
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): April 3, 2020

A. H. BELO CORPORATION

(Exact name of registrant as specified in its charter)

Commission file number: **1-33741**

Texas
(State or other jurisdiction of incorporation or organization)

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

P. O. Box 224866, Dallas, Texas 75222-4866
(Address of principal executive offices, including zip code)

(214) 977-8222
(Registrant's telephone number, including area code)

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

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

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Series A Common Stock, \$.01 par value	AHC	New York Stock Exchange

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

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

As previously disclosed on a Current Report on Form 8-K filed on May 17, 2019 (the “May 17, 2019 Form 8-K”) with the Securities and Exchange Commission (the “SEC”), on May 17, 2019, The Dallas Morning News, Inc. (“TDMN”), a wholly-owned subsidiary of A. H. Belo Corporation (the “Company”), entered into and consummated a Purchase and Sale Agreement (the “Agreement”) with Charter DMN Holdings, LP (“Purchaser”) relating to the property located at 508 Young Street, Dallas, Texas (the “Property”). Pursuant to the Agreement, TDMN sold to Purchaser the Property, together with any and all improvements, appurtenances, rights, privileges and easements benefiting, belonging or pertaining thereto and all of TDMN’s right, title, and interest in and to certain leases, licenses, easements and agreements relating thereto for a purchase price of \$28 million, comprising \$5.6 million in cash paid at the closing and a Promissory Note (the “Note”) in the original principal amount of \$22.4 million with interest payable quarterly commencing on July 1, 2019 with a final installment of all principal and accrued interest due and payable on June 30, 2021 secured by a first priority lien on the Property. The unpaid principal balance of the Note bears interest at the rate of 3.5% per year from the date of the Note through June 30, 2020 and 4.5% per year from July 1, 2020 through the maturity of the Note. The Agreement and form of Note were previously filed as Exhibit 10.1 to the May 17, 2019 Form 8-K.

Purchaser requested, and on April 3, 2020, the Board of Directors approved, an amendment to the Note (the “Modification Agreement”) deferring Purchaser’s interest payment of \$194,929.28 that was due April 1, 2020 (the “April Interest Payment”) and adding the April Interest Payment to a second promissory note, together with a 2019 real property tax reconciliation payment due and owing by Purchaser under the Agreement in the amount of \$179,784.24 (the “Second Promissory Note”). The Second Promissory Note, in the principal amount of \$374,713.52, is secured by a second lien deed of trust on the Property and is due June 30, 2021. The foregoing summary of the Modification Agreement and the Second Promissory Note is not complete and is qualified in its entirety by reference to the Modification Agreement and Second Promissory Note filed as Exhibits 10.1 and 10.2 hereto and which are incorporated herein by reference.

Tyree B. (Ty) Miller, an independent director of the Company, recused himself from the board’s discussions, consideration and approval of the Modification Agreement and Second Promissory Note. As previously disclosed in the May 17, 2019 Form 8-K, although no related person has any direct or indirect material interest in this transaction that would require disclosure under Item 404(a) of Regulation S-K, the board was aware of, and considered, certain other relationships between Mr. Miller and the individual who is both the president of Purchaser and the owner of all of the interests in the entity that is the sole general partner of both Purchaser and the sole limited partner of Purchaser.

Item 2.02. Results of Operations and Financial Condition.

On April 6, 2020, the Company (1) announced the filing of its 2019 amended first and second quarter Forms 10-Q/A; (2) provided an update on the finalization of, and currently expected filing dates for, its third quarter 2019 Form 10-Q and 2019 Form 10-K; and (3) announced reductions in 2020 capital expenditures and the use of approximately \$8 million in balance sheet cash to maintain operations. A copy of the announcement press release is furnished with this report as Exhibit 99.1.

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

(b) Director Resignation. On April 3, 2020, Tyree B. (Ty) Miller and Nicole G. Small, members of the Board of Directors of the Company, notified the Company of their intent not to stand for re-election to the Board of Directors of the Company at its annual meeting of shareholders, currently scheduled for June 2, 2020. The size of the Board of Directors will be reduced to four.

(e) Compensation Arrangements. Effective April 24, 2020, the base salaries of our named executive officers will be reduced as follows: Mr. Robert W. Decherd, Chairman and Chief Executive Officer - \$300,000 (representing a 16.5% reduction); Mr. Grant Moise, President and Publisher, *The Dallas Morning News* - \$450,000 (representing a 10% reduction); and Ms. Katy Murray, Executive Vice President, Chief Financial Officer - \$292,500 (representing a 10% reduction).

