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

FORM 8-K

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

Date of Report (Date of earliest event reported): February 8, 2008

A. H. BELO CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-33741
(Commission File Number)

38-3765318
(I.R.S. Employer
Identification No.)

P. O. Box 224866
Dallas, Texas
(Address of principal executive offices)

75222-4866
(Zip Code)

Registrant's telephone number, including area code: (214) 977-8200

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 1.01. Entry Into a Material Definitive Agreement.

On February 8, 2008, A. H. Belo Corporation (the “Company”) announced that it completed its spin-off from Belo Corp. and that shares of the Company began regular trading on February 11, 2008 on the New York Stock Exchange under the symbol “AHC.” The spin-off was effectuated as a distribution by Belo Corp. (“Belo”) of all of the outstanding shares of common stock of the Company to the shareholders of Belo (the “Distribution”). A copy of the press release announcing the completion of the transaction is furnished herewith as Exhibit 99.1 hereto.

The Distribution was effected pursuant to the Separation and Distribution Agreement, dated as of February 8, 2008, between Belo and the Company (the “Separation and Distribution Agreement”). A description of the Separation and Distribution Agreement is included in the section entitled “Relationships Between Belo and A. H. Belo Following the Distribution— Separation and Distribution Agreement” of the information statement filed as Exhibit 99.1 to A. H. Belo’s Registration Statement on Form 10, as amended (the “Information Statement”), and incorporated herein by reference. A copy of the Separation and Distribution Agreement is attached hereto as Exhibit 2.1 and incorporated herein by reference.

In connection with the Distribution, the Company entered into certain other agreements to govern the terms of the Distribution and to define the ongoing relationship between the Company and Belo following the Distribution, allocating responsibility for obligations arising before and after the Distribution, including obligations relating to taxes, employees, liabilities and certain transition services. Those agreements include:

- The Tax Matters Agreement, dated as of February 8, 2008, between Belo and the Company (the “Tax Matters Agreement”). A description of the Tax Matters Agreement is included in the section entitled “Relationships Between Belo and A. H. Belo Following the Distribution—Tax Matters Agreement” of the Information Statement and incorporated herein by reference. A copy of the Tax Matters Agreement is attached hereto as Exhibit 10.1 and incorporated herein by reference.
 - The Employee Matters Agreement, dated as of February 8, 2008, between Belo and the Company (the “Employee Matters Agreement”). A description of the Employee Matters Agreement is included in the section entitled “Relationships Between Belo and A. H. Belo Following the Distribution —Employee Matters Agreement” of the Information Statement and incorporated herein by reference. A copy of the Employee Matters Agreement is attached hereto as Exhibit 10.2 and incorporated herein by reference.
 - The Services Agreement, dated as of February 8, 2008, between Belo and the Company (the “Services Agreement”). A description of the Services Agreement is included in the section entitled “Relationships Between Belo and A. H. Belo Following the Distribution—Services Agreement” of the Information Statement and incorporated herein by reference. A copy of the Services Agreement is attached hereto as Exhibit 10.3 and incorporated herein by reference.
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In connection with its separation from Belo, the Company also entered into certain other employment and employee benefit-related agreements, including the A. H. Belo Savings Plan effective February 5, 2008, the A. H. Belo 2008 Incentive Compensation Plan effective February 8, 2008, the A. H. Belo Pension Transition Supplement Restoration Plan effective January 1, 2008, and the A. H. Belo Corporation Change in Control Severance Plan, which are filed as Exhibits 10.4, 10.5, 10.6 and 10.7, respectively, hereto and incorporated herein by reference.

5.02 Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 11, 2008, George F. Finfrock was named Vice President/Corporate Controller of the Company and serve as the Company's principal accounting officer. Mr. Finfrock joins the Company with over twelve years of accounting and finance experience, including positions as a corporate controller with both public and private companies. Prior to joining the Company, Mr. Finfrock was corporate controller for Choice Homes, Inc., a privately-owned homebuilder located in Arlington, Texas. His positions prior to that were vice president and corporate controller of Home Interiors & Gifts, Inc., a privately-owned home décor products company, from 2005 to 2006, director of finance for Bombardier Aerospace Corporation, a division of the publicly-traded Bombardier, Inc., from 2004 to 2005, and controller of The Heritage Organization, a privately-owned financial services company, from 1998 to 2003. Mr. Finfrock also has six years of experience in audit-related functions with public accounting firms. He received a Bachelor of Science in accounting from the University of Baltimore in 1988 and is a certified public accountant. His 2008 base salary is \$150,000, with a target bonus opportunity set at 15% of his base salary.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

- 2.1 Separation and Distribution Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008
 - 10.1 Tax Matters Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008
 - 10.2 Employee Matters Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008
 - 10.3 Services Agreement by and between Belo Corp. and A. H. Belo Corporation dated as of February 8, 2008
 - 10.4 A. H. Belo Savings Plan effective February 5, 2008
 - 10.5 A. H. Belo 2008 Incentive Compensation Plan effective February 8, 2008
 - 10.6 A. H. Belo Pension Transition Supplement Restoration Plan effective January 1, 2008
 - 10.7 A. H. Belo Corporation Change in Control Severance Plan
 - 99.1 Press Release dated February 8, 2008
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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.

Date: February 12, 2008

A. H. BELO CORPORATION

By: /s/ Alison K. Engel

Alison K. Engel

Senior Vice President/Chief Financial
Officer

EXHIBIT INDEX

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- 10.4 A. H. Belo Savings Plan effective February 5, 2008
- 10.5 A. H. Belo 2008 Incentive Compensation Plan effective February 8, 2008
- 10.6 A. H. Belo Pension Transition Supplement Restoration Plan effective January 1, 2008
- 10.7 A. H. Belo Corporation Change in Control Severance Plan
- 99.1 Press Release dated February 8, 2008

SEPARATION AND DISTRIBUTION AGREEMENT

By and Between

BELO CORP.

and

A. H. BELO CORPORATION

Dated as of February 8, 2008

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE I DEFINITIONS	2
Section 1.01. Definitions	2
Section 1.02. General Interpretive Principles	10
ARTICLE II THE RECAPITALIZATION AND SEPARATION	10
Section 2.01. Recapitalization and Other Transactions	10
Section 2.02. The Separation and Related Transactions	11
Section 2.03. Conditions Precedent to Consummation of the Recapitalization and the Separation	16
ARTICLE III THE DISTRIBUTION	16
Section 3.01. Actions Prior to the Distribution	16
Section 3.02. The Distribution	18
Section 3.03. Conditions to Distribution	19
ARTICLE IV SURVIVAL AND INDEMNIFICATION	21
Section 4.01. Survival of Agreements	21
Section 4.02. Indemnification by Newspaper Holdco	21
Section 4.03. Indemnification by Belo	21
Section 4.04. Insurance	22
Section 4.05. Procedures for Indemnification of Third-Party Claims	23
Section 4.06. Additional Matters	24
Section 4.07. Contribution	25
Section 4.08. Survival of Indemnities	25
Section 4.09. Remedies Cumulative	25
Section 4.10. Ancillary Agreements	25
ARTICLE V CERTAIN ADDITIONAL COVENANTS	25
Section 5.01. Consents for Business	25
Section 5.02. Additional Consents	26
Section 5.03. Further Assurances	26
Section 5.04. Certain Business Matters	27
Section 5.05. Settlement of Certain Insurance Claims.	27
Section 5.06. Circulation Litigation	28
ARTICLE VI ACCESS TO INFORMATION	28
Section 6.01. Agreement for Exchange of Information	28
Section 6.02. Ownership of Information	29
Section 6.03. Compensation for Providing Information	30
Section 6.04. Record Retention	30
Section 6.05. Limitation of Liability	30
Section 6.06. Other Agreements Providing for Exchange of Information	30
Section 6.07. Production of Witnesses; Records; Cooperation	31

	<u>Page</u>
Section 6.08. Confidentiality	32
ARTICLE VII NO REPRESENTATION OR WARRANTY	33
Section 7.01. NO REPRESENTATIONS OR WARRANTIES	33
ARTICLE VIII TERMINATION	34
Section 8.01. Termination	34
Section 8.02. Effect of Termination	34
ARTICLE IX MISCELLANEOUS	34
Section 9.01. Complete Agreement; Representations	34
Section 9.02. Costs and Expenses	35
Section 9.03. Governing Law	35
Section 9.04. Notices	35
Section 9.05. Amendment, Modification or Waiver	36
Section 9.06. No Assignment; Binding Effect; No Third-Party Beneficiaries	36
Section 9.07. Counterparts	37
Section 9.08. Negotiation	37
Section 9.09. Specific Performance	37
Section 9.10. Texas Forum	37
Section 9.11. Interpretation; Conflict With Ancillary Agreements	38
Section 9.12. Severability	38

SEPARATION AND DISTRIBUTION AGREEMENT

This SEPARATION AND DISTRIBUTION AGREEMENT (this “**Agreement**”), dated as of February 8, 2008, by and between Belo Corp., a Delaware corporation (“**Belo**”), and A. H. Belo Corporation, a Delaware corporation and a wholly owned subsidiary of Belo (“**Newspaper Holdco**,” and, together with Belo, each a “**Party**” and collectively the “**Parties**”).

RECITALS

WHEREAS, the Board of Directors of Belo has determined that it is in the best interests of Belo and its shareholders to separate the Newspaper Holdco Business (as defined below) and the Belo Business (as defined below) into two separate public companies (the “**Separation**”), on the terms and subject to the conditions set forth in this Agreement, in order to, among other things, (i) create more focused organizations better able to respond to different industry dynamics and therefore better able to tailor strategic initiatives and priorities; (ii) allow the investment community to evaluate Belo and Newspaper Holdco separately relative to the performance of their peers; (iii) allow Newspaper Holdco greater flexibility to create a capital structure and deploy capital more closely aligned with its strategic priorities; and (iv) allow Newspaper Holdco to provide its management and employees incentive compensation more directly linked to its individual financial performance;

WHEREAS, to further effect the Separation, Newspaper Holdco intends to obtain and retain ownership and possession of all Newspaper Holdco Assets (as defined below) and Belo intends to retain ownership and possession of all Belo Assets (as defined below);

WHEREAS, except as specifically otherwise set forth herein, to further effect the Separation, Newspaper Holdco intends to remain solely liable for all Newspaper Holdco Liabilities (as defined below) and Belo intends to remain solely liable for all Belo Liabilities (as defined below);

WHEREAS, Belo intends to distribute to the holders of issued and outstanding shares of (i) Series A common stock, par value \$1.67 per share, of Belo (the “**Series A Belo Common Stock**”), and (ii) Series B common stock, par value \$1.67 per share, of Belo (the “**Series B Belo Common Stock**” and, together with the Series A Belo Common Stock, the “**Belo Common Stock**”), as of the Record Date (as defined below), by means of a *pro rata* dividend, 100% of the issued and outstanding shares of (x) Series A common stock, par value \$0.01 per share, of Newspaper Holdco (the “**Series A Newspaper Holdco Common Stock**”), including the Preferred Share Purchase Rights attached thereto, and (y) Series B common stock, par value \$0.01 per share, of Newspaper Holdco (the “**Series B Newspaper Holdco Common Stock**” and, together with the Series A Newspaper Holdco Common Stock, the “**Newspaper Holdco Common Stock**”), including the Preferred Share Purchase Rights attached thereto, on the basis of .20 shares of Series A Newspaper Holdco Common Stock for every then issued and outstanding share of Series A Belo Common Stock and .20 shares of Series B Newspaper Holdco Common Stock for every then issued and outstanding share of Series B Belo Common Stock (the “**Distribution**”) on the terms and subject to the conditions set forth in this Agreement;

WHEREAS, the treatment, in connection with the Distribution, of any outstanding Belo stock option or restricted share unit will be as specified in the Employee Matters Agreement (as defined below);

WHEREAS, it is the intention of the Parties that, for United States federal income tax purposes, the Separation and Distribution and the other transactions contemplated herein shall qualify as transactions that are generally tax-free within the meaning of Sections 355 and 368 (and other related provisions) of the U.S. Internal Revenue Code of 1986, as amended (the “Code”);

WHEREAS, the Board of Directors of Belo has (i) determined that the Separation, the Distribution and the other transactions contemplated by this Agreement and the Ancillary Agreements (as defined below) have a valid business purpose, are in furtherance of and consistent with its business strategy and are in the best interests of Belo and its shareholders and (ii) approved this Agreement and each of the Ancillary Agreements; and

WHEREAS, it is appropriate and desirable to set forth the principal corporate transactions required to effect the Separation and the Distribution and certain other agreements that will govern certain matters relating to these transactions and the relationship of Belo and Newspaper Holdco and their respective Subsidiaries following the Distribution.

NOW, THEREFORE, in consideration of the premises, and of the representations, warranties, covenants and agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the Parties hereby agree as follows:

ARTICLE I DEFINITIONS

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

“**Action**” means any claim, demand, action, cause of action, suit, countersuit, arbitration, litigation, inquiry, proceeding or investigation by or before any Governmental Authority or any arbitration or mediation tribunal or authority.

“**Affiliate**” means, with respect to any specified Person, any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such specified Person; provided, however, that for purposes of this Agreement, no member of either Group shall be deemed to be an Affiliate of any member of the other Group. As used herein, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

“**Agreement**” has the meaning assigned to such term in the Preamble hereto.

“**Ancillary Agreements**” means the Employee Matters Agreement, the Tax Matters Agreements, the Services Agreement and any other agreement to be entered into by and between Belo (or any Subsidiary of Belo) and Newspaper Holdco (or any Subsidiary of Newspaper Holdco) at, prior to or after the Effective Time.

“**Asset**” means any right, property or asset, whether real, personal or mixed, tangible or intangible, of any kind, nature and description, whether accrued, contingent or otherwise, and wheresoever situated and whether or not carried or reflected, or required to be carried or reflected, on the books of any Person.

“**Balance Sheet**” has the meaning assigned to such term in the definition of Newspaper Holdco Assets.

“**Belo**” has the meaning assigned to such term in the Preamble hereto.

“**Belo Assets**” means all Assets of the Belo Group, other than the Newspaper Holdco Assets.

“**Belo Business**” means all businesses and operations of the Belo Group, other than the Newspaper Holdco Business.

“**Belo Common Stock**” has the meaning assigned to such term in the Recitals hereto.

“**Belo Group**” means Belo and each of its Subsidiaries and Affiliates, and any corporation or entity that may become part of such Group from time to time, other than the Newspaper Holdco Group.

“**Belo Indemnified Parties**” has the meaning assigned to such term in Section 4.02.

“**Belo Liabilities**” means the Liabilities of Belo, other than the Newspaper Holdco Liabilities.

“**Business**” means the Newspaper Holdco Business and/or the Belo Business, as the context requires.

“**Bylaws**” means the Amended and Restated Bylaws of Newspaper Holdco substantially in the form filed as an exhibit to the Registration Statement, with such changes as may be agreed to by the Parties.

“**Certificate of Incorporation**” means the Amended and Restated Certificate of Incorporation of Newspaper Holdco substantially in the form filed as an exhibit to the Registration Statement, with such changes as may be agreed to by the Parties.

“**Circulation Litigation**” means (i) the consolidated lawsuits filed by purported shareholders of Belo in the United States District Court for the Northern District of Texas against Belo and certain Affiliates and (ii) a shareholder derivative lawsuit filed by a purported individual shareholder of Belo in the 191st District Court of Dallas County, Texas against certain Affiliates of Belo, in each case relating to the circulation overstatement of *The Dallas Morning*

News announced in 2004 and as more fully described in the first two full paragraphs under “Legal Proceedings” in the Information Statement; *provided, however,* that the unlawful discrimination lawsuit filed by 18 former employees of *The Dallas Morning News* against Newspaper Holdco and certain of its Affiliates in the United States District Court for the Northern District of Texas, as more fully described in the fourth full paragraph under “Legal Proceeding” in the Information Statement, is specifically excluded from inclusion as part of the Circulation Litigation and shall be retained solely by Newspaper Holdco as a Newspaper Holdco Liability.

“**Code**” has the meaning assigned to such term in the Recitals hereto.

“**Consents**” means any consents, waivers, notices, reports or other filings to be made, including with respect to any contract, or any registrations, licenses, permits, authorizations to be obtained from, or approvals from, or notification requirements to, any third parties, including any third party to a contract and to any Governmental Authority.

“**Copyrights**” has the meaning assigned to such term in the definition of Intellectual Property.

“**Delayed Transfer Asset and/or Liability**” has the meaning assigned to such term in Section 2.02(b).

“**Dispute Notice**” has the meaning assigned to such term in Section 9.08.

“**Distribution**” has the meaning assigned to such term in the Recitals hereto.

“**Distribution Agent**” means The Bank of New York Mellon.

“**Distribution Agent Agreement**” has the meaning assigned to such term in Section 3.01(b).

“**Distribution Date**” means February 8, 2008, which is the date on which the Distribution shall be effected, as determined by the Board of Directors of Belo.

“**Effective Time**” means 11:59 p.m., Central Time, on the Distribution Date.

“**Employee Matters Agreement**” means the employee matters agreement to be entered into by and between Belo and Newspaper Holdco, substantially in the form filed as an exhibit to the Registration Statement, with such changes as may be agreed to by the Parties.

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended, together with the rules and regulations promulgated thereunder.

“**FIFO Basis**” means, with respect to the payment of Unrelated Claims pursuant to the same Belo insurance policy, the payment in full of each successful claim (regardless of whether Belo or Newspaper Holdco is the claimant) in the order in which such successful claim is approved by the insurance carrier, until the limit of the applicable Belo insurance policy is met, except with respect to the Circulation Litigation, which shall be governed by Section 5.06.

“**Governmental Authority**” means any federal, state, local, foreign or international court, government, department, commission, board, bureau or agency, or any other regulatory, self-regulatory, administrative or governmental organization or authority, including the NYSE.

“**Group**” means the Belo Group and/or the Newspaper Holdco Group, as the context requires.

“**Indemnified Party**” has the meaning assigned to such term in Section 4.03.

“**Indemnifying Party**” means Newspaper Holdco, for any indemnification obligation arising under Section 4.02, and Belo, for any indemnification obligation arising under Section 4.03.

“**Information**” means all information, whether or not patentable or copyrightable, in written, oral, electronic or other tangible or intangible forms, stored in any medium, including non-public financial information, studies, reports, records, books, accountants’ work papers, contracts, instruments, surveys, discoveries, ideas, concepts, know-how, techniques, designs, specifications, drawings, blueprints, diagrams, models, prototypes, samples, flow charts, data, computer data, disks, diskettes, tapes, computer programs or other Software, marketing plans, customer data, communications by or to attorneys, memos and other materials prepared by attorneys and accountants or under their direction (including attorney work product), and other technical, financial, legal, employee or business information or data.

“**Information Statement**” means the information statement of Newspaper Holdco, included as Exhibit 99.1 to the Registration Statement, to be distributed to holders of Belo Common Stock in connection with the Distribution, including any amendments or supplements thereto.

“**Initial Newspaper Holdco Capital Stock**” has the meaning assigned to such term in Section 2.01.

“**Intellectual Property**” means all intellectual property and other similar proprietary rights in any jurisdiction, whether owned or held for use under license, whether registered or unregistered, including such rights in and to: (i) trademarks, trade dress, service marks, certification marks, logos, and trade names, and the goodwill associated with the foregoing (collectively, “**Trademarks**”); (ii) patents and patent applications, and any and all divisions, continuations, continuations-in-part, reissues, continuing patent applications, reexaminations, and extensions thereof, any counterparts claiming priority therefrom, utility models, patents of importation/confirmation, certificates of invention, certificates of registration, design registrations or patents and like rights (collectively, “**Patents**”); inventions, invention disclosures, discoveries and improvements, whether or not patentable; (iii) writings and other works of authorship (“**Copyrights**”); (iv) trade secrets (including, those trade secrets defined in the Uniform Trade Secrets Act and under corresponding foreign statutory Law and common law), Information, business, technical and know-how information, business processes, non-public information, proprietary information and confidential information and rights to limit the use or disclosure thereof by any Person (collectively, “**Trade Secrets**”); (v) software, including data files, source code, object code, application programming interfaces, databases and other

software-related specifications and documentation (collectively, “**Software**”); (vi) domain names and uniform resource locators; (vii) moral rights; (viii) privacy and publicity rights; (ix) any and all technical information, Software, specifications, drawings, records, documentation, works of authorship or other creative works, ideas, knowledge, invention disclosures or other data, not including works subject to Copyright, Patent or Trademark protection (“**Technology**”); (x) advertising and promotional materials, whether or not copyrightable; and (xi) claims, causes of action and defenses relating to the enforcement of any of the foregoing; in each case, including any registrations of, applications to register, and renewals and extensions of, any of the foregoing with or by any Governmental Authority in any jurisdiction.

“**Inter-Group Indebtedness**” means any intercompany receivables, payables, accounts, advances, loans, guarantees, commitments and indebtedness for borrowed funds between a member of the Belo Group and a member of the Newspaper Holdco Group; provided, that “Inter-Group Indebtedness” shall not include any contingent Liabilities and accounts payable arising pursuant to the Ancillary Agreements, any agreements with respect to continuing transactions between Belo and Newspaper Holdco and any other agreements entered into in the ordinary course of business at or following the Distribution.

“**Law**” means any applicable foreign, federal, national, state, provincial or local law (including common law), statute, ordinance, rule, regulation, code or other requirement enacted, promulgated, issued or entered into, or act taken, by a Governmental Authority.

“**Liabilities**” means all debts, liabilities, obligations, responsibilities, response actions, Losses, damages (whether compensatory, punitive, consequential, treble or other), fines, penalties and sanctions, absolute or contingent, matured or unmatured, liquidated or unliquidated, foreseen or unforeseen, on- or off-balance sheet, joint, several or individual, asserted or unasserted, accrued or unaccrued, known or unknown, whenever arising, including those arising under or in connection with any Law, or other pronouncements of Governmental Authorities constituting an Action, order or consent decree of any Governmental Authority or any award of any arbitration tribunal, and those arising under any contract, guarantee, commitment or undertaking, whether sought to be imposed by a Governmental Authority, private party, or a Party, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute, or otherwise, and including any costs, expenses, interest, attorneys’ fees, disbursements and expense of counsel, expert and consulting fees, fees of third party administrators, and costs related thereto or to the investigation or defense thereof.

“**Loss**” means any claim, demand, complaint, damage, loss, Liability, cost or expense, including fees and expenses of counsel, whether or not arising out of, relating to or in connection with any Action.

“**Mixed Accounts**” has the meaning assigned to such term in Section 2.02(g)(ii).

“**Mixed Contract**” has the meaning assigned to such term in Section 2.02(g)(i).

“**Newspaper Holdco**” has the meaning assigned to such term in the Preamble hereto.

“**Newspaper Holdco Assets**” means, without duplication:

(i) all of the outstanding shares of all classes of capital stock of Newspaper Holdco Subsidiaries owned (either of record or beneficially) by Newspaper Holdco, as of the Effective Time;

(ii) all of the Assets included on the unaudited interim consolidated balance sheet of Newspaper Holdco, including the notes thereto, as of September 30, 2007, as set forth in the Information Statement (the "**Balance Sheet**"), to the extent such Assets would have been included as Assets on a consolidated balance sheet of Newspaper Holdco, and the notes thereto, as of the Effective Time (were such balance sheet and notes to be prepared) on a basis consistent with the determination of Assets included on the Balance Sheet;

(iii) all other Assets that are of a nature or type that would have resulted in such Assets being included as Assets on a consolidated balance sheet of Newspaper Holdco, and the notes thereto, as of the Effective Time (were such balance sheet and notes to be prepared) on a basis consistent with the determination of Assets included on the Balance Sheet;

(iv) the Assets expressly contributed, assigned, transferred, conveyed or delivered to Newspaper Holdco Group pursuant to this Agreement or the Ancillary Agreements;

(v) the contract rights, licenses, Trade Secrets, know-how, and any other rights and Intellectual Property, and any other rights, claims or properties (including any and all rights as an insured party under any Belo insurance policy), in each case of Newspaper Holdco Group and as of the Effective Time;

(vi) the assets, operations, personnel and related activities connected with the "Belo Interactive Media" and "Belo Technology" organizations; and

(vii) all other Assets that are held by Newspaper Holdco Group and that are used or held primarily for use in or necessary to the operation of the Newspaper Holdco Business.

"**Newspaper Holdco Business**" means the business and operations conducted by the Newspaper Holdco Group from time to time, whether prior to, at or after the Effective Time, including the business and operations conducted by the Newspaper Holdco Group as more fully described in the Information Statement.

"**Newspaper Holdco Common Stock**" has the meaning assigned to such term in the Recitals hereto.

"**Newspaper Holdco Group**" means Newspaper Holdco and each of its Subsidiaries and Affiliates, and any corporation or entity that may become part of such Group from time to time, other than the Belo Group.

"**Newspaper Holdco Indemnified Parties**" has the meaning assigned to such term in Section 4.03.

"**Newspaper Holdco Liabilities**" means, without duplication:

(i) all outstanding Liabilities included on the Balance Sheet, to the extent such Liabilities would have been included on a consolidated balance sheet of Newspaper Holdco, and the notes thereto, as of the Effective Time (were such balance sheet and notes to be prepared) on a basis consistent with the determination of Liabilities included on the Balance Sheet;

(ii) all other Liabilities that are of a nature or type that would have resulted in such Liabilities being included as Liabilities on a consolidated balance sheet of Newspaper Holdco, and the notes thereto, as of the Effective Time (were such balance sheet and notes to be prepared) on a basis consistent with the determination of Liabilities included on the Balance Sheet;

(iii) all Liabilities expressly assumed by Newspaper Holdco Group pursuant to this Agreement or the Ancillary Agreements; and

(iv) all Liabilities to the extent relating to, arising out of or resulting from actions, inactions, events, omissions, conditions, facts or circumstances occurring or existing prior to, at or after the Effective Time, in each case to the extent such Liabilities relate to, arise out of or result from any Newspaper Holdco Asset or the Newspaper Holdco Business, except for any Liability relating to the Circulation Litigation, which Belo and Newspaper Holdco shall share equally in accordance with the provisions of Section 5.06;

provided, however, that such term shall not include Belo's 8% Senior Notes Due November 1, 2008, 6-3/4% Senior Notes Due May 30, 2013, 7-3/4% Senior Debentures Due June 1, 2027, 7-1/4% Senior Debentures Due September 15, 2027, or the Amended and Restated Five-Year Competitive Advance and Revolving Credit Facility Agreement with JPMorgan Chase Bank, N.A., J.P. Morgan Securities Inc., Banc of America Securities LLC, Bank of America, N.A. and other lenders, all of which shall remain Liabilities of Belo.

"NYSE" means the New York Stock Exchange, Inc.

"Parties" has the meaning assigned to such term in the Preamble hereto.

"Patents" has the meaning assigned to such term in the definition of Intellectual Property.

"Person" means any natural person, corporation, general or limited partnership, limited liability company or partnership, joint stock company, joint venture, association, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any Governmental Authority.

"Preferred Share Purchase Rights" means the Series A Junior Participating Preferred Stock Purchase Rights entitling the registered holder thereof to purchase from Newspaper Holdco one two-hundredth of a share of Newspaper Holdco Series A Junior Participating Preferred Stock, \$.01 par value, at an exercise price of \$80 per one two-hundredth of a share, subject to adjustment.

"Recapitalization" has the meaning assigned to such term in Section 2.01(a).

“**Record Date**” means the close of business on January 25, 2008, which is the date determined by the Board of Directors of Belo as the record date for determining shareholders of Belo entitled to receive shares of Newspaper Holdco Common Stock pursuant to the Distribution.

“**Registration Statement**” means the Registration Statement on Form 10 of Newspaper Holdco (which includes the Information Statement) relating to the registration under the Exchange Act of Newspaper Holdco Common Stock, including all amendments or supplements thereto.

“**Related Claims**” means a claim or claims against a Belo insurance policy or reserve made by each of Belo and/or its insured parties, on the one hand, or Newspaper Holdco and/or its insured parties, on the other hand, filed in connection with Losses suffered by each of Belo (and/or its insured parties) and Newspaper Holdco (and/or its insured parties) arising out of the same underlying transactions or events.

“**SEC**” means the United States Securities and Exchange Commission.

“**Separation**” has the meaning assigned to such term in the Recitals hereto.

“**Series A Belo Common Stock**” has the meaning assigned to such term in the Recitals hereto.

“**Series A Newspaper Holdco Common Stock**” has the meaning assigned to such term in the Recitals hereto.

“**Series B Belo Common Stock**” has the meaning assigned to such term in the Recitals hereto.

“**Series B Newspaper Holdco Common Stock**” has the meaning assigned to such term in the Recitals hereto.

“**Services Agreement**” means the services agreement to be entered into by and between Belo and Newspaper Holdco, substantially in the form filed as an exhibit to the Registration Statement, with such changes as may be agreed to by the Parties.

“**Shared Director, Officer or Employee**” has the meaning assigned to such term in Section 2.02(h).

“**Software**” has the meaning assigned to such term in the definition of Intellectual Property.

“**SOX**” means the Sarbanes-Oxley Act of 2002, as amended from time to time.

“**Subsidiary**” means, with respect to any Person, any other Person of which a Person (either alone or through or together with any other Subsidiary of such Person) owns, directly or indirectly, a majority of the stock or other equity interests the holders of which are generally

entitled to vote for the election of the board of directors or other governing body of such corporation or other legal entity.

“**Tax Matters Agreement**” means the tax matters agreement to be entered into by and between Belo and Newspaper Holdco, substantially in the form filed as an exhibit to the Registration Statement, with such changes as may be agreed to by the Parties.

“**Third-Party Claim**” has the meaning assigned to such term in Section 4.05(a).

“**Trademarks**” has the meaning assigned to such term in the definition of Intellectual Property.

“**Trade Secrets**” has the meaning assigned to such term in the definition of Intellectual Property.

“**Unrelated Claims**” means a claim or claims against a Belo insurance policy or reserve made by each of Belo and/or its insured parties, on the one hand, or Newspaper Holdco and/or its insured parties, on the other hand, filed in connection with Losses suffered by each of Belo (and/or its insured parties) and Newspaper Holdco (and/or its insured parties) arising out of unrelated and separate transactions or events.

Section 1.02. General Interpretive Principles. (a) Words in the singular shall include the plural and vice versa, and words of one gender shall include the other gender, in each case, as the context requires, (b) the words “hereof,” “herein,” “hereunder,” and “herewith” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement, and references to Article, Section, paragraph, exhibit and schedule are references to the Articles, Sections, paragraphs, exhibits and schedules to this Agreement unless otherwise specified, (c) the word “including” and words of similar import when used in this Agreement shall mean “including, without limitation,” unless otherwise specified, and (d) any reference to any federal, state, local or non-U.S. statute or Law shall be deemed to also refer to all rules and regulations promulgated thereunder, unless the context otherwise requires. Unless the context requires otherwise, references in this Agreement to “Belo” shall also be deemed to refer to the applicable member of the Belo Group and to “Newspaper Holdco” shall also be deemed to refer to the applicable member of the Newspaper Holdco Group.

ARTICLE II

THE RECAPITALIZATION AND SEPARATION

Section 2.01. Recapitalization and Other Transactions. As of the Record Date, the outstanding capital stock of Newspaper Holdco consists of 1,000 shares of common stock (the “**Initial Newspaper Holdco Capital Stock**”), all of which are held by Belo Holdings, Inc. On or prior to the Distribution Date, and subject to satisfaction or waiver of the conditions set forth in Section 2.03, the Initial Newspaper Holdco Capital Stock shall be recapitalized, through a number of transactions among Belo, Belo Holdings, Inc. and Newspaper Holdco (the “**Recapitalization**”), such that the number of shares of Series A Newspaper Holdco Common Stock and Series B Newspaper Holdco Common Stock issued and outstanding immediately prior

to the Effective Time shall be in an amount calculated on the basis of the following: (i) .20 shares of Series A Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, for each share of Series A Belo Common Stock issued and outstanding immediately prior to the Distribution, and (ii) .20 shares of Series B Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, for each share of Series B Belo Common Stock issued and outstanding immediately prior to the Distribution. Immediately prior to the Distribution, such shares of Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, will be owned by Belo and will constitute all of the issued and outstanding capital stock, and Preferred Share Purchase Rights, of Newspaper Holdco.

Section 2.02. The Separation and Related Transactions. (a) (i) The Parties acknowledge that the Separation, subject to the terms and conditions hereof and of the Ancillary Agreements, will result in (A) Newspaper Holdco directly or indirectly operating the Newspaper Holdco Group and the Newspaper Holdco Business, continuing to own the Newspaper Holdco Assets and retaining and continuing to be liable for the Newspaper Holdco Liabilities and (B) Belo directly or indirectly operating the Belo Group and the Belo Business, continuing to own the Belo Assets and retaining and continuing to be liable for the Belo Liabilities.

(ii) Pursuant to the Separation, Newspaper Holdco, or a member of the Newspaper Holdco Group, shall remain and be the sole owner, and shall have exclusive right, title and interest in and to, all Newspaper Holdco Assets. Concurrently therewith, Newspaper Holdco shall remain and be solely liable for and shall faithfully perform, fulfill and discharge fully in due course all of the Newspaper Holdco Liabilities in accordance with their respective terms. Pursuant to the Separation, Belo, or a member of the Belo Group, shall remain and be the sole owner, and shall have exclusive right, title and interest in and to, all Belo Assets. Concurrently therewith, Belo shall remain and be solely liable for and shall faithfully perform, fulfill and discharge fully in due course all of the Belo Liabilities in accordance with their respective terms. From and after the Effective Time, Newspaper Holdco or a member of the Newspaper Holdco Group shall be solely responsible for all Newspaper Holdco Liabilities and Belo or a member of the Belo Group shall be solely responsible for all Belo Liabilities, regardless of when or where such Liabilities arose or arise, or whether the facts on which they are based occurred prior to, on or subsequent to the Effective Time, regardless of where or against whom such Liabilities are asserted or determined (including any Liabilities arising out of claims made by Belo's or Newspaper Holdco's respective directors, officers, employees, agents, Subsidiaries or Affiliates against any member of the Belo Group or the Newspaper Holdco Group, as the case may be) or whether asserted or determined prior to the date hereof, and regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud or misrepresentation by any member of the Belo Group or the Newspaper Holdco Group or any of their respective directors, officers, employees, agents, Subsidiaries or Affiliates, as the case may be. Notwithstanding anything herein to the contrary, this Section 2.02(a)(ii) shall not apply to any Assets or Liabilities contributed, assigned, transferred, conveyed, delivered and/or assumed under any Ancillary Agreement, which Assets and Liabilities shall be governed by the terms thereof, nor the Circulation Litigation, which shall be governed by Section 5.06.

(iii) Subject to any Ancillary Agreement and to the extent that prior to the Effective Time, (A) Belo owns or is in possession of any Newspaper Holdco Asset or Newspaper Holdco

owns or is in possession of any Belo Asset or (B) Belo is liable to any third party for any Newspaper Holdco Liability or Newspaper Holdco is liable to any third party for any Belo Liability, Belo and Newspaper Holdco shall, and shall cause the respective members of their Groups to, cooperate and use their respective commercially reasonable efforts to obtain the necessary Consents to, and shall, contribute, assign, transfer, convey and/or deliver any Belo Asset or Newspaper Holdco Asset, as the case may be, and/or assume any Belo Liability or Newspaper Holdco Liability, as the case may be, such that, on or prior to the Effective Time, Newspaper Holdco or a member of the Newspaper Holdco Group owns and is in possession of the Newspaper Holdco Assets and is solely liable for the Newspaper Holdco Liabilities and Belo or a member of the Belo Group owns and is in possession of the Belo Assets and is solely liable for the Belo Liabilities.

(b) *Delayed Transfer of Assets and/or Liabilities.* To the extent that any contribution, assignment, transfer, conveyance, delivery or assumption required pursuant to this Section 2.02 shall not have been consummated as of the Effective Time, whether by its terms or by operation of Law (any such Asset and/or Liability, a “**Delayed Transfer Asset and/or Liability**”) and subject to any Ancillary Agreement: (i) Belo and Newspaper Holdco thereafter shall, and shall cause the members of their respective Groups to, use commercially reasonable efforts and cooperate to effect such contribution, assignment, transfer, conveyance, delivery or assumption as promptly following the Effective Time as shall be practicable; (ii) Belo shall thereafter, with respect to any such Newspaper Holdco Asset, use commercially reasonable efforts, with the costs of Belo related thereto to be promptly reimbursed by Newspaper Holdco, to hold such Newspaper Holdco Asset in trust for the use and benefit of Newspaper Holdco and, with respect to any such Newspaper Holdco Liability, retain such Newspaper Holdco Liability for the account of Newspaper Holdco; and (iii) Newspaper Holdco shall thereafter, with respect to any such Belo Asset, use commercially reasonable efforts, with the costs of Newspaper Holdco related thereto to be promptly reimbursed by Belo, to hold such Belo Asset in trust for the use and benefit of Belo and, with respect to any such Belo Liability, to retain such Belo Liability for the account of Belo; in each case in order to place each Party, insofar as is reasonably possible, in the same position as would have existed had such Delayed Transfer Asset and/or Liability been contributed, assigned, transferred, conveyed, delivered or assumed as contemplated hereby (it being understood that neither Belo (with respect to any Newspaper Holdco Asset or Newspaper Holdco Liability) nor Newspaper Holdco (with respect to any Belo Asset or Belo Liability) shall be required to take any action pursuant to this clause that would, or could reasonably be expected to, result in any financial obligation to it or any restriction on its business or operations, except as may be required in any Ancillary Agreement). To the extent that Newspaper Holdco is provided the use or benefit of any Newspaper Holdco Asset or has any Newspaper Holdco Liability held for its account pursuant to this Section 2.02(b), Newspaper Holdco shall perform, for the benefit of Belo and any third Person, the obligations of Belo thereunder or in connection therewith, or as may be directed by Belo and if Newspaper Holdco shall fail to perform to the extent required herein, Newspaper Holdco shall hold Belo harmless and indemnify Belo therefor. To the extent that Belo is provided the use or benefit of any Belo Asset or has any Belo Liability held for its account pursuant to this Section 2.02(b), Belo shall perform, for the benefit of Newspaper Holdco and any third Person, the obligations of Newspaper Holdco thereunder or in connection therewith, or as may be directed by Newspaper Holdco and if Belo shall fail to perform to the extent required herein, Belo shall hold Newspaper Holdco harmless and indemnify Newspaper Holdco therefor. Each Party shall, and/or shall cause members of its Group to, as and when any

such Delayed Transfer Asset and/or Liability becomes contributable, assignable, transferable, conveyable, deliverable or assumable by such Party, effect such contribution, assignment, transfer, conveyance, delivery or assumption, as applicable, as promptly as practicable thereafter.

(c) *Assignment of Certain Agreements*. Subject to the Ancillary Agreements and to Section 2.02(g) hereof and if required under the circumstances, (i) Belo shall assign to Newspaper Holdco (or its Subsidiaries) all of its right, title and interest under the agreements comprising Newspaper Holdco Assets, and (ii) Newspaper Holdco shall assign to Belo (or its Subsidiaries) all of its right, title and interest under the agreements comprising Belo Assets, and each Party shall execute and deliver any and all instruments of substitution and such other instruments or agreements as shall be necessary in connection with the discharge of the other Party from its respective obligations with respect to such agreements; provided, however, that no Party shall be required to assign any contract or any claim, right or benefit arising thereunder or resulting therefrom if an attempted assignment thereof, without the consent of a third party thereto, would constitute a breach or other contravention thereof or in any way adversely affect the rights of Belo or Newspaper Holdco thereunder. With respect to any contract or any claim, right or benefit arising thereunder or resulting therefrom, Belo or Newspaper Holdco, as the case may be, will use its commercially reasonable efforts to obtain the Consent of the other parties to any such contract for the assignment thereof to Newspaper Holdco or Belo, as the case may be. If such Consent is not obtained, or if an attempted assignment thereof would be ineffective or would materially adversely affect the rights of Belo or Newspaper Holdco, as the case may be, thereunder so that Newspaper Holdco or Belo, as the case may be, would not in fact receive all such rights, Belo and Newspaper Holdco will cooperate in a mutually agreeable arrangement under which Newspaper Holdco or Belo, as the case may be, would obtain substantially the same economic benefits that would be obtained under an assignment thereof and assume the obligations thereunder in accordance with this Agreement, including subcontracting, sublicensing or subleasing to Newspaper Holdco or Belo, as the case may be, or under which Belo or Newspaper Holdco, as the case may be, would enforce for the benefit of Newspaper Holdco or Belo, as the case may be, with Newspaper Holdco or Belo, as the case may be, assuming Belo's or Newspaper Holdco's, as the case may be, obligations, and any and all rights of Belo, or Newspaper Holdco, as the case may be, against a third party thereto.

(d) *Termination of Certain Agreements*. Subject to Section 2.02(e) and if required under the circumstances, all contracts, licenses, agreements, commitments or other arrangements, formal or informal, between any member of the Belo Group, on the one hand, and any member of the Newspaper Holdco Group, on the other hand, in existence on or prior to the Effective Time, shall be automatically settled, cancelled or terminated by the Parties at the Effective Time, except (i) for (A) this Agreement and (B) each Ancillary Agreement (including each other agreement or instrument expressly contemplated by this Agreement or any Ancillary Agreement to be entered into by any of the Parties or any of the members of their respective Groups), (ii) for any contracts, licenses, agreements, commitments or other arrangements to which any Person is a party in addition to either Party or any member of either Group, or (iii) as otherwise agreed to in good faith by the Parties in writing on or after the date hereof. Except as expressly provided in Section 2.02(e), from and after the Effective Time, no member of either Group shall have any rights or obligations under any such settled, cancelled or terminated contract, license, agreement, commitment or arrangement with any member of the other Group.

(e) *Settlement of Inter-Group Indebtedness*. Each of Belo and/or any member of the Belo Group, on the one hand, and Newspaper Holdco and/or any member of the Newspaper Holdco Group, on the other hand, will contribute to the capital of the other Party, as the case may be, all Inter-Group Indebtedness, including any accounts receivable or promissory notes, owned by the contributing Party, or assign the same in lieu of such contribution, on or prior to the Effective Time, except as otherwise agreed to in good faith by the Parties in writing on or after the date hereof.

(f) *Guarantee Obligations*. (i) Except as otherwise may be provided in any Ancillary Agreement, Belo and Newspaper Holdco shall cooperate, and shall cause their respective Groups to cooperate, to terminate, or to cause a member of the Belo Group to be substituted in all respects for any member of the Newspaper Holdco Group in respect of, all obligations of such member of the Newspaper Holdco Group under any Belo Liability for which such member of the Newspaper Holdco Group may be liable, as guarantor, original tenant, primary obligor or otherwise. If such termination or substitution is not effected by the Effective Time, (A) Belo shall indemnify and hold harmless the Newspaper Holdco Indemnified Party for any Liability arising from or relating thereto and (B) without the prior written consent of Newspaper Holdco, from and after the Effective Time, Belo shall not, and shall not permit any member of the Belo Group or any of its Affiliates to, amend, renew or extend the term of, increase its obligations under, or transfer to a third Person, any loan, lease, contract or other obligation for which any member of the Newspaper Holdco Group is or may be liable, unless all obligations of the Newspaper Holdco Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to Newspaper Holdco; provided, that the limitations in clause (B) shall not apply in the event that a member of the Belo Group obtains a letter of credit from a financial institution reasonably acceptable to Newspaper Holdco and for the benefit of any member of the Newspaper Holdco Group with respect to such obligation of the Newspaper Holdco Group.

(ii) Except as otherwise may be provided in any Ancillary Agreement, Belo and Newspaper Holdco shall cooperate, and shall cause their respective Groups to cooperate, to terminate, or to cause a member of the Newspaper Holdco Group to be substituted in all respects for any member of the Belo Group in respect of, all obligations of such member of the Belo Group under any Newspaper Holdco Liability for which such member of the Belo Group may be liable, as guarantor, original tenant, primary obligor or otherwise. If such termination or substitution is not effected by the Effective Time, (A) Newspaper Holdco shall indemnify and hold harmless the Belo Indemnified Party for any Liability arising from or relating thereto and (B) without the prior written consent of Belo, from and after the Effective Time, Newspaper Holdco shall not, and shall not permit any member of the Newspaper Holdco Group to, amend, renew or extend the term of, increase its obligations under, or transfer to a third Person, any loan, lease, contract or other obligation for which any member of the Belo Group is or may be liable, unless all obligations of the Belo Group with respect thereto are thereupon terminated by documentation reasonably satisfactory in form and substance to Belo; provided, that the limitations in clause (B) shall not apply in the event that a member of the Newspaper Holdco Group obtains a letter of credit from a financial institution reasonably acceptable to Belo and for the benefit of any member of the Belo Group with respect to such obligation of the Belo Group.

(g) *Mixed Contracts; Mixed Accounts*. (i) Unless the Parties agree in writing otherwise or as otherwise may be provided in any Ancillary Agreement, any agreement to which any member of the Belo Group or the Newspaper Holdco Group is a party prior to the Effective Time that inures to the benefit or burden of both of the Belo Business and the Newspaper Holdco Business (a “**Mixed Contract**”) shall be assigned in part to Newspaper Holdco or one of its Subsidiaries, and/or to Belo or one of its Subsidiaries, as the case may be, if so assignable, prior to or as of the Effective Time, such that each Party or its respective Subsidiaries shall be entitled to the rights and benefits thereof and shall assume the related portion of any obligations thereunder and any Liabilities inuring to their respective Businesses; provided, however, that in no event shall either Party be required to assign any Mixed Contract in its entirety. If any Mixed Contract cannot be so partially assigned, Belo and Newspaper Holdco shall, and shall cause each of their respective Subsidiaries to, take such other reasonable and permissible actions to cause: (A) the Assets associated with that portion of each Mixed Contract that relates to the Newspaper Holdco Business to be enjoyed by Newspaper Holdco or a Newspaper Holdco Subsidiary; (B) the Liabilities associated with that portion of each Mixed Contract that relates to the Newspaper Holdco Business to be borne by Newspaper Holdco or a Newspaper Holdco Subsidiary; (C) the Assets associated with that portion of each Mixed Contract that relates to the Belo Business to be enjoyed by Belo or a Belo Subsidiary; and (D) the Liabilities associated with that portion of each Mixed Contract that relates to the Belo Business to be borne by Belo or a Belo Subsidiary; provided, however, that the arrangements described in clauses (A), (B), (C) and (D) shall terminate on the termination of the applicable Mixed Contract.

(ii) Except as may otherwise be agreed in writing by the Parties or as otherwise may be provided in any Ancillary Agreement, neither Party shall seek to assign any accounts receivable or accounts payable relating to both the Belo Business and the Newspaper Holdco Business (“**Mixed Accounts**”). Belo and Newspaper Holdco shall, and shall cause each of their respective Subsidiaries to, take such other reasonable and permissible actions to cause: (A) the Assets associated with that portion of each Mixed Account that relates to the Belo Business to be enjoyed solely by Belo or a Belo Subsidiary; (B) the Liabilities associated with that portion of each Mixed Account that relates to the Belo Business to be borne solely by Belo or a Belo Subsidiary; (C) the Assets associated with that portion of each Mixed Account that relates to the Newspaper Holdco Business to be enjoyed solely by Newspaper Holdco or a Newspaper Holdco Subsidiary; and (D) the Liabilities associated with that portion of each Mixed Account that relates to the Newspaper Holdco Business to be borne solely by Newspaper Holdco or a Newspaper Holdco Subsidiary; provided, however, that the arrangements described in clauses (A), (B), (C) and (D) shall terminate on the maturity or payment date of the applicable Mixed Account.

(iii) Nothing in this Section 2.02(g) shall require any member of either Group to make any payment, incur any obligation or grant any concession, in any case, to any third party in order to effect any transaction contemplated by this Section 2.02(g).

(h) *Shared Directors, Officers or Employees*. Immediately prior to the Effective Time, (i) each Person who is an officer, director or employee of any member of the Newspaper Holdco Group and an officer, director or employee of any member of the Belo Group (a “**Shared Director, Officer or Employee**”) and who is to continue as an officer, director or employee of any member of the Newspaper Holdco Group after the Effective Time shall resign, effective at or

prior to the Effective Time, from each of such Person's positions with each member of the Belo Group, except for Robert W. Decherd, Dealey D. Herndon, and James M. Moroney III, who will continue as directors of Belo; and (ii) each such Shared Director, Officer or Employee who is to continue as a director, officer or employee of any member of the Belo Group after the Effective Time shall resign, effective at or prior to the Effective Time, from each of such Person's positions with each member of the Newspaper Holdco Group, except for Robert W. Decherd, Dealey D. Herndon, and James M. Moroney III, who will continue as a director, officer or employee, as the case may be, of Newspaper Holdco.

Section 2.03. Conditions Precedent to Consummation of the Recapitalization and the Separation. The obligations of the Parties to consummate each of the Recapitalization and the Separation is subject to the prior or simultaneous satisfaction, or waiver by Belo in its sole and absolute discretion, of each of the following conditions:

- (a) final approval of the Recapitalization and the Separation shall have been given by the Board of Directors of Belo in its sole and absolute discretion; and
- (b) each of the conditions precedent to the consummation of the Distribution set forth in Section 3.03 hereof shall have been satisfied or (other than Section 3.03(j) (as to any material Consent from a Governmental Authority)) waived by Belo in its sole and absolute discretion.

Each of the foregoing conditions is for the benefit of Belo and Belo may, in its sole and absolute discretion, determine whether to waive any such condition. Any determination made by Belo prior to the Separation and Recapitalization concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 2.03 shall be conclusive and binding on the Parties.

ARTICLE III THE DISTRIBUTION

Section 3.01. Actions Prior to the Distribution. Subject to the satisfaction or waiver of the conditions set forth in Section 3.03, the actions set forth in this Section 3.01 have been or shall be taken prior to the Effective Time.

(a) The Board of Directors of Belo has established the Distribution Date and shall establish any appropriate procedures in connection with the Distribution. Belo and Newspaper Holdco have used and shall continue to use commercially reasonable efforts to (i) cooperate with each other with respect to the preparation of the Registration Statement and the Information Statement, (ii) cause the Registration Statement to become effective under the Exchange Act and to keep the Registration Statement effective until the such time as its effectiveness is no longer required under the Exchange Act, and (iii) mail the Information Statement, including by electronic delivery where not prohibited by Law, promptly after effectiveness of the Registration Statement and the Record Date, and in any event prior to the Distribution Date, to the holders of Belo Common Stock as of the Record Date.

(b) Belo shall enter into a distribution agreement with the Distribution Agent (the "**Distribution Agent Agreement**") providing for, among other things, the payment of the

Distribution to the holders of Belo Common Stock in accordance with this Article III and the Distribution Agent Agreement.

(c) Belo and Newspaper Holdco shall deliver to the Distribution Agent (i) book-entry transfer authorizations for (or, upon request from a Belo shareholder, with respect to Series A Newspaper Holdco Common Stock, share certificates representing) outstanding shares of Series A Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, to be distributed in connection with the payment of the Distribution, (ii) certificates for outstanding shares of Series B Newspaper Holdco Common Stock (which are certificated only and not subject to book-entry transfer procedures), including the Preferred Share Purchase Rights attached thereto, to be distributed in connection with the payment of the Distribution, and (iii) all information required to complete the Distribution on the basis set forth herein and under the Distribution Agent Agreement. Following the Distribution Date, upon the request of the Distribution Agent, Newspaper Holdco shall provide to the Distribution Agent all book-entry transfer authorizations for (or, if applicable and on the basis set forth above, certificates for shares representing) outstanding shares of Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, that the Distribution Agent shall require in order to further effect the Distribution.

(d) Each of Belo and Newspaper Holdco shall execute and deliver to the other Party, or cause the appropriate members of its Group to execute and deliver to the other Party, each of the Ancillary Agreements and any other document necessary to effect the transactions contemplated by this Agreement.

(e) Belo has established the Record Date and given the NYSE not less than ten days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act.

(f) Each Party shall cooperate with the other Party to accomplish the Distribution and shall take any and all actions necessary or desirable to effect the Distribution.

(g) The Parties will take all actions and make all filings as Belo, in consultation with Newspaper Holdco but ultimately in Belo's sole and absolute discretion, determines is necessary or appropriate, to cause the issuance of all material Consents in order for Belo and Newspaper Holdco to operate their respective Businesses independently of each other in the manner contemplated hereunder and under the Ancillary Agreements.

(h) Newspaper Holdco will prepare, file and use commercially reasonable efforts to make effective an application for listing of the Series A Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, on the NYSE, subject to official notice of issuance.

(i) Belo shall, in its sole discretion, determine (i) whether to proceed with all or part of the Distribution on the Distribution Date, (ii) the timing and conditions to the Distribution and (iii) the terms thereof. Belo may, at any time and from time to time, change the terms of the Distribution, including by delaying or accelerating the timing of the Distribution. Belo shall use commercially reasonable efforts to provide reasonable notice to Newspaper Holdco of any such change. Belo shall select the outside financial advisors, outside legal counsel, accountants,

agents and the financial printer employed in connection with the transactions hereunder in its sole and absolute discretion, and the Parties understand and acknowledge that such third parties, together with officers and employees, including internal legal counsel, of Belo, have performed services for, rendered legal, accounting or similar advice to, made decisions on behalf of, and/or otherwise taken or not taken actions in respect of both Parties at the direction of Belo personnel and with the consent of the respective directors and officers of Belo and Newspaper Holdco. Accordingly, the Parties agree not to assert any conflict of interest or breach of duty as a result thereof, absent fraud or intentional misconduct.

(j) Belo and Newspaper Holdco shall take all actions necessary so that the Certificate of Incorporation and the Bylaws shall be in effect at or prior to the Effective Time.

(k) Belo and Newspaper Holdco shall take all such actions as Belo, in consultation with Newspaper Holdco but ultimately in Belo's sole and absolute discretion, determines is necessary or appropriate under applicable federal or state securities or blue sky laws of the United States (and any comparable laws under any foreign jurisdiction) in connection with the Distribution.

Section 3.02. The Distribution. Subject to the satisfaction or waiver of the conditions set forth in Section 3.03, the actions set forth in this Section 3.02 shall be taken on the Distribution Date.

(a) Belo shall effect the Distribution by causing all of the issued and outstanding shares of Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, beneficially owned by Belo to be distributed to record holders of shares of Belo Common Stock as of the Record Date, other than with respect to shares of Belo Common Stock held in the treasury of Belo, by means of a *pro rata* dividend of such Newspaper Holdco Common Stock, including such rights, to holders of shares of Belo Common Stock, on the terms and subject to the conditions set forth in this Agreement.

(b) Each record holder of (i) Series A Belo Common Stock on the Record Date (or such holder's designated transferee or transferees), other than in respect of shares of Series A Belo Common Stock held in the treasury of Belo, will be entitled to receive in the Distribution, .20 shares of Series A Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, with respect to every share of Series A Belo Common Stock held by such record holder on the Record Date, and (ii) each record holder of Series B Belo Common Stock on the Record Date (or such holder's designated transferee or transferees), other than in respect of shares Series B Belo Common Stock held in the treasury of Belo, will be entitled to receive in the Distribution, .20 shares of Series B Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, with respect to every share of Series B Belo Common Stock held by such record holder on the Record Date. The treatment, in connection with the Distribution, of any outstanding Belo stock option or restricted share unit will be as specified in the Employee Matters Agreement. Belo shall direct the Distribution Agent to distribute on the Distribution Date or as soon as reasonably practicable thereafter the appropriate number of shares of Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, to each such record holder or designated transferee(s) of such holder of record.

(c) Belo shall direct the Distribution Agent, to determine, as soon as is practicable after the Distribution Date, the number of fractional shares, if any, of Newspaper Holdco Common Stock allocable to each holder of record of Belo Common Stock entitled to receive Newspaper Holdco Common Stock in the Distribution and to promptly thereafter aggregate all such fractional shares and sell the whole shares obtained thereby, in open market transactions at the then-prevailing trading prices, and to cause to be distributed to each such holder, in lieu of any fractional share, such holder's ratable share of the proceeds of such sale, after making appropriate deductions of the amounts required to be withheld for federal income tax purposes.

(d) Any Newspaper Holdco Common Stock, including Preferred Share Purchase Rights attached thereto, or cash, in lieu of fractional shares, with respect to Newspaper Holdco Common Stock that remains unclaimed by any holder of record 180 days after the Distribution Date shall be delivered to Newspaper Holdco. Newspaper Holdco shall hold such Newspaper Holdco Common Stock, including Preferred Share Purchase Rights attached thereto, and/or cash for the account of such holder of record and any such holder of record shall look only to Newspaper Holdco for such Newspaper Holdco Common Stock, including Preferred Share Purchase Rights attached thereto, and/or cash, if any, in lieu of fractional share interests, subject in each case to applicable escheat or other abandoned property laws.

Section 3.03. Conditions to Distribution. The obligation of Belo to consummate the Distribution is subject to the prior or simultaneous satisfaction, or waiver by Belo, in its sole and absolute discretion, of each of the following conditions:

(a) final approval of the Distribution shall have been given by the Board of Directors of Belo, and the Board of Directors of Belo shall have declared the dividend of Newspaper Holdco Common Stock, each such action in its sole and absolute discretion;

(b) the Registration Statement shall have been filed with, and declared effective by, the SEC, and there shall be no suspension, withdrawal or stop-order in effect with respect thereto and no proceeding for that purpose shall have been instituted by the SEC;

(c) the Information Statement shall have been mailed to Belo shareholders, which for purposes of this Section 3.03(c) includes electronic delivery where not prohibited by Law;

(d) the actions and filings necessary or appropriate under applicable federal and state securities laws and state blue sky laws of the United States (and any comparable laws under any foreign jurisdictions) in connection with the Distribution (including, if applicable, any actions and filings relating to the Registration Statement) and any other necessary and applicable Consents shall have been taken, obtained and, where applicable, have become effective or been accepted, each as the case may be;

(e) the NYSE shall have approved the Series A Newspaper Holdco Common Stock, including the Preferred Share Purchase Rights attached thereto, to be delivered in the Distribution for listing, subject to official notice of issuance;

(f) no order, injunction or decree issued by any Governmental Authority or other legal restraint or prohibition, which remains in effect, preventing the consummation of the

Separation or the Distribution or any of the other transactions contemplated by this Agreement or any Ancillary Agreement shall have been threatened or be in effect;

(g) Belo shall have received a tax opinion from Locke Lord Bissell Liddell LLP, in form and substance satisfactory to Belo, to the effect that the distribution of Newspaper Holdco's Common Stock will qualify as a distribution that is tax free under Section 355 of the Code, and the private letter ruling issued to Belo by the Internal Revenue Service regarding the tax free status of the transactions contemplated hereunder shall be in form and substance satisfactory to Belo and shall not have been revoked or materially amended;

(h) Belo shall have established the Record Date and shall have given the NYSE not less than ten days' advance notice of the Record Date in compliance with Rule 10b-17 under the Exchange Act;

(i) Belo's Board of Directors shall have concluded, based on advice from internal and external legal counsel, in its sole and absolute discretion, that the Distribution will not violate or result in a breach of Law or any material agreement;

(j) all material Consents and approvals of Governmental Authorities required in connection with the transactions contemplated hereby shall have been received and be in full force and effect;

(k) the Separation and Recapitalization shall have been consummated in accordance with this Agreement;

(l) the Ancillary Agreements shall have been duly executed and delivered and such agreements shall be in full force and effect and the parties thereto shall have performed or complied with all of their respective covenants, obligations and agreements contained herein and therein and as required to be performed or complied with prior to the Effective Time;

(m) the Certificate of Incorporation shall have been filed with the Secretary of State of Delaware and be in full force and effect and the Bylaws of Newspaper Holdco shall be in full force and effect; and

(n) no other events or developments have occurred subsequent to the date of this Agreement that, in the judgment of the Board of Directors of Belo, would result in the consummation of the transactions contemplated by this Agreement having an adverse effect on Belo or its shareholders.

Each of the foregoing conditions is for the sole benefit of Belo and Belo may, in its sole and absolute discretion, determine whether to waive any such condition (other than Section 3.03(j) (as to any material Consent from a Governmental Authority)). Any determination made by Belo, in its sole and absolute discretion, prior to the Distribution concerning the satisfaction or waiver of any or all of the conditions set forth in this Section 3.03 shall be conclusive and binding on the Parties. Each Party will use commercially reasonable efforts to keep the other Party apprised of its efforts with respect to, and the status of, each of the foregoing conditions.

ARTICLE IV
SURVIVAL AND INDEMNIFICATION

Section 4.01. Survival of Agreements. All covenants and agreements of the Parties contained in this Agreement shall survive each of the Separation and the Distribution.

Section 4.02. Indemnification by Newspaper Holdco. In addition to any other provision of this Agreement requiring indemnification, Newspaper Holdco shall indemnify, defend, release, discharge and hold harmless Belo, each member of the Belo Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “**Belo Indemnified Parties**”), from and against any and all Losses or Liabilities of the Belo Indemnified Parties relating to, arising out of or resulting from any of the following items regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud, misrepresentation or otherwise (without duplication):

- (a) the failure of Newspaper Holdco or any other member of the Newspaper Holdco Group or any other Person to pay, perform or otherwise promptly discharge any Newspaper Holdco Liability or any contract, agreement or arrangement included in the Newspaper Holdco Assets in accordance with their respective terms, whether arising prior to, on or after the Effective Time;
- (b) any Newspaper Holdco Liability, any Newspaper Holdco Asset or the Newspaper Holdco Business, whether arising prior to, on or after the Effective Time;
- (c) any material breach by Newspaper Holdco or any member of the Newspaper Holdco Group of this Agreement or any of the Ancillary Agreements;
- (d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading, contained in the Registration Statement or the Information Statement;
- (e) the failure by Newspaper Holdco to substitute a member of the Newspaper Holdco Group for any member of the Belo Group as guarantor or primary obligor for any Newspaper Holdco Liability) according to the terms and conditions of Section 2.02(f)(ii); and
- (f) the failure by Newspaper Holdco to perform in connection with any Delayed Transfer Asset and/or Liability held by Belo for Newspaper Holdco’s benefit pursuant to Section 2.02(b).

