or in payment for any of its Inventory or on account of any of its Contracts shall be promptly deposited by such Grantor in precisely the form received (with all necessary endorsements) in a special bank account maintained by the Collateral Agent subject to withdrawal by the Collateral Agent only, as hereinafter provided, and until so turned over shall be deemed to be held in trust by such Grantor for and as the Collateral Agent’s property, on behalf and for the benefit of the Secured Parties, and shall not be commingled with such Grantor’s other funds or properties. Such Proceeds, when deposited, shall continue to be collateral security for all of such Grantor’s

Secured Obligations and shall not constitute payment thereof until applied as hereinafter provided. Upon the occurrence and during the continuation of any Event of Default, the Collateral Agent may, in its sole discretion, after consultation with the Required Holders, apply all or a part of the funds on deposit in said special account to the principal of or interest on, or both, in respect of any of the Secured Obligations in accordance with the provisions of **Section 8(h)**, and any part of such funds which the Collateral Agent elects not so to apply and deem not required as collateral security for the Secured Obligations shall be paid over from time to time by the Collateral Agent to the appropriate Grantor. If an Event of Default has occurred and is continuing, at the request of the Collateral Agent, each Grantor shall deliver to the Collateral Agent all original and other documents evidencing, and relating to, the sale (or other disposition) and delivery of such Inventory and such Grantor shall deliver all original and other documents evidencing and relating to, the performance of labor or service which created such Accounts, including, without limitation, all original orders, invoices and shipping receipts.

(d) The Collateral Agent may at any time, upon the occurrence and during the continuation of any Event of Default, notify Account Debtors of such Grantor, parties to the Contracts of such Grantor, obligors in respect of Instruments, Chattel Paper and Investment Property of such Grantor that the Accounts and the right, title and interest of such Grantor in and under such Contracts, Instruments, Chattel Paper and Investment Property have been assigned as collateral security to the Collateral Agent, on behalf and for the benefit of the Secured Parties, and that payments shall be made directly to the Collateral Agent pursuant to its written instructions. Upon the request of the Collateral Agent, such Grantor shall so notify such Account Debtors, parties to such Contracts and obligors in respect of such Instruments, Chattel Paper and Investment Property. Upon the occurrence and during the continuation of an Event of Default, the Collateral Agent may, in its name, or in the name of others communicate with such Account Debtors, parties to such Contracts and Licenses and obligors in respect of such Instruments, Chattel Paper and Investment Property to verify with such parties, to the Collateral Agent’s satisfaction, the existence, amount and terms of any such Accounts, Contracts, Licenses, Instruments, Chattel Paper or Investment Property.

SECTION 4. Representations and Warranties. Each of the Grantors represents and warrants to the Collateral Agent as of the date such Grantor becomes a party hereto that:

(a) Such Grantor is the sole legal and equitable owner of, or, as to Intellectual Property licensed from other Persons, licensee of, each item of the Collateral in which it purports to grant a security interest hereunder, and such Grantor has good, merchantable and insurable title or rights thereto free and clear of any and all Liens, except for the Liens permitted under the Note Documents.

(b) No effective security agreement, collateral control agreement, financing statement, equivalent security or lien instrument or continuation statement covering all or any part of the Collateral exists, except such as may have been filed by such Grantor in favor of the Collateral Agent pursuant to this Agreement or such as relate to the Liens expressly permitted under the Note Documents.

(c) The security interest in the Collateral created hereunder in favor of the Collateral Agent, on behalf and for the benefit of the Secured Parties, constitutes a valid security

interest in the Collateral securing the payment of the Secured Obligations. Upon (i) the due filing of UCC financing statements naming the applicable Grantor as "debtor", naming the Collateral Agent as "secured party" and describing the Collateral in the filing offices set forth on ***Schedule IA***, and (ii) in the case of the Collateral comprising Trademarks, Patents or Copyrights, in addition, the due recordation of a "*Notice of Grant of Security Interest in Intellectual Property*," substantially in the form of ***Exhibit B***, with respect to such Trademarks or Patents, with the United States Patent and Trademark Office, and with respect to Copyrights, with the United States Copyright Office, then the security interest in the Collateral granted to the Collateral Agent, on behalf and for the benefit of the Secured Parties, will, to the extent a security interest in the Collateral may be perfected by filing UCC financing statements and, in the case of the Collateral comprising Intellectual Property, in addition to the filing of such UCC financing statements, by the recordation of the "*Notice of Grant of Security Interest in Intellectual Property*" with the United States Patent and Trademark Office and the United States Copyright Office, as applicable, constitute perfected security interests therein prior to all other Liens (except for Liens expressly permitted under the Guaranty Agreement that have priority by operation of law); *provided, however*, additional actions, filings, recordings or registrations in the United States Patent and Trademark Office and the United States Copyright Office may be required with respect to the perfection of the Collateral Agent's security interest in Intellectual Property acquired by any Grantor after the date hereof.

(d) Such Grantor's taxpayer and organizational identification numbers are, and chief executive office, principal place of business, and the place where such Grantor maintains its records concerning the Collateral are presently located at the address(es), set forth on Schedule IB. If such Grantor is a corporation, limited liability company, limited partnership, corporate trust or other registered organization, the state (or if not a state, the other jurisdiction) under whose law such registered organization was organized is set forth on ***Schedule IC***. The Collateral of such Grantor, other than Deposit Accounts, Securities Accounts and Commodity Accounts, is presently located, within the meaning of the UCC, at the address(es) further set forth for such Grantor on ***Schedule ID***. Such Grantor shall not change its taxpayer identification number or such chief executive office, principal place of business or remove or cause to be removed, the records concerning the Collateral from those premises without at least thirty (30) days prior written notice to the Collateral Agent. In the event that any Grantor shall change its chief executive office or principal place of business (provided that the new location is leased to the Grantor), then, concurrently with entering into the lease for the new location, such Grantor shall furnish to the Collateral Agent, an executed and delivered access agreement in favor of the Collateral Agent with respect to the new location, in form and substance reasonably satisfactory to the Collateral Agent. Such Grantor shall not change its jurisdiction of organization without the prior written consent of the Collateral Agent.

(e) All Collateral of such Grantor comprising Chattel Paper, Instruments (in an outstanding or stated principal amount in excess of $25,000) or Investment Property comprising certificated securities is set forth for such Grantor on Schedule II. All action necessary or desirable to protect and perfect such security interest in each item set forth on ***Schedule II***, including the delivery of all originals thereof, duly indorsed in favor of the Collateral Agent, to the Collateral Agent, has been duly taken. The security interest of the Collateral Agent in each Grantor's Collateral listed on ***Schedule II*** is prior in right and interest to all other Liens (other than Liens expressly permitted under the Guaranty Agreement that have priority by operation of law) and is enforceable as such against creditors of and purchasers from such Grantor.

(f) All federally registered Copyrights, Copyright Licenses, Patents, and Trademarks owned, held or in which such Grantor otherwise has acquired or received any rights or interest are listed on Schedule III. Such Grantor shall promptly amend ***Schedule III*** from time to time to reflect any material additions to or deletions from this list. Except as set forth on ***Schedule III***, none of the Patents, Trademarks or Copyrights has been licensed to any third party except in the ordinary course of publishing newspapers and related products.

(g) The name and address of each depository institution at which such Grantor maintains any Deposit Account and the account number and account name of each such Deposit Account is listed on Schedule IV-A. The name and address of each securities intermediary or commodity intermediary at which such Grantor maintains any Securities Account or Commodity Account and the account number and account name is listed on ***Schedule IV-A***. Such Grantor agrees to amend ***Schedule IV-A*** from time to time within five (5) Business Days after opening any additional Deposit Account, Securities Account or Commodity Account, or closing or changing the account name or number on any existing Deposit Account, Securities Account, or Commodity Account.

(h) All motor vehicles and other Equipment subject to a Certificate of Title owned, held or in which such Grantor otherwise has acquired or received any rights or interest are listed on ***Schedule V***. Such Grantor shall promptly amend ***Schedule V*** from time to time to reflect any additions to or deletions from this list.

(i) Such Grantor has no Commercial Tort Claims with a stated or potential claim in excess of $100,000 other than those set forth on Schedule VI hereto. Such Grantor shall promptly amend ***Schedule VI*** from time to time to reflect any additions to or deletions from this list.

(j) There are no Accounts or Chattel Paper of such Grantor which arise out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, except for those listed on ***Schedule VII*** hereto. Such Grantor shall promptly amend ***Schedule VII*** from time to time (and, in any event, in accordance with **Section 5(n)** hereof) to reflect any additions to or deletions from this list.

(k) Such Grantor is the sole holder of record and the sole beneficial owner of all certificated securities and uncertificated securities pledged to the Collateral Agent by such Grantor under Section 2 of this Agreement, free and clear of any adverse claim, as defined in Section 8102(a)(1) of the UCC, except for Liens created in favor of the Collateral Agent by this Agreement or as expressly permitted under the Note Documents.

(l) None of the Investment Property of such Grantor has been transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such transfer may be subject.

SECTION 5. Covenants. Each Grantor covenants and agrees with the Collateral Agent that so long as any of the Secured Obligations shall remain unpaid:

(a) Further Assurances; Pledge of Instruments. At any time and from time to time, upon the written request of the Collateral Agent, and at the sole expense of such Grantor, such Grantor shall promptly and duly execute and deliver any and all such further instruments and documents and take such further action as the Collateral Agent may reasonably deem necessary or desirable to obtain the full benefits of this Agreement and of the rights and powers herein granted, including (i) using its best efforts to secure all consents and approvals necessary or appropriate for the grant of a security interest to the Collateral Agent in any Contract held by such Grantor or in which such Grantor has any right or interest not heretofore assigned, (ii) executing, delivering and causing to be filed any financing or continuation statements under the UCC with respect to the security interests granted hereby, (iii) filing or cooperating with the Collateral Agent in filing any forms or other documents required to be recorded with the United States Patent and Trademark Office, United States Copyright Office, or any actions, filings, recordings or registrations in any foreign jurisdiction or under any intentional treaty, required to secured or protect the Collateral Agent's security interest in such Grantor's Collateral, (iv) transferring such Grantor's Collateral to the Collateral Agent's possession (if a security interest in such Collateral can be perfected by possession), (v) executing and delivering and causing the applicable depository institution, securities intermediary, commodity intermediary or issuer or nominated party under a letter of credit to execute and deliver a collateral control agreement in form and substance reasonably acceptable to the Collateral Agent with respect to each Deposit Account; provided however, a collateral control agreement shall not be required for any individual Deposit Account with an amount less than $15,000 at all times; notwithstanding the foregoing, in no event shall the aggregate amount in all Deposit Accounts not subject to collateral control agreement exceed $100,000 at any time), Securities Account, Commodity Account or Letter-of-Credit Right in or to which such Grantor has any right or interest in order to perfect the security interest created hereunder in favor of the Collateral Agent (including giving the Collateral Agent "control" over such Collateral within the meaning of the applicable provisions of Article 8 and Article 9 of the UCC), but excluding the Deposit Accounts and Securities Accounts identified on ***Schedule IV-B***, which are used exclusively for employee payroll or employee trust accounts, (vi) executing and delivering or causing to be delivered written notice to insurers of the Collateral Agent's security interest in, or claim in or under, any policy of insurance (including unearned premiums), (vii) using its best efforts to obtain acknowledgments from bailees having possession of any Collateral and waivers of liens from landlords and mortgagees of any location where any of the Collateral in an aggregate amount in excess of $250,000 may from time to time be stored or located, and (viii) placing the interest of the Collateral Agent as lienholder (or other similar designation) on the Certificate of Title of any motor vehicles or other Equipment constituting Collateral owned by such Grantor which is covered by a Certificate of Title and delivering the original thereof to the Collateral Agent or its designated agent), it being understood that the Grantors shall not be required to comply with the foregoing requirements of this clause (viii) prior to an Event of Default unless the aggregate book value of motor vehicles and such Equipment exceeds $750,000 (in which case, and in the case of an Event of Default, all Certificate of Titles will be required to be delivered with the Collateral Agent's Lien properly noted thereon). Such Grantor also hereby authorizes the Collateral Agent and each Secured Party to file any such financing or continuation statement, and any amendments thereto, all without the signature of such Grantor. A carbon, photographic or other reproduction of this Agreement or any financing statement covering the Collateral or any part thereof shall be sufficient as a financing statement where permitted by law, and without

limiting the generality of the foregoing, the Collateral Agent is expressly authorized to use a collateral description that encompasses "all assets" or "all personal property" or words of similar import in any such financing statement. If any amount payable under or in connection with any of the Collateral is or shall become evidenced by any Instrument, such Instrument, other than checks and notes received in the ordinary course of business and any Instrument in the outstanding or stated amount of less than $25,000, shall be duly endorsed in a manner reasonably satisfactory to the Collateral Agent and delivered to the Collateral Agent promptly and in any event within five (5) Business Days of such Grantor's receipt thereof. If at any time any Grantor shall hold any Investment Property comprised of certificated or uncertificated securities, such Grantor shall promptly, and in any event within five (5) Business Days of such Grantor's acquisition or receipt thereof, pledge such Investment Property to the Collateral Agent, for the benefit of the Secured Parties, pursuant to the terms of a pledge agreement in form and substance satisfactory to the Collateral Agent.

(b) Maintenance of Records. Such Grantor shall keep and maintain, at its own cost and expense, satisfactory and complete records of its Collateral, including a record of all payments received and all credits granted with respect to such Collateral and all other dealings with such Collateral. At the Collateral Agent's reasonable request, such Grantor shall mark its books and records pertaining to its Collateral with a legend, approved by the Collateral Agent in its reasonable discretion, to identify and evidence this Agreement and the security interests granted hereby.

(c) Indemnification. In any suit, proceeding or action brought by the Collateral Agent or any Secured Party relating to any of such Grantor's Accounts, Chattel Papers, Deposit Accounts, General Intangibles (including any Contracts), Instruments, Letter-of-Credit Rights or Investment Properties for any sum owing thereunder, or to enforce any provision of any of such Grantor's Accounts, Chattel Papers, Deposit Accounts, General Intangibles (including any Contracts), Instruments, Letter-of-Credit Rights or Investment Properties, such Grantor shall save, indemnify and keep the Collateral Agent, each Secured Party, and each of their respective officers, directors, employees, agents, advisors, and representatives (collectively, the "Indemnified Persons") harmless from and against any and all liabilities, expenses, losses or damages suffered by reason of any defense, setoff, counterclaim, recoupment or reduction of liability whatsoever of the obligor thereunder arising out of a breach by such Grantor of any obligation thereunder or arising out of any other agreement, indebtedness or liability at any time owing to, or in favor of, such obligor or its successors from such Grantor, and all such obligations of such Grantor shall be and remain enforceable against and only against such Grantor and shall not be enforceable against any Indemnified Person. Each Grantor hereby further shall save, indemnify and keep each Indemnified Person harmless from, any and all claims, liabilities, expenses, losses or damages arising out of, resulting from, or otherwise related to the subject matter of this Agreement, including but not limited to any claims, liabilities, expenses, losses or damages arising out of or resulting from (a) the failure by such Grantor to perform any obligations or undertakings required to be performed by such Grantor under or in connection with the Collateral (including the failure of any warranty or representation (express or implied) in respect of the sale of any Inventory), (b) any failure by such Grantor, in connection with any of the Collateral, to comply with any applicable Requirement of Law, or (c) any bodily injury, death or property damage occurring in connection with the use, sale or other disposition of the Collateral; *provided* that such Grantor shall not be liable to any Indemnified Person pursuant to this **Section 5(c)** solely to the extent any such liability, expense, loss or damage arises from such Indemnified Person's gross negligence or willful misconduct.

(d) Limitation on Liens on Collateral. Such Grantor shall not create, permit or suffer to exist, and shall defend its Collateral against and take such other action as is necessary to remove, any Lien on such Collateral, except for Liens expressly permitted under the Note Documents. Such Grantor shall further defend the right, title and interest of the Collateral Agent in and to any of such Grantor's rights under the Collateral and in and to the Proceeds thereof against the claims and demands of all Persons whomsoever.

(e) Limitations on Modifications of Accounts, Etc. Upon the occurrence and during the continuation of any Event of Default, such Grantor shall not, without the Collateral Agent's prior written consent, grant any extension of the time of payment of any Account, Chattel Paper or Instrument or amounts due under any Contract, Deposit Account, Letter-of-Credit Right or Investment Property, compromise, compound or settle the same for less than the full amount thereof, release, wholly or partly, any Person liable for the payment thereof, or allow any credit or discount whatsoever thereon other than trade discounts granted in the ordinary course of business of such Grantor.

(f) Maintenance of Insurance. Such Grantor shall maintain, with financially sound and reputable companies, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated. In addition, such Grantor shall maintain, with financially sound and reputable companies, insurance policies insuring (a) its Equipment, Fixtures and Inventory against loss by fire, explosion, theft and such other casualties as are usually insured against by companies engaged in the same or similar businesses, and reasonably satisfactory to the Required Holders, and (b) against liability for personal injury and property damage relating to such Equipment, Fixtures and Inventory, and reasonably satisfactory to the Required Holders. The Grantor, at its expense, shall obtain a loss payable endorsement to each policy of property insurance in favor of the Collateral Agent for the benefit of the Secured Parties and each policy of liability insurance shall name the Collateral Agent for the benefit of the Secured Parties as an additional insured. Each Grantor shall, if so requested by the Collateral Agent, deliver to the Collateral Agent, as often as the Collateral Agent may reasonably request, a report of a reputable insurance broker reasonably satisfactory to the Collateral Agent with respect to the insurance on its Equipment, Fixtures and Inventory. Within 60 days of the date hereof, all policies of insurance required to be maintained pursuant to this **Section 5(f)** shall (i) contain a clause which provides that the Collateral Agent's and the Secured Parties' interests under the policy shall not be invalidated by any act or omission to act of, or any breach of warranty by, the insured, or by any change in the title, ownership or possession of the insured property, or by the use of the property for purposes more hazardous than is permitted in the policy; and (ii) provide that, as to the interests of the Collateral Agent under such policies, no cancellation, reduction in amount or change in coverage thereof shall be effective until at least 30 days after receipt by the Collateral Agent of written notice thereof.

(g) [Reserved]

(h) Limitations on Disposition. Such Grantor shall not sell, lease, license, transfer or otherwise dispose of any of such Collateral, or attempt or contract to do so, except as permitted by the Note Documents.

(i) Further Identification of Collateral. Such Grantor shall, if so requested by the Collateral Agent, furnish to the Collateral Agent, as often as the Collateral Agent shall reasonably request, statements and schedules further identifying and describing its Collateral and such other reports in connection with such Collateral as the Collateral Agent may reasonably request, all in reasonable detail.

(j) Notices. Such Grantor shall advise the Collateral Agent promptly upon obtaining knowledge thereof, in reasonable detail, of (a) any material Lien, other than Liens expressly permitted under the Note Documents, attaching to or asserted against any of its Collateral, (b) the occurrence of any other event which could have a Material Adverse Effect with respect to the Collateral or on the security interest created hereunder, and (c) the acquisition of any Commercial Tort Claim and grant to the Collateral Agent, for the benefit of the Secured Parties, of a security interest therein and in the proceeds thereof.

(k) Right of Inspection and Audit. Such Grantor shall permit the Collateral Agent and the Secured Parties such rights of visitation, inspection and audit of the Collateral as provided in the Note Documents or any other Transaction Document.

(l) Maintenance of Properties. Such Grantor shall, and shall cause each of its Subsidiaries to, (i) maintain and keep, or cause to be maintained and kept, their respective properties, assets and facilities, including its Equipment and Fixtures in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, and (ii) maintain and preserve all material rights, privileges and franchises that such Grantor or its Subsidiaries now have, in each case, except to the extent that the failure to do so would not reasonably be expected to have a Material Adverse Effect.

(m) Covenants Regarding Intellectual Property.

(i) Such Grantor shall notify the Collateral Agent promptly if (A) it knows or has reason to know that any application or registration relating to any Patent or Trademark of such Grantor which is material to the conduct of such Grantor's business may become abandoned, (B) if a terminal disclaimer is filed with respect to any Patent in the United States Patent and Trademark Office, or (C) of any other adverse determination or development (including the institution of, or any such determination or development in, any proceeding in the United States Patent and Trademark Office, the United States Copyright Office, or any court) regarding such Grantor's ownership or license of any Copyright, Patent or Trademark which is material to the conduct of such Grantor's business, its right to register the same, or to keep and maintain the same.

(ii) Such Grantor shall take all commercially reasonable steps necessary (if any be required) to prevent any misuse, infringement, invalidation, misappropriation, unauthorized use or abandonment of its Copyrights, Patents, Trademarks or

other Intellectual Property, whether owned or licensed. Such Grantor's efforts pursuant to this **Section 5(m)** shall include, but not be limited to: (A) establishing prudent security measures and procedures governing access to, and use of, property protected by such Copyrights, Trademarks or Patents or of such Intellectual Property owned or licensed by such Grantor or developed by any Person on behalf of such Grantor; (B) establishing and maintaining in force any agreements with employees and consultants or any written terms of employment, as are customarily used in such Grantor's industry for the protection of such Intellectual Property; and (C) vigorous enforcement of such Grantor's rights in any such Intellectual Property.

(iii) In no event shall such Grantor, either itself or through any agent, employee, licensee or designee, file an application for the registration of any Patent or Trademark with the United States Patent and Trademark Office, any Copyright with the United States Copyright Office, or any similar office or agency in any other country or any political subdivision thereof unless it promptly informs the Collateral Agent and, upon request of the Collateral Agent, executes and delivers any and all agreements, instruments, documents, and papers as the Collateral Agent may request to evidence the Collateral Agent's security interest in such Copyright, Patent or Trademark, including, with respect to Trademarks, the goodwill of such Grantor, relating thereto or represented thereby.

(iv) Such Grantor shall take all reasonable and necessary action to maintain and pursue each application (and to obtain the relevant registration) and to maintain the registration of each of the Copyrights, Patents and Trademarks of such Grantor which is material to the conduct of such Grantor's business, including the filing of applications for renewal, affidavits of use, affidavits of noncontestability and opposition and interference and cancellation proceedings.

(v) In the event that any Copyright, Patent or Trademark of such Grantor is infringed, misappropriated or diluted by a third party, such Grantor shall notify the Collateral Agent promptly after such Grantor learns thereof and shall, unless such Grantor shall reasonably determine that such Copyright, Patent or Trademark is not material to the conduct of such Grantor's business, promptly sue for infringement, misappropriation or dilution and to recover any and all damages for such infringement, misappropriation or dilution or take such other actions as such Grantor shall reasonably deem appropriate under the circumstances to protect such Copyright, Patent or Trademark.

(vi) Such Grantor covenants and agrees that in the event any Patent is or becomes subject to a terminal disclaimer, the security interest granted in this Agreement shall extend to the Patent necessitating the disclaimer and such Patent shall not be sold, transferred or otherwise alienated without the prior written consent of the Collateral Agent.

(n) Covenants Regarding Federal Government Contracts. If any Account or Chattel Paper of any Grantor arises out of a contract or contracts with the United States of America or any department, agency, or instrumentality thereof, such Grantor shall (i) promptly notify the Collateral Agent thereof in writing, and execute and deliver in connection therewith (A) a collateral assignment of claims in favor of the Collateral Agent, and (B) a notice of collateral assignment of claims directed to the appropriate federal government agencies and agents thereof as required under applicable law, each in form and substance reasonably

satisfactory to the Collateral Agent, (ii) promptly take any other steps reasonably required by the Collateral Agent in order to ensure that all moneys due or to become due under such contract or contracts shall be collaterally assigned to the Collateral Agent, for the benefit of the Secured Parties, and notice thereof given under the Assignment of Claims Act of 1940, as amended (31 U.S.C. 3727; 41 U.S.C. 15), or other applicable law, and (iii) promptly update ***Schedule VII*** hereto and deliver a copy of such revised schedule to the Collateral Agent, together with copies of all related contracts evidencing such Accounts and/or Chattel Paper. Notwithstanding the foregoing, the Grantors shall not be required to comply with the foregoing in connection with purchase orders for the publication of notices so long as the aggregate amount owing under all of such purchase orders does not at any time exceed $100,000.

SECTION 6. Designated Accounts.

(a) Creation of the Designated Accounts.

The Collateral Agent hereby establishes the following special, segregated and irrevocable cash collateral accounts (the "**Designated Accounts**") which shall be maintained at all times until the termination of this Agreement:

(i) an account (the "**Excess Cash Flow Sweep Account**") with account number 506217, pursuant to which amounts in respect of Excess Cash Flow will be deposited in accordance with paragraph 4B of the Note Agreement, Section 4.9(i) of the Guaranty Agreement and Section 6(b) hereof;

(ii) an account (the "**Restricted Cash Reserve Account**") with account number 555041, pursuant to which amounts will be deposited in accordance with paragraph 4.9(ii) of the Guaranty Agreement and Section 6(c) hereof; and

(iii) an account (the "**Asset Sale Proceeds Reserve Account**") with account number 555042, pursuant to which Asset Sale Proceeds will be deposited in accordance with paragraph 4D of the Note Agreement, Section 4.9(iii) of the Guaranty Agreement and Section 6(d) hereof.

All amounts from time to time in any Designated Account shall be held in the name of the Collateral Agent for the benefit of the Secured Parties and the Grantors. All amounts at any time in any of the Designated Accounts shall constitute a part of the Collateral and shall not constitute payment of any obligation owing to the Collateral Agent or the Secured Parties until applied as hereinafter provided. Each deposit to a Designated Account shall specifically identify the Designated Account to which such deposit shall be credited.