In addition, non-employee director compensation for the 2020 – 2021 service year has been reduced. Beginning with the 2020 annual meeting of shareholders, the directors’ annual retainer has been set at \$105,000, payable quarterly in cash with no additional, incremental amounts for service as Lead Director or committee chair.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On and effective April 3, 2020, the Board of Directors approved and adopted an amendment to the Amended and Restated Bylaws of the Company (the “Bylaws”). The Bylaw amendment amends Article III, Section 2 of the Bylaws, by reducing the minimum allowable size of the Board of Directors from five to four directors and reducing the maximum number of directors from ten to eight directors. The foregoing summary of the Bylaw amendment is qualified in its entirety by reference to, and should be read in conjunction with, the complete text of the Bylaw amendment filed as Exhibit 3.1 to this Current Report and incorporated by reference into this Item 5.03.

Item 8.01. Other Events.

On April 6, 2020, the Company issued a press release announcing that it intends to reduce its cash dividend rate indefinitely following the second quarter 2020 dividend of \$0.08 per share declared on March 5, 2020, payable on June 5, 2020 to shareholders of record on May 15, 2020. Future dividends, if and when declared, are expected to be at the rate of \$0.04 per share. The press release is attached as Exhibit 99.1 hereto.

Forward-Looking Statements. This Current Report on Form 8-K, together with the press release attached hereto, contain “forward-looking statements.” Statements concerning A. H. Belo Corporation’s business outlook or future economic performance, revenues, expenses, and other financial and non-financial items that are not historical facts, including statements of the Company’s expectations relating to the outcome of its ongoing review of asset impairment and related items and the timing of its late third quarter 2019 report and its 2019 Form 10-K with the Securities and Exchange Commission and filing future reports, are “forward-looking statements” as the term is defined under applicable federal securities laws. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could cause actual outcomes and results to differ materially from current expectations. Such risks, trends and uncertainties are, in most instances, beyond the Company’s control, and include changes in advertising demand and other economic conditions; consumers’ tastes; newsprint prices; program costs; labor relations; technology obsolescence; the current and future impacts of the COVID-19 public health crisis; as well as other risks described in the Company’s most recent Annual Report on Form 10-K and in its other public disclosures and filings with the Securities and Exchange Commission. Among other risks, there can be no guarantee that the Board will approve a quarterly dividend in future quarters. A. H. Belo Corporation undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

- 3.1 Amendment to Amended and Restated Bylaws effective April 3, 2020
 - 10.1 Modification Agreement effective April 1, 2020
 - 10.2 Second Promissory Note effective April 1, 2020
 - 99.1 Press Release dated April 6, 2020
-

SIGNATURE

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: April 6, 2020

A. H. BELO CORPORATION

By: /s/ Christine E. Larkin

Christine E. Larkin

Senior Vice President/General Counsel

EXHIBIT INDEX

[Exhibit No. 3.1 Amendment to Amended and Restated Bylaws effective April 3, 2020](#)

[Exhibit No. 10.1 Modification Agreement effective April 1, 2020](#)

[Exhibit No. 10.2 Second Promissory Note effective April 1, 2020](#)

[Exhibit No. 99.1 Press Release dated April 6, 2020](#)

**Amendment No. 1 to the Amended and Restated Bylaws of A. H. Belo Corporation
(adopted and effective April 3, 2020)**

Article III, Section 2 of the Company's Amended and Restated Bylaws is hereby amended to read in its entirety as follows:

“Section 2. Number of Directors. The number of directors of the corporation constituting the Board of Directors shall not be less than four (4) nor more than eight (8), determined from time to time in accordance with these Bylaws by resolution of the Board of Directors.”

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

MODIFICATION AGREEMENT

THE STATE OF TEXAS §
 §
 COUNTY OF DALLAS §

THIS MODIFICATION AGREEMENT ("Agreement") is entered into to be effective as of the 1st day of April, 2020 (the "Effective Date"), by and between THE DALLAS MORNING NEWS, INC., a Delaware corporation ("Lender"), and CHARTER DMN HOLDINGS, LP, a Texas limited partnership ("Borrower").

RECITALS:

A. Lender is the sole owner and holder of that one certain Promissory Note (the "Seller Financing Promissory Note") dated May 17, 2019, executed by Borrower and payable to the order of Lender in the original principal amount of Twenty-Two Million Four Hundred Thousand and No/100 Dollars (\$22,400,000.00). The Seller Financing Promissory Note is also hereinafter referred to as the "Note."