Section 4.03. Indemnification by Belo. In addition to any other provision of this Agreement requiring indemnification, Belo shall indemnify, defend, release, discharge and hold harmless Newspaper Holdco, each member of the Newspaper Holdco Group and each of their respective directors, officers and employees, and each of the heirs, executors, successors and assigns of any of the foregoing (collectively, the “**Newspaper Holdco Indemnified Parties**,” and, together with Belo Indemnified Parties, the “**Indemnified Parties**”), from and against any

and all Losses or Liabilities of the Newspaper Holdco Indemnified Parties relating to, arising out of or resulting from any of the following items regardless of whether arising from or alleged to arise from negligence, recklessness, violation of Law, fraud, misrepresentation or otherwise (without duplication):

(a) the failure of Belo or any other member of the Belo Group or any other Person to pay, perform or otherwise promptly discharge any Belo Liability or any contract, agreement or arrangement included in the Belo Assets in accordance with their respective terms, whether arising prior to, on or after the Effective Time;

(b) any Belo Liability, Belo Asset or the Belo Business, whether arising prior to, on or after the Effective Time;

(c) any material breach by Belo or any member of the Belo Group of this Agreement or any of the Ancillary Agreements;

(d) any untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact required to be stated therein or necessary to make the statements therein not misleading contained in the Registration Statement or the Information Statement;

(e) the failure by Belo to substitute a member of the Belo Group for any member of the Newspaper Holdco Group as guarantor or primary obligor for any Belo agreement or Belo Liability, according to the terms and conditions of Section 2.02(f)(i); and

(f) the failure by Belo to perform in connection with any Delayed Transfer Asset and/or Liability held by Newspaper Holdco for Belo's benefit pursuant to Section 2.02(b).

Section 4.04. Insurance. (a) Each of Belo and Newspaper Holdco shall use its respective commercially reasonable efforts to collect any proceeds under its respective available and applicable third party insurance policies to which it or any of its Subsidiaries is entitled prior to seeking indemnification or contribution under this Agreement, where allowed; provided, however, that any such actions by an Indemnified Party will not relieve the Indemnifying Party of any of its obligations under this Agreement, including the Indemnifying Party's obligation to pay directly or reimburse the Indemnified Party for costs and expenses actually incurred by the Indemnified Party.

(b) The amount of any Loss subject to indemnification or contribution pursuant to this Agreement will be reduced by any amounts actually recovered (including insurance proceeds or other amounts actually recovered under insurance policies, net of any out-of-pocket costs or expenses incurred in the collection thereof), whether retroactively or prospectively, by the Indemnified Party from any third Person with respect to such Loss. If any Indemnified Party recovers an amount from a third Person in respect of any Loss for which indemnification is provided in this Agreement after the full amount of such indemnifiable Loss has been paid by an Indemnifying Party or after an Indemnifying Party has made a payment of a portion, but not all of, such indemnifiable Loss and the amount received from the third Person exceeds the remaining unpaid balance of such indemnifiable Loss, then the Indemnified Party will promptly remit to the Indemnifying Party the positive excess (if any) of (i) the sum of the amount

previously paid by such Indemnifying Party in respect of such indemnifiable Loss plus the amount received by such Indemnified Party from such third Person in respect of such indemnifiable Loss (after deducting any costs and expenses that have not yet been paid or reimbursed by the Indemnifying Party), minus (ii) the full amount of such indemnifiable Loss. An insurer or other third Person who would otherwise be obligated to pay any Loss shall not be relieved of the responsibility with respect thereto or, solely by virtue of the indemnification and contribution provisions hereof, have any subrogation rights with respect thereto, it being understood and agreed that no insurer or any third Person shall be entitled to a “windfall” (i.e., a benefit it would not be entitled to receive in the absence of the indemnification and contribution provisions) by virtue of the indemnification and contribution provisions hereof.

Section 4.05. Procedures for Indemnification of Third-Party Claims. (a) If an Indemnified Party shall receive notice or otherwise learn of the assertion by any Person who is not a member of the Belo Group or the Newspaper Holdco Group of any claim, or of the commencement by any such Person of any Action, with respect to which an Indemnifying Party may be obligated to provide indemnification to such Indemnified Party pursuant to Section 4.02 or Section 4.03, or any other Section of this Agreement or any Ancillary Agreement (collectively, a “**Third-Party Claim**”), such Indemnified Party shall give such Indemnifying Party written notice thereof within 30 days after such Indemnified Party received notice of such Third-Party Claim. Any such notice shall describe the Third-Party Claim in reasonable detail, including, if known, the amount of the Loss or Liability for which indemnification may be available. Notwithstanding the foregoing, the failure of any Indemnified Party or other Person to give notice as provided in this Section 4.05(a) shall not relieve the related Indemnifying Party of its obligations under this Article IV, except to the extent that such Indemnifying Party is actually prejudiced by such failure to give notice.

(b) An Indemnifying Party may elect (but is not required) to assume the defense of and defend, at such Indemnifying Party’s own expense and by such Indemnifying Party’s own counsel, any Third-Party Claim. Within 30 days after the receipt of notice from an Indemnified Party in accordance with Section 4.05(a) (or sooner, if the nature of such Third-Party Claim so requires), the Indemnifying Party shall notify the Indemnified Party of its election whether the Indemnifying Party will assume responsibility for defending such Third-Party Claim, which election shall specify any reservations or exceptions. If, in such notice, the Indemnifying Party elects to assume the defense of a Third-Party Claim, the Indemnified Party shall have the right to employ separate counsel and to participate in (but not control) the defense, compromise, or settlement thereof, but the fees and expenses of such counsel shall be the expense solely of such Indemnified Party.

(c) If, in such notice, an Indemnifying Party elects not to assume responsibility for defending a Third-Party Claim, or fails to notify an Indemnified Party of its election as provided in Section 4.05(b), such Indemnified Party may defend such Third-Party Claim at the cost and expense of the Indemnifying Party; provided, that in the event of any such failure to notify, the Indemnifying Party may thereafter assume the defense of such Third-Party Claim upon notice to the Indemnified Party (but the cost and expense of such Indemnified Party in defending such Third-Party Claim incurred from the last day of the notice period under Section 4.05(b) until such date as the Indemnifying Party shall assume the defense of such Third-Party Claim shall be paid by the Indemnifying Party).

(d) Unless the Indemnifying Party has failed to assume the defense of the Third-Party Claim in accordance with the terms of this Agreement, no Indemnified Party may settle or compromise any Third-Party Claim without the consent of the Indemnifying Party (not to be unreasonably withheld or delayed).

(e) The Indemnifying Party shall have the right to compromise or settle a Third-Party Claim the defense of which it shall have assumed pursuant to Section 4.05(b) or Section 4.05(c) and any such settlement or compromise made or caused to be made of a Third-Party Claim in accordance with this Article IV shall be binding on the Indemnified Party, in the same manner as if a final judgment or decree had been entered by a court of competent jurisdiction in the amount of such settlement or compromise. Notwithstanding the foregoing sentence, the Indemnifying Party shall not have the right to admit culpability on behalf of the Indemnified Party and shall not compromise or settle a Third-Party Claim unless the compromise or settlement includes, as a part thereof, an unconditional release of the Indemnified Party from Liability with respect to such Third-Party Claim and does not require the Indemnified Party to make any payment that is not fully indemnified under this Agreement or to be subject to any non-monetary remedy, in each case without the express prior written consent of the Indemnified Party (not to be unreasonably withheld or delayed).

Section 4.06. Additional Matters. (a) Any claim with respect to a Loss or Liability that does not result from a Third-Party Claim shall be asserted by written notice given by the Indemnified Party to the related Indemnifying Party. Such Indemnifying Party shall have a period of 30 days after the receipt of such notice within which to respond thereto. If such Indemnifying Party does not respond in writing within such 30-day period, such Indemnifying Party shall be deemed to have agreed to accept responsibility to make payment. If such Indemnifying Party does not respond within such 30-day period or rejects such claim in whole or in part, such Indemnified Party shall be free to pursue such remedies as may be available to such Party by law or in equity as contemplated by this Agreement.

(b) In the event of payment by or on behalf of any Indemnifying Party to any Indemnified Party in connection with any Third-Party Claim, such Indemnifying Party shall be subrogated to and shall stand in the place of such Indemnified Party as to any events or circumstances in respect of which such Indemnified Party may have any right, defense or claim relating to such Third-Party Claim against any claimant or plaintiff asserting such Third-Party Claim or against any other Person. Such Indemnified Party shall cooperate with such Indemnifying Party in a reasonable manner, and at the cost and expense of such Indemnifying Party, in prosecuting any subrogated right, defense or claim.

(c) In the event of an Action in which the Indemnifying Party is not a named defendant, if either the Indemnified Party or Indemnifying Party shall so request, the Parties shall endeavor to substitute the Indemnifying Party for the named defendant, if at all practicable and advisable under the circumstances. If such substitution or addition cannot be achieved for any reason or is not requested, the named defendant shall allow the Indemnifying Party to manage the Action as set forth in this Article IV.

(d) Except to the extent otherwise expressly provided herein to the contrary, the indemnification rights set forth in this Agreement shall be applicable notwithstanding the negligence, whether simple, contributory or gross, of the particular Indemnified Party.

Section 4.07. Contribution. If the foregoing indemnity is unavailable to either Party for any reason, the Party from whom such indemnity is sought agrees to contribute, in accordance with this Section 4.07, to any Losses incurred in connection with the transaction or transactions for which such indemnity is sought. For such Losses referred to in Section 4.02 or Section 4.03, as the case may be, the Party from which indemnity is sought shall contribute in such proportion as is appropriate to reflect the relative benefits received (or anticipated to be received) by the respective Parties. For any other Losses, and if the allocation provided by the immediately preceding sentence is unavailable for any reason, the Party from whom indemnity is sought shall contribute in such proportion as is appropriate to reflect not only such relative benefit but also the relative fault of the Party from which indemnity is sought in connection with the statements, omissions or other conduct which resulted in such Losses, as well as any other relevant equitable considerations. The Parties agree that it would not be just and equitable if contribution were determined by *pro rata* allocation or by any other method of allocation which does not take account of the equitable considerations referred to above.

Section 4.08. Survival of Indemnities. The rights and obligations of each of Belo and Newspaper Holdco and their respective Indemnified Parties under this Article IV shall survive the sale or other transfer by any Party of any of its Assets or Businesses or the assignment by it of any Liabilities.

Section 4.09. Remedies Cumulative. The remedies provided in this Article IV or elsewhere in this Agreement shall be cumulative and shall not preclude assertion by any Indemnified Party of any other rights or the seeking of any and all other remedies against any Indemnifying Party; provided, that the procedures set forth in this Article IV shall be the exclusive procedures governing any indemnity action brought under this Agreement.

Section 4.10. Ancillary Agreements. Notwithstanding anything in this Agreement to the contrary, to the extent any Ancillary Agreement contains any specific, express indemnification obligation or contribution obligation relating to any Belo Liability, Belo Asset, Newspaper Holdco Liability or Newspaper Holdco Asset contributed, assumed, retained, transferred, delivered or conveyed pursuant to such Ancillary Agreement, or relating to any other specific matter, the indemnification and contribution obligations contained herein shall not apply to such Belo Liability, Belo Asset, Newspaper Holdco Liability or Newspaper Holdco Asset, or such other specific matter, and instead the indemnification and/or contribution obligations set forth in such Ancillary Agreement shall govern with regard to such Belo Asset, Belo Liability, Newspaper Holdco Asset or Newspaper Holdco Liability or any such other specific matter.

ARTICLE V

CERTAIN ADDITIONAL COVENANTS

Section 5.01. Consents for Business. After the Effective Time, each Party shall cause the appropriate members of its respective Group to prepare and file with the appropriate

Governmental Authorities applications for the transfer or issuance, as each of the Parties determines is necessary or advisable, to its Group of all material Consents required for the members of its Group to operate its Business. The members of the Newspaper Holdco Group and the members of the Belo Group shall cooperate and use all commercially reasonable efforts to secure the transfer or issuance of such Consents.

Section 5.02. Additional Consents. In addition to the actions described in Section 5.01, the members of the Belo Group and the members of the Newspaper Holdco Group shall cooperate to make all other filings and to give notice to and obtain any Consent required or advisable to consummate the transactions that are contemplated to occur from and after the Effective Time by this Agreement and the Ancillary Agreements.

Section 5.03. Further Assurances. (a) Each of the Parties shall use its commercially reasonable efforts, on and after the Distribution Date, to take, or cause to be taken, all actions, and to do, or cause to be done, all things, reasonably necessary, proper or advisable under applicable Laws, regulations and agreements to consummate and make effective the transactions contemplated by this Agreement and the Ancillary Agreements.

(b) Without limiting the foregoing, on and after the Distribution Date, each Party shall cooperate with the other Party, and without any further consideration, but at the expense of the requesting Party, to cause to be executed and delivered, all instruments, including instruments of conveyance, assignment and transfer, and to make all filings with, and to obtain all Consents under, any permit, license, agreement, indenture or other instrument, and to take all such other actions as either Party may request to take by any other Party from time to time, consistent with the terms of this Agreement and the Ancillary Agreements, in order to effectuate the provisions and purposes of this Agreement and the Ancillary Agreements and, to the extent necessary, (i) the transfer of any Newspaper Holdco Asset from any member of the Belo Group to any member of the Newspaper Holdco Group and the assumption of any Newspaper Holdco Liability by any member of the Newspaper Holdco Group and (ii) the transfer of any Belo Asset from any member of the Newspaper Holdco Group to any member of the Belo Group and the assumption of any Belo Liability by any member of the Belo Group, and the other transactions contemplated hereby and thereby; provided that, except to the extent otherwise expressly provided herein, neither Party shall be obligated to make any payment, incur any obligation or grant any concession, other than the payment of ordinary and customary fees to Governmental Authorities.

(c) Belo and Newspaper Holdco, in their respective capacities as direct and indirect shareholders of their respective Subsidiaries, shall each properly ratify any actions that are reasonably necessary or desirable to be taken by Belo and Newspaper Holdco, or any of their respective Subsidiaries, as the case may be, to effectuate the transactions contemplated by this Agreement and any Ancillary Agreements.

(d) Each of the Parties shall, and shall cause each of the members of their respective Groups to, at the request of the other, use its commercially reasonable best efforts to obtain, or cause to be obtained, any Consent, substitution or amendment required to novate (including with respect to any government contract) or assign all obligations under agreements, leases, licenses and other obligations or Liabilities of any nature whatsoever that constitute Newspaper Holdco

Liabilities or Belo Liabilities, as the case may be, or to obtain in writing the unconditional release of all parties to such arrangements other than any member of either the Newspaper Holdco Group or the Belo Group, as the case may be, so that, in any such case, such Group will be solely responsible for all such Liabilities.

(e) If at any time and from time to time (whether prior to, at or after the Effective Time), any member of the Belo Group shall receive or otherwise possess or control any Newspaper Holdco Asset, Belo shall or shall cause such member of the Belo Group to promptly transfer such Newspaper Holdco Asset to Newspaper Holdco or its Affiliate or designee.

(f) If at any time and from time to time (whether prior to, at or after the Effective Time), any member of the Newspaper Holdco Group shall receive or otherwise possess or control any Belo Asset, Newspaper Holdco shall or shall cause such member of the Newspaper Holdco Group to promptly transfer such Belo Asset to Belo or its Affiliate or designee.

Section 5.04. Certain Business Matters. (a) Following the Effective Time and except as set forth in any Ancillary Agreement, no member of either the Belo Group or the Newspaper Holdco Group shall have any duty to refrain from (i) engaging in the same or similar activities or lines of business as any member of the other Group, (ii) conducting its business with any potential or actual supplier or customer of any member of the other Group or (iii) engaging in any other activities whatsoever relating to any of the potential or actual suppliers or customers of any member of the Group.

(b) Each of Belo and Newspaper Holdco is aware that from time to time certain business opportunities may arise that more than one Group may be financially able to undertake, and that are, from their nature, in the line of more than one Group's Business and are of practical advantage to more than one Group. In connection therewith, the Parties agree that, following the Effective Time, if either Belo or Newspaper Holdco acquires knowledge of an opportunity that meets the foregoing standard with respect to more than one Group, neither Belo nor Newspaper Holdco shall have any duty to communicate or offer such opportunity to the other and each may pursue or acquire such opportunity for itself, or direct such opportunity to any other Person.

(c) Prior to January 1, 2009, neither Party shall, nor shall they permit any of their respective Affiliates to, solicit to employ or employ any of the employees of the other Party so long as those employees remain employed by the other Party, without obtaining the prior written consent of the other Party. The Parties agree that the restrictions set forth in the immediately preceding sentence shall not apply to any solicitation of any employee or employment of any employee of one Party who (i) initially contacted the other Party, its Affiliates or their representatives on his or her own initiative without any solicitation by such Party, its Affiliates or their representatives, (ii) responded to a solicitation directed at the public in general through advertisement or similar means not targeted specifically at such employee or the Business or (iii) was referred to such Party, its Affiliates or their representatives, as applicable, by search firms, employment agencies or other similar entities provided that such entities have not been specifically instructed by such Party, its Affiliates or their representatives to solicit the employee.

Section 5.05. Settlement of Certain Insurance Claims.

(a) The Parties acknowledge and agree that following the Distribution Date, Newspaper Holdco or Belo, as the case may be, may make claims arising out of occurrences or events that occurred prior to the Effective Time against insurance policies of the other Party, in accordance with the terms and subject to the conditions of such policies. Neither Party shall be responsible to negotiate, investigate, defend, settle or otherwise handle such claims on behalf of the other Party. In connection with any such claim made by a Party under the other Party's insurance policy after the Effective Time, such other Party shall instruct the applicable insurance carrier to negotiate with and accept proof of Loss directly from the Party asserting the claim, and to pay such claim directly to the Party asserting the claim. Belo and Newspaper Holdco each agree to provide necessary reasonable releases to resolve claim settlements. Each Party agrees to cooperate with the other Party as reasonably requested by the other Party in order to pursue such claim.

(b) To the extent that the limits of any Belo or Newspaper Holdco, as the case may be, insurance policy preclude payment in full of Unrelated Claims filed by Belo and/or Newspaper Holdco, the insurance proceeds available under such policies shall be paid to Belo and/or Newspaper Holdco on a FIFO Basis, except as otherwise provided in Section 5.06.

(c) If Belo and Newspaper Holdco file Related Claims under any Belo or Newspaper Holdco, as the case may be, insurance policy arising out of occurrences or events that occurred prior to the Effective Time, each of Newspaper Holdco and Belo shall receive a *pro rata* amount of the available insurance proceeds, based on the relationship the Loss incurred by each such Party bears to the total Loss to both such Parties from the occurrence or event underlying the Related Claims, except as otherwise provided in Section 5.06.

Section 5.06. Circulation Litigation. The Parties acknowledge and agree that Belo and certain of its Affiliates are parties to the Circulation Litigation and, as such, may incur Losses related thereto. Notwithstanding anything to the contrary contained herein, the Parties further acknowledge and agree that Belo and Newspaper Holdco shall share any such Losses equally, subject to reduction in amount as a result of amounts actually recovered (including insurance proceeds or other amounts actually recovered under insurance policies, net of any out-of-pocket costs or expenses incurred in the collection thereof) pursuant to Section 4.04, and that Belo's one-half share of any such Loss shall constitute a Belo Liability and Newspaper Holdco's one-half share of any such Loss shall constitute a Newspaper Holdco Liability. Upon written notice from a Party, the other Party agrees to pay and/or reimburse the requesting Party promptly for, in accordance with this Section 5.06, one-half of any Losses incurred in connection with the Circulation Litigation.

ARTICLE VI

ACCESS TO INFORMATION

Section 6.01. Agreement for Exchange of Information. (a) Each of Belo and Newspaper Holdco, on behalf of its respective Group, agrees to provide, or cause to be provided, to the other Party and its auditors, at any time before, on or after the Distribution Date, as soon as reasonably practicable after written request therefor from such other Party, any Information in the possession or under the control of such respective Group (including access to such Group's

accountants, personnel and facilities) that the requesting Party reasonably needs (i) to comply with reporting, disclosure, filing or other requirements imposed on the requesting Party (including under applicable securities laws) by a Governmental Authority having jurisdiction over the requesting Party (including pursuant to Section 6.01(d)), (ii) for use in any other judicial, regulatory, administrative or other proceeding or in order to satisfy audit, accounting, claims, regulatory, litigation, Action or other similar requirements, or (iii) to comply with its obligations under this Agreement or any Ancillary Agreement; provided, however, that in the event that any Party reasonably determines that any such provision of Information could be commercially detrimental to such Party or any member of its Group, violate any Law or agreement to which such Party or member of its Group is a party, or waive any attorney-client or attorney work product privileges applicable to such Party or member of its Group, the Parties shall provide any such Information and the Parties shall take all reasonable measures to comply with the obligations pursuant to this Section 6.01(a) in a manner that mitigates any such harm or consequence and prevents waiver of any privilege to the extent practicable. Belo and Newspaper Holdco intend that any transfer of Information that would otherwise be within the attorney-client or attorney work product privileges shall not operate as a waiver of any potentially applicable privilege.

(b) Following the Effective Time, each Party shall make its employees and facilities reasonably available and accessible during normal business hours and on reasonable prior notice to provide an examination of any Information provided hereunder.

(c) Until the end of the first full Belo fiscal year occurring after the Distribution Date (and for a reasonable period of time afterwards as required for each Party to prepare consolidated financial statements or complete a financial statement audit for the fiscal year during which the Distribution Date occurs), each Party shall use its commercially reasonable efforts, consistent with past practice, to enable the other Party to meet its timetable for dissemination of its financial statements and enable such other Party's auditors to timely complete their annual audit and review of quarterly financial statements.

(d) In order to enable the principal executive officer or officers, principal financial officer or officers and controller or controllers of the other Party to make the certifications required of them under SOX § 302, within 30 days following the end of any fiscal quarter during which Newspaper Holdco is a Subsidiary of Belo, each Party shall cause its officers or employees to provide the other Party with the certification statements of such officers and employees with respect to such quarter or portion thereof to those officers and employees of the other Party, in substantially the same form and manner as such officers or employees provided such certification statements prior to the Distribution Date, or as otherwise agreed upon between the Parties. Such certification statements shall also reflect any changes in certification statements necessitated by the Separation, Distribution, Recapitalization and any other transactions related thereto.

Section 6.02. Ownership of Information. Any Information owned by one Group that is provided to a requesting Party pursuant to Section 6.01 shall be deemed to remain the property of the providing Party. Unless specifically set forth herein or in any Ancillary Agreement, nothing contained in this Agreement shall be construed as granting or conferring rights of license or otherwise in any such Information.

Section 6.03. Compensation for Providing Information. The Party requesting such Information agrees to reimburse the other Party for the reasonable out-of-pocket costs, if any, and personnel costs of creating, gathering and copying such Information or for providing explanations of Information provided, to the extent that such costs are incurred for the benefit of the requesting Party by or on behalf of such other Party's Group. Except as may be specifically provided elsewhere in this Agreement or in any other Ancillary Agreement, such costs shall be computed in accordance with the providing Party's reasonable standard methodology and procedures.

Section 6.04. Record Retention. Except as otherwise required or agreed in writing, or as otherwise provided in the Tax Matters Agreement or any other Ancillary Agreement, each Party shall use its commercially reasonable efforts to retain, in accordance with such Party's record retention policies in effect from time to time, applicable to such Information, all significant Information in such Party's possession or under its control relating to the Business, Assets or Liabilities of the other Party, and, for a period of seven years following the Distribution Date, prior to destroying or disposing of any such Information, (a) the Party proposing to dispose of or destroy any such Information shall use its commercially reasonable efforts to provide no less than 30 days' prior written notice to the other Party, specifying the Information proposed to be destroyed or disposed of and (b) if, prior to the scheduled date for such destruction or disposal, the other Party requests in writing that any of the Information proposed to be destroyed or disposed of be delivered to such other Party, the Party proposing to dispose of or destroy such Information shall promptly arrange for the delivery of the requested Information to a location specified by, and at the expense of, the requesting Party; provided, however, that in the event that any Party reasonably determines that any such provision of Information could be commercially detrimental to such Party or any member of its Group, violate any Law or agreement to which such Party or member of its Group is a party, or waive any attorney-client or attorney work product privileges applicable to such Party or member of its Group, the Parties shall take all reasonable measures to permit the compliance with the obligations pursuant to this Section 6.04 in a manner that avoids any such harm or consequence. Belo and Newspaper Holdco intend that any transfer of Information that would otherwise be within the attorney-client or attorney work product privileges shall not operate as a waiver of any potentially applicable privilege.

Section 6.05. Limitation of Liability. Notwithstanding Article IV, no Party shall have any Liability to the other Party if any Information exchanged or provided pursuant to this Agreement that is an estimate or forecast, or which is based on an estimate or forecast, is found to be inaccurate, in the absence of willful misconduct or fraud by the Party providing such Information. No Party shall have any Liability to the other Party in connection with Information disposed of or destroyed after using its commercially reasonable efforts in accordance with the provisions of Section 6.04.

Section 6.06. Other Agreements Providing for Exchange of Information. The rights and obligations granted under this Article VI are subject to any specific limitations, qualifications or additional provisions on the sharing, exchange or confidential treatment of Information set forth in any Ancillary Agreement. The provisions of Section 6.01 through Section 6.07 shall not apply to matters that are specifically governed by the Tax Matters Agreement, the Employee Matters Agreement, the Services Agreement or any other Ancillary Agreement.

Section 6.07. Production of Witnesses; Records; Cooperation. (a) Except in the case of an Action by one Party against another Party (which shall be governed by such discovery rules as may be applicable thereto), each Party shall use its commercially reasonable efforts to make available to the other Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with any Action in which the requesting Party may from time to time be involved, regardless of whether such Action is a matter with respect to which indemnification may be sought hereunder. The requesting Party shall bear all reasonable out-of-pocket costs and expenses, including, without limitation, reasonable legal fees and expenses, in connection therewith.

(b) If an Indemnifying Party chooses to defend or to seek to compromise or settle any Third-Party Claim, the Indemnified Party shall use its commercially reasonable efforts to make available to the Indemnifying Party, upon written request, the former, current and future directors, officers, employees, other personnel and agents of the members of its respective Group as witnesses and any books, records or other documents within its control or which it otherwise has the ability to make available, to the extent that any such Person (giving consideration to business demands of such directors, officers, employees, other personnel and agents) or books, records or other documents may reasonably be required in connection with such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be, and shall otherwise cooperate in such defense, settlement or compromise, or such prosecution, evaluation or pursuit, as the case may be. The Indemnifying Party shall bear all reasonable out-of-pocket expenses, including, without limitation, reasonable legal fees and expenses, in connection therewith.

(c) Without limiting the foregoing, the Parties shall cooperate and consult, and shall cause each member of its respective Group to cooperate and consult, to the extent reasonably necessary with respect to any Actions and any Related Claims with respect thereto.

(d) Without limiting any provision of this Section 6.07, each of the Parties agrees to cooperate, and to cause each member of its respective Group to cooperate, at the other Party's sole cost and expense, with the other Party and each member of its respective Group in the defense of any claim that the Business of the other Party or its Group members infringes upon or misappropriates third Person Intellectual Property and shall not acknowledge or concede, or permit any member of its respective Group to acknowledge or concede (i) that the Business of the other Party or its Group members infringes upon such third Person Intellectual Property (ii) or that such third Person Intellectual Property is valid or enforceable, in a manner that would hamper or undermine the defense of such infringement or misappropriation claim.

(e) The obligation of the Parties to provide witnesses pursuant to this Section 6.07 is intended to be interpreted in a manner so as to facilitate cooperation and shall include the obligation to provide as witnesses, former, current and future directors, officers, employees, other personnel and agents (subject to the exception set forth in the first sentence of Section 6.07(a)).

(f) In connection with any matter contemplated by this Section 6.07, the Parties will enter into a mutually acceptable joint defense agreement so as to maintain to the extent practicable any applicable attorney-client privilege or work product immunity of any member of any Group.

Section 6.08. Confidentiality. (a) *General*. Each Party acknowledges (i) that such Party has in its possession and in connection with this Agreement and the Ancillary Agreements, such Party will receive Information of the other Party that is not available to the general public, and (ii) that such Information may constitute, contain or include material non-public Information of the other Party. Subject to Section 6.08(c), as of the Effective Time, Belo, on behalf of itself and each of its Affiliates, and Newspaper Holdco, on behalf of itself and each of its Affiliates, agrees to hold, and to cause its respective directors, officers, employees, agents, third-party contractors, vendors, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that such Party applies to its own confidential and proprietary Information pursuant to its applicable policies and procedures in effect as of the Effective Time, all Information (including Information received and/or obtained pursuant to Section 6.01) concerning the other Party (or its Business) and such other Party's Affiliates (or their respective Business) that is either in its possession (including Information in its possession prior to the Effective Time) or furnished by the other Party or the other Party's Affiliates or their respective directors, officers, employees, agents, third-party contractors, vendors, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement and the Ancillary Agreements, and will not use such Information other than for such purposes as may be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Information: (i) is or becomes available to the general public, other than as a result of a disclosure by such Party or its Affiliates or any of their respective directors, officers, employees, agents, third-party contractors, vendors, accountants, counsel and other advisors and representatives in breach of this Agreement; (ii) was available to such Party or its Affiliates or becomes available to such Party or its Affiliates, on a non-confidential basis from a source other than the other Party hereto, provided, that, the source of such Information was not bound by a confidentiality obligation with respect to such Information, or otherwise prohibited from transmitting the Information to such Party or its Affiliates by a contractual, legal or fiduciary obligation; or (iii) is independently generated by such Party without use of or reference to any proprietary or confidential Information of the other Party.

(b) *No Release, Compliance with Law, Return or Destruction*. Following the Effective Time, each Party agrees not to release or disclose, or permit to be released or disclosed, any Information described in Section 6.08(a)(i) and (ii) to any other Person, except its directors, officers, employees, agents, third-party contractors, vendors, accountants, counsel, lenders, investors and other advisors and representatives who need to know such Information pursuant to this Agreement or the Ancillary Agreements, and except in compliance with Section 6.08(c). Each Party shall advise its directors, officers, employees, agents, third-party contractors, vendors, accountants, counsel, lenders, investors and other advisors and representatives who have been provided with such Information of such Party's confidentiality obligations hereunder and that such Information may constitute, contain or include material non-public Information of the other Party. Following the Effective Time, each Party shall, and shall cause, its directors, officers, employees, agents, third-party contractors, vendors, accountants, counsel, lenders, investors and other advisors and representatives who have been provided with such Information

to use such Information only in accordance with (i) the terms of this Agreement or the Ancillary Agreements and (ii) applicable Law (including federal and state securities Laws). Following the Effective Time, each Party shall promptly, after receiving a written request of the other Party, return to the other Party all such Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon), as directed by the other Party.

(c) *Protective Arrangements*. Notwithstanding anything herein to the contrary, in the event that, following the Effective Time, either Party or any of its directors, officers, employees, agents, third-party contractors, vendors, accountants, counsel, lenders, investors and other advisors and representatives either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable Law or the rules or regulations of a Governmental Authority or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of the other Party that is subject to the confidentiality provisions hereof, such Party shall, if possible, notify the other Party prior to disclosing or providing such Information and shall cooperate at the expense of the requesting Party in seeking any reasonable protective arrangements requested by such other Party. In the event that a protective arrangement is not obtained, the Person that received such request (i) may thereafter disclose or provide such Information to the extent required by such Law (as so advised by counsel in a written opinion) or by lawful process or such Governmental Authority, without liability therefor and (ii) shall exercise its commercially reasonable efforts to have confidential treatment accorded any such Information so furnished.

ARTICLE VII

NO REPRESENTATION OR WARRANTY

Section 7.01. NO REPRESENTATIONS OR WARRANTIES EACH PARTY, ON BEHALF OF ITSELF AND ALL MEMBERS OF ITS GROUP, UNDERSTANDS AND AGREES THAT, EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, (A) NO MEMBER OF THE BELO GROUP, THE NEWSPAPER HOLDCO GROUP OR ANY OTHER PERSON IS, IN THIS AGREEMENT, ANY ANCILLARY AGREEMENT OR IN ANY OTHER AGREEMENT OR DOCUMENT, MAKING ANY REPRESENTATION OR WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, TO ANY PARTY OR ANY MEMBER OF ANY GROUP IN ANY WAY WITH RESPECT TO ANY OF THE TRANSACTIONS CONTEMPLATED HEREBY OR THE BUSINESS, ASSETS, CONDITION OR PROSPECTS (FINANCIAL OR OTHERWISE) OF, OR ANY OTHER MATTER INVOLVING, ANY BELO ASSETS, ANY BELO LIABILITIES, THE BELO BUSINESS, ANY NEWSPAPER HOLDCO ASSETS, ANY NEWSPAPER HOLDCO LIABILITIES OR THE NEWSPAPER HOLDCO BUSINESS, (B) EACH PARTY AND EACH MEMBER OF EACH GROUP SHALL TAKE ALL OF THE ASSETS, BUSINESS AND LIABILITIES TRANSFERRED TO, RETAINED BY OR ASSUMED BY IT PURSUANT TO THIS AGREEMENT OR ANY ANCILLARY AGREEMENT ON AN "AS IS, WHERE IS" BASIS, AND ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A SPECIFIC PURPOSE OR OTHERWISE ARE HEREBY EXPRESSLY DISCLAIMED, AND (C) NONE OF BELO, NEWSPAPER HOLDCO

OR ANY MEMBERS OF THE BELO GROUP OR NEWSPAPER HOLDCO GROUP OR ANY OTHER PERSON MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE SEPARATION, THE DISTRIBUTION OR THE ENTERING INTO OF THIS AGREEMENT, THE ANCILLARY AGREEMENTS OR THE TRANSACTIONS CONTEMPLATED HEREBY AND THEREBY. EXCEPT AS EXPRESSLY SET FORTH HEREIN OR IN ANY ANCILLARY AGREEMENT, EACH PARTY AND EACH MEMBER OF EACH GROUP SHALL BEAR THE ECONOMIC AND LEGAL RISK THAT ANY CONVEYANCES OF ASSETS SHALL PROVE TO BE INSUFFICIENT OR THAT THE TITLE OF ANY MEMBER OF ANY GROUP TO ANY ASSETS SHALL BE OTHER THAN GOOD AND MARKETABLE AND FREE FROM ENCUMBRANCES.

ARTICLE VIII
TERMINATION

Section 8.01. Termination. This Agreement may be terminated by Belo in its sole discretion at any time prior to the consummation of the Distribution.

Section 8.02. Effect of Termination. In the event of any termination of this Agreement prior to consummation of the Distribution, neither Party (nor any of its directors or officers) shall have any Liability or further obligation to the other Party.

ARTICLE IX
MISCELLANEOUS

Section 9.01. Complete Agreement; Representations. (a) This Agreement, together with any exhibits and schedules hereto and the Ancillary Agreements, constitutes the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

(b) Belo represents on behalf of itself and each other member of the Belo Group and Newspaper Holdco represents on behalf of itself and each other member of the Newspaper Holdco Group as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform each of this Agreement and each other Ancillary Agreement to which it is a party and to consummate the transactions contemplated by such agreements; and

(ii) this Agreement has been duly executed and delivered by such Person (if such Person is a Party) and constitutes a valid and binding agreement of it enforceable in accordance with the terms hereof (assuming the due execution and delivery thereof by the other Party), and each of the other Ancillary Agreements to which it is or will be a party is or will be duly executed and delivered by it and will constitute a valid and binding agreement of it enforceable in accordance with the terms thereof (assuming the due execution and delivery thereof by the other party or parties to such Ancillary Agreements), except as such enforceability may be

limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other Laws relating to creditors' rights generally and by general equitable principles.

Section 9.02. Costs and Expenses. Except as expressly provided in this Agreement or any Ancillary Agreement, Belo shall bear all direct and indirect costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement, the Ancillary Agreements and the transactions contemplated hereby and thereby; provided, that, from and after the Effective Time, each Party shall bear its own direct and indirect costs and expenses related to its performance of this Agreement or any Ancillary Agreement.

Section 9.03. Governing Law. This Agreement and any dispute arising out of, in connection with or relating to this Agreement shall be governed by and construed in accordance with the Laws of the State of Texas, without giving effect to the conflicts of laws principles thereof.

Section 9.04. Notices. All notices, requests, claims, demands and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally or by facsimile transmission or mailed (first class postage prepaid) to the Parties at the following addresses or facsimile numbers:

If to Belo or any member of the Belo Group, to:

Belo Corp.
400 South Record Street
Dallas, Texas 75202
Attn: Chief Executive Officer
Fax No.: (214) 977-8209

with a copy to:

Belo Corp.
400 South Record Street
Dallas, Texas 75202
Attn: Chief Financial Officer
Fax No.: (214) 977-8209

If to Newspaper Holdco or any member of the Newspaper Holdco Group, to:

A. H. Belo Corporation
400 South Record Street
Dallas, Texas 75202
Attn: Chief Executive Officer
Fax No.: (214) 977-8209

with a copy to:

A. H. Belo Corporation
400 South Record Street
Dallas, Texas 75202
Attn: Chief Financial Officer
Fax No.: (214) 977-6899

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this section, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided in this section, be deemed given upon receipt and (iii) if delivered by mail in the manner described above to the address as provided in this section, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice, request or other communication is to be delivered pursuant to this section). Any Party from time to time may change its address, facsimile number or other information for the purpose of notices to that Party by giving notice specifying such change to the other Party.

Section 9.05. Amendment, Modification or Waiver. (a) Prior to the Effective Time, this Agreement may be amended, modified, waived, supplemented or superseded, in whole or in part, by Belo in its sole discretion by execution of a written document delivered to Newspaper Holdco. Subsequent to the Effective Time, this Agreement may be amended, modified, waived, supplemented or superseded, in whole or in part, only by a written agreement signed by duly authorized signatories of the Parties.

(b) Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof (except as otherwise set forth in Section 3.03), but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

Section 9.06. No Assignment; Binding Effect; No Third-Party Beneficiaries. (a) Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party hereto without the prior written consent of the other Party hereto and any attempt to do so will be void, except that each Party hereto may assign any or all of its rights, interests and obligations hereunder to an Affiliate, provided that any such Affiliate agrees in writing to be bound by all of the terms, conditions and provisions contained herein ; provided further that no assignment shall relieve the assigning Party of any of its obligations under this Agreement unless agreed to by the non-assigning Party. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the Parties hereto and their respective successors and permitted assigns.

(b) Except for the provisions of Article IV relating to indemnification, the terms and provisions of this Agreement are intended solely for the benefit of each Party hereto and its respective Affiliates, successors or permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

Section 9.07. Counterparts. 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.

Section 9.08. Negotiation. In the event that any dispute arises between the Parties that cannot be resolved, either Party shall have the right to refer the dispute for resolution to the chief financial officers of the Parties by delivering to the other Party a written notice of such referral (a “ **Dispute Notice**”). Following receipt of a Dispute Notice, the chief financial officers of the Parties shall negotiate in good faith to resolve such dispute. In the event that the chief financial officers of the Parties are unable to resolve such dispute within 15 business days after the date of the Dispute Notice, either Party shall have the right to refer the dispute to the chief executive officers of the Parties, who shall negotiate in good faith to resolve such dispute. In the event that the chief executive officers of the Parties are unable to resolve such dispute within 30 business days after the date of the Dispute Notice, either Party shall have the right to commence litigation in accordance with Section 9.10 hereof. The Parties agree that all discussions, negotiations and other Information exchanged between the Parties during the foregoing dispute resolution proceedings shall be without prejudice to the legal position of a Party in any subsequent Action.

Section 9.09. Specific Performance. From and after the Distribution, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement or any Ancillary Agreement, the Parties agree that the Party or Parties to this Agreement or such Ancillary Agreement who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its or their rights under this Agreement or such Ancillary Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that, from and after the Distribution, the remedies at law for any breach or threatened breach of this Agreement or any Ancillary Agreement, including monetary damages, are inadequate compensation for any Loss, that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived, and that any requirements for the securing or posting of any bond with such remedy are hereby waived.

Section 9.10. Texas Forum. Subject to the prior exhaustion of the negotiation procedures set forth in Section 9.08 and to the fullest extent permitted by applicable Law, each Party hereto (i) agrees that all Actions arising out of, relating to or in connection with this Agreement or any Ancillary Agreement (except to the extent any such Ancillary Agreement provides otherwise), or for recognition and enforcement of any judgment arising out of or in connection with the foregoing agreements, or the transactions contemplated hereby, shall be brought only in the United States District Court for the Northern District of Texas or any Texas State court, in each case, located in Dallas County and not in any other State or Federal court in the United States of America or any court in any other country, (ii) agrees to submit to the exclusive jurisdiction of such courts located in Dallas County for purposes of all legal proceedings arising out of, or in connection with, this Agreement, the Ancillary Agreements and

the transactions contemplated hereby and thereby, (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of any such action brought in such a court or any claim that any such action brought in such a court has been brought in an inconvenient forum, (iv) agrees that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 9.04 or any other manner as may be permitted by Law shall be valid and sufficient service thereof and (v) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

Section 9.11. Interpretation; Conflict With Ancillary Agreements. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. Except as specifically set forth in each Ancillary Agreement, the provisions of each Ancillary Agreement shall govern in the event of any conflict between any provision of this Agreement and that of the relevant Ancillary Agreement.

Section 9.12. Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

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

BELO CORP.

By: /s/ Dunia A. Shive
Name: Dunia A. Shive
Title: President and Chief Executive Officer

A. H. BELO CORPORATION

By: /s/ Robert W. Decherd
Name: Robert W. Decherd
Title: Chairman of the Board, President
and Chief Executive Officer

TAX MATTERS AGREEMENT

By and Between

BELO CORP.

and

A. H. BELO CORPORATION

Dated as of February 8, 2008

TABLE OF CONTENTS

ARTICLE I	DEFINITIONS	1
Section 1.01	Definition of Terms	1
ARTICLE II	PAYMENT OF TAXES	6
Section 2.01	Income Taxes	6
Section 2.02	Spin-Off Taxes	7
Section 2.03	Other Taxes	7
Section 2.04	Other Income Taxes	8
Section 2.05	Allocation of Certain Income Taxes and Income Tax Items	9
Section 2.06	Refunds	10
Section 2.07	Carrybacks	10
ARTICLE III	PREPARATION AND FILING OF TAX RETURNS	11
Section 3.01	Belo Responsibility	11
Section 3.02	A. H. Belo Responsibility	12
Section 3.03	Tax Accounting Practices	12
Section 3.04	Right to Review Tax Returns	13
ARTICLE IV	TAX-FREE STATUS OF DISTRIBUTION	13
Section 4.01	Covenants	13
Section 4.02	Procedures Regarding Opinions and Rulings	15
ARTICLE V	TAX CONTESTS; INDEMNIFICATION; COOPERATION	16
Section 5.01	Notice	16
Section 5.02	Control of Tax Contests	16
Section 5.03	Indemnification Payments	17
Section 5.04	Interest on Late Payments	18
Section 5.05	Treatment of Payments	18
Section 5.06	Expenses	18
Section 5.07	Cooperation	18
Section 5.08	Confidentiality	19
Section 5.09	Retention of Tax Records	19
ARTICLE VI	RESOLUTION OF DISPUTES	20
Section 6.01	Tax Disputes	20

ARTICLE VII	MISCELLANEOUS PROVISIONS	20
Section 7.01	Disposition of A. H. Belo Subsidiaries	20
Section 7.02	Complete Agreement; Representations	20
Section 7.03	Costs and Expenses	21
Section 7.04	Governing Law	21
Section 7.05	Notices	21
Section 7.06	Amendment, Modification or Waiver	22
Section 7.07	No Assignment; Binding Effect	22
Section 7.08	Counterparts	23
Section 7.09	Specific Performance	23
Section 7.10	Texas Forum	23
Section 7.11	WAIVER OF JURY TRIAL	23
Section 7.12	Interpretation; Conflict With Ancillary Agreements	24
Section 7.13	Severability	24
Section 7.14	Survival	24

TAX MATTERS AGREEMENT

This TAX MATTERS AGREEMENT (this "Agreement"), dated as of February 8, 2008, by and between Belo Corp., a Delaware corporation ("Belo"), and A. H. Belo Corporation, a Delaware corporation whose sole shareholder is Belo ("A. H. Belo" and, together with Belo, each, a "Party" and collectively, the "Parties").

WHEREAS, as of the date of this Agreement, the Belo affiliated group includes A. H. Belo and its subsidiaries;

WHEREAS, the Parties (or their predecessors-in-interest) have entered into the Separation and Distribution Agreement (as defined herein), pursuant to which Belo has contributed to A. H. Belo the stock and assets associated with the A. H. Belo Business (as defined herein) in exchange for shares of common stock of A. H. Belo (the "Contribution");

WHEREAS, Belo intends to distribute on a pro rata basis to its shareholders all of the shares of stock of A. H. Belo (the "Distribution");

WHEREAS, in order to effect the Contribution and Distribution the Parties have engaged in various internal transfers of assets and stock (the "Related Reorganizations");

WHEREAS, the Parties intend that the Contribution, Distribution and Related Reorganizations qualify for non-recognition of gain or loss pursuant to one or more of Sections 368(a), 351, 354, 355, 361 or 1032 of the U.S. Internal Revenue Code of 1986, as amended (the "Code");

WHEREAS, as a result of and upon the Distribution, A. H. Belo and its subsidiaries will cease to be members of the Belo Group; and

WHEREAS, the Parties desire to allocate the Tax responsibilities, liabilities and benefits of transactions that occur on or prior to, and that may occur after, the date on which the Distribution occurs (the "Distribution Date") and to provide for and address certain other Tax matters.

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, the Parties (each on behalf of itself and each of its Affiliates) hereby agree as follows:

ARTICLE I DEFINITIONS

Section 1.01 Definition of Terms. The following terms shall have the following meanings (such meanings to apply equally to both the singular and the plural forms of the terms defined). All Section and Exhibit references are to this Agreement unless otherwise stated. Capitalized terms used in this Agreement but not defined herein shall have the meanings ascribed to such terms in the Separation and Distribution Agreement.

“Action” means any claim, demand, action, cause of action, suit, countersuit, arbitration, litigation, inquiry, proceeding or investigation by or before any Governmental Authority or any arbitration or mediation tribunal or authority.

“Active Trade or Business” means the active trade or business of A. H. Belo and its subsidiaries as described in the Ruling.

“Adjustment Request” means any formal or informal claim or request filed with any governmental authority for any Refund, underpayment or overpayment of Tax or any change in available Tax Attributes.

“Affiliate” of any Person means any other Person that, after the Distribution, is directly or indirectly “controlled” by any of (i) the Person in question, (ii) any Person of which the Person in question is an Affiliate under clause (i), or (iii) any Affiliate under clause (i) of a Person described in clause (ii). For purposes of this definition, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities or other interests, by contract or otherwise.

“Agreement” has the meaning set forth in the recitals.

“A. H. Belo” has the meaning set forth in the recitals.

“A. H. Belo Business” means the newspaper business and related businesses as more fully described in the Information Statement provided in connection with the Distribution.

“A. H. Belo Capital Stock” means (i) all classes or series of capital stock of A. H. Belo, including common stock and all other instruments treated as equity in A. H. Belo for U.S. federal Income Tax purposes and (ii) all options, warrants and other rights to acquire such capital stock.

“A. H. Belo Group” means A. H. Belo and each of its Subsidiaries and Affiliates as of the date hereof, and any corporation or other entity that may become part of such Group from time to time. For the avoidance of doubt, the A. H. Belo Group excludes any entity that is a member of the Belo Group.

“Ancillary Agreement” has the meaning set forth in the Separation and Distribution Agreement.

“Belo” has the meaning set forth in the recitals.

“Belo Consolidated Group” means the affiliated group of corporations (within the meaning of Section 1504 of the Code) of which Belo is the common parent on or prior to the Distribution Date.

“Belo Group” means Belo and each of its Affiliates and Subsidiaries as of the date hereof, and any corporation or other entity that may become part of such Group from time to

time. For the avoidance of doubt, the Belo Group excludes any entity that is a member of the A. H. Belo Group.

“Code” has the meaning set forth in the recitals.

“Contribution” has the meaning set forth in the recitals.

“Distribution” has the meaning set forth in the recitals.

“Distribution Date” has the meaning set forth in the recitals.

“Final Determination” means the final resolution of liability for any Tax for any taxable period by or as a result of (i) a final and unappealable decision, judgment, decree or other order by any court of competent jurisdiction; (ii) a final settlement with the IRS, a closing agreement or accepted offer in compromise under Code Sections 7121 or 7122, or a comparable arrangement under the laws of another jurisdiction; (iii) any allowance of a Refund in respect of an overpayment of Tax, but only after the expiration of all periods during which such amount may be recovered by the Taxing Authority imposing the Tax; or (iv) any other final disposition, including by reason of the expiration of the applicable statute of limitations.

“Governmental Authority” means any federal, state, local, foreign or international court, government, department, commission, board, bureau or agency, or any other regulatory, self-regulatory, administrative or governmental organization or authority, including the New York Stock Exchange, Inc.

“Group” means the Belo Group and/or the A. H. Belo Group, as the context requires.

“Income Taxes” means all federal, state, local, and foreign income or franchise Taxes or other Taxes based on income or net worth.

“Indemnifying Party” has the meaning set forth in Section 5.01.

“Indemnitee” has the meaning set forth in Section 5.01.

“IRS” means the U.S. Internal Revenue Service.

“Joint Return” means any Return that includes both a member of the Belo Group and a member of the A. H. Belo Group.

“Law” means any applicable foreign, federal, national, state, provincial or local law (including common law), statute, ordinance, rule, regulation, code or other requirement enacted, promulgated, issued or entered into, or act taken, by a Governmental Authority.

“Other Taxes” means all Taxes other than Income Taxes, including (but not limited to) transfer, sales, use, excise, payroll, property, and unemployment Taxes.

“Party” or “Parties” has the meaning set forth in the recitals.

“Past Practices” has the meaning set forth in Section 3.03(a).

“Person” means any natural person, corporation, general or limited partnership, limited liability company or partnership, joint stock company, joint venture, association, trust, bank, trust company, land trust, business trust or other organization, whether or not a legal entity, and any Governmental Authority.

“Post-Distribution Tax Period” means any taxable period (or portion thereof) beginning after 11:59 p.m., Central Time, on the Distribution Date.

“Pre-Distribution Tax Period” means any taxable period (or portion thereof) ending on or before 11:59 p.m., Central Time, on the Distribution Date.

“Prime Rate” means the “prime rate” published in the “Money Rates” section of *The Wall Street Journal*. If *The Wall Street Journal* ceases to publish the “prime rate,” then the Parties shall mutually agree to an equivalent publication that publishes such “prime rate,” and if such “prime rate” is no longer generally published or is limited, regulated or administered by a Governmental Authority, then a comparable interest rate index mutually agreed to by the Parties.

“Proposed Acquisition Transaction” has the meaning set forth in Section 4.02(b)(i).

“Refund” means any cash refund of Taxes or reduction of Taxes by means of credit, deduction, offset or otherwise.

“Related Reorganizations” has the meaning set forth in the recitals.

“Reportable Transaction” means a reportable or listed transaction as defined in Section 6011 of the Code or the Treasury Regulations promulgated thereunder.

“Restricted Period” means the period beginning on the date of this Agreement and ending on, and including, the last day of the two-year period following the Distribution Date.

“Ruling” means all private letter rulings granted by the IRS or any other taxing authority relating to the Transactions (whether granted prior to, on or after the date hereof), requests for such rulings, including all supplemental ruling requests and information submissions, and any exhibit to any of the foregoing.

“Satisfactory Guidance” means either a ruling from the IRS or an Unqualified Tax Opinion, at the election of A. H. Belo, in either case reasonably satisfactory to Belo in both form and substance, including with respect to any underlying assumptions or representations. Satisfactory Guidance shall not include an Unqualified Tax Opinion with respect to which Belo’s counsel, of recognized national standing, provides an opinion to Belo that the conclusions in such Unqualified Tax Opinion are not free from doubt. For the avoidance of doubt, this definition is intended to allow Belo to prevent A. H. Belo from taking the action that is the subject of a ruling from the IRS or an Unqualified Tax Opinion, if Belo determines in good faith that there is any Tax risk to it from such action based upon either (1) any uncertainty concerning

any underlying assumptions or representations in such ruling or opinion or (2) any legal uncertainty referred to in advice it receives from its counsel.

“Separate Return” means (i) in the case of the A. H. Belo Group, a Tax Return of any member of that Group (including any consolidated, combined, affiliated or unitary Return) that does not include, for all or any portion of the relevant taxable period, any member of the Belo Group and (ii) in the case of the Belo Group, a Tax Return of any member of that Group (including any consolidated, combined, affiliated or unitary Return) that does not include, for all or any portion of the relevant taxable period, any member of the A. H. Belo Group.

“Separation and Distribution Agreement” means the Separation and Distribution Agreement, as amended from time to time, by and between Belo and A. H. Belo dated as of February 8, 2008.

“Spin-Off Taxes” means all (i) Taxes of any member of the Belo Group or the A. H. Belo Group resulting from, or arising in connection with, the failure of the Related Reorganizations, Contribution or the Distribution to have Tax-Free Status, (ii) Taxes of the type described in clause (i) of any third party for which any member of the Belo Group or the A. H. Belo Group is or becomes liable, and (iii) reasonable out of pocket legal, accounting and other advisory and court fees in connection with liability for Taxes described in clauses (i) or (ii).

“Straddle Period” means any taxable period beginning on or before the Distribution Date and ending after the Distribution Date.

“Tax Advisor” means a U.S. Tax counsel or other Tax advisor of recognized national standing reasonably acceptable to both Parties.

“Tax Attribute” means a net operating loss, net capital loss, investment credit, foreign Tax credit, excess charitable contribution, general business credit or any other item of loss, deduction or credit that could reduce a Tax liability.

“Tax Contest” means an audit, review, examination or any other administrative or judicial proceeding with the purpose or effect of determining or redetermining Taxes (including any administrative or judicial review of any Adjustment Request).

“Tax Dispute” means any dispute arising in connection with this Agreement.

“Tax-Free Status” means the qualification of the Related Reorganizations, Contribution and Distribution (i) as one or more transactions qualifying for non-recognition of gain pursuant to Code Sections 355(a) and 368(a)(1)(D) or 351, (ii) in which the A. H. Belo stock (and other stock distributed in the Related Reorganizations) is “qualified property” for purposes of Code Sections 355(c) and 361(c), (iii) in which Belo, A. H. Belo and the shareholders of Belo recognize no income or gain for U.S. federal Income Tax purposes pursuant to Code Sections 354, 355, 361 and 1032 and (iv) that qualifies for tax-free treatment under comparable provisions of state and local law. For the avoidance of doubt, recognition of income or gain that relates to items described in Sections 2.03(c)(i)(A) or 2.04 or to intercompany items shall not cause the Distribution to fail to achieve Tax-Free Status.

“Tax Item” means any item of income, gain, loss, deduction, credit, recapture of credit, or any other item (including the basis or adjusted basis of property) which increases or decreases Income Taxes paid or payable in any taxable period.

“Tax Opinions/Rulings” means (i) any Ruling and (ii) the opinions of Tax Advisors relating to the Transactions including, without limitation, those issued either at the time of the Distribution or to allow a Party to take actions otherwise prohibited under this Agreement.

“Tax Return” or “Return” means any return, filing, report, questionnaire, information statement, claim for Refund, or other document required or permitted to be filed, including any amendments that may be filed, for any taxable period with any Taxing Authority.

“Taxes” means all forms of taxation or duties imposed, or required to be collected or withheld, including charges, together with any related interest, penalties or other additional amounts. For the avoidance of doubt, the term “Taxes” does not include amounts to be paid to any Governmental Authority pursuant to escheat law.

“Taxing Authority” means any Governmental Authority imposing Taxes.

“Transactions” means the Contribution, the Distribution, the Related Reorganizations, the transactions contemplated by the Separation and Distribution Agreement and any other transfer of assets (whether by contribution, sale or otherwise) between any member of the Belo Group and any member of the A. H. Belo Group in connection with the Contribution or the Distribution.

“Unqualified Tax Opinion” means an unqualified “will” opinion of a Tax Advisor that permits reliance by Belo. The Tax Advisor, in issuing its opinion, shall be permitted to rely on the validity and correctness, as of the date given, of any previously issued Tax Opinions/Rulings, unless such reliance would be unreasonable under the circumstances.

ARTICLE II PAYMENT OF TAXES

Section 2.01 Income Taxes.

(a) Except as otherwise provided hereinafter in this Section 2.01 and in Sections 2.02 and 2.04, Belo shall be responsible for all Income Taxes (i) of A. H. Belo and its Affiliates for any Pre-Distribution Tax Period; (ii) of A. H. Belo and its Affiliates for any Straddle Period, but only to the extent allocated to Belo pursuant to Section 2.05; or (iii) imposed under Treasury Regulation Section 1.1502-6 or under any comparable or similar provision of state, local or foreign laws or regulations on A. H. Belo or an Affiliate solely as a result of such company being a member of a consolidated, combined, or unitary group with Belo or any Belo Affiliate during any Tax period. Provided, however that (x) any liability for Taxes (and related expenses) resulting from a redetermination on audit examination (or other proceeding) of any gain recognized as a result of the Distribution pursuant to Treasury Regulation § 1.1502-13 (or any predecessor provision), or comparable provision of state law, shall be shared one-third by Belo and two-thirds by A. H. Belo and (y) pursuant to the historic tax sharing policy of the Belo Consolidated Group, A. H. Belo shall bear and shall reimburse Belo therefor as provided in

Section 3.02(b) (xx) the A. H. Belo Group's share of the Income Tax liability for the period from January 1, 2008 through the Distribution Date reported on the consolidated federal income tax return (and any similar state return) of Belo and its subsidiaries and (yy) the entire amount reported on each 2008 Separate Return of the A. H. Belo Group or any member thereof.

(b) A. H. Belo shall be responsible for all Income Taxes (i) of A. H. Belo and its Affiliates which are not the responsibility of Belo pursuant to Section 2.01(a) (including, without limitation, Income Taxes for Post-Distribution Tax Periods of A. H. Belo and its Affiliates); and (ii) of Belo and its Affiliates attributable to acts or omissions of A. H. Belo or its Affiliates taken after the Distribution (other than acts or omissions that are (x) in the ordinary course of business, (y) otherwise contemplated by the Separation and Distribution Agreement or any Ancillary Agreement or (z) specifically addressed in Section 2.02, below, which shall govern liability for Spin-Off Taxes).

Section 2.02 Spin-Off Taxes.

(a) A. H. Belo shall be liable, and shall indemnify the Belo Group, for any Spin-Off Taxes that are attributable to (i) any inaccurate statement or representation of fact or intent (or omission to state a material fact) in a letter or certificate that is provided by any member of the A. H. Belo Group after the date hereof, and that forms the basis for the Tax Opinions/Rulings; (ii) any act or omission by the A. H. Belo Group after the date of this Agreement inconsistent with the covenants set forth in this Agreement; or (iii) any other act or omission by the A. H. Belo Group after the date of this Agreement (except for acts disclosed in any Ruling request submitted to the IRS prior to the date hereof), including any act or omission that would have resulted in A. H. Belo being in breach of Section 4.01(b) but for the receipt by A. H. Belo of a Ruling from the IRS, an Unqualified Tax Opinion or a waiver.

(b) Belo shall be liable, and shall indemnify the A. H. Belo Group, for any Spin-Off Taxes attributable to (i) any inaccurate statement or representation of fact or intent (or omission to state a material fact) in a letter or certificate that is provided by any member of the Belo Group after the date hereof and that forms the basis for the Tax Opinions/Rulings; (ii) any act or omission by the Belo Group after the date of this Agreement inconsistent with the covenants set forth in this Agreement; or (iii) any other act or omission (except for acts disclosed in any Ruling request submitted to the IRS prior to the date hereof) by the Belo Group after the date of this Agreement.

(c) Liability for any Spin-Off Taxes described in both paragraphs (a) and (b) shall be shared by Belo and A. H. Belo according to relative fault. If neither Party is at fault, they shall share the liability equally.

Section 2.03 Other Taxes.

(a) Subject to Section 2.03(c), below, Belo shall be responsible for all Other Taxes attributable to Belo and its Affiliates (other than A. H. Belo and its Affiliates) and to its business activities other than the A. H. Belo Business, or resulting from the Transactions, for all Pre-Distribution Tax Periods, Straddle Periods, and Post-Distribution Tax Periods.

(b) Subject to Section 2.03(c), below, A. H. Belo shall be responsible for all Other Taxes attributable to A. H. Belo and its Affiliates or to the A. H. Belo Business for all Pre-Distribution Tax Periods, Straddle Periods, and Post-Distribution Tax Periods.

(c) In each case the responsibilities of 2.03(a) and 2.03(b) shall be consistent with the principles described below:

(i) Transfer Taxes.

(A) Except as otherwise provided in this Agreement or the other Ancillary Agreements, the Belo Group shall be liable, and shall indemnify the A. H. Belo Group, for any stamp, sales, use, gross receipts, value-added, real estate transfer or other transfer Taxes imposed in connection with the Transactions.

(B) If business operations or assets of a Belo entity are transferred to an A. H. Belo entity as part of the Transactions, the transferee shall assume any and all liabilities for stamp, sales, use, gross receipts, value-added, real estate transfer and other transfer Taxes associated with such transferred operations (but not such liabilities specifically relating to the Transactions) and will have sole responsibility for satisfying such liabilities.