(b) Deposits to and Disbursements from Excess Cash Flow Sweep Account.

(i) Deposits to Excess Cash Flow Sweep Account. The Grantors shall deposit, or cause to be deposited, with the Collateral Agent for further deposit into the Excess Cash Flow Sweep Account on the 45th day after the last day of each fiscal quarter of the Company (commencing with the fiscal quarter ending closest to March 31, 2009 through and including the last day of the fiscal quarter ending closest to December 31, 2011) the Excess Cash Flow Deposit Amount, if any, for such fiscal quarter, which amount shall be as set forth in the certificate delivered to the holders of Notes and the Collateral Agent pursuant to paragraph 4B of the Note Agreement.

(ii) Disbursements. So long as no Event of Default has occurred and is continuing, the Collateral Agent, on the 45th day after the last day of each fiscal quarter of the Company (commencing with the fiscal quarter ending closest to March 31, 2009 through and including the last day of the fiscal quarter ending closest to December 31, 2011), shall disburse funds from the Excess Cash Flow Sweep Account to the Secured Parties (in the manner and in the amounts set forth in a written request of the Company or the Borrower delivered to the Collateral Agent at least two Business Days prior to such 45th day) to pay the principal of the Notes as provided in paragraph 4B of the Note Agreement. If an Event of Default shall exist, such funds shall be disbursed at the direction of the Required Holders.

(c) Deposits to and Disbursements from Restricted Cash Reserve Account.

(i) Deposits. The Grantors shall on the date hereof deposit $9,000,000 into the Restricted Cash Reserve Account. The Grantors shall further deposit, or cause to be deposited, with the Collateral Agent on the 45th day after the last day of each fiscal quarter of the Company (commencing with the fiscal quarter ending closest to March 31, 2009 through and including the last day of the fiscal quarter ending closest to December 31, 2011) the amount required by Section 4.9(ii) of the Guaranty Agreement, which cash shall be deposited in the Restricted Cash Reserve Account.

(ii) Disbursements. So long as no Event of Default has occurred and is continuing, the Collateral Agent shall within two Business Days of its receipt of a written request of the Company or the Borrower, disburse funds in the Restricted Cash Reserve Account, (i) (x) to the Secured Parties for the payment of principal and interest due and owing on the Notes solely to the extent that the Company and its Subsidiaries do not have sufficient cash on hand on such date to make such payments, as certified in writing by the Company or the Borrower in such written request or (y) if prior to April 28, 2009, to the Company or the Borrower for working capital and other general corporate purposes, in each case, in the manner and in the amounts set forth in such written request and (ii) shall disburse all funds in excess of $4,500,000 in the Restricted Cash Reserve Account on October 28, 2010 to the Secured Parties. If an Event of Default shall exist such funds shall be disbursed solely at the direction of the Required Holders. Notwithstanding the foregoing, the Collateral Agent, after receipt of the deposit to the Restricted Cash Reserve Account on the date hereof referenced above, shall disburse $4,700,000 of such funds on the date hereof to the Persons, in the amounts and pursuant to the wire instructions all as set forth in a written request of the Company, a copy of which is attached hereto as **Schedule VII**.

(d) Deposits to and Disbursements from Asset Proceeds Reserve Account.

(i) Deposits. The Grantors shall deposit, or cause to be deposited, with the Collateral Agent for further deposit in the Asset Sale Proceeds Reserve Account all Asset Sale Proceeds immediately upon receipt thereof by any Grantor.

(ii) Disbursements. So long as no Event of Default has occurred and is continuing, the Collateral Agent shall, within two Business Days of its receipt of a written request of the Company or the Borrower, disburse funds in the Asset Sale Proceeds Reserve Account (in the amount and in the manner set forth in such written request), to the Secured Parties for the payment of principal and interest due and owing on the Notes. If an Event of Default shall exist such funds shall be disbursed solely at the direction of the Required Holders.

(e) Investment of Funds in Deposited Accounts.

The Collateral Agent shall invest any cash held in any Designated Account from time to time in Permitted Investments prior to an Event of Default at the direction of the Company and thereafter at the direction of the Required Holders. In the event the Company or the Required Holders, as the case may be, fail to direct the investment of funds held by the Collateral Agent, the Collateral Agent shall invest such funds in the investment described in clause (vi) of the definition of Permitted Investments. Any income or gain realized as a result of any such investment shall be held as part of the applicable Deposited Account and reinvested as provided in this Agreement until disbursed in compliance with this. Section 6. For purposes of any income tax payable on account of any such income or gain, such income or gain shall be for the account of the Company. The Collateral Agent shall have no liability for any loss resulting from any such investment other than by reason of its willful misconduct or gross negligence. Any such investment may be, but is not required to be, liquidated by the Collateral Agent, in a manner intended to minimize any loss of principal prior to maturity, whenever necessary to make any deposit, distribution or transfer required by this Agreement. The Collateral Agent shall not be liable to any Person for any investment loss resulting from any such liquidation of investments.

SECTION 7. The Collateral Agent's Appointment as Attorney-in-Fact.

(a) Subject to **Section 7(b)** below, each Grantor hereby irrevocably constitutes and appoints the Collateral Agent and any officer, co-agent or sub-agent thereof with full power of substitution, as its true and lawful attorney-in-fact with full irrevocable power and authority in the place and stead of such Grantor and in the name of such Grantor or in its own name, from time to time at the Collateral Agent's discretion, for the purpose of carrying out the terms of this Agreement, to take any and all appropriate action and to execute and deliver any and all documents and instruments which may be necessary or desirable to accomplish the purposes of this Agreement and, without limiting the generality of the foregoing, hereby gives the Collateral Agent the power and right (but not the obligation), on behalf of such Grantor, without notice to or assent by such Grantor to do the following:

(i) to ask, demand, collect, receive and give acquittances and receipts for any and all monies due or to become due under any of such Grantor's Collateral and, in the name of such Grantor in its own name or otherwise to take possession of, endorse and collect any checks, drafts, notes, acceptances or other Instruments for the payment of monies due under any such Collateral and to file any claim or to take or commence any other action or proceeding in any court of law or equity or otherwise deemed appropriate by the Collateral Agent for the purpose of collecting any and all such monies due under any such Collateral whenever payable;

(ii) to pay or discharge any Liens, including any tax lien, levied or placed on or threatened against such Collateral, to effect any repairs or any insurance called for by the terms of this Agreement and to pay all or any part of the premiums therefor and the costs thereof, which actions shall be on behalf and for the benefit of the Secured Parties and the Collateral Agent and not such Grantor; and

(iii) to (A) direct any Person liable for any payment under or in respect of any of such Collateral to make payment of any and all monies due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct, (B) receive payment of any and all monies, claims and other amounts due or to become due at any time arising out of or in respect of any such Collateral, (C) sign and endorse any invoices, freight or express bills, bills of lading, storage or warehouse receipts, drafts against debtors, assignments, verifications and notices in connection with Accounts and other Instruments and Documents constituting or relating to such Collateral, (D) commence and prosecute any suits, actions or proceedings at law or in equity in any court of competent jurisdiction to collect such Collateral or any part thereof and to enforce any other right in respect of any such Collateral, (E) defend any suit, action or proceeding brought against such Grantor with respect to any such Collateral, (F) settle, compromise or adjust any suit, action or proceeding described above and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate, (G) license or, to the extent permitted by an applicable license, sublicense, whether general, special or otherwise, and whether on an exclusive or non-exclusive basis, any Patent, Copyright, Trademark or other Intellectual Property throughout the world for such term or terms, on such conditions and in such manner as the Collateral Agent shall in its sole discretion determine, and (H) sell, transfer, pledge, make any agreement with respect to or otherwise deal with any of such Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Grantor's expense, at any time, or from time to time, all acts and things which the Collateral Agent may reasonably deem necessary to protect, preserve or realize upon such Collateral and the Collateral Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Grantor might do.

(b) The Collateral Agent agrees that, except upon the occurrence and during the continuation of an Event of Default, it shall not exercise the power of attorney or any rights granted to the Collateral Agent, on behalf and for the benefit of the Secured Parties, pursuant to this **Section 7** Each Grantor hereby ratifies, to the extent permitted by law, all that said attorney shall lawfully do or cause to be done by virtue hereof. The power of attorney granted pursuant to this **Section 7** is a power coupled with an interest and shall be irrevocable until the Secured Obligations are finally and completely paid and performed in full; *provided* that the foregoing power of attorney shall terminate upon the full, complete and final payment and performance of the Secured Obligations and the termination of all commitments and obligations of the Secured Parties under the Transaction Documents.

(c) The powers conferred on the Collateral Agent hereunder are solely to protect the Collateral Agent's and each Secured Party's interests in the Collateral and shall not impose any duty upon the Collateral Agent to exercise any such powers. The Collateral Agent shall have no duty as to any Collateral, including any responsibility for (i) taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Collateral, or

(ii) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Investment Property, whether or not the Collateral Agent has or is deemed to have knowledge of such matters. Without limiting the generality of the preceding sentence, the Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral if it takes such action for that purpose as the applicable Grantor reasonably requests in writing at times other than upon the occurrence and during the continuance of any Event of Default. Failure of the Collateral Agent to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care. No failure of the Collateral Agent to do any act not so requested shall be deemed a failure to act reasonably. The Collateral Agent shall be accountable only for amounts that it actually receives as a result of the exercise of such powers and neither it nor any of its officers, directors, employees, agents or representatives shall be responsible to any Grantor for any act or failure to act.

(d) Each Grantor also authorizes the Collateral Agent, on behalf of itself and the Secured Parties, at any time and from time to time upon the occurrence and during the continuation of any Event of Default, to (i) communicate in its own name with any party to any Contract of such Grantor with regard to the assignment of the right, title and interest of such Grantor in and under the Contracts hereunder and other matters relating thereto, and (ii) execute, in connection with the sale of such Grantor's Collateral provided for in **Section 7**, any endorsements, assignments or other instruments of conveyance or transfer with respect to such Collateral.

(e) If any Grantor fails to perform or comply with any of its agreements contained herein and the Collateral Agent or any Secured Party, as provided for by the terms of this Agreement, shall perform or comply, or otherwise cause performance or compliance, with such agreement, the reasonable expenses, including reasonable attorneys' fees and expenses, of the Collateral Agent or such Secured Party, shall be payable by such Grantor to the Collateral Agent within (3) three days of written demand and shall constitute Secured Obligations secured hereby.

SECTION 8. Rights and Remedies Upon Default. It shall be an "**Event of Default**" hereunder if any Event of Default (as defined in the Note Agreement or the Guaranty Agreement) shall occur. If any Event of Default shall have occurred and be continuing, the Collateral Agent shall have the following rights and remedies as set forth in this **Section 8**:

(a) If any Event of Default shall occur and be continuing, the Collateral Agent may exercise in addition to all other rights and remedies granted to it under this Agreement, the Note Agreement, the Guaranty Agreement, the other Transaction Documents and under any other instrument or agreement securing, evidencing or relating to the Secured Obligations, all rights and remedies of a secured party under the UCC and other applicable law. Without limiting the generality of the foregoing, each Grantor expressly agrees that in any such event the Collateral Agent, without demand of performance or other demand, advertisement or notice of any kind (except the notice specified below of time and place of public or private sale) to or upon such Grantor or any other Person (all and each of which demands, advertisements and notices are hereby expressly waived to the maximum extent permitted by the UCC and other applicable law), may (i) reclaim, take possession, recover, store, maintain, finish, repair, prepare for sale or lease, shop, advertise for sale or lease and sell or lease (in the manner provided herein) the

Collateral, and in connection with the liquidation of the Collateral and collection of the accounts receivable pledged as Collateral, use any Trademark, Copyright, or process used or owned by such Grantor, and (ii) forthwith collect, receive, appropriate and realize upon the Collateral, or any part thereof, and may forthwith sell, lease, assign, give an option or options to purchase or sell or otherwise dispose of and deliver said Collateral (or contract to do so), or any part thereof, in one or more parcels at public or private sale or sales, at any exchange or broker's board or at any of the Collateral Agent's offices or elsewhere at such prices as it may deem best, for cash or on credit or for future delivery without assumption of any credit risk. To the extent any Grantor has the right to do so, such Grantor authorizes the Collateral Agent, on the terms set forth in this **Section 8**, to enter the premises where the Collateral is located, to take possession of the Collateral, or any part of it, and to pay, purchase, contact, or compromise any encumbrance, charge, or lien which, in the opinion of the Collateral Agent, appears to be prior or superior to its security interest. The Collateral Agent or any Secured Party shall have the right upon any such public sale or sales, and, to the extent permitted by law, upon any such private sale or sales, to purchase the whole or any part of said Collateral so sold, free of any right or equity of redemption, which equity of redemption each Grantor hereby releases. Each Grantor further agrees, at the Collateral Agent's request, to assemble its Collateral and make it available to the Collateral Agent at places which the Collateral Agent shall reasonably select, whether at such Grantor's premises or elsewhere. The Collateral Agent and the Secured Parties shall apply the net proceeds of any such collection, recovery, receipt, appropriation, realization or sale as provided in **Section 8(h)**, below, with each Grantor remaining jointly and severally liable for any deficiency remaining unpaid after such application, and only after so paying over such net proceeds and after the payment by the Collateral Agent of any other amount required by any provision of law, need the Collateral Agent account for the surplus, if any, to any Grantor. To the maximum extent permitted by applicable law, each Grantor waives all claims, damages, and demands against the Collateral Agent or any Secured Party arising out of the repossession, retention or sale of the Collateral. Each Grantor agrees that the Collateral Agent need not give more than ten (10) days' notice (which notification shall be deemed given if sent in accordance with **Section 12(a)**) of the time and place of any public sale or of the time after which a private sale may take place and that such notice is reasonable notification of such matters. Each Grantor shall remain liable for any deficiency if the proceeds of any sale or disposition of its Collateral are insufficient to pay all amounts to which the Collateral Agent and the Secured Parties are entitled from such Grantor, such Grantor also being liable for the attorneys' fees and expenses of any attorneys employed by the Collateral Agent or any Secured Party to collect such deficiency.

(b) As to any Collateral constituting certificated securities or uncertificated securities, if, at any time when the Collateral Agent shall determine to exercise its right to sell the whole or any part of such Collateral hereunder, such Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act of 1933, as amended (as so amended the "**Act**"), the Collateral Agent may, in its discretion (subject only to applicable Requirements of Law), sell such Collateral or part thereof by private sale in such manner and under such circumstances as the Collateral Agent may deem desirable, but subject to the other requirements of this **Section 8(b)**, and shall not be required to effect such registration or cause the same to be effected. Without limiting the generality of the foregoing, in any such event the Collateral Agent may, in its sole discretion: (i) in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Collateral or part thereof could be or shall have been filed under the

Act; (ii) approach and negotiate with a single possible purchaser to effect such sale; and (iii) restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Collateral or part thereof. In addition to a private sale as provided above in this **Section 8(b)**, if any of such Collateral shall not be freely distributable to the public without registration under the Act at the time of any proposed sale hereunder, then the Collateral Agent shall not be required to effect such registration or cause the same to be effected but may, in its sole discretion (subject only to applicable requirements of law), require that any sale hereunder (including a sale at auction) be conducted subject to such restrictions as the Collateral Agent may, in its sole discretion, deem desirable in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Act and all applicable state securities laws.

(c) Each Grantor agrees that in any sale of any of such Collateral, whether at a foreclosure sale or otherwise, the Collateral Agent is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications and restrict such prospective bidders and purchasers to Persons who will represent and agree that they are purchasing for their own account for investment and not with a view to the distribution or resale of such Collateral), or in order to obtain any required approval of the sale or of the purchaser by any governmental authority, and each Grantor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Collateral Agent nor any Secured Party be liable nor accountable to such Grantor for any discount allowed by reason of the fact that such Collateral is sold in compliance with any such limitation or restriction.

(d) Each Grantor also agrees to pay all fees, costs, and reasonable expenses of the Collateral Agent or any of the Secured Parties, including reasonable attorneys' fees and expenses, incurred in connection with the enforcement of any of its rights and remedies hereunder.

(e) Upon the Collateral Agent's request, each Grantor agrees that it will promptly execute assignments of its entire right, title and interest in and to each its Patents, Trademarks, Copyrights, and Licenses. Such assignments shall be in form and content which is recordable in the United States Patent and Trademark Office or Copyright Office, or any similar office or agency in any other country or any political subdivision thereof, as applicable, and otherwise reasonably acceptable to the Collateral Agent.

(f) Except as otherwise expressly permitted herein, each Grantor hereby waives presentment, demand, protest or any notice (to the maximum extent permitted by applicable law) of any kind in connection with this Agreement or any Collateral.

(g) Each Grantor agrees that a breach of any covenants contained in this **Section 8** will cause irreparable injury to the Collateral Agent, on behalf of itself and the Secured Parties, that in such event the Collateral Agent and the Secured Parties would have no adequate remedy

at law in respect of such breach and, as a consequence, agrees that in such event each and every covenant contained in this **Section 8** shall be specifically enforceable against such Grantor, and each Grantor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that the Secured Obligations are not then due and payable.

(h) The Proceeds of any sale, disposition or other realization upon all or any part of the Collateral shall be distributed by the Collateral Agent in the following order of priorities:

First, to the Collateral Agent in an amount sufficient to pay in full the reasonable costs of the Collateral Agent in connection with such sale, disposition or other realization, including all fees, costs, expenses, liabilities and advances incurred or made by the Collateral Agent in connection therewith, including reasonable attorneys' fees and expenses;

Second, to the Secured Parties in an amount sufficient to pay in full the reasonable costs of the Secured Parties in connection with such sale, disposition or other realization, including all fees, costs, expenses, liabilities and advances incurred or made by the Secured Parties in connection therewith, including reasonable attorneys' fees and expenses;

Third, to the Secured Parties in an amount equal to the then unpaid principal of and accrued interest, Breakage Cost Indemnity, non-usage and all other fees and charges payable on the Secured Obligations;

Fourth, to the Secured Parties in an amount equal to any other Secured Obligations under any of the Transaction Documents which are then unpaid; and

Finally, upon payment in full of all of the Secured Obligations, to the Grantors or their representatives according to their interests or as a court of competent jurisdiction may direct.

SECTION 9. Grant of License to Intellectual Property. For the purpose of enabling the Collateral Agent to exercise its rights and remedies under **Section 8**, at such time as the Collateral Agent shall be lawfully entitled to exercise such rights and remedies, each Grantor hereby grants to the Collateral Agent an irrevocable, non-exclusive license (exercisable without payment of royalty or other compensation to such Grantor) to use, license or sublicense any Copyright, Patent or Trademark, and to exercise any rights held by such Grantor under any License, now owned or hereafter acquired by such Grantor or in which such Grantor now holds or hereafter acquires any interest, and wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer and automatic machinery software and programs used for the compilation or printout thereof, subject to any applicable restrictions or limitations contained in such License.

SECTION 10. Limitation on the Collateral Agent's Duty in Respect of Collateral. The Collateral Agent shall be deemed to have acted reasonably in the custody, preservation and disposition of any of the Collateral if it takes such action as the applicable Grantor requests in

writing other than upon the occurrence and during the continuance of any Event of Default, but failure of the Collateral Agent to comply with any such request shall not in itself be deemed a failure to act reasonably, and no failure of the Collateral Agent to do any act not so requested shall be deemed a failure to act reasonably.

SECTION 11. Reinstatement. This Agreement shall remain in full force and effect and continue to be effective against each Grantor should any petition be filed by or against such Grantor for liquidation or reorganization, should such Grantor become insolvent or make an assignment for the benefit of creditors or should a receiver or trustee be appointed for all or any significant part of such Grantor's property and assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment or performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, avoided, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is avoided, rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so avoided, rescinded, reduced, restored or returned.

SECTION 12. Miscellaneous.

(a) Notices. Any notice or other communication hereunder shall be addressed and delivered (i) to the Company by delivering such notice in accordance with Section 7.4 of the Guaranty Agreement, (ii) to the Borrower by delivering such notice in accordance with Section 11H of the Note Agreement, (iii) to the Initial Subsidiary Grantors, pursuant to Section 14 of the Subsidiary Guaranty Agreement, and (iv) to the Collateral Agent at the address and telefacsimile number set forth under the Collateral Agent's signature block of this Agreement.

(b) Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(c) Headings. The various headings in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this agreement or any provisions hereof.

(d) No Waiver; Cumulative Remedies.

(i) The Collateral Agent and each Secured Party shall not by any act, delay, omission or otherwise be deemed to have waived any of their respective rights or remedies hereunder, nor shall any single or partial exercise of any right or remedy hereunder on any one occasion preclude the further exercise thereof or the exercise of any other right or remedy.

(ii) The rights and remedies hereunder provided are cumulative and may be exercised singly or concurrently, and are not exclusive of any rights and remedies provided by law.

(iii) None of the terms or provisions of this Agreement may be waived, altered, modified or amended except by an instrument in writing, duly executed by each of the Grantors and the Collateral Agent.

(e) Time is of the Essence. Time is of the essence for the performance of each of the terms and provisions of this Agreement.

(f) Termination of this Agreement. Subject to **Section 11**, this Agreement shall terminate upon the full, complete and final payment and performance of the Secured Obligations.

(g) Release of Collateral. Upon any sale or other disposition of title in or to any assets of any Grantor constituting Collateral permitted to be sold or disposed of under the Note Documents, the Collateral Agent, at the reasonable request and at the expense of the applicable Grantor, will execute and deliver to such Grantor such instruments (including UCC partial release statements) acknowledging the release of the Collateral Agent's security interest in such Collateral so sold or otherwise disposed of, *provided* that such security interest shall continue to attach to and be perfected in the Proceeds of such Collateral, and will record such instruments with the United States Patent and Trademark Office and the United States Copyright Office as may be necessary to evidence the release of the Collateral Agent's security interest in such Collateral.

(h) Successor and Assigns. This Agreement and all obligations of each of the Grantors hereunder shall be binding upon the successors and assigns of each such Grantor, and shall, together with the rights and remedies of the Collateral Agent and the Secured Parties hereunder, inure to the benefit of such Collateral Agent and the Secured Parties, and their respective successors and assigns. No sales of participations, other sales, assignments, transfers or other dispositions of any agreement governing or instrument evidencing the Secured Obligations or any portion thereof or interest therein shall in any manner affect the security interest created herein and granted to the Collateral Agent hereunder.

(i) Governing Law. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE INTERNAL LAW OF THE STATE OF NEW YORK, EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD PERMIT THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

(j) Waiver of Jury Trial. THE PARTIES HERETO AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT, OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY AND THE SECURED PARTY/GRANTOR RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS.

EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH OF THE PARTIES HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

(k) Jurisdiction; Venue. Each Grantor irrevocably agrees that any legal action or proceeding with respect to this Agreement, the other Transaction Documents or any of the agreements, documents or instruments delivered in connection herewith shall be brought in the courts of the State of New York, or the United States of America for the Southern District of New York as the Collateral Agent or any Secured Party may elect, and, by execution and delivery hereof, each Grantor accepts and consents to, for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts and agrees that such jurisdiction shall be exclusive, unless waived by the Required Holders in writing, with respect to any action or proceeding brought by such Grantor against the Collateral Agent or any other Secured Party. Nothing herein shall limit the right that the Collateral Agent or any Secured Party may have to bring proceedings against any Grantor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction. Each Grantor hereby waives, to the full extent permitted by law, any right to stay or to dismiss any action or proceeding brought before said courts on the basis of *forum non conveniens*.

(l) Counterparts. This Agreement may be executed in any number of counterparts (including those transmitted by electronic transmission (including, without limitation, facsimile and e-mail)), each of which when so delivered shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Delivery of this Agreement may be made by facsimile transmission of a duly executed counterpart copy hereof.

(m) Additional Grantors. From time to time subsequent to the date hereof, additional Subsidiaries and/or Affiliates of the Company may become parties hereto, as additional Grantors (each, an "**Additional Grantor**"), by executing a Joinder Agreement. Upon the delivery of the Joinder Agreement to the Collateral Agent, such Additional Grantor shall be a Grantor and shall be as fully a party hereto as if such Additional Grantor were an original signatory hereof.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed and delivered by its duly authorized signatory on the date first set forth above.

GRANTORS:

PULITZER INC.

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

ST. LOUIS POST-DISPATCH LLC,

By: Pulitzer Inc., Managing Member

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

FAIRGROVE LLC
FLAGSTAFF PUBLISHING CO.
HANFORD SENTINEL INC.
HOMECHOICE, LLC
HSTAR LLC
KAUAI PUBLISHING CO.
NAPA VALLEY PUBLISHING CO
NIPC, INC.
NLPC LLC
NORTHERN LAKES PUBLISHING CO.
NVPC LLC
PANTAGRAPH PUBLISHING CO.
PULITZER MISSOURI NEWSPAPERS, INC.
PULITZER NETWORK SYSTEMS LLC
PULITZER NEWSPAPERS, INC.
PULITZER TECHNOLOGIES, INC.
PULITZER UTAH NEWSPAPERS, INC.
SANTA MARIA TIMES, INC.
SHTP LLC
SOPC LLC
SOUTHWESTERN OREGON PUBLISHING CO.
STL DISTRIBUTION SERVICES LLC
SUBURBAN JOURNALS OF GREATER ST.