B. The Note is secured by a Deed of Trust, Security Agreement – Financing Statement executed by Borrower ("Grantor") to Vicky Pogue Gunning, Trustee, dated May 17, 2019 (the "Deed of Trust"), filed for record under Instrument No. 201900127889 in the Real Property Records of Dallas County, Texas, covering certain real property located in said county as more particularly described in Exhibit A attached hereto (the "Property"). The Note, Deed of Trust, and all modifications, renewals and extensions thereof are hereafter collectively referred to as the "Loan Documents."

C. Borrower has requested that Lender modify certain provisions of the Note (a) to accept payment of the interest payment in the amount of \$194,929.28 due on April 1, 2020 (the "April Interest Payment") under the Note by Lender advancing such payment to itself on behalf of Borrower and including such payment as outstanding principal due by Borrower under that certain Promissory Note (Interest and Property Tax Reconciliation) of even date herewith (the "Second Lien Note") in the original principal amount of \$374,713.52, and (b) to cross-default the Note to the Second Lien Note, each as hereinafter provided, and in consideration thereof Borrower has made certain agreements with Lender as hereinafter more fully set forth.

D. Lender has agreed to such requests, subject to the terms and conditions set forth herein.

NOW, THEREFORE, for and in consideration of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed, Borrower and Lender hereby agree as follows:

1. Acknowledgment of Outstanding Balance. The parties hereto acknowledge that the outstanding principal balance of the Note as of April 1, 2020 was \$22,400,000.00.

2. Interest Payment Due April 1, 2020. Lender has financed payment of the April Interest Payment under the Second Lien Note and upon execution of this Agreement, the Second Lien Note, and the Second Lien Deed of Trust (as defined in the Second Lien Note) and the filing of the Second Lien Deed of Trust in the Real Property Records of Dallas County, Texas, such April Interest Payment shall be deemed made.

3. Cross Default. Paragraph 5 of the Note is hereby amended in its entirety to read as follows:

Default. It is expressly provided that upon (a) default in the punctual payment of this Note or any part hereof, principal or interest, as the same shall become due and payable; provided, no more than once in any twelve (12) month period, Lender shall provide written notice of such default to Borrower and it shall not be a default unless Borrower fails to cure such default within five (5) calendar days after written notice from Lender, or (b) default under that certain Promissory Note (Interest and Property Tax Reconciliation) dated April 1, 2020 in the original principal amount of \$374,713.52 executed by Borrower payable to the order of Lender (the "Second Lien Note") and the failure of such default to be cured within the grace or cure period, if any, applicable thereto under the Second Lien Note, or (c) the occurrence of an event of default specified in any of the other Loan Documents (as defined below) and the failure of such default to be cured within the grace or cure period, if any, applicable thereto under the Loan Documents, the holder of this Note may, at its option, without further notice or demand, (i) declare the outstanding principal balance of and accrued but unpaid interest on this Note at once due and payable, (ii) foreclose all liens securing payment hereof, (iii) pursue any and all other rights, remedies and recourses available to the holder hereof, including but not limited to any such rights, remedies or recourses under the Loan Documents, at law or in equity, or (iv) pursue any combination of the foregoing; and in the event default is made in the prompt payment of this Note when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through probate, bankruptcy or other judicial proceedings, then the Borrower agrees and promises to pay all costs of collection, including reasonable attorneys' fees.

4. Usury. No provisions of this Agreement or the Loan Documents shall require the payment or permit the collection, application or receipt of interest in excess of the maximum permitted by applicable state or federal law. If any excess of interest in such respect is herein or in any such other instrument provided for, or shall be adjudicated to be so provided for

herein or in any such instrument, the provisions of this paragraph shall govern, and neither Borrower nor any endorsers of the Note nor their respective successors, assigns or personal representatives shall be obligated to pay the amount of such interest to the extent it is in excess of the amount permitted by applicable law. It is expressly stipulated and agreed to be the intent of Borrower and Lender to at all times comply with the usury and other laws relating to the Loan Documents and any subsequent revisions, repeals or judicial interpretations thereof, to the extent applicable thereto. In the event Lender or other holder of the Note ever receives, collects or applies as interest any such excess, such amount which would be excessive interest shall be applied to the reduction of the unpaid principal balance of the Note and, if upon such application the principal balance of the Note is paid in full, any remaining excess shall be forthwith paid to Borrower and the provisions of the Loan Documents shall immediately be deemed reformed and the amounts thereafter collectible thereunder reduced, without the necessity of execution of any new document, so as to comply with the then applicable law, but so as to permit the recovery of the fullest amount otherwise called for thereunder. In determining whether or not the interest paid or payable under any specific contingency exceeds the maximum interest allowed to be charged by applicable law, Borrower and Lender or other holder hereof shall, to the maximum extent permitted under applicable law, amortize, prorate, allocate and spread the total amount of interest throughout the entire term of the Note so that the amount or rate of interest charged for any and all periods of time during the term of the Note is to the greatest extent possible less than the maximum amount or rate of interest allowed to be charged by law during the relevant period of time. Notwithstanding any of the foregoing, if at any time applicable laws shall be changed so as to permit a higher rate or amount of interest to be charged than that permitted prior to such change, then unless prohibited by law, references in the Note to "applicable law" for purposes of determining the maximum interest or rate of interest that can be charged shall be deemed to refer to such applicable law as so amended to allow the greater amount or rate of interest.