(C) With respect to Refund claims pending on the Distribution Date involving any sales, use, gross receipts or other similar Taxes, (x) in the case of a Refund received by Belo and payable to A. H. Belo pursuant to the terms hereof, the amount of such payment shall be net of all contingent fee expenses and Taxes paid by Belo and related to such Refund, or (y) in the event that A. H. Belo receives a Refund due any member of the A. H. Belo Group directly from the relevant Taxing Authority, it shall reimburse Belo for all contingent fee expenses and Taxes paid by Belo with respect to such Refund. For the avoidance of doubt, A. H. Belo shall not be liable for any contingent fee expenses or Taxes related to Refunds received prior to the Distribution Date.

(ii) Property Taxes. If property is transferred between legal entities, the transferee shall assume any and all liabilities for real and personal property Taxes associated with such transferred property and will have sole responsibility for satisfying such liabilities.

(iii) Payroll Taxes. If an employee moves from one employer to another, the “new” employer shall assume any and all employment related Taxes attributable to such transferred employee and will have sole responsibility for satisfying such liabilities.

Section 2.04 Certain Income Taxes. Without regard to anything to the contrary in this Article II, Belo shall be liable, and shall indemnify the A. H. Belo Group, for all Taxes arising as a result of the Transactions from (i) excess loss accounts taken into account under Code Section 1502, (ii) Code Section 357(c) or (iii) Code Section 361(b), in each case, including under similar state and local law provisions. Any Taxes attributable to deferred intercompany gains that are triggered as a result of the Transactions shall be the responsibility of Belo and shall not be included in determining the A. H. Belo Group’s Income Tax liability. To the extent there are adjustments to the amount of any deferred intercompany gain triggered as a result of the Distribution, Belo and A. H. Belo shall, pursuant to Section 2.01(a), be responsible for paying the additional Tax associated with any increase in the amount of gain in the ratio of one-third and

two-thirds, respectively, and Belo shall be entitled to any Refund attributable to any reduction of gain except to the extent the Refund is attributable to an increase in the amount of such gain, in which case the Refund or portion thereof shall be shared between Belo and A. H. Belo in accordance with the above ratio.

Section 2.05 Allocation of Certain Income Taxes and Income Tax Items.

(a) If Belo, A. H. Belo or any of their respective Affiliates is permitted but not required under applicable U.S. federal, state, local or foreign Tax laws to treat the Distribution Date as the last day of a taxable period, then the Parties shall treat such day as the last day of a taxable period under such applicable Tax law, and shall file any elections necessary or appropriate to such treatment; provided that this Section 2.05(a) shall not be construed to require Belo to change its taxable year.

(b) Transactions occurring, or actions taken, on the Distribution Date but after the Distribution outside the ordinary course of business by, or with respect to, A. H. Belo or any of its Affiliates shall be deemed subject to the “next day rule” of Treasury Regulation Section 1.1502-76(b)(1)(ii)(B) (and under any comparable or similar provision under state, local or foreign laws or regulations, provided that if there is no comparable or similar provision under state, local or foreign laws or regulations, then the transaction will be deemed subject to the “next day rule” of Treasury Regulation Section 1.1502-76(b)(1)(ii)(B)) and as such shall for purposes of this Agreement be treated (and consistently reported by the Parties) as occurring in a Post-Distribution Tax Period of A. H. Belo or an A. H. Belo Affiliate, as appropriate.

(c) Any Taxes for a Straddle Period with respect to A. H. Belo and/or its Affiliates (or entities in which A. H. Belo and/or one of its Affiliates has an ownership interest) shall, for purposes of this Agreement, be apportioned between Belo and A. H. Belo based on the portion of the period ending on and including the Distribution Date and the portion of the period beginning after the Distribution Date, and each such portion of such period shall be deemed to be a taxable period (whether or not it is in fact a taxable period). Any allocation of income or deductions required to determine any Income Taxes for a Straddle Period shall be made by means of a closing of the books and records of A. H. Belo and its Affiliates as of the close of business on the Distribution Date; provided that (i) Belo may elect to allocate Tax Items (other than any extraordinary Tax Items) ratably in the month in which the Distribution occurs (and if Belo so elects, A. H. Belo shall so elect) as described in Treasury Regulation Section 1.1502-76(b)(2)(iii) and corresponding provisions of state, local, and foreign Tax laws; and (ii) subject to (i), exemptions, allowances or deductions that are calculated on an annual basis, and not on a closing of the books method, (including, but not limited to, depreciation and amortization deductions) shall be allocated between the period ending on and including the Distribution Date and the period beginning after the Distribution Date based on the number of days for the portion of the Straddle Period ending on and including the Distribution Date, on the one hand, and the number of days for the portion of the Straddle Period beginning after the Distribution Date, on the other hand.

(d) Tax Attributes determined on a consolidated or combined basis for taxable periods ending before or including the Distribution Date shall be allocated to Belo and its Affiliates, and A. H. Belo and its Affiliates, in accordance with the Code and the Treasury

Regulations (and any applicable state, local, or foreign law or regulation). Belo shall reasonably determine the amounts and proper allocation of such attributes, and the Tax basis of the assets and liabilities transferred to A. H. Belo in connection with the Transactions, as of the Distribution Date; provided that A. H. Belo shall be entitled to participate in such determination. Belo and A. H. Belo agree to compute their Tax liabilities for taxable periods after the Distribution Date consistent with that determination and allocation, and treat the Tax Attributes and Tax Items as reflected on any federal (or applicable state, local or foreign) Income Tax Return filed by the Parties as presumptively correct.

Section 2.06 Refunds. Except as provided in Section 2.07:

(a) Belo shall be entitled to all Refunds with respect to any Tax for which Belo is responsible under Sections 2.01, 2.02, 2.03, or 2.04. A. H. Belo shall be entitled to all Refunds with respect to any Tax for which A. H. Belo is responsible under Sections 2.01, 2.02, 2.03, or 2.04. Belo shall be entitled to any Refund resulting from change of accounting method granted by the IRS for 2007 or 2008.

(b) A. H. Belo and Belo shall each forward to the other Party, or reimburse such other Party for, any Refunds received by the first Party and due to such other Party pursuant to this Section (net of all contingent fees and Taxes payable by the first Party and related to such Refund). Where a Refund is received in the form of a deduction from, or credit or other offset against other or future Tax liabilities, reimbursement with respect to such Refund shall be due in each case on the due date for payment of the Tax from or against which such Refund has been deducted, credited or otherwise offset.

(c) If one Party reasonably so requests, the other Party (at the first Party's expense) shall file for and pursue any Refund to which the first Party is entitled under this Section; provided that the other Party need not pursue any Refund on behalf of the first Party unless the first Party provides the other Party a certification by an appropriate officer of the first Party setting forth the first Party's belief (together with supporting analysis) that the Tax treatment of the Tax Items on which the entitlement to such Refund is based is more likely than not correct, and is not a Tax Item arising from a Reportable Transaction.

(d) If the other Party pays any amount to the first Party under this Section 2.06 and, as a result of a subsequent Final Determination, the first Party is not entitled to some or all of such amount, the other Party shall notify the first Party of the amount to be repaid to the other Party, and the first Party shall then repay such amount to the other Party, together with any interest, fines, additions to Tax, penalties or any additional amounts imposed by a Taxing Authority relating thereto.

Section 2.07 Carrybacks.

(a) Notwithstanding anything in this Agreement, A. H. Belo shall file (or cause to be filed) on a timely basis any available election to waive the carryback of net operating losses, Tax credits or other Tax Items by A. H. Belo or any Affiliate from a Post-Distribution Tax Period to a Straddle Period or Pre-Distribution Tax Period. Such elections shall include, but not be limited to, the election described in Treasury Regulation Section 1.1502-21(b)(3)(ii)(B),

and any analogous election under state, local, or foreign Income Tax laws, to waive the carryback of net operating losses for U.S. federal Income Tax purposes.

(b) If, notwithstanding the provisions of Section 2.07(a), A. H. Belo is required to carryback losses or credits, A. H. Belo shall be entitled to any Refund of any Tax obtained by Belo or a Belo Affiliate as a result of the carryback of losses or credits of A. H. Belo or its Affiliate from any Post-Distribution Tax Period to any Pre-Distribution Tax Period. Such Refund is limited to the net amount received by Belo or a Belo Affiliate, net of any Tax cost incurred by Belo or such Affiliate resulting from such Refund. Upon request by A. H. Belo, Belo shall advise A. H. Belo of an estimate of any Tax cost Belo projects will be associated with any carryback of losses or credits of A. H. Belo or its Affiliates as provided in this Section 2.07(b).

(c) If A. H. Belo has a Tax Item that must be carried back to any Pre-Distribution Tax Period, A. H. Belo shall notify Belo in writing that such Tax Item must be carried back. Such notification shall include a description in reasonable detail of the grounds for the Refund and the amount thereof, and a certification by an appropriate officer of A. H. Belo setting forth A. H. Belo's belief (together with supporting analysis) that the Tax treatment of such Tax Item is more likely than not correct, and is not a Tax Item arising from a Reportable Transaction.

(d) If Belo pays any amount to A. H. Belo under Section 2.07(b) and, as a result of a subsequent Final Determination, A. H. Belo is not entitled to some or all of such amount, Belo shall notify A. H. Belo of the amount to be repaid to Belo, and A. H. Belo shall then repay such amount to Belo, together with any interest, fines, additions to Tax, penalties or any additional amounts imposed by a Taxing Authority relating thereto.

ARTICLE III PREPARATION AND FILING OF TAX RETURNS

Section 3.01 Belo Responsibility.

(a) Subject to paragraph (b) below, Belo shall make all determinations with respect to, have ultimate control over the preparation of and file all (i) Joint Returns and Belo Separate Returns, in each case as it determines to be mandatory or advisable for all taxable periods, (ii) A. H. Belo Separate Returns that are Income Tax Returns for all Pre-Distribution Tax Periods and (iii) at Belo's election, A. H. Belo Separate Returns that are Income Tax Returns for all Straddle Periods provided that Belo provides written notice to A. H. Belo 45 days after the end of such Straddle Period that Belo is exercising its right to prepare such Tax Return.

(b) If, in connection with the preparation of any Return, Belo materially modifies any information relating to, or provided in, the pro forma federal and state Income Tax Returns or other information related to members of the A. H. Belo Group prepared by A. H. Belo and provided to Belo pursuant to Section 3.02 below, the portions of the Returns that include such information shall be submitted to A. H. Belo no later than 30 days prior to the due date (including extensions) for filing of such federal Returns and 20 days prior to the due date (including extensions) for filing of such state Returns (or if such due date is within 30 days

following the Distribution Date, as promptly as practicable following the Distribution Date). Within 10 days after delivery of any such revised portions of any Return, A. H. Belo shall provide comments to Belo in writing to the extent A. H. Belo objects to any revisions that could reasonably be expected to adversely impact any member of the A. H. Belo Group. Such A. H. Belo comments shall be incorporated into the Return upon the consent of Belo, not to be unreasonably withheld. If A. H. Belo does not so notify Belo of any objection, A. H. Belo shall be considered to have consented to the filing of such Return. The dates for submissions to A. H. Belo required in this section may be modified by mutual agreement of Belo and A. H. Belo.

Section 3.02 A. H. Belo Responsibility.

(a) A. H. Belo shall make all determinations with respect to, have ultimate control over the preparation of and file all Tax Returns (other than those described in Section 3.01) for the A. H. Belo Group as it determines to be mandatory or advisable and for all taxable periods. A. H. Belo shall prepare and provide to Belo all pro forma federal and state Income Tax Returns and other information related to members of the A. H. Belo Group required to complete any Tax Return which is the responsibility of Belo pursuant to Section 3.01, in the format reasonably requested by Belo, and at least 110 days prior to the due date (including extensions) of the relevant federal Return and at least 100 days prior to the due date (including extensions) of the relevant state Return. The dates for submissions to Belo required in this section may be modified by mutual agreement of Belo and A. H. Belo.

(b) In the case of any Tax Return that is the responsibility of Belo pursuant to Section 3.01(a) and that relates to an Income Tax that is the obligation of A. H. Belo, A. H. Belo shall pay to Belo the amount of the provision for such Income Tax no later than 10 days prior to the due date (including extensions) for the filing of such Tax Return.

Section 3.03 Tax Accounting Practices.

(a) Except as provided in Section 3.03(b), any Tax Return for any Pre-Distribution Tax Period or Straddle Period, to the extent it relates to members of the A. H. Belo Group, shall be prepared in accordance with practices, accounting methods, elections, conventions and Tax positions used with respect to the Tax Return in question for periods prior to the Distribution ("Past Practices"), and, in the case of any item the treatment of which is not addressed by Past Practices, in accordance with generally acceptable Tax accounting practices. Notwithstanding the foregoing, for any Tax Return described in the preceding sentence, (i) a Party will not be required to follow Past Practices with either the written consent of the other Party (not to be unreasonably withheld) or a "should" level opinion from a Tax Advisor that the proposed method of reporting is correct and (ii) Belo shall have the right to determine which entities will be included in any consolidated, combined, affiliated or unitary Return that it is responsible for filing.

(b) The Parties shall report the Transactions for all Tax purposes in a manner consistent with the Tax Opinions/Rulings, unless, and only to the extent, an alternative position is required pursuant to a Final Determination. Belo shall determine the Tax treatment to be reported on any Tax Return of any Tax issue relating to the Transactions that is not covered by the Tax Opinions/Rulings.

Section 3.04 Right to Review Tax Returns. Upon request, each Party shall make available to the other Party the portion of Pre-Distribution Tax Period Tax Returns that relates to the A. H. Belo Group that the first Party is responsible for preparing under this Article III.

ARTICLE IV TAX-FREE STATUS OF DISTRIBUTION

Section 4.01 Covenants.

(a) Each of A. H. Belo and Belo will not take or fail to take, or permit its Affiliates to take or fail to take, any action (which includes the undertaking of any transaction) where that action or omission would (i) violate, be inconsistent with or cause to be untrue any covenant, representation or statement in any Tax Opinions/Rulings or a letter or certificate that forms the basis therefor, or (ii) prevent, or be reasonably likely to prevent, or be inconsistent with, the Tax-Free Status.

(b) During the Restricted Period, except as provided in paragraph (c), A. H. Belo shall not, and shall not permit its Affiliates to, in a single transaction or in a series of transactions:

(i) permit any transaction or series of transactions (or any agreement, understanding or arrangement to enter into a transaction or series of transactions) as determined for purposes of Code Section 355(e), in connection with which (A) any member of the A. H. Belo Group would merge or consolidate with any Person other than any other member of the A. H. Belo Group, (B) any member of the A. H. Belo Group would form one or more joint ventures with any Person other than any other member of the A. H. Belo Group in which, in the aggregate, more than 10% of the gross assets of the A. H. Belo Group are transferred to such joint ventures or (C) any Person would (directly or indirectly) acquire, or have the right to acquire, from any other Person or Persons, a more than 10% interest in A. H. Belo Capital Stock (a "Proposed Acquisition Transaction"). For these purposes, any recapitalization, repurchase or redemption of A. H. Belo Capital Stock shall be treated as an indirect acquisition of such stock by any non-exchanging shareholder to the extent such shareholder's percentage interest in the issuer increases by vote or value. Notwithstanding the foregoing, a Proposed Acquisition Transaction shall not include (w) the adoption by A. H. Belo of a shareholder rights plan that meets the requirements of IRS Revenue Ruling 90-11, (x) issuances of A. H. Belo Capital Stock pursuant to an employee stock purchase agreement or equity compensation plan that Belo has notified A. H. Belo in writing is acceptable to Belo in its sole discretion (for the avoidance of doubt, (i) any modification or amendment to such agreement or plan is also subject to the prior written consent of Belo and (ii) Belo's approval is required for the underlying purchase agreement or plan but not for each issuance of stock pursuant thereto), (y) transfers on an established market of A. H. Belo Capital Stock described in Safe Harbor VII of Treasury Regulation Section 1.355-7(d) or (z) issuances of A. H. Belo Capital Stock described in Safe Harbor IX (relating to acquisitions by a retirement plan of an employer) of Treasury Regulation Section 1.355-7(d);

(ii) liquidate or partially liquidate, including by way of merger or consolidation, any member of the A. H. Belo Group other than A. H. Belo;

(iii) liquidate or partially liquidate A. H. Belo;

(iv) cause or permit the A. H. Belo Group to cease to engage in the Active Trade or Business;

(v) sell or transfer assets, other than inventory sold or transferred in the ordinary course of business, constituting (A) 50% or more of the gross assets that are held by any member of the A. H. Belo Group and are used in the Active Trade or Business and are relied upon to satisfy the requirements of Code Section 355(b), (B) 50% or more of the consolidated gross assets of the A. H. Belo Group that are used in an Active Trade or Business (such percentages to be measured based on fair market value as of the Distribution Date) or (C) any lesser amount if that sale or transfer could reasonably be expected to result in a significant and material change to, or termination of, the Active Trade or Business immediately after the Distribution Date; or

(vi) amend its certificate of incorporation (or other organizational documents), or take any other action, affecting the relative voting rights of the separate classes of A. H. Belo Capital Stock; provided, however, that this clause (vi) shall not be deemed to be violated upon A. H. Belo's adoption of a shareholder rights plan that meets the requirements of IRS Revenue Ruling 90-11.

(c) Notwithstanding paragraph (b):

(i) clauses (i) through (vi) of paragraph (b) shall not apply upon the prior written consent of Belo, which consent may not be withheld if Belo determines in good faith that A. H. Belo has provided it with Satisfactory Guidance concluding that the proposed actions will not result in Spin-Off Taxes;

(ii) clause (v) of paragraph (b) shall not apply after the six month anniversary of the Distribution Date;

(iii) for purposes of clause (i), if A. H. Belo provides Belo an Unqualified Tax Opinion that is intended to be Satisfactory Guidance concerning a Proposed Acquisition Transaction, then such Opinion may be based on the assumption that Belo did not have any agreement, understanding, arrangement or substantial negotiations, within the meaning of Treasury Regulations Section 1.355-7(h), with the counterparty to the Proposed Acquisition Transaction within the two year period preceding the Distribution Date and such assumption shall not prevent such Unqualified Tax Opinion from being considered Satisfactory Guidance by the Parties, provided that (x) such assumption must be based on a certificate of such counterparty that such assumption is true to the best of its knowledge and belief, and (y) Belo may deem such Opinion not to be Satisfactory Guidance if, in its reasonable judgment, there is a risk that such assumption is not correct; and

(iv) In the event that A. H. Belo intends to consummate any Proposed Acquisition Transaction after the end of the Restricted Period but before the end of 30 months

after the Distribution Date, then either (x) A. H. Belo shall be permitted to consummate such proposed Acquisition Transaction, provided that A. H. Belo shall provide Belo with an unconditional certification that it did not have any agreement, understanding, arrangement or substantial negotiations, within the meaning of Treasury Regulations Section 1.355-7(h), with the counterparty to such transaction within 12 months after the Distribution Date, and Belo after reasonable due investigation is satisfied with the correctness of such certification, or (y) such Proposed Acquisition Transaction shall be subject to the provisions under Sections 4.01(b) and (c).

(d) Notwithstanding anything herein to the contrary, for purposes of paragraph (c), no Ruling shall be obtained from the IRS if Belo determines that there is a reasonable possibility that such an action could have a significant adverse impact on any member of the Belo Group.

(e) Nothing contained in this Section 4.01 or elsewhere in this Agreement shall prohibit A. H. Belo or any of its subsidiaries from entering into loan agreements, other credit arrangements, related security agreements, related stock pledge agreements, or other borrowing or collateral agreements or arrangements, including without limitation that certain Credit Agreement dated on or about February 4 2008, among A. H. Belo, as Borrower, the Lenders party thereto, and JP Morgan Chase Bank, N. A., as Administrative Agent (the "Credit Agreement"), any of the other Loan Documents (as defined in the Credit Agreement) or any amendment, modification, restatement or refinancing thereof or from performing any of their respective obligations thereunder, incurring any indebtedness thereunder or granting any security interests or liens in any property or assets of A. H. Belo or any of its subsidiaries or in any equity interests in any of A. H. Belo's subsidiaries to secure such indebtedness. Nothing in this Section 4.01 or elsewhere in this Agreement shall prohibit the exercise of any rights or remedies of the Administrative Agent or the Lenders under or pursuant to the Credit Agreement, any other Loan Documents or any amendment, modification, restatement or refinancing thereof.

Section 4.02 Procedures Regarding Opinions and Rulings.

(a) Subject to Section 4.01(d), if A. H. Belo may take certain actions conditioned upon the receipt of Satisfactory Guidance, Belo, at the request of A. H. Belo, shall use commercially reasonable efforts to expeditiously obtain, or assist A. H. Belo in obtaining, such Satisfactory Guidance. Belo shall not be required to take any action pursuant to this Section 4.02(a) if A. H. Belo fails to certify, upon request, that all information and representations relating to any member of the A. H. Belo Group in the relevant documents are true, correct and complete. A. H. Belo shall reimburse Belo for all reasonable out-of-pocket costs and expenses incurred by the Belo Group in obtaining Satisfactory Guidance.

(b) Belo shall have the right to obtain a Ruling from the IRS (or any other Taxing Authority) or an Unqualified Tax Opinion at any time in its sole discretion. Belo shall reimburse A. H. Belo for all reasonable out-of-pocket costs and expenses incurred by the A. H. Belo Group in obtaining such a Ruling or Unqualified Tax Opinion.

(c) Belo shall have exclusive control over the process of obtaining any Ruling relating to the Transactions and neither A. H. Belo nor any of its Affiliates shall independently

seek any guidance concerning the Transactions from any Taxing Authority at any time. In connection with any Ruling relating to the Transactions that can reasonably be expected to affect A. H. Belo liabilities under this Agreement, Belo shall (i) keep A. H. Belo informed of all material actions taken or proposed to be taken by Belo, (ii) reasonably in advance of the submission of any Ruling request provide A. H. Belo with a draft thereof, consider A. H. Belo's comments on such draft, and provide A. H. Belo with a final copy, and (iii) provide A. H. Belo with notice reasonably in advance of, and permit A. H. Belo to attend, any formally scheduled meetings with the IRS (subject to the approval of the IRS) that relate to such Ruling.

ARTICLE V TAX CONTESTS; INDEMNIFICATION; COOPERATION

Section 5.01 Notice.

(a) Within 15 days after a Party (the "Indemnitee") becomes aware of the existence of a Tax Contest that may give rise to an indemnification claim under this Agreement by it against the other Party (the "Indemnifying Party"), the Indemnitee shall promptly notify the Indemnifying Party of the Tax Contest, and thereafter shall promptly forward or make available to the Indemnifying Party copies of notices and communications with a Taxing Authority relating to such Tax Contest.

(b) The Indemnifying Party shall not be responsible for any increase in amounts to which the Indemnitee is otherwise entitled to the extent that such increase results solely from the failure of the Indemnitee to provide timely notice as required pursuant to Section 5.01(a).

Section 5.02 Control of Tax Contests.

(a) Except as otherwise provided in paragraphs (b) and (c):

(i) Belo shall control, and have sole discretion in handling, settling or contesting, any Tax Contest relating to any Joint Returns, as well as any Separate Returns or other Return if any such Return is related to Taxes for which Belo is responsible pursuant to Article II, or the Tax treatment of the Transactions, provided that (x) Belo shall act in good faith in connection with its control of any such Tax Contests and (y) A. H. Belo shall have the right to participate in and advise on (including, without limitation, the opportunity to review and comment upon Belo's communications with the Taxing Authority, which comments shall be incorporated upon the consent of Belo, not to be unreasonably withheld) such items for which A. H. Belo could be liable under Article II as a result of such Tax Contest; and

(ii) If A. H. Belo disagrees with Belo's decision to settle a Tax Contest that may reasonably be expected materially to affect amounts for which A. H. Belo is liable under Article II, A. H. Belo shall have the right to contest its liability to Belo under Article II notwithstanding the settlement. A. H. Belo shall provide written notice to Belo of its intention to contest its liability as a result of any settlement (and its irrevocable election described below) prior to the time such settlement is entered into. Any such contest by A. H. Belo shall be made under the procedures set forth in Article VI. Under those procedures, A. H. Belo may irrevocably elect, in its sole discretion, to require the Tax Advisor or the arbitrator to determine

either (x) the amount of a settlement with the relevant Taxing Authority that would most accurately reflect the litigation risk of the relevant issue, or (y) the most likely outcome of the issue if it were litigated without a settlement. In either such case, A. H. Belo shall be liable to Belo, or Belo shall be liable to A. H. Belo, based solely on the determination of the Tax Advisor or the arbitrator as if a settlement or litigation implementing such determination had actually occurred, without regard to the actual settlement. For the avoidance of doubt, this clause (ii) shall not limit Belo's ability to settle a Tax Contest.

(b) A. H. Belo shall control and have sole discretion in handling, settling or contesting, any Tax Contest for a Pre-Distribution Tax Period to the extent such Tax Contest relates solely to Taxes that are the responsibility of A. H. Belo pursuant to Article II; provided that Belo shall have the right to participate in and advise on all aspects of such Tax Contests and may coordinate discussions with the relevant Taxing Authority with respect thereto.

(c) Belo and A. H. Belo shall jointly control Tax Contests relating to Tax liability arising from the failure of the Transactions to qualify for tax-free treatment under Code Sections 355 or 361, if there is a reasonable likelihood that A. H. Belo would be liable to Belo under Article II as a result of such Tax Contest. Neither Party shall have the right to settle any such Tax Contest without the consent of the other Party; provided that Belo may settle any such Tax Contest without the consent of A. H. Belo if Belo waives any claim for indemnification with respect thereto.

(d) Except as otherwise provided in paragraph (a), (b) or (c), A. H. Belo shall have sole control over any Tax Contest that relates to A. H. Belo Separate Returns for any Post-Distribution Tax Period.

(e) Any out-of-pocket costs incurred in handling, settling or contesting a Tax Contest shall be borne ratably by the Parties based on their ultimate liability under this Agreement for the Taxes to which the Tax Contest relates; provided, however, that if A. H. Belo contests a settlement made by Belo as provided in clause (ii) of paragraph (a), A. H. Belo shall bear the costs relating to A. H. Belo's contest of such settlement unless A. H. Belo substantially prevails in such contest.

Section 5.03 Indemnification Payments.

(a) An Indemnitee shall be entitled to make a claim for payment pursuant to this Agreement when the Indemnitee determines that it is entitled to such payment and the amount of such payment (including, for the avoidance of doubt, the finalization of a Return before filing). The Indemnitee shall provide to the Indemnifying Party notice of such claim within 10 days of the date on which it first so becomes entitled to claim such payment, including a description of such claim and a detailed calculation of the amount of the indemnification payment that is claimed, provided, however, that no delay on the part of the Indemnitee in notifying the Indemnitor shall relieve the Indemnitor from any obligation hereunder unless (and then solely to the extent) the Indemnitor is actually and materially prejudiced thereby. Except as provided in paragraph (b), the Indemnifying Party shall make the claimed payment to the Indemnitee within 10 days after receiving such notice, unless the Indemnifying Party reasonably disputes its liability for, or the amount of, such payment.

(b) If the Indemnitee will be obligated to make the payment described in paragraph (a) to a Taxing Authority or other third Party (including expenses reimbursable under this Agreement), the Indemnifying Party shall not be obligated to pay the Indemnitee more than 5 days before the Indemnitee incurs such expense or makes such payment. If the Indemnitee's claim for payment arises from a payment that the Indemnifying Party will receive from a third Party, such as a Refund, the Indemnifying Party shall not be obligated to pay the Indemnitee until 5 days after the Indemnifying Party receives such payment.

(c) In the case of a claim under Article II where no payment will be made to or received from a Taxing Authority, paragraph (b) shall be applied to the payments that would be made to or from a Taxing Authority if the A. H. Belo Group was treated as a standalone group for all taxable periods.

Section 5.04 Interest on Late Payments. Interest shall accrue with respect to any indemnification payment (including any disputed payment that is ultimately required to be made), not made within the period for payment, at Prime Rate plus 2% per annum compounded quarterly.

Section 5.05 Treatment of Payments.

(a) The amount of all indemnification obligations under this Agreement shall be decreased to take into account the Tax benefits to the Indemnitee of the deductibility of any indemnified item (whether or not any Tax benefit is actually received for a deductible item and assuming the highest applicable taxable rate) and shall be increased where necessary so that, after all the required deductions (whether or not any Tax benefit is actually received for a deductible item and assuming the highest applicable taxable rate) have been made and Taxes imposed, the Indemnitee receives the amount it would have been entitled to receive under this Agreement in the absence of such deductions and Taxes.

(b) Any payments made to one Party by another Party pursuant to (i) this Agreement or (ii) the Separation and Distribution Agreement (if payment made pursuant to the Separation and Distribution Agreement relates to taxable periods (or portions thereof) ending on or before the Distribution) shall be treated by the Parties for all Tax purposes as a distribution by, or capital contribution to, A. H. Belo, as the case may be, made immediately prior to the Distribution, except to the extent otherwise required by a Final Determination.

Section 5.06 Expenses. Except as otherwise provided herein, each Party and its Affiliates shall bear their own expenses incurred in connection with preparation of Tax Returns, Tax Contests, and other matters under this Agreement.

Section 5.07 Cooperation. Each member of the Belo Group and the A. H. Belo Group shall cooperate fully with all reasonable requests from the other Party in connection with the preparation and filing of Tax Returns and Adjustment Requests, Tax Contests and other matters covered by this Agreement.

(a) Such cooperation shall include:

(i) the retention until the expiration of the applicable statute of limitations, and the provision upon request, of Tax Returns, books, records (including information regarding ownership and Tax basis of property), documentation and other information relating to the Tax Returns, including accompanying schedules, related workpapers, and documents relating to Rulings or other determinations by Taxing Authorities;

(ii) the execution of any document that may be necessary or reasonably helpful in connection with any Tax Contest, the filing of a Tax Return or Adjustment Request by a member of the Belo Group or the A. H. Belo Group, obtaining a Tax opinion or private letter ruling (except as otherwise provided in Section 4.02(c)), or other matters covered by this Agreement, including certification (provided in such form as may be required by applicable law or reasonably requested and made to the best of a Party's knowledge) of the accuracy and completeness of the information it has supplied;

(iii) the use of the Parties' reasonable best efforts to obtain any documentation that may be necessary or reasonably helpful in connection with any of the foregoing;

(iv) the use of the Parties' reasonable best efforts to make the applicable Party's current or former directors, officers, employees, agents and facilities available on a reasonable and mutually convenient basis in connection with the foregoing matters; and

(v) making determinations with respect to actions described in Section 4.01(c) as promptly as practicable including, without limitation, making determinations within 10 days with respect to modifications and amendments of employee stock purchase agreements or equity compensation plans under Section 4.01(b)(i)(x).

(b) If a Party fails to comply with any of its obligations set forth in this Section 5.07 upon reasonable request and notice by the other Party, and such failure results in the imposition of additional Taxes, the nonperforming Party shall be liable in full for such additional Taxes.

Section 5.08 Confidentiality. Any information or documents provided under this Agreement shall be kept confidential by the recipient-Party, except as may otherwise be necessary in connection with the filing of Tax Returns or with any Tax Contest. In addition, if Belo or A. H. Belo determines that providing such information could be commercially detrimental, violate any law or agreement or waive any privilege, the Parties shall use reasonable best efforts to permit compliance with the obligations under this Agreement in a manner that avoids any such harm or consequence.

Section 5.09 Retention of Tax Records. A. H. Belo may request from Belo and retain copies of (i) with respect to any Joint Return, all pro forma federal and state Tax Returns, supporting schedules and workpapers related to members of the A. H. Belo Group, and (ii) any Separate Returns for any A. H. Belo Group members, including supporting schedules and workpapers. If either Belo or A. H. Belo intends to dispose of documentation with respect to any Pre-Distribution Tax Period, including books, records, Tax Returns and all supporting schedules and information relating thereto (after the expiration of the applicable statute of limitations), of

any member of the other Group, or in the case of the A. H. Belo Group any member included in a Joint Return, they shall provide written notice to the other Party describing the documentation to be disposed of 30 days prior to taking such action. The other Party may arrange to take delivery of the documentation described in the notice at its own expense during the succeeding 30 day period.

**ARTICLE VI
RESOLUTION OF DISPUTES**

Section 6.01 Tax Disputes. The Parties will endeavor, and will cause their respective Affiliates to endeavor, to resolve in an amicable manner all disputes arising in connection with this Agreement. The Parties shall negotiate in good faith to resolve any Tax Dispute for not less than 45 days. Upon written notice of either Party after 45 days, the matter will be referred to a Tax Advisor acceptable to both Parties. The Tax Advisor may, in its discretion, obtain the services of any third-party necessary to assist it in resolving the dispute. The Tax Advisor shall furnish written notice to the Parties of its resolution of the dispute as soon as practicable, but in any event no later than 45 days after its acceptance of the matter for resolution. Any such resolution by the Tax Advisor will be binding on the Parties and the Parties shall take, or cause to be taken, any action necessary to implement the resolution. All fees and expenses of the Tax Advisor shall be shared equally by Belo, on the one hand, and A. H. Belo, on the other hand. If, having determined that the dispute must be referred to a Tax Advisor, after 45 days the Parties are unable to find a Tax Advisor willing to adjudicate the dispute in question and whom the Parties in good faith find acceptable, then the dispute will be submitted for arbitration to the American Arbitrators Association, provided, however, that only an arbitrator that qualifies as a Tax Advisor shall be selected.

**ARTICLE VII
MISCELLANEOUS PROVISIONS**

Section 7.01 Disposition of A. H. Belo Subsidiaries. In the event that A. H. Belo disposes of the stock of a subsidiary that is not a Party to this Agreement (i) without receiving compensation equal to the fair market value of such subsidiary, prior to the disposition, such subsidiary shall deliver to Belo an executed agreement, in a form reasonably acceptable to Belo, agreeing to be bound by this Agreement as if it had been an original Party hereto or (ii) in an exchange intended to result in the receipt of compensation equal to the fair market value of such subsidiary, prior to the disposition, such subsidiary shall deliver to Belo an executed agreement, in a form reasonably acceptable to Belo, agreeing to be bound by Sections 5.07, 5.08, 5.09 and Article VII of this Agreement as if it had been an original Party hereto.

Section 7.02 Complete Agreement; Representations.

(a) Except as explicitly stated herein, this Agreement, together with the exhibits and schedules hereto constitutes the entire agreement between the Parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

(b) Belo represents on behalf of itself and each other member of the Belo Group and A. H. Belo represents on behalf of itself and each other member of the A. H. Belo Group as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated by this Agreement; and

(ii) this Agreement has been duly executed and delivered by such Person (if such Person is a Party) and constitutes a valid and binding agreement of it enforceable in accordance with the terms thereof (assuming the due execution and delivery thereof by the other Party), except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other Laws relating to creditors' rights generally and by general equitable principles.

Section 7.03 Costs and Expenses. All costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement and the transactions contemplated hereby shall be borne as provided in the Separation and Distribution Agreement.

Section 7.04 Governing Law. This Agreement and any dispute arising out of, in connection with or relating to this Agreement shall be governed by and construed in accordance with the Laws of the State of Texas, without giving effect to the conflicts of laws principles thereof.

Section 7.05 Notices. All notices, requests, claims, demands and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally or by facsimile transmission or mailed (first class postage prepaid) to the Parties at the following addresses or facsimile numbers:

If to Belo or any member of the Belo Group, to:

Belo Corp.
400 South Record Street
Dallas, TX 75202
Attn: Chief Executive Officer
Facsimile: (214) 977-8209

with a copy to:

Belo Corp.
400 South Record Street
Dallas, TX 75202
Attn: Chief Financial Officer
Facsimile: (214) 977-8209

If to A. H. Belo or any member of the A. H. Belo Group, to:

A. H. Belo Corporation
400 South Record Street
Dallas, TX 75202
Attn: Chief Executive Officer
Facsimile: (214) 977-8209

with a copy to:

A. H. Belo Corporation
400 South Record Street
Dallas, TX 75202
Attn: Chief Financial Officer
Facsimile: (214) 977-6899

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this section, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided in this section, be deemed given upon receipt and (iii) if delivered by mail in the manner described above to the address as provided in this section, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice, request or other communication is to be delivered pursuant to this section). Any party from time to time may change its address, facsimile number or other information for the purpose of notices to that party by giving notice specifying such change to the other party.

Section 7.06 Amendment, Modification or Waiver.

(a) Prior to the Distribution, this Agreement may be amended, modified, waived, supplemented or superseded, in whole or in part, by Belo in its sole discretion by execution of a written amendment delivered to A. H. Belo. Subsequent to the Distribution, this Agreement may be amended, modified, supplemented or superseded only by an instrument signed by duly authorized signatories of both Parties.

(b) Following the Distribution, any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, shall be deemed or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

Section 7.07 No Assignment; Binding Effect. Neither this Agreement nor any of the rights, interests or obligations under this Agreement shall be assigned, in whole or in part, by operation of law or otherwise by any of the Parties without the prior written consent of the other Party; provided, however, that no such consent shall be required in the event of a merger, consolidation or sale of either Belo or A. H. Belo. Subject to the preceding sentence, this

Agreement is binding upon, inures to the benefit of and is enforceable by the Parties hereto and their respective successors and assigns.

Section 7.08 Counterparts. 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.

Section 7.09 Specific Performance. From and after the Distribution, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Parties agree that the Party or Parties to this Agreement who are or are to be thereby aggrieved shall have the right to specific performance and injunctive or other equitable relief of its or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies shall be cumulative. The Parties agree that, from and after the Distribution, the remedies at law for any breach or threatened breach of this Agreement, including monetary damages, are inadequate compensation for any loss, that any defense in any action for specific performance that a remedy at law would be adequate is hereby waived, and that any requirements for the securing or posting of any bond with such remedy are hereby waived.

Section 7.10 Texas Forum. Each of the Parties agrees that, except as otherwise provided in Section 6.01, all Actions arising out of or in connection with this Agreement, or for recognition and enforcement of any judgment arising out of or in connection with this Agreement, shall be tried and determined exclusively in the state or federal courts in the State of Texas, County of Dallas, and each of the Parties hereby irrevocably submits with regard to any such action or proceeding for itself and in respect to its property, generally and unconditionally, to the exclusive jurisdiction of the aforesaid courts. Each of the Parties hereby expressly waives any right it may have to assert, and agrees not to assert, by way of motion, as a defense, counterclaim or otherwise, in any such action or proceeding: (a) any claim that it is not subject to personal jurisdiction in the aforesaid courts for any reason; (b) any claim that it or its property is exempt or immune from jurisdiction of any such court or from any legal process commenced in such courts; and (c) any claim that (i) any of the aforesaid courts is an inconvenient or inappropriate forum for such action or proceeding, (ii) venue is not proper in any of the aforesaid courts and (iii) this Agreement, or the subject matter hereof, may not be enforced in or by any of the aforesaid courts. Each of the Parties agrees that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 7.05 or any other manner as may be permitted by Law shall be valid and sufficient service thereof.

Section 7.11 WAIVER OF JURY TRIAL. EACH PARTY ACKNOWLEDGES AND AGREES THAT ANY CONTROVERSY THAT MAY ARISE UNDER THIS AGREEMENT IS LIKELY TO INVOLVE COMPLICATED AND DIFFICULT ISSUES, AND THEREFORE EACH PARTY HEREBY IRREVOCABLY AND UNCONDITIONALLY WAIVES ANY RIGHT SUCH PARTY MAY HAVE TO A TRIAL BY JURY. EACH PARTY CERTIFIES AND ACKNOWLEDGES THAT (i) NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY PARTY HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH PARTY WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE WAIVER IN THIS SECTION, (ii) SUCH PARTY UNDERSTANDS AND HAS CONSIDERED THE IMPLICATIONS OF SUCH WAIVER, (iii)

SUCH PARTY MAKES SUCH WAIVER VOLUNTARILY AND (iv) SUCH PARTY HAS BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS, AGREEMENTS AND CERTIFICATIONS HEREIN.

Section 7.12 Interpretation; Conflict With Ancillary Agreements. The language of this Agreement shall be construed according to its fair meaning and shall not be strictly construed for or against any Party. Notwithstanding the foregoing, the purposes of Article IV are to ensure the Tax-Free Status and, accordingly, the Parties agree that the language thereof shall be interpreted in a manner that serves this purpose to the greatest extent possible. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and shall not in any way affect the meaning or interpretation of this Agreement. If, and to the extent, the provisions of this Agreement conflict with the Separation and Distribution Agreement, or any Ancillary Agreement, the provisions of this Agreement shall control.

Section 7.13 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom.

Section 7.14 Survival. Except with respect to Sections 5.07, 5.08 and 5.09 which shall remain in effect without limitation as to time, the provisions in this Agreement shall be unconditional and absolute and shall remain in effect until the expiration of the statute of limitations for all taxable periods that end before or include the date on which the Distribution occurs and the resolution of all disputes under this Agreement that arose during such periods.

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

BELO CORP.

By: /s/ Dennis A. Williamson

Name: Dennis A. Williamson

Title: Executive Vice President/Chief
Financial Officer

A. H. BELO CORPORATION

By: /s/ Alison K. Engel

Name: Alison K. Engel

Title: Senior Vice President/Chief Financial
Officer and Treasurer

EMPLOYEE MATTERS AGREEMENT

by and between

BELO CORP.

and

A. H. BELO CORPORATION

Dated as of February 8, 2008

TABLE OF CONTENTS

	Page
ARTICLE 1 Definitions and Interpretation	1
1.1 Definitions	1
1.2 General Interpretive Principles	4
ARTICLE 2 General Principles	4
2.1 Employment After the Distribution	4
2.2 Compliance with Employment Laws	5
2.3 Employee Records	6
2.4 Assumption and Retention of Liabilities	6
2.5 Newspaper Holdco Participation in Belo Benefit Plans	7
2.6 Service Credit	8
2.7 Participant Elections and Beneficiary Designations	8
2.8 Cooperation	9
ARTICLE 3 Retirement Plans	9
3.1 The G. B. Dealey Retirement Pension Plan	9
3.2 Savings Plans	9
3.3 Pension Transition Supplement Plan	10
3.4 Nonqualified Deferred Compensation Plans	10
ARTICLE 4 Welfare Benefit Plans	11
4.1 Establishment of Newspaper Holdco Welfare Benefit Plans	11
4.2 Treatment of Claims Incurred	11
4.3 Credit for Co-Pays and Deductibles	11
4.4 COBRA	12
4.5 Third Party Contracts	12
4.6 Flexible Spending Account Benefit Plan	12
ARTICLE 5 Incentive Awards	13
5.1 Stock Options	13
5.2 Restricted Stock Units	13
5.3 Responsibility for Tax Withholding and Reporting	14
5.4 Approval and Terms of New Newspaper Holdco Awards	14
ARTICLE 6 Miscellaneous	14
6.1 Amendment and Termination of Benefit Plans	14
6.2 Complete Agreement; Representations	15
6.3 Costs and Expenses	15
6.4 Governing Law	15
6.5 Notices	15
6.6 Amendment, Modification or Waiver	16
6.7 No Assignment; Binding Effect; No Third-Party Beneficiaries	16
6.8 Counterparts	17
6.9 Negotiation	17
6.10 Specific Performance	17

6.11 Texas Forum	17
6.12 Interpretation; Conflict With Distribution Agreement	18
6.13 Severability	18
6.14 Effectiveness of the Agreement	18

EMPLOYEE MATTERS AGREEMENT

This Employee Matters Agreement (this “Agreement”), dated as of February 8, 2008, is entered into by and between Belo Corp., a Delaware corporation (“Belo”), and A. H. Belo Corporation, a Delaware corporation (“Newspaper Holdco”).

RECITALS

WHEREAS, Belo and Newspaper Holdco have entered into a Separation and Distribution Agreement dated as of the date hereof (the “Distribution Agreement”) providing for, among other things, the distribution by Belo to its shareholders of all of the outstanding shares of Series A common stock and Series B common stock of Newspaper Holdco; and

WHEREAS, Belo and Newspaper Holdco wish to set forth their agreement as to certain employee, benefit and compensation matters in connection with the transactions contemplated by the Distribution Agreement.

NOW, THEREFORE, in consideration of the mutual covenants set forth in this Agreement and the Distribution Agreement, Belo and Newspaper Holdco agree as follows:

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.1 **Definitions.** Unless otherwise defined in this Agreement, capitalized words and phrases used in this Agreement have the meanings set forth below. Capitalized terms used in this Agreement and not otherwise defined will have the meanings set forth in the Distribution Agreement.

Action has the meaning given that term in the Distribution Agreement.

Affiliate has the meaning given that term in the Distribution Agreement.

Agreement means this Employee Matters Agreement.

Ancillary Agreement has the meaning given that term in the Distribution Agreement.

Belo has the meaning set forth in the preamble to this Agreement.

Belo Employee has the meaning set forth in Section 2.1(a).

Belo Group has the meaning given that term in the Distribution Agreement.

Belo Post-Distribution Stock Value means (i) if the Series A Belo Common Stock is trading in the “ex-distribution” market on the NYSE on the Distribution Date, the per share closing price of the Series A Belo Common Stock in such market on the Distribution Date; and (ii) if the Series A Belo Common Stock is not trading in the “ex-distribution” market on the NYSE on the Distribution Date, the per share opening price of the Series A Belo Common Stock on the NYSE on the first trading day following the Distribution Date.

Belo Pre-Distribution Stock Value means the per share closing price of Series A Belo Common Stock in the “regular way” market on the NYSE on the Distribution Date.

Belo Stock Option means an option issued by Belo to purchase shares of Series B Belo Common Stock.

Benefit Plan means (i) each “employee welfare benefit plan” as defined in Section 3(1) of ERISA, (ii) each “employee pension benefit plan” as defined in Section 3(2) of ERISA and (iii) each other employee benefit plan, arrangement, policy or payroll practice (including sick leave, vacation pay, salary continuation, disability, retirement, deferred compensation, bonus, stock option or other equity-based compensation, hospitalization, medical insurance or life insurance). The term **Belo Benefit Plan** means a Benefit Plan sponsored, maintained, contributed to or required to be contributed to by Belo or a member of the Belo Group, and the term **Newspaper Holdco Benefit Plan** means a Benefit Plan (other than a Belo Benefit Plan) sponsored, maintained, contributed to or required to be contributed to by Newspaper Holdco or a member of the Newspaper Holdco Group.

COBRA means the continuation coverage requirements for “group health plans” as set forth in Section 4980B of the Code and Sections 601 through 608 of ERISA.

Code means the Internal Revenue Code of 1986, as amended, or any successor federal tax law. Reference to a specific Code provision also includes any proposed, temporary or final regulation in force under that provision.

Distribution Agreement has the meaning set forth in the recitals to this Agreement.

Distribution Date has the meaning given that term in the Distribution Agreement.

Effective Time has the meaning given that term in the Distribution Agreement.

Equity Adjustment Ratio means 0.20.

ERISA means the Employee Retirement Income Security Act of 1974, as amended. Reference to a specific provision of ERISA also includes any proposed, temporary or final regulation in force under that provision.

Former Belo Employee means any individual who as of the Effective Time is a former employee of a member of the Belo Group or a member of the Newspaper Holdco Group and whose last employment with the Belo Group or the Newspaper Holdco Group was with a member of the Belo Group. For the avoidance of doubt, the corporate employees of Belo prior to the Effective Time who are named or described in Section 2.1(b) are, for purposes of this Agreement, Newspaper Holdco Employees and *not* Former Belo Employees.

Former Newspaper Holdco Employee means any individual who as of the Effective Time is a former employee of a member of the Belo Group or a member of the Newspaper Holdco Group and whose last employment with the Belo Group or the Newspaper Holdco Group was with a member of the Newspaper Holdco Group.

Law has the meaning given that term in the Distribution Agreement.

Liabilities has the meaning given that term in the Distribution Agreement.

Loss has the meaning given that term in the Distribution Agreement.

Newspaper Holdco has the meaning set forth in the preamble to this Agreement.

Newspaper Holdco Employee has the meaning set forth in Section 2.1(b).

Newspaper Holdco Group has the meaning given that term in the Distribution Agreement.

Newspaper Holdco Stock Option means an option issued by Newspaper Holdco pursuant to Section 5.1(b).

Newspaper Holdco Stock Value means (i) if the Series A Newspaper Holdco Common Stock is trading in the “when-issued” market on the NYSE on the Distribution Date, the per share closing price of the Series A Newspaper Holdco Common Stock in such market on the Distribution Date; and (ii) if the Series A Newspaper Holdco Common Stock is not trading in the “when-issued” market on the NYSE on the Distribution Date, the per share opening price of the Series A Newspaper Holdco Common Stock on the NYSE on the first trading day following the Distribution Date.

NYSE has the meaning given that term in the Distribution Agreement.

Option Conversion Ratio means with respect to each Belo Stock Option outstanding on the Distribution Date the quotient determined by dividing (i) the exercise price of such Belo Stock Option by (ii) the Belo Pre-Distribution Stock Value.

Parties has the meaning given that term in the Distribution Agreement.

Person has the meaning given that term in the Distribution Agreement.

Restricted Stock Unit means a right issued by Belo or Newspaper Holdco representing a contractual entitlement to one share of Series A common stock of the issuer.

Series A Belo Common Stock has the meaning given that term in the Distribution Agreement.

Series A Newspaper Holdco Common Stock has the meaning given that term in the Distribution Agreement.

Series B Belo Common Stock has the meaning given that term in the Distribution Agreement.

Series B Newspaper Holdco Common Stock has the meaning given that term in the Distribution Agreement.

Subsidiary has the meaning given that term in the Distribution Agreement.

Transferred Belo Employee has the meaning set forth in Section 2.6(b)(i).

Transferred Newspaper Holdco Employee has the meaning set forth in Section 2.6(b)(ii).

1.2 General Interpretive Principles. In this Agreement, unless the context clearly indicates otherwise:

(i) words used in the singular include the plural and words used in the plural include the singular;

(ii) references to any Person include such Person's successors and assigns but, if applicable, only if such successors and assigns are permitted by this Agreement, and a reference to such Person's Affiliates or Subsidiaries will be deemed to mean such Person's Affiliates or Subsidiaries following the Distribution;

(iii) references to any gender include the other gender;

(iv) the words "include," "includes" and "including" will be deemed to be followed by the words "without limitation";

(v) the words "herein," "hereunder," "hereof," "hereto" and words of similar import will be deemed references to this Agreement as a whole and not to any particular Section or other provision of this Agreement;

(vi) references to any Law mean such Law (including all rules and regulations promulgated thereunder) as amended, modified, codified or reenacted, in whole or in part, and in effect at the time of determining compliance or applicability;

(vii) any portion of this Agreement obligating a Party to take any action or refrain from taking any action, as the case may be, will mean that such Party will also be obligated to cause its relevant Affiliates to take such action or refrain from taking such action, as the case may be; and

(viii) unless the context requires otherwise, references in this Agreement to "Belo" will be deemed to refer to the applicable member of the Belo Group and to "Newspaper Holdco" will be deemed to refer to the applicable member of the Newspaper Holdco Group.

ARTICLE 2 GENERAL PRINCIPLES

2.1 Employment After the Distribution .

(a) **Belo Employees.** Each individual who, immediately prior to the Effective Time, is actively employed by a member of the Belo Group (a "Belo Employee") will

continue to be an employee of such Belo Group member immediately after the Effective Time. Belo will honor any legal right of any Belo Employee or Former Belo Employee in a leave or other non-working status to return to work by providing such employee or former employee employment on terms that comply with such right.

(b) **Newspaper Holdco Employees.** Each individual who, immediately prior to the Effective Time, is actively employed by a member of the Newspaper Holdco Group (a “Newspaper Holdco Employee”) will continue to be an employee of such Newspaper Holdco Group member immediately after the Effective Time. For the avoidance of doubt, the term “Newspaper Holdco Employee” includes the following corporate employees of Belo and any other corporate employee of Belo who transfers employment to Newspaper Holdco or another member of the Newspaper Holdco Group at or prior to the Effective Time in connection with the Distribution: Robert W. Decherd, Donald F. Cass, Jr., Alison K. Engel and Daniel J. Blizzard. Newspaper Holdco will honor any legal right of any Newspaper Holdco Employee or Former Newspaper Holdco Employee in a leave or other non-working status to return to work by providing such employee or former employee employment on terms that comply with such right.

(c) **Paid Time Off; Leave of Absence Policies.** Newspaper Holdco will recognize and assume all Liability for all vacation, holiday, sick leave, flex days, personal days and other paid time off accrued by Newspaper Holdco Employees as of the Distribution Date, and Newspaper Holdco will credit each Newspaper Holdco Employee with such accruals. In addition, Newspaper Holdco will continue to apply the leave of absence policies maintained by Belo to inactive Newspaper Holdco Employees who are on an approved leave of absence as of the Distribution Date.

(d) **At Will Status.** Notwithstanding the provisions of Section 2.1(a) or Section 2.1(b) or any other provision of this Agreement, nothing in this Agreement will create any obligation on the part of any member of the Belo Group or any member of the Newspaper Holdco Group to continue the employment of any employee for any definite period following the Distribution Date or will change the employment status of any employee from “at will.”

(e) **Separation from Service; Change in Control.** Neither the Distribution nor any of the transactions contemplated by the Distribution Agreement and the Ancillary Agreements will be deemed to be a separation from service or other termination or severance of employment of any Belo Employee or Newspaper Holdco Employee, or a change in control of Belo or any of its Subsidiaries for purposes of any Belo Benefit Plan or of any Newspaper Holdco Benefit Plan, except as otherwise expressly provided in this Agreement.

2.2 Compliance with Employment Laws. As of the Effective Time (i) Belo will be responsible for adopting and maintaining any policies or practices and for all other actions necessary to comply with employment-related Laws and requirements relating to the employment of Belo Employees and the treatment of Former Belo Employees with respect to their former employment with a member of the Belo Group and (ii) Newspaper Holdco will be responsible for adopting and maintaining any policies or practices and for all other actions necessary to comply with employment-related Laws and requirements relating to the employment of Newspaper Holdco Employees and the treatment of Former Newspaper Holdco

Employees with respect to their former employment with a member of the Newspaper Holdco Group.

2.3 Employee Records.

(a) **Records Relating to Belo Employees and Former Belo Employees** . All records and data in any form relating to Belo Employees and Former Belo Employees will be the property of Belo, except that data pertaining to such employees and relating to any period that such employees were employed by a member of the Newspaper Holdco Group will be jointly owned by Belo and Newspaper Holdco.

(b) **Records Relating to Newspaper Holdco Employees and Former Newspaper Holdco Employees** . All records and data in any form relating to Newspaper Holdco Employees and Former Newspaper Holdco Employees will be the property of Newspaper Holdco, except that data pertaining to such employees and relating to any period that such employees were employed by a member of the Belo Group will be jointly owned by Newspaper Holdco and Belo.

(c) **Sharing of Records**. The Parties will provide each other such records and information only as necessary or appropriate to carry out their obligations under Law, this Agreement, the Distribution Agreement or any Ancillary Agreement or for the purposes of administering their respective employee benefit plans and policies. Records and data described in this Section 2.3 which are reasonably requested by a Party will be provided to the other Party as soon as reasonably practicable upon such request, provided that the Party requesting records and data will reimburse the Party providing the records and data for the reasonable costs and expenses associated with the provision of such records and data (including a reasonable allocable share of any compensation and overhead expense of personnel assigned to assist in the provision of such records and data, except to the extent that such cost is insignificant). All information and records regarding employment and personnel matters of employees and former employees of the Parties will be accessed, retained, held, used, copied and transmitted in accordance with all Laws and policies relating to the collection, storage, retention, use, transmittal, disclosure and destruction of such records.

(d) **Maintenance of Records**. Belo and Newspaper Holdco each will comply with all applicable Laws and their respective internal policies in effect from time to time with respect to retaining, destroying, transferring, sharing, copying and permitting access to all records and data described in this Section 2.3.

2.4 Assumption and Retention of Liabilities .

(a) **Belo Liabilities**. As of the Effective Time, except as expressly provided in this Agreement, Belo will assume or retain (i) all Liabilities under all Belo Benefit Plans (other than funded benefit Liabilities), (ii) all Liabilities with respect to the employment or termination of employment of all Belo Employees and Former Belo Employees, in each case to the extent arising in connection with or as a result of employment with or the performance of services to (A) any member of the Belo Group before, on or after the Distribution Date or (B) any member of the Newspaper Holdco Group before the Distribution Date, (iii) all

Liabilities with respect to any other service provider (including any individual who is, or was, an independent contractor, temporary employee, agency employee or leased employee) to the extent such Liabilities relate to, arise out of or result from the Belo Business (as such term is defined in the Distribution Agreement), and (iv) any other Liabilities expressly assigned to Belo under this Agreement.

(b) **Newspaper Holdco Liabilities.** As of the Effective Time, except as expressly provided in this Agreement or in the Distribution Agreement, Newspaper Holdco will assume or retain (i) all Liabilities under all Newspaper Holdco Benefit Plans (other than funded benefit Liabilities), (ii) all Liabilities with respect to the employment or termination of employment of all Newspaper Holdco Employees and Former Newspaper Holdco Employees, in each case to the extent arising in connection with or as a result of employment with or the performance of services to (A) any member of the Newspaper Holdco Group before, on or after the Distribution Date or (B) any member of the Belo Group before the Distribution Date, (iii) all Liabilities with respect to any other service provider (including any individual who is, or was, an independent contractor, temporary employee, agency employee or leased employee) to the extent such Liabilities relate to, arise out of or result from the Newspaper Holdco Business (as such term is defined in the Distribution Agreement), and (iv) any other Liabilities expressly assigned to Newspaper Holdco under this Agreement.

(c) **Employee Claims.** As of the Effective Time, except as expressly provided in this Agreement or the Distribution Agreement, Newspaper Holdco will assume, and be solely responsible for, the administration, investigation and defense of claims, including ERISA, occupational safety and health, employment standards, union grievances, wrongful dismissal, discrimination or human rights and unemployment compensation claims, asserted at any time against Belo or Newspaper Holdco or their respective Affiliates by any Newspaper Holdco Employee or Former Newspaper Holdco Employee to the extent such claims arise out of or relate to employment to a member of the Newspaper Holdco Group or to a member of the Belo Group prior to the Distribution Date. To the extent that any Action relates to a putative or certified class of plaintiffs, which includes both Belo Employees (or Former Belo Employees) and Newspaper Holdco Employees (or Former Newspaper Holdco Employees) and such Action involves employment or benefit plan claims, the reasonable costs and expenses incurred by the Parties in responding to such Action will be allocated among the Parties equitably in proportion to a reasonable assessment of the relative proportion of Belo Employees (or Former Belo Employees) and Newspaper Holdco Employees (or Former Newspaper Holdco Employees) included in or represented by the putative or certified plaintiff class. Any procedures contained in the indemnification and dispute resolution provisions of the Distribution Agreement will apply with respect to each Party's obligations under this Section 2.4(c), to the extent such procedures are not inconsistent with the provisions of Section 6.9.

2.5 Newspaper Holdco Participation in Belo Benefit Plans . As of the Effective Time or such earlier time as provided in Section 3.2, Newspaper Holdco and each other member of the Newspaper Holdco Group will cease to participate as an employer in all Belo Benefit Plans, and Belo and Newspaper Holdco each will take all necessary action before the Distribution Date to cause Newspaper Holdco and each other member of the Newspaper Holdco Group to cease such participation.

2.6 Service Credit.

(a) **Newspaper Holdco Employees.** Except as otherwise provided in this Agreement, for purposes of eligibility, vesting and level of benefits under the Newspaper Holdco Benefit Plans (other than a defined benefit pension plan), Newspaper Holdco will give to each Newspaper Holdco Employee and, if applicable, each Former Newspaper Holdco Employee service credit for any employment with a member of the Belo Group prior to the Distribution Date to the extent that such employment is taken into account under the comparable Belo Benefit Plan.

(b) Transferred Employees.

(i) With respect to a Belo Employee who transfers employment directly to a member of the Newspaper Holdco Group after the Distribution Date and without any intervening employment by an employer unrelated to the Belo Group or the Newspaper Holdco Group (a “Transferred Belo Employee”), Newspaper Holdco will grant to the Transferred Belo Employee service credit for employment with the Belo Group after the Distribution Date for purposes of eligibility, vesting and, except with respect to a defined benefit pension plan, level of benefits under the Newspaper Holdco Benefit Plans to the extent that such employment was taken into account under the comparable Belo Benefit Plan. In addition, a Transferred Belo Employee will retain all equity awards issued pursuant to a Belo equity plan, and (A) all performance-based equity awards will continue to be earned on the basis of Belo performance as contemplated by such equity award and (B) to the extent the provisions of such equity award relate to the continued employment of the Transferred Employee, employment with the Newspaper Holdco Group will be treated as employment with the Belo Group for purposes of satisfying such provisions.

(ii) With respect to a Newspaper Holdco Employee who transfers employment directly to a member of the Belo Group after the Distribution Date and without any intervening employment by an employer unrelated to the Newspaper Holdco Group or the Belo Group (a “Transferred Newspaper Holdco Employee”), Belo will grant to the Transferred Newspaper Holdco Employee service credit for employment with the Newspaper Holdco Group after the Distribution Date for purposes of eligibility, vesting and, except with respect to a defined benefit pension plan, level of benefits under the Belo Benefit Plans to the extent that such employment was taken into account under the comparable Newspaper Holdco Benefit Plan. In addition, a Transferred Newspaper Holdco Employee will retain all equity awards issued pursuant to a Newspaper Holdco equity plan, and (A) all performance-based equity awards will continue to be earned on the basis of Newspaper Holdco performance as contemplated by such equity award and (B) to the extent the provisions of such equity award relate to the continued employment of the Transferred Employee, employment with the Belo Group will be treated as employment with the Newspaper Holdco Group for purposes of satisfying such provisions.

2.7 Participant Elections and Beneficiary Designations. All participant elections and beneficiary designations made under any Belo Benefit Plan will continue in effect under the

comparable Newspaper Holdco Benefit Plan until such time as the participant changes his or her elections or beneficiary designations in accordance with the procedures of the relevant plan.