LOUIS LLC
YNEZ CORPORATION

By: /s/ C. D. Waterman III
Name: C.D. Waterman III
Title: Secretary

Accepted and acknowledged by:

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., as Collateral Agent

By: /s/ Geraldine Creswell
Name: Geraldine Creswell
Title: Assistant Treasurer

Address for Notices:

The Bank of New York Mellon Trust Company, N.A.
Attn: Geraldine Creswell, Asst. Treasurer
10161 Centurion Parkway, N.
Jacksonville, Florida 32256
Fax: 904-645-1921
Email: geri.creswell@bnymellon.com

Exhibit 10.8 - Pledge Agreement

EXECUTION COPY

PLEDGE AGREEMENT

This **PLEDGE AGREEMENT** (together with all exhibits and schedules hereto, as amended, supplemented or otherwise modified from time to time, this "**Agreement**"), dated as of February 18, 2009, is made by **PULITZER INC.,** a Delaware corporation (together with its successors and assigns, the "**Company**"), **ST. LOUIS POST-DISPATCH LLC**, a Delaware limited liability company (together with its successors and assigns, the "**Borrower**"), and each Subsidiary of the Company on the signature pages hereto (each a "**Subsidiary Pledgor**" and collectively, the "**Subsidiary Pledgors**") (the Company, the Borrower and the Subsidiary Pledgors, together with any other entity subsequently added as a pledgor hereunder pursuant to Section 7.12 hereof, each, a "**Pledgor**" and collectively, the "**Pledgors**"), in favor of the Collateral Agent on behalf and for the benefit of the Secured Parties (as such terms are defined below).

RECITALS

A. Reference is made to that certain Note Agreement, dated as of May 1, 2000 (as amended, including pursuant to the Note Amendment (as defined below), and as in effect on the date hereof, and as the same from time to time hereafter may be further amended, restated, supplemented or otherwise modified, the "**Note Agreement**"), by and among the Borrower and the Purchasers named therein, pursuant to which, subject to the terms and conditions set forth therein, the Borrower did issue and sell to such Purchasers, and such Purchasers did purchase from the Borrower, the Notes (as defined below).

B. Reference is also made to that certain Guaranty Agreement, dated as of May 1, 2000 (as amended, including pursuant to the Guaranty Amendment (as defined below), and as in effect on the date hereof, and as the same from time to time hereafter may be further amended, restated, supplemented or otherwise modified, the "**Guaranty Agreement**"), by and among the Company and the Purchasers, pursuant to which, subject to the terms and conditions set forth therein, the Company did guarantee the full, complete and final payment and performance of the "Guaranteed Obligations" (as defined in the Guaranty Agreement).

C. Concurrently herewith, the Borrower is entering into a certain Limited Waiver and Amendment No. 5 to Note Agreement, dated the date hereof (the "**Note Amendment**"), with the Purchasers, pursuant to which the Purchasers and the Borrower have, among other things, agreed to amend certain provisions of the Note Agreement and make certain financial accommodations to the Borrower as provided in such amendment.

D. Concurrently herewith, the Company is also entering into a certain Limited Waiver and Amendment No. 5 to Guaranty Agreement, dated the date hereof (the "**Guaranty Amendment**"), with the Purchasers, pursuant to which the Purchasers and the Company have, among other things, agreed to amend certain provisions of the Guaranty Agreement and make certain financial accommodations to or for the benefit of the Company as provided in such amendment.

E. Concurrently herewith each Subsidiary Pledgor and certain other Subsidiaries of the Company are entering into a Subsidiary Guaranty Agreement, dated the date hereof (the "**Subsidiary Guaranty Agreement**"), with the Purchasers, pursuant to which such Persons have, among other things, agreed to guarantee the full, complete and final payment and performance of the "Guaranteed Obligations" (as defined in the Subsidiary Guaranty Agreement).

F. The Pledgors are the record and beneficial owners of the equity interests shown on ***Exhibit A*** attached hereto to be owned by such Pledgor (the "**Pledged Equity**"), which exhibit is incorporated herein by this reference and may be amended or supplemented pursuant to the terms of this Pledge Agreement.

G. The Purchasers are willing to enter into the Guaranty Amendment and the Note Amendment and otherwise make, extend and maintain certain financial accommodations to the Borrower and the Company as provided in such amendments, but only upon the condition, among others, that the Pledgors, which own the Pledged Equity, shall have executed this Agreement, and delivered this Agreement and the Pledged Collateral (as defined below) to the Collateral Agent (defined below), on behalf and for the benefit of the Secured Parties (defined below).

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, and intending to be legally bound, each Pledgor hereby represents, warrants, covenants and agrees as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. Capitalized terms not defined herein shall have the meanings given to them in the Note Agreement. The following capitalized terms shall have the following meanings (such meanings being equally applicable to both the singular and plural forms of the terms defined):

"**Act**" has the meaning set forth in **Section 6.2(c)**, below.

"**Agreement**" has the meaning specified for such term in the introductory paragraph hereto.

"**Additional Pledgor**" has the meaning set forth in **Section 7.12**, below.

"**Bankruptcy Code**" means the provisions of Title 11 of the United States Code, 11 U.S.C. §§101 *et seq*., as now and hereafter in effect, any successors to such statute and any other applicable bankruptcy, insolvency or other similar law of any jurisdiction including, without limitation, any law of any jurisdiction relating to the reorganization, readjustment, liquidation, dissolution, release or other relief of debtors, or providing for the appointment of a receiver, trustee, custodian or conservator or other similar official for all or any substantial part of such debtor's assets, or for the making of an assignment for the benefit of creditors of a debtor.

"**Borrower**" has the meaning specified for such term in the introductory paragraph hereto.

"**Charter Documents**" means, collectively, the certificate or articles of incorporation, organization or formation (including any certificates of designation), the bylaws, the operating agreement, the partnership agreement and/or any other similar constituent documents, as applicable, of the Pledged Entities.

"**Collateral Agent**" means The Bank of New York Mellon Trust Company, N.A. in its capacity as collateral agent for the Secured Parties under the Collateral Agency Agreement, together with its successors and assigns in such capacity.

"**Collateral Documents**" has the meaning specified for such term in the Note Agreement.

"**Company**" has the meaning specified for such term in the introductory paragraph hereto.

"**Credit Parties**" means the Company, the Borrower and each Subsidiary Guarantor.

"**Event of Default**" has the meaning set forth in **Section 6.1**, below.

"**Guaranty Agreement**" has the meaning specified for such term in the Recitals hereto.

"**Guaranty Amendment**" has the meaning specified for such term in the Recitals hereto.

"**Indemnified Persons**" has the meaning set forth in **Section 6.5**, below.

"**Lien**" has the meaning specified for such term in the Note Agreement.

"**Note Agreement**" has the meaning specified for such term in the Recitals hereto.

"**Note Amendment**" has the meaning specified for such term in the Recitals hereto.

"**Note Documents**" means the Note Agreement and Guaranty Agreement.

"**Notes**" shall have the meaning specified in the Note Agreement.

"**Pledged Collateral**" has the meaning set forth in **Section 2.1**, below.

"**Pledged Entities**" means each of (a) the Borrower and (b) each other entity identified from time to time as a "Pledged Entity" on ***Exhibit A*** hereto.

"**Pledged Equity**" has the meaning specified for such term in the Recitals hereto.

"**Pledgors**" has the meaning specified for such term in the introductory paragraph hereto.

"**Required Holders**" has the meaning specified for such term in the Note Agreement.

"**Secured Obligations**" means (a) all obligations of the Borrower for the payment of the principal amount of the Notes, accrued interest thereon, Yield-Maintenance Amount, non-usage fees and all other fees and amounts due to the holders of Notes pursuant to the terms of the Note Agreement and the other Transaction Documents, (b) the "Guaranteed Obligations" as such term is defined in the Guaranty Agreement, (c) the "Guaranteed Obligation" as such term is defined in the Subsidiary Guaranty Agreement and (d) any and all other debts, liabilities and reimbursement obligations, indemnity obligations and other obligations for monetary amounts, fees, expenses, costs or other sums (including reasonable attorneys' fees and costs) chargeable to any Credit Party under or pursuant to any of the Transaction Documents.

"**Secured Parties**" means the holders from time to time of the Notes.

"**Security Agreement**" means that certain Security Agreement dated the date hereof entered into by the Company in favor of the Collateral Agent for the benefit of the Secured Parties.

"**Subsidiary Guarantors**" has the meaning specified for such term in the Note Agreement.

"**Subsidiary Pledgors**" has the meaning specified for such term in the introductory paragraph hereto.

"**Subsidiary Guaranty Agreement**" has the meaning specified for such term in the Recitals hereto.

"**Transaction Documents**" has the meaning specified for such term in the Note Agreement.

"**UCC**" means the Uniform Commercial Code as the same may, from time to time, be in effect in the State of New York; *provided, however*, in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection or priority of the Collateral Agent's 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, the term "**UCC**" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such attachment, perfection of priority and for purposes of definitions related to such provisions.

1.2 UCC Definitions. Unless otherwise defined herein or the context otherwise requires, terms for which meanings are provided in the UCC are used in this Agreement, including its preamble and recitals, with such meanings.

1.3 Interpretive Provisions. The definitions in this Article 1 shall apply equally to both 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." All references herein to Articles and Sections shall be deemed references to Articles and Sections of this Agreement unless the context shall otherwise require.

ARTICLE II

PLEDGE

2.1 Grant Of Security Interest. As security for the full, prompt and complete payment when due (whether at stated maturity, by demand, acceleration or otherwise) of the Secured Obligations, each Pledgor hereby pledges, hypothecates, assigns, charges, mortgages, delivers, and transfers to the Collateral Agent, and hereby grants to the Collateral Agent, on behalf and for the benefit of the Secured Parties, a continuing security interest in, and delivers to the Collateral Agent all right, title and interest of such Pledgor, in and to all of the following, whether now or hereafter existing or acquired (collectively, the "**Pledged Collateral**"):

(a) All right, title and interest of such Pledgor, whether now existing or hereafter arising or acquired, in, to and under the Charter Documents and the Pledged Equity and the certificates, if any, representing such Pledged Equity, and all dividends, cash, instruments, and other property or proceeds from time to time received, receivable, or otherwise distributed in respect of or in exchange for any or all of such Pledged Equity, including, without limitation:

(i) All voting trust certificates held by such Pledgor evidencing its beneficial interest in any Pledged Equity subject to any voting trust;

(ii) All additional shares of capital stock, membership interests, partnership interests or other equity interests, as the case may be, of the Pledged Entities, and voting trust certificates from time to time acquired by such Pledgor in any manner (which additional interests shall be deemed to be part of the Pledged Equity), and the certificates representing such shares of capital stock, membership interests, partnership interests or other equity interests, and all dividends, cash, instruments, and other property or proceeds from time to time received, receivable, or otherwise distributed in respect of or in exchange for any or all of such shares of capital stock, membership interests, partnership interests or other equity interests; and

(iii) In the case of a limited liability company or limited partnership, (a) all payments or distributions, whether in cash, property or otherwise, at any time owing or payable to such Pledgor on account of its interest as a member or partner, as the case may be, in any of the Pledged Entities or in the nature of a management, investment banking or other fee paid or payable by any of the Pledged Entities to such Pledgor, (b) all of such Pledgor's rights and interests under each of the partnership agreements or operating agreements, as applicable, including all voting and management rights and all rights to grant or withhold consents or approvals, (c) all rights of access and inspection to and use of all books and records, including computer software and computer software programs, of each of the Pledged Entities, (d) all other rights, interests, property or claims to which such Pledgor may be entitled in its capacity as a partner or the sole member of any Pledged Entity of such Pledgor, and (e) all proceeds, income from, increases in and products of any of the foregoing; and

(b) The rents, issues, profits, returns, income, allocations, distributions and proceeds of and from any and all of the foregoing.

Each of the Pledgors hereby instructs the applicable Pledged Entities to register the pledge of the Pledged Collateral under this **Section 2.1** pursuant to the UCC.

2.2 Continuing Security Interest. This Agreement shall create a continuing security interest in the Pledged Collateral and shall:

(a) remain in full force and effect until the full and complete and final payment and performance of all of the Secured Obligations;

(b) be binding upon each Pledgor and its successors, transferees and assigns; and

(c) inure, together with the rights and remedies of the Collateral Agent and the Secured Parties hereunder, to the benefit of the Collateral Agent and the Secured Parties.

2.3 Termination of Security Interest. Upon the complete, full and final payment and performance of the Secured Obligations, the security interest granted in **Section 2.1** shall terminate and all rights to the Pledged Collateral shall revert to the Pledgors. Upon any such termination, the Collateral Agent then shall, at each Pledgor's sole expense, deliver to such Pledgor, without any representations, warranties or recourse of any kind whatsoever, any and all certificates and instruments representing or evidencing such Pledgor's interest in the applicable Pledged Entity that had been previously delivered by such Pledgor to the Collateral Agent, together with all other Pledged Collateral held by the Collateral Agent hereunder, and execute and deliver to each Pledgor, at such Pledgor's sole expense, such documents and take such other actions as such Pledgor shall reasonably request to evidence such termination.

2.4 No Assumption. This Agreement is executed and delivered to the Collateral Agent, for the benefit of itself and the Secured Parties, for collateral security purposes only. Notwithstanding anything herein to the contrary:

(a) each Pledgor shall remain liable under the contracts and agreements included in the Pledged Collateral to the extent set forth therein, and shall perform all of its duties and obligations under such contracts and agreements to the same extent as if this Agreement had not been executed;

(b) the exercise by the Collateral Agent or any Secured Party of any of its rights hereunder shall not release any Pledgor from any of its duties or obligations under any such contracts or agreements included in the Pledged Collateral; and

(c) the Collateral Agent and the Secured Parties shall not have any obligation or liability under any such contracts or agreements included in the Pledged Collateral by reason of this Agreement, nor shall the Collateral Agent or any Secured Party be obligated to perform

any of the obligations or duties of any Pledgor thereunder or to take any action to collect or enforce any claim for payment assigned hereunder, and the Collateral Agent and the Secured Parties shall not hereunder or otherwise (i) assume any obligation or liability under or in connection with the Charter Documents or the certificates representing the Pledged Equity to any Person, and any such assumption is hereby expressly disclaimed, or (ii) be deemed to have or be vested with the duties, responsibilities or powers of the management of any of the Pledged Entities.

2.5 Waiver of Certain Partnership Agreement and Operating Agreement Provisions. Each Pledgor irrevocably waives any and all provisions of the partnership agreements and operating agreements of each Pledged Entity (as applicable) that (a) prohibit, restrict, condition or otherwise affect the grant hereunder of any Lien on any of the Pledged Collateral or any enforcement action which may be taken in respect of any such Lien or the transfer of the Pledged Collateral by the Collateral Agent or any of its transferees, (b) would operate to limit or restrict the ability of the Collateral Agent or any of its transferees from becoming a full voting member of the partnership or limited liability company, as the case may be, or (c) otherwise conflict with the terms of this Agreement.

ARTICLE III

REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations, Warranties And Covenants. Each Pledgor hereby represents and warrants to the Collateral Agent for its benefit and for the benefit of the Secured Parties (i) as of the date such Pledgor becomes a party hereto and (ii) as of the date of each pledge and delivery hereunder by such Pledgor to the Collateral Agent of any Pledged Collateral, that:

(a) Organization. Such Pledgor is duly formed and validly existing under the laws of the state of its organization and has all requisite organizational power and authority to enter into and perform its obligations under this Agreement.

(b) Due Authorization; Non-Contravention. The execution, delivery and performance by such Pledgor of this Agreement and each of the other Transaction Documents to which such Pledgor is a party have been duly authorized by all requisite action. Such Transaction Documents do not contravene such Pledgor's organizational documents and do not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of such Pledgor pursuant to its organizational documents, any award of any arbitrator or any agreement (including any agreement with equityholders of Pledgor), instrument, order, judgment, decree, statute, law, rule or regulation to which Pledgor is subject.

(c) Binding Obligations. This Agreement constitutes, and each other Transaction Document executed by such Pledgor will, on the due execution and delivery thereof, constitute, the legal, valid and binding obligations of such Pledgor, enforceable against such Pledgor in accordance with their respective terms, except as such enforceability may be limited by (i) bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(d) Filing. No presently effective UCC financing statement covering any of the Pledged Collateral is on file in any public office, except for UCC financing statements in favor of the Collateral Agent.

(e) Ownership; No Liens. Such Pledgor is the legal and beneficial owner of, and has good and merchantable title to (and has full right and authority to pledge and assign) all Pledged Collateral pledged by such Pledgor hereunder, free and clear of all Liens, except the Lien granted herein to the Collateral Agent. None of the Pledged Collateral has been transferred in violation of the securities registration, securities disclosure or similar laws of any jurisdiction to which such transfer may be subject.

(f) Charter Documents. Such Pledgor has furnished to the Collateral Agent a true and correct copy of the Charter Documents and all amendments thereto, which Charter Documents have not been further amended or modified and remain in full force and effect.

(g) Equity Interests. The class, certificate numbers, number of shares, membership interests or other equity interest, and percentage ownership of the Pledged Equity are set forth on ***Exhibit A***. In the event any Pledgor shall acquire any additional securities or equity interests of any Pledged Entity or any securities or equity interests exchangeable for or convertible into securities or equity interests of any class of any Pledged Entity, by purchase, stock dividend, stock split or otherwise, then such securities or equity interests shall be subject to the pledge, collateral assignment and security interest granted to the Collateral Agent under this Agreement and such Pledgor shall forthwith deliver to the Collateral Agent any certificates therefor, accompanied by stock powers or other appropriate instruments of assignment duly executed by such Pledgor in blank. In addition, if any Pledgor shall acquire any additional securities or equity interests of any newly-created or acquired Subsidiary or any other corporation, partnership, limited liability company or other entity, or any securities exchangeable for or convertible into securities or equity interests of any class of any such Subsidiary or other entity, by purchase, stock dividend, stock split or otherwise, then such securities or equity interests shall be subject to the pledge, collateral assignment and security interest granted to the Collateral Agent under this Agreement and such Pledgor shall forthwith deliver to the Collateral Agent any certificates therefor, accompanied by stock powers or other appropriate instruments of assignment duly executed by such Pledgor in blank. Each Pledgor agrees that the Collateral Agent may from time to time attach as **Exhibit** A hereto an updated list of the securities or equity interests at the time pledged with the Collateral Agent hereunder.

(h) Certificate. No interest of such Pledgor in the applicable Pledged Entities is represented by a certificate or other similar instrument, except such certificates or instruments (together with all necessary instruments of transfer or assignment, duly executed in blank) as have been delivered to the Collateral Agent and are held in its possession (and such Pledgor covenants and agrees that any such certificates or instruments hereafter received by such Pledgor with respect to any of the Pledged Collateral (together with all necessary instruments of transfer or assignment, duly executed in blank) will be promptly delivered to the Collateral Agent).

(i) Compliance With Securities Laws. The offering and sale of all the Pledged Equity has been conducted, in all material respects, in compliance with all applicable state and federal securities laws and regulations and, without limiting the generality of the foregoing, no offering document furnished to any Person in connection therewith contained any misstatement of a material fact or omitted to state any fact necessary to make such document not materially misleading.

(j) Information. All information with respect to the Pledged Collateral set forth in any schedule, certificate or other writing at any time furnished by such Pledgor to the Collateral Agent or any Secured Party, and all other written information ay any time furnished by such Pledgor to the Collateral Agent or any Secured Party, is and shall be true and correct in all material respects as of the date furnished.

(k) Records. The address of the location of the records of such Pledgor concerning the Pledged Collateral and the address of such Pledgor's principal place of business and chief executive office (or residence, if Pledgor is an individual) is set forth in ***Schedule I*** to this Agreement.

(l) Authorization; Approval. No authorization, approval, or other action by, and no notice to or filing with, any governmental authority, or any other Person is required either:

(i) for the pledge by such Pledgor of any Pledged Collateral pursuant to this Agreement or for the execution, delivery, and performance of this Agreement by such Pledgor; or

(ii) for the exercise by the Collateral Agent or any Secured Party of (a) the voting or other rights provided for in this Agreement, or (b) the remedies in respect of the Pledged Collateral pursuant to this Agreement, except, in the case of this **clause (ii)(b)**, as may be required in connection with a disposition of any shares of capital stock, membership interests, partnership interest or other equity interest, as the case may be, by laws affecting the offering and sale of securities generally, or as may be required under the Hart-Scott-Rodino Antitrust Improvements Act of 1976 and regulations issued relating thereto.

(m) First Priority Lien. The pledge and grant of a security interest in, and delivery of the Pledged Collateral pursuant to this Pledge Agreement, will create a valid first priority perfected Lien on and in the Pledged Collateral pledged by such Pledgor, and the proceeds thereof, securing the payment of the Secured Obligations, subject to no prior Lien, assuming continued possession of the original certificates evidencing the Pledged Equity constituting Pledged Collateral by the Collateral Agent. Separately, the Lien on and in the Pledged Collateral will become a valid first priority Lien upon the due filing of a UCC financing statement describing the Pledged Collateral in the applicable filing offices in the State in which such Pledgor was formed.

(n) <u>Certificated Security</u>.

(i) The securities described in **Section 2.1** which are certificated securities are governed by Article 8 of the Uniform Commercial Code of the jurisdiction in

which each respective Pledged Entity is organized, and without the prior written consent of the Collateral Agent, the Pledgor will not cause or permit any of such securities to be or become uncertificated or to constitute a security not governed by Article 8 of the Uniform Commercial Code of the jurisdiction in which the applicable issuer is organized.

(ii) The securities described in **Section 2.1** which are uncertificated securities are not governed by Article 8 of the Uniform Commercial Code of the jurisdiction in which each respective Pledged Entity is organized, and without the prior written consent of the Collateral Agent, the Pledgor will not cause or permit any of such securities to be or become certificated or to constitute a security governed by Article 8 of the Uniform Commercial Code of the jurisdiction in which the applicable issuer is organized.

ARTICLE IV

COVENANTS

4.1 Protect Pledged Collateral; Further Assurances. No Pledgor shall sell, assign, transfer, pledge or otherwise encumber the Pledged Collateral in any manner (except for the pledge granted herein to the Collateral Agent), except to the extent permitted by the Note Documents. Each Pledgor shall warrant and defend the right and title granted by this Agreement to the Collateral Agent in and to the Pledged Collateral (and all right, title and interest represented by the Pledged Collateral) against the claims and demands of all Persons whomsoever, but nothing contained herein shall prevent the Pledged Entities from issuing additional equity interests if otherwise permitted by the Note Documents. Each Pledgor agrees, at any time, and from time to time, at the expense of such Pledgor, that such Pledgor shall promptly execute and deliver all further instruments, and take all further action that may be necessary, or that the Collateral Agent may reasonably request, in order to perfect and protect any security interest granted or purported to be granted hereby or to enable the Collateral Agent or any Secured Party to exercise and enforce its rights and remedies hereunder with respect to any of the Pledged Collateral as set forth in **Article VI** hereof.

4.2 Voting Rights; Dividends. Each Pledgor agrees:

(a) that the Collateral Agent may exercise (to the exclusion of such Pledgor) the voting power and all other incidental rights of ownership with respect to the Pledged Collateral and such Pledgor hereby grants the Collateral Agent, from the date hereof until the complete, full and final payment and performance of the Secured Obligations, an irrevocable proxy, coupled with an interest exercisable under such circumstances, to vote such Pledged Collateral; and

(b) promptly to deliver to the Collateral Agent such additional proxies and other documents as may be necessary to allow the Collateral Agent to exercise such voting power.

Unless an Event of Default shall have occurred and be continuing and the Collateral Agent shall have given the notice referred to in this **Section 4.2**, the Pledgors shall have the exclusive voting power with respect to the Pledged Collateral and the Collateral Agent shall, upon the written

request of any Pledgor, promptly deliver such proxies and other documents, if any, as shall be reasonably requested by such Pledgor which are necessary to allow such Pledgor to exercise voting power with respect to the Pledged Collateral; *provided, however*, that no vote shall be cast, or consent, waiver or ratification given or action taken by any Pledgor that would impair any Pledged Collateral or be inconsistent with or violate any provision of any of the Transaction Documents (including this Agreement) without the prior written consent of the Collateral Agent and the Secured Parties.

So long as no Event of Default shall have occurred and be continuing, each Pledgor shall be entitled to receive all dividends and distributions made in accordance with the Guaranty Agreement in respect of the Pledged Equity, All such rights of such Pledgor to receive dividends shall cease in case an Event of Default shall have occurred and be continuing and form such time all dividends or distributions in respect of the Pledged Equity shall be paid to the Collateral Agent. . All payments and proceeds which may at any time and from time to time be held by any of the Pledgors, but which such Pledgor is obligated to deliver to the Collateral Agent on behalf of itself and the Secured Parties, shall be held by such Pledgor separate and apart from its other property in trust for the Collateral Agent and the other Secured Parties.

4.3 Filings; Recordings. Each Pledgor shall authorize the filing of UCC-1 financing statements (and any amendment thereto) and execute, or authorizing the filings of, other documents (and pay the cost of filing or recording the same in all public offices deemed appropriate by the Collateral Agent or any Secured Party), and do such other acts and things, all as the Collateral Agent or any Secured Party may from time to time reasonably request to establish and maintain a valid, perfected pledge of, and security interest in, the Pledged Collateral in favor of the Collateral Agent.