5. Release and Waiver of Claims. In consideration of (i) the modification of certain provisions of the Note, as herein provided, and (ii) the other benefits received by Borrower hereunder, Borrower hereby RELEASES, RELINQUISHES and forever DISCHARGES Lender, as well as its predecessors, successors, assigns, agents, officers, directors, employees and representatives, of and from any and all claims, demands, actions and causes of action of any and every kind or character, past or present, for which Borrower has knowledge as of the date of execution of this Agreement, against Lender and its predecessors, successors, assigns, agents, officers, directors, employees and representatives arising out of or with respect to (a) any right or power to bring any claim against Lender for usury or to pursue any cause of action against Lender based on any claim of usury, and (b) any and all transactions relating to the Loan Documents occurring prior to the date hereof, including any loss, cost or damage, of any kind or character, arising out of or in any way connected with or in any way resulting from the acts, actions or omissions of Lender, and its predecessors, successors, assigns, agents, officers, directors, employees and representatives, including any breach of fiduciary duty, breach of any duty of fair dealing, breach of confidence, breach of funding commitment, undue influence, duress, economic coercion, conflict of interest, negligence, bad faith, malpractice, intentional or negligent infliction of mental distress, tortious interference with contractual relations, tortious interference with corporate governance or

prospective business advantage, breach of contract, deceptive trade practices, libel, slander or conspiracy, but in each case only to the extent permitted by applicable law.

6. Reaffirmation of Representations, Etc. Borrower hereby reaffirms to Lender each of the representations, warranties, covenants and agreements of Borrower set forth in the Loan Documents, as amended hereby.

7. Enforceable Obligations. Borrower hereby ratifies, affirms, reaffirms, acknowledges, confirms and agrees that the Loan Documents, as modified by this Agreement, represent valid and enforceable obligations of Borrower, and Borrower further acknowledges that there are no known existing claims, defenses, personal or otherwise, or rights of setoff whatsoever with respect to the Note, and Borrower further acknowledges and represents that no event has occurred and no known condition exists which would constitute a default under the Loan Documents or this Agreement, either with or without notice or lapse of time, or both.

8. No Release of Liens. This Agreement in no way acts as a release or relinquishment of the liens, security interests and rights (the "Liens") created or evidenced by the Deed of Trust. The Liens are hereby ratified and confirmed by Borrower in all respects and are extended to secure (i) the principal amount of the Note, (ii) all interest, charges and other sums payable with respect thereto, and (iii) the performance of all other obligations under the Note and Deed of Trust.

9. Additional Modifications and Extensions/Additional Requirements. Notwithstanding anything to the contrary contained herein or inferred hereby or in any other instrument executed by Borrower or in any other action or conduct undertaken by Borrower on or before the date hereof, the agreements, covenants and provisions contained herein shall constitute the only evidence of Lender's consent to modify the terms and provisions of the Loan Documents in the manner set forth herein. No express or implied consent to any further extensions and/or modifications involving any of the matters set forth in this Agreement or otherwise, shall be inferred or implied from Lender's execution of this Agreement. Further, Lender's execution of this Agreement shall not constitute a waiver (either express or implied) of the requirement that any further extensions and/or modifications of the Loan Documents shall require the express written approval of Lender, no such approval (either express or implied) having been given as of the date hereof. Except as expressly stated herein, the deferral of the current interest payment shall not be construed as a consent to or waiver of any other default or event of default which may now exist or hereafter occur or any violation of any term, covenant or provision of the Loan Documents. All rights and remedies of the Lender are hereby expressly reserved with respect to any such other violation or default or event of default. The modifications granted herein do not affect or diminish the right of the Lender to require strict performance by the Borrower of each provision of the Loan Documents, except as expressly provided herein **If Lender, in its sole discretion, shall approve any future extensions or modifications to Borrower's obligations, additional requirements will be placed on the Borrower and Borrower by its signature below acknowledges that is a one-time accommodation.**

10. Miscellaneous. As modified hereby, the provisions of the Note and the Deed of Trust shall continue in full force and effect, and the Borrower acknowledges and reaffirms its

liability to Lender thereunder. Terms not defined herein shall have the meanings assigned to them in the Loan Documents.