2.8 **Cooperation.** Each of the Parties will cooperate with the other Party and will use its commercially reasonable efforts to promptly take, or cause to be taken, all actions necessary or appropriate to consummate the transactions contemplated by this Agreement.

ARTICLE 3 RETIREMENT PLANS

3.1 **The G. B. Dealey Retirement Pension Plan.** Belo will retain sponsorship of The G. B. Dealey Retirement Pension Plan (the “Pension Plan”), a frozen defined benefit plan, and will administer benefits for Newspaper Holdco Employees and Former Newspaper Holdco Employees who participate in the Pension Plan in accordance with the terms of the Pension Plan. The Distribution will cause each Newspaper Holdco Employee to have a separation from service for purposes of commencing benefits under the Pension Plan at or after age 55. Newspaper Holdco will have the right to appoint one or more members of the committees established by Belo from time to time to manage the assets of the Pension Plan. As sponsor of the Pension Plan, Belo will be solely responsible for satisfying the funding obligations with respect to the Pension Plan in accordance with applicable provisions of ERISA and the Code and retains the sole discretion to determine the amount and timing of any contributions required to satisfy such funding obligations. Belo also retains the right, in its sole discretion, to terminate the Pension Plan and to provide for the payment of accrued Pension Plan benefits through insurance contracts or otherwise. Newspaper Holdco will reimburse Belo in advance for 60 percent of each contribution Belo makes to the Pension Plan in accordance with the provisions of this Section 3.1, including without limitation any contribution made to fully fund and terminate the Pension Plan. Belo will notify Newspaper Holdco at least 30 days in advance of the amount of any contribution it will make to the Pension Plan and the date on which such contribution will be made. Newspaper Holdco will remit its share of the contribution by wire transfer to an account designated by Belo no later than one business day prior to the date of the contribution as indicated in such notice. Notwithstanding the foregoing provisions of this Section 3.1, without the prior written consent of Newspaper Holdco, Belo will not adopt any amendment to the Pension Plan that could reasonably be anticipated to increase the funding cost of the Pension Plan except for any amendment required to comply with applicable Law and except for any amendment adopted in connection with Belo’s decision to terminate the Pension Plan.

3.2 **Savings Plans.** Prior to the Distribution Date, Newspaper Holdco will establish the Newspaper Holdco Savings Plan, a defined contribution plan intended to qualify under Section 401(a) and Section 401(k) of the Code, with provisions that are substantially identical to the provisions of the Belo Savings Plan then in effect. Prior to the Distribution Date, Belo will cause the vested and nonvested account balances of Newspaper Holdco Employees and Former Newspaper Holdco Employees to be transferred in kind (including participant loan balances and loan documentation) from the Belo Savings Plan to the Newspaper Holdco Savings Plan, and Newspaper Holdco will cause the Newspaper Holdco Savings Plan to assume and be solely responsible for all Liabilities of the Belo Savings Plan with respect to Newspaper Holdco Employees and Former Newspaper Holdco Employees. Upon the transfer of such account

balances, Newspaper Holdco and each member of the Newspaper Holdco Group will cease to be a participating employer in the Belo Savings Plan.

3.3 Pension Transition Supplement Plan.

(a) **Establishment of the Newspaper Holdco Group Pension Transition Supplement Plan** . Prior to the Distribution Date, Newspaper Holdco will establish the Newspaper Holdco Pension Transition Supplement Plan, a defined contribution plan intended to qualify under Section 401(a) of the Code, with provisions that are substantially identical to the provisions of the Belo Pension Transition Supplement Plan then in effect. As soon as practicable after the later of the Distribution Date or the date on which Belo makes its contribution to the Belo Pension Transition Supplement Plan for the 2007 plan year, Belo will cause the vested and nonvested account balances of Newspaper Holdco Employees and Former Newspaper Holdco Employees to be transferred in kind from the Belo Pension Transition Supplement Plan to the Newspaper Holdco Pension Transition Supplement Plan, and Newspaper Holdco will cause the Newspaper Holdco Pension Transition Supplement Plan to assume and be solely responsible for all Liabilities for plan benefits of the Belo Pension Transition Supplement Plan with respect to Newspaper Holdco Employees and Former Newspaper Holdco Employees. Promptly after the transfer of assets to the Newspaper Holdco Pension Transition Supplement Plan, Newspaper Holdco will reimburse Belo for the aggregate contribution made by Belo to its Pension Transition Supplement Plan for the 2007 plan year for the account of Newspaper Holdco Employees and Former Newspaper Holdco Employees.

(b) **Transferred Employees**. A Transferred Belo Employee who, immediately prior to transferring employment, was eligible to participate in the Belo Transition Supplement Plan and who is an employee of the Newspaper Holdco Group on December 31 of the plan year in which the transfer of employment occurred will be a participant in the Newspaper Holdco Pension Transition Supplement Plan for the entire plan year, and Newspaper Holdco will be responsible for making the pension transition supplement contribution to its plan for the benefit of such employee for such plan year. Conversely, a Transferred Newspaper Holdco Employee who, immediately prior to transferring employment, was eligible to participate in the Newspaper Holdco Transition Supplement Plan and who is an employee of the Belo Group on December 31 of the plan year in which the transfer of employment occurred will be a participant in the Belo Pension Transition Supplement Plan for the entire plan year, and Belo will be responsible for making the pension transition supplement contribution to its plan for the benefit of such employee for such plan year.

3.4 Nonqualified Deferred Compensation Plans.

(a) **Pension Transition Supplement Restoration Plan**. Prior to the Distribution Date, Newspaper Holdco will also establish the Newspaper Holdco Pension Transition Supplement Restoration Plan, a nonqualified deferred compensation plan, with provisions that are substantially identical to the provisions of the Belo Pension Transition Supplement Restoration Plan then in effect. Newspaper Holdco will assume and discharge all Liabilities of Belo under the Belo Pension Transition Supplement Restoration Plan with respect to Newspaper Holdco Employees and Former Newspaper Holdco Employees for the 2007 plan year. No assets will be transferred to Newspaper Holdco in connection with such assumption of

Liabilities. A transferred employee described in Section 3.3(b) who is eligible to participate in the Pension Transition Supplement Plan of Belo or Newspaper Holdco for the plan year in which the transfer of employment occurred will also be eligible to participate in the Pension Transition Supplement Restoration Plan of Belo or Newspaper Holdco, as applicable, for such plan year.

(b) **Other Nonqualified Plans.** Except as provided in Section 3.4(a), (i) Belo will retain all nonqualified deferred compensation Liabilities with respect to Belo Employees and Former Belo Employees, and (ii) Newspaper Holdco will assume or retain all nonqualified deferred compensation Liabilities with respect to Newspaper Holdco Employees and Former Newspaper Holdco Employees.

ARTICLE 4 WELFARE BENEFIT PLANS

4.1 Establishment of Newspaper Holdco Welfare Benefit Plans. Prior to the Distribution Date, Newspaper Holdco will adopt welfare benefit plans that contain substantially the same benefit provisions as in effect for Newspaper Holdco Employees and Former Newspaper Holdco Employees under the Belo welfare benefit plans immediately prior to the Distribution Date, including such plans providing for retiree benefits. Effective as of the Effective Time, Newspaper Holdco Employees and Former Newspaper Holdco Employees will cease to participate in the Belo welfare benefit plans and will be eligible to participate in the Newspaper Holdco welfare benefit plans in accordance with the terms of such plans. Except as provided in Section 4.6, no assets will be transferred on account of any such plans. Welfare benefit plans include plans providing medical, dental, prescription drug and vision benefits, life insurance, accidental death and disability insurance, business travel accident insurance, long-term and short-term disability benefits, long term care, flexible spending accounts, Employee Assistance Plan, wellness and similar types of plans.

4.2 Treatment of Claims Incurred. The Belo welfare benefit plans will retain liability for payment of all covered claims incurred on or before the Distribution Date by Newspaper Holdco Employees and Former Newspaper Holdco Employees and their covered dependents and beneficiaries, and the Newspaper Holdco welfare benefit plans will assume the liability for payment of all covered claims incurred after the Distribution Date by Newspaper Holdco Employees and Former Newspaper Holdco Employees and their covered dependents and beneficiaries.

4.3 Credit for Co-Pays and Deductibles. The Newspaper Holdco welfare benefit plans will give credit in the plan year of the Distribution Date for any amount paid by Newspaper Holdco Employees and Former Newspaper Holdco Employees and their covered dependents or beneficiaries in such year under the Belo welfare benefit plans toward deductibles, co-payments, out-of-pocket maximums or other similar limitations under the Belo welfare benefit plan. Except as otherwise provided in the next sentence, for purposes of any life-time maximum limit on benefits paid with respect to a covered participant, the Newspaper Holdco welfare plans will recognize any benefits paid with respect to a Newspaper Holdco Employee or Former Newspaper Holdco Employee prior to the Distribution Date to the same extent such benefits would be recognized in respect of a participant under the Belo welfare benefit plans. With

respect to any Newspaper Holdco self-funded medical plan, the full lifetime maximum limit with respect to Newspaper Holdco Employees who are plan participants at the Effective Time will be available to such Newspaper Holdco Employees, and no amount of the lifetime maximum limit used by such Newspaper Holdco Employees under any Belo self-funded medical plan will be credited against their lifetime maximum limit under the Newspaper Holdco self-funded medical plan.

4.4 **COBRA.** Effective as of the Effective Time, Newspaper Holdco will assume and satisfy all requirements under COBRA with respect to claims incurred by all Newspaper Holdco Employees and Former Newspaper Holdco Employees and their qualified beneficiaries after the Distribution Date, including such individuals who are receiving COBRA benefits as of the Distribution Date.

4.5 **Third Party Contracts.** Belo and Newspaper Holdco will use commercially reasonable efforts to obligate each third party administrator of the Belo welfare benefit plans, each insurer under a group insurance policy that relates to any of the Belo welfare benefit plans and each Health Maintenance Organization that provides medical services under the Belo welfare benefit plans to enter into a separate contract or policy, as applicable, with Newspaper Holdco providing for substantially similar terms and conditions as are contained in the contracts and policies to which Belo is a party. Such terms and conditions will include the financial and termination provisions, performance standards, methodology, auditing policies, quality measures and reporting requirements. In addition, Belo and Newspaper Holdco will use commercially reasonable efforts to cause each of the insurance companies and third party administrators providing services and benefits under the Belo welfare benefit plans and the Newspaper Holdco welfare benefit plans to maintain the premium and/or administrative rates based on the aggregate number of participants in both the Belo welfare benefit plans and the Newspaper Holdco welfare benefit plans as in effect immediately prior to the Distribution Date through the end of the year in which the Distribution Date occurs. To the extent such efforts are not successful, Belo and Newspaper Holdco each will bear the revised premium or administrative rates attributable to the individuals covered by their respective welfare benefit plans.

4.6 **Flexible Spending Account Benefit Plan .** Effective as of the Effective Time, Newspaper Holdco will establish the Newspaper Holdco Flexible Spending Account Benefit Plan containing provisions that are substantially identical to those of the Belo Flexible Spending Account Benefit Plan then in effect. Prior to the Distribution Date, Belo and Newspaper Holdco will take all actions necessary or appropriate so that, as of the Effective Time, (i) the account balances (whether positive or negative) under the Belo Flexible Spending Account Benefit Plan of Newspaper Holdco Employees and Former Newspaper Holdco Employees who are participants in the Belo Flexible Spending Account Benefit Plan will be transferred to the Newspaper Holdco Flexible Spending Account Benefit Plan and (ii) to the extent not reimbursed by the Belo Flexible Spending Account Benefit Plan as of the Effective Time, Newspaper Holdco Employees will be reimbursed from the Newspaper Holdco Flexible Spending Account Benefit Plan for claims incurred at any time during the plan year of the Belo Flexible Spending Account Benefit Plan in which the Distribution Date occurs on the same basis and the same terms and conditions as under the Belo Flexible Spending Account Benefit Plan. In addition, Belo will transfer to Newspaper Holdco an amount in cash equal to (A) the aggregate payroll deductions credited as of the Effective Time to the accounts of Newspaper Holdco Employees

and Former Newspaper Holdco Employees under the Belo Flexible Spending Account Benefit Plan, reduced by (B) the aggregate claims paid as of the Effective Time by the Belo Flexible Spending Account Benefit Plan on behalf of Newspaper Holdco Employees and Former Newspaper Holdco Employees; provided that if the amount of claims described in clause (B) of this sentence exceeds the aggregate payroll deductions described in clause (A), Newspaper Holdco will pay to Belo an amount in cash equal to the difference.

ARTICLE 5 INCENTIVE AWARDS

5.1 **Stock Options.** Immediately prior to the Effective Time, each Belo Stock Option that is outstanding at such time will be converted into both an adjusted Belo Stock Option and a new Newspaper Holdco Stock Option, each of which will, except as otherwise provided in this Section 5.1, be subject to the same terms and conditions applicable to the Belo Stock Option immediately prior to such adjustment and conversion. The adjustments to the Belo Stock Options and the issuance of the new Newspaper Holdco Stock Options will be effected in a manner intended to satisfy the requirements of Section 424 of the Code and to avoid treatment of such stock options as nonqualified deferred compensation subject to Section 409A of the Code. The adjusted Belo Stock Options and the new Newspaper Holdco Stock Options together will, in the sole and absolute judgment of the Compensation Committee of the Board of Directors of Belo, preserve the intrinsic value of the original Belo Stock Options.

(a) **Adjusted Belo Stock Option.** Each adjusted Belo Stock Option will cover a number of shares of Series B Belo Common Stock equal to the number of such shares subject to the Belo Stock Option immediately prior to its adjustment, and the per share exercise price of the adjusted Belo Stock Option, rounded up to the nearest 1/100th of a cent, will be determined by multiplying the Belo Post-Distribution Stock Value by the Option Conversion Ratio.

(b) **New Newspaper Holdco Stock Option.** Each new Newspaper Holdco Stock Option will cover a number of shares of Series B Newspaper Holdco Common Stock, rounded down to the nearest whole share, equal to the number of shares of Series B Belo Common Stock subject to the corresponding Belo Stock Option multiplied by the Equity Adjustment Ratio, and the per share exercise price of such new stock option, rounded up to the nearest 1/100th of a cent, will be determined by multiplying the Newspaper Holdco Stock Value by the Option Conversion Ratio.

(c) **Vesting.** The adjusted Belo Stock Option and the new Newspaper Holdco Stock Option will take into account all employment (including employment described in Section 2.6(b)) with both the Belo Group and the Newspaper Holdco Group for all purposes, including the determination of when such stock options will vest, become exercisable and expire.

5.2 **Restricted Stock Units.** Each holder of Belo Restricted Stock Units outstanding immediately prior to the Effective Time will retain such Restricted Stock Units and, in addition, at such time will receive a number of new Newspaper Holdco Restricted Stock Units equal to the number of Belo Restricted Stock Units multiplied by the Equity Adjustment Ratio, rounded

down to the nearest whole unit. The Newspaper Holdco Restricted Stock Units will otherwise have substantially the same terms and conditions as the Belo Restricted Stock Units. The Belo Restricted Stock Units outstanding immediately prior to the Effective Time and the Newspaper Holdco Restricted Stock Units issued pursuant to this Section 5.2 will take into account all employment (including employment described in Section 2.6(b)) with both the Belo Group and the Newspaper Holdco Group for purposes of determining when such Restricted Stock Units will vest and be paid. The issuance of the new Newspaper Holdco Restricted Stock Units will be effected in a manner intended not to modify the treatment of such Restricted Stock Units under Section 409A of the Code that applies to the corresponding Belo Restricted Stock Units. The new Newspaper Holdco Restricted Stock Units together with the original Belo Restricted Stock Units will, in the sole and absolute judgment of the Compensation Committee of the Board of Directors of Belo, preserve the intrinsic value of the original Belo Restricted Stock Units.

5.3 Responsibility for Tax Withholding and Reporting. Belo and Newspaper Holdco agree that, unless prohibited by applicable Law, Newspaper Holdco will be responsible for all tax withholding and reporting obligations and will pay the employer's share of any employment tax obligations that arise in connection with the grant, vesting, exercise, transfer or other settlement of the adjusted or new equity awards described in Section 5.1 and Section 5.2 held by Newspaper Holdco Employees and Former Newspaper Holdco Employees. Belo and Newspaper Holdco further agree that, unless prohibited by applicable Law, Belo will be responsible for all tax withholding and reporting obligations and will pay the employer's share of any employment tax obligations that arise in connection with the grant, vesting, exercise, transfer or other settlement of the equity awards held by Belo Employees and Former Belo Employees. If the withholding provisions described above are not permitted by applicable Law, the Parties will make an equitable adjustment to reflect the proper payor.

5.4 Approval and Terms of New Newspaper Holdco Awards. The Newspaper Holdco awards to be granted pursuant to Section 5.1 and Section 5.2 will be granted under a Newspaper Holdco equity incentive plan effective as of the Effective Time, the terms of which will be substantially similar to the terms of the Belo 2004 Executive Compensation Plan in effect immediately prior to the Effective Time. Prior to the Effective Time, Belo will cause Newspaper Holdco to take such actions and obtain such approvals as are necessary or desirable to ensure that the issuance of the new Newspaper Holdco awards on the Effective Time will comply with all applicable tax and securities Laws and stock exchange requirements. Newspaper Holdco will be responsible for any such actions or approvals after the Effective Time, including any required approval by the public shareholders of Newspaper Holdco.

ARTICLE 6 MISCELLANEOUS

6.1 Amendment and Termination of Benefit Plans. The Parties do not intend this Agreement to be an amendment to any Benefit Plan. However, except as otherwise expressly provided herein, nothing in this Agreement will limit the ability of either Party to amend or terminate a Benefit Plan after the Distribution Date.

6.2 Complete Agreement; Representations .

(a) **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all previous negotiations, commitments and writings with respect to such subject matter.

(b) **Representations.** Belo represents on behalf of itself and each other member of the Belo Group, and Newspaper Holdco represents on behalf of itself and each other member of the Newspaper Holdco Group as follows:

(i) each such Person has the requisite corporate or other power and authority and has taken all corporate or other action necessary in order to execute, deliver and perform this Agreement and to consummate the transactions contemplated by this Agreement; and

(ii) this Agreement has been duly executed and delivered by such Person (if such Person is a Party) and constitutes its valid and binding agreement enforceable in accordance with the terms hereof (assuming the due execution and delivery thereof by the other Party), except as such enforceability may be limited by bankruptcy, fraudulent conveyance, insolvency, reorganization, moratorium and other Laws relating to creditors' rights generally and by general equitable principles.

6.3 **Costs and Expenses.** Except as expressly provided in this Agreement, Belo will bear all direct and indirect costs and expenses incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby; provided that from and after the Distribution, each Party will bear its own direct and indirect costs and expenses related to its performance of this Agreement or any Ancillary Agreement, and any such expense that constitutes a Reimbursable Expense within the meaning of the Distribution Agreement will be subject to the reimbursement provisions of the Distribution Agreement.

6.4 **Governing Law.** This Agreement and any dispute arising out of, in connection with or relating to this Agreement will be governed by and construed in accordance with the Laws of the State of Texas, without giving effect to the conflicts of laws principles thereof.

6.5 **Notices.** All notices, requests, claims, demands and other communications hereunder must be in writing and will be deemed to have been duly given only if delivered personally or by facsimile transmission or mailed (first class postage prepaid) to the Parties at the following addresses or facsimile numbers:

(a) if to Belo or any member of the Belo Group:

Belo Corp.
400 South Record Street
Dallas, Texas 75202
Attention: Chief Executive Officer
Facsimile No.: (214) 977-8209

With a copy to: Chief Financial Officer
Facsimile No.: (214) 977-8209

(b) if to Newspaper Holdco or any member of the Newspaper Holdco Group:

A. H. Belo Corporation
400 South Record Street
Dallas, Texas 75202
Attention: Chief Executive Officer
Facsimile No.: (214) 977-8209

With a copy to: Chief Financial Officer
Facsimile No.: (214) 977-6899

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this Section 6.5, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided in this Section 6.5, be deemed given upon receipt and (iii) if delivered by mail in the manner described above to the address as provided in this Section 6.5, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice, request or other communication is to be delivered pursuant to this section). Any Party from time to time may change its address, facsimile number or other information for the purpose of notices to that Party by giving notice specifying such change to the other Party.

6.6 Amendment, Modification or Waiver.

(a) **Amendment.** Prior to the Effective Time, this Agreement may be amended, modified, waived, supplemented or superseded, in whole or in part, by Belo in its sole discretion by execution of a written document delivered to Newspaper Holdco. Subsequent to the Effective Time, this Agreement may be amended, modified, waived, supplemented or superseded, in whole or in part, only by a written document signed by duly authorized signatories of the Parties.

(b) **Waiver.** Any term or condition of this Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver will be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement, in any one or more instances, will be deemed or construed as a waiver of the same or any other term or condition of this Agreement on any future occasion. All remedies, either under this Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

6.7 No Assignment; Binding Effect; No Third-Party Beneficiaries .

(a) **Assignment and Successors.** Neither this Agreement nor any right, interest or obligation hereunder may be assigned by either Party without the prior written consent of the other Party, and any attempt to do so will be void, except that each Party may assign any or all of its rights, interests and obligations hereunder to an Affiliate, provided that any such Affiliate agrees in writing to be bound by all of the terms, conditions and provisions contained herein; provided further that no assignment will relieve the assigning Party of any of its obligations under this Agreement, unless expressly so provided. Subject to the preceding

sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the Parties hereto and their respective successors and permitted assigns.

(b) **No Third-Party Beneficiaries.** The terms and provisions of this Agreement are intended solely for the benefit of each Party and its respective Affiliates, successors or permitted assigns, and it is not the intention of the Parties to confer third-party beneficiary rights upon any other Person.

6.8 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

6.9 **Negotiation.** In the event that any dispute arises between the Parties that cannot be resolved, either Party will have the right to refer the dispute for resolution to the chief financial officers of the Parties by delivering to the other Party a written notice of such referral (a “Dispute Notice”). Following receipt of a Dispute Notice, the chief financial officers of the Parties will negotiate in good faith to resolve such dispute. In the event that the chief financial officers of the Parties are unable to resolve such dispute within 15 business days after the date of the Dispute Notice, either Party will have the right to refer the dispute to the chief executive officers of the Parties, who will negotiate in good faith to resolve such dispute. In the event that the chief executive officers of the Parties are unable to resolve such dispute within 30 business days after the date of the Dispute Notice, either Party will have the right to commence litigation in accordance with the provisions of the Distribution Agreement. The Parties agree that all discussions, negotiations and other Information exchanged between the Parties during the foregoing dispute resolution proceedings will be without prejudice to the legal position of a Party in any subsequent Action.

6.10 **Specific Performance.** From and after the Distribution, in the event of any actual or threatened default in, or breach of, any of the terms, conditions and provisions of this Agreement, the Parties agree that the Party or Parties to this Agreement who are or are to be thereby aggrieved will have the right to specific performance and injunctive or other equitable relief of its or their rights under this Agreement, in addition to any and all other rights and remedies at law or in equity, and all such rights and remedies will be cumulative. The Parties agree that, from and after the Distribution, the remedies at law for any breach or threatened breach of this Agreement, including monetary damages, are inadequate compensation for any Loss, that any defense in any Action for specific performance that a remedy at law would be adequate is hereby waived, and that any requirements for the securing or posting of any bond with such remedy are hereby waived.

6.11 **Texas Forum.** Subject to the prior exhaustion of the procedures set forth in Section 6.9 and to the fullest extent permitted by applicable Law, each Party hereto (i) agrees that all Actions arising out of, relating to or in connection with this Agreement or for recognition and enforcement of any judgment arising out of or in connection with this Agreement, or the transactions contemplated hereby, will be brought only in the United States District Court for the Northern District of Texas or any Texas State court, in each case, located in Dallas County and not in any other State or Federal court in the United States of America or any court in any other country, (ii) agrees to submit to the exclusive jurisdiction of such courts located in Dallas County

for purposes of all legal proceedings arising out of, or in connection with, this Agreement and the transactions contemplated hereby, (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of any such action brought in such a court or any claim that any such action brought in such a court has been brought in an inconvenient forum, (iv) agrees that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 6.5 or any other manner as may be permitted by Law will be valid and sufficient service thereof and (v) agrees that a final judgment in any such action or proceeding will be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

6.12 Interpretation; Conflict With Distribution Agreement. The Article and Section headings contained in this Agreement are solely for the purpose of reference, are not part of the agreement of the Parties and will not in any way affect the meaning or interpretation of this Agreement. Except as specifically set forth in this Agreement, the provisions of this Agreement will govern in the event of any conflict between any provision of this Agreement and that of the Distribution Agreement or any Ancillary Agreement.

6.13 Severability. If any provision of this Agreement is held to be illegal, invalid or unenforceable under any present or future Law, the remaining provisions of this Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.

6.14 Effectiveness of the Agreement. Except as provided in Section 3.2, Section 5.1 and Section 5.2, this Agreement will be effective as of the Effective Time.

IN WITNESS WHEREOF, the Parties have caused this Employee Matters Agreement to be duly executed as of the day and year first written above.

BELO CORP.

By /s/ Dennis A. Williamson

Name: Dennis A. Williamson

Title: Executive Vice President/Chief
Financial Officer

A. H. BELO CORPORATION

By /s Alison K. Engel

Name: Alison K. Engel

Title: Senior Vice President/Chief Financial
Officer

SERVICES AGREEMENT

By and Between

BELO CORP.

and

A. H. BELO CORPORATION

Dated as of February 8, 2008

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	2
Section 1.01 Definitions	2
Section 1.02 General Interpretive Principles	4
ARTICLE II SERVICES	5
Section 2.01 Belo Services	5
Section 2.02 Newspaper Holdco Services	5
Section 2.03 Standard of Performance for Belo Services	5
Section 2.04 Standard of Performance for Newspaper Holdco Services	6
Section 2.05 Omitted Belo Services	7
Section 2.06 Omitted Newspaper Holdco Services	7
Section 2.07 Interruption of Services	7
Section 2.08 Access	8
Section 2.09 Transition of Responsibilities	9
ARTICLE III FEES AND EXPENSES	9
Section 3.01 Fees and Expenses	9
Section 3.02 Billing and Payment; No Set-off	9
Section 3.03 Additional Costs	9
Section 3.04 Late Payments	10
Section 3.05 Taxes	10
ARTICLE IV CONFIDENTIALITY	13
Section 4.01 Confidentiality Obligations	13
ARTICLE V NO WARRANTY; LIMITATION OF LIABILITY; INDEMNIFICATION; ESCALATION	15
Section 5.01 Warranties and Disclaimer of Warranty by Belo	15
Section 5.02 Warranties and Disclaimer of Warranty by Newspaper Holdco	15
Section 5.03 Third Parties and Belo Services	16
Section 5.04 Third Parties and Newspaper Holdco Services	16
Section 5.05 Obligation to Re-perform Belo Services	17
Section 5.06 Obligation to Re-perform Newspaper Holdco Services	17
Section 5.07 Limitation of Liability	17
Section 5.08 Belo Indemnity	18
Section 5.09 Newspaper Holdco Indemnity	19
Section 5.10 Negotiation	19
Section 5.11 Indemnification Rights	19
ARTICLE VI ACCESS TO INFORMATION	20
Section 6.01 Access to Belo Records	20
Section 6.02 Access to Newspaper Holdco Records	20
Section 6.03 Cooperation and Procedures	20

ARTICLE VII TERM; TERMINATION	Page 22
Section 7.01 Term	22
Section 7.02 Early Termination	22
Section 7.03 Breach of Agreement	22
Section 7.04 Sums Due	22
Section 7.05 Effect of Termination	23
ARTICLE VIII MISCELLANEOUS	23
Section 8.01 Notices	23
Section 8.02 Entire Agreement	24
Section 8.03 Waiver	24
Section 8.04 Amendment	24
Section 8.05 Independent Contractors	24
Section 8.06 No Third Party Beneficiary	24
Section 8.07 No Assignment; Binding Effect	24
Section 8.08 Headings	25
Section 8.09 Submission to Jurisdiction; Waivers	25
Section 8.10 Severability	25
Section 8.11 Governing Law	25
Section 8.12 Counterparts	25
Section 8.13 Order of Precedence	26
Section 8.14 Ownership of and License to Data	26
Exhibit A	Belo Services and Newspaper Holdco Services

SERVICES AGREEMENT

This SERVICES AGREEMENT (this “**Agreement**”), dated as of February 8, 2008, by and between Belo Corp., a Delaware corporation (“**Belo**”), and A. H. Belo Corporation, a Delaware corporation (“**Newspaper Holdco**,” and, together with Belo, each a “**Party**” and collectively the “**Parties**”).

RECITALS

WHEREAS, the Board of Directors of Belo has determined that it is in the best interests of Belo and its shareholders to separate the Newspaper Holdco Business (as defined below) and the Belo Business (as defined below) into two separate public companies, on the terms and subject to the conditions set forth in the Separation and Distribution Agreement (as defined below), in order to, among other things, (i) create more focused organizations better able to respond to different industry dynamics and therefore better able to tailor strategic initiatives and priorities; (ii) allow the investment community to evaluate Belo and Newspaper Holdco separately relative to the performance of their peers; (iii) allow Newspaper Holdco greater flexibility to create a capital structure and deploy capital more closely aligned with its strategic priorities; and (iv) allow Newspaper Holdco to provide its management and employees incentive compensation more directly linked to its individual financial performance;

WHEREAS, in order to effectuate the foregoing, Belo and Newspaper Holdco have entered into a Separation and Distribution Agreement, dated as of February 8, 2008 (the “**Separation and Distribution Agreement**”), pursuant to which and subject to the terms and conditions set forth therein, on the Distribution Date (as defined in the Separation and Distribution Agreement) the Newspaper Holdco Business shall be separated from the Belo Business and the Newspaper Holdco Common Stock shall be distributed on a pro rata basis to the shareholders of Belo; and

WHEREAS, in connection therewith and in order to ensure an orderly transition under the Separation and Distribution Agreement, following the Effective Time (as defined in the Separation and Distribution Agreement), Belo desires to provide, through the Belo Service Providers (as defined below), to Newspaper Holdco and its Affiliates, as applicable, certain services (the “**Belo Services**”) with respect to the operations of Newspaper Holdco and its Affiliates, and Newspaper Holdco desires to provide, through the Newspaper Holdco Service Providers (as defined below), to Belo and its Affiliates, as applicable, certain services (the “**Newspaper Holdco Services**”) with respect to the operations of Belo and its Affiliates, as such Belo Services and Newspaper Holdco Services are more fully described in (i) separate service schedules to be agreed to and delivered by the Parties hereto on the date hereof or from time to time thereafter (all such service schedules, including any appendices, exhibits or other attachments thereto, the “**Schedules**,” and each, a “**Schedule**”), or (ii) separate agreements to be entered into by the Parties or their respective Service Providers on the date hereof or from time to time thereafter (all such separate agreements, including any appendices, exhibits or other attachments thereto, the “**Additional Agreements**,” and each, an “**Additional Agreement**”). The general categories of Belo Services and Newspaper Holdco Services initially to be provided pursuant to the Schedules or Additional Agreements are reflected on Exhibit A attached hereto.

NOW, THEREFORE, in consideration of the promises and covenants set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Belo and Newspaper Holdco hereby agree as follows:

ARTICLE I
DEFINITIONS

Section 1.01 Definitions. Capitalized terms used herein, but not defined herein shall have the meanings assigned to such terms in the Separation and Distribution Agreement, as it may be amended from time to time in accordance with the terms thereof, and the following terms shall have the meanings set forth below:

“**Additional Agreements**” shall have the meaning assigned to it in the recitals.

“**Additional Belo Service**” shall have the meaning assigned to it in Section 2.05.

“**Additional Newspaper Holdco Service**” shall have the meaning assigned to it in Section 2.06.

“**Affiliate**” means, with respect to any specified Person (as defined in the Separation and Distribution Agreement), any other Person that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with, such specified Person; provided, however, that for purposes of this Agreement, no member of either Group (as defined in the Separation and Distribution Agreement) shall be deemed to be an Affiliate of any member of the other Group. As used herein, “control” means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such entity, whether through ownership of voting securities or other interests, by contract or otherwise.

“**Agreement**” shall have the meaning assigned to it in the preamble.

“**Auditing Standard No. 2**” shall have the meaning assigned to it in Section 6.01.

“**Belo**” shall have the meaning assigned to it in the preamble.

“**Belo Business**” means all businesses and operations of the Belo Group, other than the Newspaper Holdco Business.

“**Belo Data**” means all data relating primarily to the Belo Business (including all files, records and other Information relating primarily to the Belo Business that have been uploaded to Software at any time since Belo or Newspaper Holdco began using such Software (as defined in the Separation and Distribution Agreement), whether uploaded prior to, on or after the Effective Time).

“**Belo Service Providers**” means Belo, its Affiliates and any third party, in each case, to the extent such Person is providing the Belo Services on behalf of Belo pursuant to any Schedule or Additional Agreement.

“**Belo Services**” shall have the meaning assigned to it in the recitals.

“**Belo Transition Plan**” shall have the meaning assigned to it in Section 2.09(c).

“**Dispute Notice**” shall have the meaning assigned to it in Section 5.10.

“**Employee Costs**” means for each employee of a Service Provider, to the extent such employee is providing a service to a Service Recipient pursuant to this Agreement, the gross compensation expense, including any benefit and/or administrative costs, applicable to such employee, based on the ratio of the Service Provider’s estimate of the time spent by the employee on behalf of the Service Recipient divided by the total time worked by the employee.

“**Force Majeure Event**” means any act of God, fire, flood, storm or explosion; any strike, lockout or other labor disturbance; any material shortage of facilities, labor, materials or equipment; any delay in transportation, breakdown or accident; any change in Law; any riot, war, act of terror, rebellion or insurrection; any embargo or fuel or energy shortage; any interruption in telecommunications or utilities services; or any other event, in each case beyond the reasonable control of a Party and that actually prevents, hinders or delays such Party from performing its obligations under this Agreement or the Additional Agreements.

“**Loss**” shall have the meaning assigned to it in Section 5.08.

“**Newspaper Holdco**” shall have the meaning assigned to it in the preamble.

“**Newspaper Holdco Business**” means the business and operations conducted by the Newspaper Holdco Group from time to time, whether at or after the Effective Time (as defined in the Separation and Distribution Agreement), including the business and operations conducted by the Newspaper Holdco Group, as more fully described in the Information Statement (as defined in the Separation and Distribution Agreement), including, without limitation, the assets, operations, personnel and related activities connected with the “Belo Interactive Media” and “Belo Technology” organizations, at or after the Effective Time.

“**Newspaper Holdco Data**” means all data relating primarily to the Newspaper Holdco Business (including all files, records and other Information (as defined in the Separation and Distribution Agreement) relating primarily to the Newspaper Holdco Business that have been uploaded to Software at any time since Belo or Newspaper Holdco began using such Software, whether uploaded prior to, on or after the Effective Time).

“**Newspaper Holdco Service Providers**” means Newspaper Holdco, its Affiliates and any third party, in each case, to the extent such Person is providing the Newspaper Holdco Services on behalf of Newspaper Holdco pursuant to any Schedule or Additional Agreement.

“**Newspaper Holdco Services**” shall have the meaning assigned to it in the recitals.

“**Newspaper Holdco Transition Plan**” shall have the meaning assigned to it in Section 2.09(b).

“**Party**” or “**Parties**” shall have the meaning assigned to such terms in the preamble.

“**Prime Rate**” means the “**prime rate**” published in the “**Money Rates**” section of *The Wall Street Journal*. If *The Wall Street Journal* ceases to publish the “**prime rate**,” then the Parties shall mutually agree to an equivalent publication that publishes such “**prime rate**,” and if such “**prime rate**” is no longer generally published or is limited, regulated or administered by a Governmental Authority, then a comparable interest rate index mutually agreed to by the Parties.

“**SAS 70 Audit**” shall have the meaning assigned to it in Section 6.01.

“**Schedules**” shall have the meaning assigned to it in the recitals.

“**Separation and Distribution Agreement**” shall have the meaning assigned to it in the recitals.

“**Service Provider**” means the Belo Service Providers and/or the Newspaper Holdco Service Providers, as the context requires.

“**Service Recipient**” means either Belo or its Affiliates, to the extent Belo is receiving a service from a Newspaper Holdco Service Provider, or Newspaper Holdco or its Affiliates, to the extent Newspaper Holdco is receiving a service from a Belo Service Provider, as the context requires.

“**Services**” means the Belo Services and/or the Newspaper Holdco Services, as the context requires.

“**Services Tax**” shall have the meaning assigned to it in Section 3.05(a)(i).

“**SOX**” means the Sarbanes-Oxley Act of 2002, as amended from time to time.

“**Taxing Authority**” shall have the meaning assigned to it in Section 3.05(a)(ii).

“**Withheld Tax**” shall have the meaning assigned to it in Section 3.05(e).

Section 1.02 General Interpretive Principles. (a) Words in the singular shall include the plural and vice versa, and words of one gender shall include the other gender, in each case, as the context requires, (b) the term “**hereof**,” “**herein**,” “**hereunder**” and “**herewith**” and words of similar import shall, unless otherwise stated, be construed to refer to this Agreement and not to any particular provision of this Agreement, and references to Article, Section, paragraph, exhibit and Schedule are references to the Articles, Sections, paragraphs, exhibits and Schedules to or delivered in connection with this Agreement unless otherwise specified, (c) the word “**including**” and words of similar import when used in this Agreement shall mean “**including, without limitation**,” unless otherwise specified and (d) any reference to any federal, state, local or non-U.S. statute or Law shall be deemed to also refer to all rules and regulations promulgated thereunder, unless the context otherwise requires. Unless the context requires otherwise, references in this Agreement to “Belo” shall also be deemed to refer to the applicable member of the Belo Group and to “Newspaper Holdco” shall also be deemed to refer to the applicable member of the Newspaper Holdco Group.

ARTICLE II
SERVICES

Section 2.01 Belo Services. During the term of this Agreement, Belo shall provide, or shall cause one or more Belo Service Providers to provide, the Belo Services to Newspaper Holdco and its applicable Affiliates, as such Belo Services are more particularly described in the applicable Schedules or Additional Agreements, upon the terms and subject to the conditions of this Agreement, such Schedules or such Additional Agreements.

Section 2.02 Newspaper Holdco Services. During the term of this Agreement, Newspaper Holdco shall provide, or shall cause one or more Newspaper Holdco Service Providers to provide, the Newspaper Holdco Services to Belo and its applicable Affiliates, as such Newspaper Holdco Services are more particularly described in the applicable Schedules or Additional Agreements, upon the terms and subject to the conditions of this Agreement, such Schedules or such Additional Agreements.

Section 2.03 Standard of Performance for Belo Services. (a) Belo shall provide, or shall cause to be provided, the Belo Services in a manner and at a level that is substantially similar in all material respects to the typical manner and average level at which such Belo Services were provided to Newspaper Holdco or its Affiliates during the 12 month period prior to the Effective Time, except to the extent that (i) a different manner or level of a Belo Service is set forth in a Schedule or an Additional Agreement, in which case such Belo Service shall be provided in the manner and level as set forth in each such applicable Schedule or Additional Agreement or (ii) such Belo Service has not been provided during the 12 month period prior to the Effective Time and the applicable Schedule or Additional Agreement does not set forth a manner or level at which such Belo Service is to be provided, in which case, such Belo Service shall be provided in a commercially reasonable manner.

(b) Notwithstanding Section 2.03(a), Belo may change from time to time the manner and level at which any Belo Service is provided to Newspaper Holdco, including, but not limited to, discontinuing such Belo Service, to the extent that Belo is making a similar change in performing a substantially similar service for itself or its Affiliates and if Belo provides Newspaper Holdco substantially the same notice (in content and timing) as Belo provides itself and its Affiliates with respect to such change (but not less than 90 days prior notice in any case); *provided*, that, Belo may not make any change to the manner and level at which any Belo Service is provided to Newspaper Holdco or its Affiliates if such change would result in a violation, or cause Newspaper Holdco or its Affiliates to be in violation, of applicable Law; *provided, further*, if Newspaper Holdco can demonstrate, in accordance with the terms of this Agreement, that such change is not commercially reasonable and Newspaper Holdco has suffered a material financial harm as a result of such change, Belo shall be required to restore the manner and level at which such Belo Service is provided to Newspaper Holdco to the manner and level required by Section 2.03(a). In the event Belo shall change the manner and level at which any Belo Service is provided to Newspaper Holdco, the Parties shall mutually agree to any necessary adjustments to the applicable Schedule or Additional Agreement and the applicable fees and expenses for the applicable Belo Service.

(c) Subject to Section 5.05, in no event shall Belo or a Belo Service Provider be liable or accountable, in damages or otherwise, for any error of judgment or any mistake of fact or Law or for any action or omission in connection with the provision of the Belo Services by Belo or any Belo Service Provider that Belo or such Belo Service Provider took or refrained from taking in good faith hereunder, except in the case of Belo's or such Belo Service Provider's intentional breach or gross negligence.

Section 2.04 Standard of Performance for Newspaper Holdco Services. (a) Newspaper Holdco shall provide, or shall cause to be provided, the Newspaper Holdco Services in a manner and at a level that is substantially similar in all material respects to the typical manner and average level at which such Newspaper Holdco Services were provided to Belo or its Affiliates during the 12 month period prior to the Effective Time, except to the extent that (i) a different manner or level of a Newspaper Holdco Service is set forth in a Schedule or Additional Agreement, in which case such Newspaper Holdco Service shall be provided in the manner and level as set forth in each such applicable Schedule or Additional Agreement or (ii) such Newspaper Holdco Service has not been provided during the 12 month period prior to the Effective Time and the applicable Schedule or Additional Agreement does not set forth a manner or level at which such Newspaper Holdco Service is to be provided, in which case, such Newspaper Holdco Service shall be provided in a commercially reasonable manner.

(b) Notwithstanding Section 2.04(a), Newspaper Holdco may change from time to time the manner and level at which any Newspaper Holdco Service is provided to Belo, including, but not limited to, discontinuing such Newspaper Holdco Service, to the extent that Newspaper Holdco is making a similar change in performing a substantially similar service for itself and its Affiliates or if Newspaper Holdco provides Belo substantially the same notice (in content and timing) as Newspaper Holdco provides itself and its Affiliates with respect to such change (but not less than 90 days prior notice in any case); *provided*, that, Newspaper Holdco may not make any change to the manner and level at which any Newspaper Holdco Service is provided to Belo or its Affiliates if such change would result in a violation, or cause Belo or its Affiliates to be in violation, of applicable Law; *provided, further*, if Belo can demonstrate, in accordance with the terms of this Agreement, that such change is not commercially reasonable and Belo has suffered a material financial harm as a result of such change, Newspaper Holdco shall be required to restore the manner and level at which such Newspaper Holdco Service is provided to Belo to the manner and level required by Section 2.04(a). In the event Newspaper Holdco shall change the manner and level at which any Newspaper Holdco Service is provided to Belo, the Parties shall mutually agree to any necessary adjustments to the applicable Schedule or Additional Agreement and the applicable fees and expenses for the applicable Newspaper Holdco Service.

(c) Subject to Section 5.06, in no event shall Newspaper Holdco or a Newspaper Holdco Service Provider be liable or accountable, in damages or otherwise, for any error of judgment or any mistake of fact or Law or for any action or omission in connection with the provision of the Newspaper Holdco Services by Newspaper Holdco or any Newspaper Holdco Service Provider that Newspaper Holdco or such Newspaper Holdco Service Provider took or refrained from taking in good faith hereunder, except in the case of Newspaper Holdco's or such Newspaper Holdco Service Provider's intentional breach or gross negligence.

Section 2.05 Omitted Belo Services. If, from time to time during the term of this Agreement, Newspaper Holdco determines that the provision of an additional service is reasonably necessary to enable Newspaper Holdco and its Affiliates to operate on a stand-alone basis, and such service (whether or not then currently being provided) is not included in a Schedule or an Additional Agreement (such service, including, without limitation the right to use, or the use of, any Asset (as defined in the Separation and Distribution Agreement) in connection with such service, hereinafter referred to as an “ **Additional Belo Service**”), then Newspaper Holdco may give written notice thereof to Belo in accordance with Section 8.01 hereof. Upon receipt of such notice by Belo, if Belo is willing to provide such Additional Belo Service (and it shall be under no obligation to do so), the Parties will negotiate in good faith a new Schedule or Additional Agreement setting forth the Additional Belo Service, the terms and conditions (including any service level requirements) for the provision of such Additional Belo Service and the fees payable by Newspaper Holdco for such Additional Belo Service, such fees to be consistent with the business purposes of the Parties.

Section 2.06 Omitted Newspaper Holdco Services. If, from time to time during the term of this Agreement, Belo determines that the provision of an additional service is reasonably necessary to enable Belo and its Affiliates to operate on a stand-alone basis, and such service (whether or not then currently being provided) is not included in a Schedule or an Additional Agreement (such service, including, without limitation, the right to use, or the use of, any Asset in connection with such service, herein after referred to as an “ **Additional Newspaper Holdco Service**”), then Belo may give written notice thereof to Newspaper Holdco in accordance with Section 8.01 hereof. Upon receipt of such notice by Newspaper Holdco, if Newspaper Holdco is willing to provide the Additional Newspaper Holdco Service (and it shall be under no obligation to do so), the Parties will negotiate in good faith a new Schedule or Additional Agreement setting forth the Additional Newspaper Holdco Service, the terms and conditions (including any service level requirements) for the provision of such Additional Newspaper Holdco Service and the fees payable by Belo for such Additional Newspaper Holdco Service, such fees to be consistent with the business purposes of the Parties.

Section 2.07 Interruption of Services. (a) If, due to a Force Majeure Event, Belo or a Belo Service Provider is unable, wholly or partially, to perform its obligations hereunder or under any Additional Agreement, then Belo shall be relieved of liability and shall suffer no prejudice for failing to perform or comply during the continuance and to the extent of such whole or partial inability to perform its obligations hereunder or thereunder so caused by such Force Majeure Event; *provided, that*, (i) Belo gives Newspaper Holdco prompt notice, written or oral (but if oral, promptly confirmed in writing) of such whole or partial inability to perform its obligations hereunder or thereunder and a reasonably detailed description of the cause thereof and (ii) in the event such whole or partial inability to perform its obligations hereunder or thereunder is a result of Belo’s or such Belo Service Provider’s capacity or similar limitations, with respect to the allocation of such limited resources, where feasible, Newspaper Holdco and its Affiliates shall be treated no less favorably by Belo or such Belo Service Provider than Belo or any Affiliate of Belo. If Belo fails to promptly give notice of such Force Majeure Event, then Belo shall only be relieved from such performance or compliance from and after the giving of such notice. Belo shall, or shall cause the applicable Belo Service Provider to, use its commercially reasonable efforts to remedy the situation caused by such Force Majeure Event and remove, so far as possible and with reasonable timeliness, the cause of its inability to

perform or comply. Belo shall give Newspaper Holdco prompt notice of the cessation of the Force Majeure Event.

(b) If, due to a Force Majeure Event, Newspaper Holdco or a Newspaper Holdco Service Provider is unable, wholly or partially, to perform its obligations hereunder or under any Additional Agreement, then Newspaper Holdco shall be relieved of liability and shall suffer no prejudice for failing to perform or comply during the continuance and to the extent of such whole or partial inability to perform its obligations hereunder or thereunder so caused by such Force Majeure Event; *provided, that*, (i) Newspaper Holdco gives Belo prompt notice, written or oral (but if oral, promptly confirmed in writing) of such whole or partial inability to perform its obligations hereunder or thereunder and a reasonably detailed description of the cause thereof and (ii) in the event such whole or partial inability to perform its obligations hereunder or thereunder is a result of Newspaper Holdco's or such Newspaper Holdco Service Provider's capacity or similar limitations, with respect to the allocation of such limited resources, where feasible, Belo and its Affiliates shall be treated no less favorably by Newspaper Holdco or such Newspaper Holdco Service Provider than Newspaper Holdco or any Affiliate of Newspaper Holdco. If Newspaper Holdco fails to promptly give notice of such Force Majeure Event, then Newspaper Holdco shall only be relieved from such performance or compliance from and after the giving of such notice. Newspaper Holdco shall, or shall cause the applicable Newspaper Holdco Service Provider to, use its commercially reasonable efforts to remedy the situation caused by such Force Majeure Event and remove, so far as possible and with reasonable timeliness, the cause of its inability to perform or comply. Newspaper Holdco shall give Belo prompt notice of the cessation of the Force Majeure Event.

Section 2.08 Access. (a) Newspaper Holdco shall, and shall cause its applicable Affiliates to, make available on a timely basis to each Belo Service Provider such Information reasonably requested by such Belo Service Provider to enable such Belo Service Provider to provide the Belo Services. Newspaper Holdco shall, and shall cause its applicable Affiliates to, provide to the Belo Service Providers reasonable access to the premises of Newspaper Holdco and such Affiliates and the systems, Software and networks located therein, to the extent necessary for the purpose of providing the Belo Services. In connection with such availability and access, Belo shall ensure that it and the other Belo Service Providers comply with applicable Law and Newspaper Holdco's security, confidentiality and other policies and procedures, as may be provided to Belo by Newspaper Holdco in writing from time to time.

(b) Belo shall, and shall cause its applicable Affiliates to, make available on a timely basis to each Newspaper Holdco Service Provider such Information reasonably requested by such Newspaper Holdco Service Provider to enable such Newspaper Holdco Service Provider to provide the Newspaper Holdco Services. Belo shall, and shall cause its applicable Affiliates to, provide to the Newspaper Holdco Service Providers reasonable access to the premises of Belo and such Affiliates and the systems, Software and networks located therein, to the extent necessary for the purpose of providing the Newspaper Holdco Services. In connection with such availability and access, Newspaper Holdco shall ensure that it and the other Newspaper Holdco Service Providers comply with applicable Law and Belo's security, confidentiality and other policies and procedures, as may be provided to Newspaper Holdco by Belo in writing from time to time.

Section 2.09 Transition of Responsibilities. (a) Unless otherwise agreed with respect to specific services, each Party agrees to use its commercially reasonable efforts to reduce or eliminate its and its Affiliates' dependency on each Service as soon as is reasonably practicable. Belo agrees to cooperate with Newspaper Holdco to facilitate the smooth transition of responsibility for the Belo Services to Newspaper Holdco or any third party. Newspaper Holdco agrees to cooperate with Belo to facilitate the smooth transition of responsibility for the Newspaper Holdco Services to Belo or any third party.

(b) In furtherance of Section 2.09(a), Belo and Newspaper Holdco will work in good faith to prepare a plan for Newspaper Holdco to assume responsibility or eliminate the need for the provision of any particular Belo Service that is intended to be provided on only a short-term basis (the “ **Newspaper Holdco Transition Plan**”).

(c) In furtherance of Section 2.09(a), Belo and Newspaper Holdco will work in good faith to prepare a plan for Belo to assume responsibility or eliminate the need for the provision of any particular Newspaper Holdco Service that is intended to be provided on only a short-term basis (the “ **Belo Transition Plan**”).

ARTICLE III

FEES AND EXPENSES

Section 3.01 Fees and Expenses. The fees and expenses for each of the Services to be provided hereunder are set forth in each Schedule or Additional Agreement.

Section 3.02 Billing and Payment; No Set-off. Amounts payable in respect of Services under this Agreement shall be invoiced to the Party receiving such Services monthly in arrears and paid to the Party providing such Services, as directed by such providing Party, which amounts shall be due within 45 days after the date of invoice. All amounts due and payable hereunder shall be invoiced and, except as set forth in any Schedule or in any Additional Agreement, paid in U.S. dollars without offset, set-off, deduction or counterclaim, however arising, unless the Parties agree otherwise.

Section 3.03 Additional Costs. (a) Newspaper Holdco shall reimburse Belo for the costs designated in each Schedule and Additional Agreement as reimbursable by Newspaper Holdco. If it is necessary for Belo or any Belo Service Provider to incur any additional costs in connection with the provision of the Belo Services, Belo shall inform Newspaper Holdco of such need before any such additional cost is incurred. Upon mutual written agreement of Newspaper Holdco and Belo, as to the necessity of any such increase, Newspaper Holdco shall advance, or shall cause to be advanced, to Belo an amount equal to the estimated costs and expenses to be reasonably incurred in connection therewith. If the actual costs and expenses incurred by Belo or such Belo Service Provider are greater than the estimated costs, the necessity of increased costs shall again be subject to the mutual written agreement of the Parties, and if the Parties cannot agree, Belo shall return the advance of estimated costs to the extent not previously expended by Belo in connection with the provision of such Belo Service. If the actual costs and expenses incurred by Belo or such Belo Service Provider are less than the estimated costs and expenses,

Belo shall repay, to Newspaper Holdco, the difference between the actual and estimated costs and expenses.

(b) Belo shall reimburse Newspaper Holdco for the costs designated in each Schedule and Additional Agreement as reimbursable by Belo. If it is necessary for Newspaper Holdco or any Newspaper Holdco Service Provider to incur any additional costs in connection with the provision of the Newspaper Holdco Services, Newspaper Holdco shall inform Belo of such need before any such additional cost is incurred. Upon mutual written agreement of Belo and Newspaper Holdco, as to the necessity of any such increase, Belo shall advance, or shall cause to be advanced, to Newspaper Holdco an amount equal to the estimated costs and expenses to be reasonably incurred in connection therewith. If the actual costs and expenses incurred by Newspaper or such Newspaper Service Provider are greater than the estimated costs, the necessity of increased costs shall again be subject to the mutual written agreement of the Parties, and if the Parties cannot agree, Newspaper Holdco shall return the advance of estimated costs to the extent not previously expended by Newspaper Holdco in connection with the provision of such Newspaper Holdco Service. If the actual costs and expenses incurred by Newspaper or such Newspaper Service Provider are less than the estimated costs and expenses, Newspaper Holdco shall repay, to Belo, the difference between the actual and estimated costs and expenses.

Section 3.04 Late Payments. Late payments shall bear interest at a rate per annum equal to the Prime Rate plus 2%; provided, however, no amount due under this Agreement shall be considered late unless such amount remains unpaid 90 days following the date of invoice.

Section 3.05 Taxes.

(a) Separate Statement.

(i) The fees and expenses set forth in the Schedules or Additional Agreements and to be paid for the services provided pursuant to this Agreement or any Additional Agreement do not include any amount of sales, use, excise, gross receipts, value added, goods and services, or any other transaction or revenue based taxes applicable to the provision of the Services (each such tax, together with any applicable interest, penalties, or additions to tax imposed with respect to such tax, a “**Services Tax**”).

(ii) The Service Provider shall separately state and identify in the invoices, usage reports, and/or descriptive materials provided (electronically or otherwise) to the Service Recipient any amount of Services Taxes that the Service Provider undertakes to collect from the Service Recipient and remit the Services Taxes collected to the appropriate Governmental Authority or other authority responsible for the collection of such Services Taxes (each a “**Taxing Authority**”).

(b) Good Faith Collection and Identification.

(i) The Service Provider shall act in good faith to collect from the Service Recipient and remit to the appropriate Taxing Authority those Services Taxes imposed by the jurisdictions in which the Service Provider is subject to taxation based on the Services provided; *provided, however*, that the delivery by the Service Recipient to the Service

Provider of a resale certificate, exemption certificate, or self-pay permit shall be deemed to be the equivalent of good faith collection and remission.

(ii) The Service Provider shall act in good faith to describe the services rendered pursuant to this Agreement or any Additional Agreement in the invoices, usage reports, and/or descriptive materials provided (electronically or otherwise) to the Service Recipient with specificity sufficient to determine the applicability of Services Taxes.

(iii) The Service Recipient, pursuant to this Agreement or any Additional Agreement, shall act in good faith to identify the physical location and taxing jurisdictions in which its receives the benefit of the Services provided in the purchase orders, usage reports, and/or descriptive materials provided (electronically or otherwise) to the Service Provider to determine the applicability of Services Taxes.

(c) Indemnification.

(i) The Service Recipient, pursuant to this Agreement or any Additional Agreement, shall be solely liable for the payment of any Services Tax applicable to such receipt, without regard to the identity of the Party on whom the Liability for the Services Tax is imposed by statute, regulation, or otherwise, unless the payment of such Services Tax by the Service Recipient is prohibited by Law.

(A) It is the sole responsibility of the Service Recipient pursuant to this Agreement, to provide the Service Provider with all geographic and jurisdictional Information necessary to determine the Services Taxes applicable to the provision of Services under this Agreement, and any failure to provide such Information shall relieve the Service Provider from responsibility for any act or failure to act resulting in the imposition of an incorrect amount of Services Tax or otherwise avoidable multiple impositions of Services Tax.

(B) The failure of the Service Provider to separately state, collect, and/or remit any applicable Services Tax shall not relieve the Service Recipient, pursuant to this Agreement or any Additional Agreement, from Liability for the payment of any applicable Services Tax.

(ii) Except to the extent of the Service Provider's intentional breach or gross negligence, the Service Recipient shall indemnify and hold the Service Provider harmless from any Liability arising from any failure to separately state, collect, and/or remit any applicable Services Tax, plus any reasonable costs, fees, and expenses incurred by the Service Provider in the defense of such Liability.

(iii) The Service Provider shall have no Liability for any over-collection of Services Taxes from the Service Recipient, pursuant to this Agreement, that are remitted to a Taxing Authority as long as such over-collection was made in good faith; provided, however, that if the Service Provider is a necessary party to the filing of a claim for the refund of any over-collected Services Taxes, then the Service Provider shall reasonably cooperate with the Service Recipient pursuant to this Agreement in the preparation and filing of the such refund claim.

(iv) No Limitation on Liability.

(A) Any other provision of this Agreement or any Additional Agreement to the contrary notwithstanding, the indemnification provided pursuant to this Section 3.05(c) shall not be subject to or included in the computation of the maximum liability limitation set forth in either Section 5.07(a) or Section 5.07(b) of this Agreement.

(B) Any other provision of this Agreement or any Additional Agreement to the contrary notwithstanding, the indemnification provided pursuant to this Section 3.05(c) shall not be subject to the restriction on incidental, consequential, and punitive damages set forth in Section 5.07(c) of this Agreement to the extent that such damages are imposed by or arise as a result of the collection of a Services Tax by a Taxing Authority.

(d) This Agreement contemplates that the legal relationship between the Service Provider and the Service Recipient may vary with the services being provided and that a Service Provider may be simultaneously acting in one or more of the following capacities: (i) purchasing agent, (ii) reseller and/or (iii) provider of services.

(i) In the event the Service Provider purchases services from a third-party provider for use and consumption by the Service Recipient “as acquired” and the contractual relationship with the third-party provider allows for the purchase of the services by both Parties, the Service Provider shall be the appointed purchasing agent of the Service Recipient and the administration of the Services Taxes shall reflect such agency relationship.

(ii) In the event the Service Provider purchases services from a third-party provider for use and consumption by the Service Recipient “as acquired” and the contractual relationship with the third-party provider does not allow for the purchase of the services by both of the Parties, the Service Provider shall resell the services to the Service Recipient and the administration of the Services Taxes shall reflect such reseller relationship.

(iii) In the event the Service Provider either (i) modifies services acquired from a third-party provider for delivery of Services to the Service Recipient, (ii) incorporates services acquired from a third-party provider into Services for delivery to the Service Recipient, or (iii) provides Services to the Service Recipient without the purchase of services acquired from a third-party provider, the Service Provider shall be deemed to be the provider of the services and the administration of the Services Taxes shall reflect such provision of services by the Service Provider.

(e) Each Party shall withhold and pay over to the Governmental Authority responsible for the collection of any amount of income tax or other assessment, charge, regulatory fee or other amount required by Law to be withheld from payments made to the other Party pursuant to this Agreement or any Additional Agreement (the “**Withheld Tax**”), and the

Withheld Tax shall be credited to the account of the Party from whose payment the Withheld Tax was withheld.

(f) Any other provision of this Agreement or any Additional Agreement to the contrary notwithstanding, no Party shall be responsible for any taxes imposed on the other Party measured by income, capital, or resulting from the existence or general Business operations of the other Party other than those resulting from an indemnified Loss including, but not limited to, any amount of Withheld Tax.

(g) It is hereby acknowledged that a Service Provider may pay Services Taxes to a Taxing Authority or a third-party vendor and such Service Provider may not be capable of identifying or communicating Information regarding such payment to the Service Recipient. The Parties shall cooperate to identify purchases on which Services Taxes have been previously paid or remitted to reduce the occurrence of any over-collection of such Services Taxes.

(h) Subject to Sections 5.10 and 8.09, the Parties agree to and shall, from time to time, do and perform such other and further acts, and execute and deliver any and all such other and further instruments as may be required by Law or reasonably requested by the other Party to establish, maintain, and protect the respective rights and remedies of the other Party as provided in this Agreement with respect to Services Taxes and Withheld Taxes.

ARTICLE IV CONFIDENTIALITY

Section 4.01 Confidentiality Obligations. (a) Each Party acknowledges (i) that such Party has in its possession and in connection with the provision of Services hereunder, such Party will receive Information of the other Party that is not available to the general public, and (ii) that such Information may constitute, contain or include material non-public Information of the other Party. Subject to Section 4.01(c), Belo, on behalf of itself and each of its Affiliates, and Newspaper Holdco, on behalf of itself and each of its Affiliates, agrees to hold, and to cause its respective directors, officers, employees, agents, third party contractors, vendors, Service Providers, accountants, counsel and other advisors and representatives to hold, in strict confidence, with at least the same degree of care that such Party applies to its own confidential and proprietary Information pursuant to its applicable policies and procedures in effect as of the Effective Time, all Information concerning the other Party (or its Business) and such other Party's Affiliates (or their respective Businesses) that is either in its possession (including Information in its possession prior to the Effective Time) or furnished by the other Party or the other Party's Affiliates or their respective directors, officers, employees, agents, third party contractors, vendors, Service Providers, accountants, counsel and other advisors and representatives at any time pursuant to this Agreement or any Additional Agreement, and will not use such Information other than for such purposes as may be expressly permitted hereunder or thereunder, except, in each case, to the extent that such Information: (i) is or becomes available to the general public, other than as a result of a disclosure by such Party or its Affiliates or any of their respective directors, officers, employees, agents, third party contractors, vendors, Service Providers, accountants, counsel and other advisors and representatives in breach of this Agreement or any Additional Agreement; (ii) was available to such Party or its Affiliates or

becomes available to such Party or its Affiliates, on a non-confidential basis from a source other than the other Party hereto; provided, that, the source of such Information was not bound by a confidentiality obligation with respect to such Information, or otherwise prohibited from transmitting the Information to such Party or its Affiliates by a contractual, legal or fiduciary obligation; or (iii) is independently generated by such Party without use of or reference to any proprietary or confidential Information of the other Party.