4.4 Maintenance Of Records. Subject to the provisions of **Section 4.5**, each Pledgor shall keep at its address indicated on ***Schedule I*** all its records concerning the Pledged Collateral.

4.5 Notice Of Change Of Address. Each Pledgor shall furnish to the Collateral Agent at least thirty (30) days' prior written notice of any change in the address of such Pledgor's principal place of business or chief executive office (as described on ***Schedule I***), the name of such Pledgor, or its state of formation.

4.6 Information. Each Pledgor shall promptly furnish the Collateral Agent and any Secured Party such information concerning the Pledged Collateral as such Person may from time to time reasonably request. Additionally, each Pledgor shall permit the Collateral Agent and the Secured Parties such rights of inspection and audit of the Pledged Collateral as provided in the Transaction Documents.

4.7 Notice Of Dissolution. Each Pledgor shall promptly notify the Collateral Agent in writing upon learning of the occurrence of any event which would reasonably be expected to cause termination and/or dissolution of any of the Pledged Entities.

ARTICLE V

THE COLLATERAL AGENT

5.1 The Collateral Agent Appointed Attorney-in-Fact. Each Pledgor hereby irrevocably appoints the Collateral Agent, and any officer, co-agent or sub-agent thereof, to be such Pledgor's attorney-in-fact, with full authority in the place and stead of such Pledgor and in the name of such Pledgor or otherwise, from time to time in the Collateral Agent's discretion after the occurrence and during the continuance of an Event of Default, to take any action and to execute any instrument which the Collateral Agent may reasonably deem necessary or advisable to accomplish the purposes of this Agreement, including, without limitation:

(a) to ask, demand, collect, sue for, recover, compromise, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Pledged Collateral;

(b) to receive, endorse, and collect any drafts or other instruments, documents and chattel paper, in connection with clause (a) above; and

(c) to file any claims or take any action or institute any proceedings which the Collateral Agent may deem desirable for the collection of any of the Pledged Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Pledged Collateral.

Each Pledgor hereby acknowledges, consents and agrees that the power of attorney granted pursuant to this **Section 5.1** is irrevocable and coupled with an interest.

5.2 The Collateral Agent May Perform. If any Pledgor fails to perform any agreement contained herein, the Collateral Agent may itself perform, or cause performance of, such agreement for the benefit of the Secured Parties and itself and not for such Pledgor and the expenses of the Collateral Agent incurred in connection therewith shall be payable by the Pledgors pursuant to **Section 6.5**.

5.3 The Collateral Agent Has No Duty. The powers conferred on the Collateral Agent hereunder are solely to protect its interest in the Pledged Collateral and shall not impose any duty on it to exercise any such powers. The Collateral Agent shall have no duty as to any Pledged Collateral or responsibility for (a) ascertaining or taking action with respect to calls, conversions, exchanges, maturities, tenders or other matters relative to any Pledged Collateral, whether or not the Collateral Agent has or is deemed to have knowledge of such matters, or (b) taking any necessary steps to preserve rights against prior parties or any other rights pertaining to any Pledged Collateral. Without limiting the generality of the preceding sentence, the Collateral Agent shall be deemed to have exercised reasonable care in the custody and preservation of any of the Pledged Collateral if it takes such action for that purpose as any Pledgor reasonably requests in writing at times other than upon the occurrence and during the continuance of any Event of Default. Failure of the Collateral Agent to comply with any such request at any time shall not in itself be deemed a failure to exercise reasonable care.

5.4 Notice Of This Agreement. Each Pledgor shall notify the applicable Pledged Entities of the existence of this Agreement by sending to such Pledged Entities a notice in substantially the form attached hereto as ***Exhibit B*** within three (3) Business Days of the date hereof, or if a Pledged Entity has not been formed by the date hereof, within three (3) Business Days of the formation of such Pledged Entity.

ARTICLE VI

DEFAULTS AND REMEDIES

6.1 Events Of Default. It shall be an "**Event of Default**" hereunder if any Event of Default (as defined in the Note Agreement or the Guaranty Agreement) shall occur.

6.2 Certain Remedies. If any Event of Default shall have occurred and be continuing:

(a) The Collateral Agent may exercise in respect of the Pledged Collateral, in addition to other rights and remedies provided for herein or otherwise available to it, all the rights and remedies of a secured party under the UCC (whether or not the UCC applies to the affected Pledged Collateral) and also may, without notice except as specified below, sell the Pledged Collateral or any part thereof in one or more parcels at public or private sale, at any of the Collateral Agent's offices or elsewhere, for cash, on credit or for future delivery, and upon such other terms as the Collateral Agent may deem commercially reasonable. Each Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten (10) days' prior notice to such Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

(b) The Collateral Agent may:

(i) transfer all or any part of the Pledged Collateral into the name of the Collateral Agent or its nominee, with or without disclosing that such Pledged Collateral is subject to the Lien hereunder;

(ii) notify the parties obligated on any of the Pledged Collateral to make payment to the Collateral Agent of any amount due or to become due thereunder;

(iii) enforce collection of any of the Pledged Collateral by suit or otherwise, and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any obligations of any nature of any party with respect thereto;

(iv) endorse any checks, drafts, or other writings in any Pledgor's name to allow collection of the Pledged Collateral;

(v) take control of any proceeds of the Pledged Collateral; and

(vi) execute (in the name, place and stead of any Pledgor) endorsements, assignments and other instruments of conveyance or transfer with respect to all or any of the Pledged Collateral.

(c) If, at any time when the Collateral Agent shall determine to exercise its right to sell the whole or any part of the Pledged Collateral hereunder, such Pledged Collateral or the part thereof to be sold shall not, for any reason whatsoever, be effectively registered under the Securities Act of 1933, as amended (as so amended, the "**Act**"), the Collateral Agent may, in its discretion (subject only to applicable requirements of law), sell such Pledged Collateral or part thereof by private sale in such manner and under such circumstances as the Collateral Agent may deem desirable, but subject to the other requirements of this **Section 6.2(c)**, and shall not be required to effect such registration or cause the same to be effected. Without limiting the generality of the foregoing, in any such event the Collateral Agent may, in its sole discretion: (i) in accordance with applicable securities laws, proceed to make such private sale notwithstanding that a registration statement for the purpose of registering such Pledged Collateral or part thereof could be or shall have been filed under the Act; (ii) approach and negotiate with a single possible purchaser to effect such sale; and (iii) restrict such sale to a purchaser who will represent and agree that such purchaser is purchasing for its own account, for investment, and not with a view to the distribution or sale of such Pledged Collateral or part thereof. In addition to a private sale as provided above in this **Section 6.2(c)**, if any of the Pledged Collateral shall not be freely distributable to the public without registration under the Act at the time of any proposed sale hereunder, then the Collateral Agent shall not be required to effect such registration or cause the same to be effected but may, in its sole discretion (subject only to applicable requirements of law), require that any sale hereunder (including a sale at auction) be conducted subject to such restrictions as the Collateral Agent may, in its sole discretion, deem desirable in order that such sale (notwithstanding any failure so to register) may be effected in compliance with the Bankruptcy Code and other laws affecting the enforcement of creditors' rights and the Act and all applicable state securities laws.

(d) Each Pledgor agrees that a breach of any covenants contained in this **Article VI** with the effect of denying the Collateral Agent the realization of the practical benefits to be provided by this Agreement will cause irreparable injury to the Collateral Agent, on behalf of itself and the Secured Parties, that in such event the Collateral Agent and the Secured Parties would have no adequate remedy at law in respect of such breach and, as a consequence, agrees that in such event each and every covenant contained in this **Article VI** shall be specifically enforceable against such Pledgor, and such Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that the Secured Obligations are not then due and payable.

6.3 Compliance With Restrictions. Each Pledgor agrees that in any sale of any of the Pledged Collateral, whether at a foreclosure sale or otherwise, the Collateral Agent is hereby authorized to comply with any limitation or restriction in connection with such sale as it may be advised by counsel is necessary in order to avoid any violation of applicable law (including compliance with such procedures as may restrict the number of prospective bidders and purchasers, require that such prospective bidders and purchasers have certain qualifications and restrict such prospective bidders and purchasers to persons who will represent and agree that

they are purchasing for their own account for investment and not with a view to the distribution or resale of such Pledged Collateral), or in order to obtain any required approval of the sale or of the purchaser by any governmental authority, and such Pledgor further agrees that such compliance shall not result in such sale being considered or deemed not to have been made in a commercially reasonable manner, nor shall the Collateral Agent nor any of the Secured Parties be liable nor accountable to such Pledgor for any discount allowed by the reason of the fact that such Pledged Collateral is sold in compliance with any such limitation or restriction.

6.4 Application Of Proceeds. All cash proceeds received by the Collateral Agent in respect of any sale of, collection from, or other realization upon, all or any part of the Pledged Collateral shall be applied: first, to the payment of all reasonable costs and expenses of holding and selling the Pledged Collateral, including, without limitation, reasonable attorneys' fees and expenses, fees of any accountants and court costs; second, to the full and complete payment of all of the Secured Obligations; and third, to, after payment in full of all of the Secured Obligations, the Pledgors as required by law.

6.5 Indemnity And Expenses. Each Pledgor hereby indemnifies and holds harmless the Collateral Agent, each Secured Party, and each of their respective officers, directors, employees, agents, advisors and representatives (collectively, the "**Indemnified Persons**") from and against any and all claims, losses, and liabilities arising out of or resulting from this Agreement (including enforcement of this Agreement), except claims, losses, or liabilities resulting from the gross negligence or willful misconduct of any Indemnified Person. Upon demand, the Pledgors shall pay to the Collateral Agent or such Secured Party the amount of any and all reasonable expenses, including the reasonable fees and disbursements of its counsel and of any experts and agents (including reasonable attorneys' fees and costs, whether related to a suit or action or any reviews of or appeals from a judgment or decree therein or in connection with non-judicial action) which the Collateral Agent or such Secured Party may incur in connection with this Agreement, including but not limited to (a) the custody, preservation, use, or operation of, or the sale of, collection from, or other realization upon, any of the Pledged Collateral, (b) the exercise or enforcement of any of the rights of the Collateral Agent or the Secured Parties hereunder, or (c) the failure by the Pledgor to perform or observe any of the provisions hereof.

ARTICLE VII

MISCELLANEOUS PROVISIONS

7.1 Transaction Document. This Agreement is one of the Transaction Documents executed pursuant to the Note Amendment and the Guaranty Amendment and shall (unless otherwise expressly indicated herein) be construed, administered and applied in accordance with the terms and provisions thereof.

7.2 Reinstatement. This Agreement shall remain in full force and effect and continue to be effective if at any time payment of the Secured Obligations, or any part thereof, is, pursuant to applicable law, avoided, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance

had not been made. In the event that any payment, or any part thereof, is avoided, rescinded, reduced, restored, or returned, the Secured Obligations, shall be reinstated and deemed reduced only by such amount paid and not so avoided, rescinded, reduced, restored, or returned.

7.3 Amendments; Waivers. No amendment to or waiver of any provision of this Agreement nor consent to any departure by any Pledgor from any provision in this Agreement shall in any event be effective unless the same shall have been in writing and given by the Collateral Agent.

7.4 Protection Of Pledged Collateral. The Collateral Agent may from time to time, at its option, perform any act which any Pledgor agrees hereunder to perform and which such Pledgor shall fail to perform after being requested in writing so to perform (it being understood that no such request need be given after the occurrence and during the continuance of any Event of Default) and the Collateral Agent may, but shall not be required to, from time to time take any other action which the Collateral Agent reasonably deems necessary for the maintenance, preservation or protection of any of the Pledged Collateral or of its security interest therein, all such actions being for the express benefit of the Secured Parties and the Collateral Agent and not any of the Pledgors.

7.5 Addresses For Notices. Any notice or other communication hereunder shall be addressed and delivered (i) to the Company by delivering such notice in accordance with Section 7.4 of the Guaranty Agreement, (ii) to the Borrower by delivering such notice in accordance with Section 11H of the Note Agreement, (iii) to the Subsidiary Guarantors, pursuant to Section 14 of the Subsidiary Guaranty Agreement, and (iv) to the Collateral Agent at the address and telefacsimile number set forth under the Collateral Agent's signature block of this Agreement.

7.6 Section Captions. Section captions used in this Agreement are for convenience of reference only, and shall not affect the construction of this Agreement.

7.7 Severability. Wherever possible each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement.

7.8 Counterparts. This Agreement may be executed in any number of counterparts, (including those transmitted by electronic transmission (including, without limitation, facsimile and e-mail)), each of which when so delivered shall be deemed an original, but all such counterparts shall constitute but one and the same instrument. Delivery of this Agreement may be made by facsimile transmission of a duly executed counterpart copy hereof.

7.9 Governing Law; Entire Agreement. THIS AGREEMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE INTERNAL LAW OF THE STATE OF NEW YORK, EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD PERMIT THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

7.10 Waiver of Jury Trial. THE PARTIES HERETO AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, ANY OTHER TRANSACTION DOCUMENT OR ANY DEALINGS BETWEEN OR AMONG THE COLLATERAL AGENT, ANY OF THE SECURED PARTIES AND ANY OF THE PLEDGORS RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY AND THE SECURED PARTY/PLEDGOR RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH OF THE PARTIES HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS AGREEMENT AND THE OTHER TRANSACTION DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH OF THE PARTIES HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

7.11 Jurisdiction; Venue. Each Pledgor irrevocably agrees that any legal action or proceeding with respect to this Agreement, the other Transaction Documents or any of the agreements, documents or instruments delivered in connection herewith shall be brought in the courts of the State of New York, or the United States of America for the Southern District of New York as the Collateral Agent or any Secured Party may elect, and, by execution and delivery hereof, each Pledgor accepts and consents to, for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts and agrees that such jurisdiction shall be exclusive, unless waived by the Required Holders in writing, with respect to any action or proceeding brought by such Pledgor against the Collateral Agent or any other Secured Party. Nothing herein shall limit the right that the Collateral Agent or any Secured Party may have to bring proceedings against any Pledgor in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction. Each Pledgor hereby waives, to the full extent permitted by law, any right to stay or to dismiss any action or proceeding brought before said courts on the basis of *forum non conveniens*.

7.12 Additional Pledgors. From time to time subsequent to the date hereof, additional Subsidiaries and/or Affiliates of the Company may become parties hereto, as additional Pledgors (each, an "**Additional Pledgor**"), by executing a Joinder Agreement. Upon the delivery of the Joinder Agreement to the Collateral Agent, such Additional Pledgor shall be a Pledgor and shall be as fully a party hereto as if such Additional Pledgor were an original signatory hereof.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective duly authorized officers as of the day and year first above written.

PLEDGORS:

COMPANY:

PULIZTER INC.,
a Delaware corporation

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

BORROWER:

ST. LOUIS POST-DISPATCH LLC,
a Delaware limited liability company
By: Pulitzer Inc., Managing Member

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

SUBSIDIARY PLEDGORS:

PULITZER NEWSPAPERS, INC.
PULITZER TECHNOLOGIES, INC.
NAPA VALLEY PUBLISHING CO
NORTHERN LAKES PUBLISHING CO.
PANTAGRAPH PUBLISHING CO.
SOUTHWESTERN OREGON PUBLISHING CO.

By: /s/ C. D. Waterman III
Name: C.D. Waterman III
Title: Secretary

Acknowledged, accepted and agreed:

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A., as collateral Agent

By: /s/ Geraldine Creswell
Name: Geraldine Creswell
Title: Assistant Treasurer

Address:

The Bank of New York Mellon Trust Company, N.A.
Attn: Geraldine Creswell, Asst. Treasurer
10161 Centurion Parkway, N.
Jacksonville, Florida 32256
Fax: 904-645-1921
Email: geri.creswell@bnymellon.com

Exhibit 10.9 - Subsidiary Guaranty Agreement

EXECUTION COPY

SUBSIDIARY GUARANTY AGREEMENT

This **SUBSIDIARY GUARANTY AGREEMENT** (this "**Subsidiary Guaranty Agreement**"), dated as of February 18, 2009, is made jointly and severally by the Persons listed on the signature pages hereof as Subsidiary Guarantors and each of the other Persons that from time to time becomes an Additional Subsidiary Guarantor pursuant to the terms of Section 11 hereof (each a "**Subsidiary Guarantor**" and collectively the "**Subsidiary Guarantors**"), in favor of each of the holders from time to time of the Notes issued under the Note Agreement referred to below (each a "**Beneficiary**", and collectively, the "**Beneficiaries**"). Capitalized terms used but not defined herein shall have the meanings given to them in the Note Agreement referred to below.

RECITALS

A. Reference is made to that certain Note Agreement, dated as of May 1, 2000 (as amended, restated, supplemented or otherwise modified, including pursuant to the Note Amendment (as defined below), the "**Note Agreement**"), by and among St. Louis Post-Dispatch LLC, a Delaware limited liability company (together with its successors and assigns, the "**Company**"), and the Beneficiaries, pursuant to which, subject to the terms and conditions set forth therein, the Company issued and sold to such Beneficiaries, and such Beneficiaries purchased from the Company, the Notes (the Notes and the Note Agreement, collectively, the "**Note Documents**").

B. Reference is also made to that certain Guaranty Agreement, dated as of May 1, 2000 (as amended, restated, supplemented or otherwise modified, including pursuant to the Guaranty Amendment (as defined below), the "**Guaranty Agreement**"), by and among Pulitzer Inc., a Delaware corporation (together with its successors and assigns, the "**Parent**") and the Beneficiaries, pursuant to which, subject to the terms and conditions set forth therein, the Parent guaranteed the full, complete and final payment and performance of the "Guaranteed Obligations" (as defined in the Guaranty Agreement).

C. Concurrently herewith, the Company is entering into a certain Limited Waiver and Amendment No. 5 to Note Agreement, dated the date hereof (the "**Note Amendment**"), with the Beneficiaries, pursuant to which the Beneficiaries and the Company have, among other things, agreed to amend certain provisions of the Note Agreement and make certain financial accommodations to the Company as provided in such amendment.

D. Concurrently herewith, the Parent is also entering into a certain Limited Waiver and Amendment No. 5 to Guaranty Agreement, dated the date hereof (the "**Guaranty Amendment**"), with the Beneficiaries pursuant to which the Beneficiaries and the Parent have, among other things, agreed to amend certain provisions of the Guaranty Agreement and make certain financial accommodations to or for the benefit of the Parent as provided in such amendment.

E. The Beneficiaries are willing to enter into the Note Amendment and the Guaranty Amendment and otherwise make, extend and maintain certain financial accommodations to the Company and the Parent as provided in such amendments, but only upon the condition, among others, that the Subsidiary Guarantors shall have executed and delivered this Subsidiary Guaranty Agreement.

GUARANTY

NOW, THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, each Subsidiary Guarantor hereby agrees as follows:

1. GUARANTY.

1.1 Guaranty. Each Subsidiary Guarantor hereby irrevocably, absolutely and unconditionally jointly and severally guarantees unto each Beneficiary (i) the full and prompt payment of the principal of, Yield-Maintenance Amount, if any, interest and all other amounts due with respect to the Notes from time to time outstanding, as and when such amounts shall become due and payable, whether by lapse of time, upon redemption, prepayment or purchase, by extension or by acceleration or declaration or otherwise (including (to the extent legally enforceable) interest due on overdue payments of principal, Yield-Maintenance Amount, if any, or interest at the rate set forth in the Notes or any other amounts due thereunder) in coin or currency of the United States of America which at the time of payment or demand therefor shall be legal tender for the payment of public and private debts, (ii) the full and prompt payment, performance and observance by the Company of all other obligations, covenants, conditions and agreements contained in the Note Agreement or any other instrument or agreement entered into in connection therewith or otherwise relating thereto, (iii) the full and prompt payment, performance and observance by the Parent of the "Guaranteed Obligations" (as defined in the Guaranty Agreement) and all other obligations, covenants, conditions and agreements of the Parent contained in the Guaranty Agreement or any other instrument or agreement entered into in connection therewith or otherwise relating thereto, and (iv) the full and prompt payment, upon demand by any Beneficiary, of all costs and expenses (including reasonable attorneys' fees), if any, as shall have been expended or incurred in the protection or enforcement of any right or privilege under the Note Documents, the Guaranty Agreement or any other instrument or agreement entered into in connection therewith or relating thereto or in the protection or enforcement of any rights, privileges or liabilities under this Subsidiary Guaranty Agreement or in any consultation or action in connection therewith or herewith (all such obligations, covenants, conditions and agreements described in the foregoing clauses (i), (ii), (iii) and (iv) being hereinafter collectively referred to as the "**Guaranteed Obligations**").

1.2 Guaranty of Payment and Performance. This is a guaranty of payment and performance and not a guaranty of collection, and each Subsidiary Guarantor hereby waives any right to require that any action on or in respect of any Note Document, the Guaranty Agreement or any instrument or agreement relating to the Guaranteed Obligations be brought against the Company, the Parent, any other Subsidiary Guarantor or any other Person or that resort be had to any direct or indirect security for the Notes, for the Guaranty Agreement or for this Subsidiary Guaranty Agreement or any other remedy. Any Beneficiary may, at its option, proceed

hereunder against any Subsidiary Guarantor in the first instance to collect monies when due, the payment of which is guaranteed hereby, without first proceeding against the Company, the Parent, any other Subsidiary Guarantor or any other Person and without first resorting to any direct or indirect security for the Notes, for the Guaranty Agreement or for this Subsidiary Guaranty Agreement or any other remedy. The liability of each Subsidiary Guarantor hereunder shall in no way be affected or impaired by any acceptance by any Beneficiary of any direct or indirect security for, or other guaranties of, the Guaranteed Obligations or by any failure, delay, neglect or omission by any Beneficiary to realize upon or protect any of the Guaranteed Obligations or any Notes or other instruments evidencing the same or any direct or indirect security therefor or by any approval, consent, waiver, or other action taken or omitted to be taken by any such Beneficiary. Each Subsidiary Guarantor (i) acknowledges that certain obligations of the Company under the Note Agreement will survive the payment or transfer of any Note and the termination of the Note Agreement, (ii) acknowledges that certain obligations of the Parent under the Guaranty Agreement will survive the payment or transfer of any Note and the termination of the Guaranty Agreement, and (iii) agrees that the obligations of each Subsidiary Guarantor hereunder with respect to such surviving obligations shall also survive the payment or transfer of any Note and the termination of the Note Agreement and the Guaranty Agreement.

1.3 General Provisions Relating to the Subsidiary Guaranty Agreement.

(a) Each Subsidiary Guarantor hereby consents and agrees that any Beneficiary, with or without any further notice to or assent from any Subsidiary Guarantor, may, without in any manner affecting the liability of any Subsidiary Guarantor under this Subsidiary Guaranty Agreement, and upon such terms and conditions as any Beneficiary may deem advisable:

(i) extend in whole or in part (by renewal or otherwise), modify, change, compromise, release or extend the duration of the time for the payment or performance of any of the Guaranteed Obligations, or waive any default with respect thereto, or waive, modify, amend or change any provision of the Note Documents, the Guaranty Agreement or any other instrument or agreement entered into in connection therewith or otherwise relating thereto;

(ii) sell, release, surrender, modify, impair, exchange or substitute any and all property, of any nature and from whomsoever received, held by, or for the benefit of, any such Beneficiary as direct or indirect security for the payment or performance of any of the Guaranteed Obligations; or

(iii) settle, adjust or compromise any claim of the Company, the Parent or any other Subsidiary Guarantor against any other Person secondarily or otherwise liable for any of the Guaranteed Obligations.

Each Subsidiary Guarantor hereby ratifies and confirms any such extension, renewal, change, sale, release, waiver, surrender, exchange, modification, amendment, impairment, substitution, settlement, adjustment or compromise and that the same shall be binding upon it, and hereby waives any and all defenses, counterclaims or offsets which it might or could have by reason thereof, it being understood that each Subsidiary Guarantor shall at all times be bound by this Subsidiary Guaranty Agreement and remain liable hereunder.

(b) Each Subsidiary Guarantor hereby waives: (i) notice of acceptance of this Subsidiary Guaranty Agreement by the Beneficiaries or of the creation, renewal or accrual of any liability of the Company, the Parent or any other Subsidiary Guarantor, present or future, or of the reliance of such Beneficiaries upon this Subsidiary Guaranty Agreement (it being understood that all Guaranteed Obligations shall conclusively be presumed to have been created, contracted or incurred in reliance upon the execution of this Subsidiary Guaranty Agreement); (ii) demand of payment by any Beneficiary from the Company, the Parent, any other Subsidiary Guarantor or any other Person indebted in any manner on or for any of the Guaranteed Obligations hereby guaranteed; and (iii) presentment for the payment by any Beneficiary or any other Person of the Notes or any other instrument, protest thereof and notice of its dishonor to any party thereto and to the Subsidiary Guarantors. The obligations of each Subsidiary Guarantor under this Subsidiary Guaranty Agreement and the rights of each Beneficiary to enforce such obligations by any proceedings, whether by action at law, suit in equity or otherwise, shall not be subject to any reduction, limitation, impairment or termination, whether by reason of any claim of any character whatsoever or otherwise and shall not be subject to any defense, setoff, counterclaim, recoupment or termination whatsoever.

(c) The obligations of each Subsidiary Guarantor hereunder shall be binding upon each Subsidiary Guarantor and its successors and assigns, and shall remain in full force and effect irrespective of:

(i) (A) the genuineness, validity, regularity or enforceability of the Note Documents, the Guaranty Agreement, this Subsidiary Guaranty Agreement or any other instrument or agreement entered into in connection therewith or otherwise relating thereto, or any of the terms of any thereof, (B) the continuance of any obligation on the part of the Company, the Parent, any other Subsidiary Guarantor or any other Person on the Notes or under the Note Agreement, the Guaranty Agreement, this Subsidiary Guaranty Agreement or any such other instrument or agreement, (C) the power or authority or the lack of power or authority of (x) the Company to execute and deliver the Note Documents or any such other instrument or agreement, or to perform any of its obligations thereunder , (y) the Parent to execute and deliver the Guaranty Agreement or any such other instrument or agreement, or to perform any of its obligations thereunder, or (z) any other Subsidiary Guarantor to execute and deliver this Subsidiary Guaranty Agreement or any such other instrument or agreement, or to perform any of its obligations thereunder, or (D) the existence or continuance of the Company, the Parent, any other Subsidiary Guarantor or any other Person as a legal entity;

(ii) any default, failure or delay, willful or otherwise, in the performance by the Company, the Parent, any other Subsidiary Guarantor or any other Person of any obligations of any kind or character whatsoever of the Company, the Parent, any other Subsidiary Guarantor or any other Person (including, without limitation, the Guaranteed Obligations);

(iii) any creditors' rights, bankruptcy, receivership or other insolvency proceeding of the Company, the Parent, any other Subsidiary Guarantor or any other Person or in respect of the property of the Company, the Parent, any other Subsidiary Guarantor or any other Person or any merger, consolidation, reorganization, dissolution, liquidation, the sale of all or substantially all of the assets of or winding up of the Company, the Parent, any other Subsidiary Guarantor or any other Person;

(iv) impossibility or illegality of performance on the part of the Company, the Parent, any other Subsidiary Guarantor or any other Person of its obligations under the Note Documents, the Guaranty Agreement, this Subsidiary Guaranty Agreement or any other instrument or agreement entered into in connection therewith or otherwise relating thereto;

(v) in respect of the Company, the Parent, any other Subsidiary Guarantor or any other Person, any change of circumstances, whether or not foreseen or foreseeable, whether or not imputable to the Company, the Parent, any other Subsidiary Guarantor or any other Person, or other impossibility of performance through fire, explosion, accident, labor disturbance, floods, droughts, embargoes, wars (whether or not declared), civil commotion, acts of God or the public enemy, delays or failure of suppliers or carriers, inability to obtain materials, action of any Federal or state regulatory body or agency, change of law or any other causes affecting performance, or any other *force majeure*, whether or not beyond the control of the Company, the Parent, any other Subsidiary Guarantor or any other Person and whether or not of the kind hereinbefore specified;

(vi) any attachment, claim, demand, charge, lien, order, process, encumbrance or any other happening or event or reason, similar or dissimilar to the foregoing, or any withholding or diminution at the source, by reason of any taxes, assessments, expenses, indebtedness, obligations or liabilities of any character, foreseen or unforeseen, and whether or not valid, incurred by or against any Person, or any claims, demands, charges or liens of any nature, foreseen or unforeseen, incurred by any Person, or against any sums payable under this Subsidiary Guaranty Agreement, so that such sums would be rendered inadequate or would be unavailable to make the payments herein provided;

(vii) any order, judgment, decree, ruling or regulation (whether or not valid) of any court of any nation or of any political subdivision thereof or any body, agency, department, official or administrative or regulatory agency of any thereof or any other action, happening, event or reason whatsoever which shall delay, interfere with, hinder or prevent, or in any way adversely affect, the payment or performance by any party of any of the Guaranteed Obligations;

(viii) any failure or lack of diligence in collection or protection, failure in presentment or demand for payment, protest, notice of protest, notice of default and of nonpayment, any failure to give notice to any Subsidiary Guarantor of failure of the Company, the Parent, any other Subsidiary Guarantor or any other Person to keep and perform any of the Guaranteed Obligations, or failure to resort for payment to the Company, the Parent, any other Subsidiary Guarantor or to any other Person or to any other guaranty or to any property, security, Liens or other rights or remedies;

(ix) the acceptance of any additional security or other guaranty, the advance of additional money to the Company, the Parent, any other Subsidiary Guarantor or any other Person, the renewal or extension of the Notes or amendments, modifications, consents or waivers with respect to the Note Documents, the Guaranty Agreement or any other instrument or agreement entered into in connection therewith or otherwise relating thereto, or the sale, release, substitution or exchange of any security for the Notes;

(x) any defense whatsoever that the Company, the Parent, any other Subsidiary Guarantor or any other Person might have to the payment of the Notes (principal, Yield-Maintenance Amount, if any, or interest or any other amounts due thereunder), other than payment in cash thereof, or to the payment, performance or observance of any of the other Guaranteed Obligations, whether through the satisfaction or purported satisfaction by the Company, the Parent, any other Subsidiary Guarantor or any other Person of its debts due to any cause such as bankruptcy, insolvency, receivership, merger, consolidation, reorganization, dissolution, liquidation, winding up or otherwise;

(xi) any act or failure to act with regard to the Note Documents, the Guaranty Agreement, this Subsidiary Guaranty Agreement or any other instrument or agreement entered into in connection therewith or otherwise relating thereto, or anything which might vary the risk of the Subsidiary Guarantors; or

(xii) any other circumstance (other than payment and performance in full of the Guaranteed Obligations (subject to Section 4 below)) which might otherwise constitute a defense available to, or a discharge of, each Subsidiary Guarantor in respect of its obligations under this Subsidiary Guaranty Agreement;

provided, that the specific enumeration of the above-mentioned acts, failures or omissions shall not be deemed to exclude any other acts, failures or omissions, though not specifically mentioned above, it being the purpose and intent of this Subsidiary Guaranty Agreement that the obligations of each Subsidiary Guarantor shall be absolute and unconditional and shall not be discharged, impaired or varied except by the full and prompt payment and performance of all of the Guaranteed Obligations. Without limiting

the foregoing, it is understood that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Company, the Parent or any other Person shall default under the terms of the Note Documents, the Guaranty Agreement or any other instrument or agreement entered into in connection therewith or otherwise relating thereto and that notwithstanding recovery hereunder for or in respect of any given default or defaults by the Company, the Parent or any other Person under the Note Documents, the Guaranty Agreement or any such other instrument or agreement, this Subsidiary Guaranty Agreement shall remain in full force and effect and shall apply to each and every subsequent default.

(d) All rights of any Beneficiary may be transferred or assigned at any time and shall be considered to be transferred or assigned at any time or from time to time upon the transfer of such Note whether with or without the consent of or notice to the Subsidiary Guarantors under this Subsidiary Guaranty Agreement or to the Company or the Parent.

(e) Each Subsidiary Guarantor hereby subordinates to the rights of the Beneficiaries under the Note Documents, the Guaranty Agreement or any other instrument or agreement entered into in connection therewith or otherwise relating thereto, and agrees to defer any assertion, until such time as the Guaranteed Obligations have been indefeasibly paid and performed in full (subject to Section 4 below), of any claim or other rights that it may now or hereafter acquire against the Company, the Parent, any other Subsidiary Guarantor or any other Person that arise from the existence, payment, performance or enforcement of each Subsidiary Guarantor's obligations under this Subsidiary Guaranty Agreement, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution or indemnification and any right to participate in any claim or remedy of any Beneficiary against the Company, the Parent, any other Subsidiary Guarantor or any other Person, whether or not such claim, remedy or right arises in equity or under contract, statute or common law, including, without limitation, the right to take or receive from the Company, the Parent, any other Subsidiary Guarantor or any other Person, directly or indirectly, in cash or other property or by setoff or in any other manner, payment or security on account of such claim, remedy or right. If any amount shall be paid to any Subsidiary Guarantor in violation of the preceding sentence at any time prior to the payment and performance in full of all the Guaranteed Obligations, such amount shall be held in trust for the benefit of the Beneficiaries and shall forthwith be paid to the Beneficiaries to be credited and applied to the Guaranteed Obligations, whether matured or unmatured.

(f) Each Subsidiary Guarantor agrees that to the extent the Company, the Parent, any other Subsidiary Guarantor or any other Person makes any payment on any Note or in respect of any of the other Guaranteed Obligations, which payment or any part thereof is subsequently invalidated, voided, declared to be fraudulent or preferential, set aside, recovered, rescinded or is required to be retained by or repaid to a trustee, receiver, or any other Person under any bankruptcy code, common law, or equitable cause, then and to the extent of such payment, the obligation or the part thereof intended to be satisfied shall be revived and continued in full force and effect with respect to each

Subsidiary Guarantor's obligations hereunder, as if said payment had not been made. The liability of each Subsidiary Guarantor hereunder shall not be reduced or discharged, in whole or in part, by any payment to any Beneficiary from any source that is thereafter paid, returned or refunded in whole or in part by reason of the assertion of a claim of any kind relating thereto, including, but not limited to, any claim for breach of contract, breach of warranty, preference, illegality, invalidity, or fraud asserted by any account debtor or by any other Person.

(g) The Beneficiaries shall have no obligation to (a) marshal any assets in favor of any Subsidiary Guarantor or in payment of any or all of the Guaranteed Obligations or (b) pursue any other remedy that any Subsidiary Guarantor may or may not be able to pursue itself and that may lighten such Subsidiary Guarantor's burden, any right to which each Subsidiary Guarantor hereby expressly waives.

2. DUTY OF SUBSIDIARY GUARANTORS TO STAY INFORMED.

Each of the Subsidiary Guarantors hereby agrees that it has complete and absolute responsibility for keeping itself informed of the business, operations, properties, assets, condition (financial or otherwise) of the Company, the Parent, any other Subsidiary Guarantors, any and all endorsers and any and all guarantors of the Guaranteed Obligations and of all other circumstances bearing upon the risk of nonpayment of the obligations evidenced by the Notes or the Guaranteed Obligations, and each of the Subsidiary Guarantors further agrees that the Beneficiaries shall have no duty, obligation or responsibility to advise it of any such facts or other information, whether now known or hereafter ascertained, and each Subsidiary Guarantor hereby waives any such duty, obligation or responsibility on the part of the Beneficiaries to disclose such facts or other information to any Subsidiary Guarantor.

3. REPRESENTATIONS AND WARRANTIES.

Each Subsidiary Guarantor hereby represents and warrants to each of the Beneficiaries that, as of the date such Person becomes a party hereto:

(a) Such Subsidiary Guarantor, if it is a corporation, limited partnership or limited liability company: (i) is an entity duly organized, validly existing and in good standing under the laws of the state of its formation; (ii) is duly registered or qualified to do business and is in good standing in every jurisdiction where the nature of its business requires it to be so registered or qualified (except where the failure to so register or qualify could not be reasonably likely to have a material adverse effect on such Subsidiary Guarantor's business, property or assets, condition (financial or otherwise), operations or prospects or on such Subsidiary Guarantor's ability to pay or perform the Guaranteed Obligations); (iii) has all requisite organizational power and authority to own its properties and to carry on its business as currently conducted and as proposed to be conducted, and to execute and deliver this Subsidiary Guaranty Agreement and to perform its obligations hereunder; and (iv) is in compliance in all material respects with all applicable laws, rules, regulations and orders;

(b) Such Subsidiary Guarantor, if it is a general partnership: (i) has all requisite partnership power and authority to conduct its business, to own and lease its property or assets, to execute and deliver this Subsidiary Guaranty Agreement and to perform its obligations hereunder; and (ii) is in compliance in all material respects with all applicable laws, rules, regulations and orders;

(c) The execution, delivery and performance by such Subsidiary Guarantor of this Subsidiary Guaranty Agreement (i) have been duly authorized by all necessary corporate, limited liability company or partnership action and (ii) do not contravene such Subsidiary Guarantor's charter documents, bylaws, partnership agreement, operating agreement or any similar agreement;

(d) The execution and delivery of this Subsidiary Guaranty Agreement will not conflict with, or result in a breach of the terms, conditions or provisions of, or constitute a default under, or result in any violation of, or result in the creation of any Lien upon any of the properties or assets of any Subsidiary Guarantor pursuant to the organizational documents of any such Person, any award of any arbitrator or any agreement (including any agreement with equityholders of such Persons), instrument, order, judgment, decree, statute, law, rule or regulation to which such Person is subject;

(e) Neither the nature of any Subsidiary Guarantor nor any of their respective businesses or properties, nor any relationship between any Subsidiary Guarantors or any Subsidiary or Affiliate and any other Person, nor any circumstance in connection with this Subsidiary Guaranty Agreement require any material authorization, consent, approval, exemption or other action by or notice to or filing with any court or administrative or governmental body (other than routine filings with respect to this Subsidiary Guaranty Agreement and any consents which have been obtained) in connection with the execution and delivery of this Subsidiary Guaranty Agreement or the fulfillment of or compliance with the terms and provisions hereof or of any other instrument or agreement relating hereto;

(f) This Subsidiary Guaranty Agreement constitutes a valid and binding obligation of such Subsidiary Guarantor, enforceable against such Subsidiary Guarantor in accordance with its terms, except as the enforceability thereof may be subject to or limited by bankruptcy, insolvency, reorganization, arrangement, moratorium or other similar laws relating to or affecting the rights of creditors generally and general principles of equity, regardless of whether such enforceability is considered in a proceeding at law or in equity;

(g) There is no action, suit, investigation or proceeding pending or, to the knowledge of such Subsidiary Guarantor, threatened which questions the validity or legality of or seeks damages in connection with this Subsidiary Guaranty Agreement, the Note Documents, the Guaranty Agreement or any other instrument or agreement relating hereto or thereto or any action taken or to be taken pursuant to this Subsidiary Guaranty Agreement, the Guaranty Agreement or any of the Note Documents. There is no action, suit, investigation or proceeding pending or, to the knowledge of such Subsidiary Guarantor, threatened against such Subsidiary Guarantor or any of its Subsidiaries or any properties or rights of any of the foregoing, by or before any court, arbitrator or administrative or governmental body which, individually or collectively, could reasonably be expected to have a material adverse effect;

(h) The Guaranteed Obligations are not subject to any offset or defense of any kind against any Beneficiary, the Parent or the Company;

(i) After giving effect to this Subsidiary Guaranty Agreement, such Subsidiary Guarantor will be "**Solvent**," (taking into account any and all rights of contribution) meaning: (a) the fair saleable value of such Subsidiary Guarantor's assets will be in excess of the amount that will be required to be paid on or in respect of its existing debts and other liabilities (including contingent liabilities) as they mature; (b) such Subsidiary Guarantor will not have unreasonably small capital to carry on its business as conducted or as proposed to be conducted; (c) such Subsidiary Guarantor does not intend to or believe that it will incur debts beyond its ability to generally pay such debts as they mature (taking into account the timing and amounts of cash to be received by it and the amounts to be payable on or in respect of its obligations); and (d) such Subsidiary Guarantor does not intend to hinder, delay or defraud either present or future creditors. In addition, such Subsidiary Guarantor will have received fair consideration and reasonably equivalent value in exchange for incurring its Debt under this Subsidiary Guaranty Agreement.

(j) Such Subsidiary Guarantor has made its appraisal of and investigation into the business, prospects, operations, property or assets, condition (financial or otherwise) and creditworthiness of the Company, the Parent and any other Subsidiary Guarantors and has made its decision to enter into this Subsidiary Guaranty Agreement independently based on such documents and information as it has deemed appropriate and without reliance upon any of the Beneficiaries or any of their partners, directors, trustees, members, officers, agents, designees or employees, and such Subsidiary Guarantor has established adequate means of obtaining from the Company, the Parent and any other Subsidiary Guarantors, on a continuing basis, financial or other information pertaining to the business, prospects, operations, property, assets, condition (financial or otherwise) of the Company, the Parent and any other Subsidiary Guarantors; and

(k) Neither such Subsidiary Guarantor nor its properties or assets have any immunity from jurisdiction of any court or from any legal process (whether through service of process or notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) under applicable law.

4. TERMINATION; REINSTATEMENT.

This Subsidiary Guaranty Agreement shall remain in full force and effect until all Guaranteed Obligations shall have been satisfied by payment in full in cash, upon the occurrence of which this Subsidiary Guaranty Agreement shall, subject to the immediately succeeding sentence, terminate. This Subsidiary Guaranty Agreement shall continue to be effective, or be reinstated, as the case may be, if at any time the payment, or any part thereof, of any of the Guaranteed Obligations is rescinded or otherwise must be restored or returned by any

Beneficiary in connection with the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company, the Parent or any other Subsidiary Guarantor or in connection with the application of applicable fraudulent conveyance or fraudulent transfer law, all as though such payments had not been made.

5. PAYMENTS.

Each Subsidiary Guarantor hereby agrees that, upon the occurrence and during the continuance of any Event of Default, upon demand the Guaranteed Obligations will be paid to each of the Beneficiaries without setoff or counterclaim in U.S. dollars in immediately available funds at the location specified by such Beneficiary pursuant to the Note Agreement.

6. SEVERABILITY.

Whenever possible, each provision of this Subsidiary Guaranty Agreement shall be interpreted in such manner as to be effective and valid under all applicable laws and regulations. If, however, any provision of this Subsidiary Guaranty Agreement shall be prohibited by or invalid under any such law or regulation, it shall be deemed modified to conform to the minimum requirements of such law or regulation, or, if for any reason it is not deemed so modified, it shall be ineffective and invalid only to the extent of such prohibition or invalidity without the remainder thereof or any of the remaining provisions of this Subsidiary Guaranty Agreement being prohibited or invalid.

7. HEADINGS.

Section headings in this Subsidiary Guaranty Agreement are included herein for convenience of reference only and shall not constitute a part of this Subsidiary Guaranty Agreement for any other purpose or be given any substantive effect.

8. APPLICABLE LAW.

THIS SUBSIDIARY GUARANTY AGREEMENT SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE INTERNAL LAWS OF THE STATE OF NEW YORK, EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.

9. ENTIRE AGREEMENT.

This Subsidiary Guaranty Agreement constitutes the entire agreement among the parties hereto relating to the subject matter hereof and supersedes any and all prior or contemporaneous commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the Subsidiary Guarantors, on the one hand, and the Beneficiaries, on the other hand. There are no oral agreements between the Subsidiary Guarantors, on the one hand, and the Beneficiaries, on the other hand.

10. CONSTRUCTION.

Each of the Subsidiary Guarantors and the Beneficiaries acknowledges that it has had the benefit of legal counsel of its own choice and has been afforded an opportunity to review this Subsidiary Guaranty Agreement with such legal counsel.

11. ADDITIONAL SUBSIDIARY GUARANTORS.

The Initial Subsidiary Guarantors hereunder shall be (i) Fairgrove, LLC; (ii) Flagstaff Publishing Co.; (iii) Hanford Sentinel, Inc.; (iv) Homechoice, LLC; (v) HSTAR LLC; (vi) Kauai Publishing Co.; (vii) Napa Valley Publishing Co.; (viii) NIPC, Inc.; (ix) NLPC LLC; (x) Northern Lakes Publishing Co.; (xi) NVPC LLC; (xii) Pantagraph Publishing Co.; (xiii) Pulitzer Missouri Newspapers, Inc.; (xiv) Pulitzer Network Systems LLC; (xv) Pulitzer Newspapers, Inc.; (xvi) Pulitzer Technologies Inc.; (xvii) Pulitzer Utah Newspapers, Inc.; (xviii) Santa Maria Times, Inc.; (xix) SHTP LLC; (xx) SOPC LLC; (xxi) Southwestern Oregon Publishing Co.; (xxii) STL Distribution Services LLC; (xxiii) Suburban Journals of Greater St. Louis LLC; and (xxiv) Ynez Corporation. From time to time subsequent to the date hereof, additional Subsidiaries and/or Affiliates of the Company may become parties hereto, as additional Subsidiary Guarantors (each, an "**Additional Subsidiary Guarantor**"), by executing a Joinder Agreement substantially in the form of ***Exhibit A*** attached hereto (each, a "**Joinder Agreement**"). Upon the delivery of a Joinder Agreement to the Beneficiaries, such Additional Subsidiary Guarantor shall be a Subsidiary Guarantor and shall be as fully a party hereto as if such Additional Subsidiary Guarantor were an original signatory hereof.

12. COUNTERPARTS; EFFECTIVENESS.

This Subsidiary Guaranty Agreement and any amendments, waivers, consents, or supplements hereto may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which counterparts together shall constitute but one and the same instrument.

This Subsidiary Guaranty Agreement shall become effective as to each Subsidiary Guarantor upon the execution and delivery of a counterpart hereof by such Subsidiary Guarantor (whether or not a counterpart hereof shall have been executed by any other Person) and receipt of written or telephonic notification of such execution and authorization of delivery thereof.

Delivery of an executed counterpart hereof by any Subsidiary Guarantor by facsimile or electronic pdf shall be as effective as delivery of a manually executed counterpart hereof and shall be considered a representation that an original executed counterpart hereof will be delivered.

13. WAIVERS AND AMENDMENTS; SUCCESSORS AND ASSIGNS.

No amendment or waiver of any term or provision of this Subsidiary Guaranty Agreement or consent to any departure by any Subsidiary Guarantor therefrom shall in any event be effective unless the same is in writing and signed by the Required Holders; provided, however, that no such amendment reducing any payment obligations under this Subsidiary

Guaranty Agreement shall be effective unless signed by each Beneficiary. This Subsidiary Guaranty Agreement is a joint and several continuing guaranty and shall be binding upon each Subsidiary Guarantor and its successors and assigns; *provided, however,* that no Subsidiary Guarantor shall assign this Subsidiary Guaranty Agreement or any of the rights or obligations of such Subsidiary Guarantor hereunder without the prior written consent of the Required Holders. This Subsidiary Guaranty Agreement shall inure to the benefit of each of the Beneficiaries and its successors, assigns and transferees.

14. ADDRESS FOR NOTICES.

All notices and communications provided for hereunder shall be in writing and sent by first class mail or nationwide overnight delivery service (with charges prepaid) and (i) if to any Purchaser or its nominee, addressed as specified for such communications in the Purchaser Schedule attached to the Note Agreement, or at such other address as such Purchaser or its nominee shall have specified to the Company, on behalf of each of the Subsidiary Guarantors, in writing, (ii) if to any other Beneficiary, addressed to such Person at such address as it shall have specified in writing to the Company or, if any such Person shall not have so specified an address, then addressed to such Person in care of the last holder of Notes held by such Person which shall have so specified an address to the Company, and (iii) if to any Subsidiary Guarantor, addressed to such Subsidiary Guarantor care of the Parent at the Parent's address set forth in the Guaranty Agreement, or at such other address as such Subsidiary Guarantor shall have specified to each of the Beneficiaries in writing.

15. FAILURE OR INDULGENCE NOT WAIVER; REMEDIES CUMULATIVE.

No failure or delay on the part of any Beneficiary in the exercise of any power, right or privilege hereunder shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other right, power or privilege. All rights and remedies existing under this Subsidiary Guaranty Agreement are cumulative to, and not exclusive of, any rights or remedies otherwise available.

16. PERSONAL JURISDICTION.

Each Subsidiary Guarantor irrevocably agrees that any legal action or proceeding with respect to this Subsidiary Guaranty Agreement, the Guaranty Agreement, the Note Documents or any of the agreements, documents or instruments delivered in connection herewith or therewith shall be brought in the courts of the State of New York or the United States of America for the Southern District of New York as the Required Holders may elect, and, by execution and delivery hereof, each Subsidiary Guarantor accepts and consents to, for itself and in respect of its property, generally and unconditionally, the jurisdiction of the aforesaid courts and agrees that such jurisdiction shall be exclusive, unless waived by the Required Holders in writing, with respect to any action or proceeding brought by such Subsidiary Guarantor against any Beneficiary. Each Subsidiary Guarantor hereby waives, to the full extent permitted by law, any right to stay or to dismiss any action or proceeding brought before said courts on the basis of *forum non conveniens*.

17. WAIVER OF JURY TRIAL.

THE PARTIES HERETO AGREE TO WAIVE THEIR RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS SUBSIDIARY GUARANTY AGREEMENT, THE GUARANTY AGREEMENT, THE NOTE DOCUMENTS, OR ANY OTHER AGREEMENT OR INSTRUMENT RELATED HERETO OR THERETO, OR ANY DEALINGS BETWEEN OR AMONG THEM RELATING TO THE SUBJECT MATTER OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY AND THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH OF THE PARTIES HERETO ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO THIS BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THE WAIVER IN ENTERING INTO THIS SUBSIDIARY GUARANTY AGREEMENT AND THE NOTE DOCUMENTS, AND THAT EACH WILL CONTINUE TO RELY ON THE WAIVER IN THEIR RELATED FUTURE DEALINGS. EACH OF THE PARTIES HERETO FURTHER WARRANTS AND REPRESENTS THAT EACH HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT EACH KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. IN THE EVENT OF LITIGATION, THIS SUBSIDIARY GUARANTY AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

IN WITNESS WHEREOF, each of the undersigned has caused this Subsidiary Guaranty Agreement to be duly executed as of the date first above written.