(b) No Release, Compliance with Law, Return or Destruction. Each Party agrees not to release or disclose, or permit to be released or disclosed, any such Information to any other Person, except its directors, officers, employees, agents, third party contractors, vendors, Service Providers, accountants, counsel, lenders, investors and other advisors and representatives who need to know such Information in order to provide the Services pursuant to this Agreement, and except in compliance with Section 4.01(c). Notwithstanding anything herein to the contrary, each Party shall advise its directors, officers, employees, agents, third party contractors, vendors, Service Providers, accountants, counsel, lenders, investors and other advisors and representatives who have been provided with such Information of such Party's confidentiality obligations hereunder and that such Information may constitute, contain or include material non-public Information of the other Party. Each Party shall, and shall cause, its directors, officers, employees, agents, third party contractors, vendors, Service Providers, accountants, counsel, lenders, investors and other advisors and representatives who have been provided with such Information to use such Information only in accordance with (i) the terms of this Agreement or any Additional Agreement and (ii) applicable Law (including federal and state securities Laws). Each Party shall promptly, after receiving a written request of the other Party, return to the other Party all such Information in a tangible form (including all copies thereof and all notes, extracts or summaries based thereon) or certify to the other Party that it has destroyed such Information (and such copies thereof and such notes, extracts or summaries based thereon), as directed by the other Party.

(c) Protective Arrangements. Notwithstanding anything herein to the contrary, in the event that either Party or any of its directors, officers, employees, agents, third party contractors, vendors, Service Providers, accountants, counsel, lenders, investors and other advisors and representatives either determines on the advice of its counsel that it is required to disclose any Information pursuant to applicable Law or the rules or regulations of a Governmental Authority or receives any demand under lawful process or from any Governmental Authority to disclose or provide Information of the other Party that is subject to the confidentiality provisions hereof, such Party shall, if possible, notify the other Party prior to disclosing or providing such Information and shall cooperate at the expense of the requesting Party in seeking any reasonable protective arrangements requested by such other Party. In the event that a protective arrangement is not timely obtained, the Person that received such request (i) may thereafter disclose or provide such Information to the extent required by such Law (as so advised by counsel in a written opinion) or by lawful process or such Governmental Authority, without liability therefor and (ii) shall exercise its commercially reasonable efforts to have confidential treatment accorded any such Information so furnished.

ARTICLE V

NO WARRANTY; LIMITATION OF LIABILITY; INDEMNIFICATION; ESCALATION

Section 5.01 Warranties and Disclaimer of Warranty by Belo. (a) Belo represents and warrants to Newspaper Holdco as of the date hereof and at all times during which the Belo Services are provided to Newspaper Holdco, that:

(i) Subject to the receipt of any required Consents, neither the provision of the Belo Services by any Belo Service Provider, nor the receipt or use thereof by Newspaper Holdco in accordance with the terms and conditions hereof or of any Additional Agreement, shall breach, violate, infringe upon or constitute misappropriation of any Intellectual Property right of any Person. Subject to the terms and conditions hereof, of the Separation and Distribution Agreement, of the other Ancillary Agreements and of the Additional Agreements, the provision of the Belo Services will not confer on Newspaper Holdco any Intellectual Property rights, except as explicitly provided herein or therein.

(ii) The Belo Services will be performed in a timely manner consistent with this Agreement, as each individual Schedule or Additional Agreement may require, by qualified individuals with appropriate subject matter expertise, in a professional and workmanlike manner, conforming to generally accepted industry standards and practices applicable to each individual Schedule or Additional Agreement and in strict accordance with all applicable Laws.

(b) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY ADDITIONAL AGREEMENT, THE BELO SERVICES TO BE PURCHASED UNDER THIS AGREEMENT OR IN ANY ADDITIONAL AGREEMENT ARE PROVIDED AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT WARRANTY OR CONDITION OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER WARRANTY WHATSOEVER.

Section 5.02 Warranties and Disclaimer of Warranty by Newspaper Holdco. (a) Newspaper Holdco represents and warrants to Belo as of the date hereof and at all times during which the Newspaper Holdco Services are provided to Belo, that:

(i) Subject to the receipt of any required Consents, neither the provision of the Newspaper Holdco Services by any Newspaper Holdco Service Provider, nor the receipt or use thereof by Belo in accordance with the terms and conditions hereof or of any Additional Agreement, shall breach, violate, infringe upon or constitute misappropriation of any Intellectual Property right of any Person. Subject to the terms and conditions hereof, of the Separation and Distribution Agreement, of the other Ancillary Agreements and of the Additional Agreements, the provision of the Newspaper Holdco Services will not confer on Belo any Intellectual Property rights, except as explicitly provided herein or therein.

(ii) The Newspaper Holdco Services will be performed in a timely manner consistent with this Agreement, as each individual Schedule or Additional Agreement may require, by qualified individuals with appropriate subject matter expertise, in a professional and workmanlike manner, conforming to generally accepted industry standards and practices applicable to each individual Schedule or Additional Agreement and in strict accordance with all applicable Laws.

(b) EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT OR IN ANY ADDITIONAL AGREEMENT, THE NEWSPAPER HOLDCO SERVICES TO BE PURCHASED UNDER THIS AGREEMENT OR IN ANY ADDITIONAL AGREEMENT ARE PROVIDED AS IS, WHERE IS, WITH ALL FAULTS, AND WITHOUT WARRANTY OR CONDITION OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OR ANY OTHER WARRANTY WHATSOEVER.

Section 5.03 Third Parties and Belo Services. (a) Belo and Newspaper Holdco shall cooperate to obtain all required Consents sufficient to enable the Belo Service Providers to perform the Belo Services in accordance with this Agreement or any Additional Agreement for any third party Software or other Intellectual Property related to the provision of the Belo Services; provided, that, Belo shall not be required to incur any out-of-pocket costs in connection therewith. Newspaper Holdco will cooperate with Belo in obtaining all such required Consents related to the provision of the Belo Services and Newspaper Holdco shall bear any out-of-pocket costs incurred in connection therewith, provided, further, that Newspaper Holdco shall only be required to reimburse Belo for those expenses incurred by Belo that Newspaper Holdco has previously approved in writing. In the event that any such Consent is not obtained, then, unless and until such Consent is obtained, during the term of the applicable Schedule or as specified in an Additional Agreement, the Parties shall cooperate with each other in achieving a reasonable alternative arrangement with respect to such third party Software or Intellectual Property for Newspaper Holdco to continue to process its work and for the Belo Service Providers to perform the Belo Services.

(b) Nothing contained in this Agreement shall preclude Newspaper Holdco from enforcing any rights or benefits available to it or Belo, or availing itself of any rights or defenses available to it or Belo under any third party agreement pursuant to which Belo Services are being provided to Newspaper Holdco.

Section 5.04 Third Parties and Newspaper Holdco Services. (a) Belo and Newspaper Holdco shall cooperate to obtain all required Consents sufficient to enable the Newspaper Holdco Service Providers to perform the Newspaper Holdco Services in accordance with this Agreement or any Additional Agreement for any third party Software or other Intellectual Property related to the provision of the Newspaper Holdco Services; provided, that, Newspaper Holdco shall not be required to incur any out-of-pocket costs in connection therewith. Belo will cooperate with Newspaper Holdco in obtaining all such required Consents related to the provision of the Newspaper Holdco Services and shall bear any out-of-pocket costs in connection therewith; provided, further, that Belo shall only be required to reimburse Newspaper Holdco for those expenses incurred by Newspaper Holdco that Belo has previously approved in writing. In the event that any such Consent is not obtained, then, unless and until such Consent

is obtained, during the term of the applicable Schedule or as specified in an Additional Agreement, the Parties shall cooperate with each other in achieving a reasonable alternative arrangement with respect to such third party Software or Intellectual Property for Belo to continue to process its work and for the Newspaper Holdco Service Providers to perform the Newspaper Holdco Services.

(b) Nothing contained in this Agreement shall preclude Belo from enforcing any rights or benefits available to it or Newspaper Holdco, or availing itself of any rights or defenses available to it or Newspaper Holdco under any third party agreement pursuant to which Newspaper Holdco Services are being provided to Belo.

Section 5.05 Obligation to Re-perform Belo Services. In the event of any breach of this Agreement or any Additional Agreement by Belo or any other Belo Service Provider with respect to any failure by Belo or a Belo Service Provider, as applicable, to provide any Belo Service in accordance with the terms of this Agreement or any Additional Agreement, Belo shall, or shall cause the applicable Belo Service Provider to, correct in all material respects such failure, error or defect or re-perform in all material respects such Belo Service at the request of Newspaper Holdco and at the expense of Belo. To be effective, any such request by Newspaper Holdco must (i) specify in reasonable detail the particular failure, error or defect and (ii) be made no more than 90 days from the date such error or defect was discovered by Newspaper Holdco or should have been discovered by Newspaper Holdco after reasonable inquiry.

Section 5.06 Obligation to Re-perform Newspaper Holdco Services. In the event of any breach of this Agreement or any Additional Agreement by Newspaper Holdco or any other Newspaper Holdco Service Provider with respect to any failure by Newspaper Holdco or a Newspaper Holdco Service Provider, as applicable, to provide any Newspaper Holdco Service in accordance with the terms of this Agreement or any Additional Agreement, Newspaper Holdco shall, or shall cause the applicable Newspaper Holdco Service Provider to, correct in all material respects such failure, error or defect or re-perform in all material respects such Newspaper Holdco Service at the request of Belo and at the expense of Newspaper Holdco. To be effective, any such request by Belo must (i) specify in reasonable detail the particular failure, error or defect and (ii) be made no more than 90 days from the date such error or defect was discovered by Belo or should have been discovered by Belo after reasonable inquiry.

Section 5.07 Limitation of Liability. NOTWITHSTANDING ANYTHING HEREIN TO THE CONTRARY:

(a) EXCEPT FOR ANY LIABILITIES THAT MAY BE INCURRED UNDER SECTION 3.05(c), THE MAXIMUM LIABILITY OF BELO TO, AND (EXCEPT AS SET FORTH IN SECTION 5.05) THE SOLE REMEDY OF, NEWSPAPER HOLDCO AND ITS AFFILIATES (AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, VENDORS, NEWSPAPER HOLDCO SERVICE PROVIDERS AND EMPLOYEES) WITH RESPECT TO ANY AND ALL CLAIMS ARISING IN CONNECTION WITH THE PROVISION OF THE BELO SERVICES BY BELO OR ANY BELO SERVICE PROVIDER, REGARDLESS OF THE THEORY UPON WHICH THE LIABILITY IS PREMISED, SHALL NOT EXCEED THE GROSS FEES RECEIVED BY BELO OR THE BELO SERVICE PROVIDER WITH RESPECT TO THE PROVISION OF THE BELO SERVICES TO WHICH SUCH CLAIM

RELATES IN THE MONTHLY PERIODS IN WHICH THE ACTION OR OMISSION OF BELO THAT GAVE RISE TO SUCH CLAIM OCCURRED OR WAS PENDING;

(b) EXCEPT FOR ANY LIABILITIES THAT MAY BE INCURRED UNDER SECTION 3.05(c), THE MAXIMUM LIABILITY OF NEWSPAPER HOLDCO TO, AND (EXCEPT AS SET FORTH IN SECTION 5.06) THE SOLE REMEDY OF, BELO AND ITS AFFILIATES (AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, VENDORS, BELO SERVICE PROVIDERS AND EMPLOYEES) WITH RESPECT TO ANY AND ALL CLAIMS ARISING IN CONNECTION WITH THE PROVISION OF THE NEWSPAPER HOLDCO SERVICES BY NEWSPAPER HOLDCO OR ANY OTHER NEWSPAPER HOLDCO SERVICE PROVIDER, REGARDLESS OF THE THEORY UPON WHICH THE LIABILITY IS PREMISED, SHALL NOT EXCEED THE GROSS FEES RECEIVED BY NEWSPAPER HOLDCO OR THE NEWSPAPER HOLDCO SERVICE PROVIDER WITH RESPECT TO THE PROVISION OF THE NEWSPAPER HOLDCO SERVICES TO WHICH SUCH CLAIM RELATES IN THE MONTHLY PERIODS IN WHICH THE ACTION OR OMISSION OF NEWSPAPER HOLDCO THAT GAVE RISE TO SUCH CLAIM OCCURRED OR WAS PENDING;

(c) EXCEPT FOR ANY LIABILITIES THAT MAY BE INCURRED UNDER SECTION 3.05(c), IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ITS AFFILIATES (OR THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, SERVICE PROVIDERS OR EMPLOYEES) FOR INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES IN CONNECTION WITH THE PERFORMANCE OF THIS AGREEMENT, EVEN IF THE PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, AND EACH PARTY HEREBY WAIVES ON BEHALF OF ITSELF, ITS AFFILIATES AND THEIR RESPECTIVE DIRECTORS, OFFICERS, AGENTS, SERVICE PROVIDERS AND EMPLOYEES ANY CLAIM FOR SUCH DAMAGES INCLUDING ANY CLAIM FOR PROPERTY DAMAGE OR LOST PROFITS, WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE;

(d) IN NO EVENT SHALL BELO BE LIABLE FOR THE ACTS OR OMISSIONS OF THIRD PARTY BELO SERVICE PROVIDERS TO THE EXTENT THAT BELO HAS EMPLOYED COMMERCIALY REASONABLE EFFORTS TO INDUCE OR CAUSE SUCH THIRD PARTY BELO SERVICE PROVIDERS TO PROVIDE THE BELO SERVICES IN ACCORDANCE WITH THE MANNER AND LEVELS AGREED TO HEREUNDER; AND

(e) IN NO EVENT SHALL NEWSPAPER HOLDCO BE LIABLE FOR THE ACTS OR OMISSIONS OF THIRD PARTY NEWSPAPER HOLDCO SERVICE PROVIDERS TO THE EXTENT THAT NEWSPAPER HOLDCO HAS EMPLOYED COMMERCIALY REASONABLE EFFORTS TO INDUCE OR CAUSE SUCH THIRD PARTY NEWSPAPER HOLDCO SERVICE PROVIDERS TO PROVIDE THE NEWSPAPER HOLDCO SERVICES IN ACCORDANCE WITH THE MANNER AND LEVELS AGREED TO HEREUNDER.

Section 5.08 Belo Indemnity. Subject to the limitations set forth in Section 5.07, Belo shall indemnify and hold harmless Newspaper Holdco and its Affiliates (and their respective directors, officers, agents, Newspaper Holdco Service Providers and employees) from and against any and all claims, demands, complaints, damages, losses, liabilities, costs or expenses

(each of the foregoing, a “**Loss**”) arising out of, relating to or in connection with (i) any Action that determined that the provision by any Belo Service Provider and/or the receipt by Newspaper Holdco or its Affiliates of any Belo Service infringes upon or misappropriates the Intellectual Property of any third party, to the extent that any such Loss is determined to have resulted from Belo’s or such Belo Service Provider’s intentional breach or gross negligence, or (ii) any action or omission by Newspaper Holdco or a Newspaper Holdco Service Provider in providing the Newspaper Holdco Services hereunder, except to the extent any such Loss arises from Newspaper Holdco’s or such Newspaper Holdco Service Provider’s intentional breach or gross negligence.

Section 5.09 Newspaper Holdco Indemnity. Subject to the limitations set forth in Section 5.07, Newspaper Holdco shall indemnify and hold harmless Belo and its Affiliates (and their respective directors, officers, agents, Belo Service Providers and employees) from and against any and all Losses arising out of, relating to or in connection with (i) any Action that determined that the provision by any Newspaper Holdco Service Provider and/or the receipt by Belo or its Affiliates of any Newspaper Holdco Service infringes upon or misappropriates the Intellectual Property of any third party, to the extent that any such Loss is determined to have resulted from Newspaper Holdco’s or such Newspaper Holdco Service Provider’s intentional breach or gross negligence, or (ii) any action or omission by Belo or a Belo Service Provider in providing the Belo Services hereunder, except to the extent any such Loss arises from Belo’s or such Belo Service Provider’s intentional breach or gross negligence.

Section 5.10 Negotiation. In the event that any dispute arises between the Parties that cannot be resolved pursuant to any escalation path set forth in a Schedule or any Additional Agreement, either Party shall have the right to refer the dispute for resolution to the chief financial officers of each Party by delivering to the other Party a written notice of such referral (a “**Dispute Notice**”). Following receipt of a Dispute Notice, the chief financial officers shall negotiate in good faith to resolve such dispute. In the event that the chief financial officers are unable to resolve such dispute within 30 days after the date of the Dispute Notice, either Party shall have the right to refer the dispute to the chief executive officers of the Parties, who shall negotiate in good faith to resolve such dispute. In the event that the chief executive officers of the Parties are unable to resolve such dispute within 60 days after the date of the Dispute Notice, either Party shall have the right to commence litigation in accordance with Section 8.09 hereof. The Parties agree that all discussions, negotiations and other Information exchanged between the Parties during the foregoing escalation proceedings shall be without prejudice to the legal position of a Party in any subsequent Action.

Section 5.11 Indemnification Rights. **Except to the extent otherwise expressly provided herein to the contrary, the indemnification rights set forth in this Article V, as well as in any other provision of this Agreement or any Additional Agreement, shall be applicable notwithstanding the negligence, whether simple, contributory or gross, of the particular indemnified party.**

ARTICLE VI

ACCESS TO INFORMATION

Section 6.01 Access to Belo Records. If requested by Newspaper Holdco, Belo shall and shall cause each Belo Service Provider to permit Newspaper Holdco reasonable access (in addition to the access required by Section 2.08(b)) to its respective books, records, accountants, accountants' work papers, personnel and facilities for the purpose of Newspaper Holdco's testing and verification of the effectiveness of each Belo Service Provider's controls with respect to Belo Services as is reasonably necessary to enable the management of Newspaper Holdco to comply with its obligations under SOX § 404 and to enable Newspaper Holdco's independent public accounting firm to attest to and report on the assessment of the management of Newspaper Holdco in accordance with SOX § 404 and Auditing Standard No. 2, *An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements* ("**Auditing Standard No. 2**"), as amended, or as otherwise required by Newspaper Holdco's external auditors; provided, however, that in lieu of providing such access, Belo may, in its sole discretion, instead furnish Newspaper Holdco with a Statement on Auditing Standards (SAS) No. 70, *Service Organizations*, Type II audit ("**SAS 70 Audit**") report; and provided, further, that Belo shall not be required to furnish Newspaper Holdco access to any Information other than Information that relates specifically to Belo Services.

Section 6.02 Access to Newspaper Holdco Records. If requested by Belo, Newspaper Holdco shall and shall cause each Newspaper Holdco Service Provider to permit Belo reasonable access (in addition to the access required by Section 2.08(a)) to its respective books, records, accountants and accountants' work papers, personnel and facilities for the purpose of Belo's testing and verification of the effectiveness of each Newspaper Holdco Service Provider's controls with respect to Newspaper Holdco Services as is reasonably necessary to enable the management of Belo to comply with its obligations under SOX §404 and Belo's independent public accounting firm to attest to and report on the assessment of the management of Belo in accordance with SOX §404 and Auditing Standard No. 2, as amended, or as otherwise required by Belo's external auditors; provided, however, that in lieu of providing such access, Newspaper Holdco may, in its sole discretion, instead furnish Belo with a SAS 70 Audit report; and provided, further, that Newspaper Holdco shall not be required to furnish Belo access to any Information other than Information that relates specifically to Newspaper Holdco Services.

Section 6.03 Cooperation and Procedures. Without limiting the generality of, and in order to give effect to, the foregoing provisions of Article VI:

(a) the Parties shall cooperate, at the Effective Time and from time to time thereafter, to identify the significant processes provided by each Party to the other Party in connection with the provision of the Services hereunder;

(b) each Party shall, if necessary under the circumstances, develop and maintain procedures to adequately test, evaluate and document the design and effectiveness of its controls over such significant processes;

(c) each Party as Service Provider shall provide to the other Party, its auditors and any third party that such other Party has retained to assist it with its SOX §404 compliance (subject to such third party's having signed an appropriate confidentiality agreement with the Party that is providing the relevant Information), no later than the 30th day of the last month of each fiscal quarter ending in March, June, September and December during which the Service Provider provided a Service comprising a significant process to the other Party, adequate documentation with respect to the testing of its controls over the significant processes;

(d) in the event any deficiencies are found as a result of the testing, the Service Provider and the Service Recipient shall cooperate in good faith to develop and implement commercially reasonable action plans and timetables to remedy such deficiencies and/or implement adequate compensating controls; provided, however, that if a Party as Service Provider provides a substantially similar service for itself or its Affiliates, then such Party as Service Provider shall not be required to take any actions that are different from the actions that such Party is taking with respect to such services that it provides for itself or its Affiliates, unless the control deficiency is or could reasonably be expected to be a material weakness in the Service Recipient's internal control over financial reporting (and the Service Recipient shall share its analysis in this regard with the Service Provider), in which case the Service Provider shall cooperate in good faith with the Service Recipient to develop and implement in a timely fashion commercially reasonable action plans and timetables to remedy the deficiency and/or implement adequate compensating controls such that the deficiency will not rise to the level of a material weakness; provided further, that, if, as a result of such remedy and/or implementation, the Service Provider is required to take actions that are materially different than the actions that the Service Provider is taking with respect to the substantially similar services that it provides for itself or its Affiliates, the Service Recipient shall be obligated to fund the incremental costs incurred by the Service Provider, including all out-of-pocket incremental costs, plus a reasonable allocation of costs of employees who are diverted from providing services that such employees would otherwise be providing to the Service Provider during the period of such remedy and/or implementation;

(e) the Service Provider shall, if requested by the Service Recipient, make its personnel and testing and documentation available to the auditors of the Service Recipient to enable such auditors to attest to and report on the assessment of internal control over financial reporting of the management of the Service Recipient. The Service Provider shall cooperate and assist the Service Recipient's auditors in performing any process walkthroughs and process testing that such auditor may request of the significant processes; and

(f) in the event that Sections 6.03(a)-(e) hereof do not reasonably enable the Service Recipient to comply with its obligations under SOX §404 and to enable the Service Recipient's registered public accounting firm to attest to and report on the assessment by the management of the Service Recipient in accordance with SOX §404 and Auditing Standard No. 2, then upon reasonable notice, the Service Recipient shall be permitted to conduct, at its own expense, an independent audit of the Service Provider's controls with respect to the Services solely to the extent necessary to accomplish such purpose or purposes.

ARTICLE VII
TERM; TERMINATION

Section 7.01 Term. This Agreement shall commence at the Effective Time and, unless terminated earlier in accordance with this Article VII, will terminate on the last date on which all Schedules and Additional Agreements have expired or been terminated.

Section 7.02 Early Termination. (a) A Service Recipient may terminate any Service upon 90 days prior notice to the other Party for any or for no reason.

(b) In the event that pursuant to Section 2.07, a Service Provider reduces or suspends the provision of any Service due to a Force Majeure Event and such reduction or suspension continues for 15 days, the other Party may immediately terminate the applicable Schedule or Additional Agreement, upon written notice and without any reimbursement obligation, except as provided in Section 7.04.

Section 7.03 Breach of Agreement. Subject to Article V, if either Party shall cause or suffer to exist any material breach of any of its obligations under this Agreement or any Additional Agreement, including any failure to make payments when due, and that Party does not cure such default in all material respects within 30 days after receiving written notice thereof from the non-breaching Party, the non-breaching Party may terminate each affected Schedule or Additional Agreement, including the provision of Services pursuant thereto, immediately by providing written notice of termination.

Section 7.04 Sums Due. (a) In the event of a termination (including any termination pursuant to Section 7.02) or expiration of this Agreement or any Additional Agreement (or Services under one or more Schedules or Additional Agreements), Belo shall be entitled to the payment or reimbursement of, and Newspaper Holdco shall, or shall cause its applicable Affiliates to, pay and reimburse Belo, on the date of such termination or expiration (i) all amounts due to Belo or any Belo Service Provider under this Agreement or any Additional Agreement and (ii) all amounts accrued in connection with the provision of Belo Services through the date of such termination or expiration that are not yet due and payable to Belo or any Belo Service Provider under this Agreement or any Additional Agreement, as if such amounts were due and payable on the date of such termination or expiration.

(b) In the event of a termination (including any termination pursuant to Section 7.02) or expiration of this Agreement or any Additional Agreement (or Services under one or more Schedules or any Additional Agreement), Newspaper Holdco shall be entitled to the payment or reimbursement of, and Belo shall, or shall cause its applicable Affiliates to, pay and reimburse Newspaper Holdco, on the date of such termination or expiration (i) all amounts due to Newspaper Holdco or any Newspaper Holdco Service Provider under this Agreement or any Additional Agreement and (ii) all amounts accrued in connection with the provision of the Newspaper Holdco Services through the date of such termination or expiration that are not yet due and payable to Newspaper Holdco or any Newspaper Holdco Service Provider under this Agreement or any Additional Agreement, as if such amounts were due and payable on the date of such termination or expiration.

Section 7.05 Effect of Termination. Articles I, III, IV, VI and VIII and Sections 5.01(a)(i), 5.01(b), 5.02(a)(i), 5.02(b), 5.07, 5.08, 5.09, 5.10, 7.04 and this 7.05 shall survive any termination of this Agreement.

ARTICLE VIII
MISCELLANEOUS

Section 8.01 Notices. All notices, requests and other communications hereunder (except for routine communications contemplated by certain Schedules) must be in writing and will be deemed to have been duly given only if delivered personally or by facsimile transmission or mailed (first class postage prepaid) to the Parties at the following addresses or facsimile numbers:

If to Belo, to:

Belo Corp.
400 South Record Street
Dallas, Texas 75202
Attn: Chief Executive Officer
Fax No.: (214) 977-8209

with a copy to:

Belo Corp.
400 South Record Street
Dallas, Texas 75202
Attn: Chief Financial Officer
Fax No.: (214) 977-8209

If to Newspaper Holdco, to:

A. H. Belo Corporation
400 South Record Street
Dallas, Texas 75202
Attn: Chief Executive Officer
Fax No.: (214) 977-8209

with a copy to:

A. H. Belo Corporation
400 South Record Street
Dallas, Texas 75202
Attn: Chief Financial Officer
Fax No.: (214) 977-6899

All such notices, requests and other communications will (i) if delivered personally to the address as provided in this section, be deemed given upon delivery, (ii) if delivered by facsimile transmission to the facsimile number as provided in this section, be deemed given upon receipt and (iii) if delivered by mail in the manner described above to the address as provided in this section, be deemed given upon receipt (in each case regardless of whether such notice, request or other communication is received by any other Person to whom a copy of such notice, request or other communication is to be delivered pursuant to this section). Any party from time to time may change its address, facsimile number or other Information for the purpose of notices to that party by giving notice specifying such change to the other party.

Section 8.02 Entire Agreement. This Agreement, together with all exhibits and Schedules, any Additional Agreements, the Separation and Distribution Agreement and the other Ancillary Agreements, constitutes the entire agreement of the parties with respect to the subject matter hereof and shall supersede all previous negotiations, commitments and writings with respect to such subject matter.

Section 8.03 Waiver. Any term or condition of this Agreement or any Additional Agreement may be waived at any time by the Party that is entitled to the benefit thereof, but no such waiver shall be effective unless set forth in a written instrument duly executed by or on behalf of the Party waiving such term or condition. No waiver by any Party of any term or condition of this Agreement or any Additional Agreement, in any one or more instances, shall be deemed or construed as a waiver of the same or any other term or condition of this Agreement or any Additional Agreement on any future occasion. All remedies, either under this Agreement or any Additional Agreement or by Law or otherwise afforded, will be cumulative and not alternative.

Section 8.04 Amendment. This Agreement and any Additional Agreement may be amended, supplemented, modified or superseded only by a written instrument signed by duly authorized signatories of the Parties hereto or thereto.

Section 8.05 Independent Contractors. In performing the Services, each Service Provider shall operate as and have the status of an independent contractor. No Service Provider's employees shall be considered employees or agents of the other Party, nor shall the employees of any Party be eligible or entitled to any benefits, perquisites or privileges given or extended to any of the other Party's employees in connection with the provision of Services. Nothing contained in this Agreement or any Additional Agreement shall be deemed or construed to create a joint venture or partnership between the Parties. No Party shall have any power to control the activities and/or operations of the other Party. No Party shall have any power or authority to bind or commit any other Party.

Section 8.06 No Third Party Beneficiary. The terms and provisions of this Agreement and any Additional Agreement are intended solely for the benefit of each Party hereto and thereto and their respective Affiliates, successors or permitted assigns, and it is not the intention of the Parties to confer third party beneficiary rights upon any other Person.

Section 8.07 No Assignment; Binding Effect. Neither this Agreement (nor any Additional Agreement) nor any right, interest or obligation hereunder (or thereunder) may be

assigned by any Party hereto (or thereto) without the prior written consent of the other Party hereto (or thereto) and any attempt to do so will be void, except that each Party may assign any or all of its rights, interests and obligations hereunder or under any Additional Agreement to an Affiliate, provided, that, any such Affiliate agrees in writing to be bound by all of the terms, conditions and provisions contained herein and that no assignment by a Party shall relieve such Party of any of its obligations under this Agreement unless agreed to by the non-assigning Party. Subject to the preceding sentence, this Agreement is binding upon, inures to the benefit of and is enforceable by the Parties hereto and their respective successors and permitted assigns.

Section 8.08 Headings. The headings used in this Agreement have been inserted for convenience of reference only and do not define or limit the provisions hereof.

Section 8.09 Submission to Jurisdiction; Waivers. Subject to the prior exhaustion of the negotiation procedures set forth in Section 5.10 and to the fullest extent permitted by applicable Law, each Party hereto (i) agrees that any claim, action or proceeding by such party seeking any relief whatsoever arising out of, relating to or in connection with, this Agreement or any Additional Agreement or the transactions contemplated hereby or thereby shall be brought only in the United States District Court for the Northern District of Texas or any Texas State court, in each case, located in Dallas County and not in any other State or Federal court in the United States of America or any court in any other country, (ii) agrees to submit to the exclusive jurisdiction of such courts located in Dallas County for purposes of all legal proceedings arising out of, or in connection with, this Agreement and the transactions contemplated hereby, (iii) waives and agrees not to assert any objection that it may now or hereafter have to the laying of the venue of any such action brought in such a court or any claim that any such action brought in such a court has been brought in an inconvenient forum, (iv) agrees that mailing of process or other papers in connection with any such action or proceeding in the manner provided in Section 8.01 or any other manner as may be permitted by Law shall be valid and sufficient service thereof and (v) agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by applicable Law.

Section 8.10 Severability. If any provision of this Agreement or any Additional Agreement is held to be illegal, invalid or unenforceable under any present or future Law, the remaining provisions of this Agreement or any Additional Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom or therefrom.

Section 8.11 Governing Law. This Agreement and any Additional Agreement and any dispute arising out of, in connection with or relating to this Agreement or any Additional Agreement shall be governed by and construed in accordance with the Laws of the State of Texas, without giving effect to the conflicts of laws principles thereof.

Section 8.12 Counterparts. This Agreement and any Additional Agreement may be executed in any number of counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

Section 8.13 Order of Precedence. In the event of an inconsistency or conflict between this Agreement, a Schedule and any Additional Agreement, the Additional Agreement or Schedule shall prevail over this Agreement, and the Additional Agreement shall prevail over a Schedule. In the event of an inconsistency or conflict between any Additional Agreement and an attachment or exhibit thereto, the Additional Agreement shall prevail over the attachment or exhibit thereto.

Section 8.14 Ownership of and License to Data. (a) It is acknowledged and agreed that (i) Belo retains all right, title and interest in and to all Belo Data and nothing herein shall create or vest in Newspaper Holdco any right, title or interest in or to the Belo Data and (ii) Newspaper Holdco retains all right, title and interest in and to all Newspaper Holdco Data and nothing herein shall create or vest in Belo any right, title or interest in or to the Newspaper Holdco Data: and

(b) Belo hereby grants to Newspaper Holdco a non-exclusive, royalty free, fully paid-up, non-transferable (except to Subsidiaries), worldwide license to use Belo Data solely (i) to provide the Newspaper Holdco Services and (ii) to comply with Newspaper Holdco's obligations under applicable Law with respect to such Belo Data.

(c) Newspaper Holdco hereby grants to Belo a non-exclusive, royalty free, fully paid-up, non-transferable (except to Subsidiaries), worldwide license to use Newspaper Holdco Data solely (i) to provide the Belo Services and (ii) to comply with Belo's obligations under applicable Law with respect to such Newspaper Holdco Data.

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

BELO CORP.

By: /s/ Dennis A. Williamson
Name: Dennis A. Williamson
Title: Executive Vice President/Chief Financial Officer

A. H. BELO CORPORATION

By: /s/ Alison K. Engel
Name: Alison K. Engel
Title: Senior Vice President/Chief Financial Officer and
Treasurer

Belo Services and Newspaper Holdco Services

Information Technology Services
Interactive Media Services
Real Estate Management Services
Internal Audit Services
Media Content and Cross Promotion Services
Web Site Maintenance Services
Legal Services
Employee Benefit Plan Administration Services
Payroll and Other Financial Management Services

A. H. BELO SAVINGS PLAN

Effective February 5, 2008

A. H. BELO SAVINGS PLAN

A. H. Belo Corporation, a Delaware corporation, adopts the A. H. Belo Savings Plan, effective as of February 5, 2008. The Plan is a profit sharing plan with a cash or deferred arrangement intended to qualify under Code section 401(a) and to meet the requirements of Code section 401(k), including the alternative methods of meeting the nondiscrimination requirements set forth in Code section 401(k)(13) and Code section 401(m)(12).

Effective as of February 5, 2008, the account balances of each Participant under the Belo Savings Plan were transferred to the Plan in anticipation of the distribution on February 8, 2008, by Belo Corp. to its shareholders of all of the issued and outstanding common stock of A. H. Belo Corporation.

Words and phrases with initial capital letters used throughout the Plan are defined in Article 1.

TABLE OF CONTENTS

	Page
ARTICLE 1	1
DEFINITIONS	
ARTICLE 2	7
PARTICIPATION	
ARTICLE 3	10
CONTRIBUTIONS	
ARTICLE 4	14
INVESTMENT OF CONTRIBUTIONS	
ARTICLE 5	16
ALLOCATIONS TO PARTICIPANTS' ACCOUNTS	
ARTICLE 6	18
VESTING	
ARTICLE 7	20
DISTRIBUTIONS TO PARTICIPANTS	
ARTICLE 8	26
DISTRIBUTIONS TO BENEFICIARIES	
ARTICLE 9	27
PROVISIONS REGARDING THE A. H. BELO STOCK FUND AND THE BELO STOCK FUND	
ARTICLE 10	28
ADMINISTRATION OF THE PLAN AND TRUST AGREEMENT	
ARTICLE 11	32
LIMITATIONS ON CONTRIBUTIONS AND ALLOCATIONS TO PARTICIPANTS' ACCOUNTS	
ARTICLE 12	36
RESTRICTIONS ON DISTRIBUTIONS TO PARTICIPANTS AND BENEFICIARIES	
ARTICLE 13	41
TOP-HEAVY PROVISIONS	
ARTICLE 14	45
PARTICIPATION BY CONTROLLED GROUP MEMBERS	
ARTICLE 15	46
AMENDMENT OF THE PLAN	
ARTICLE 16	47
TERMINATION, PARTIAL TERMINATION AND COMPLETE DISCONTINUANCE OF CONTRIBUTIONS	
ARTICLE 17	48
MISCELLANEOUS	

ARTICLE 1
DEFINITIONS

1.1 **Account** means the records, including subaccounts, maintained by the Committee in the manner provided in Article 5 to determine the interest of each Participant in the assets of the Plan and may refer to any or all of the Participant's Deferral Contribution Account, Matching Contribution Account, Profit Sharing Account and Rollover Account.

1.2 **A. H. Belo Stock Fund** means the investment fund established under Section 4.1, the assets of which consist exclusively of shares of Series A common stock, par value \$.01 per share, of the Company.

1.3 **Alternate Payee** means any spouse, former spouse, child or other dependent of a Participant who is recognized by a domestic relations order within the meaning of Code section 414(p) as having the right to receive all or a portion of the Participant's Account.

1.4 **Belo Corp.** means Belo Corp., a Delaware corporation.

1.5 **Belo Savings Plan** means the 401(k) plan sponsored by Belo Corp. on the effective date of the Plan.

1.6 **Belo Stock Fund** means the investment fund established under Section 4.1, the assets of which consist exclusively of shares of Company Stock.

1.7 **Beneficiary** means the one or more persons or entities entitled to receive distribution of a Participant's interest in the Plan in the event of his death as provided in Article 8.

1.8 **Board of Directors** or **Board** means the Board of Directors of the Company.

1.9 **Code** means the Internal Revenue Code of 1986, as amended from time to time.

1.10 **Committee** or **Administrative Committee** means the Committee appointed under Article 10.

1.11 **Company** means A. H. Belo Corporation, a Delaware corporation.

1.12 **Company Stock** means the Series A Common Stock, par value \$.01 per share, of the Company.

1.13 **Compensation** means the base pay, overtime pay, shift differential pay, premium pay, bonuses and commissions paid to an Employee by the Participating Employers for services performed for the Participating Employers, excluding (i) any awards (other than annual incentive compensation awards), whether paid in cash, Company Stock or any other medium, under the Belo 2004 Executive Compensation Plan or any other long term incentive compensation plan; (ii) any payment made after the later of (A) 2 1/2 months after the Employee's termination of employment or (B) the end of the Plan Year that includes the Employee's date of termination of

employment; (iii) any payment made in connection with or after the Employee's termination of employment that would not have been made if the Employee had continued in employment, such as severance pay or any other amount that would not qualify as compensation under Section 1.415(c)-2(e)(3) of the Treasury Regulations; and (iv) any other form of remuneration. In addition, Compensation includes any contributions made by the Participating Employers on behalf of an Employee pursuant to a deferral election under any employee benefit plan containing a cash or deferred arrangement under Code section 401(k) and any amounts that would have been received as cash but for an election to receive benefits under a cafeteria plan meeting the requirements of Code section 125. The annual Compensation of an Employee taken into account for any purpose will not exceed \$230,000 for any Plan Year beginning after December 31, 2007, as adjusted for cost-of-living increases in accordance with Code section 401(a)(17). The annual Compensation of an Employee who is covered by a collective bargaining agreement will also be subject to any applicable limit on the amount of such Compensation that may be taken into account for purposes of the Plan.

1.14 **Controlled Group** means the Company and all other corporations, trades and businesses, the employees of which, together with employees of the Company, are required by the first sentence of subsection (b), by subsection (c), by subsection (m) or by subsection (o) of Code section 414 to be treated as if they were employed by a single employer.

1.15 **Controlled Group Member** means each corporation or unincorporated trade or business that is or was a member of the Controlled Group, but only during such period as it is or was such a member.

1.16 **Deferral Contribution** means the amount of a Participant's Compensation that he elects to have contributed to the Plan by the Participating Employers rather than paid to him directly in cash.

1.17 **Deferral Contribution Account** means the Account established for each Participant, the balance of which is attributable to (i) the Participant's Deferral Contributions and earnings and losses of the Trust Fund with respect to such contributions and (ii) the balance of the Participant's deferral contribution account under the Belo Savings Plan transferred to the Plan.

1.18 **Distribution** means the distribution by Belo Corp. to its shareholders all of the outstanding shares of Series A common stock and Series B common stock of the Company.

1.19 **Distribution Date** means the date on which Belo Corp. effects the Distribution.

1.20 **Effective Date** means February 5, 2008.

1.21 **Employee** means any individual who is: (i) employed by any Controlled Group Member if their relationship is, for federal income tax purposes, that of employer and employee, or (ii) "a leased employee" of a Controlled Group Member within the meaning of Code section 414(n)(2) but only for purposes of the requirements of Code section 414(n)(3).

For purposes of this Section 1.21, a "leased employee" means any person who, pursuant to an agreement between a Controlled Group Member and any other person ("leasing

organization”) has performed services for the Controlled Group Member on a substantially full-time basis for a period of at least one year and such services are performed under the primary direction or control of the Controlled Group Member. Contributions or benefits provided a leased employee by the leasing organization which are attributable to services performed for a Controlled Group Member will be treated as provided by the Controlled Group Member. A leased employee will not be considered an Employee of a Controlled Group Member, however, if (a) leased employees do not constitute more than 20 percent of the Controlled Group Member’s nonhighly compensated work force (within the meaning of Code section 414(n)(5)(C)(ii)), and (b) such leased employee is covered by a money purchase plan maintained by the leasing organization that provides (i) a nonintegrated employer contribution rate of at least 10 percent of Compensation, (ii) immediate participation and (iii) full and immediate vesting.

1.22 **ERISA** means the Employee Retirement Income Security Act of 1974, as amended from time to time.

1.23 **Hour of Service** means each hour credited in accordance with the following rules:

(a) **Credit for Services Performed.** An Employee will be credited with one Hour of Service for each hour for which he is paid, or entitled to payment, by one or more Controlled Group Members for the performance of duties.

(b) **Credit for Periods in Which No Services Are Performed .** An Employee will be credited with one Hour of Service for each hour for which he is paid, or entitled to payment, by one or more Controlled Group Members on account of a period of time during which no duties are performed (irrespective of whether the employment relationship has terminated); except that (i) no more than 501 Hours of Service will be credited under this Section 1.23(b) to an Employee on account of any single continuous period during which he performs no duties (whether or not such period occurs in a single Plan Year), (ii) an hour for which an Employee is directly or indirectly paid, or entitled to payment, on account of a period during which no duties are performed will not be credited to the Employee if the payment is made or due under a plan maintained solely for the purpose of complying with applicable workers’ compensation or unemployment compensation or disability insurance laws, and (iii) Hours of Service will not be credited for a payment which solely reimburses an Employee for medical or medically related expenses incurred by the Employee. For purposes of this Section 1.23(b), an Employee will be credited with Hours of Service on the basis of his regularly scheduled working hours per week (or per day if he is paid on a daily basis) or, in the case of an Employee without a regular work schedule, on the basis of 40 Hours of Service per week (or 8 Hours of Service per day if he is paid on a daily basis) for each week (or day) during the period of time during which no duties are performed; except that an Employee will not be credited with a greater number of Hours of Service for a period during which no duties are performed than the number of hours for which he is regularly scheduled for the performance of duties during the period or, in the case of an Employee without a regular work schedule, on the basis of 40 Hours of Service per week (or 8 Hours of Service per day if he is paid on a daily basis).

(c) **Credit for Back Pay.** An Employee will be credited with one Hour of Service for each hour for which back pay, irrespective of mitigation of damages, has been either awarded or agreed to by one or more Controlled Group Members; except that an hour will not be credited under both Section 1.23(a) or Section 1.23(b), as the case may be, and this Section 1.23(c), and Hours of Service credited under this Section 1.23(c) with respect to periods described in Section 1.23(b) will be subject to the limitations and provisions under Section 1.23(b).

(d) **Credit for Certain Absences.** If an Employee is absent from work on or after the Effective Date for any period by reason of the pregnancy of the Employee, by reason of the birth of a child of the Employee, by reason of the placement of a child with the Employee, or for purposes of caring for a child for a period beginning immediately following the birth or placement of that child, the Employee will be credited with Hours of Service (solely for the purpose of determining whether he has a One Year Break in Service under the Plan) equal to (i) the number of Hours of Service which otherwise would normally have been credited to him but for his absence, or (ii) if the number of Hours of Service under clause (i) is not determinable, 8 Hours of Service per normal workday of the absence, provided, however, that the total number of Hours of Service credited to an Employee under this Section 1.23(d) by reason of any pregnancy, birth or placement will not exceed 501 Hours of Service. Such Hours of Service will be credited (i) only in the one-year computation period (determined under Section 1.38) in which the absence from work begins, if the Employee would be prevented from incurring a One Year Break in Service in such period solely because the period of absence is treated as Hours of Service pursuant to this Section 1.23(d), or (ii) in any other case, in the immediately following one-year computation period. Hours of Service will not be credited to an Employee under this Section 1.23(d) unless the Employee furnishes to the Committee such timely information as the Committee may reasonably require to establish that the Employee's absence from work is for a reason specified in this Section 1.23(d) and the number of days for which there was such an absence.

(e) **Manner of Counting Hours.** No hour will be counted more than once or be counted as more than one Hour of Service even though the Employee may receive more than straight-time pay for it. With respect to Employees whose compensation is not determined on the basis of certain amounts for each hour worked during a given period and for whom hours are not required to be counted and recorded by any federal law (other than ERISA), Hours of Service will be credited on the basis of 10 Hours of Service daily, 45 Hours of Service weekly, 95 Hours of Service semi-monthly, or 190 Hours of Service monthly, if the Employee's compensation is determined on a daily, weekly, semi-monthly or monthly basis, respectively, for each period in which the Employee would be credited with at least one Hour of Service under this section. Except as otherwise provided in Section 1.23(d), Hours of Service will be credited to eligibility and vesting computation periods in accordance with the provisions of 29 C.F.R. § 2530.200b-2, which provisions are incorporated in this Plan by reference.

1.24 **Investment Committee** means the A. H. Belo Benefits Investment Committee.

1.25 **Matching Contribution Account** means the Account established for each Participant, the balance of which is attributable to (i) Participating Employer matching contributions made pursuant to Article 3 and earnings and losses of the Trust Fund with respect

to such contributions and (ii) the balance of the Participant's matching contribution account under the Belo Savings Plan transferred to the Plan.

1.26 **One Year Break in Service** means a period of at least 12 consecutive months in which an Employee is absent from service. A One Year Break in Service will begin on the Employee's termination date (as defined in Section 1.38) and will end on the day on which the Employee again performs an Hour of Service for a Controlled Group Member.

If an Employee who is absent from work with a Controlled Group Member because of (i) the Employee's pregnancy, (ii) the birth of the Employee's child, (iii) the placement of a child with the Employee in connection with the Employee's adoption of the child, or (iv) caring for such child immediately following such birth or placement, will be absent for such reason beyond the first anniversary of the first date of his absence, his period of absence, solely for purposes of preventing a One Year Break in Service, will commence on the second anniversary of the first day of his absence from work. The period of absence from work between the first and second anniversaries of the first date of his absence from work will not be taken into account in determining whether the Employee has completed a Year of Service. The provisions of this paragraph will not apply to an Employee unless the Employee furnishes to the Committee such timely information that the Committee may reasonably require to establish (i) that the absence from work is for one of the reasons specified in this paragraph and (ii) the number of days for which there was such an absence.

1.27 **Participant** means an Employee or former Employee who has met the applicable eligibility requirements of Article 2 and who has not yet received a distribution of the entire amount of his vested interest in the Plan. In addition, the term "Participant" will include (i) any other Employee of a Participating Employer who makes a Rollover Contribution, provided, however, that such Employee will not be eligible for Participating Employer matching or profit sharing contributions until he has met the applicable eligibility requirements of Article 2; and (ii) a participant in the Belo Savings Plan on February 5, 2008, whose account balances were transferred to the Plan on such date.

1.28 **Participating Employer** means each Controlled Group Member set forth on Appendix A and any other Controlled Group Member or organizational unit of the Company or a Controlled Group Member which is designated as a Participating Employer under the Plan by the Board of Directors.

1.29 **Plan** means the A. H. Belo Savings Plan set forth herein, as amended from time to time.

1.30 **Plan Year** means the period with respect to which the records of the Plan are maintained, which will be the 12-month period beginning on January 1 and ending on December 31.

1.31 **Profit Sharing Account** means the Account established for each Participant, the balance of which is attributable to (i) Participating Employer profit sharing contributions made pursuant to Article 3 and earnings and losses of the Trust Fund with respect to such contributions

and (ii) the balance of the Participant's profit sharing account under the Belo Savings Plan transferred to the Plan.

1.32 **Qualified Plan** means an employee benefit plan that is intended to qualify under Code section 401(a).

1.33 **Rollover Account** means the Account established for each Participant, the balance of which is attributable to (i) the Participant's rollover contributions made pursuant to Article 3 and earnings and losses of the Trust Fund with respect to such contributions and (ii) the balance of the Participant's rollover account under the Belo Savings Plan transferred to the Plan.

1.34 **Trust Agreement** means the agreement or agreements executed by the Company and the Trustee which establishes a trust fund to provide for the investment, reinvestment, administration and distribution of contributions made under the Plan and the earnings thereon, as amended from time to time.

1.35 **Trust Fund** means the assets of the Plan held by the Trustee pursuant to the Trust Agreement.

1.36 **Trustee** means the one or more individuals or organizations who have entered into the Trust Agreement as Trustee, and any duly appointed successor.

1.37 **Valuation Date** means the date with respect to which the Trustee determines the fair market value of the assets comprising the Trust Fund or any portion thereof. The assets of the Trust Fund will be valued as of the close of business on each day on which the New York Stock Exchange is open for trading.

1.38 **Year of Service** means each period of 365 days (determined by aggregating periods of service that are not consecutive) beginning on the date an Employee is first credited with an Hour of Service (or is again credited with an Hour of Service following his reemployment) and ending on the earlier of (i) the date on which the Employee quits, retires, is discharged or dies or (ii) the first anniversary of the date on which the Employee is absent from service with a Controlled Group Member for any other reason, such as vacation, holiday, sickness, disability, leave of absence or layoff (the earlier of such dates is hereafter referred to as the Employee's "termination date"). An Employee's period of service for purposes of determining a Year of Service will include each period in which the Employee is absent from service for less than 12 months (measured from the Employee's termination date) and any periods during which he is in the service of the armed forces of the United States and his reemployment rights are guaranteed by law, provided he returns to employment with a Controlled Group Member within the time such rights are guaranteed.

In addition, an Employee's Years of Service will include the service credited to the Employee under the Belo Savings Plan, provided the Employee was employed by Belo Corp. or a subsidiary of Belo Corp. immediately prior to the Distribution Date and either (i) was employed by a Controlled Group Member on the Distribution Date or (ii) transfers employment directly from Belo Corp. or a subsidiary of Belo Corp. to employment with a Controlled Group Member without any intervening employment by an employer unrelated to Belo Corp. or the Company.

ARTICLE 2
PARTICIPATION

2.1 Eligibility to Participate.

(a) **Deferral Contributions.** Each Employee will become a Participant and may authorize Deferral Contributions to the Plan as of the first payroll period beginning on or after the later of the Effective Date or the date on which the Employee first completes an Hour of Service, or as soon as administratively practicable thereafter, if he is then employed by a Participating Employer. An Employee who becomes a Participant will not be eligible for Participating Employer matching contributions or profit sharing contributions until he satisfies the eligibility requirements of Section 2.1(b).

(b) **Matching and Profit Sharing Contributions.** Each Employee will become a Participant with respect to Participating Employer matching contributions and profit sharing contributions as of the first payroll period beginning on or after the later of the Effective Date or the date he has completed a Year of Service, or as soon as administratively practicable thereafter, if he is then employed by a Participating Employer.

2.2 Exclusions from Participation.

(a) **Ineligible Employees.** An Employee who is otherwise eligible to participate in the Plan will not become or continue as an active Participant if (i) he is covered by a collective bargaining agreement that does not expressly provide for participation in the Plan, provided that the representative of the Employees with whom the collective bargaining agreement is executed has had an opportunity to bargain concerning retirement benefits for those Employees; (ii) he is represented by a bargaining representative but is not covered by a collective bargaining agreement, unless the Company and the bargaining representative agree in writing that the Employee will be eligible to participate in the Plan; (iii) he is a nonresident alien who receives no earned income (within the meaning of Code section 911(d)(2)) from a Participating Employer which constitutes income from sources within the United States (within the meaning of Code section 861(a)(3)); (iv) he is a leased employee required to be treated as an Employee under Code section 414(n) or otherwise performs services under an arrangement with an employment agency, leasing organization or any other person or entity that provides personnel to one or more Controlled Group Members; (v) he is classified by a Participating Employer as an independent contractor whose compensation for services is reported on a form other than Form W-2 or any successor form for reporting wages paid to employees; (vi) he is employed by a Controlled Group Member or an organizational unit thereof that has not been designated as a Participating Employer by the Board; or (vii) he is then on an approved leave of absence without pay or in the service of the armed forces of the United States. An individual described in clause (iv) or (v) of this Section 2.2(a) who is subsequently determined to be a common law employee of a Participating Employer will not be eligible to participate in the Plan during any period prior to the date on which such determination is actually and finally made.

(b) **Exclusion after Participation.** A Participant who becomes ineligible under Section 2.2(a) may not elect to have Deferral Contributions made or continued to the Plan

and will not be eligible to receive an allocation of Participating Employer matching or profit sharing contributions.

(c) **Participation after Exclusion.** An Employee or Participant who is excluded from active participation will be eligible to participate in the Plan on the first day he is no longer described in Section 2.2(a) and is credited with one or more Hours of Service by a Participating Employer, provided that he has otherwise met the requirements of Section 2.1. This Section 2.2(c) will apply to an Employee who returns from an approved leave of absence or from military leave and who would otherwise be treated as a new Employee under Section 2.3 only if he returns to employment with a Controlled Group Member immediately following the expiration of the leave of absence or, in the case of an Employee on military leave, during the period in which reemployment rights are guaranteed by law.

2.3 Reemployment Provisions. If an Employee terminates employment before satisfying the eligibility requirements set forth in Section 2.1(b) with respect to Participating Employer matching contributions and profit sharing contributions and is reemployed by a Controlled Group Member before an absence from employment of 12 months, he will become a Participant with respect to such matching and profit sharing contributions on the later of the date initially determined under Section 2.1(b) or the date he is credited with one or more Hours of Service by a Participating Employer after reemployment; but if he is reemployed by a Controlled Group Member after an absence of 12 months or more, he will be treated as a new Employee and will be eligible for Participating Employer matching contributions and profit sharing contributions upon satisfying the eligibility requirements set forth in Section 2.1(b) after his reemployment. If an Employee terminates employment after satisfying the eligibility requirements set forth in Section 2.1(b) with respect to Participating Employer matching contributions and profit sharing contributions, he will become a Participant with respect to such matching and profit sharing contributions on the date he is credited with one or more Hours of Service by a Participating Employer.

2.4 Veterans' Reemployment Rights. The provisions of this Section 2.4 will apply to any Employee who is reemployed by a Controlled Group Member following a period of Qualified Military Service.

(a) **Service Credit.** An Employee who returns to employment with a Controlled Group Member following a period of Qualified Military Service (as hereinafter defined) will not be treated as having incurred any One Year Breaks in Service because of his period of Qualified Military Service. In addition, each period of Qualified Military Service will, upon reemployment with a Controlled Group Member, be deemed to be employment with such Controlled Group Member for purposes of the Plan.

(b) **Compensation.** An Employee described in Section 2.4(a) will be treated for Plan purposes as having received compensation from the Controlled Group Member during each period of Qualified Military Service equal to (i) the compensation the Employee would have received during such period of Qualified Military Service if he were not in Qualified Military Service, based on the rate of pay the Employee would have received from the Controlled Group Member but for his absence during the period of Qualified Military Service or (ii) if the compensation the Employee would have received during his period of Qualified

Military Service is not reasonably certain, the Employee's average compensation from the employer during the 12-month period immediately preceding the Qualified Military Service, or if shorter, during the period of employment immediately preceding the Qualified Military Service.

(c) **Qualified Military Service.** For purposes of the Plan, the term "Qualified Military Service" means service in the uniformed services (within the meaning of the Uniformed Services Employment and Reemployment Rights Act ("USERRA")), provided the Employee is entitled under USERRA to reemployment rights with a Controlled Group Member and the Employee returns to employment with the Controlled Group Member within the period in which such reemployment rights are guaranteed.

(d) **Make-Up Contributions.** Pursuant to procedures adopted from time to time by the Committee, an Employee described in Section 2.4(a) may elect additional Deferral Contributions and will receive an allocation of additional Participating Employer matching contributions and, if applicable, profit sharing contributions, for the period of his Qualified Military Service. Such additional Deferral Contributions and Participating Employer matching contributions may be made during the period that begins on the date of the Employee's reemployment and extends for the lesser of five years or the duration of the Employee's Qualified Military Service multiplied by three. An Employee's Deferral Contributions and allocation of Participating Employer matching contributions made pursuant to this Section 2.4 will be subject to the limitations of the Plan and the Code applicable to the years of the Employee's period of Qualified Military Service, except that the average deferral percentage and average contribution percentage limitations described in Code section 401(k) and Code section 401(m), respectively, will not be recalculated for such years and, if applicable, will be determined for the Plan Years in which the make-up Deferral Contributions and Participating Employer matching contributions are made without regard to such make-up Deferral Contributions and Participating Employer matching contributions.

(e) **Loan Repayments.** An Employee may elect to suspend the repayment of a Plan loan during a period of Qualified Military Service as permitted under Code section 414(u)(4) or may elect to continue loan repayments during such period.

ARTICLE 3
CONTRIBUTIONS

3.1 Elective Deferral Contributions .

(a) **Amount of Deferral Contributions.** A Participant may elect, in accordance with procedures established by the Committee from time to time, (i) to have Deferral Contributions made to the Plan by the Participating Employers for any payroll period in an amount up to 100% of the Participant's Compensation for the payroll period or (ii) to have no Deferral Contributions made to the Plan by the Participating Employers. Any such election will be effective as soon as administratively practicable. Notwithstanding the foregoing, the Committee may reduce the amount of Deferral Contributions elected by a Participant in order to permit a Participating Employer to withhold from the Participant's Compensation (i) all taxes and other amounts the Participating Employer is required to withhold under applicable law and (ii) any other amounts the Participant has elected to be withheld from his Compensation for any purpose, including without limitation, amounts to be withheld as contributions to Company-sponsored welfare benefit plans.

(b) **Modification and Suspension of Deferral Contributions .** A Participant may increase or decrease the amount of his Deferral Contributions and may suspend his Deferral Contributions at any time during the Plan Year. A Participant who suspends his Deferral Contributions may again authorize Deferral Contributions to the Plan and such authorization will be effective as soon as administratively practicable. If a Participant receives a distribution on account of hardship pursuant to Section 7.3, such Participant's Deferral Contributions will automatically be suspended for a six-month period following the date on which such Participant receives the hardship distribution.

(c) **Catch-Up Deferral Contributions .** A Participant who has attained age 50 before the close of a Plan Year will be eligible to make catch-up Deferral Contributions in accordance with, and subject to the limitations of, Code section 414(v). Such catch-up Deferral Contributions will not be taken into account for purposes of the provisions of the Plan implementing the required limitations of Code sections 402(g) and 415.

3.2 Automatic Deferral Contributions .

(a) **Certain Terms Defined.** For purposes of this Section 3.2, the following terms have the meanings set forth below.

(i) **Automatic Adjustment Date** means April 1 of each Plan Year beginning after December 31, 2008.

(ii) **Automatic Enrollment Date** means the enrollment date that is determined by the Committee and communicated to the Participant, which enrollment date will be approximately 60 days after the Participant's date of hire by a Participating Employer.

(iii) **Non-Electing Participant** means a Participant who has not made an affirmative election pursuant to Section 3.1 either to have Deferral Contributions made to the Plan by the Participating Employers or to have no Deferral Contributions made to the Plan by the Participating Employers.

(b) Amount of Automatic Deferral Contributions .

(i) Each Non-Electing Participant will be deemed to have elected to have Deferral Contributions made to the Plan by the Participating Employers in an amount equal to 3% of Compensation effective as of the earliest practicable payroll period that begins after the Participant's Automatic Enrollment Date. The Deferral Contributions of each Non-Electing Participant who has been an Employee for at least six months as of an Automatic Adjustment Date will be increased by 1% of Compensation effective as of the first payroll period beginning after such Automatic Adjustment Date until the Participant's Deferral Contributions to the Plan are in an amount equal to 6% of Compensation. Thereafter, no further adjustments to the Participant's rate of Deferral Contributions will be made in the absence of an affirmative election by the Participant.

(ii) If a Participant receives a distribution on account of hardship pursuant to Section 7.3, such Participant's Deferral Contributions will automatically be suspended for a six-month period following the date on which such Participant receives the hardship distribution. Upon resumption of the Participant's Deferral Contributions, the Deferral Contributions will be increased as provided in Section 3.2(b)(i) as of the next Automatic Adjustment Date.

(iii) A Participant will cease to be a Non-Electing Participant for purposes of the Deferral Contributions described in Section 3.2(b)(i) when he makes an affirmative election pursuant to Section 3.1.

(iv) A Participant who terminates employment before completing 60 days of employment and prior to making an affirmative election pursuant to Section 3.1 will be subject to the provisions of this Section 3.2 upon his rehire by a Participating Employer. Any other Participant who terminates employment and is rehired by a Participating Employer may participate in the Plan only by making a deferral election pursuant to Section 3.1.

(c) No Refund of Automatic Deferral Contributions . If a Participant makes an affirmative election pursuant to Section 3.1 at any time after his Automatic Enrollment Date or any Automatic Adjustment Date, the terms of the affirmative election will cancel the automatic Deferral Contributions for the Participant under this Section 3.2 as soon as administratively practicable. However, the Deferral Contributions made to the Plan and allocated to his Account prior to his affirmative election becoming effective will not be distributed to the Participant until he is entitled to a distribution under the provisions of Article 7.