SUBSIDIARY GUARANTORS:

FAIRGROVE LLC
FLAGSTAFF PUBLISHING CO.
HANFORD SENTINEL INC.
HOMECHOICE, LLC
HSTAR LLC
KAUAI PUBLISHING CO.
NAPA VALLEY PUBLISHING CO
NIPC, INC.
NLPC LLC
NORTHERN LAKES PUBLISHING CO.
NVPC LLC
PANTAGRAPH PUBLISHING CO.
PULITZER MISSOURI NEWSPAPERS, INC.
PULITZER NETWORK SYSTEMS LLC
PULITZER NEWSPAPERS, INC.
PULITZER TECHNOLOGIES, INC.
PULITZER UTAH NEWSPAPERS, INC.
SANTA MARIA TIMES, INC.
SHTP LLC
SOPC LLC
SOUTHWESTERN OREGON PUBLISHING CO.
STL DISTRIBUTION SERVICES LLC
SUBURBAN JOURNALS OF GREATER ST. LOUIS LLC
YNEZ CORPORATION

By: /s/ C. D. Waterman III
Name: C.D. Waterman III
Title: Secretary

Exhibit 10.10 - Set-Off Agreement

Set-Off Agreement

This Set-Off Agreement (this "**Agreement**") is entered into as of February 18, 2009 by and among Lee Enterprises, Incorporated, a Delaware corporation ("**Lee**"), Lee Procurement Solutions Co., an Iowa corporation ("**Procurement**") and Pulitzer Inc., a Delaware corporation ("**Pulitzer**"). Capitalized terms used and not defined herein have the respective meanings ascribed thereto in the Note Agreement (as amended and in effect on the date hereof, the "**Note Agreement**"), dated as of May 1, 2000, among St. Louis Post-Dispatch LLC, a Delaware limited liability company ("**PD**") and the purchasers of the 8.05% Senior Notes due April 28, 2009 (the "**Notes**").

Recitals

A. Lee owns, indirectly, 100% of the Equity Interests of Pulitzer and Pulitzer owns 100% of the Equity Interests of PD ("**PD**").

B. Pulitzer and PD provide a substantial portion of the cash flow of Lee and its subsidiaries and it is essential for the continued operation of Lee and its subsidiaries that Pulitzer and PD remain as going concerns.

C. As stated above, PD is a party to a Note Agreement and the issuer of the Notes, and Pulitzer is a guarantor of all amounts owing by PD under the Note Agreement and the Notes.

D. Events of Default currently exist under the Note Agreement and the holders of the Notes (the "**Noteholders**") have the right to accelerate all amounts owing under the Note Agreement and the Notes; it is expected that such acceleration would prevent Pulitzer and PD from continuing as going concerns.

E. The Noteholders are prepared to waive such Events of Default in connection with an amendment of the Note Agreement and the execution of the Transaction Documents, and satisfaction of certain other conditions, one of which is that the execution and delivery of this Agreement by all of the parties hereto.

F. For administrative convenience, Lee has operated a centralized cash management and payables system in connection with which its subsidiaries make advances to Lee or Procurement and a portion of such advances has been used by Lee or Procurement to pay for goods and services furnished by Lee or Procurement to Pulitzer and its subsidiaries (such as income and other taxes), or to reimburse Lee and Procurement for payments to third parties made by either of them for goods and services provided to Pulitzer and its subsidiaries (such as payroll and corporate overhead). Any portion not so used has been retained by Lee.

G. In connection with such centralized cash management and payables system, Pulitzer has an advance, as of February 1, 2009, of $681,398,000 to Lee (the "**Lee Payable**"), which advance remains outstanding as of the date hereof, and Procurement has an outstanding receivable due from Pulitzer, as of such date, of $438,196,000 (the "**Procurement Receivable**"), for goods and services provided to Pulitzer and its subsidiaries which have been paid for by Procurement.

H. In view of the facts that the centralized cash management and payables system has been operated for administrative convenience and it has been the intent of Lee, Procurement and Pulitzer that the Lee Payable and the Procurement Receivable constitute one claim by either or both Lee and Procurement against, or one amount owing by either or both of them to, Pulitzer, as the case may be, the parties hereto deem it appropriate to provide for the setting off of the Lee Payable against the Procurement Receivable.

Agreement

NOW, THEREFORE, for good and sufficient consideration, the parties hereto hereby agree as follows:

1. Effective as of the date of this Agreement, the parties hereto agree that the Lee Payable and the Procurement Receivable are hereby set off. As a result thereof, the entire Procurement Receivable is hereby satisfied in all respects and extinguished, and the Lee Payable is hereby satisfied and extinguished to the extent of an amount equal to the Procurement Receivable, resulting in a net payable by Lee owing to Pulitzer of $243,202,000 (as increased by capitalized interest as provided in Section 2 hereof, the "**Net Lee Payable**").

2. The Net Lee Payable shall be subordinated to all Debt owing by Lee under the Credit Agreement, as provided in the Intercompany Subordination Agreement (as defined in the Credit Agreement), as amended, to which Pulitzer, by Joinder executed and delivered pursuant to the Credit Agreement, is a party. The Net Lee Payable shall bear interest at the rate of LIBOR (as defined in the Note Agreement) plus 75 bps, which interest shall not be payable in cash prior to final payment at maturity and shall instead be capitalized on the last day of each fiscal quarter of Pulitzer, thus becoming part of the Net Lee Payable and bearing interest from the date of such capitalization at the rate set forth above. Prepayment and repayment of the Net Lee Payable is restricted by clause (y) of the last sentence of Section 10.10 of the Credit Agreement (as in effect on the date hereof).

3. No amendment to or waiver of any provision of this Agreement nor consent to any departure by any party from any provision in this Agreement shall in any event be effective unless the same shall have been agreed to in writing by the all of the parties hereto.

4. This Agreement shall be construed and enforced in accordance with the rights of the parties and the rights of the parties shall be governed by, the State of New York, excluding choice of law principals of the law that would require the application of the laws of a jurisdiction other than the laws of the State of New York.

5. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures (or other electronically delivered signature pages) to this Agreement or any other document required to be delivered at Closing pursuant to this Agreement shall be binding on the parties.

6. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or, invalidity, without invalidating the reminder of such provision or the remaining provisions of this Agreement.

7. This Agreement shall inure to the benefit and shall be binding upon all the parties, their legal representatives, successors, heirs and assigns.

8. This Agreement sets forth the entire agreement of the parties and shall not be amended, modified, or otherwise changed except in a writing signed by both parties and incorporating this Agreement by reference.

[The remainder of this page is intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the undersigned have caused this Set-Off Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

LEE ENTERPRISES, INCORPORATED

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Vice President, Chief Financial Officer and Treasurer

LEE PROCUREMENT SOLUTIONS CO.

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

PULITZER INC.

By: /s/ C. D. Waterman III
Name: C. D. Waterman III
Title: Secretary

Exhibit 10.11 - Limited Waiver and Amendment No. 5 to Guaranty Agreement

EXECUTION COPY

LIMITED WAIVER AND AMENDMENT NO. 5 TO GUARANTY AGREEMENT

THIS LIMITED WAIVER AND AMENDMENT NO. 5 TO GUARANTY AGREEMENT, dated as of February 18, 2009 (this "**Amendment**"), is entered into by PULITZER INC., a Delaware corporation (the "**Guarantor**"), in favor of the holders from time to time of the Notes issued under the below-described Note Agreement.

Recitals

A. St. Louis Post-Dispatch LLC, a Delaware limited liability company (the "**Company**"), entered into that certain Note Agreement dated as of May 1, 2000 (as in effect on the date hereof and as the same may be amended, restated, supplemented or otherwise modified from time to time, the "**Note Agreement**") with the several Purchasers listed in the Purchaser Schedule attached thereto, pursuant to which the Company issued and sold to such Purchasers $306,000,000 aggregate principal amount of the Company's 8.05% Senior Notes due April 28, 2009 (together with any other notes issued in substitution or exchange therefor pursuant to the terms of the Note Agreement, the "**Notes**").

B. In connection with the Note Agreement, the Guarantor executed and delivered that certain Guaranty Agreement dated as of May 1, 2000, as amended by Amendment No. 1 to Guaranty Agreement dated as of August 7, 2000, Amendment No. 2 to Guaranty Agreement dated as of November 23, 2004, Amendment No. 3 to Guaranty Agreement dated as of June 2005, and Amendment No. 4 to Guaranty Agreement dated as of February 1, 2006 (as so amended and prior to giving effect to this Amendment, the "**Existing Guaranty**" and, as amended by this Amendment and as the same may be further amended, restated, supplemented or otherwise modified from time to time, the "**Guaranty**").

C. As of the date first above written, the undersigned holders of Notes together hold 100% of the aggregate outstanding principal amount of the Notes.

D. The Guarantor has informed the holders of Notes that certain Events of Default exist or may exist under the Existing Guaranty as a result of (i) the Guarantor failing to deliver audited financial statements and compliance certificates for the Guarantor's fiscal year ended September 28, 2008, (ii) the inclusion of certain limiting conditions in the audited reports of the Guarantor for the fiscal year ended September 28, 2008, (iii) the Guarantor's failure to comply with the covenant in Section 5.1(i) of the Existing Guaranty for the fiscal quarter ended December 28, 2008, (iv) the Guarantor's failure to comply with the covenant in Section 5.2(ii) of the Existing Guaranty for the fiscal quarters ended September 28, 2008 and December 28, 2008 and (v) the asserted violation of the requirements of paragraph 6C(7) of the Note Agreement and Sections 5.2, 5.4 and 5.8 of the Guaranty Agreement (collectively, the "**Existing Defaults**").

E. The Guarantor has requested that the holders of Notes waive the Existing Defaults and amend the Existing Guaranty in certain respects, as set forth in this Amendment, and the undersigned holders of Notes, subject to the terms and conditions set forth herein, are willing to agree to such waivers and amendments.

NOW, THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Definitions. Capitalized terms used and not otherwise defined herein shall have the respective meanings ascribed to them in the Guaranty.

2. Amendments to Section 1 (Definitions and Accounting Terms). Section 1.01 of the Existing Guaranty is amended by deleting the definitions of "Consolidated Interest Expense", "Consolidated Net Earnings", "Debt", and "EBITDA" and adding the following new or replacement definitions in the appropriate alphabetical position therein:

"Asset Sale" shall mean any sale, transfer or other disposition of any assets of the Guarantor or any of its Subsidiaries other than (i) the sale of inventory sold in the ordinary course of business, (ii) grants of licenses, sublicenses, leases or subleases to other Persons not materially interfering with the conduct of the business of the Guarantor or its Subsidiaries and so long as any such grant does not prevent foreclosure on the affected asset if it is subject to any of the Liens created by the Collateral Documents and may be revoked upon such foreclosure, (iii) any such transaction between the Guarantor and any one of its Subsidiaries or between Subsidiaries of the Guarantor, (iv) any transaction permitted by paragraph 6C(6) of the Note Agreement to the extent such transaction involves only the Guarantor and its Subsidiaries, and (v) the sale or other disposition of cash and Cash Equivalents in the ordinary course of business, in each case for cash at fair market value.

"Asset Sale Proceeds" shall mean, with respect to any Asset Sale, the amount of cash proceeds received (directly or indirectly, including, subject to the proviso hereto, insurance and condemnation proceeds) by or on behalf of the Guarantor or any Subsidiary in connection therewith (including, without limitation, cash payments in respect of non-cash consideration to the extent permitted by paragraph 6C(3)(iv) of the Note Agreement and Section 5.5, as and when such cash payments are received), after deducting therefrom only (i) the amount of any Debt secured by any Lien permitted by paragraph 6C(1) of the Note Agreement (other than (A) the Notes and (B) Debt assumed by the purchaser of such asset) which is required to be, and is, repaid in connection with such Asset Sale and (ii) all direct costs and reasonable fees, commissions, expenses and taxes related thereto to the extent paid or payable to a Person that is not an Affiliate or a Subsidiary, provided that Asset Sale Proceeds shall not include, so long as no Event of Default has occurred and is continuing, (1) the proceeds of the any Asset Sale effected pursuant to paragraph 6C(4)(i) of the Note Agreement to the extent such proceeds are applied to replace the assets subject to such Asset Sale with assets of like kind and purposes or (2) insurance and condemnation proceeds from any single occurrence of less than $10,000,000 to the extent such proceeds are applied to repair or replace the assets subject to the casualty or condemnation giving rise to the payment of such proceeds.

"Consolidated EBITDA" shall mean, for any period, Consolidated Net Income for such period *minus* cash interest income for such period *plus* all amounts deducted in the computation thereof on account of (without duplication) (a) Consolidated Interest Expense, (b) depreciation and amortization expense, (c) income and profits taxes, (d) Intercompany Charges to Pulitzer in a gross amount limited to $20,000,000 in any fiscal

year and (e) the amount of Restructuring Charges properly allocable to such period in accordance with GAAP, provided that no more than $4,370,000 in the aggregate may be added back pursuant to this clause (e) (unless the fee payable to the holders of the Notes pursuant to Section 21(i) of Amendment No. 5 is not included in Consolidated Interest Expense, in which event such amount shall be $5,300,000).

"Consolidated Interest Expense" shall mean, for any period, for the Guarantor and its Subsidiaries for such period determined on a consolidated basis in accordance with GAAP, the sum of all amounts which would be deducted in computing Consolidated Net Income on account of interest on Debt (including (whether or not so deducted) (i) imputed interest in respect of Capitalized Lease Obligations, (ii) the "deemed interest expense" (i.e., the interest expense which would have been applicable if the respective obligations were structured as on-balance sheet financing arrangements) with respect to all Debt of the Guarantor and its Subsidiaries of the type described in clause (x) of the definition of "Debt" in the Note Agreement (to the extent same does not arise from a financing arrangement constituting an operating lease), (iii) amortization of debt discount and expense and (iv) all commissions, discounts and other regularly accruing commitment, letter of credit and other banking fees and charges.

"Consolidated Net Worth" shall mean, at any time, the total amount of total assets of the Guarantor and its Subsidiaries over total liabilities of the Guarantor and its Subsidiaries as of the last day of the fiscal quarter most recently then ended, determined on a consolidated basis in accordance with GAAP provided, however, that any after-tax impairment charges that would be required by GAAP to be reflected on the Guarantor's financial statements in respect of any period from and after the end of the Guarantor's fiscal year ended September 28, 2008 shall not be taken into account in determining Consolidated Net Worth.

"Distribution" shall mean, in respect of any corporation, association or other business entity:

(a) dividends or other distributions or payments on capital stock or other equity interest of such corporation, association or other business entity (except distributions in such stock or other equity interest); and

(b) the redemption or acquisition of such stock or other equity interests or of warrants, rights or other options to purchase such stock or other equity interests (except when solely in exchange for such stock or other equity interests) unless made, contemporaneously, from the net proceeds of a sale of such stock or other equity interests.

"Fair Market Value" shall mean, at any time and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

"Intercompany Charges" shall mean charges to the Guarantor or its Subsidiaries for (i) fees for the procurement by any Lee Company of goods and services from third parties for the benefit of the Guarantor or any of its Subsidiaries (but, for the avoidance of doubt, excluding reimbursements to any Lee Company for the actual cost of such goods and services except for those items identified in clause (iv) of this definition), (ii) the corporate overhead of the Lee Companies (including, without limitation, administration, financial services, legal, human resources, building services, editorial support, and Lee Lodge facilities), (iii) Lee Company management, corporate sales and marketing, and information technology costs, and (iv) (a) online fees, (b) allocated audit and consulting charges, (c) compensation of publishers, and (d) compensation of outside directors, in the case of the foregoing subclauses (a) to (d), inclusive, to the extent actually paid by any Lee Company; the charges referred to in the foregoing clauses (i) to (iv), inclusive, shall be allocated to the Guarantor and its Subsidiaries in a manner consistent with past practices.

"Lee Company" shall mean any Person (other than the Guarantor or any of its Subsidiaries) a majority of the outstanding equity interests of which are owned directly or indirectly by Lee.

"Lee Payable" shall mean, at any time, the aggregate amount owing to the Guarantor by Lee after giving effect to the set-off referred to in Section 21(d) of Amendment No. 5.

"Lee Procurement" shall mean Lee Procurement Solutions Co.

"LIBOR" means the rate per annum (rounded upwards, if necessary, to the next higher one hundred-thousandth of a percentage point) for deposits in US Dollars for a 90-day period which appears on the Telerate page 3750 (or if such page is not available, the Reuters Screen LIBO page) as of 11:00 a.m. (London, England time) on the date two (2) Business Days before the commencement of the applicable interest period. "Reuters Screen LIBO Page" means the display designated as the "LIBO" page on the Reuters Monitory Money Rates Service (or such other page as may replace the LIBO page on the service or such other service as may be nominated by the British Bankers' Association as the information vendor for the purpose of displaying British Banker's Association Interest Settlement Rates for Dollar deposits).

"Priority Debt" shall mean, with respect to the Guarantor and its Subsidiaries on any date of determination, the aggregate amount of all Debt of the Guarantor secured by a Lien plus all secured and unsecured Debt of all Subsidiaries (excluding Debt represented by the Notes and the Subsidiary Guaranty Agreement).

"Restricted Payment" shall mean

(a) any Distribution in respect of the Guarantor or any Subsidiary of the Guarantor (other than (i) on account of capital stock or other equity interests of a Subsidiary of the Guarantor owned legally and beneficially by the Guarantor

or another Subsidiary of the Guarantor or (ii) a Distribution payable in stock or other equity interests of the Guarantor), including, without limitation, any Distribution resulting in the acquisition by the Guarantor of securities which would constitute treasury stock, and

(b) any payment, repayment, redemption, retirement, repurchase or other acquisition, direct or indirect, by the Guarantor or any Subsidiary of, on account of, or in respect of, the principal of any Subordinated Debt (or any installment thereof) prior to the regularly scheduled maturity date thereof (as in effect on the date such Subordinated Debt was originally incurred).

For purposes of this Agreement, the amount of any Restricted Payment made in property shall be the greater of (x) the Fair Market Value of such property (as determined in good faith by the board of directors (or equivalent governing body) of the Person making such Restricted Payment) and (y) the net book value thereof on the books of such Person, in each case determined as of the date on which such Restricted Payment is made.

"Restructuring Charges" means the sum of (i) the fee of $930,000 payable to the holders of the Notes pursuant to Section 21(i) of Amendment No. 5 plus (ii) the fees and disbursements of Chapman and Cutler LLP, Baker Botts LLP, Bingham McCutchen LLP, Bryan Cave LLP, Sidley Austin LLP, Lane & Waterman LLP, Conway, Del Genio, Gries & Co., LLP, Lazard Frères & Co. LLC, and the Company's advisors, Scotia and Citibank, and Herald's advisors, Sabin, Bermant & Gould LLP, Lowenstein Sandler LC, Gordian Group, LLC, and Paul Scherer & Company LLP incurred by (or allocated to, as the case may be) the Guarantor in connection with the restructuring of the indebtedness represented by the Notes, as contemplated by Amendment No. 5.

"Subordinated Debt" shall mean any Debt that is in any manner subordinated in right of payment or security in any respect to Debt evidenced by the Notes.

3. Amendments to Section 4 (Affirmative Covenants).

(a) Section 4.1(ii) of the Existing Guaranty is hereby amended by adding "which audit reports shall not include any scope limitation or any going concern or other material qualification (except that such opinion for the Guarantor's fiscal year ending in September 2011 may include a going concern limitation related only to the refinancing of the Notes and the Debt outstanding under the Credit Agreement)" after "Required Holder(s)" and before "and" in the penultimate line thereof.

(b) Section 4.1 of the Existing Guaranty is hereby amended by (i) deleting "and" at the end of clause (iv), (ii) renaming clause (v) as clause (vii), and (iii) adding the following new clauses (v) and (vi) immediately following clause (iv):

"(v) within 30 days after the end of each fiscal month of Lee, the consolidated balance sheet of Lee and its Subsidiaries as at the end of such fiscal month and the related consolidated statements of income for such fiscal month and for the elapsed portion of the fiscal year ended with the last day of such fiscal month, in each case setting forth comparative figures for the corresponding fiscal month in the prior fiscal year;

(vi) no later than the first Business Day of each week (beginning on March 2, 2009), a forecast for the succeeding 13-week period of the projected consolidated cash flows of Lee and its Subsidiaries, taken as a whole, together with a variance report of actual cash flow for the immediately preceding period for which a forecast was delivered against the then current forecast for such preceding period provided that such reports shall be required to be delivered pursuant to this clause (vi) only so long as they shall be required to be delivered pursuant to the Credit Agreement; and".

(c) A new Section 4.9 is hereby added to the Existing Guaranty to read in its entirety as follows:

4.9 Funding of Certain Accounts.

(i) On the 45th day after the last day of each fiscal quarter of the Guarantor (commencing with the fiscal quarter ending closest to March 31, 2009 through and including the last day of the fiscal quarter ending closest to December 31, 2011), the Guarantor will deposit into the Excess Cash Flow Reserve Account 20% of Excess Cash Flow for each such fiscal quarter of the Guarantor.

(ii) On the 45th day after the last day of each fiscal quarter of the Guarantor (commencing with the fiscal quarter ending closest to March 31, 2009 through and including the last day of the fiscal quarter ending closest to December 31, 2011), the Guarantor will deposit into the Restricted Cash Reserve Account cash in an amount equal to the lesser of (a)(1) prior to October 28, 2010, the result of $9,000,000 minus the amount on deposit in the Restricted Cash Reserve Account immediately prior to such deposit and (2) on or subsequent to October 28, 2010, the result of $4,500,000 minus the amount on deposit in the Restricted Cash Reserve Account immediately prior to such deposit or (b) 100% of Excess Cash Flow (without giving effect to clause (b)(iv) of the definition of such term) for the fiscal quarter ending closest to the immediately preceding March 31, June 30, September 30 or December 31, as the case may be. If the lesser of the foregoing clause (a) or clause (b) is zero, or less than zero, the Guarantor will not make any deposit into the Restricted Cash Reserve Account.

(iii) The Guarantor shall cause all Asset Sale Proceeds arising from Asset Sales by the Guarantor or any of its Subsidiaries (other than Star Publishing Company and TNI Partners) to be deposited into the Asset Sale Proceeds Reserve Account immediately upon receipt thereof.

(d) A new Section 4.10 is hereby added to the Existing Guaranty to read in its entirety as follows:

4.10 Execution and Delivery of Subsidiary Guaranty and Other Collateral Documents. Within ten (10) Business Days after any Credit Party's acquisition or formation of a Person that becomes a Subsidiary:

(i) the Guarantor will cause such Subsidiary to execute and deliver to each holder of Notes (a) the Subsidiary Guaranty Agreement, or a joinder thereto, (b) an appropriate joinder to the Security Agreement and (c) such other documents necessary to grant a first priority Lien in such Subsidiary's assets;

(ii) the Guarantor (if such Subsidiary is a direct subsidiary of the Guarantor) will pledge or will cause the direct parent of such Subsidiary (if such Subsidiary is not a direct subsidiary of the Guarantor) to pledge the equity interests of such Subsidiary pursuant to a pledge agreement substantially similar in form to the Pledge Agreement; and

(iii) the Guarantor will deliver (or cause to be delivered) such certificates accompanying authorizing resolutions and corporate or similar constitutive documents and other agreements, instruments, opinions and other documents as the Required Holders may reasonably request, each of the foregoing to be in form and substance reasonably satisfactory to the Required Holders.

In addition to the foregoing, the Guarantor will, and will cause each Subsidiary to, within thirty (30) days after such Person shall have obtained title (whether in fee or, if requested by the Required Holders with respect to any leasehold interest of the Guarantor or any Subsidiary, a leasehold interest) to any real property with a fair market value of more than $3,000,000, take such action as shall be reasonably necessary to grant a first priority Lien in favor of the Collateral Agent to secure the Notes with such Person's interest in such real property and to obtain title insurance in an amount reasonably required by the Required Holders. Such Lien shall be documented and recorded to the reasonable satisfaction of the Required Holders.