(d) Notice to Participants. The Committee will provide to each Participant a written notice of the Participant's rights and obligations under this Section 3.2 and containing

such other information as may be necessary to comply with the notice requirements of Code section 401(k)(13).

3.3 Limitations on Deferral Contributions. The sum of a Participant's Deferral Contributions and his elective deferrals (within the meaning of Code section 402(g)(3)) under any other plans, contracts or arrangements of any Controlled Group Member will not exceed the dollar limitation contained in Code section 402(g) (as such amount is adjusted for cost-of-living increases in the manner described in Code section 415(d)) for any taxable year of the Participant. A Participant's Deferral Contributions will also be subject to the deferral percentage limitation set forth in Section 11.4. In the event a Participant's Deferral Contributions and other elective deferrals (whether or not under a plan, contract or arrangement of a Controlled Group Member) for any taxable year exceed the foregoing dollar limitation, the excess allocated by the Participant to Deferral Contributions (adjusted for Trust Fund earnings and losses in the manner described in Section 11.4) may, in the discretion of the Committee, be distributed to the Participant no later than April 15 following the close of such taxable year. The amount of Deferral Contributions distributed to a Participant for a Plan Year pursuant to this Section will be reduced by any excess Deferral Contributions previously distributed to him pursuant to Section 11.4 for the same Plan Year.

3.4 Participating Employer Matching Contributions. The provisions of this Section 3.4 will apply to only those Participants who have satisfied the eligibility requirements of Section 2.1(b). The Participating Employers will pay to the Trustee as a matching contribution for each payroll period an amount equal to (i) 100% of each Participant's Deferral Contributions for the payroll period to the extent that such Deferral Contributions do not exceed 1% of the Participant's Compensation for the payroll period and (ii) 70% of each Participant's Deferral Contributions for the payroll period to the extent that such Deferral Contributions exceed 1% of the Participant's Compensation but do not exceed 6% of the Participant's Compensation for the payroll period. For purposes of this Section 3.4, Deferral Contributions include catch-up Deferral Contributions described in Section 3.1(c).

3.5 Profit Sharing Contributions. The Participating Employers will pay to the Trustee as a profit sharing contribution for each payroll period an amount equal to 2% of the Compensation for the payroll period of each Participant who is eligible to receive a matching contribution under Section 3.4 and who is employed by a Participating Employer on the last day of the payroll period. Each Participating Employer may, in the discretion of its board of directors, make an additional, discretionary profit sharing contribution to the Plan for any payroll period or for any Plan Year in such amount as is determined by the Participating Employer and is approved by the Compensation Committee of the Board of Directors of the Company.

3.6 Collectively Bargained Employees. Notwithstanding the provisions of Section 3.4 and Section 3.5, the Participating Employers will not make a matching contribution or a profit sharing contribution for any Employee who is covered by collective bargaining agreement unless and until the terms of such collective bargaining agreement, as amended or renewed from time to time, permit employer matching and profit sharing contributions to be made. In no event will the matching contribution or profit sharing contribution made for such an Employee exceed the amount of matching contributions or profit sharing contributions permitted under such collective bargaining agreement.

3.7 Time of Payment. Deferral Contributions will be paid to the Trustee as soon as practicable following the close of each payroll period. Participating Employer matching contributions will be paid to the Trustee as soon as practicable following the close of each calendar month during the Plan Year, and discretionary profit sharing contributions may be paid to the Trustee on any date or dates selected by the Participating Employers, but in no event later than the time prescribed by law (including extensions) for filing the Participating Employer's federal income tax return for its tax year ending with or within the Plan Year.

3.8 Rollover and Transfer Contributions. Unless otherwise directed to do so by the Committee, the Trustee is authorized to accept (i) any part of the cash or other assets distributed to a Participant from a Qualified Plan, a qualified annuity plan described in Code section 403(a), an annuity contract described in Code section 403(b), an eligible plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state, or from an individual retirement account or annuity described in Code sections 408(a) or (b) that is eligible to be rolled over and would otherwise be includible in gross income and (ii) a direct transfer of assets to the Plan on behalf of a Participant from the trustee or other funding agent of a Qualified Plan. Any amounts contributed to the Plan pursuant to this Section 3.8 will be allocated to the Participant's Rollover Account; provided, however, that in the case of a direct transfer of assets from the trustee of another Qualified Plan sponsored by a Controlled Group Member, the Committee will maintain such records as may be necessary to determine the portions of the transferred amount which represent employer profit sharing, matching and salary deferral contributions made by the former employer and earnings and losses attributable thereto and will allocate such amounts to the Participant's Profit Sharing Account, Matching Contribution Account and Deferral Contribution Account, respectively.

ARTICLE 4

INVESTMENT OF CONTRIBUTIONS.

4.1 Investment Funds.

(a) **Establishment of Investment Funds.** The investment funds established under the Plan for the investment of Plan assets will be (i) the A. H. Belo Stock Fund, (ii) the Belo Stock Fund and (iii) such investment funds as may be established by the Trustee under the Trust Agreement at the direction of the Investment Committee.

(b) **A. H. Belo Stock Fund.** Effective as of the Distribution Date, no further purchases of Company Stock may be made in the A. H. Belo Stock Fund, and no Plan fiduciary, including without limitation the Investment Committee and the Administrative Committee, is authorized to permit any such purchases. The Company intends that the A. H. Belo Stock Fund will be a permanent fund, frozen to new investment as of the Distribution Date, notwithstanding any other applicable fiduciary standard relating to (i) the diversification of Trust Fund assets, (ii) the speculative character of Trust Fund investments, (iii) the lack or inadequacy of income provided by Trust Fund assets, or (iv) the fluctuation in the fair market value of Trust Fund assets, unless the Investment Committee determines, using an abuse of discretion standard, that there is a serious question concerning the short-term viability of the Company as a going concern. Subject to the foregoing statement of the Company's intent, the Investment Committee will evaluate the prudence of maintaining the A. H. Belo Stock Fund not on the basis of the risk associated with the A. H. Belo Stock Fund standing alone but in light of the availability of other investment options under the Plan and the ability of Participants to construct a diversified portfolio of investments consistent with their individual desired level of risk and return.

(c) **Belo Stock Fund.** Effective as of the Distribution Date, no further purchases of common stock of Belo Corp. may be made in the Belo Stock Fund, and no Plan fiduciary, including without limitation the Investment Committee and the Administrative Committee, is authorized to permit any such purchases. The Company intends that, in light of the historical relationship between the Company and Belo Corp., the Belo Stock Fund will be a permanent fund, frozen to new investment as of the Distribution Date, notwithstanding any other applicable fiduciary standard relating to (i) the diversification of Trust Fund assets, (ii) the speculative character of Trust Fund investments, (iii) the lack or inadequacy of income provided by Trust Fund assets, or (iv) the fluctuation in the fair market value of Trust Fund assets, unless the Investment Committee determines, using an abuse of discretion standard, that there is a serious question concerning the short-term viability of Belo Corp. as a going concern. Subject to the foregoing statement of the Company's intent, the Investment Committee will evaluate the prudence of maintaining the Belo Stock Fund not on the basis of the risk associated with the Belo Stock Fund standing alone but in light of the availability of other investment options under the Plan and the ability of Participants to construct a diversified portfolio of investments consistent with their individual desired level of risk and return.

4.2 **Participant Investment Directions.** The Plan is designed to satisfy the requirements of ERISA section 404(c) and the regulations under that section. All amounts allocated to each Participant's Account will be invested by the Trustee at the direction of the

Participant or, where applicable, the Participant's Beneficiary, in one or more of the investment funds described in Section 4.1. The Committee from time to time will establish rules and procedures regarding Participant and Beneficiary investment directions, including without limitation rules and procedures with respect to the manner in which such directions may be furnished, the frequency with which such directions may be changed during the Plan Year, the minimum portion of a Participant's or Beneficiary's Account that may be invested in any one investment fund, the frequency with which transactions in any investment fund may be executed (daily, weekly or at some other interval), and the manner in which Participants and Beneficiaries may provide for periodic automatic rebalancing of their Accounts among available investment funds.

4.3 Default Investment Fund. Until the Investment Committee designates a different default investment fund, the Account of a Participant who fails to provide explicit investment directions will be invested in the Fidelity Freedom Fund[®] that has a target retirement date closest to the year of the Participant's retirement, based on the Participant's current age and the assumption that the Participant will retire at age 65; provided, however, that the Fidelity Freedom Fund[®] for any Participant's whose age is not known by the Committee will be the Fidelity Freedom Income Fund[®]. The Administrative Committee will advise Participants and Beneficiaries that their failure to provide explicit investment directions will operate as an implicit direction to the Trustee to invest their Accounts in such default investment option.

4.4 Investment of Dividends on Company Stock and Belo Corp. Stock. Dividends paid on Company Stock and on common stock of Belo Corp. allocated to a Participant's Account will be invested proportionately in the investment funds selected by the Participant or Beneficiary in his most recent investment direction to the Trustee or, in the absence of an explicit investment direction, in the default investment fund.

4.5 Suspension of Investment Directions. The Committee may temporarily suspend Participant investment directions in connection with any event or transaction in which the Committee determines such suspension is necessary or appropriate, including without limitation a merger of the Plan with another plan, a transfer of assets from the Plan to another plan or from another plan to the Plan, a change in administrative services provided to the Plan or a change in the investment options to be offered to Participants. Such temporary suspension will apply to those Participants designated by the Committee for such periods of time as the Committee determines in its discretion. The Committee will give Participants affected by any suspension in investment directions such advance notice of the suspension as the Committee determines to be reasonable under the circumstances.

ARTICLE 5

ALLOCATIONS TO PARTICIPANTS' ACCOUNTS

5.1 **Establishment of Accounts.** The Committee will establish a Deferral Contribution Account for each Participant, and to the extent applicable, a Matching Contribution Account, a Profit Sharing Account and a Rollover Account. The Committee may also establish one or more subaccounts of a Participant's Account, if the Committee determines that subaccounts are necessary or desirable in administering the Plan.

5.2 Allocation of Contributions.

(a) **Deferral Contributions.** Each Deferral Contribution made by a Participating Employer on behalf of a Participant will be allocated by the Committee to the Participant's Deferral Contribution Account.

(b) **Matching Contributions.** Each Participating Employer matching contribution made with respect to a payroll period on behalf of Participants who are eligible to receive a matching contribution under Section 3.4 will be allocated by the Committee to each such Participant's Matching Contribution Account.

(c) **Profit Sharing Contributions.** Each profit sharing contribution made by a Participating Employer for a payroll period will be allocated only to the Profit Sharing Accounts of Participants who are employed by the Participating Employer on the last day of the payroll period and are eligible to receive profit sharing contributions pursuant to Section 3.5. For purposes of this allocation, an Employee will be a Participant in the Plan on the last day of a payroll period if the Employee is eligible to make Deferral Contributions as of the last day of the payroll period, without regard to whether the Participant has elected to make Deferral Contributions. The amount of a Participating Employer's profit sharing contribution to be allocated to the Profit Sharing Account of each such eligible Participant for a payroll period will bear the same ratio to the Participating Employer's total profit sharing contribution for the payroll period as the Participant's Compensation for the payroll period bears to the total Compensation of all such Participants eligible to receive an allocation of the Participating Employer's profit sharing contribution for the payroll period.

5.3 **Limitation on Allocations.** Article 11 sets forth certain rules under Code section 415 that limit the amount of contributions and forfeitures that may be allocated to a Participant's Account for a Plan Year.

5.4 Allocation of Trust Fund Income and Loss.

(a) **Accounting Records.** The Committee, through its accounting records, will clearly segregate each Account and subaccount and will maintain a separate and distinct record of all income and losses of the Trust Fund attributable to each Account or subaccount. Income or loss of the Trust Fund will include any unrealized increase or decrease in the fair market value of the assets of the Trust Fund.

(b) **Method of Allocation.** The share of net income or net loss of the Trust Fund to be credited to, or deducted from, each Account will be the allocable portion of the net income or net loss of the investment fund in which such Account, or any subaccount of such Account, is invested as of each Valuation Date, as determined by the Committee in a uniform and nondiscriminatory manner.

5.5 **Valuation of Trust Fund.** The fair market value of the total net assets comprising the Trust Fund will be determined by the Trustee as of each Valuation Date.

5.6 **No Guarantee.** The Participating Employers, the Committee and the Trustee do not guarantee the Participants or their Beneficiaries against loss or depreciation or fluctuation of the value of the assets of the Trust Fund.

5.7 **Benefit Statements.** The Committee will furnish each Participant and each Beneficiary of a deceased Participant with a quarterly benefit statement. No statement will be provided to a Participant or Beneficiary after the Participant's entire vested and nonforfeitable interest in his Account has been distributed.

ARTICLE 6

VESTING

6.1 Determination of Vested Interest.

(a) **Deferral Contributions.** Except as provided in Section 6.3, the interest of each Participant in his Deferral Contribution Account and his Rollover Account will be 100% vested and nonforfeitable at all times.

(b) **Matching and Profit Sharing Contributions.** The Matching Contribution Account and Profit Sharing Account of each Participant not described in Section 6.1(a) will become vested and nonforfeitable in accordance with the following schedule, subject to Section 6.3:

Years of Service	Percent Vested and Nonforfeitable
Less than 2	0
2 or more	100

(c) **Accelerated Vesting.** Except as provided in Section 6.3, a Participant's interest in his Matching Contribution Account and his Profit Sharing Account will become 100% vested and nonforfeitable without regard to his Years of Service upon the earliest to occur of (i) his attainment of age 55 if he is then an Employee, (ii) his death while he is an Employee, or (iii) his becoming totally and permanently disabled (as hereinafter defined) while he is an Employee. A person will be totally and permanently disabled for purposes of this paragraph only if he is eligible to receive disability benefits under the Social Security Act.

6.2 Forfeiture of Nonvested Amounts. If a Participant terminates employment and receives a distribution of his entire vested interest in the Plan, the Participant's nonvested interest will be forfeited immediately. If the Participant again becomes an Employee before incurring five or more consecutive One Year Breaks in Service, the forfeited amounts will be reinstated to his Account, unadjusted for earnings or losses since the date of forfeiture. If the Participant becomes an Employee after incurring five or more consecutive One Year Breaks in Service, the forfeited amounts will not be reinstated. If, however, a Participant terminates employment and does not receive a distribution of his entire vested interest in the Plan, the Participant's nonvested interest will be forfeited when the Participant incurs five consecutive One Year Breaks in Service.

6.3 Unclaimed Distribution. If the Committee cannot locate a person entitled to receive a benefit under the Plan within a reasonable period (as determined by the Committee in its discretion), the amount of the benefit will be treated as a forfeiture during the Plan Year in which the period ends. If, before final distributions are made from the Trust Fund following termination of the Plan, a person who was entitled to a benefit which has been forfeited under this Section 6.4 makes a claim to the Committee or the Trustee for his benefit, he will be entitled

to receive, as soon as administratively feasible, a benefit in an amount equal to the value of the forfeited benefit on the date of forfeiture. This benefit will be reinstated from forfeitures arising during such Plan Year or, if forfeitures are insufficient, from Participating Employer contributions made to the Plan for this purpose.

6.4 Application of Forfeited Amounts. The amount of a Participant's Account which is forfeited pursuant to this Article will be applied to one of the following Plan purposes as determined by the Committee in its discretion: to pay the expenses of administering the Plan, to reinstate any forfeitures that must be reinstated in accordance with this Article, to reduce Participating Employer profit sharing contributions pursuant to Section 3.5 or to reduce Participating Employer matching contributions pursuant to Section 3.4.

6.5 Reemployment Provisions. If a Participant terminates employment and again becomes an Employee, his Years of Service completed before his reemployment will be included in determining his vested and nonforfeitable interest after he again becomes an Employee.

ARTICLE 7
DISTRIBUTIONS TO PARTICIPANTS

7.1 Basic Rules Governing Distributions .

(a) **Timing of Distributions.** Except as set forth in Sections 7.1(c), 7.2 and 7.3, distribution of a Participant's vested Account balance will be made as soon as practicable after the Valuation Date coinciding with or immediately following the Participant's termination of employment, or if earlier, the date on which the Participant becomes eligible to receive benefits under the Social Security Act on account of total and permanent disability. If a loan is outstanding from the Trust Fund to the Participant on the date his vested Account balances become distributable, the amount distributed to the Participant will be reduced by any security interest in his Account held by the Plan by reason of the loan.

(b) **Form of Distributions.** Distributions made before age 70^{1/2} will be in the form of a single lump sum payment. Distributions that are delayed until a Participant reaches age 70^{1/2} will be in the form of a single lump sum payment or as otherwise provided under the minimum required distribution provisions of Article 12. The cash value of the whole and fractional shares of Company Stock allocated to a Participant's Account will be distributed to the Participant in cash unless the Participant elects to receive distribution of the whole shares allocated to his Account in the form of shares. In addition, at the election of a Participant who makes a rollover distribution of all or any part of his Account to a Fidelity Investments[®] individual retirement account, distribution may also be made in fund shares of marketable securities (as defined in Code section 731(c)(2)). For this purpose, the term "fund share" means a share, unit or other evidence of ownership in an investment fund established under the Trust Agreement.

(c) **Participant's Consent to Certain Payments.** If the amount of a Participant's vested Account balance exceeds \$1,000, the Committee will not distribute the Participant's vested Account balance to him prior to the date distributions are required to begin under Article 12 following his attainment of age 70^{1/2}, unless he elects to receive a distribution at any earlier date following termination of employment. For purposes of the preceding sentence, the value of a Participant's vested Account balances will include that portion that is attributable to his Rollover Account. A distribution may be made less than 30 days after the Participant has been furnished an explanation of his distribution options provided that (i) the Committee clearly informs the Participant that he has the right to consider whether to accept a distribution and whether to consent to a particular form of distribution for at least 30 days after he has been provided the relevant information, (ii) the Participant affirmatively elects to waive the 30-day notice period and receive a distribution, and (iii) with respect to a distribution to which Code section 417 applies, the Participant is permitted to revoke the election and make a new election at any time prior to the later of the date of distribution or the expiration of the seven-day period after the explanation of distribution options is provided to the Participant.

7.2 Withdrawals.

(a) **After Age 59^{1/2}.** A Participant who has not terminated employment may request a distribution from his Account if he has reached age 59 ¹/₂. A Participant who is a director, officer or principal stockholder of the Company within the meaning of Section 16 of the Securities Exchange Act of 1934 may exercise the foregoing withdrawal right only in accordance with rules and procedures established from time to time by the Committee. All other Participants may exercise their withdrawal rights at any time or times during the Plan Year.

(b) **Former Journal Broadcasting Employees.** A Participant who, on December 31, 1997, was a participant in the Journal Broadcasting 401(k) Plan may withdraw, in accordance with rules and procedures established from time to time by the Committee, all or any portion of his Rollover Account attributable to his after-tax contributions and rollover contributions that were transferred to the Plan from the Journal Broadcasting 401(k) Plan effective January 1, 1998.

7.3 Hardship Distributions.

(a) General Rule.

(i) A Participant who has not terminated employment may request a distribution from his Deferral Contribution Account or his Rollover Account in the event of his hardship; provided, however that a Participant who was a participant in the Denton Publishing Company Retirement Plan on December 31, 1999, may request such a distribution only with respect to his Deferral Contributions made after December 31, 1999, or his Rollover Account. A distribution will be on account of hardship only if the distribution is necessary to satisfy an immediate and heavy financial need of the Participant, as defined below, and satisfies all other requirements of this Section 7.3. Pursuant to Section 3.1(b) or Section 3.2(b), whichever applies, a Participant's Deferral Contributions will automatically be suspended for a six-month period after the date on which such Participant receives a distribution on account of hardship.

(ii) Alternate Payees are not eligible for a hardship distribution from the Plan.

(b) **Deemed Financial Need.** For purposes of this Section 7.3, a distribution is made on account of an immediate and heavy financial need of the Participant only if the distribution is for (i) the payment of expenses for (or necessary to obtain) medical care that would be deductible under Code section 213(d) (determined without regard to whether the expenses exceed 7.5% of adjusted gross income); (ii) costs directly related to the purchase of a principal residence for the Participant (excluding mortgage payments); (iii) the payment of tuition, related educational fees and room and board expenses for the next 12 months of post-secondary education for the Participant, his spouse, children or dependents (as defined in Code section 152 and, for taxable years beginning on or after January 1, 2005, without regard to Code sections 152(b)(1), 152(b)(2) or 152(d)(1)(B)); (iv) payments necessary to prevent the eviction of the Participant from his principal residence or foreclosure on the mortgage of the Participant's principal residence; (v) the payment of burial or funeral expenses of the Participant's deceased

parent, spouse, children or dependents (as defined in Code section 152 and, for taxable years beginning on or after January 1, 2005, without regard to Code section 152(d)(1)(B)); or (vi) expenses for the repair of damage to the Participant's principal residence that would qualify for the casualty deduction under Code section 165 (determined without regard to whether the loss exceeds 10% of adjusted gross income).

(c) **Reasonable Reliance Test.** A distribution will be considered necessary to satisfy an immediate and heavy financial need of the Participant only if all three of the following requirements are satisfied: (i) the distribution is not in excess of the amount required to relieve the immediate and heavy financial need of the Participant (taking into account the taxable nature of the distribution); (ii) the Participant represents in writing, on forms provided by the Committee, that the need cannot be relieved in whole or in part through reimbursement or compensation by insurance or otherwise, by reasonable liquidation of the Participant's assets, to the extent such liquidation would not itself cause an immediate and heavy financial need, by cessation of Deferral Contributions under the Plan, or by distributions other than hardship distributions or nontaxable (at the time of the loan) loans from the Plan and any other plans maintained by any Controlled Group Member or any other entity by which the Participant is employed, or relieved in whole by borrowing from commercial sources on reasonable commercial terms; and (iii) the Committee determines that it can reasonably rely on the Participant's written representation.

7.4 Distribution Procedures. Distributions pursuant to Sections 7.2 and 7.3 will be made as soon as practicable following the Committee's approval of the Participant's written request for withdrawal and will be made in the form described in Section 7.1(b). Distributions pursuant to Sections 7.2(a) and 7.3 will be made pro rata from each contribution source in the Participant's Account, provided, however, that in the case of a hardship distribution under Section 7.3, the cumulative amount distributed to a Participant from his Deferral Contribution Account will not exceed the amount of his Deferral Contributions that have not been previously withdrawn (but not the income allocable to his Deferral Contributions). No distribution under Section 7.2 or Section 7.3 will be made in an amount that is greater than the excess of the Participant's vested interest in the Account from which the distributions are made over the aggregate amount of outstanding loans, plus accrued interest, secured by such Account. For purposes of determining the amount available for distribution, a Participant's Account will be valued as of the Valuation Date immediately preceding the date on which the Participant requests a distribution.

7.5 Loans to Participants.

(a) General Provisions.

(i) A Participant may, subject to the provisions of this Section 7.5 and the loan procedures adopted by the Committee from time to time, borrow from the balance of his Deferral Contribution and Rollover Accounts, provided, however, that no loan may be made from a Participant's Profit Sharing and Matching Contribution Accounts. All such loans will be subject to the requirements of this Section 7.5 and such other rules as the Committee may from time to time prescribe, including without limitation any rules restricting the purposes for which loans will be approved. The

Committee will have complete discretion as to approval of a loan hereunder and as to the terms thereof, provided that its decisions will be made on a uniform and nondiscriminatory basis and in accordance with this Section 7.5. If the Committee approves a loan, the Committee will direct the Trustee to make the loan and will advise the Participant and the Trustee of the terms and conditions of the loan. Nothing in this Section 7.5 will require the Committee to make loans available to Participants.

(ii) Alternate Payees may not borrow any amount from the Plan.

(b) **Terms and Conditions.** Loans to Participants will be made according to the following terms and conditions and such additional terms and conditions as the Committee may from time to time establish: (i) no loan will be for a term of longer than five years; (ii) all loans will be in default on the first date that a required loan repayment is not made and the entire unpaid balance of the loan will be treated as a deemed distribution to the Participant unless all past due payments are made before the expiration of any grace period established under the loan procedures; (iii) all loans will bear a reasonable rate of interest established under the loan procedures; (iv) all loans will be made only upon receipt of adequate security (the security for a loan will be the Participant's interest in the separate investment fund established under Section 7.5(f) for that loan) in an amount that does not exceed 50% of the Participant's vested interest under the Plan); (v) except as otherwise provided by the loan procedures, payments of principal and interest will be made through payroll deductions sufficient to provide for substantially level amortization of principal and interest with payments not less frequently than quarterly, which will be irrevocably authorized by the Participant in writing on a form provided by the Committee at the time the loan is made; (vi) the amount of any indebtedness (including accrued and unpaid interest) under any loan will be deducted from a Participant's interest in the Trust Fund if and only if such indebtedness or any installment thereof is not paid when due (including amounts due by acceleration) unless the Committee determines that there is adequate security for such loan other than the Participant's interest in the Trust Fund; (vii) no more than two outstanding loans will be permitted with respect to a Participant at any time; (viii) no home loans will be permitted; and (ix) all loans will be evidenced by a note containing such additional terms and conditions as the Committee will determine. Notwithstanding anything in the foregoing to the contrary, no amount of any indebtedness will be deducted pursuant to clause (vi) of this Section 7.5(b) from a Participant's Account prior to the time that such Account are otherwise distributable.

(c) **Maximum Amount of Loans.** The amount of any loan made pursuant to this Section 7.5, when added to the outstanding balance of all other loans to the Participant from all qualified employer plans (as defined in Code section 72(p)(4)) of the Controlled Group, will not exceed the lesser of (i) one-half of the aggregate nonforfeitable interest in his account balance(s) under all such plans, or (ii) \$50,000 reduced by the excess, if any, of (A) the highest outstanding balance of all other loans from qualified employer plans of the Controlled Group to the Participant during the 1-year period ending on the date on which such loan was made, over (B) the outstanding balance of all loans from qualified employer plans of the Controlled Group to the Participant on the date on which such loan was made.

(d) **Minimum Loan.** The minimum loan permitted under this Section 7.5 is \$1,000. If such minimum amount exceeds the limitations of Section 7.5y(c), no loan will be made.

(e) **Source of Loans.** All loans will be made from available sources in such order as the Committee may determine from time to time.

(f) **Investment of Loan Payments.** All loans will be treated as a separate investment fund of the borrowing Participant. All payments with respect to a loan will be credited to the borrowing Participant's Account and will be invested in the investment funds under the Trust Agreement in accordance with the Participant's latest investment directions pursuant to Section 4.2.

(g) **Grandfathered Loans.** Loans that are transferred to the Plan from another Qualified Plan will be administered in accordance with their terms, notwithstanding the fact that the terms of such loans do not satisfy the foregoing provisions of this Section 7.5.

7.6 Reemployment of Participant. If a Participant who terminated employment again becomes an Employee before receiving a distribution of his Account balance, no distribution from the Trust Fund will be made while he is an Employee, and amounts distributable to him on account of his prior termination will be held in the Trust Fund until he is again entitled to a distribution under the Plan.

7.7 Valuation of Accounts. A Participant's distributable Account balances will be valued as of the Valuation Date immediately preceding the date the Account is to be distributed, except that there will be added to the value of his Account the fair market value of any amounts allocated to his Account under Article 5 after that Valuation Date.

7.8 Direct Rollovers.

(a) **Rollover Election.** Notwithstanding any other provision of the Plan, a Distributee (as hereinafter defined) may elect, at any time and in the manner prescribed by the Committee, to have any portion of an Eligible Rollover Distribution (as hereinafter defined) paid directly to an Eligible Retirement Plan (as hereinafter defined) specified by the Distributee, except to the extent that the total Eligible Rollover Distributions with respect to the Distributee in any Plan Year are reasonably expected to total less than \$200.

(b) **Eligible Rollover Distribution.** An Eligible Rollover Distribution is any distribution of all or any portion of the balance to the credit of the Distributee, except that an Eligible Rollover Distribution does not include (i) any distribution that is one of a series of substantially equal periodic payments (not less frequently than annually) made for the life or life expectancy of the Distributee or the joint lives or life expectancies of the Distributee and the Distributee's designated beneficiary, or for a specified period of ten years or more, (ii) any distribution to the extent such distribution is required by Code section 401(a)(9), (iii) any distribution that qualifies as a hardship distribution under Section 7.3, and (iv) the portion of any distribution that is not includible in gross income (determined without regard to the exclusion for net unrealized appreciation with respect to employer securities). Notwithstanding the foregoing, a portion of a distribution will not fail to be an Eligible Rollover Distribution merely because the

portion consists of after-tax employee contributions which are not includible in gross income. However, such portion may be transferred only to an individual retirement account or annuity described in Code sections 408(a) or (b), or to a qualified defined contribution plan described in Code sections 401(a) or 403(a) that agrees to separately account for amounts so transferred, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

(c) **Eligible Retirement Plan.** An Eligible Retirement Plan is an individual retirement account described in Code section 408(a), an individual retirement annuity described in Code section 408(b), an annuity plan described in Code section 403(a), or a qualified trust described in Code section 401(a) that is a defined contribution plan within the meaning of Code section 414(i), that accepts the Distributee's Eligible Rollover Distribution. An Eligible Retirement Plan includes an annuity contract described in Code section 403(b) and an eligible plan under Code section 457(b) which is maintained by a state, political subdivision of a state, or any agency or instrumentality of a state or political subdivision of a state and which agrees to separately account for amounts transferred into such plan from the Plan. The definition of Eligible Retirement Plan also applies in the case of a distribution to a surviving spouse, or to a spouse or former spouse who is the Alternate Payee.

(d) **Distributee.** A Distributee includes a Participant, the Participant's Spouse, or a Participant's former spouse who is an Alternate Payee. A Distributee also includes a Participant's nonspouse Beneficiary who is a designated beneficiary within the meaning of Code section 401(a)(9)(E), but only with respect to an Eligible Rollover Distribution paid to an Eligible Retirement Plan that is either an individual retirement account described in Code section 408(a) or an individual retirement annuity described in Code section 408(b), and such individual retirement account or individual retirement annuity is treated as an inherited individual retirement account or individual retirement annuity pursuant to Code section 402(c)(11).

7.9 Restrictions on Distributions. Article 12 sets forth certain rules under various provisions of the Code relating to restrictions on distributions to Participants.

ARTICLE 8

DISTRIBUTIONS TO BENEFICIARIES

8.1 Designation of Beneficiary. Each Participant will have the right to designate a Beneficiary or Beneficiaries to receive his vested Account balance upon his death. The designation will be made in accordance with procedures prescribed by the Committee from time to time and will be effective upon receipt by the Committee. A Participant will have the right to change or revoke any designation by filing a new designation or notice of revocation with the Committee, but the revised designation or revocation will be effective only upon receipt by the Committee.

8.2 Consent of Spouse Required. A Participant who is married may not designate a Beneficiary other than, or in addition to, his spouse unless his spouse consents to the designation by means of a written instrument that is signed by the spouse, contains an acknowledgment by the spouse of the effect of the consent, and is witnessed by a member of the Committee (other than the Participant) or by a notary public. The designation will be effective only with respect to the consenting spouse, whose consent will be irrevocable. A Beneficiary designation to which a spouse has consented may not be changed by the Participant without spousal consent (other than to designate the spouse as Beneficiary), unless the spouse's consent expressly permits Beneficiary designations by the Participant without any further consent of the spouse.

8.3 Failure to Designate Beneficiary. In the event a Participant has not designated a Beneficiary, or in the event no Beneficiary survives a Participant, the distribution of the Participant's vested Account balance upon his death will be made (i) to the Participant's spouse, if living, (ii) if his spouse is not then living, to his then living issue by right of representation, (iii) if neither his spouse nor his issue are then living, to his then living parents, and (iv) if none of the above are then living, to his estate.

8.4 Distributions to Beneficiaries. Distribution of a Participant's vested Account balance to the Participant's Beneficiary will be made as soon as practicable after the earlier of the Beneficiary's request for a distribution or the required distribution date set forth in Article 12. The Participant's vested Account balance will be distributed to the Beneficiary in a single lump sum payment or as otherwise provided under the minimum required distribution provisions of Article 12. The Participant's Account balances will be valued as of the Valuation Date coinciding with or immediately preceding the date the Account is to be distributed to his Beneficiary, except that there will be added to the value of the Participant's Account the fair market value of any amounts allocated to his Account under Article 5 after that Valuation Date. If a loan is outstanding from the Trust Fund to the Participant on the date of his death, the amount distributed to his Beneficiary will be reduced by any security interest in the Participant's Account held by the Plan by reason of the loan.

8.5 Restrictions on Distributions. Article 12 sets forth certain rules under various provisions of the Code relating to restrictions on distributions to Beneficiaries.

ARTICLE 9

PROVISIONS REGARDING THE A. H. BELO STOCK FUND AND THE BELO STOCK FUND

9.1 Participant Voting Instructions. Before each annual or special meeting of shareholders of the Company or the shareholders of Belo Corp., the Committee will cause to be sent to each Participant and Beneficiary whose Account is invested in the Belo Stock Fund or the A. H. Belo Stock Fund, as applicable, on the record date of such meeting a copy of the proxy solicitation material for the meeting, together with a form requesting confidential instructions to the Trustee on how to vote the shares of Company Stock or the shares of common stock of Belo Corp. allocated to his Account. Upon receipt of such instructions, the Trustee will vote the shares allocated to such Participant's or Beneficiary's Account as instructed by the Participant or Beneficiary. The Trustee will vote shares for which it does not receive timely instructions from Participants or Beneficiaries proportionately in the same manner as it votes shares for which it receives timely instructions from Participants and Beneficiaries.

9.2 Tender Offers. In the event of a tender offer for shares of Company Stock or common stock of Belo Corp. subject to Section 14(d)(1) of the Securities Exchange Act of 1934 or subject to Rule 13e-4 promulgated under that Act (as those provisions may from time to time be amended or replaced by successor provisions of federal securities laws), the Committee will advise each Participant and Beneficiary whose Account is invested in the Belo Stock Fund or the A. H. Belo Stock Fund, as applicable, in writing of the terms of the tender offer as soon as practicable after its commencement and will furnish each Participant and Beneficiary with a form by which he may instruct the Trustee confidentially to tender shares allocated to his Account. The Trustee will tender those shares it has been properly instructed to tender, and will not tender those shares which it has been properly instructed not to tender or for which it has not received timely instructions from the Participant or Beneficiary. The number of shares to which a Participant's or Beneficiary's instructions apply will be the total number of shares allocated to his Account as of the latest date for which the Committee has records. The Committee will advise the Trustee of the commencement date of any tender offer and, until receipt of that advice, the Trustee will not be obligated to take any action under this Section 9.2. Funds received in exchange for tendered stock will be credited to the Account of the Participant or Beneficiary whose stock was tendered and will be invested proportionately in the investment funds selected by the Participant or Beneficiary in his most recent investment direction to the Trustee.

9.3 Confidentiality. The Committee will be responsible for establishing procedures designed to maintain the confidentiality of Participant and Beneficiary information relating to the purchase, holding and sale of Company Stock or common stock of Belo Corp. and the exercise of voting, tender and similar rights with respect to such stock, except to the extent such information is necessary to comply with federal laws or state laws that are not preempted by ERISA.

ARTICLE 10

ADMINISTRATION OF THE PLAN AND TRUST AGREEMENT

10.1 Appointment of Committee Members. The Board of Directors or the Compensation Committee of the Board of Directors will appoint the Chairman of an Administrative Committee, which will consist of three or more members. The Chairman will appoint the remaining members of the Administrative Committee, who will hold office at the pleasure of the Chairman. Members of the Committee are not required to be Employees or Participants. Any member may resign by giving notice, in writing, filed with the Board or the Chairman.

10.2 Officers and Employees of the Committee. The Committee will choose a Secretary, who may be a member of the Committee. The Secretary will keep a record of the Committee's proceedings and all dates, records and documents pertaining to the Committee's administration of the Plan. The Committee may employ and suitably compensate such persons or organizations to render advice with respect to the duties of the Committee under the Plan as the Committee determines to be necessary or desirable.

10.3 Action of the Committee. Action of the Committee may be taken with or without a meeting of Committee members, provided that action will be taken only upon the vote or other affirmative expression of a majority of the Committee's members qualified to vote with respect to such action. The Chairman of the Committee may execute any certificate or other written direction on behalf of the Committee. In the event the Committee members qualified to vote on any question are unable to determine such question by a majority vote or other affirmative expression of a majority of the Committee members qualified to vote on such question, such question will be determined by the Board. A member of the Committee who is a Participant may not vote on any question relating specifically to himself unless he is the sole member of the Committee.

10.4 Expenses and Compensation. The expenses of administering the Plan, including without limitation the expenses of the Committee properly incurred in the performance of its duties under the Plan, will be paid from the Trust Fund, and all such expenses paid by the Participating Employers on behalf of the Plan will be reimbursed from the Trust Fund unless the Participating Employers in their discretion elect not to submit such expenses for reimbursement. Notwithstanding the foregoing, the members of the Committee will not be compensated by the Plan for their services as Committee members.

10.5 General Powers and Duties of the Committee. The Committee will have the full power and responsibility to administer the Plan and the Trust Agreement and to construe and apply their provisions. For purposes of ERISA, the Committee will be the named fiduciary with respect to the operation and administration of the Plan and the Trust Agreement. In addition, the Committee will have the powers and duties granted by the terms of the Trust Agreement. The Committee, and all other persons with discretionary control respecting the operation, administration, control, and/or management of the Plan, the Trust Agreement, and/or the Trust Fund, will perform their duties under the Plan and the Trust Agreement solely in the interests of Participants and their Beneficiaries.

10.6 Specific Powers and Duties of the Committee. The Committee will administer the Plan and the Trust Agreement and will have the authority and discretion to (i) resolve all questions relating to the eligibility of Employees to become Participants; (ii) determine the amount of benefits payable to Participants or their Beneficiaries, and determine the time and manner in which such benefits are to be paid; (iii) authorize and direct all disbursements by the Trustee from the Trust Fund; (iv) engage any administrative, legal, accounting, clerical, or other services it deems appropriate in administering the Plan or the Trust Agreement; (v) construe and interpret the Plan and the Trust Agreement, supply omissions from, correct deficiencies in, and resolve ambiguities in the language of the Plan and the Trust Agreement, and adopt rules for the administration of the Plan and the Trust Agreement which are not inconsistent with the terms of such documents; (vi) compile and maintain all records it determines to be necessary, appropriate or convenient in connection with the administration of benefit payments; (vii) determine the disposition of assets in the Trust Fund in the event the Plan is terminated; (viii) review the performance of the Trustee with respect to the Trustee's administrative duties, responsibilities and obligations under the Plan and the Trust Agreement, report to the Board regarding such administrative performance of the Trustee, and recommend to the Board, if necessary, the removal of the Trustee and the appointment of a successor Trustee; and (ix) resolve all questions of fact relating to any matter for which it has administrative responsibility.

10.7 Allocation of Fiduciary Responsibility. The Committee from time to time may allocate to one or more of its members and may delegate to any other persons or organizations any of its rights, powers, duties and responsibilities with respect to the operation and administration of the Plan and the Trust Agreement that are permitted to be delegated under ERISA. Any such allocation or delegation will be made in writing, will be reviewed periodically by the Committee, and will be terminable upon such notice as the Committee in its discretion deems reasonable and proper under the circumstances. Whenever a person or organization has the power and authority under the Plan or the Trust Agreement to delegate discretionary authority respecting the administration of the Plan or the Trust Fund to another person or organization, the delegating party's responsibility with respect to such delegation is limited to the selection of the person to whom authority is delegated and the periodic review of such person's performance and compliance with applicable law and regulations. Any breach of fiduciary responsibility by the person to whom authority has been delegated which is not proximately caused by the delegating party's failure to properly select or supervise, and in which breach the delegating party does not otherwise participate, will not be considered a breach by the delegating party.

10.8 Information to be Submitted to the Committee. To enable the Committee to perform its functions, the Participating Employers will supply full and timely information to the Committee on all matters relating to Employees and Participants as the Committee may require and will maintain such other records required by the Committee to determine the benefits due to Participants or their Beneficiaries under the Plan.

10.9 Notices, Statements and Reports. The Company will be the "administrator" of the Plan as defined in ERISA section 3(16)(A) for purposes of the reporting and disclosure requirements imposed by ERISA and the Code. The Committee will assist the Company, as requested, in complying with such reporting and disclosure requirements.

10.10 Claims Procedure.

(a) **Filing Claim for Benefits.** If a Participant or Beneficiary does not receive the benefits which he believes he is entitled to receive under the Plan, he may file a claim for benefits with the Committee. All claims must be made in writing and signed by the claimant. If the claimant does not furnish sufficient information to determine the validity of the claim, the Committee will indicate to the claimant any additional information which is required.

(b) **Notification by the Committee.** Each claim will be approved or disapproved by the Committee within 90 days following the receipt of the information necessary to process the claim, or within 180 days if the Committee determines that special circumstances require an extension of the 90-day period and the claimant is notified of the extension within the original 90-day period. In the event the Committee denies a claim for benefits in whole or in part, the Committee will notify the claimant in writing of the adverse determination. Such notice by the Committee will also set forth, in a manner calculated to be understood by the claimant, the specific reason or reasons for the adverse determination, reference to the specific Plan provisions on which the determination is based, a description of any additional material or information necessary to perfect the claim with an explanation of why such material or information is necessary, and an explanation of the Plan's claim review procedure and applicable time limits as set forth in Section 10.10(c).

(c) **Review Procedure.** A claimant may appeal an adverse benefit determination by requesting a review of the decision by the Committee or a person designated by the Committee, which person will be a named fiduciary under ERISA section 402(a)(2) for purposes of this Section 10.10. An appeal must be submitted in writing within 60 days after receiving notification of the adverse determination and must (i) request a review of the claim for benefits under the Plan, (ii) set forth all of the grounds upon which the claimant's request for review is based and any facts in support thereof, and (iii) set forth any issues or comments which the claimant deems pertinent to the appeal. The claimant will be given the opportunity to submit written comments, documents, records and other information relating to the claim for benefits, and will be provided, upon written request and free of charge, reasonable access to and copies of, all documents, records and other information relevant to the claim for benefits, provided the Committee or the named fiduciary designated by the Committee finds the requested documents or materials are relevant to the appeal. The Committee or the named fiduciary designated by the Committee will make a full and fair review of each appeal and any materials submitted by the claimant relating to the claim, without regard to whether the information was submitted or considered in the initial determination. On the basis of its review, the Committee or the named fiduciary designated by the Committee will make an independent determination of the claimant's eligibility for benefits and will act upon each appeal within 60 days after receipt thereof unless special circumstances require an extension of the time for processing, in which case a decision will be rendered as soon as possible but not later than 120 days after the appeal is received. In the event of such special circumstances, the Committee or the named fiduciary designated by the Committee will notify the claimant within the initial 60-day period of the special circumstances that preclude a decision in the 60-day period. The decision of the Committee or named fiduciary on any claim for benefits will be final and conclusive upon all parties thereto. In the event the Committee or named fiduciary denies an appeal in whole or in part, it will give written notice of the determination to the claimant. Such notice will set forth, in a manner calculated to be

understood by the claimant, the specific reason or reasons for the adverse determination, reference to the specific Plan provisions on which the determination is based, a statement that the claimant is entitled to receive, upon request and free of charge, access to and copies of all documents, records and other information relevant to the claim, and a statement of the claimant's rights to bring an action under ERISA section 502(a), if applicable.

10.11 Service of Process. The Committee may from time to time designate an agent of the Plan for the service of legal process. The Committee will cause such agent to be identified in materials it distributes or causes to be distributed when such identification is required under applicable law. In the absence of such a designation, the Company will be the agent of the Plan for the service of legal process.

10.12 Correction of Participants' Accounts. If an error or omission is discovered in the Account of a Participant, or in the amount distributed to a Participant, the Committee will make such equitable adjustments in the records of the Plan as may be necessary or appropriate to correct such error or omission as of the Plan Year in which such error or omission is discovered. Further, a Participating Employer may, in its discretion, make a special contribution to the Plan which will be allocated by the Committee only to the Account of one or more Participants to correct such error or omission.

10.13 Payment to Minors or Other Persons Under Legal Disability. If any benefit becomes payable to a minor, payment of such benefit will be made only to the guardian of the person or the estate of the minor, provided the guardian acknowledges in writing, in a form acceptable to the Committee, receipt of the payment on behalf of the minor. If any benefit becomes payable to any other person under a legal disability, payment of such benefit will be made only to the conservator or the guardian of the estate of such person appointed by a court of competent jurisdiction. Any payment made in accordance with the provisions of this Section 10.13 on behalf of a minor or other person under a legal disability will fully discharge the Plan's obligation to such person.

10.14 Uniform Application of Rules and Policies. The Committee in exercising its discretion granted under any of the provisions of the Plan or the Trust Agreement will do so only in accordance with rules and policies established by it which will be uniformly applicable to all Participants and Beneficiaries.

10.15 Funding Policy. The Plan is to be funded through Participating Employer contributions and earnings on such contributions; and benefits will be paid to Participants and Beneficiaries as provided in the Plan.

10.16 The Trust Fund. The Trust Fund will be held by the Trustee for the exclusive benefit of Participants and Beneficiaries. The assets held in the Trust Fund will be invested and reinvested in accordance with the terms of the Trust Agreement, which is hereby incorporated into and made a part of the Plan. All benefits will be paid solely out of the Trust Fund, and no Participating Employer will be otherwise liable for benefits payable under the Plan.

ARTICLE 11

LIMITATIONS ON CONTRIBUTIONS AND ALLOCATIONS TO PARTICIPANTS' ACCOUNTS

11.1 **Priority over Other Contribution and Allocation Provisions**. The provisions set forth in this Article will supersede any conflicting provisions of Article 3 or Article 5.

11.2 **Definitions Used in this Article**. The following words and phrases, when used with initial capital letters, will have the meanings set forth below.

(a) **Annual Addition** means the sum of the following amounts with respect to all Qualified Plans and Welfare Benefit Funds maintained by the Controlled Group Members:

(i) the amount of Controlled Group Member contributions with respect to the Limitation Year allocated to a Participant's account;

(ii) the amount of any forfeitures for the Limitation Year allocated to a Participant's account;

(iii) the amount of a Participant's voluntary nondeductible contributions for the Limitation Year, provided, however, that the Annual Addition for any Limitation Year beginning before January 1, 1987, will not be recomputed to treat all of the Participant's nondeductible voluntary contributions as part of the Annual Addition;

(iv) the amount allocated after March 31, 1984, to an individual medical benefit account (as defined in Code section 415(1)(2)) which is part of a Defined Benefit Plan or an annuity plan; and

(v) the amount derived from contributions paid or accrued after December 31, 1985, in taxable years ending after such date that are attributable to post-retirement medical benefits allocated to the separate account of a key employee (as defined in Code section 419A(d)(3)) under a Welfare Benefit Fund.

A Participant's Annual Addition will not include any nonvested amounts restored to his account following his reemployment before incurring five consecutive One Year Breaks in Service, and a corrective allocation pursuant to Section 10.12 will be considered an Annual Addition for the Limitation Year to which it relates.

(b) **Average Deferral Percentage** means the average of the Deferral Percentages of each Participant in a group of Participants.

(c) **Deferral Percentage** means the ratio (expressed as a percentage) determined by dividing the Deferral Contributions made to the Plan on behalf of a Participant who is eligible to make Deferral Contributions for all or any portion of a Plan Year by the Participant's Compensation for the Plan Year.

(d) **Defined Benefit Plan** means a Qualified Plan other than a Defined Contribution Plan.

(e) **Defined Contribution Dollar Limitation** means, for any Limitation Year, \$46,000, as adjusted for increases in the cost-of-living under Code section 415(d). If a short Limitation Year is created because of a Plan amendment changing the Limitation Year to a different 12-consecutive month period, the Defined Contribution Dollar Limitation for the short Limitation Year will not exceed the amount determined in the preceding sentence multiplied by a fraction, the numerator of which is the number of months in the short Limitation Year and the denominator of which is 12.

(f) **Defined Contribution Plan** means a Qualified Plan described in Code section 414(i).

(g) **Highly Compensated Employee** means an Employee who during the current or preceding Plan Year was a 5-percent owner of a Controlled Group Member, or who for the preceding Plan Year had Includable Compensation in excess of \$100,000 (as adjusted pursuant to Code Section 415(d)).

(h) **Includable Compensation** means an Employee's wages as defined in Code section 3401(a) for purposes of income tax withholding at the source (but determined without regard to any rules that limit the remuneration included in wages based on the nature or location of the employment or services performed) that are paid to a Participant by the Participating Employers. In addition, Compensation includes any contributions made by the Participating Employers on behalf of an Employee pursuant to a deferral election under any employee benefit plan containing a cash or deferred arrangement under Code section 401(k), any amounts that would have been received as cash but for an election to receive benefits under a cafeteria plan meeting the requirements of Code section 125 and any elective amounts that are not includible in the gross income of the Employee by reason of Code section 132(f)(4). The annual Includable Compensation of an Employee taken into account for any purpose will not exceed \$230,000 for any Plan Year beginning after December 31, 2007, as adjusted for cost-of-living increases in accordance with Code section 401(a)(17).

(i) **Limitation Year** means the 12-consecutive-month period used by a Qualified Plan for purposes of computing the limitations on benefits and annual additions under Code section 415. The Limitation Year for this Plan is the Plan Year.

(j) **Maximum Annual Addition** means with respect to a Participant for any Limitation Year an amount equal to the lesser of (i) the Defined Contribution Dollar Limitation or (ii) 100% of the Participant's Includable Compensation.

(k) **Nonhighly Compensated Employee** means an Employee who is not a Highly Compensated Employee.

(l) **Welfare Benefit Fund** means an organization described in paragraph (7), (9), (17) or (20) of Code section 501(c), a trust, corporation or other organization not exempt from federal income tax, or to the extent provided in Treasury Regulations, any account held for an employer by any person, which is part of a plan of an employer through which the employer

provides benefits to employees or their beneficiaries, other than a benefit to which Code sections 83(h), 404 (determined without regard to section 404(b)(2)) or 404A applies, or to which an election under Code section 463 applies.

11.3 Allocation Limitation. The Annual Addition of a Participant for any Limitation Year will not exceed the Maximum Annual Addition. If the amount allocated or otherwise allocable to a Participant's Account would exceed the Maximum Annual Addition, the Committee will take such action as it deems appropriate under the circumstances to reduce the Participating Employer contributions and forfeitures which would cause the Participant's Annual Addition to exceed the Maximum Annual Addition. The limitations contained in this Article will apply on an aggregate basis to all Defined Contribution Plans (whether or not any of such plans have terminated) established by the Controlled Group Members. For this purpose, Controlled Group Members will be determined in accordance with the 50% control rule of Code section 415(h).

11.4 Limitation on Deferral Contributions. The limitations of this Section 11.4 will apply only to Participants who are eligible to make Deferral Contributions in any Plan Year but who are not eligible to receive an allocation of Participating Employer matching contributions under Section 3.4 for such Plan Year. The limitations of this Section 11.4 will not apply to a Participant who is eligible to receive an allocation of Participating Employer matching contributions under Section 3.4 during any portion of a Plan Year.

(a) **Average Deferral Percentage Test.** Notwithstanding any other provision of the Plan, the Average Deferral Percentage for a Plan Year for Participants who are Highly Compensated Employees, using the current year testing method, will not exceed the greater of: (i) the Average Deferral Percentage of Participants who are Nonhighly Compensated Employees multiplied by 1.25; or (ii) the lesser of (A) the Average Deferral Percentage of Participants who are Nonhighly Compensated Employees plus two percentage points or (B) the Average Deferral Percentage of Participants who are Nonhighly Compensated Employees multiplied by 2.0.

(b) **Suspension of Deferral Contributions.** If at any time during a Plan Year the Committee determines, on the basis of estimates made from information then available, that the limitation described in Section 11.4(a) will not be met for the Plan Year, the Committee in its discretion may reduce or suspend the Deferral Contributions of one or more Participants who are Highly Compensated Employees to the extent necessary (i) to enable the Plan to meet such limitation or (ii) to reduce the amount of excess Deferral Contributions that would otherwise be distributed pursuant to this Section 11.4.

(c) **Reduction of Excess Deferral Contributions.** If the Average Deferral Percentage for Participants who are Highly Compensated Employees exceeds the limitation described in Section 11.4(a), the excess contributions will be distributed to the Highly Compensated Employees on the basis of the respective portions of the excess contributions attributable to each such Highly Compensated Employee. For purposes of this subsection, excess contributions means, for a Plan Year, the excess of (i) the aggregate amount of Deferral Contributions paid to the Trust on behalf of Highly Compensated Employees for the Plan Year, over (ii) the maximum amount of Deferral Contributions permitted for such Plan Year under Section 11.4(a) (determined by reducing Deferral Contributions made on behalf of Highly

Compensated Employees in order of the Deferral Percentages beginning with the highest of such percentages). Such excess contributions will be distributed on the basis of the dollar amount of Deferral Contributions for each such Participant (as hereinafter provided) until the aggregate amount of excess contributions has been distributed. The Deferral Contributions of the Highly Compensated Employee with the highest dollar amount of Deferral Contributions will be reduced first by the amount required to cause that Participant's Deferral Contributions to equal the dollar amount of the Deferral Contributions of the Highly Compensated Employee with the next highest dollar amount, and this process will be repeated until the total amount of excess Deferral Contributions has been distributed. Upon distribution of the total excess Deferral Contributions in this manner, the Plan will be treated as satisfying the limitations of Section 11.4(a).

All distributions will be increased by Trust Fund earnings and decreased by Trust Fund losses for the Plan Year and for the period between the end of the Plan Year and the date of distribution and will be made within two and one-half months following the close of the Plan Year, if practicable, but in no event later than the last day of the immediately following Plan Year. The amount of excess Deferral Contributions distributed pursuant to this Section with respect to a Participant for the Plan Year will be reduced by any Deferral Contributions previously distributed to the Participant for the same Plan Year pursuant to Section 3.3.

(d) **Determination of Earnings and Losses**. The earnings and losses of the Trust Fund for the Plan Year allocable to the portion of a Participant's Deferral Contributions that are distributed pursuant to Section 11.4(c) will be determined by multiplying the Trust Fund earnings or losses for the Plan Year allocable to the Participant's Deferral Contribution Account by a fraction, the numerator of which is the amount of Deferral Contributions to be distributed to the Participant and the denominator of which is the balance of the Participant's Deferral Contribution Account on the last day of the Plan Year, reduced by the earnings and increased by the losses allocable to such Account for the Plan Year. The earnings and losses of the Trust Fund allocable to the Participant's Deferral Contributions that are distributed pursuant to Section 11.4(c) for the period between the end of the Plan Year and the date of such distribution will be determined in accordance with regulations prescribed by the Secretary of the Treasury interpreting Code section 401(k).

(e) **Testing Procedures**. In applying the limitations set forth in this Section 11.4, the Committee may, at its option, utilize such testing procedures as may be permitted under Code sections 401(a)(4), 401(k), 401(m) or 410(b), including without limitation (i) aggregation of the Plan with one or more other qualified plans maintained by a Controlled Group Member or disaggregation of the Plan into component plans, (ii) inclusion of qualified matching contributions, qualified nonelective contributions or elective deferrals made to plans of other Controlled Group Members, (iii) exclusion of all Employees (other than Highly Compensated Employees) who have not met the minimum age and service requirements of Code section 410(a)(1)(A), or (iv) any permissible combination thereof.

ARTICLE 12

RESTRICTIONS ON DISTRIBUTIONS TO PARTICIPANTS AND BENEFICIARIES

12.1 Priority over Other Distribution Provisions. The provisions set forth in this Article will supersede any conflicting provisions of Article 7 or Article 8.

12.2 General Restrictions.

(a) **Distributions Prior to a Severance From Employment.** Except for distributions permitted under Article 6 with respect to Participants who attain age 59½ or suffer a hardship, a Participant's interest in the Plan will not be distributed before the Participant's severance from employment with all Controlled Group Members, disability or death, unless the Plan is terminated without the establishment or maintenance by the Participating Employers of another defined contribution plan (except as permitted by Code section 401(k) and the Treasury Regulations thereunder).

(b) **Lump Sum Distribution Required.** An event described in Section 12.2(a) that would otherwise permit distribution of a Participant's interest in the Plan will not be treated as described in Section 12.2(a) unless the Participant receives a lump sum distribution by reason of the event. A lump sum distribution for this purpose will be a distribution described in Code section 402(e)(4)(D) (without regard to clauses (I), (II), (III), and (IV) of clause (i) thereof).

12.3 Restrictions on Commencement of Distributions. The provisions of this Section 12.3 will apply to restrict the Committee's ability to delay the commencement of distributions. Unless a Participant elects otherwise in writing, distribution of the Participant's vested interest in his Account will be made no later than the 60th day after the close of the Plan Year in which occurs the latest of (i) the date on which the Participant attains age 65, (ii) the tenth anniversary of the Plan Year in which the Participant began participation in the Plan, or (iii) the Participant's termination of employment.

12.4 Restrictions on Delay of Distributions. The following provisions will apply to limit a Participant's ability to delay the distribution of benefits. Unless the Participant's interest is distributed in the form of a single sum on or before the required beginning date, distributions will be made in accordance with this Section 12.4 as of the first distribution calendar year.

(a) **General Rule.** Distribution of a Participant's entire vested and nonforfeitable interest will be made or commence not later than April 1 following the calendar year (i) in which he attains age 70½, or (ii) in which his employment with the Controlled Group terminates, if later, except that a distribution to a Participant who is a 5-percent owner (as such term is defined in Code section 416(i)(1)(B)(i)) with respect to the Plan Year in which he attains age 70½ will be made pursuant to clause (i).

(b) **Amount of Required Minimum Distributions**. During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:

(i) the quotient obtained by dividing the Participant's Account balance by the distribution period in the Uniform Lifetime Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's age as of the Participant's birthday in the distribution calendar year; or

(ii) if the Participant's sole designated beneficiary for the distribution calendar year is the Participant's spouse, the quotient obtained by dividing the Participant's Account balance by the number in the Joint and Last Survivor Table set forth in Section 1.401(a)(9)-9 of the Treasury Regulations, using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the distribution calendar year.

(c) **Timing of Distributions**. Required minimum distributions will be determined under this Section 12.4 beginning with the first distribution calendar year and up to and including the distribution calendar year that includes the Participant's date of death. The required minimum distribution for the Participant's first distribution calendar year will be made on or before the Participant's required beginning date. The required minimum distribution for other distribution calendar years, including the required minimum distribution for the distribution calendar year in which the Participant's required beginning date occurs, will be made on or before December 31 of that distribution calendar year.

(d) **Definitions**. The following words and phrases, when used in this Article 12, will have the meanings set forth below.

(i) **designated beneficiary** means the individual who is designated as the Beneficiary under Article 8 and is the designated beneficiary under Code section 401(a)(9) and Section 1.401(a)(9)-1, Q&A-4, of the Treasury Regulations.

(ii) **distribution calendar year** means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first distribution calendar year is the calendar year immediately preceding the calendar year which contains the Participant's required beginning date. For distributions beginning after the Participant's death, the first distribution calendar year is the calendar year in which distributions are required to begin under Section 12.6.

(iii) **life expectancy** means life expectancy as computed by use of the Single Life Table in Section 1.401(a)(9)-9 of the Treasury Regulations.

(iv) **Participant's Account balance** means the Account balance as of the last valuation date in the calendar year immediately preceding the distribution calendar year (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account balance for the

valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the distribution calendar year if distributed or transferred in the valuation calendar year.

(v) **required beginning date** means the date specified in Section 12.4(a).

12.5 Limitation to Assure Benefits Payable to Beneficiaries are Incidental . In the event that any payments under the Plan are to be made to someone other than the Participant or jointly to the Participant and his spouse or other payee, such payments must conform to the “incidental benefit” rules of Code section 401(a)(9)(G) and the Treasury Regulations thereunder.

12.6 Restrictions in the Event of Death . Upon the death of a Participant, the following distribution provisions will apply to limit the Beneficiary’s ability to delay distributions.

(a) Death after Distributions Begin .

(i) **Participant Survived by Designated Beneficiary** . If the Participant dies on or after the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant’s death is the quotient obtained by dividing the Participant’s Account balance by the longer of the remaining life expectancy of the Participant or the remaining life expectancy of the Participant’s designated beneficiary, determined as follows:

(A) The Participant’s remaining life expectancy is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(B) If the Participant’s surviving spouse is the Participant’s sole designated beneficiary, the remaining life expectancy of the surviving spouse is calculated for each distribution calendar year after the year of the Participant’s death using the surviving spouse’s age as of the spouse’s birthday in that year. For distribution calendar years after the year of the surviving spouse’s death, the remaining life expectancy of the surviving spouse is calculated using the age of the surviving spouse as of the spouse’s birthday in the calendar year of the spouse’s death, reduced by one for each subsequent calendar year.

(C) If the Participant’s surviving spouse is not the Participant’s sole designated beneficiary, the designated beneficiary’s remaining life expectancy is calculated using the age of the beneficiary in the year following the year of the Participant’s death, reduced by one for each subsequent year.

(ii) **No Designated Beneficiary** . If the Participant dies on or after the date distributions begin and there is no designated beneficiary as of September 30 of the year after the year of the Participant’s death, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant’s death is the quotient

obtained by dividing the Participant's Account balance by the Participant's remaining life expectancy calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(b) Death before Date Distributions Begin .

(i) **Commencement Date.** If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:

(A) If the Participant's surviving spouse is the Participant's sole designated beneficiary, then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died, or by December 31 of the calendar year in which the Participant would have attained age 70^{1/2}, if later.

(B) If the Participant's surviving spouse is not the Participant's sole designated beneficiary, then distributions to the designated beneficiary will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.

(C) If there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(D) If the Participant's surviving spouse is the Participant's sole designated beneficiary and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this Section 12.6(b)(i) (other than Section 12.6(b)(i)(A)), will apply as if the surviving spouse were the Participant.

(ii) **Participant Survived by Designated Beneficiary.** If the Participant dies before the date distributions begin and there is a designated beneficiary, the minimum amount that will be distributed for each distribution calendar year after the year of the Participant's death is the quotient obtained by dividing the Participant's Account balance by the remaining life expectancy of the Participant's designated beneficiary, determined as provided in Section 12.6(a)(i).

(iii) **No Designated Beneficiary.** If the Participant dies before the date distributions begin and there is no designated beneficiary as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be completed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(iv) **Death of Surviving Spouse.** If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole designated beneficiary, and the surviving spouse dies before distributions are required to begin to the

surviving spouse under Section 12.6(b)(i)(A), this Section 12.6(b) will apply as if the surviving spouse were the Participant.

(v) **Elections.** Participants or beneficiaries may elect on an individual basis whether the five-year rule or the life expectancy rule described above applies to distributions after the death of a Participant who has a designated beneficiary. The election must be made no later than the earlier of September 30 of the calendar year in which distribution would be required to begin under Section 12.6(b)(i), or by September 30 of the calendar year which contains the fifth anniversary of the Participant's (or, if applicable, surviving spouse's) death. If neither the Participant nor the beneficiary makes an election under this Section 12.6(b)(v), distributions will be made in accordance with the foregoing provisions of this Section 12.6(b).

12.7 Compliance with Regulations. Distributions under the Plan to Participants or Beneficiaries will be made in accordance with Treasury Regulations issued under Code section 401(a)(9).

12.8 Delayed Payments. If the amount of a distribution required to begin on a date determined under the applicable provisions of the Plan cannot be ascertained by such date, or if it is not possible to make such payment on such date because the Committee has been unable to locate a Participant or Beneficiary after making reasonable efforts to do so, a payment retroactive to such date may be made no later than 60 days after the earliest date on which the amount of such payment can be ascertained or the date on which the Participant or Beneficiary is located (whichever is applicable).

ARTICLE 13

TOP-HEAVY PROVISIONS

13.1 **Priority over Other Plan Provisions.** If the Plan is or becomes a Top-Heavy Plan in any Plan Year, the provisions of this Article will supersede any conflicting provisions of the Plan. However, the provisions of this Article will not operate to increase the rights or benefits of Participants under the Plan except to the extent required by Code section 416 and other provisions of law applicable to Top-Heavy Plans.

13.2 **Definitions Used in this Article.** The following words and phrases, when used with initial capital letters, will have the meanings set forth below.

(a) **Defined Benefit Plan** means the Qualified Plan described in Section 11.2(b).

(b) **Defined Contribution Dollar Limitation** means the limitation described in Section 11.2(e).

(c) **Defined Contribution Plan** means the Qualified Plan described in Section 11.2(f).

(d) **Determination Date** means for the first Plan Year of the Plan the last day of the Plan Year and for any subsequent Plan Year the last day of the preceding Plan Year.

(e) **Determination Period** means the Plan Year containing the Determination Date and the four preceding Plan Years.

(f) **Includable Compensation** means the compensation described in Section 11.2(g).

(g) **Key Employee** means any Employee or former Employee (and the Beneficiary of a deceased Employee) who at any time during the Plan Year that includes the Determination Date was an officer of a Controlled Group Member having Includable Compensation greater than \$150,000 (as adjusted under Code section 416(i)(1) for Plan Years beginning after December 31, 2007), a 5-percent owner of a Controlled Group Member, or a 1-percent owner of a Controlled Group Member having Includable Compensation of more than \$150,000. The determination of who is a Key Employee will be made in accordance with Code section 416(i). For purposes of this Section 13.2(g), Includable Compensation will include the amount of any salary reduction contributions pursuant to a cash or deferred arrangement meeting the requirements of Code section 401(k) or a cafeteria plan meeting the requirements of Code section 125.

(h) **Minimum Allocation** means the allocation described in the first sentence of Section 13.3(a).

(i) **Permissive Aggregation Group** means the Required Aggregation Group of Qualified Plans plus any other Qualified Plan or Qualified Plans of a Controlled Group Member which, when considered as a group with the Required Aggregation Group, would continue to satisfy the requirements of Code sections 401(a)(4) and 410 (including simplified employee pension plans).

(j) **Present Value** means present value based only on the interest and mortality rates specified in a Defined Benefit Plan.

(k) **Required Aggregation Group** means the group of plans consisting of (i) each Qualified Plan (including simplified employee pension plans) of a Controlled Group Member in which at least one Key Employee participates, and (ii) any other Qualified Plan (including simplified employee pension plans) of a Controlled Group Member which enables a Qualified Plan to meet the requirements of Code sections 401(a)(4) or 410.

(l) **Top-Heavy Plan** means the Plan for any Plan Year in which any of the following conditions exists: (i) if the Top-Heavy Ratio for the Plan exceeds 60% and the Plan is not a part of any Required Aggregation Group or Permissive Aggregation Group of Qualified Plans; (ii) if the Plan is a part of a Required Aggregation Group but not part of a Permissive Aggregation Group of Qualified Plans and the Top-Heavy Ratio for the Required Aggregation Group exceeds 60%; or (iii) if the Plan is a part of a Required Aggregation Group and part of a Permissive Aggregation Group of Qualified Plans and the Top-Heavy Ratio for the Permissive Aggregation Group exceeds 60%.

(m) **Top-Heavy Ratio** means a fraction, the numerator of which is the sum of the Present Value of accrued benefits and the account balances (as required by Code section 416) of all Key Employees with respect to such Qualified Plans as of the Determination Date (including any part of any accrued benefit or account balance distributed during the five-year period ending on the Determination Date), and the denominator of which is the sum of the Present Value of the accrued benefits and the account balances (including any part of any accrued benefit or account balance distributed in the five-year period ending on the Determination Date) of all Employees with respect to such Qualified Plans as of the Determination Date. For purposes of determining if the Plan is a Top-Heavy Plan for any Plan Year beginning after December 31, 2001, "one-year period" will be substituted for "five-year period" in the preceding sentence, except with respect to distributions made for a reason other than separation from service, death or disability. The preceding provisions will also apply to distributions under a terminated plan which, had it not been terminated, would have been aggregated with the Plan under Code section 416(g)(2)(A)(i). The value of account balances and the Present Value of accrued benefits will be determined as of the most recent Top-Heavy Valuation Date that falls within or ends with the 12-month period ending on the Determination Date, except as provided in Code section 416 for the first and second Plan Years of a Defined Benefit Plan. The account balances and accrued benefits of a participant who is not a Key Employee but who was a Key Employee in a prior year will be disregarded. The calculation of the Top-Heavy Ratio, and the extent to which distributions, rollovers, transfers and contributions unpaid as of the Determination Date are taken into account will be made in accordance with Code section 416. Employee contributions described in Code section 219(e)(2) will not be taken into account for purposes of computing the Top-Heavy Ratio. When aggregating plans, the

value of account balances and accrued benefits will be calculated with reference to the Determination Dates that fall within the same calendar year. The accrued benefit of any Employee other than a Key Employee will be determined under the method, if any, that uniformly applies for accrual purposes under all Qualified Plans maintained by all Controlled Group Members and included in a Required Aggregation Group or a Permissive Aggregation Group or, if there is no such method, as if the benefit accrued not more rapidly than the slowest accrual rate permitted under the fractional accrual rate of Code section 411(b)(1)(C). Notwithstanding the foregoing, the account balances and accrued benefits of any individual who has not performed services for a Controlled Group Member during the one-year period ending on the Determination Date will not be taken into account.

(n) **Top-Heavy Valuation Date** means the last day of each Plan Year.

13.3 Minimum Allocation.

(a) **Calculation of Minimum Allocation**. For any Plan Year in which the Plan is a Top-Heavy Plan, each Participant who is not a Key Employee will receive an allocation of Participating Employer contributions and forfeitures of not less than the lesser of 3% of his Includable Compensation for such Plan Year or the percentage of Includable Compensation that equals the largest percentage of Participating Employer contributions (including Deferral Contributions) and forfeitures allocated to a Key Employee. The Minimum Allocation is determined without regard to any Social Security contribution. Deferral Contributions made on behalf of Participants who are not Key Employees will not be treated as Participating Employer contributions for purposes of the Minimum Allocation. Matching Contributions will be treated as Participant Employer contributions for such Plan Year for purposes of the Minimum Allocation. The Minimum Allocation applies even though under other Plan provisions the Participant would not otherwise be entitled to receive an allocation, or would have received a lesser allocation for the Plan Year because (i) the non-Key Employee fails to make mandatory contributions to the Plan, (ii) the non-Key Employee's Includable Compensation is less than a stated amount, or (iii) the non-Key Employee fails to complete 1,000 Hours of Service in the Plan Year.

(b) **Limitation on Minimum Allocation**. No Minimum Allocation will be provided pursuant to Section 13.3(a) to a Participant who is not employed by a Controlled Group Member on the last day of the Plan Year.

(c) **Minimum Allocation When Participant is Covered by Another Qualified Plan**. If a Controlled Group Member maintains one or more other Defined Contribution Plans covering Employees who are Participants in this Plan, the Minimum Allocation will be provided under this Plan, unless such other Defined Contribution Plans make explicit reference to this Plan and provide that the Minimum Allocation will not be provided under this Plan, in which case the provisions of Section 13.3(a) will not apply to any Participant covered under such other Defined Contribution Plans. If a Controlled Group Member maintains one or more Defined Benefit Plans covering Employees who are Participants in this Plan, and such Defined Benefit Plans provide that Employees who are participants therein will accrue the minimum benefit applicable to top-heavy Defined Benefit Plans notwithstanding their participation in this Plan, then the provisions of Section 13.3(a) will not apply to any Participant

covered under such Defined Benefit Plans. If a Controlled Group Member maintains one or more Defined Benefit Plans covering Employees who are Participants in this Plan, and the provisions of the preceding sentence do not apply, then each Participant who is not a Key Employee and who is covered by such Defined Benefit Plans will receive a Minimum Allocation determined by applying the provisions of Section 13.3(a) with the substitution of “5%” in each place that “3%” occurs therein.

(d) **Nonforfeitability.** The Participant’s Minimum Allocation, to the extent required to be nonforfeitable under Code section 416(b) and the special vesting schedule provided in this Article, may not be forfeited under Code section 411(a)(3)(B) (relating to suspension of benefits on reemployment) or 411(a)(3)(D) (relating to withdrawal of mandatory contributions).

13.4 Minimum Vesting.

(a) **Required Vesting.** For any Plan Year in which this Plan is a Top-Heavy Plan, the minimum vesting schedule set forth in Section 13.4(b) will automatically apply to the Plan to the extent it provides a higher vested percentage than the regular vesting schedule set forth in Article 6. The minimum vesting schedule applies to all Account balances including amounts attributable to Plan Years before the effective date of Code section 416 and amounts attributable to Plan Years before the Plan became a Top-Heavy Plan. Further, no reduction in vested Account balances may occur in the event the Plan’s status as a Top-Heavy Plan changes for any Plan Year, and any change in the effective vesting schedule from the schedule set forth in Section 13.4(b) to the regular schedule set forth in Article 6 will be treated as an amendment subject to Section 15.1(a)(iii). However, this Section 13.4(a) does not apply to the Account balances of any Employee who does not have an Hour of Service after the Plan has initially become a Top-Heavy Plan, and such Employee’s Account balances will be determined without regard to this Section.

(b) **Minimum Vesting Schedule.**

Years of Service	Percentage Vested and Nonforfeitable
Less than 2	0
2 or more	100

ARTICLE 14

PARTICIPATION BY CONTROLLED GROUP MEMBERS

14.1 **Approval by the Company.** Any Controlled Group Member whose participation in the Plan is approved by the Company will become a Participating Employer. By participating in the Plan, the Participating Employer will be subject to all of the provisions of the Plan, the Trust Agreement and any related Plan documents.

14.2 **Effect of Participation by Controlled Group Member .** A Controlled Group Member that participates in the Plan pursuant will be deemed to be a Participating Employer for all purposes of the Plan, unless otherwise specified by the Company. In addition, the Company may provide, in its discretion, that the Employees of the Controlled Group Member will receive credit for their employment with the Controlled Group Member prior to the date it became a Controlled Group Member for purposes of determining either or both the eligibility of such Employees to participate in the Plan and the vested and nonforfeitable interest of such Employees in their Account balances provided that such credit will be applied in a uniform and nondiscriminatory manner with respect to all such Employees.

ARTICLE 15
AMENDMENT OF THE PLAN

15.1 Right to Amend the Plan.

(a) **In General.** The Company reserves to the Compensation Committee of the Board of Directors the right to amend the Plan at any time and from time to time to the extent it may deem advisable or appropriate, provided that (i) no amendment will increase the duties or liabilities of the Trustee without its written consent; (ii) no amendment will cause a reversion of Plan assets to the Participating Employers not otherwise permitted under the Plan; (iii) no amendment will have the effect of reducing the percentage of the vested and nonforfeitable interest of any Participant in his Account nor will the vesting provisions of the Plan be amended unless each Participant with at least three Years of Service (including Years of Service disregarded pursuant to the reemployment provisions (if any) of Article 6) is permitted to elect to continue to have the prior vesting provisions apply to him, within 60 days after the latest of the date on which the amendment is adopted, the date on which the amendment is effective, or the date on which the Participant is issued written notice of the amendment; and (iv) no amendment will be effective to the extent that it has the effect of decreasing a Participant's Account balance or eliminating an optional form of distribution as it applies to an existing Account balance.

(b) **Authority of the Board.** The Company also reserves to the Board of Directors the right to amend the Plan at any time and from time to time to the extent it may deem advisable or appropriate, subject to the limitations on amendments set forth in Section 15.1(a).

15.2 Amendment Procedure. Any amendment to the Plan will be made only pursuant to action of the Board or of the Compensation Committee of the Board. A certified copy of the resolutions adopting any amendment and a copy of the executed amendment will be delivered to the Trustee, the Committee and the Company. Upon such action by the Board or the Compensation Committee of the Board, the Plan will be deemed amended as of the date specified as the effective date by such action or in the instrument of amendment. The effective date of any amendment may be before, on or after the date of such action, except as otherwise set forth in Section 15.1.

15.3 Effect on Participating Employers. Unless an amendment expressly provides otherwise, all Participating Employers will be bound by any amendment to the Plan.

ARTICLE 16

TERMINATION, PARTIAL TERMINATION AND COMPLETE DISCONTINUANCE OF CONTRIBUTIONS

16.1 **Continuance of Plan.** The Participating Employers expect to continue the Plan indefinitely, but they do not assume an individual or collective contractual obligation to do so, and the right is reserved to the Company, by action of the Board, to terminate the Plan or to completely discontinue contributions thereto at any time. In addition, subject to remaining provisions of this Article, any Participating Employer at any time may discontinue its participation in the Plan with respect to its Employees.

16.2 **Complete Vesting.** If the Plan is terminated, or if there is a complete discontinuance of contributions to the Plan by the Participating Employers, the amounts allocated or to be allocated to the Accounts of all affected Participants will become 100% vested and nonforfeitable without regard to their Years of Service. For purposes of this Section 16.2, a Participant who has terminated employment and is not again an Employee at the time the Plan is terminated or there is a complete discontinuance of Participating Employer contributions will not be an affected Participant entitled to full vesting if the Participant had no vested interest in his Account balance attributable to Participating Employer contributions at his termination of employment. In the event of a partial termination of the Plan, the amounts allocable to the Accounts of those Participants who cease to participate on account of the facts and circumstances which result in the partial termination will become 100% vested and nonforfeitable without regard to their Years of Service.

16.3 **Disposition of the Trust Fund.** If the Plan is terminated, or if there is a complete discontinuance of contributions to the Plan, the Committee will instruct the Trustee either (i) to continue to administer the Plan and pay benefits in accordance with the Plan until the Trust Fund has been depleted, or (ii) to distribute the assets remaining in the Trust Fund, unless distribution is prohibited by Section 12.2. If the Trust Fund is to be distributed, the Committee will make, after deducting estimated expenses for termination of the Trust Fund and distribution of its assets, the allocations required under the Plan as though the date of completion of the Trust Fund termination were a Valuation Date. The Trustee will distribute to each Participant the amount credited to his Account as of the date of completion of the Trust Fund termination.

16.4 **Withdrawal by a Participating Employer.** A Participating Employer may withdraw from participation in the Plan or completely discontinue contributions to the Plan only with the approval of the Board. If any Participating Employer withdraws from the Plan or completely discontinues contributions to the Plan, a copy of the resolutions of the board of directors of the Participating Employer adopting such action, certified by the secretary of such board of directors and reflecting approval by the Board, will be delivered to the Committee as soon as it is administratively feasible to do so, and the Committee will communicate such action to the Trustee and to the Employees of the Participating Employer.

ARTICLE 17
MISCELLANEOUS

17.1 Reversion Prohibited.

(a) **General Rule.** Except as otherwise provided in this Section 17.1, it will be impossible for any part of the Trust Fund either (i) to be used for or diverted to purposes other than those which are for the exclusive benefit of Participants and their Beneficiaries (except for the payment of taxes and administrative expenses), or (ii) to revert to a Controlled Group Member.

(b) **Failure to Qualify.** In the event the Commissioner of Internal Revenue determines that the Plan is not initially qualified under the Code, contributions made by the Participating Employers may be returned to the Participating Employers within one year after the date of such determination, provided the Company has applied for a determination letter as to the qualified status of the Plan by the time prescribed for filing the Company's federal income tax return for the Company's taxable year in which the Plan is adopted or such later date as the Secretary of the Treasury may prescribe.

(c) **Disallowed Contributions.** Each contribution of the Participating Employers under the Plan is expressly conditioned upon the deductibility of the contribution under Code section 404. If all or part of a Participating Employer's contribution is disallowed as a deduction under Code section 404, such disallowed amount (excluding any Trust Fund earnings but reduced by any Trust Fund losses attributable thereto) may be returned by the Trustee to the Participating Employer with respect to which the deduction was disallowed (upon the direction of the Committee) within one year after the disallowance.

(d) **Mistaken Contributions.** If a contribution is made by a Participating Employer by reason of a mistake of fact, then so much of the contribution as was made as a result of the mistake (excluding any Trust Fund earnings but reduced by any Trust Fund losses attributable thereto) may be returned by the Trustee to the Participating Employer (upon direction of the Committee) within one year after the mistaken contribution was made.

17.2 Bonding, Insurance and Indemnity.

(a) **Bonding.** To the extent required under ERISA, the Participating Employers will obtain, pay for and keep current a bond or bonds with respect to each Committee member and each Employee who receives, handles, disburses, or otherwise exercises custody or control of, any of the assets of the Plan.

(b) **Insurance.** The Participating Employers, in their discretion, may obtain, pay for and keep current a policy or policies of insurance, insuring the Committee members, the members of the board of directors of each Participating Employer and other Employees to whom any fiduciary responsibility with respect to the administration of the Plan has been delegated against any and all costs, expenses and liabilities (including attorneys' fees) incurred by such

persons as a result of any act, or omission to act, in connection with the performance of their duties, responsibilities and obligations under the Plan and any applicable law.

(c) **Indemnity.** If the Participating Employers do not obtain, pay for and keep current the type of insurance policy or policies referred to in Section 17.2(b), or if such insurance is provided but any of the parties referred to in Section 17.2(b) incur any costs or expenses which are not covered under such policies, then the Participating Employers will indemnify and hold harmless, to the extent permitted by law, such parties against any and all costs, expenses and liabilities (including attorneys' fees) incurred by such parties in performing their duties and responsibilities under this Plan, provided that such party or parties were acting in good faith within what was reasonably believed to have been the best interests of the Plan and its Participants.

17.3 Merger, Consolidation or Transfer of Assets. There will be no merger or consolidation of all or any part of the Plan with, or transfer of the assets or liabilities of all or any part of the Plan to, any other Qualified Plan unless each Participant who remains a Participant hereunder and each Participant who becomes a participant in the other Qualified Plan would receive a benefit immediately after the merger, consolidation or transfer (determined as if the other Qualified Plan and the Plan were then terminated) which is equal to or greater than the benefit they would have been entitled to receive under the Plan immediately before the merger, consolidation or transfer if the Plan had then terminated.

17.4 Spendthrift Clause. The rights of any Participant or Beneficiary to and in any benefits under the Plan will not be subject to assignment or alienation, and no Participant or Beneficiary will have the power to assign, transfer or dispose of such rights, nor will any such rights to benefits be subject to attachment, execution, garnishment, sequestration, the laws of bankruptcy or any other legal or equitable process. This Section 17.4 will not apply to a "qualified domestic relations order." A "qualified domestic relations order" means a judgment, decree or order made pursuant to a state domestic relations law which satisfies the requirements of Code section 414(p). Payment to an Alternate Payee will be made in an immediate lump sum payment, if the order so provides.

17.5 Rights of Participants. Participation in the Plan will not give any Participant the right to be retained in the employ of a Controlled Group Member or any right or interest in the Plan or the Trust Fund except as expressly provided herein.

17.6 Electronic Media. Notwithstanding any provision of the Plan to the contrary, including any provision which requires the use of a written instrument, to the extent permitted by applicable law, the Committee may establish procedures for the use of electronic media in communications and transactions between the Plan or the Committee and Participants and Beneficiaries. Electronic media may include, but are not limited to, electronic mail, the Internet, intranet systems and automated telephonic response systems.

17.7 Gender, Tense and Headings. Whenever any words are used herein in the masculine gender, they will be construed as though they were also used in the feminine gender in all cases where they would so apply. Whenever any words used herein are in the singular form, they will be construed as though they were also used in the plural form in all cases where they

would so apply. Headings of Articles, Sections and subsections as used herein are inserted solely for convenience and reference and constitute no part of the Plan.

17.8 Governing Law. The Plan will be construed and governed in all respects in accordance with applicable federal law and, to the extent not preempted by such federal law, in accordance with the laws of the State of Texas, including without limitation, the Texas statute of limitations, but without giving effect to the principles of conflicts of laws of such State.

Executed at Dallas, Texas, this ____1____ day of February, 2008.

A. H. BELO CORPORATION

By /s/ Alison K. Engel

Name: Alison K. Engel

Title: Senior Vice President/Chief
Financial Officer

**APPENDIX A
PARTICIPATING EMPLOYERS
AS OF FEBRUARY 5, 2008**

A. H. Belo Corporation
Al Dia, Inc.
Belo Interactive, Inc.
The Dallas Morning News, Inc.
Denton Publishing Company
DFW Printing Company, Inc.
Press-Enterprise Company
The Providence Journal Company
Rhode Island Monthly Communications, Inc.
TDMN New Products, Inc.

A. H. BELO
2008 INCENTIVE COMPENSATION PLAN

A. H. BELO
2008 INCENTIVE COMPENSATION PLAN

SECTION	PAGE
1. Purpose	1
2. Term	1
3. Definitions	1
4. Shares Available Under Plan	6
5. Limitations on Awards	6
6. Stock Options	7
7. Appreciation Rights	8
8. Restricted Shares	10
9. Restricted Stock Units	11
10. Performance Shares and Performance Units	11
11. Incentive Compensation Plan Bonuses	12
12. Awards for Directors	13
13. Transferability	15
14. Adjustments	15
15. Fractional Shares	15
16. Withholding Taxes	15
17. Administration of the Plan	15
18. Amendments and Other Matters.	16
19. Governing Law	17

A. H. BELO
2008 INCENTIVE COMPENSATION PLAN

A. H. Belo Corporation, a Delaware corporation (“A. H. Belo”), establishes the A. H. Belo 2008 Incentive Compensation Plan (the “Plan”), effective as of the date on which Belo Corp. distributes to its shareholders all of the common stock of A. H. Belo (the “Distribution Date”).

1. **Purpose.** The purpose of the Plan is to attract and retain the best available talent and encourage the highest level of performance by directors, executive officers and selected employees, and to provide them incentives to put forth maximum efforts for the success of A. H. Belo’s business, in order to serve the best interests of A. H. Belo and its shareholders.

2. **Term.** The Plan will expire on the tenth anniversary of the Distribution Date.

3. **Definitions.** The following terms, when used in the Plan with initial capital letters, will have the following meanings:

(a) **Appreciation Right** means a right granted pursuant to Section 7.

(b) **Award** means the award of an Incentive Compensation Plan Bonus; the grant of Appreciation Rights, Stock Options, Performance Shares or Performance Units; or the grant or sale of Restricted Shares or Restricted Stock Units.

(c) **Board** means the Board of Directors of A. H. Belo.

(d) **Change in Control** means the occurrence of any of the following:

(i) individuals who, as of the effective date of the Plan, were members of the Board (the “Incumbent Directors”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director after the effective date of the Plan whose election, or nomination for election, by the Company’s shareholders was approved by a vote of at least a majority of the Incumbent Directors will be considered as though such individual were an Incumbent Director, other than any such individual whose assumption of office after the effective date of the Plan occurs as a result of an actual or threatened proxy contest with respect to election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a “person” (as such term is used in Section 13(d) of the Exchange Act) (each, a “Person”), other than the Board;

(ii) the consummation of (A) a merger, consolidation or similar form of corporate transaction involving the Company (each of the events referred to in this clause (A) being hereinafter referred to as a “Reorganization”) or (B) a sale or other disposition of all or substantially all the assets of the Company (a “Sale”), unless, immediately following such Reorganization or Sale, (1) all or substantially all the individuals and entities who were the “beneficial owners” (as such term is

defined in Rule 13d-3 under the Exchange Act (or a successor rule thereto)) of shares of the Company's common stock or other securities eligible to vote for the election of the Board outstanding immediately prior to the consummation of such Reorganization or Sale (such securities, the "Company Voting Securities") beneficially own, directly or indirectly, more than 60% of the combined voting power of the then outstanding voting securities of the corporation or other entity resulting from such Reorganization or Sale (including a corporation or other entity that, as a result of such transaction, owns the Company or all or substantially all the Company's assets either directly or through one or more subsidiaries) (the "Continuing Entity") in substantially the same proportions as their ownership, immediately prior to the consummation of such Reorganization or Sale, of the outstanding Company Voting Securities (excluding any outstanding voting securities of the Continuing Entity that such beneficial owners hold immediately following the consummation of the Reorganization or Sale as a result of their ownership prior to such consummation of voting securities of any corporation or other entity involved in or forming part of such Reorganization or Sale other than the Company or a Subsidiary), (2) no Person (excluding any employee benefit plan (or related trust) sponsored or maintained by the Continuing Entity or any corporation or other entity controlled by the Continuing Entity) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding voting securities of the Continuing Entity and (3) at least a majority of the members of the board of directors or other governing body of the Continuing Entity were Incumbent Directors at the time of the execution of the definitive agreement providing for such Reorganization or Sale or, in the absence of such an agreement, at the time at which approval of the Board was obtained for such Reorganization or Sale;

(iii) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(iv) any Person, corporation or other entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company Voting Securities; provided, however, that for purposes of this subparagraph (iv), the following acquisitions will not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company or any Subsidiary, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, (D) any acquisition by an underwriter temporarily holding such Company Voting Securities pursuant to an offering of such securities or (E) any acquisition pursuant to a Reorganization or Sale that does not constitute a Change in Control for purposes of Section 3(d)(ii).

For purposes of applying the provisions of Section 3(d)(ii)(B)(2) and Section 3(d)(iv) at any time on or after the Effective Date, neither Robert W. Decherd nor any Person holding voting securities of the Continuing Entity or Company Voting Securities, as applicable, over which Robert W. Decherd has sole or shared voting power

will be considered to be the beneficial owner of 30% or more of such voting securities or Company Voting Securities.

(e) **Code** means the Internal Revenue Code of 1986, as in effect from time to time.

(f) **Committee** means the Compensation Committee of the Board and, to the extent the administration of the Plan has been assumed by the Board pursuant to Section 17, the Board.

(g) **Common Stock** means the Series A Common Stock, par value \$.01 per share, and the Series B Common Stock, par value \$.01 per share, of A. H. Belo or any security into which such Common Stock may be changed by reason of any transaction or event of the type described in Section 14. Shares of Common Stock issued or transferred pursuant to the Plan will be shares of Series A Common Stock or Series B Common Stock, as determined by the Committee in its discretion. Notwithstanding the foregoing, the Committee will not authorize the issuance or transfer of Series B Common Stock if the Committee determines that such issuance or transfer would cause the Series A Common Stock to be excluded from trading in the principal market in which the Common Stock is then traded.

(h) **Date of Grant** means (i) with respect to Participants, the date specified by the Committee on which an Award will become effective and (ii) with respect to Directors, the date specified in Section 12.

(i) **Director** means a member of the Board who is not a regular full-time employee of A. H. Belo or any Subsidiary.

(j) **Evidence of Award** means an agreement, certificate, resolution or other type or form of writing or other evidence approved by the Committee which sets forth the terms and conditions of an Award. An Evidence of Award may be in any electronic medium, may be limited to a notation on the books and records of A. H. Belo and need not be signed by a representative of A. H. Belo or a Participant or a Director.

(k) **Exchange Act** means the Securities Exchange Act of 1934, as amended.

(l) **Grant Price** means the price per share of Common Stock at which an Appreciation Right not granted in tandem with a Stock Option is granted.

(m) **Incentive Compensation Plan Bonus** means an award of annual incentive compensation made pursuant to and subject to the conditions set forth in Section 11.

(n) **Management Objectives** means the measurable performance objectives, if any, established by the Committee for a Performance Period that are to be achieved with respect to an Award. Management Objectives may be described in terms of company-wide objectives (*i.e.*, the performance of A. H. Belo and all of its Subsidiaries) or in terms of objectives that are related to the performance of the individual Participant

or of the division, Subsidiary, department, region or function within A. H. Belo or a Subsidiary in which the Participant receiving the Award is employed or on which the Participant's efforts have the most influence. The achievement of the Management Objectives established by the Committee for any Performance Period will be determined without regard to the effect on such Management Objectives of any acquisition or disposition by A. H. Belo of a trade or business, or of substantially all of the assets of a trade or business, during the Performance Period and without regard to any change in accounting standards by the Financial Accounting Standards Board or any successor entity and without regard to changes in applicable tax laws.

The Management Objectives applicable to any Award to a Participant who is, or is determined by the Committee to be likely to become, a "covered employee" within the meaning of Section 162(m) of the Code (or any successor provision) will be limited to specified levels of, growth in, or performance relative to performance standards set by the Compensation Committee relating to or peer company performance in, one or more of the following performance measures (excluding the effect of extraordinary or nonrecurring items):

- (i) earnings per share;
- (ii) earnings before interest, taxes, depreciation and amortization (EBITDA);
- (iii) net income;
- (iv) net operating profit;
- (v) revenue;
- (vi) operating margins;
- (vii) share price;
- (viii) total shareholder return (measured as the total of the appreciation of and dividends declared on the Common Stock);
- (ix) return on invested capital;
- (x) return on shareholder equity;
- (xi) return on assets;
- (xii) working capital targets;
- (xiii) cost reduction;
- (xiv) debt reduction; and
- (xv) industry specific measures of audience or revenue share.

If the Committee determines that, as a result of a change in the business, operations, corporate structure or capital structure of A. H. Belo (other than an acquisition or disposition described in the first paragraph of this Section 3(n) or the manner in which A. H. Belo conducts its business, or any other events or circumstances, the Management Objectives are no longer suitable, the Committee may in its discretion modify such Management Objectives or the related minimum acceptable level of achievement, in whole or in part, with respect to a Performance Period as the Committee deems appropriate and equitable, except where such action would result in the loss of the otherwise available exemption of the Award under Section 162(m) of the Code. In such case, the Committee will not make any modification of the Management Objectives or minimum acceptable level of achievement.

(o) **Market Value per Share** means, at any date, the closing sale price of the Common Stock on that date (or, if there are no sales on that date, the last preceding date on which there was a sale) in the principal market in which the Common Stock is traded.

(p) **Option Price** means the purchase price per share payable on exercise of a Stock Option.

(q) **Participant** means a person who is selected by the Committee to receive benefits under the Plan and who is at that time (i) an executive officer or other key employee of A. H. Belo or any Subsidiary or (ii) the holder of a stock option or restricted stock units issued by Belo Corp. to whom A. H. Belo is obligated to issue a Stock Option and/or Restricted Stock Units pursuant to the terms of that certain Employee Matters Agreement dated as of the Distribution Date by and between Belo Corp. and A. H. Belo.

(r) **Performance Share** means a bookkeeping entry that records the equivalent of one share of Common Stock awarded pursuant to Section 10.

(s) **Performance Period** means, with respect to an Award, a period of time within which the Management Objectives relating to such Award are to be measured. The Performance Period for an Incentive Compensation Plan Bonus will be a period of 12 months, and, unless otherwise expressly provided in the Plan, the Performance Period for all other Awards will be established by the Committee at the time of the Award.

(t) **Performance Unit** means a unit equivalent to \$100 (or such other value as the Committee determines) granted pursuant to Section 10.

(u) **Restricted Shares** means shares of Common Stock granted or sold pursuant to Section 8 as to which neither the ownership restrictions nor the restrictions on transfer have expired.

(v) **Restricted Stock Units** means an award pursuant to Section 9 of the right to receive shares of Common Stock at the end of a specified deferral period, subject to the satisfaction of certain conditions.

(w) **Rule 16b-3** means Rule 16b-3 under Section 16 of the Exchange Act (or any successor rule to the same effect), as in effect from time to time.

(x) **Spread** means the excess of the Market Value per Share on the date an Appreciation Right is exercised over (i) the Option Price provided for in the Stock Option granted in tandem with the Appreciation Right or (ii) if there is no tandem Stock Option, the Grant Price provided for in the Appreciation Right, in either case multiplied by the number of shares of Common Stock in respect of which the Appreciation Right is exercised.

(y) **Stock Option** means the right to purchase shares of Common Stock upon exercise of an option granted pursuant to Section 6.

(z) **Subsidiary** means (i) any corporation of which at least 50% of the total combined voting power of all outstanding shares of stock is owned directly or indirectly by A. H. Belo, (ii) any partnership of which at least 50% of the profits interest or capital interest is owned directly or indirectly by A. H. Belo and (iii) any other entity of which at least 50% of the total equity interest is owned directly or indirectly by A. H. Belo.

4. Shares Available Under Plan. The number of shares of Common Stock that may be issued or transferred (i) upon the exercise of Appreciation Rights or Stock Options, (ii) as Restricted Shares and released from all restrictions, (iii) as Restricted Stock Units, (iv) in payment of Performance Shares, Performance Units or Incentive Compensation Plan Bonuses will not exceed in the aggregate 8 million shares. Such shares may be shares of original issuance or treasury shares or a combination of the foregoing. The number of shares of Common Stock available under this Section 4 will be subject to adjustment as provided in Section 14 and will be further adjusted to include shares that (i) relate to Awards that expire or are forfeited or (ii) are transferred, surrendered or relinquished to or withheld by A. H. Belo in satisfaction of any Option Price or in satisfaction of any tax withholding amount. Upon payment in cash of the benefit provided by any Award, any shares that were covered by that Award will again be available for issue or transfer under the Plan.

5. Limitations on Awards. Awards under the Plan will be subject to the following limitations:

(a) No more than an aggregate of 4 million shares of Common Stock, subject to adjustment as provided in Section 4, will be issued or transferred as Restricted Shares and Restricted Stock Units (excluding the award of any Restricted Shares or Restricted Stock Units to Directors pursuant to Section 12).

(b) No more than 8 million shares of Common Stock, subject to adjustment only as provided in Section 14, will be issued pursuant to Stock Options that are intended to qualify as incentive stock options under Section 422 of the Code.

(c) The maximum aggregate number of shares of Common Stock that may be subject to Stock Options, Appreciation Rights, Restricted Stock Units, Performance Shares or Restricted Shares granted or sold to a Participant during any calendar year will not exceed 800,000 shares, subject to adjustment only as provided in Section 14. The foregoing limitation will apply without regard to whether the applicable Award is settled in cash or in shares of Common Stock.

(d) The maximum aggregate cash value of payments to any Participant for any Performance Period pursuant to an award of Performance Units will not exceed \$5 million.

(e) The payment of an Incentive Compensation Plan Bonus to any Participant will not exceed \$5 million.

6. Stock Options. The Committee may from time to time authorize grants to any Participant and, subject to Section 12, to any Director of options to purchase shares of Common Stock upon such terms and conditions as it may determine in accordance with this Section 6. Each grant of Stock Options may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will specify the number of shares of Common Stock to which it relates.

(b) Each grant will specify the Option Price, which will not be less than 100% of the Market Value per Share on the Date of Grant.

(c) Each grant will specify whether the Option Price will be payable (i) in cash or by check acceptable to A. H. Belo, (ii) by the actual or constructive transfer to A. H. Belo of shares of Common Stock owned by the Participant or Director for at least six months (or, with the consent of the Committee, for less than six months) having an aggregate Market Value per Share at the date of exercise equal to the aggregate Option Price, (iii) with the consent of the Committee, by authorizing A. H. Belo to withhold a number of shares of Common Stock otherwise issuable to the Participant or Director having an aggregate Market Value per Share on the date of exercise equal to the aggregate Option Price or (iv) by a combination of such methods of payment; provided, however, that the payment methods described in clauses (ii) and (iii) will not be available at any time that A. H. Belo is prohibited from purchasing or acquiring such shares of Common Stock.

(d) To the extent permitted by law, any grant may provide for deferred payment of the Option Price from the proceeds of sale through a bank or broker of some or all of the shares to which such exercise relates.

(e) Successive grants may be made to the same Participant or Director whether or not any Stock Options or other Awards previously granted to such Participant or Director remain unexercised or outstanding.

(f) Each grant will specify the required period or periods of continuous service by the Participant or Director with A. H. Belo or any Subsidiary that are necessary before the Stock Options or installments thereof will become exercisable.

(g) Any grant may specify the Management Objectives that must be achieved as a condition to the exercise of the Stock Options.

(h) Any grant may provide for the earlier exercise of the Stock Options in the event of a Change in Control or other similar transaction or event.

(i) Stock Options may be (i) options which are intended to qualify under particular provisions of the Code, (ii) options which are not intended to so qualify or (iii) combinations of the foregoing.

(j) On or after the Date of Grant, the Committee may provide for the payment to the Participant or Director of dividend equivalents thereon in cash or Common Stock on a current, deferred or contingent basis.

(k) No Stock Option will be exercisable more than ten years from the Date of Grant.

(l) The Committee will have the right to substitute Appreciation Rights for outstanding Options granted to one or more Participants or Directors, provided the terms and the economic benefit of the substituted Appreciation Rights are at least equivalent to the terms and economic benefit of such Options, as determined by the Committee in its discretion.

(m) Any grant may provide for the effect on the Stock Options or any shares of Common Stock issued, or other payment made, with respect to the Stock Options of any conduct of the Participant determined by the Committee to be injurious, detrimental or prejudicial to any significant interest of A. H. Belo or any Subsidiary.

(n) Each grant will be evidenced by an Evidence of Award, which may contain such terms and provisions, consistent with the Plan, as the Committee may approve, including without limitation provisions relating to the Participant's termination of employment or Director's termination of service by reason of retirement, death, disability or otherwise.

7. Appreciation Rights. The Committee may also from time to time authorize grants to any Participant and, subject to Section 12, to any Director of Appreciation Rights upon such terms and conditions as it may determine in accordance with this Section 7. Appreciation Rights may be granted in tandem with Stock Options or separate and apart from a grant of Stock Options. An Appreciation Right will be a right of the Participant or Director to receive from A. H. Belo upon exercise an amount which will be determined by the Committee at the Date of Grant and will be expressed as a percentage of the Spread (not exceeding 100%) at the time of exercise. An Appreciation Right granted in tandem with a Stock Option may be exercised only by surrender of the related Stock Option. Each grant of an Appreciation Right may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant will state whether it is made in tandem with Stock Options and, if not made in tandem with any Stock Options, will specify the number of shares of Common Stock in respect of which it is made.

(b) Each grant made in tandem with Stock Options will specify the Option Price and each grant not made in tandem with Stock Options will specify the Grant Price, which in either case will not be less than 100% of the Market Value per Share on the Date of Grant.

(c) Any grant may provide that the amount payable on exercise of an Appreciation Right may be paid (i) in cash, (ii) in shares of Common Stock having an aggregate Market Value per Share equal to the Spread or (iii) in a combination thereof, as determined by the Committee in its discretion.

(d) Any grant may specify that the amount payable to the Participant or Director on exercise of an Appreciation Right may not exceed a maximum amount specified by the Committee at the Date of Grant (valuing shares of Common Stock for this purpose at their Market Value per Share at the date of exercise).

(e) Successive grants may be made to the same Participant or Director whether or not any Appreciation Rights or other Awards previously granted to such Participant or Director remain unexercised or outstanding.

(f) Each grant will specify the required period or periods of continuous service by the Participant or Director with A. H. Belo or any Subsidiary that are necessary before the Appreciation Rights or installments thereof will become exercisable, and will provide that no Appreciation Rights may be exercised except at a time when the Spread is positive and, with respect to any grant made in tandem with Stock Options, when the related Stock Options are also exercisable.

(g) Any grant may specify the Management Objectives that must be achieved as a condition to the exercise of the Appreciation Rights.

(h) Any grant may provide for the earlier exercise of the Appreciation Rights in the event of a Change in Control or other similar transaction or event.

(i) On or after the Date of Grant, the Committee may provide for the payment to the Participant or Director of dividend equivalents thereon in cash or Common Stock on a current, deferred or contingent basis.

(j) No Appreciation Right will be exercisable more than ten years from the Date of Grant.

(k) Any grant may provide for the effect on the Appreciation Rights or any shares of Common Stock issued, or other payment made, with respect to the Appreciation Rights of any conduct of the Participant determined by the Committee to be injurious, detrimental or prejudicial to any significant interest of A. H. Belo or any Subsidiary.

(l) Each grant will be evidenced by an Evidence of Award, which may contain such terms and provisions, consistent with the Plan, as the Committee may approve, including without limitation provisions relating to the Participant's termination

of employment or Director's termination of service by reason of retirement, death, disability or otherwise.

8. Restricted Shares. The Committee may also from time to time authorize grants or sales to any Participant and, subject to Section 12, to any Director of Restricted Shares upon such terms and conditions as it may determine in accordance with this Section 8. Each grant or sale will constitute an immediate transfer of the ownership of shares of Common Stock to the Participant or Director in consideration of the performance of services, entitling such Participant or Director to voting and other ownership rights, but subject to the restrictions set forth in this Section 8. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant or sale may be made without additional consideration or in consideration of a payment by the Participant or Director that is less than the Market Value per Share at the Date of Grant, except as may otherwise be required by the Delaware General Corporation Law.

(b) Each grant or sale may limit the Participant's or Director's dividend rights during the period in which the shares of Restricted Shares are subject to any such restrictions.

(c) Each grant or sale will provide that the Restricted Shares will be subject, for a period to be determined by the Committee at the Date of Grant, to one or more restrictions, including without limitation a restriction that constitutes a "substantial risk of forfeiture" within the meaning of Section 83 of the Code and the regulations of the Internal Revenue Service under such section.

(d) Any grant or sale may specify the Management Objectives that, if achieved, will result in the termination or early termination of the restrictions applicable to the shares.

(e) Any grant or sale may provide for the early termination of any such restrictions in the event of a Change in Control or other similar transaction or event.

(f) Each grant or sale will provide that during the period for which such restriction or restrictions are to continue, the transferability of the Restricted Shares will be prohibited or restricted in a manner and to the extent prescribed by the Committee at the Date of Grant (which restrictions may include without limitation rights of repurchase or first refusal in favor of A. H. Belo or provisions subjecting the Restricted Shares to continuing restrictions in the hands of any transferee).

(g) Any grant or sale may provide for the effect on the Restricted Shares or any shares of Common Stock issued free of restrictions, or other payment made, with respect to the Restricted Shares of any conduct of the Participant determined by the Committee to be injurious, detrimental or prejudicial to any significant interest of A. H. Belo or any Subsidiary.

(h) Each grant or sale will be evidenced by an Evidence of Award, which may contain such terms and provisions, consistent with the Plan, as the Committee may approve, including without limitation provisions relating to the Participant's termination of employment or Director's termination of service by reason of retirement, death, disability or otherwise.

9. Restricted Stock Units. The Committee may also from time to time authorize grants or sales to any Participant and, subject to Section 12, to any Director of Restricted Stock Units upon such terms and conditions as it may determine in accordance with this Section 9. Each grant or sale will constitute the agreement by A. H. Belo to issue or transfer shares of Common Stock to the Participant or Director in the future in consideration of the performance of services, subject to the fulfillment of such conditions as the Committee may specify. Each such grant or sale may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

(a) Each grant or sale may be made without additional consideration from the Participant or Director or in consideration of a payment by the Participant or Director that is less than the Market Value per Share on the Date of Grant, except as may otherwise be required by the Delaware General Corporation Law.

(b) Each grant or sale will provide that the Restricted Stock Units will be subject to a deferral period, which will be fixed by the Committee on the Date of Grant, and any grant or sale may provide for the earlier termination of such period in the event of a Change in Control or other similar transaction or event.

(c) During the deferral period, the Participant or Director will not have any right to transfer any rights under the Restricted Stock Units, will not have any rights of ownership in the Restricted Stock Units and will not have any right to vote the Restricted Stock Units, but the Committee may on or after the Date of Grant authorize the payment of dividend equivalents on such shares in cash or Common Stock on a current, deferred or contingent basis.

(d) Any grant or sale may provide for the effect on the Restricted Stock Units or any shares of Common Stock issued free of restrictions, or other payment made, with respect to the Restricted Stock Units of any conduct of the Participant determined by the Committee to be injurious, detrimental or prejudicial to any significant interest of A. H. Belo or any Subsidiary.

(e) Each grant or sale will be evidenced by an Evidence of Award, which will contain such terms and provisions as the Committee may determine consistent with the Plan, including without limitation provisions relating to the Participant's termination of employment or Director's termination of service by reason of retirement, death, disability or otherwise.

10. Performance Shares and Performance Units. The Committee may also from time to time authorize grants to any Participant and, subject to Section 12, to any Director of

Performance Shares and Performance Units, which will become payable upon achievement of specified Management Objectives, upon such terms and conditions as it may determine in accordance with this Section 10. Each such grant may utilize any or all of the authorizations, and will be subject to all of the requirements, contained in the following provisions:

- (a) Each grant will specify the number of Performance Shares or Performance Units to which it relates.
- (b) The Performance Period with respect to each Performance Share and Performance Unit will be determined by the Committee at the time of grant.
- (c) Each grant will specify the Management Objectives that, if achieved, will result in the payment of the Performance Shares or Performance Units.
- (d) Each grant will specify the time and manner of payment of Performance Shares or Performance Units which have become payable, which payment may be made in (i) cash, (ii) shares of Common Stock having an aggregate Market Value per Share equal to the aggregate value of the Performance Shares or Performance Units which have become payable or (iii) any combination thereof, as determined by the Committee in its discretion at the time of payment.
- (e) Any grant of Performance Shares may specify that the amount payable with respect thereto may not exceed a maximum specified by the Committee on the Date of Grant. Any grant of Performance Units may specify that the amount payable, or the number of shares of Common Stock issued, with respect to the Performance Units may not exceed maximums specified by the Committee on the Date of Grant.
- (f) On or after the Date of Grant, the Committee may provide for the payment to the Participant or Director of dividend equivalents on Performance Shares in cash or Common Stock on a current, deferred or contingent basis.
- (g) Any grant may provide for the effect on the Performance Shares or Performance Units or any shares of Common Stock issued, or other payment made, with respect to the Performance Shares or Performance Units of any conduct of the Participant determined by the Committee to be injurious, detrimental or prejudicial to any significant interest of A. H. Belo or any Subsidiary.
- (h) Each grant will be evidenced by an Evidence of Award, which will contain such terms and provisions as the Committee may determine consistent with the Plan, including without limitation provisions relating to the payment of the Performance Shares or Performance Units in the event of a Change in Control or other similar transaction or event and provisions relating to the Participant's termination of employment or Director's termination of service by reason of retirement, death, disability or otherwise.

11. Incentive Compensation Plan Bonuses . The Committee may from time to time authorize payment of annual incentive compensation in the form of an Incentive Compensation Plan Bonus to a Participant, which will become payable upon achievement of specified

Management Objectives. Incentive Compensation Plan Bonuses will be payable upon such terms and conditions as the Committee may determine, subject to the following provisions:

(a) The Committee will specify the Management Objectives that, if achieved, will result in the payment of the Incentive Compensation Plan Bonus.

(b) The amount of the Incentive Compensation Plan Bonus will be determined by the Committee based on the level of achievement of the specified Management Objectives. The Incentive Compensation Plan Bonus will be paid to the Participant following the close of the calendar year in which the Performance Period relating to the Incentive Compensation Plan Bonus ends, but not later than the 15th day of the third month following the end of such calendar year, provided the Participant continues to be employed by A. H. Belo or a Subsidiary on the Incentive Compensation Plan Bonus payment date (unless such employment condition is waived by the Company).

(c) Payment of the Incentive Compensation Plan Bonus may be made in (i) cash, (ii) shares of Common Stock having an aggregate Market Value per Share equal to the aggregate value of the Incentive Compensation Plan Bonus which has become payable or (iii) any combination thereof, as determined by the Committee in its discretion at the time of payment.

(d) If a Change in Control occurs during a Performance Period, the Incentive Compensation Plan Bonus payable to each Participant for the Performance Period will be determined at the target level of achievement of the Management Objectives, without regard to actual performance, or, if greater, at the actual level of achievement at the time of the closing of the Change in Control, in both instances without proration for less than a full Performance Period. The Incentive Compensation Bonus will be paid not later than 60 days after the closing of the Change in Control.

(e) Each grant may be evidenced by an Evidence of Award, which will contain such terms and provisions as the Committee may determine consistent with the Plan, including without limitation provisions relating to the Participant's termination of employment by reason of retirement, death, disability or otherwise.

12. Awards for Directors.

(a) On the date of (i) the 2008 annual meeting of Belo Corp. shareholders and (ii) each annual meeting of A. H. Belo shareholders occurring after 2008, or such other time as the Compensation Committee determines and approves, each Director will be granted (i) an Award that has a fair market value (as hereinafter determined) on the Date of Grant equal to 50% of the Director's annual compensation from A. H. Belo and (ii) if the Director so elects, an Award that has a fair market value on the Date of Grant equal to all or any portion of the Director's remaining annual compensation from A. H. Belo. Any such election will be irrevocable when made and, to the extent the Director's election will result in a deferral of compensation subject to Section 409A of the Code, must be made by the Director in writing no later than the last day of the calendar year immediately preceding the calendar year in which the date of the annual shareholders

meeting occurs. The form of the Award will be determined by the Committee in its discretion; provided, however, that unless the Committee determines and approves otherwise, Awards made to Directors will be in the form of Stock Options. For purposes of this Section 12, the date of an annual meeting of shareholders of A. H. Belo is the date on which the meeting is convened.

(b) An Award granted to a Director pursuant to this Section 12 will constitute payment of all or a portion of the Director's annual compensation for services to be performed by the Director for the 12-month period beginning on the date of the annual meeting of shareholders on which the Award is granted. If, however, a Director is elected to the Board as of a date other than the date of an annual meeting of A. H. Belo shareholders, (i) the Director's annual compensation will be prorated based on the number of days remaining in the year in which the Director is elected to the Board (for this purpose the year will begin on the date of the annual meeting of shareholders immediately preceding the date of the Director's election to the Board) and (ii) 50% of the Director's prorated annual compensation will be paid in the form of an Award valued on the date of the Director's election to the Board, subject to the Director's election to receive up to 100% of his or her prorated annual compensation in the form of an Award valued on such date. Any such election will be irrevocable when made; and to the extent the Director's election will result in a deferral of compensation subject to Section 409A of the Code, must be made no later than 30 days after the date of the Director's election to the Board and will apply only to compensation paid for services to be performed by the Director after the date of his written election. Any portion of a Director's compensation from A. H. Belo that is not paid to the Director in the form of an Award will be paid in cash on the date of the annual meeting of shareholders or the date of the Director's election to the Board, as applicable.

(c) For purposes of this Section 12:

(i) the fair market value of a Stock Option or an Appreciation Right awarded to a Director will be determined by the Committee using the Black-Scholes Option Pricing Model; a generally accepted binomial pricing model that takes into account as of the Date of Grant (A) the Option Price or Grant Price, as applicable, (B) the expected term of the Stock Option or Appreciation Right, (C) the Market Value per Share of the Common Stock on the Date of Grant, (D) the volatility of the Common Stock, (E) the expected dividends on the Common Stock and (F) the risk-free interest rate for the expected term of the Stock Option or Appreciation Right; or any other pricing model used by A. H. Belo to value Stock Options for financial reporting purposes;

(ii) the fair market value of a Restricted Stock Unit, a Restricted Share or a Performance Share awarded to a Director will be equal to the Market Value per Share of the Common Stock on the Date of Grant without regard to any restrictions, limitations or conditions with respect to such Award; and

(iii) the fair market value of a Performance Unit awarded to a Director will be its stated value.

13. **Transferability.** Unless the Committee determines otherwise on or after the Date of Grant, (i) no Award will be transferable by a Participant or Director other than by will or the laws of descent and distribution, and (ii) no Stock Option or Appreciation Right granted to a Participant or Director will be exercisable during the Participant's or Director's lifetime by any person other than the Participant or Director, or such person's guardian or legal representative.

14. **Adjustments.** The Committee will make or provide for such adjustments in (i) the maximum number of shares of Common Stock specified in Section 4 and Section 5, (ii) the number of shares of Common Stock covered by outstanding Stock Options, Appreciation Rights, Performance Shares and Restricted Stock Units granted under the Plan, (iii) the Option Price or Grant Price applicable to any Stock Options and Appreciation Rights, and (iv) the kind of shares covered by any such Awards (including shares of another issuer) as is equitably required to prevent dilution or enlargement of the rights of Participants and Directors that otherwise would result from (x) any stock dividend, stock split, combination of shares, recapitalization or other change in the capital structure of A. H. Belo, or (y) any merger, consolidation, spin-off, split-off, spin-out, split-up, reorganization, partial or complete liquidation or other distribution of assets, issuance of rights or warrants to purchase securities, or (z) any other corporate transaction, equity restructuring or other event having an effect similar to any of the foregoing. In the event of any such transaction or event, the Committee, in its discretion, may provide in substitution for any or all outstanding Awards such alternative consideration as it, in good faith, may determine to be equitable in the circumstances and may require in connection with such substitution the surrender of all Awards so replaced.

15. **Fractional Shares.** A. H. Belo will not be required to issue any fractional share of Common Stock pursuant to the Plan. The Committee may provide for the elimination of fractions or for the settlement of fractions in cash.

16. **Withholding Taxes.** To the extent that A. H. Belo is required to withhold federal, state, local or foreign taxes in connection with any payment made or benefit realized by a Participant or other person under the Plan, and the amounts available to A. H. Belo for such withholding are insufficient, it will be a condition to the receipt of such payment or the realization of such benefit that the Participant or such other person make arrangements satisfactory to A. H. Belo for payment of the balance of such taxes required to be withheld. In addition, if permitted by the Committee, the Participant or such other person may elect to have any withholding obligation of A. H. Belo satisfied with shares of Common Stock that would otherwise be transferred to the Participant or such other person in payment of the Participant's Award. However, without the consent of the Committee, shares of Common Stock will not be withheld in excess of the minimum number of shares required to satisfy A. H. Belo's withholding obligation.

17. Administration of the Plan.

(a) Unless the administration of the Plan has been expressly assumed by the Board pursuant to a resolution of the Board, the Plan will be administered by the Committee, which at all times will consist of two or more Directors appointed by the Board, all of whom (i) will meet all applicable independence requirements of the New York Stock Exchange or the principal national securities exchange on which the

Common Stock is traded and (ii) will qualify as “non-employee directors” as defined in Rule 16b-3 and as “outside directors” as defined in regulations adopted under Section 162(m) of the Code, as such terms may be amended from time to time. A majority of the Committee will constitute a quorum, and the action of the members of the Committee present at any meeting at which a quorum is present, or acts unanimously approved in writing, will be the acts of the Committee.

(b) The Committee has the full authority and discretion to administer the Plan and to take any action that is necessary or advisable in connection with the administration of the Plan, including without limitation the authority and discretion to interpret and construe any provision of the Plan or of any agreement, notification or document evidencing an Award. The interpretation and construction by the Committee of any such provision and any determination by the Committee pursuant to any provision of the Plan or of any such agreement, notification or document will be final and conclusive. No member of the Committee will be liable for any such action or determination made in good faith.

18. Amendments and Other Matters.

(a) The Plan may be amended from time to time by the Committee or the Board but may not be amended without further approval by the shareholders of A. H. Belo if such amendment would result in the Plan no longer satisfying any applicable requirements of the New York Stock Exchange (or the principal national securities exchange on which the Common Stock is traded), Rule 16b-3 or Section 162(m) of the Code.

(b) Neither the Committee nor the Board will authorize the amendment of any outstanding Stock Option to reduce the Option Price without the further approval of the shareholders of A. H. Belo. Furthermore, no Stock Option will be cancelled and replaced with Stock Options having a lower Option Price without further approval of the shareholders of A. H. Belo. This Section 18(b) is intended to prohibit the repricing of “underwater” Stock Options and will not be construed to prohibit the adjustments provided for in Section 14.

(c) The Committee may also permit Participants and Directors to elect to defer the issuance of Common Stock or the settlement of Awards in cash under the Plan pursuant to such rules, procedures or programs as it may establish for purposes of the Plan. The Committee also may provide that deferred issuances and settlements include the payment or crediting of dividend equivalents or interest on the deferral amounts.

(d) The Plan may be terminated at any time by action of the Board. The termination of the Plan will not adversely affect the terms of any outstanding Award.

(e) The Plan does not confer upon any Participant any right with respect to continuance of employment or other service with A. H. Belo or any Subsidiary, nor will it interfere in any way with any right A. H. Belo or any Subsidiary would otherwise have to terminate such Participant’s employment or other service at any time.

(f) If the Committee determines, with the advice of legal counsel, that any provision of the Plan would prevent the payment of any Award intended to qualify as performance-based compensation within the meaning of Section 162(m) of the Code from so qualifying, such Plan provision will be invalid and cease to have any effect without affecting the validity or effectiveness of any other provision of the Plan.

19. **Governing Law.** The Plan, all Awards and all actions taken under the Plan and the Awards will be governed in all respects in accordance with the laws of the State of Delaware, including without limitation, the Delaware statute of limitations, but without giving effect to the principles of conflicts of laws of such State.

A. H. BELO
PENSION TRANSITION SUPPLEMENT
RESTORATION PLAN
Effective January 1, 2008

TABLE OF CONTENTS

	Page
1. Purpose of the Plan	1
2. Definitions	1
3. Eligibility	3
4. Restoration Benefit	3
5. Funding of Restoration Benefits	4
6. Payment of Restoration Benefits	5
7. Death Benefits	5
8. Prohibition on Acceleration of Benefits	5
9. Administration of the Plan	6
10. Claims Procedure	6
11. Miscellaneous	7

A. H. BELO
PENSION TRANSITION SUPPLEMENT
RESTORATION PLAN

Effective January 1, 2008

1. **Purpose of the Plan.** The purpose of the A. H. Belo Pension Transition Supplement Restoration Plan is to provide benefits for certain employees of A. H. Belo and its subsidiaries that cannot be provided under the A. H. Belo Pension Transition Supplement Plan because of the qualification requirements of Section 401(a) of the Internal Revenue Code of 1986, as amended.

2. **Definitions.** The following terms are used throughout the Plan:

(a) **Account** means the account established for a Participant under Section 5(a).

(b) **Administrative Committee** means the A. H. Belo Benefits Administrative Committee.

(c) **A. H. Belo** means A. H. Belo Corporation, a Delaware corporation. The term **A. H. Belo subsidiary** means (i) any corporation of which at least 80% of the total combined voting power of all outstanding shares of stock is owned directly or indirectly by A. H. Belo; (ii) any partnership of which at least 80% of the profits interest or capital interest is owned directly or indirectly by A. H. Belo; and (iii) any other entity of which at least 80% of the total equity interest is owned directly or indirectly by A. H. Belo.

(d) **Board of Directors** or **Board** means the Board of Directors of A. H. Belo.

(e) **Change in Control** means a change in ownership of A. H. Belo, a change in effective control of A. H. Belo or a change in the ownership of a substantial portion of the assets of A. H. Belo, in each case within the meaning of Section 409A of the Code. Subject to the foregoing:

(i) a change in ownership of A. H. Belo will occur on the date that any one person or persons acting as a group acquires ownership of stock of A. H. Belo that together with stock held by such person or persons constitutes more than 50% of the total fair market value or total voting power of the stock of A. H. Belo;

(ii) a change in effective control of A. H. Belo will occur on the date that (A) any one person or persons acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) ownership of the stock of A. H. Belo possessing 30% or more of the total voting power of the stock of A. H. Belo or (B) a majority of members of the Board is replaced during any 12-month period by directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of such appointment or election; and

(iii) a change in the ownership of a substantial portion of the assets of A. H. Belo will occur on the date that any one person or persons acting as a group acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from A. H. Belo that have a total gross fair market value equal to or more than 40% of the total gross fair market value of all of the assets of A. H. Belo immediately prior to such acquisition.

(f) **Code** means the Internal Revenue Code of 1986, as amended from time to time, and includes any applicable regulations or other guidance relating to provisions of the Code published by the Internal Revenue Service or the U.S. Treasury Department.

(g) **Compensation Committee** means the Compensation Committee of the Board of Directors.

(h) **Employee** means any individual who is employed by A. H. Belo or an A. H. Belo subsidiary.

(i) **ERISA** means the Employee Retirement Income Security Act of 1974, as amended.