4. Amendments to Section 5 (Negative Covenants). Section 5 of the Existing Guaranty is hereby amended and restated in its entirety to read as follows:

5.1. Consolidated Debt to EBITDA, Consolidated Net Worth Requirements and EBITDA to Consolidated Interest Expense. The Guarantor will not permit:

(i) the ratio of (a) Consolidated Debt as of the last day of each fiscal quarter to (b) Consolidated EBITDA for the four consecutive fiscal quarters ended as of such last day to be greater than (x) for each fiscal quarter ended prior to the fiscal quarter ending closest to December 31, 2008, 4.25 to 1.00, and (y) for each fiscal quarter ending after December 31, 2018, the ratio set forth in the table below opposite the applicable fiscal quarter:

Fiscal Quarter Ending in	Ratio
March, 2009 and June, 2009	4.25 to 1.00
September, 2009, December, 2009, March, 2010, June, 2010	4.00 to 1.00
September, 2010 and December, 2010	3.50 to 1.00
March, 2011	3.25 to 1.00
June, 2011, September, 2011, December, 2011 and March, 2012	3.00 to 1.00

(ii) Consolidated Net Worth as of the last day of any fiscal quarter (a) ended prior to or on September 28, 2008 to be less than the sum of (I) $650,000,000 plus (II) the product of (A) $3,750,000 multiplied by (B) the number of fiscal quarters that have ended since the Date of Closing, to and including the fiscal quarter ended on such measurement date and (b) ended on or after March 28, 2009, to be less than $600,000,000; and

(iii) the ratio of (a) Consolidated EBITDA for any period of four consecutive fiscal quarters to (b) Consolidated Interest Expense for such period to be less than the ratio set forth in the table below opposite such four quarter period:

Period of Four Consecutive Fiscal Quarters Ending in	Ratio
March, 2009 and June 2009	1.90 to 1.00
September, 2009	2.20 to 1.00
December, 2009	2.25 to 1.00
March, 2010	2.50 to 1.00
June, 2010	2.60 to 1.00
September, 2010	2.70 to 1.00
December, 2010	2.80 to 1.00
March, 2011, June, 2011, September, 2011, December, 2011, and March, 2012	3.00 to 1.00

Solely for purposes of determining the Guarantor's compliance with Sections 5.1(i) and 5.1(iii) in respect of any period, the Guarantor shall have the right to elect, by written notice to the holders of the Notes within 45 days after the end of any fiscal quarter of the Guarantor, to have Consolidated EBITDA for such fiscal quarter deemed to include up to the lesser of (x) the amount on deposit in the Restricted Cash Reserve Account on the last day of such fiscal quarter or (y) the result (but not less than zero) of (1) in respect of any fiscal quarter ending on or prior to October 28, 2010, (A) $9,000,000 minus (B) the aggregate amount as to which the Guarantor has previously made such election as to any prior fiscal quarter or (2) in respect of any fiscal quarter ending subsequent to October 28, 2010, (A) $4,500,000 minus (B) the amount by which the aggregate amount as to which the Guarantor has previously made such election in respect of all prior fiscal quarters exceeds $4,500,000; provided, however that (x) any amounts withdrawn from the

Restricted Cash Reserve Account on or prior to April 28, 2009 which are not used to finance payments of principal or interest in respect of the Notes shall be deemed not to have been so withdrawn for purposes of this Section 5.1, unless such amounts have been repaid into the Restricted Cash Reserve Account on or prior to any increase of Consolidated EBITDA pursuant to this sentence, and (y) in no event may Consolidated EBITDA be increased by more than the minimum amount needed for compliance with both covenants set forth in such Section. For the avoidance of doubt and solely for purposes of determining the Guarantor's compliance with such covenants, Consolidated EBITDA for any fiscal quarter as to which such election has been made shall be deemed to have been increased by the amount specified in such election for all periods that include such fiscal quarter. In addition, and notwithstanding anything to the contrary contained herein or in any other Transaction Document, it is understood and agreed that no Default or Event of Default shall exist or arise hereunder (or under any other Transaction Document) as a result of non-compliance with Section 5.1(i) or Section 5.1(iii) prior to the occurrence of the earlier of (a) an election of the Guarantor pursuant to the first sentence after clause (iii) of this Section 5.1 and (b) the expiration of the 45 day period referred to in such sentence, so long as an election as to the maximum amount permissible under such first sentence would be sufficient to cure such non-compliance.

5.2 Liens. The Guarantor will not, and will not permit any Subsidiary to, create, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired (whether or not provision is made for the equal and ratable securing of the Guaranteed Obligations in accordance with the provisions of Section 4.3), except:

(i) mechanics', workmen's, repairmen's, warehousemen's, carriers' or other like Liens arising or incurred in the ordinary course of business for amounts which are not delinquent or are being actively contested in good faith by appropriate proceedings;

(ii) with respect to real property, (a) easements, quasi-easements, licenses, covenants, rights-of-way and other similar restrictions, including any other agreements, conditions, restrictions or other matters which would be shown by a current title report or other similar report or listing, (b) any conditions that would be shown by a current survey or physical inspection and (c) zoning, building and other similar restrictions;

(iii) Liens for taxes or assessments or other governmental charges or levies not yet due or which are being actively contested in good faith by appropriate proceedings if adequate reserves with respect thereto are maintained on the books of the Guarantor or its Subsidiaries, as the case may be, in accordance with GAAP;

(iv) other Liens which were not incurred in connection with the borrowing of money or the obtaining of advances or credit, and which do not in the aggregate materially impair the use of such property and assets in the operation of the business of the Guarantor and its Subsidiaries, or materially detract from the value of such property or assets for the purpose of the business of the Guarantor and its Subsidiaries, taken as a whole;

(v) Liens on property or assets of a Subsidiary (other than the Company and its Subsidiaries) to secure obligations of such Subsidiary (other than the Company and its Subsidiaries) to the Guarantor or another Subsidiary that is a Credit Party;

(vi) any Lien existing on any property of any Person at the time it becomes a Subsidiary, or existing prior to the time of acquisition upon any property acquired by the Guarantor or any Subsidiary through purchase, merger, or consolidation or otherwise, whether or not assumed by the Guarantor or such Subsidiary, or placed upon property at the time of acquisition, construction or improvement by the Guarantor or any Subsidiary to secure all or a portion of (or to secure Debt (including any Capitalized Lease Obligation) incurred to pay all or a portion of) the purchase price or cost thereof or placed after acquisition upon property acquired, constructed or improved by the Guarantor or any Subsidiary after the Date of Closing, provided that any such Lien shall not encumber any other property of the Guarantor or such Subsidiary and any Debt secured by any such Lien shall be permitted by Section 5.3;

(vii) Liens on property owned or leased by the Guarantor or a Subsidiary (other than the Company) in favor of the United States of America or any state thereof, or any department, agency or instrumentality or political subdivision of the United States of America or any state thereof, or any political subdivision thereof, or in favor of holders of securities issued by any such entity, pursuant to any contract or statute (including, without limitation, mortgages to secure pollution control or industrial revenue bonds) to secure any indebtedness incurred for the purpose of financing all or any part of the purchase price or the cost of construction of the property subject to such Liens, provided that any Debt secured thereby shall be permitted by Section 5.3;

(viii) any Liens renewing, extending or refunding any Lien permitted by clauses (vi) and (vii) above, provided that the principal amount secured is not increased and the Lien is not extended to other property;

(ix) any Liens permitted under paragraph 6C(1) of the Note Agreement; and

(x) Liens in favor of the Collateral Agent to secure the Secured Obligations.

5.3. Priority Debt. The Guarantor will not at any time permit any Priority Debt to exist except (i) Debt (including, without limitation, Capitalized Lease Obligations) secured by Liens permitted by clauses (vi) and (vii) of Section 5.2 provided that the aggregate principal amount of all such Debt shall not at any time exceed $5,000,000, (ii) unsecured Debt in respect of the reimbursement obligations of letters of

credit issued or in respect of worker's compensation arrangements not to exceed $5,000,000 outstanding at any time, and (iii) unsecured Debt subordinated to the Secured Obligations on terms and conditions satisfactory to the Required Holders.

5.4 Loans, Advances and Investments. The Guarantor will not, and will not permit any Subsidiary to, make or permit to remain outstanding any loan or advance to, or own, purchase or acquire any stock, obligations or securities of, or any interest in, or make any capital contribution to, any other Person, except that the Guarantor or any Subsidiary may:

(i) make or permit to remain outstanding loans, advances or capital contributions to any Subsidiary;

(ii) make or permit to remain outstanding any loans, advances or capital contributions from (a) any Subsidiary to the Guarantor or any other Subsidiary and (b) the Company to any Subsidiary of the Company;

(iii) own, purchase or acquire stock, obligations or securities of or other equity interests in a Subsidiary or a Person which immediately after such purchase or acquisition will be a Subsidiary;

(iv) permit to remain outstanding loans, advances and other investments existing on the Effective Date (as set forth on Schedule 5.4 hereto) in any business principally engaged in publishing (print or electronic) or related media activity;

(v) make and permit to remain outstanding loans, advances and other investments received in settlement of debts (created in the ordinary course of business) owing to the Guarantor or any Subsidiary,

(vi) own, purchase or acquire commercial paper issued by any corporation or bankers' acceptances issued by any member bank of the Federal Reserve System, in either case, maturing within one year of the date of purchase and rated, by at least two of S&P, Moody's and Fitch Investors Service, Inc., "A-1", "P-1" and "F-1", respectively, and payable in the United States in United States dollars;

(vii) own, purchase or acquire certificates of deposit in member banks of the Federal Reserve System (each having capital resources in excess of $75,000,000) or certificates of deposit in an aggregate amount not to exceed $2,000,000 in banks having capital resources of less than $75,000,000), all due within one year from the date of original issue thereof and payable in the United States in United States dollars;

(viii) own, purchase or acquire repurchase agreements of member banks of the Federal Reserve System (each having capital resources in excess of $75,000,000) for terms of less than one year in respect of the foregoing certificates and obligations;

(ix) own, purchase or acquire obligations of the United States government or any agency thereof;

(x) own, purchase or acquire obligations guaranteed by the United States government or any agency thereof;

(xi) investments in stocks of investment companies registered under the Investment Company Act of 1940 which invest primarily in obligations of the type described in clauses (vi), (vii), (viii), (ix) or (x) above, provided that any such investment company shall have an aggregate net asset value of not less than $500,000,000;

(xii) own, purchase or acquire investments in money market funds that are classified as current assets in accordance with generally accepted accounting principles, and that are rated "AAAm" or the equivalent by S&P, Moody's or Fitch Investors Service, Inc., which funds are managed by either (a) Persons having capital and surplus, or net worth, in excess of $500,000,000 or (b) any Person that is a direct or indirect subsidiary of a Person described in the foregoing clause (a);

(xiii) endorse negotiable instruments for collection in the ordinary course of business;

(xiv) make or permit to remain outstanding travel and other like advances to officers and employees in the ordinary course of business;

(xv) make or permit to remain outstanding investments in demand deposit accounts maintained by the Guarantor or any Subsidiary in the ordinary course of its business;

(xvi) make or permit to remain outstanding investments consisting of Eurodollar time deposits, maturing within 90 days after the making thereof, with any branch of a United States commercial bank having capital and surplus of not less than $1 billion in the aggregate;

(xvii) make or permit to remain outstanding investments in municipal obligations having a rating of "Aaa" by Moody's or "AAA" by S&P;

(xviii) permit to remain outstanding investments of the Guarantor and its Subsidiaries set forth on Schedule 5.4;

(xix) own, purchase or acquire notes and bonds issued by any domestic corporate issuer and rated at least A3 by Moody's or A- by S&P;

(xx) own, purchase or acquire investments in commingled funds/portfolios that invest primarily in U.S. dollar denominated obligations, with a weighted average portfolio maturity of 120 days or less, and rated "AAA" or the equivalent, by at least two of S&P, Moody's and Fitch Investors Service, Inc., which funds are managed by either (a) Persons having capital and surplus, or net worth, in excess of $500,000,000 or (b) any Person that is a direct or indirect subsidiary of a Person described in the foregoing clause (a);

(xxi) make or permit to be made loans, advances or investments to or in any Person that is not an Affiliate except for loans, advances or investments existing on the Effective Date and set forth on Schedule 1 to Amendment No. 5;

(xxii) permit the Lee Payable to remain outstanding so long as it shall bear interest (on a pay-in-kind basis) at a rate per annum equal to LIBOR plus 0.75% (75 basis points);

(xxiii) make or permit to remain outstanding loans and advances permitted by Section 5.8(ii); and

(xxiv) make (and thereafter permit to remain outstanding) senior unsecured loans and advances to Lee Procurement on or after the 45th day after the last day of each fiscal quarter of the Guarantor in each year in an amount not in excess of 80% of Excess Cash Flow for each such fiscal quarter of the Guarantor, provided that, at the time of any such loan or advance, (a) no Event of Default (as defined herein or in the Note Agreement) shall have occurred and be continuing, (b) the amount on deposit in the Restricted Cash Reserve Account is at least $9,000,000 if any such loan or advance is made at any time prior to October 28, 2010 or is at least $4,500,000 if any such loan or advance is made thereafter and (c) there shall be an agreement between Lee Procurement and the Guarantor, reasonably satisfactory to the Required Holders, providing for the terms of such loan.

5.5 Sale or Disposition of Capital Assets. The Guarantor will not, and will not permit any Subsidiary to, engage in any Asset Sale (i) if the aggregate amount of Asset Sale Proceeds in respect of any one transaction or series of related transactions would be equal to or less than $500,000 unless at least 75% of such Asset Sales Proceeds consist of cash or (ii) if the aggregate amount of Asset Sale Proceeds in respect of any one transaction or series of related transactions would be more than $500,000 unless such Asset Sale Proceeds consist only of cash and the Required Holders have given their prior written consent thereto and provided that in any event the Asset Sale Proceeds are deposited into the Asset Sale Proceeds Reserve Account immediately upon receipt thereof.

5.6 Sale and Lease-Back. The Guarantor will not, and will not permit any Subsidiary to, enter into any arrangement with any lender or investor or under which such lender or investor is a party, providing for the leasing or other similar arrangement by the

Guarantor or any Subsidiary of real or personal property used by the Guarantor or any Subsidiary in the operations of the Guarantor or any Subsidiary, which has been or is sold or transferred by the Guarantor or any Subsidiary to such lender or investor or to any Person to whom funds have been or are to be advanced by such lender or investor on the security of such rental obligations of the Guarantor or such Subsidiary, except that the Guarantor or any Subsidiary (other than the Company and its Subsidiaries) may enter into sale and lease-back transactions involving newspaper equipment or facilities acquired after the Effective Date if (i) such arrangement shall be for a period of less than three years by the end of which the use of such property by the lessee will be discontinued, (ii) the Guarantor or such Subsidiary complies with Section 5.5 with respect to such transaction and (iv) the property immediately prior to such sale could have been subjected to a Lien securing Debt in an amount equal to such net proceeds and which Lien would be permitted by clause (vi) of Section 5.2. The Guarantor shall cause all Asset Sale Proceeds from any such sale, disposition or surrender of control, regardless of the amount thereof, to be deposited into the Asset Sale Proceeds Reserve Account immediately upon receipt thereof.

5.7 Merger. The Guarantor will not, and will not permit any Subsidiary to, merge or consolidate with any other Person except that any Subsidiary may merge or consolidate with the Guarantor (provided that the Guarantor shall be the continuing or surviving Person) or any one or more other Subsidiaries that is a Credit Party.

5.8. Transactions with Affiliates; Lee Company Transactions.

(i) Subject to clause (ii) of this Section 5.8, the Guarantor will not, and will not permit any Subsidiary to, directly or indirectly enter, into or be a party to any transaction or arrangement, including, without limitation, the purchase, sale, exchange or use of any property or asset, or any interest therein, whether real, personal or mixed, or tangible or intangible, or the rendering of any service, with any Affiliate, except for any such transaction with a Lee Company and then only of the type identified in, and in accordance with, clause (ii) of this Section 5.8.

(ii) Notwithstanding clause (i) of this Section 5.8 (other than the exception to such clause), the Guarantor or any of its Subsidiaries may purchase goods and services from any Lee Company, or reimburse any Lee Company for (x) goods procured or services rendered for the Guarantor or any of its Subsidiaries by such Lee Company or (y) payments made on behalf of the Guarantor or any of its Subsidiaries by such Lee Company (such as income and other taxes, payroll and corporate overhead) so long as such payments do not exceed the amount that the Guarantor or such Subsidiary would have paid in respect of any such item if the Guarantor and its Subsidiaries were an independent consolidated group of companies; provided that (a) any such transaction is in the ordinary course of and pursuant to the reasonable requirements of the Guarantor's and each Subsidiary's business, as the case may be, (b) any such transaction is upon fair and reasonable terms that are no less favorable to the Guarantor and/or any of its Subsidiaries, as the case may be, than those which might be obtained in

an arm's length transaction with a Person not an Affiliate, (c) payment is made by the Guarantor or any Subsidiary from the Intercompany Account not more than 3 days prior to delivery of such goods, the rendering of such services or the making of such payments by such Lee Company to a third party and (d) the aggregate amount of Intercompany Charges incurred by the Guarantor and its Subsidiaries in any period of four consecutive fiscal quarters of the Guarantor shall not exceed $20,000,000. In addition, the Guarantor may make the loans and advances identified in Section 5.4(xxiv), subject to the conditions set forth therein.

5.9 Sale of Stock and Debt of Subsidiaries. Other than pursuant to the Collateral Documents, the Guarantor will not, and will not permit any Subsidiary to, sell or otherwise dispose of, or part with control of, any shares of stock of (or other equity interests in) or Debt of any Subsidiary, except that shares of stock of (or other equity interests in) or Debt of any Subsidiary (other than the Company or its Subsidiaries) may be sold or otherwise disposed of to the Guarantor or another Subsidiary that is Credit Party, and except that all shares of stock of (or other equity interests in) and Debt of any Subsidiary (other than the Company or its Subsidiaries) at the time owned by or owed to the Guarantor or any Subsidiary may be sold as an entirety for a cash consideration which represents the fair market value (as determined in good faith by the Board of Directors of the Guarantor) at the time of sale of the shares of stock or other equity interests and Debt so sold, provided that the Guarantor or such Subsidiary complies with Section 5.5 with respect to such sale, and further provided that, in any event, at the time of sale, such Subsidiary shall not own, directly or indirectly, any shares of stock of (or other equity interests in) or Debt of any other Subsidiary (unless all of the shares of stock of (or other equity interests in) and Debt of such other Subsidiary owned, directly or indirectly, by the Guarantor and all Subsidiaries are simultaneously being sold as permitted by Section 5.5 and this Section 5.9). The Guarantor shall cause all Asset Sale Proceeds from any such sale, disposition or surrender of control, regardless of the amount thereof, to be deposited into the Asset Sale Proceeds Reserve Account immediately upon receipt thereof.

5.10 Issuance of Stock by Subsidiaries. The Guarantor will not permit any Subsidiary to issue, sell or dispose of any shares of its stock (of any class) or any other equity interests except to the Guarantor or another Subsidiary which is Credit Party.

5.11 Limitation on Certain Restrictive Agreements. The Guarantor will not permit any Subsidiary to enter into or suffer to exist any contractual obligation which in any way restricts the ability of such Subsidiary to (i) make any Distributions to the Guarantor or any other Subsidiary or (ii) transfer any of its property or assets to the Guarantor or any other Subsidiary.

5.12. Capital Expenditures.

(a) The Guarantor will not, and will not permit any of its Subsidiaries, to make Capital Expenditures in excess of $10,000,000 in the aggregate for all such Persons in any fiscal year of the Guarantor.

(b) In the event that the amount of Capital Expenditures permitted to be made

by the Guarantor and its Subsidiaries during any fiscal year of the Guarantor is greater than the amount of Capital Expenditures actually made by the Guarantor and its Subsidiaries during such fiscal year, the lesser of (x) such excess and (y) 50% of the applicable permitted scheduled Capital Expenditure amount set forth in clause (a) above for such fiscal year may be carried forward and utilized to make Capital Expenditures in the immediately succeeding fiscal year, provided that no amounts once carried forward pursuant to this Section 5.12(b) may be carried forward to any fiscal year of the Guarantor thereafter.

5.13. Restricted Payments. The Guarantor will not, and will not permit any Subsidiary to, make any Restricted Payments at any time except for Restricted Payments made to another Subsidiary or the Guarantor.

5. Schedules. Schedule 5.4 to the Guaranty Agreement is hereby amended as set forth in Schedule 2 hereto.

6. Waivers. In reliance on the representations and warranties set forth in Section 7 below, the undersigned holders of Notes hereby waive the Existing Defaults. The foregoing is a limited waiver and shall not be deemed to constitute a waiver of any other Event of Default (as defined herein or in the Note Agreement) or any future breach of the Guaranty. The holders of Notes hereby reserve their rights under the Guaranty, the Note Agreement, the Notes and applicable law in respect of such other Events of Default (as defined herein or in the Note Agreement) and future breaches.

7. Representations and Warranties. The Guarantor represents and warrants as follows:

(a) Organization; Power and Authority; Enforceability. The Guarantor is a corporation duly organized and validly existing in good standing under the laws of the State of Delaware, and has all requisite corporate power to execute and deliver this Amendment and to perform its obligations under this Amendment and the Guaranty as amended hereby. The execution and delivery by the Guarantor of this Amendment and the performance by the Guarantor of its obligations under this Amendment and the Guaranty as amended hereby have been duly authorized by all requisite corporate action on the part of the Guarantor. The Guarantor has duly executed and delivered this Amendment, and this Amendment and the Guaranty as amended hereby constitute the legal, valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with their terms.

(b) Authorization, Etc. The execution and delivery by the Guarantor of this Amendment and the performance by the Guarantor of its obligations under this Amendment and the Guaranty Agreement as amended hereby have been duly authorized by all requisite corporate action on the part of the Guarantor. The Guarantor has duly executed and delivered this Amendment, and this Amendment and the Guaranty Agreement as amended hereby constitute the legal, valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors generally, and by general principles of equity (regardless of whether enforceability is considered in a proceeding at law or in equity).

(c) Disclosure. This Amendment and the documents, certificates and statements furnished to the holders of the Notes by or on behalf of the Guarantor in connection herewith, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained herein and therein not misleading in light of the circumstances at the time made. The projections of the future financial performance of the of the Guarantor and its Subsidiaries, were prepared based by the Company and the Guarantor in good faith utilizing assumptions believed by the Guarantor to be reasonable at the time made, it being recognized however that projections as to future events are not to be viewed as facts and that actual results during the period or periods covered by such projections may differ from the projected results.

(d) No Conflicts. The execution, delivery and performance by the Guarantor of this Amendment will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Guarantor or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, material lease, corporate charter or by-laws, or any other material agreement or instrument to which the Guarantor or any Subsidiary is bound or by which the Guarantor or any Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Guarantor or any Subsidiary or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Guarantor or any Subsidiary.

(e) No Default or Event of Default. After giving effect to this Amendment, no Default or Event of Default will exist and be continuing. Without limiting the generality of the foregoing, neither the Guarantor nor any of its Subsidiaries has outstanding any guarantee of obligations owing by Lee under the Credit Agreement.

(f) No Material Adverse Change. Since the end of the Guarantor's fiscal quarter ended closest to December 31, 2008, there has been no material adverse change in (i) the business, condition or operations (financial or otherwise) of the Guarantor and its Subsidiaries or (ii) the ability of the Guarantor to perform its obligations under the Guaranty Agreement as amended hereby or the ability of the Company to perform its obligations under the Note Agreement or the Notes.

(g) Perfection Certificates. The Company hereby represents and warrants that the Perfection Certificates from the Company and each of its Subsidiaries are accurate in all material respects.

(h) Environmental Matters.

Except as disclosed in Schedule 2 attached hereto:

(i) neither the Guarantor nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real

properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(ii) neither the Guarantor nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as could not reasonably be expected to result in a Material Adverse Effect;

(iii) neither the Guarantor nor any Subsidiary has stored any Hazardous Materials on real properties now or, to the knowledge of the Company or any such Subsidiary, formerly owned, leased or operated by any of them and, to the knowledge of the Company or any such Subsidiary, has not disposed of any Hazardous Materials in a manner contrary to any Environmental Laws in each case in any manner that could reasonably be expected to result in a Material Adverse Effect; and

(iv) all buildings on all real properties now owned, leased or operated by the Company or any Subsidiary are in compliance with applicable Environmental Laws, except where failure to comply could not reasonably be expected to result in a Material Adverse Effect.

8. Effectiveness. This Amendment shall become effective, as of the Effective Date, upon satisfaction of the following conditions precedent:

(a) each holder of Notes shall have received this Amendment executed by the Guarantor;

(b) each of the conditions in Section 21 of Amendment No.5 shall have been satisfied and Amendment No. 5 shall be in full force and effect:

(c) each holder of Notes shall have received a certificate dated the Effective Date, signed by the President or a Vice President of the Guarantor, to the effect that (i) the representations and warranties of the Guarantor set forth in Section 7 are true and correct on the Effective Date, (ii) the Guarantor and each of its Subsidiaries has performed all of its obligations under this Section 8 and under Amendment No. 5 which are to be performed on or prior to the Effective Date by such Persons, and (iii) after giving effect to this Amendment, no Default or Event of Default has occurred and is continuing; and

(d) each holder of Notes shall have received a certificate of the Secretary or Assistant Secretary of the Guarantor and each of its Subsidiaries, dated the Effective Date, certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of this Amendment and the other Transaction Documents.

9. Release.

(a) In consideration of the agreements of the holders of Notes contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably releases, remises and forever discharges each holder of Notes and its respective successors and assigns, and its respective present and former shareholders, affiliates, subsidiaries, divisions, predecessors, directors, officers, attorneys, employees, agents and other representatives (the holders of Notes and all such other Persons being hereinafter referred to collectively as the "**Releasees**" and individually as a "**Releasee**"), of and from all demands, actions, causes of action, suits, covenants, contracts, controversies, agreements, promises, sums of money, accounts, bills, reckonings, damages and any and all other claims, counterclaims, defenses, rights of set off, demands and liabilities whatsoever (individually, a "**Claim**" and collectively, "**Claims**") of every name and nature, known or unknown, suspected or unsuspected, both at law and in equity, which the Guarantor or any of its successors, assigns, or other legal representatives may now or hereafter own, hold, have or claim to have against the Releasees or any of them for, upon, or by reason of any circumstance, action, cause or thing whatsoever which arises at any time on or prior to the date of this Amendment for or on account of, or in relation to, or in any way in connection with the Guaranty, the Note Documents or transactions thereunder or related thereto.

(b) The Guarantor understands, acknowledges and agrees that the release set forth above may be pleaded as a full and complete defense and may be used as a basis for an injunction against any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) The Guarantor agrees that no fact, event, circumstance, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above. The Guarantor acknowledges and agrees that the Releasees have fully performed all obligations and undertakings owed to the Guarantor under or in any way in connection with the Guaranty, the Note Documents or transactions thereunder or related thereto as of the date hereof.