(j) **Key Employee** means a "specified employee" within the meaning of Section 409A of the Code. In determining who is a specified employee, the safe harbor definition of compensation under Treasury Regulation § 1.415(c)-2(d)(3) (wages for purposes of income tax withholding at the source plus certain other amounts) will be used. A Participant who is identified by the Administrative Committee as a Key Employee at any time during the 12-month period ending on September 30 of any calendar year will be considered a Key Employee for purposes of Section 6(b)(ii) during the 12-month period that begins on January 1 of the immediately following calendar year, and no other Participant will be considered a Key Employee during such 12-month period.

(k) **Participant** means an Employee who has accrued a Restoration Benefit under Section 4 for any Plan Year and who has not received a distribution of the balance credited to his Account.

(l) **Pension Transition Supplement Plan** means the A. H. Belo Pension Transition Supplement Plan, a profit sharing plan intended to qualify under Section 401(a) of the Code, as amended from time to time.

(m) **Plan** means the A. H. Belo Pension Transition Supplement Restoration Plan as set forth herein, as amended from time to time.

(n) **Plan Year** means the period with respect to which the records of the Plan are maintained, which will be the 12-month period beginning on January 1 and ending on December 31.

(o) **Restoration Benefit** means the benefit described in Section 4.

(p) **Separation from Service** means a Participant's separation from service within the meaning of Section 409A of the Code from A. H. Belo and all A. H. Belo subsidiaries for any reason other than the Participant's death. A Participant who is on military leave, sick leave or other bona fide leave of absence does not have a Separation from Service if the leave does not exceed six months or, if the leave exceeds six months, the Participant's right to reemployment with A. H. Belo or an A. H. Belo subsidiary is provided by statute or by contract. If the period of the Participant's leave exceeds six months but the Participant's right to employment is not provided by statute or contract, the Participant's Separation from Service occurs on the first date immediately following such six-month period. Notwithstanding the foregoing, where a leave of absence is due to any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than six months, where such impairment causes the Participant to be unable to perform the duties of the Participant's position of employment or any substantially similar position of employment, a 29-month period of absence will be substituted for such six-month period.

(q) **Trust** means the trust established by A. H. Belo to provide for the payment of Restoration Benefits. The Trust is a so-called "rabbi trust" the assets of which are at all times subject to the claims of the general creditors of A. H. Belo and the A. H. Belo subsidiaries.

3. **Eligibility.** Each Employee who is eligible to participate in the Pension Transition Supplement Plan for any Plan Year will be eligible to participate in the Plan for that Plan Year.

4. **Restoration Benefit.**

(a) **Amount of Benefit.** A Participant's Restoration Benefit for any Plan Year will be an amount equal to the difference, if any, between (i) and (ii) below, where:

(i) is the contribution that A. H. Belo or an A. H. Belo subsidiary has designated to be made to the Pension Transition Supplement Plan on behalf of the Participant for such Plan Year without regard to the qualification requirements of Section 401(a) of the Code, and

(ii) is the amount actually contributed by A. H. Belo or the A. H. Belo subsidiary to the Pension Transition Supplement Plan on behalf of the Participant for such Plan Year.

(b) **Benefit Earned under the Belo Pension Transition Supplement Restoration Plan.** In addition to the benefit described in Section 4(a), the Committee will credit to the Account of a Participant who transfers employment from Belo Corp, a Delaware corporation ("Belo"), or a Belo subsidiary to employment with A. H. Belo or an A. H. Belo subsidiary on or after the Distribution Date (as hereinafter defined) and on or before December 31, 2008, the restoration benefit earned by such Participant under the Belo Pension Transition Supplement Restoration Plan for the plan year of such plan ending December 31, 2007.

The term "Distribution Date" as used in the preceding sentence means the date on which Belo effects the distribution to its shareholders of all of the common stock of the Company.

(c) **Vesting.** Each Participant will be fully vested in his Restoration Benefit at all times.

5. Funding of Restoration Benefits.

(a) **Restoration Benefit Accounts.** The Committee will establish an Account for each Participant, to which will be credited the amount of the Participant's Restoration Benefit for each Plan Year, together with earnings and losses on the balance of the Account as determined under Section 5(b).

(b) Earnings and Losses.

(i) Unless the Compensation Committee determines otherwise, A. H. Belo and the A. H. Belo subsidiaries participating in the Plan will contribute to the Trust the amount of each Participant's Restoration Benefit for each Plan Year. Such contributions will be made no later than the date on which annual contributions to the Pension Transition Supplement Plan are made. Participants will be permitted to direct the investment of the amounts credited to their Accounts in the investment funds offered under the terms of the Trust from time to time, and their Accounts will be credited at least annually with realized and unrealized investment earnings and losses.

(ii) In the event the Compensation Committee decides to discontinue funding Restoration Benefits in the Trust, the balance of each Participant's Account to the extent not so funded will be credited with a notional rate of return as determined by the Compensation Committee from time to time.

(c) **Unfunded Benefits.** Notwithstanding any provision of the Plan to the contrary, the Plan will be unfunded for purposes of ERISA. All benefits payable to a Participant under the Plan may be paid from the assets of the Trust, any successor or similar trust established by A. H. Belo or any A. H. Belo subsidiary or from the general assets of A. H. Belo or any A. H. Belo subsidiary that employed the Participant; provided, however, that nothing contained in the Plan will require A. H. Belo or any A. H. Belo subsidiary to set aside or continue to hold in trust any funds for the benefit of a Participant, who will have the status of a general creditor with respect to the obligation of A. H. Belo or an A. H. Belo subsidiary to make payments under the Plan. Any assets held in the Trust or any successor or similar trust will at all times be subject to the claims of general creditors of A. H. Belo and the A. H. Belo subsidiaries, and no Participant will at any time have a prior claim to such assets. To the extent that Plan benefits are paid from a trust, A. H. Belo and each A. H. Belo subsidiary will be relieved of all liability for such Plan benefits. Any funds of A. H. Belo or any A. H. Belo subsidiary available to pay benefits under the Plan will be subject to the claims of general creditors of A. H. Belo or the A. H. Belo subsidiary and may be used for any purpose by A. H. Belo or the A. H. Belo subsidiary.

(d) **Allocation of Payments.** If the Plan benefit payable to a Participant is attributable to periods of employment with A. H. Belo and/or one or more A. H. Belo subsidiaries, the Compensation Committee may allocate liability for the payment of the benefit

among A. H. Belo and one or more A. H. Belo subsidiaries in any manner the Compensation Committee, in its sole discretion, determines to be appropriate.

6. Payment of Restoration Benefits .

(a) **Form of Restoration Benefits.** The balance credited to the Account of each Participant will be paid to the Participant in a single lump sum payment.

(b) Commencement of Restoration Benefits .

(i) The balance credited to the Account of a Participant who is not a Key Employee will be made as soon as practicable after the date of the Participant's Separation from Service but in no event later than 90 days after such date.

(ii) Except as otherwise provided in this Section 6(b)(ii), the balance credited to the Account of a Participant who is a Key Employee will be made as soon as practicable following the date that is six months after the date of the Participant's Separation from Service, but in no event later than 90 days following such six-month date, If, however, the Participant dies after his Separation from Service and prior to the expiration of the six-month period following such Separation from Service, payment of the Participant's vested Plan benefit will be made to the Participant's beneficiary following his death in accordance with the provisions of Section 7.

(c) **Delay in Payments.** Notwithstanding any other provision in the Plan, a payment otherwise required to be made to a Participant or beneficiary may be delayed to the extent permitted by Section 409A of the Code if the Administrative Committee reasonably determines that the payment (A) will not be deductible for federal income tax purposes by reason of the application of Section 162(m) of the Code; (B) will violate federal securities law or other applicable law; or (C) may be delayed for any other reason permitted under Section 409A of the Code.

7. Death Benefits. If a Participant who is entitled to receive a Restoration Benefit dies before payment of such benefit is made, the balance of the Participant's Account will be paid as a death benefit to the beneficiary designated by the Participant (who may or may not be the Participant's spouse) in accordance with procedures established by the Administrative Committee or, in the event the Participant has not designated any beneficiary, to the Participant's surviving spouse, if any, and if none, to the Participant's estate. The death benefit payable pursuant to this Section 7 will be paid in a lump sum payment as soon as practicable after the date of the Participant's death but in no event later than 90 days after such date.

8. Prohibition on Acceleration of Benefits .

(a) **In General.** The time or schedule of any payment to be made under the Plan may not be accelerated except to the extent permitted under Section 409A of the Code. Where Section 409A of the Code permits a payment to be accelerated but does not require the Plan to, and the Plan does not, expressly provide for such acceleration, the payment may be accelerated in the sole discretion of the Administrative Committee.

(b) **Change in Control.** Notwithstanding the general prohibition on acceleration of benefits, upon a Change in Control the Compensation Committee will have the right, but not the obligation, to terminate the Plan and to distribute to each Participant and beneficiary of a deceased Participant, no earlier than 30 days preceding and no later than 12 months following the date of the Change in Control, the entire balance of the Participant's or beneficiary's Account.

9. Administration of the Plan.

(a) **Administration by the Administrative Committee.** The Committee will administer the Plan and will have the full authority and discretion to accomplish that purpose, including without limitation, the authority and discretion to (i) interpret the Plan and correct any defect, supply any omission or reconcile any inconsistency or ambiguity in the Plan in the manner and to the extent that the Administrative Committee deems desirable to carry the purpose of the Plan; (ii) resolve all questions relating to the eligibility of employees to become Participants; (iii) determine the amount of benefits payable to Participants and authorize and direct A. H. Belo with respect to the payment of benefits under the Plan; (iv) make all other determinations and resolve all questions of fact necessary or advisable for the administration of the Plan; and (v) make, amend and rescind such rules as it deems necessary for the proper administration of the Plan. The Committee will keep a written record of its action and proceedings regarding the Plan and all dates, records and documents relating to its administration of the Plan. The Committee may, from time to time, delegate to one or more of its members and to any other persons any of its rights, duties and responsibilities with respect to the administration of the Plan and may terminate any such delegation upon such notice as the Administrative Committee determines to be appropriate.

(b) **Committee Action Conclusive.** Any action taken or determination made by the Administrative Committee will, except as otherwise provided in Section 10, be conclusive on all parties. No member of the Administrative Committee will vote on any matter relating specifically to such member. In the event that a majority of the members of the Administrative Committee will be specifically affected by any action proposed to be taken (as opposed to being affected in the same manner as each other Participant in the Plan), such action will be taken by the Board of Directors.

10. Claims Procedure.

(a) **Filing a Claim.** If a Participant does not receive the benefits which he believes he is entitled to receive under the Plan, he may file a claim for benefits with the Administrative Committee. All claims will be made in writing and will be signed by the claimant. If the claimant does not furnish sufficient information to determine the validity of the claim, the Administrative Committee will indicate to the claimant any additional information which is required.

(b) **Decision on Claim.** Each claim will be approved or disapproved by the Administrative Committee within 90 days following the receipt of the information necessary to process the claim. In the event the Administrative Committee denies a claim for benefits in whole or in part, the Administrative Committee will notify the claimant in writing of the denial

of the claim. Such notice by the Administrative Committee will also set forth, in a manner calculated to be understood by the claimant, the specific reason for such denial, the specific Plan provisions on which the denial is based, a description of any additional material or information necessary to perfect the claim with an explanation of why such material or information is necessary, and an explanation of the Plan's claim review procedure as set forth below. If no action is taken by the Administrative Committee on a claim within 90 days, the claim will be deemed to be denied for purposes of the review procedure.

(c) **Appeal.** A claimant may appeal a denial of his claim by requesting a review of the decision by the Administrative Committee or a person designated by the Administrative Committee. An appeal must be submitted in writing within six months after the denial and must (i) request a review of the claim for benefits under the Plan; (ii) set forth all of the grounds upon which the claimant's request for review is based and any facts in support thereof; and (iii) set forth any issues or comments which the claimant deems pertinent to the appeal. The Committee or the named fiduciary designated by the Administrative Committee will make a full and fair review of each appeal and any written materials submitted in connection with the appeal. The Committee or the named fiduciary designated by the Administrative Committee will act upon each appeal within 60 days after receipt thereof unless special circumstances require an extension of the time for processing, in which case a decision will be rendered as soon as possible but not later than 120 days after the appeal is received. The claimant will be given the opportunity to review pertinent documents or materials upon submission of a written request to the Administrative Committee or named fiduciary, provided the Administrative Committee or named fiduciary finds the requested documents or materials are pertinent to the appeal. On the basis of its review, the Administrative Committee or named fiduciary will make an independent determination of the claimant's eligibility for benefits under the Plan. The decision of the Administrative Committee or named fiduciary on any claim for benefits will be final and conclusive upon all parties thereto. In the event the Administrative Committee or named fiduciary denies an appeal in whole or in part, it will give written notice of the decision to the claimant, which notice will set forth in a manner calculated to be understood by the claimant the specific reasons for such denial and which will make specific reference to the pertinent Plan provisions on which the decision was based.

11. Miscellaneous.

(a) **No Right to Employment.** Nothing in the Plan will confer upon a Participant the right to continue in the employ of A. H. Belo or any A. H. Belo subsidiary or will limit or restrict the right of A. H. Belo or any A. H. Belo subsidiary to terminate the employment of a Participant at any time with or without cause.

(b) **Assignment and Alienation.** Except as otherwise provided in the Plan, no right or benefit under the Plan will be subject to anticipation, alienation, sale, assignment, pledge, encumbrance or charge, and any attempt to anticipate, alienate, sell, assign, pledge, encumber or charge such right or benefit will be void. No such right or benefit will in any manner be subject to the debts, liabilities or torts of a Participant.

(c) **Amendment and Termination.** The Plan may be amended at any time by the Compensation Committee. The Plan may also be amended or terminated by the Board of

Directors at any time. No action taken by the Compensation Committee to amend the Plan or by the Board of Directors to amend or terminate the Plan will have the effect of decreasing a Participant's Account balance as of the date of such action or to cause a distribution of a Participant's Account balance in violation of Section 409A of the Code. Upon termination of the Plan, the Compensation Committee may distribute to each Participant the balance of his Account only to the extent that distribution of the Account would not violate the requirements of Section 409A.

(d) **Compliance with Section 409A.** Notwithstanding anything to the contrary in the Plan, if and to the extent the Compensation Committee determines that the terms of the Plan may result in the failure of the Plan, or any benefits accrued under the Plan, to comply with the requirements of Section 409A of the Code, the Compensation Committee will have the discretionary authority to amend, modify, suspend or terminate the Plan even if such action would adversely affect the rights of any Participant or beneficiary.

(e) **ERISA Exemption.** The Plan is intended to provide benefits for "management or highly compensated" employees within the meaning of Sections 201, 301 and 401 of ERISA, and therefore to be exempt from the provisions of Parts 2, 3 and 4 of Title I of ERISA. Accordingly, no further benefits will accrue hereunder in the event it is determined by a court of competent jurisdiction or by an opinion of counsel that the Plan constitutes an employee pension benefit plan within the meaning of Section 3(2) of ERISA, which is not so exempt.

(f) **Invalid Provisions.** If any provision in the Plan is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force and effect without being impaired or invalidated in any way.

(g) **Governing Law.** The Plan will be construed and governed in all respects in accordance with applicable federal law and, to the extent not preempted by such federal law, in accordance with the laws of the State of Delaware, including without limitation, the Delaware statute of limitations, but without giving effect to the principles of conflicts of laws of such state.

Executed at Dallas, Texas, this 1 day of February, 2008.

A. H. BELO CORPORATION

By /s/ Alison K. Engel

Name: Alison K. Engel

Title: Senior Vice President/ Chief
Financial Officer

**A. H. BELO CORPORATION
CHANGE IN CONTROL SEVERANCE PLAN**

TABLE OF CONTENTS

1. Purpose of the Plan	1
2. Definitions	1
3. Eligibility	6
4. Effect of a Change in Control on Long-Term Incentive Compensation Awards	7
5. Termination of Employment	7
6. Certain Additional Payments by the Company	10
7. Section 409A	12
8. No Mitigation or Offset; Enforcement of the Plan	13
9. Insurance and Indemnification	14
10. Withholding	14
11. Default in Payment	14
12. Term	14
13. Funding of Benefits	15
14. Amendment or Modification	15
15. Successors	15
16. Severability	16
17. Survival	16
18. Notices	16
19. Governing Law	16
20. Headings and References	16
21. Interpretation	16

A. H. BELO CORPORATION
CHANGE IN CONTROL SEVERANCE PLAN

1. Purpose of the Plan. The Board of Directors (the “Board”) of A H. Belo Corporation (the “Company”) recognizes the importance to Company and its shareholders of ensuring that the Company and its subsidiaries have the continued dedication and leadership of the Company’s management team, notwithstanding the possibility, threat or occurrence of a Change in Control (as defined below). The Board recognizes that the possibility of a Change in Control and the uncertainty it may create among management may result in the departure or distraction of management personnel to the detriment of the Company and its shareholders. Therefore, the Board has decided to adopt this Change in Control Severance Plan (the “Plan”) in order to encourage the retention of management and to reduce the level of uncertainty and distraction that is likely to result from a Change in Control or a potential Change in Control. The Plan is intended to qualify for purposes of ERISA (as defined below) as an unfunded welfare plan maintained by the Company for the purpose of providing benefits for a select group of management or highly compensated employees exempt from the reporting and disclosure requirements of ERISA.

2. Definitions. For purposes of the Plan, the following terms have the meanings set forth below:

(a) “Affiliate” means, with respect to any specified Person, any other Person that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such specified Person.

(b) “Annual Base Salary” means a Participant’s annual base salary at the rate in effect on the Severance Protection Date or such higher rate as may be in effect at any time after the Severance Protection Date.

(c) “Annual Bonus” means, except as otherwise expressly provided in Section 5(b)(ii) and Section 5(b)(iii), the Participant’s annual incentive pay opportunity at the level in effect on the Severance Protection Date or such higher level as may be in effect at any time after the Severance Protection Date.

(d) “Average Annual Bonus Award” means, as of a Participant’s Termination Date, the Average Annual Bonus Award payable or actually paid to the Participant in respect of the three fiscal years preceding such Participant’s Termination Date; provided, however, that (i) if the Participant has not been employed by the Company or a Subsidiary for a sufficient length of time to have been eligible for payment of at least one such annual incentive award, “Average Annual Bonus Award” will then mean the target payout under the then-current annual incentive plan for the fiscal year in which such Participant’s Termination Date occurs, (ii) for any fiscal year during which an annual incentive award that was paid or is payable to the Participant was prorated because of less than a full fiscal year of plan participation or employment, such award will be annualized and (iii) if the Participant was not employed during any one or more of the three fiscal years immediately preceding such Participant’s Termination Date or otherwise was not eligible to receive an annual incentive award for such fiscal year, the

Average Annual Bonus Award will be determined on the basis of the number of fiscal years during such period with respect to which the Participant was eligible to receive such an award.

(e) “Cause” means, with respect to any Participant, the occurrence of any one of the following:

(i) the Participant is convicted of, or pleads guilty or *nolo contendere* to, a felony involving moral turpitude or that involves misappropriation of the assets of the Company or a Subsidiary;

(ii) the Participant commits one or more acts or omissions constituting negligence, fraud or other misconduct that have a materially detrimental effect on the Company or a Subsidiary; or

(iii) the Participant willfully commits a violation of any of the Company’s material policies (including the Company’s code of business conduct and ethics, as in effect from time to time) that is materially detrimental to the best interests of the Company.

For purposes of this Section 2(e), no act or failure to act on the part of the Participant will be considered “willful” unless it is done, or omitted to be done, by the Participant in bad faith or without reasonable belief that the Participant’s action or omission was in the best interests of the Company. The termination of employment of the Participant for Cause will not be effective unless and until there has been delivered to the Participant a copy of a resolution duly adopted by the Compensation Committee at a meeting called and held for such purpose (after reasonable notice is provided to the Participant and the Participant is given an opportunity, together with counsel, to be heard before the Compensation Committee), finding that, in the good faith opinion of the Compensation Committee, the Participant is guilty of the conduct described in clause (i), (ii) or (iii) above and specifying the particulars of such conduct in detail; provided, however, that if the Participant is the Chief Executive Officer of the Company, the foregoing determination will be made by the Board (excluding the Participant) before which the Participant will be entitled to be heard with counsel.

(f) “Change in Control” means the occurrence of any of the following:

(i) individuals who, as of the Effective Date, were members of the Board (the “Incumbent Directors”) cease for any reason to constitute at least a majority of the Board; provided, however, that any individual becoming a director after the Effective Date whose election, or nomination for election, by the Company’s shareholders was approved by a vote of at least a majority of the Incumbent Directors will be considered as though such individual were an Incumbent Director, other than any such individual whose assumption of office after the Effective Date occurs as a result of an actual or threatened proxy contest with respect to election or removal of directors or other actual or threatened solicitation of proxies or consents by or on behalf of a “person” (as such term is used in Section 13(d) of the Exchange Act) (each, a “Person”), other than the Board;

(ii) the consummation of (A) a merger, consolidation or similar form of corporate transaction involving the Company (each of the events referred to in this

clause (A) being hereinafter referred to as a “Reorganization”) or (B) a sale or other disposition of all or substantially all the assets of the Company (a “Sale”), unless, immediately following such Reorganization or Sale, (1) all or substantially all the individuals and entities who were the “beneficial owners” (as such term is defined in Rule 13d-3 under the Exchange Act (or a successor rule thereto)) of shares of the Company’s common stock or other securities eligible to vote for the election of the Board outstanding immediately prior to the consummation of such Reorganization or Sale (such securities, the “Company Voting Securities”) beneficially own, directly or indirectly, more than 60% of the combined voting power of the then outstanding voting securities of the corporation or other entity resulting from such Reorganization or Sale (including a corporation or other entity that, as a result of such transaction, owns the Company or all or substantially all the Company’s assets either directly or through one or more subsidiaries) (the “Continuing Entity”) in substantially the same proportions as their ownership, immediately prior to the consummation of such Reorganization or Sale, of the outstanding Company Voting Securities (excluding any outstanding voting securities of the Continuing Entity that such beneficial owners hold immediately following the consummation of the Reorganization or Sale as a result of their ownership prior to such consummation of voting securities of any corporation or other entity involved in or forming part of such Reorganization or Sale other than the Company or a Subsidiary), (2) no Person (excluding any employee benefit plan (or related trust) sponsored or maintained by the Continuing Entity or any corporation or other entity controlled by the Continuing Entity) beneficially owns, directly or indirectly, 30% or more of the combined voting power of the then outstanding voting securities of the Continuing Entity and (3) at least a majority of the members of the board of directors or other governing body of the Continuing Entity were Incumbent Directors at the time of the execution of the definitive agreement providing for such Reorganization or Sale or, in the absence of such an agreement, at the time at which approval of the Board was obtained for such Reorganization or Sale;

(iii) the shareholders of the Company approve a plan of complete liquidation or dissolution of the Company; or

(iv) any Person, corporation or other entity or group (within the meaning of Section 13(d)(3) or 14(d)(2) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of securities of the Company representing 30% or more of the combined voting power of the Company Voting Securities; provided, however, that for purposes of this subparagraph (iv), the following acquisitions will not constitute a Change in Control: (A) any acquisition directly from the Company, (B) any acquisition by the Company or any Subsidiary, (C) any acquisition by any employee benefit plan (or related trust) sponsored or maintained by the Company or any Subsidiary, (D) any acquisition by an underwriter temporarily holding such Company Voting Securities pursuant to an offering of such securities or (E) any acquisition pursuant to a Reorganization or Sale that does not constitute a Change in Control for purposes of Section 2(f)(ii).

For purposes of applying the provisions of Section 2(f)(ii)(B)(2) and Section 2(f)(iv) at any time on or after the Effective Date, neither Robert W. Dechard nor any

Person holding voting securities of the Continuing Entity or Company Voting Securities, as applicable, over which Robert W. Decherd has sole or shared voting power will be considered to be the beneficial owner of 30% or more of such voting securities or Company Voting Securities.

(g) “Code” means the Internal Revenue Code of 1986, as amended from time to time, and the regulations promulgated thereunder.

(h) “Compensation Committee” means the Compensation Committee of the Board.

(i) “Disability” means the Participant’s absence for a period of 180 consecutive business days as a result of incapacity due to a physical or mental condition, illness or injury which is determined to be total and permanent by a physician mutually acceptable to the Company and the Participant or the Participant’s legal representative (such acceptance not to be unreasonably withheld) after such physician has completed an examination of the Participant.

(j) “Effective Date” means the date on which Belo Corp. distributes to its shareholders all of the common stock of the Company.

(k) “Exchange Act” means the Securities Exchange Act of 1934, as amended from time to time, or any successor statute thereto.

(l) “Excise Tax” means the excise tax imposed by Section 4999 of the Code, together with any interest or penalties imposed with respect to such tax.

(m) “Good Reason” means, with respect to any Participant and without the Participant’s express written consent, the occurrence of any one or more of the following at any time during the Severance Protection Period:

(i) the failure to elect or reelect or otherwise to maintain the Participant in the office or the position, or a substantially equivalent or better office or position, of or with the Company or a Subsidiary, which the Participant held immediately prior to a Change in Control, or the removal of the Participant as a member of the Board of Directors of the Company (or any successor to the Company) if the Participant was a Director of the Company immediately prior to the Change in Control;

(ii) (A) a significant adverse change in the nature or scope of the authorities, powers, functions, responsibilities or duties attached to the position with the Company and any Subsidiary which the Participant held immediately prior to the Change in Control, (B) a reduction in the aggregate of the Participant’s Annual Base Salary or Annual Bonus received from the Company and any Subsidiary, (C) a reduction in the Participant’s long-term incentive compensation opportunity from the level in effect on the Severance Protection Date or such higher level as may be in effect at any time after the Severance Protection Date or (D) the termination or denial of the Participant’s rights to retirement or welfare benefits or a reduction in the scope or value of such benefits (other than any such reduction that is generally applicable to all employees of the Company), and such change, reduction or termination is not remedied by the Company

within ten business days after receipt by the Company of written notice from the Participant of such change, reduction or termination, as the case may be;

(iii) any change of the Participant's principal place of employment to a location more than 50 miles from the Participant's principal place of employment immediately prior to a Change in Control;

(iv) any failure of the Company to pay the Participant any compensation when due (other than an inadvertent failure that is remedied within ten business days after receipt of written notice from the Participant);

(v) the delivery by the Company or any Subsidiary of a written notice to the Participant of the intent to terminate the Participant's employment for any reason, other than Cause or Disability, regardless of whether such termination is intended to become effective during or after the Severance Protection Period; or

(vi) any failure by the Company to comply with and satisfy Section 15.

The Participant's right to terminate employment for Good Reason will not be affected by the Participant's incapacity due to physical or mental illness. A termination of employment by the Participant for Good Reason for purposes of the Plan will be effective only if the Participant gives the Company written notice ("Notice of Termination for Good Reason") of the termination setting forth in reasonable detail the specific conduct of the Company that constitutes Good Reason and the specific provisions of the Plan on which the Participant relied. Unless the parties agree otherwise, a termination of employment by the Participant for Good Reason will be effective on the 30th day following the date when the Notice of Termination for Good Reason is given, unless the Company elects to treat such termination as effective as of an earlier date; provided, however, that so long as an event that constitutes Good Reason occurs during the Severance Protection Period and the Participant delivers the Notice of Termination for Good Reason at any time prior to the expiration of the Severance Protection Period, the termination of the Participant's employment will be deemed to be a resignation for Good Reason during the Severance Protection Period. If the Company disputes the existence of Good Reason, the Company will have the burden of proof to establish that Good Reason does not exist. If the Participant continues to provide services to the Company after one of the events giving rise to Good Reason has occurred, the Participant will not be deemed to have consented to such event or to have waived the Participant's right to terminate his or her employment at any time during the Severance Period for Good Reason in connection with such event.

(n) "Payment" means any payment, benefit or distribution (or combination thereof) by the Company, any of its Affiliates or any trust established by the Company or its Affiliates, to or for the benefit of a Participant, whether paid, payable, distributed, distributable or provided pursuant to the Plan or otherwise, including any payment, benefit or other right that constitutes a "parachute payment" within the meaning of Section 280G of the Code.

(o) "Person" has the meaning set forth in Section 2(f)(i).

(p) "Separation from Service" means a Participant's separation from service within the meaning of Section 409A of the Code.

(q) “Severance Multiple” will mean, with respect to any Participant, the number that corresponds to such Participant’s Tier (as set forth on Schedule A) as of the Severance Protection Date.

(r) “Severance Protection Date” means the date on which a Change in Control occurs during the Term, except as otherwise provided in Section 3(b).

(s) “Severance Protection Period” means, with respect to any Participant, the period commencing on the Severance Protection Date and ending on the earlier of (i) the second anniversary of the Severance Protection Date and (ii) the Participant’s Termination Date. If a Participant’s Severance Protection Period ends on the Participant’s Termination Date, the Severance Protection Period will be deemed to include such Termination Date.

(t) “Subsidiary” means any entity in which the Company, directly or indirectly, possesses 50% or more of the total combined voting power of all classes of its stock.

(u) “Term” has the meaning set forth in Section 12.

(v) “Termination Date” means the date on which a Participant has a Separation from Service.

(w) “Tier” has the meaning set forth in Section 3.

3. Eligibility.

(a) Employees in Certain Positions. Participants in the Plan (“Participants”) are those employees of the Company and its Subsidiaries (other than an employee who enters into an individual change in control severance agreement with the Company) who are actively employed by the Company or a Subsidiary on or following the Effective Date in a position set forth on Schedule A (each set of positions set forth on Schedule A is referred to the Plan as a “Tier”) and who are designated by the Compensation Committee as eligible to participate in the Plan. Notwithstanding the foregoing, if an employee becomes a Participant prior to the Severance Protection Date but is not actively employed by the Company or a Subsidiary in a position set forth on Schedule A immediately prior to the Severance Protection Date, or if an employee was not employed in a position set forth on Schedule A prior to the Severance Protection Date but became employed in such a position following such date as a result of hiring or promotion, such employee will not be considered a Participant for any purpose under the Plan unless otherwise determined by the Compensation Committee.

(b) Employment Rights. Participation in the Plan does not alter the status of a Participant as an at-will employee, and nothing the Plan will reduce or eliminate the right of the Company and its Subsidiaries to terminate a Participant’s employment at any time for any reason or the right of a Participant to resign at any time for any reason. However, any Separation from Service of a Participant or removal of a Participant from his or her office or position in the Company or any Subsidiary that follows the commencement of any discussion with a Person that ultimately results in a Change in Control will be deemed to be a Separation from Service or removal of the Participant following the Severance Protection Date; provided that if the Separation from Service precedes the Change in Control, then for purposes of determining the

timing of any payments to be made pursuant to Section 5(b), such payments will be measured from the date of the Change in Control rather than from the date of the Participant's Separation from Service.

4. Effect of a Change in Control on Long-Term Incentive Compensation Awards. In the event of a Change in Control during the Term, notwithstanding any provision to the contrary in any of the Company's equity-based, equity-related or other long-term incentive compensation plans, practices, policies and programs each as amended or any award agreements thereunder, (i) all outstanding stock options, stock appreciation rights and similar rights and awards then held by each Participant that are unexercisable or otherwise unvested will automatically become fully vested and immediately exercisable, as the case may be, (ii) all outstanding equity-based, equity-related and other long-term incentive awards then held by such Participant that are subject to performance-based vesting criteria will automatically become fully vested and earned at a deemed performance level equal to the greater of the target performance level or the performance level determined by actual performance through the date ending on the date of the Change in Control and (iii) all other outstanding equity-based, equity-related and long-term incentive awards, to the extent not covered by the foregoing clause (i) or (ii), then held by such Participant that are unvested or subject to restrictions or forfeiture will automatically become fully vested and all restrictions and forfeiture provisions related thereto will lapse.

5. Termination of Employment.

(a) Termination by the Company for Cause: Voluntary Resignation by the Participant without Good Reason. If, during the Severance Protection Period, a Participant's employment is terminated either by the Company or its Subsidiaries for Cause or, except as otherwise provide in Section 5(c), by resignation of the Participant without Good Reason, the Participant will not be entitled to any compensation or benefits under the Plan other than any payments the Company is at the time of such termination or resignation obligated to make pursuant to Section 4 (the "Accrued Rights").

(b) Termination During the Severance Protection Period by the Company without Cause or by the Participant for Good Reason.

(i) Release of Claims. If during the Severance Protection Period a Participant's employment is terminated by the Company or any of its Subsidiaries other than for Cause or Disability or by resignation of the Participant with Good Reason, then, in addition to the Accrued Rights the Participant will be entitled to the payments and benefits set forth in this Section 5(b), provided that the Participant has executed and delivered to the Company a Separation Agreement and Release substantially in the form attached to the Plan as Exhibit A and such release has become effective and irrevocable in accordance with its terms no later than the first day of the seventh month after the Participant's Termination Date. If the Participant fails to furnish such release, or if the release furnished by the Participant has not become effective and irrevocable by the first day of the seventh month after the Participant's Termination Date, the Participant will not be entitled to any payment or benefit under the Plan other than the Accrued Rights.

(ii) Severance Pay. The Company will pay the Participant an amount equal to the Participant's Severance Multiple times the sum of (A) the Participant's Annual Base Salary (determined without regard to any reduction giving rise to Good Reason) and (B) the greater of the Participant's Average Annual Bonus Award and the Participant's Annual Bonus at the target level of performance for the fiscal year that includes the Termination Date in a lump-sum payment payable as soon as practicable on or after the first day of the seventh month after the Participant's Termination Date but in no event later than 30 days after the first day of such seventh month. The foregoing amounts will be reduced by the value of any other cash severance payments relating to salary or bonus continuation the Participant is otherwise eligible to receive upon termination of employment under any severance plan, practice, policy or program of the Company or any Subsidiary, unless such plan, policy or program expressly provides that a cash severance or retention payment is in addition to the payments and benefits under this Plan.

(iii) Annual Bonus. To the extent not paid under the Company's annual bonus plan then in effect, the Company will pay the Participant an amount equal to the Participant's Annual Bonus in effect as of the Participant's Termination Date at a deemed performance level equal to the greater of the target performance level or the performance level determined by actual performance through the Termination Date, without proration for less than a full performance period, in a lump-sum payment payable as soon as practicable on or after the first day of the seventh month after the Participant's Termination Date but in no event later than 30 days after the first day of such seventh month.

(iv) Retirement Plan Benefits. With respect to any employee pension plan (within the meaning of Section 3(2) of ERISA) that is a defined contribution plan in which the Participant was an active participant immediately prior to the Participant's Termination Date, the Company will determine the amount of Company contributions the Participant would have been entitled to receive pursuant to such plan if the Participant (A) had remained an active participant in such plan during the number of years equal to the Participant's Severance Multiple (such period, the "Continuation Period"), and (B) had made pre-tax and after-tax contributions at the highest rate permitted by the plan, based on the terms of the plan in effect on the Termination Date. The Company will make a lump-sum cash payment to the Participant in an amount equal to the amount of such Company contributions as soon as practicable on or after the first day of the seventh month after the Participant's Termination Date but in no event later than 30 days after the first day of such seventh month.

(v) Welfare Benefits. In lieu of continued participation during the Continuation Period (as defined in Section 5(b)(iv)) in the Company's medical and dental benefits, the Company will make a lump-sum cash payment to the Participant in an amount equal to (A) the Company's annual cost of providing such benefits to the Participant and the Participant's spouse and dependents based on the Participant's medical and dental benefit elections in effect immediately prior to the Termination Date multiplied by (B) the number of years in the Continuation Period. For purposes of this Section 5(b)(v), the Company's annual cost of providing medical or dental benefits will

be equal to the COBRA cost of such benefits on the Termination Date determined without regard to the two percent administrative charge, less the rate of employee premiums for such benefits charged to the Participant immediately prior the Termination Date. The Company will make the lump sum payment provided for in this Section 5(b)(v) as soon as practicable on or after the first day of the seventh month after the Participant's Termination Date but in no event later than 30 days after the first day of such seventh month.

(vi) Long-Term Incentive Compensation Awards. Notwithstanding any provision to the contrary in any of the Company's or any of its Subsidiary's equity-based, equity-related or other long-term incentive compensation plans, practices, policies and programs or any award agreements thereunder, (A) all outstanding stock options, stock appreciation rights and similar rights and awards then held by the Executive that are unexercisable or otherwise unvested will automatically become fully vested and immediately exercisable, and all stock options and stock appreciation rights then held by the Executive (whether vested or unvested) will remain exercisable until the earlier of the end of the maximum period of time permissible without the imposition of the Section 409A Tax (as defined in Section 7) and their originally scheduled expiration dates, (B) all outstanding equity-based, equity-related and other long-term incentive awards then held by the Executive that are subject to performance-based vesting criteria will automatically become fully vested and earned at a deemed performance level equal to the greater of the target performance level or the performance level determined by actual performance through the Termination Date and (C) all other outstanding equity-based, equity-related and long-term incentive awards, to the extent not covered by the foregoing clauses (A) and (B), then held by the Executive that are unvested or subject to restrictions or forfeiture will automatically become fully vested and all restrictions and forfeiture provisions related thereto will lapse.

(vii) Outplacement Services. The Participant will be entitled to reimbursement from the Company, upon such Participant's presentation to the Company of a written invoice from the applicable vendor requesting payment, for the cost of profession management support offered by a reputable and experienced vendor selected by the Participant, provided that (A) the cost of such services do not exceed \$25,000 and (B) such services are provided for a period not to exceed 18 months following the Participant's Termination Date.

(c) Resignation During the Severance Protection Period. A Participant may voluntarily terminate employment with the Company or any Subsidiary for any reason or without reason during the 30-day period immediately following the first anniversary of a Change in Control, the Participant will be entitled to the payments and benefits set forth in Section 5(b) in the same manner and subject to the same conditions as if the termination of employment was with Good Reason.

(d) Death or Disability. In the event of the termination of a Participant's employment at any time as a result of death or Disability, neither the Participant nor the Participant's estate will be entitled to any payments or benefits under the Plan, other than payments with respect to the Accrued Rights. If, however, a Participant dies after his

Termination Date but prior to receiving payment of the amounts set forth in Section 5(b)(ii), (iii) and (iv), such amounts will be paid to the Participant's estate as soon as practicable but in no event later than 30th day after the Participant's death; provided that the Participant had furnished the release described in Section 5(b)(i) prior to his or her death and such release has become effective and irrevocable by the 30th day after the Participant's death. If the Participant failed to furnish such release, or if the release furnished by the Participant has not become effective and irrevocable by the 30th day after the Participant's death, the Participant's estate will not be entitled to any payment or benefit under the Plan other than the Accrued Rights.

(e) Termination of Employment and Payment Provisions. For purposes of the Plan, a Participant will not be considered to have a termination of employment unless the termination of employment qualifies as a Separation from Service. The date on which a Participant's benefit under the Plan is paid will be determined at the sole discretion of the Compensation Committee in accordance with the applicable provisions of this Section 5, and the Participant will have no discretion with respect to the date of such payment.

6. Certain Additional Payments by the Company.

(a) Gross-Up Payment. Notwithstanding anything in the Plan to the contrary and except as set forth below, in the event it will be determined that any Payment that is paid or payable to or for the benefit of a Participant during the Term would be subject to the Excise Tax, such Participant will be entitled to receive an additional payment (a "280G Gross-Up Payment") in an amount such that, after payment by such Participant of all taxes (and any interest or penalties imposed with respect to such taxes), including any income and employment taxes (and any interest and penalties imposed with respect thereto) and Excise Taxes imposed upon the 280G Gross-Up Payment, such Participant retains an amount of the 280G Gross-Up Payment equal to the Excise Tax imposed upon such Payments. The Company's obligation to make 280G Gross-Up Payments under this Section 6 will not be conditioned upon a Participant's termination of employment and will survive and apply after such Participant's termination of employment.

(b) Calculation of Gross-Up Payment. Subject to the provisions of Section 6(c), all determinations required to be made under this Section 6, including whether and when a 280G Gross-Up Payment is required, the amount of such 280G Gross-Up Payment and the assumptions to be utilized in arriving at such determination, will be made in accordance with the terms of this Section 6 by a nationally recognized certified public accounting firm that will be selected by the Participant in his or her sole discretion (the "Accounting Firm"). The Accounting Firm will provide detailed supporting calculations both to the Company and the Participant within 15 business days of the receipt of notice from the Participant that there has been a Payment or such earlier time as is requested by the Participant or the Company. For purposes of determining the amount of any 280G Gross-Up Payment, each Participant will be deemed to pay Federal income tax at the highest marginal rate applicable to individuals in the calendar year in which any such 280G Gross-Up Payment is to be made and deemed to pay state and local income taxes at the highest marginal rates applicable to individuals in the state or locality of the Participant's residence or place of employment in the calendar year in which any such 280G Gross-Up Payment is to be made, net of the maximum reduction in Federal income taxes that can be obtained from deduction of state and local taxes, taking into account limitations applicable to individuals subject to Federal income tax at the highest marginal rate. All fees and expenses of

the Accounting Firm will be borne solely by the Company. Any Gross-Up Payment, as determined pursuant to this Section 6, will be paid by the Company to the applicable Participant within five business days of the receipt of the Accounting Firm's determination. If the Accounting Firm determines that no Excise Tax is payable by the Participant, it will so indicate to the Participant in writing. Any determination by the Accounting Firm will be binding upon the Company and the Participant. As a result of the uncertainty in the application of the Excise Tax, it is possible that the amount of the 280G Gross-Up Payment determined by the Accounting Firm to be due to a Participant, consistent with the calculations required to be made hereunder, will be lower than the amount actually due (an "Underpayment"). In the event the Company exhausts its remedies pursuant to Section 6(c) and the Participant thereafter is required to make a payment of any Excise Tax, the Accounting Firm will determine the amount of the Underpayment that has occurred, and any such Underpayment will be paid by the Company to such Participant within five business days of the receipt of the Accounting Firm's determination.

(c) Notice of Claims. A Participant will notify the Company in writing of any written claim by the Internal Revenue Service that, if successful, would require the payment by the Company of a 280G Gross-Up Payment. Such notification will be given as soon as practicable, but no later than 30 days after the Participant is informed in writing of such claim. Failure to give timely notice will not prejudice any Participant's right to 280G Gross-Up Payments and rights of indemnity under this Section 6, unless, and solely to the extent that, the Company has been prejudiced in a material respect by such failure. The Participant will advise the Company of the nature of such claim and the date on which such claim is requested to be paid. No Participant will pay such claim prior to the expiration of the 30-day period following the date on which the Participant gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies a Participant in writing prior to the expiration of such period that the Company wishes to contest such claim, the Participant will (i) give the Company any information reasonably requested by the Company relating to such claim, (ii) take such action in connection with contesting such claim as the Company will reasonably request in writing from time to time, including accepting legal representation with respect to such claim by an attorney reasonably selected by the Company, (iii) cooperate with the Company in good faith in order effectively to contest such claim and (iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company will bear and pay directly all costs and expenses (including additional income taxes, interest and penalties) incurred in connection with such contest, and will indemnify and hold the Participant harmless, on an after-tax basis, for any Excise Tax or income tax (including interest or penalties) imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this Section 6(c), the Company will control all proceedings taken in connection with such contest, and, at its sole discretion, may pursue or forgo any and all administrative appeals, proceedings, hearings and conferences with the applicable taxing authority in respect of such claim and may, at its sole discretion, either direct the Participant to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Participant agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company will determine; provided, however, that (A) if the Company directs the Participant to pay such claim and sue for a refund, the Company will advance the amount of such payment to the Participant, on an interest-free basis, and will indemnify and hold the Participant harmless, on an after-tax basis, from any

Excise Tax or income tax (including interest or penalties) imposed with respect to such advance or with respect to any imputed income in connection with such advance and (B) if such contest results in any extension of the statute of limitations relating to payment of taxes for the taxable year of the Participant with respect to which such contested amount is claimed to be due, such extension must be limited solely to such contested amount. Furthermore, the Company's control of the contest will be limited to issues with respect to which the 280G Gross-Up Payment would be payable hereunder, and each Participant will be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) Refunds. If, after the receipt by a Participant of an amount advanced by the Company pursuant to Section 6(c), the Participant becomes entitled to receive any refund with respect to such claim, the Participant will (subject to the Company's complying with the requirements of Section 6(c)) promptly pay to the Company the amount of such refund received (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by a Participant of an amount advanced by the Company pursuant to Section 6(c), a determination is made that the Participant will not be entitled to any refund with respect to such claim and the Company does not notify Participant in writing of its intent to contest such denial of refund prior to the expiration of the 30-day period after such determination, then such advance will be forgiven and will not be required to be repaid and the amount of such advance will offset, to the extent thereof, the amount of 280G Gross-Up Payment required to be paid.

(e) Payment Deadline. Notwithstanding any other provision of this Section 6 to the contrary, any Gross-Up Payment, Underpayment or other payment or reimbursement made pursuant to this Section 6 will be paid or reimbursed no later than December 31st of the year following the year in which the applicable taxes are remitted or, in the case of reimbursement of expenses incurred due to a tax audit or litigation to which there is no remittance of taxes, no later than the end of the year following the year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation in accordance with Treasury Regulation Section 1.409A-3(i)(1)(v).

7. Section 409A.

(a) Compliance. It is the intention of the Company that the provisions of the Plan comply with Section 409A of the Code, and all provisions of the Plan will be construed and interpreted in a manner consistent with Section 409A of the Code. From and after the Severance Protection Date, (i) the Company will administer and operate the Plan and each Participant's rights and benefits hereunder in compliance with Section 409A of the Code and any rules, regulations or other guidance promulgated thereunder as in effect from time to time and (ii) in the event that the Company determines that any provision of the Plan does not comply with Section 409A or any such rules, regulations or guidance and that a Participant may become subject to additional tax, interest or penalties under Section 409A of the Code (such tax, interest and penalties a "Section 409A Tax"), the Company may amend or modify such provision solely to the extent necessary to avoid the application of such Section 409A Tax, provided that such amendment or modification will not reduce the economic value to the affected Participant of such provision.

(b) 409A Gross-Up Payment. (i) In the event that, notwithstanding the provisions of Section 7(a), a Participant is subject to a Section 409A Tax with respect to any such provision, the Participant will be entitled to receive an additional payment from the Company (a “409A Gross-Up Payment”) in an amount such that, after payment by the Participant of all taxes (and any interest or penalties imposed with respect to such taxes), including any income and employment taxes (and any interest and penalties imposed with respect thereto) and any Section 409A Tax imposed upon the 409A Gross-Up Payment, the Participant retains an amount of the 409A Gross-Up Payment equal to the Section 409A Tax imposed with respect to such provision. The provisions of Sections 6(c) and 6(d) will apply, to the same extent and in the same manner as if the Section 409A Tax were an Excise Tax, to any claim by the Internal Revenue Service that, if successful, would give rise to a 409A Gross-Up Payment by the Company; provided, however that any 409A Gross-Up Payment will be paid or reimbursed no later than December 31st of the year following the year in which the applicable taxes are remitted or, in the case of reimbursement of expenses incurred due to a tax audit or litigation to which there is no remittance of taxes, no later than the end of the year following the year in which the audit is completed or there is a final and nonappealable settlement or other resolution of the litigation in accordance with Treasury Regulation Section 1.409A-3(i)(1)(v).

(c) Acceleration of Payments. To the extent that any payment or benefit required to be made under the Plan constitutes nonqualified deferred compensation subject to Section 409A of the Code, the time or schedule of such payment or benefit may not be accelerated except to the extent permitted by Section 409A of the Code. Where Section 409A of the Code permits a payment or benefit that constitutes nonqualified deferred compensation to be accelerated but does not require the Plan to expressly provide for such acceleration, the payment or benefit may be accelerated in the sole discretion of the Compensation Committee.

8. No Mitigation or Offset: Enforcement of the Plan.

(a) Mitigation and Offset. The Company’s obligation to make the payments and otherwise perform its obligations provided for in the Plan will not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action which the Company may have against any Participant or others. In no event will any Participant be obligated to seek other employment or take any other action by way of mitigation of the amounts payable to the Participant under any of the provisions of the Plan and, except as otherwise expressly provided for in the Plan, such amounts will not be reduced whether or not the Participant obtains other employment.

(b) Expense of Enforcement. The Company will reimburse, upon the Participant’s demand, any and all reasonable legal fees and expenses that the Participant may incur as a result of any contest, dispute or proceeding (regardless of whether formal legal proceedings are ever commenced and regardless of the outcome thereof and including all stages of any contest, dispute or proceeding) by the Company, the Participant or any other Person with respect to the validity or enforceability of, or liability under, any provision of the Plan or any guarantee of performance thereof (including as a result of any contest by the Participant regarding the amount of any payment owed pursuant to the Plan), and will indemnify and hold the Participant harmless, on an after-tax basis, for any tax (including Excise Tax) imposed on the Participant as a result of payment by the Company of such legal fees and expenses. Any such

payment or reimbursement will be for expenses incurred by the Participant during his lifetime, and such payment or reimbursement will be made not later than December 31st of the year following the year in which the Participant incurs the expense; provided, that in no event will the amount of expenses eligible for payment or reimbursement in one year affect the amount of expenses to be paid or reimbursed in any other taxable year.

9. Insurance and Indemnification. Beginning upon the Severance Protection Date and for so long thereafter as any Participant could be subject to liability, the Company will keep in place a directors' and officers' liability insurance policy (or policies) providing comprehensive coverage to each Participant for claims relating to the Participant's service as an employee, officer or director of the Company or its Subsidiaries, at a level (if any) that is no less favorable to the Participant (*e.g.*, with respect to scope, amounts and deductibles) than the level (if any) provided to similarly situated active employees of the Company and its Subsidiaries. The Company will indemnify each Participant to the fullest extent permitted by the Company's Certificate of Incorporation and Bylaws, any officer indemnification agreement between the Participant and the Company and the general laws of the State of Delaware and will provide indemnification expenses in advance to the extent permitted thereby. The indemnification and advance of any expenses provided by the Company pursuant to the Plan will not be deemed exclusive of any other rights to which a Participant may be entitled under any law (common or statutory), or any agreement, vote of shareholders or disinterested directors or other provision that is consistent with law, both as to action in his or her official capacity and as to action in another capacity while holding office or while employed or acting as agent for the Company or any Subsidiary, and such rights will continue in respect of all events occurring while the Participant was a director of or employed by the Company or any Subsidiary that continue after the Participant has ceased to be a director of or employed by the Company or any Subsidiary, and will inure to the benefit of the estate, heirs, executors and administrators of the Participant.

10. Withholding. The Company will deduct and withhold from any amounts payable under the Plan such Federal, state, local, foreign or other taxes as are required to be withheld pursuant to any applicable law or regulation.

11. Default in Payment. Any payment not made within ten business days after it is due in accordance with the Plan will thereafter bear interest, compounded annually, at the so-called composite "prime rate" as quoted from time to time during the relevant period in *The Wall Street Journal*. Any change in such prime rate will be effective on and as of the date of such change. For purposes of this Section 11, the due date of the payments required under Section 5(b)(ii), (iii), (iv) and (v) and under Section 5(d) is the first day of the seventh month after the Participant's Termination Date or date of death, as applicable, or if such payments are measured from the date of the Change in Control pursuant to Section 3(b), the date of the Change in Control.

12. Term. The Plan will remain in effect until the third anniversary of the Effective Date (such period, as extended by the provisions of this Section 12, the "Term"); provided that beginning on the second anniversary of the Effective Date and on each anniversary thereafter (each, an "Extension Date"), the Plan will be automatically extended for an additional one-year period, unless, pursuant to a resolution adopted by the Board at least 60 days prior to the Extension Date, the Company determines not to extend the Plan. Notwithstanding the foregoing,

in the event of a Change in Control during the Term, the Plan will continue in full force and effect in accordance with its terms and will not terminate or expire until all the Company's obligations to all Participants have been satisfied in full; provided, however, that, notwithstanding any extension of the Term, the Plan will only be effective with respect to the first Change in Control that occurs following the Effective Date, and the Participants will not be entitled to any payments or benefits pursuant to the Plan with respect to any subsequent Change in Control.

13. Funding of Benefits. Promptly following the earlier of (i) the approval by the Board of a transaction that, if consummated, would constitute a Change in Control or (ii) the occurrence of an event that constitutes a Change in Control, the Company will contribute to a trust an amount sufficient to provide the payments and benefits (including any 280G Gross-Up Payment and any 409A Gross-Up Payment) that may become payable under the Plan. The trust will be irrevocable from and after the date on which a Change in Control occurs, and the assets of the trust will at all times be subject to the claims of the Company's unsecured creditors. If a transaction approved by the Board is terminated or abandoned before a Change in Control occurs, the Company may terminate the trust and direct the trustee to pay to the Company the assets of the trust; provided that the Company will remain obligated to fund payments and benefits to the extent provided in this Section 13 upon the approval by the Board of any subsequent transaction or upon a subsequent Change in Control.

14. Amendment or Modification. The Board may amend or modify the Plan at any time; provided, however, that except as specifically provided in Section 7, (i) no amendment that is adverse to the interests of a Participant will be effective during the one-year period ending on the Severance Protection Date without the prior written consent of such Participant and (ii) on and after the Severance Protection Date, the Plan may not be amended at any time in a manner that is adverse to a Participant without the prior written consent of such Participant. The failure of a Participant to insist upon strict adherence to any term of the Plan on any occasion will not be considered a waiver of such Participant's rights or deprive such Participant of the right thereafter to insist upon strict adherence to that term or any other term of the Plan. No failure or delay by any Participant in exercising any right or power hereunder will operate as a waiver thereof, nor will any single or partial exercise of any such right or power, or any abandonment of any steps to enforce such right or power, preclude any other or further exercise thereof or the exercise of any other right or power.

15. Successors. This Plan will bind any successor (a "Successor") to all or substantially all of the business or assets of the Company (whether direct or indirect, by purchase, merger, consolidation or otherwise), in the same manner and to the same extent that the Company would have been obligated under the Plan if no such succession had taken place. In the case of any transaction in which a Successor would not, pursuant to the foregoing provision or by operation of law, be bound by the Plan, the Company will require such Successor expressly and unconditionally to assume and agree to perform the Company's obligations under the Plan, in the same manner and to the same extent that the Company would have been required to perform such obligations if no such succession had taken place. The term "Company," as used in the Plan, will mean the Company as hereinbefore defined and any Successor and any assignee to such business or assets which by reason hereof becomes bound by the Plan.

16. Severability. If any term or provision of the Plan is invalid, illegal or incapable of being enforced by any applicable law or public policy, all other conditions and provisions of the Plan will nonetheless remain in full force and effect.

17. Survival. The provisions of the Plan will survive and remain binding and enforceable, notwithstanding the expiration or termination of the Plan, the termination of a Participant's employment with the Company for any reason or any settlement of the financial rights and obligations arising from such Participant's participation under the Plan, to the extent necessary to preserve the intended benefits of the Plan.

18. Notices. All notices or other communications required or permitted by the Plan will be made in writing and all such notices or communications will be deemed to have been duly given when delivered or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company: A. H. Belo Corporation
 400 South Record Street
 Dallas, Texas 75202

 Attention: Chief Executive Officer
 Fax: (214) 977-8209

If to a Participant: to such Participant's address as most recently furnished to the Company and set forth in the Company's records;
or to such other address as any party may have furnished to the other in writing in accordance herewith, except that notices of change of address will be effective only upon receipt.

19. GOVERNING LAW. THIS PLAN WILL BE DEEMED TO BE MADE IN THE STATE OF TEXAS, AND THE VALIDITY, INTERPRETATION, CONSTRUCTION AND PERFORMANCE OF THIS PLAN IN ALL RESPECTS WILL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS WITHOUT REGARD TO ITS PRINCIPLES OF CONFLICTS OF LAW.

20. Headings and References. The headings of the Plan are inserted for convenience only and neither constitute a part of the Plan nor affect in any way the meaning or interpretation of the Plan. When a reference in the Plan is made to a Section, such reference will be to a Section of the Plan unless otherwise indicated.

21. Interpretation. For purposes of the Plan, the words "include" and "including," and variations thereof, will not be deemed to be terms of limitation but rather will be deemed to be followed by the words "without limitation." The term "or" is not exclusive. The word "extent" in the phrase "to the extent" will mean the degree to which a subject or other thing extends, and such phrase will not mean simply "if."

Adopted by the Board of Directors of
A. H. Belo Corporation on January 11, 2008.

SCHEDULE A

POSITION	TIER	SEVERANCE MULTIPLE
Chief Executive Officer	Tier I	3.0
Members of the Company's Management Committee (other than the Chief Executive Officer)	Tier II	2.5
Executive Vice Presidents and Senior Vice Presidents (other than Management Committee members)	Tier III	2.0
Vice Presidents (not described in Tier II or Tier III)	Tier IV	1.5

EXHIBIT A
SEPARATION AGREEMENT AND RELEASE

A. H. Belo form of release to be attached.

FOR IMMEDIATE RELEASE

Friday, February 8, 2008

3:00 P.M. CST

**A. H. BELO SHARES TO BEGIN TRADING ON NYSE FOLLOWING
SUCCESSFUL TAX-FREE SPIN-OFF FROM BELO CORP.**

Transaction Creates a Leading Pure-Play Newspaper Company

DALLAS — A. H. Belo Corporation (NYSE: AHC) announced today that it has successfully completed its previously announced spin-off from Belo Corp. (NYSE: BLC) and that shares of the new company will begin regular trading on February 11, 2008 on the New York Stock Exchange (NYSE) under the symbol “AHC.”

“We are excited about A. H. Belo’s prospects as a separate publicly-traded newspaper company, and we’re optimistic about the opportunities this transaction affords for our shareholders, employees, audiences and advertisers,” said Robert W. Decherd, chairman, president and Chief Executive Officer of A. H. Belo. “A. H. Belo’s strong balance sheet provides financial flexibility to support our high-quality newspaper businesses and invest in digital and new media products that serve the needs of fast-growing niche audiences.”

A. H. Belo Corporation owns and operates *The Dallas Morning News*, winner of eight Pulitzer Prizes since 1986 and the 10th largest daily and 13th largest Sunday newspaper in the nation based on circulation; *The Providence Journal*, the oldest continuously-published daily newspaper in the U.S. and winner of four Pulitzer Prizes; and *The Press-Enterprise*, winner of one Pulitzer Prize serving Southern California’s Inland Empire region, one of the fastest-growing areas in the United States. A. H. Belo also owns and manages various Web sites associated with these properties, as well as certain niche products and direct mail and commercial printing businesses. A. H. Belo’s combined newspaper and related online businesses reach a total weekly audience of over 3.8 million people in markets with attractive long-term demographics. These businesses currently have annual revenues of approximately \$740 million and employ about 3,800 people.

“A. H. Belo has enormous scale and brand recognition in its local news and information businesses,” Decherd continued. “Our assets and the attractive growth markets they serve are the foundation of our Company. We will build upon this foundation with niche and online products, including the continued development of our Yahoo! partnership.”

- more -

A. H. Belo Shares Begin Trading

February 8, 2008

Page Two

As part of the new Company, James M. Moroney III will serve as executive vice president supervising A. H. Belo's newspaper operations and will continue as publisher and Chief Executive Officer of *The Dallas Morning News*. Donald F. ("Skip") Cass will serve as executive vice president, overseeing Belo Interactive Media, Belo Technologies and the Company's Business Development activities, Alison K. Engel will serve as senior vice president/Chief Financial Officer, and Daniel J. Blizzard will serve as senior vice president. In addition to Decherd, current Belo Corp. directors J. McDonald Williams (Lead Director), Louis E. Caldera, Douglas G. Carlston, Dealey D. Herndon and Laurence E. Hirsch will constitute the Board of Directors of A. H. Belo.

As a result of the spin-off, Belo Corp. shareholders of record on January 25, 2008 received one A. H. Belo share for each five shares they own of Belo Corp. A. H. Belo currently expects to pay an annual dividend of \$1.00, payable \$0.25 per quarter, to be declared in late February and paid in early June, subject to the Board of Directors' approval.

About A. H. Belo

A. H. Belo Corporation (NYSE: AHC) headquartered in Dallas, Texas, is a distinguished news and information company that owns and operates four daily newspapers and 12 associated Web sites. A. H. Belo owns and operates *The Dallas Morning News*, Texas' leading newspaper and winner of eight Pulitzer Prizes since 1986; *The Providence Journal*, the oldest continuously-published daily newspaper in the U.S. and winner of four Pulitzer Prizes; *The Press-Enterprise* (Riverside, CA), serving southern California's Inland Empire region and winner of one Pulitzer Prize; and the *Denton Record-Chronicle*. The Company publishes specialty publications targeting young adults and the fast-growing Hispanic market, including *Quick* and *Al Dia* in Dallas/Fort Worth, and *La Prensa* in Riverside. A. H. Belo also owns direct mail and commercial printing businesses. Additional information is available at www.ahbelo.com or by contacting Maribel Correa at 214-977-2702.

Statements in this communication concerning A. H. Belo's business outlook or future economic performance, anticipated profitability, revenue, expenses, dividends, capital expenditures, investments, future financings, or other financial and non-financial items that are not historical facts, are "forward-looking statements" as the term is defined under applicable federal securities laws. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from those statements.

Such risks, uncertainties and factors include, but are not limited to changes in capital market conditions and prospects, and other factors such as changes in advertising demand, interest rates and newsprint prices; newspaper circulation matters, including changes in readership patterns and demography, and audits and related actions by the Audit Bureau of Circulations;

- more -

A. H. Belo Shares Begin Trading

February 8, 2008

Page Three

technological changes; development of Internet commerce; industry cycles; changes in pricing or other actions by competitors and suppliers; Federal Communications Commission and other regulatory, tax and legal changes; adoption of new accounting standards or changes in existing accounting standards by the Financial Accounting Standards Board or other accounting standard-setting bodies or authorities; the effects of Company acquisitions and dispositions; general economic conditions; and significant armed conflict, as well as other risks detailed in A. H. Belo's other public disclosures, and filings with the Securities and Exchange Commission ("SEC") including A. H. Belo's information statement on Form 10.