10. Covenant Not to Sue. The Guarantor, on behalf of itself and its successors, assigns, and other legal representatives, hereby absolutely, unconditionally and irrevocably, covenants and agrees with and in favor of each Releasee that it will not sue (at law, in equity, in any regulatory proceeding or otherwise) any Releasee on the basis of any Claim released, remised and discharged by the Guarantor pursuant to Section 9 above. If the Guarantor or any of its successors, assigns or other legal representatives violates the foregoing covenant, such Person, for itself and its successors, assigns and legal representatives, agrees to pay, in addition to such other damages as any Releasee may sustain as a result of such violation, all attorneys' fees and costs incurred by any Releasee as a result of such violation.

11. Miscellaneous.

(a) References to Guaranty. Upon and after the date of this Amendment, each reference to the Guaranty in the Guaranty, the Note Agreement, the Notes or any other instrument or agreement entered into in connection therewith or otherwise related thereto shall mean and be a reference to the Guaranty as amended by this Amendment.

(b) Ratification and Confirmation. Except as specifically amended herein, the Guaranty shall remain in full force and effect, and is hereby ratified and confirmed.

(c) No Waiver. The execution, delivery and effectiveness of this Amendment shall not operate as a waiver of any right, power or remedy of any holder of Notes, nor constitute a waiver of any provision of the Guaranty, the Note Agreement, any Note or any other instrument or agreement entered into in connection therewith or otherwise related thereto.

(d) Expenses. The Guarantor agrees to pay promptly, or to cause the Company to pay promptly, all expenses of the holders of Notes related to this Amendment and all matters contemplated hereby, including, without limitation, all fees and expenses of the holders' special counsel.

(e) **GOVERNING LAW. THIS AMENDMENT SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, AND THE RIGHTS OF THE PARTIES SHALL BE GOVERNED BY, THE LAW OF THE STATE OF NEW YORK EXCLUDING CHOICE-OF-LAW PRINCIPLES OF THE LAW OF SUCH STATE THAT WOULD REQUIRE THE APPLICATION OF THE LAWS OF A JURISDICTION OTHER THAN SUCH STATE.**

(f) Counterparts. This Amendment may be executed in counterparts (including those transmitted by facsimile), each of which shall be deemed an original and all of which taken together shall constitute one and the same document. Delivery of this Amendment may be made by telecopy or electronic transmission of a duly executed counterpart copy hereof; provided that any such delivery by electronic transmission shall be effective only if transmitted in .pdf format, .tif format or other format in which the text is not readily modifiable by any recipient thereof.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, the undersigned have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written to become effective as of such date.

GUARANTOR:
PULITZER INC.

By: /s/ Carl G. Schmidt
Name: Carl G. Schmidt
Title: Treasurer

[Signature pate to Limited Waiver and Amendment No. 5 to Guaranty Agreement (Pulitzer Inc.)]

NOTE HOLDERS (To evidence consent to the amendment hereby of the Guaranty):
THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By: /s/ Paul H. Procyk
Name: Paul H. Procyk
Title: Vice President

[Signature pate to Limited Waiver and Amendment No. 5 to Guaranty Agreement (Pulitzer Inc.)]

AMERICAN GENERAL LIFE INSURANCE COMPANY
AIG ANNUITY INSURANCE COMPANY

By: AIG Global Investment Corp., Investment Adviser

By: /s/ Richard Conway
Name: Richard Conway
Title: Managing Director

AIG EDISON LIFE INSURANCE COMPANY

By: AIG Global Investment Corp., Investment Sub-Adviser

By: /s/ Richard Conway
Name: Richard Conway
Title: Managing Director

[Signature pate to Limited Waiver and Amendment No. 5 to Guaranty Agreement (Pulitzer Inc.)]

GENWORTH LIFE AND ANNUITY INSURANCE COMPANY
(as Successor by Merger to First Colony Life Insurance Company)

By: /s/ John R. Endres
Name: John R. Endres
Title: Investment Officer

[Signature pate to Limited Waiver and Amendment No. 5 to Guaranty Agreement (Pulitzer Inc.)]

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY

By: /s/ Richard A. Strait
Name: Richard A. Strait
Its Authorized Representative

THE NORTHWESTERN MUTUAL LIFE INSURANCE COMPANY, for its Group Annuity Separate Account

By: /s/ Richard A. Strait
Name: Richard A. Strait
Its Authorized Representative

[Signature pate to Limited Waiver and Amendment No. 5 to Guaranty Agreement (Pulitzer Inc.)]

PACIFIC LIFE INSURANCE COMPANY

By: /s/ Diane W. Dales
Name: Diane W. Dales
Title: Assistant Vice President

By: /s/ Peter S. Fiek
Name: Peter S. Fiek
Title: Assistant Secretary

[Signature pate to Limited Waiver and Amendment No. 5 to Guaranty Agreement (Pulitzer Inc.)]

Exhibit 10.12 - Redemption Agreement

Execution Copy

REDEMPTION AGREEMENT

This Redemption Agreement ("Agreement") is entered into this 18th day of February, 2009, by and between St. Louis Post-Dispatch LLC, a Delaware limited liability company and STL Distribution Services LLC, a Delaware limited liability company (collectively, the "Company"); The Herald Publishing Company, LLC, a New York limited liability company ("Herald") (as successor by assignment to all the rights and obligations of The Herald Company, Inc., a New York corporation ("Herald Inc."); Pulitzer Inc., a Delaware corporation ("Pulitzer"); and Pulitzer Technologies, Inc., a Delaware corporation ("Pulitzer Technologies").

R E C I T A L S:

WHEREAS, the Company desires to redeem all of Herald's membership interests in the Company (the "Herald Membership Interest"); and

WHEREAS, Herald desires to sell, transfer, and convey the Herald Membership Interest, and terminate all agreements relating to its interest in the ownership and operation of the Company, including but not limited to all rights and obligations under the Company's Operating Agreement dated as of May 1, 2000 (and amended June 1, 2001 (the "Operating Agreement"), the Joint Venture Agreement by and among Pulitzer, Pulitzer Technologies and Herald, Inc. dated as of May 1, 2000 (the "Joint Venture Agreement") and the Indemnity Agreement by and between Pulitzer and Herald Inc. dated as of May 1, 2000 (the "Indemnity Agreement"), according to the terms and conditions hereof;

WHEREAS, Pulitzer and Pulitzer Technologies, as the remaining members of the Company following the closing of the transactions contemplated herein, consent to the redemption of Herald's interest and termination of all agreements relating to the Herald Membership Interest and Herald's ownership and operation of the Company, as provided herein.

NOW THEREFORE, in consideration of the Company's payment of One Dollar ($1.00) to Herald, the mutual release, covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of the parties hereto agrees as follows:

1. Redemption of Herald Membership Interest. Upon Closing (described below), as of that date and without further action by any party hereto (a) the Company shall be deemed to have redeemed the Herald Membership Interest, and all of Herald's rights and obligations under the Operating Agreement (including, but not limited to, the Herald Put (as defined in the Operating Agreement)) shall be deemed to have terminated; and (b) upon such redemption, Herald shall be deemed to have released all rights, benefits and obligations of ownership of the Herald Membership Interest, and any other rights or benefits, relating to ownership or operation of the Company.

2. Termination of Joint Venture Agreement and Indemnity Agreement. Upon the Closing Date, all agreements between Herald, on the one hand, and the Company and Pulitzer and/or Pulitzer Technologies, on the other hand, hereto relating to the ownership and operation of the Company, including but not limited to the Joint Venture Agreement and Indemnity Agreement, shall be deemed automatically terminated, and be superceded by this Agreement.

3. Consideration.

(a) Grant of Phantom Interests. The Company grants Herald an uncertificated economic interest in the Company with a value (determined as set forth below) equal to ten percent (10%) of the Enterprise Value (as defined below) of the Company (the "Phantom Interest"). The Phantom Interest shall not give Herald any rights as a member of the Company, including without limitation the right to vote or receive distributions from the Company. The Phantom Interest shall not be redeemed for cash unless all obligations under the Bank Credit Facility of Lee Enterprises, Incorporated, a Delaware corporation ("Lee") have been paid in full in cash and all obligations (the "Note Obligations") of the Company under the Notes and the Transaction Documents (as defined in the Note Agreement, as amended, pursuant to which the Notes were issued) have been paid in full in cash and any claim in respect thereof shall be junior and subordinate in all respects to the Note Obligations. If the Company does not make its payment as required in Lee Common Stock, Herald shall have a claim for payment of the deficiency. The Phantom Interest shall only be redeemable as set forth in Sections 3(b) and 3(f) below. Notwithstanding the foregoing, the Company shall provide Herald a copy of its annual financial statements prepared by the Company in the ordinary course of business.

(b) Redemption of Phantom Interest.

(i) Herald shall have the right to redeem the Phantom Interest at any time after April 28, 2013 and prior to April 28, 2015, upon ninety (90) day prior written notice to the Company or, upon notice to the Company, at any earlier time (or any time thereafter) if (A) any long-term debt of the Company shall be accelerated, (B) the Company shall seek bankruptcy protection or otherwise be declared insolvent, (C) the Company shall elect to liquidate or (D) the Company shall transfer or make any other disposition of all or any material portion of its assets or engage in any similar transaction which would have the effect of adversely affecting the Enterprise Value (the "Herald Notice").

(ii) Upon redemption of the Phantom Interest, the Company shall pay Herald (as provided in Section 3(f) below) a sum or deliver shares of Lee Common Stock with a value equal to ten percent (10%) of an amount equal to: (a) the Enterprise Value of the Company, less (b) the Adjusted Note Balance, each as defined below.

(c) Enterprise Value. For purposes hereof, "Enterprise Value" shall mean the price that could be negotiated and paid in an arm's-length transaction, for cash, between a willing seller and a willing buyer, neither of whom is under pressure or compulsion to complete the transaction, for the full value of the Company as a going concern (before deducting for net indebtedness of the Company) on the date of the Herald Notice. The Company and Herald shall attempt to agree, in good faith, upon the Enterprise Value upon receipt of the Herald Notice. If Herald and the Company cannot agree upon the Enterprise Value within thirty (30) business days, the Company and Herald shall each engage at their own expense, an independent, nationally recognized investment banking firm to determine the Enterprise Value. If the valuation by the two investment banking firms is within ten percent (10%) of each other, the average of the two valuations shall be deemed the Enterprise Value. If the difference in valuation by the two investment banking firms is greater than ten percent (10%), the two investment banking firms shall select a third independent and nationally recognized banking firm, whose determination of the Enterprise Value shall be final and binding. The cost of the third investment banking firm shall be paid equally by the Company and Herald.

(d) Adjusted Note Balance. For purposes hereof, "Adjusted Note Balance" shall mean the outstanding principal amount of the Adjustable Rate Senior Notes of the Company due April 28, 2012 (the "Notes") immediately following the debt restructuring contemplated herein (i.e. $186,000,000) reduced by (i) all principal repaid on the Notes through April 28, 2012 or, if the Notes are refinanced prior to such date (the "Note Refinancing Date") the principal balance repaid on or prior to, but not including, any amount repaid on the Note Refinancing Date and further reduced by (ii) the cumulative Free Cash Flow of the Company from the Note Refinancing Date to the date of the Herald Notice (the "Free Cash Flow Adjustment").

(e) Free Cash Flow. Free Cash Flow for any period shall defined as EBITDA minus (without duplication) (i) interest expense (net of amortization expense) on the Adjusted Note Balance (whether or not reflected on the consolidated balance sheet of the Company or allocated thereto) as reduced periodically by the Free Cash Flow Adjustment, (ii) taxes paid in cash, and (iii) permitted capital expenditures (other than with proceeds of debt, equity, asset sales, or insurance recovery assets).

(f) Payment. Payment for redemption of the Phantom Interest shall be made to Herald either, at the option of the Company (i) in cash (subject to Section 3(a) above) or (ii) in Common Stock of Lee on a fully diluted basis at the Company's sole discretion, in each case within thirty (30) days after the final determination of the value of the Phantom Interest. If payment is made in Lee Common Stock, the number of shares delivered shall be determined based on the average closing price for the 30 trading days immediately preceding the date of the Herald Notice.

4. Representations and Warranties.

(a) Herald's Representation and Warranties. Herald represents and warrants:

(i) Good Standing. Herald is a New York limited liability company, duly organized, validly existing and in good standing under the laws of the State of New York.

(ii) Authority. Herald has the right, power, legal capacity and authority to enter into and perform all obligations under this Agreement. No approval, consent, order or authorization of, or registration filing with, or notice to, any governmental or public body or authorities or any other person or party is required to give effect to this Agreement.

(iii) Title. Herald is the lawful record owner of the Herald Membership Interest, and has good title to the Herald Membership Interest, free and clear of any liens, encumbrances, security agreements, pledges, options, other purchase rights, or other encumbrances of any kind. Herald has not transferred, assigned or pledged the Herald Membership Interest to any third party.

(iv) No Breach or Violation. The consummation of the transactions contemplated by this Agreement will not result in or constitute a default or event that, without notice, lapse of time, or both, or the occurrence or nonoccurrence of any other event that would be a default, breach or violation of Herald's organizational documents, or any contract, agreement, commitment to which Herald is a party or by which it is bound.

(b) Company and Pulitzer Representations and Warranties.

(i) Good Standing. The Company is a limited liability company and Pulitzer is a corporation, in each case duly organized, validly existing and in good standing under the laws of the State of Delaware.

(ii) Authority. Each of the Company and Pulitzer has the right, power, legal capacity and authority to enter into and perform all obligations under this Agreement. No approval, consent, order or authorization of, or registration filing with, or notice to, any governmental or public body or authorities is required to give effect to this Agreement.

(iii) No Breach or Violation. The consummation of the transactions contemplated by this Agreement will not result in or constitute a default or event that, without notice, lapse of time, or both, or the occurrence or nonoccurrence of any other event that would be a default, breach or violation of the organizational documents of the Company or Pulitzer, or any contract, agreement, commitment to which either the Company or Pulitzer is a party or by which either is bound.

5. Mutual Release.

(a) In further consideration for each party's execution of this Agreement and performance of transactions contemplated herein, each of the parties hereto unconditionally and irrevocably acquits and forever fully releases and discharges each other party, and each of their affiliates, partners, subsidiaries, officers, employees, agents, attorneys, principals, directors, and shareholders of each such party, and their respective heirs, legal representatives, successors and assigns (collectively "Releasees"), from any all claims, demands, causes of action obligations, remedies, suits, damages and liabilities of any nature whatsoever, whether now known, suspected or claimed, whether arising under common law, inequity, or under statute, which such party has ever had or now has against any of the other parties, and which may have arisen at any time prior to the Closing, and/or which are in any manner related to ownership of the Herald Membership Interest, the Company's Operating Agreement (including without limitation the Herald Put), the Joint Venture Agreement, the Indemnity Agreement, and/or related documents, instruments or agreements relating to the ownership and operation of the Company or the enforcement of, attempted or threatened enforcement by any parties of any of their respective common rights, remedies, or recourse related thereto (the "Released Claims"). Each party covenants and agrees not to ever commence, voluntarily aid in any way, prosecute, or cause to be commenced or prosecuted against any of the Releasees, any action or other proceeding based upon any of the Released Claims.

(b) Each of the parties hereto understands, acknowledges and agrees that the release set forth above may be asserted as a full and complete defense, and may be used for a basis for an injunction against, any action, suit or other proceeding which may be instituted, prosecuted or attempted in breach of the provisions of such release.

(c) The parties hereto agree that no fact, events, circumstances, evidence or transaction which could now be asserted or which may hereafter be discovered shall affect in any manner the final, absolute and unconditional nature of the release set forth above.

6. Closing. The closing of the Redemption Transaction described herein shall be conducted on the date (the "Closing Date") of, and shall be effective simultaneously with, the execution and delivery of the documents reflecting the comprehensive debt restructuring plan among Lee, Pulitzer and the Company with each of their lenders and note holders. In the event such execution and delivery shall not have occurred by 5:00pm (Central Time) on February 20, 2009, the Company shall notify Herald, and this Redemption Agreement shall be of no further force and effect.

7. Miscellaneous Provisions.

(a) Expenses. The Company agrees to pay the reasonable fees and expenses of Herald, its financial advisors and legal counsel upon Closing, provided such costs and expenses shall not exceed $1,000,000. Herald shall submit a statement of such costs and expenses not less than one (1) day prior to Closing.

(b) Governing Law. This Agreement shall be construed and enforced in accordance with the rights of the parties and the rights of the parties shall be governed by, the State of Delaware, excluding choice of law principals of the law that would require the application of the laws of a jurisdiction other than the laws of the State of Delaware. Each of the parties agree that any legal action between the parties, or any of them, relating to this Agreement, the interpretation of the terms hereof whether the performance hereof or the consummation of the transactions contemplated herein, whether in tort or contract or at law or in equity shall exclusively be brought in a federal or state court located in New Castle County, Delaware having jurisdiction of the subject matter thereof, and each party irrevocably: (i) consents to personal jurisdiction in any such federal or state court; (ii) waives any objection to laying venue in any such action or proceeding in any such court, and (iii) waives any immunity from suit and/or any objection that any such court is an inconvenient forum or does not have jurisdiction over any party hereto.

(c) Further Assurances. From time to time hereafter, each party at the request of the other, and without further consideration, agrees to execute and deliver, or cause to executed and delivered at its expense such other instruments of transfer and/or other documentation as reasonably may be requested by the other in order to effectuate the transactions contemplated by this Agreement.

(d) Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile signatures to this Agreement or any other document required to be delivered at Closing pursuant to this Agreement shall be binding on the parties.

(e) Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or, invalidity, without invalidating the reminder of such provision or the remaining provisions of this Agreement.

(f) Benefit. This Agreement shall inure to the benefit and shall be binding upon all the parties, their legal representatives, successors, heirs and assigns.

(g) Paragraph Headings. Paragraph headings in this Agreement are for convenience only and are not to be construed as a part hereof or in any way limiting or amplifying the provisions hereof.

(h) Rule of Construction. The parties hereto acknowledge that this Agreement was reached by a process of negotiation with the benefit of legal representation, and agree that: (i) the rule of construction to the effect that any ambiguities are revolved against the drafting party shall not be employed in the interpretation of this Agreement; and (ii) the terms and provisions of this Agreement shall be construed fairly as to all parties hereto and not in favor of or against any party, regardless of which party was generally responsible for the preparation of this Agreement.

(i) Entire Agreement. This Agreement sets forth the entire agreement of the parties and shall not be amended, modified, or otherwise changed except in a writing signed by both parties and incorporating this Agreement by reference.

[The remainder of this page is intentionally left blank; signature pages follow.]

IN WITNESS WHEREOF, the undersigned have caused this Redemption Agreement to be executed and delivered by their duly authorized officers as of the date first above written.

ST. LOUIS POST-DISPATCH LLC

By: /s/ C. D. Waterman III
C. D. Waterman III
Its: Secretary

STL DISTRIBUTION SERVICES LLC

By: /s/ C. D. Waterman III
C. D. Waterman III
Its: Secretary

PULITZER INC.

By: /s/ C. D. Waterman III
C. D. Waterman III
Its: Secretary

PULITZER TECHNOLOGIES, INC.

By: /s/ C. D. Waterman III
C. D. Waterman III
Its: Secretary

THE HERALD PUBLISHING COMPANY, LLC

By: /s/ Donald Newhouse
Donald Newhouse
Its: President

Exhibit 10.13 - Amendment Number Two to Operating Agreement of St. Louis Post-Dispatch LLC

AMENDMENT NUMBER TWO
TO OPERATING AGREEMENT OF ST. LOUIS POST-DISPATCH LLC

This Amendment Number Two ("Amendment") is made to the Operating Agreement of St. Louis Post-Dispatch LLC (the "Company"), by and among Pulitzer Inc., a Delaware corporation ("Pulitzer") and Pulitzer Technologies, Inc., a Delaware corporation ("PTI") effective this 18th day of February, 2009.

R E C I T A L S:

A. The Company has redeemed all of the membership interests of The Herald Publishing Company, LLC ("Herald") in the Company (the "Herald Membership Interest") pursuant to a Redemption Agreement of equal date hereof.

B. As a result of such redemption, all of Herald's right, title, and interest in the ownership and operation of the Company has terminated, and Pulitzer and PTI (collectively the "Members") are the sole members of the Company;

C. The Members desire to amend the Operating Agreement of the Company dated May 1, 2000 (and amended June 1, 2001) (the "Operating Agreement") to recognize and give effect to the termination of the Herald Membership Interest.

NOW THEREFORE, in consideration of the mutual covenants and undertakings herein, the parties agree as follows:

1. Termination of Herald Membership Interest. Herald is removed as a member of the Company. All references to Herald in the Operating Agreement are deleted. In the event the deletion of references to "Herald" causes any provision of the Operating Agreement to have no effect, then such provision is deleted. In the event the deletion of references to Herald results in only a partial deletion of a provision in the Operating Agreement, and such provisions continue to have effect, the parties agree to interpret such provision in a manner which gives effect to such provision without Herald's interest.

2. Deletion of Provisions. The following provisions of the Operating Agreement are deleted:

(a) Section 1.1. Certain Definitions including Deemed Value; Herald; Herald Indemnity; Herald Put; Minimum Reserve Amount; Put Price; Put-Related Covenants; Reserve Asset Value.

(b) Section 3.3(e). Restrictions Relating to Capital.

(c) Section 3.11. Special Distributions.

(d) Section 5.4. Reporting.

(e) Section 5.7. Six Year Projections.

(f) Section 6.2. Non-Competition.

(g) Section 7.2. Put Right.

(h) Section 8.3. Pulitzer Purchase

(i) Appendix A.

3. Amendment to Provisions. The following provisions of the Operating Agreement are amended.

(a) Section 2.5 Term. Replace existing Section 2.5 with:

"The existence of the Company commenced upon the date the Certificate of Formation was filed with the Secretary of State of the State of Delaware, and shall continue, unless earlier dissolved and terminated pursuant to Section 8.1, in perpetuity."

(b) Section 3.1(d) Capital Contributions. Delete that portion of Section 3.1(d) which states:

"and except for payments, if any, under the Herald Indemnity (which payments would be treated as Capital Contributions."

(c) Section 3.7 Tax Elections. Delete that portion of the last paragraph of Section 3.7 which states:

"Herald agrees not to extend the statute of limitations with respect to partnership items (as defined in Section 6231 of the Code) of the Company unless an extension specific to such items is expressly requested by the Internal Revenue Service. At the request of the Managing Member, Herald will confirm to the Managing Member whether any such statute of limitations has been extended in a date to which any such statute of limitations has been extended."

(d) Section 3.13 Allocations. Delete that portion of Section 3.13 which states:

"provided, however, that Herald's share of any such income or gain shall be reduced, but not below one percent (1%) of all such income and gain, to the extent that the allocations of income and gain to Herald in connection with the liquidation of the Company would cause the Deemed Value of Herald's interest to exceed $325 million as of the Closing Date."

(e) Section 4.3 Capital Expenditures. Delete that portion of Section 4.3 which states:

"provided that the Company may not fund a capital expenditure out of the assets of the Company unless, after the expenditure, the Reserve Asset Value is at least equal to the Minimum Reserve Amount."

4. Entire Agreement. Except as provided herein, the Operating Agreement shall continue in full force and effect. Capitalized terms used herein, but not otherwise defined, shall have the meanings set forth in the Operating Agreement.

PULITZER INC.

By: /s/ C. D. Waterman III
C. D. Waterman III
Its: Secretary

PULITZER TECHNOLOGIES, INC.

By: /s/ C. D. Waterman III
C. D. Waterman III
Its: Secretary

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Mary E. Junck, certify that:

1. I have reviewed this quarterly report on Form 10-Q (Quarterly Report) of Lee Enterprises, Incorporated (Registrant);

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Quarterly Report based on such evaluation; and

    d) disclosed in this Quarterly Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 8, 2009

/s/ Mary E. Junck
Mary E. Junck
Chairman, President and Chief Executive Officer

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Carl G. Schmidt, certify that:

1. I have reviewed this quarterly report on Form 10-Q (Quarterly Report) of Lee Enterprises, Incorporated (Registrant);

2. Based on my knowledge, this Quarterly Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this Quarterly Report;

3. Based on my knowledge, the Consolidated Financial Statements, and other financial information included in this Quarterly Report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this Quarterly Report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this Quarterly Report is being prepared;

    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this Quarterly Report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this Quarterly Report based on such evaluation; and

    d) disclosed in this Quarterly Report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the Audit Committee of Registrant's Board of Directors (or persons performing the equivalent functions):

    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 8, 2009

/s/ Carl G. Schmidt
Carl G. Schmidt
Vice President, Chief Financial Officer and Treasurer

Exhibit 32

The following statement is being furnished to the Securities and Exchange Commission solely for purposes of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), which carries with it certain criminal penalties in the event of a knowing or willful misrepresentation.

Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Re: Lee Enterprises, Incorporated

Ladies and Gentlemen:

In accordance with the requirements of Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350), each of the undersigned hereby certifies that to our knowledge:

(i) this quarterly report on Form 10-Q for the period ended March 29, 2009 (Quarterly Report), fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(ii) the information contained in this Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Lee Enterprises, Incorporated for the periods presented in the Quarterly Report.

Date: May 8, 2009

/s/ Mary E. Junck
Mary E. Junck
Chairman, President and
Chief Executive Officer

/s/ Carl G. Schmidt
Carl G. Schmidt
Vice President, Chief Financial Officer
and Treasurer

A signed original of this written statement required by Section 906 has been provided to Lee Enterprises, Incorporated and will be retained by Lee Enterprises, Incorporated and furnished to the Securities and Exchange Commission upon request.