(a) Borrower hereby agrees to pay (i) all reasonable and documented costs and expenses (including, without limitation, reasonable attorneys' fees) in connection with any action required in the course of administration of the indebtedness and obligations evidenced by the Loan Documents, and (ii) all costs and expenses (including without limitation, reasonable attorneys' fees) in connection with any action in the enforcement of Lender's rights upon the occurrence of a default or event of default under any of the Loan Documents.

(b) Any default by Borrower in the performance of its obligations herein contained shall constitute a default under the Loan Documents and shall allow Lender to exercise all of its remedies set forth in the Loan Documents.

(c) Lender does not, by its execution of this Agreement, waive any rights it may have against any person not a party to this Agreement.

(d) In case any of the provisions of this Agreement shall for any reason be held to be invalid, illegal or unenforceable, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

(e) This Agreement and the Loan Documents shall be governed and construed according to the laws of the State of Texas (without regard to any conflict of laws principles) and the applicable laws of the United States.

(f) This Agreement shall be binding upon and inure to the benefit of Lender, Borrower and their respective successors, assigns and legal representatives.

(g) Borrower hereby acknowledges and agrees that it has entered into this Agreement of its own free will and accord and in accordance with its own judgment after advice of its own legal counsel, and states that it has not been induced to enter into this Agreement by any statement, act or representation of any kind or character on the part of the parties hereto, except as expressly set forth in this Agreement.

(h) This Agreement may be executed in multiple counterparts, each of which shall constitute an original instrument, but all of which shall constitute one and the same agreement.

(i) Except as modified herein, all other terms, conditions and provisions of Loan Documents shall remain in full force and effect as of the date thereof and Borrower acknowledges and reaffirms its liability to Lender thereunder.

EXECUTED on the dates set forth in the acknowledgements attached hereto, to be effective as of the date first above written.

BORROWER:

CHARTER DMN HOLDINGS, LP, a Texas
limited partnership

By: Charter DMN GP, LLC, a Texas
limited liability company, its General Partner

By: /s/ Ray W. Washburne
Ray W. Washburne, President

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 5th day of April, 2020, by Ray W. Washburne, President of Charter DMN GP, LLC, a Texas limited liability company, General Partner of CHARTER DMN HOLDINGS, LP, a Texas limited partnership on behalf of said limited liability company and limited partnership.

/s/ Madeline Lucille Dragos
Notary Public in and for the State of Texas
My Commission Expires: May 31, 2023

Acknowledgment Page

LENDER:

THE DALLAS MORNING NEWS, INC., a
Delaware corporation

By: /s/ Katy Murray

Name: Katy Murray

Title: Treasurer/Assistant Secretary

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

This instrument was acknowledged before me on the 6th day of April, 2020, by Katy Murray, Treasurer/Assistant Secretary of THE DALLAS MORNING NEWS, INC., a Delaware corporation, on behalf of said corporation.

/s/ Maria Rivera Villareal
Notary Public in and for the State of Texas
My Commission Expires: July 25, 2021

PREPARED IN THE LAW OFFICE OF:

Locke Lord LLP
2200 Ross Avenue
Suite 2800
Dallas, Texas 75201
Attn: Vicky Gunning

Acknowledgment Page

**EXHIBIT A
TO
MODIFICATION AGREEMENT**

Land

PROPERTY DESCRIPTION

Tract 1:

BEING a tract of land situated in the John North Bryan Survey, Abstract No. 149, in City Blocks 59/26, 71/343, 345 and 426, City of Dallas, Dallas County, Texas and a portion of a tract of land described as "Tract 1" in a General Warranty Deed to The Dallas Morning News, L.P., recorded in Volume 99062, Page 4452, Deed Records of Dallas County, Texas, and being more particularly described as follows:

BEGINNING at a PK nail found at the intersection of the south right-of-way line of Young Street (80-foot wide right-of-way) and the east right-of-way line of Houston Street (a variable width right-of-way);

THENCE with said south right-of-way of Young Street, North 75°02'09" East, a distance of 264.06 feet to an "X" cut in concrete found for the northwest corner of a tract of land described in Special Warranty Deed to Belo Corp. and Texas Cable News, Inc., recorded in Instrument No. 20080330751, Official Records of said Dallas County;

THENCE departing said south right-of-way line of Young Street and with the west and south lines of said Belo Corp. tract the following courses and distances to wit:

South 15°08'39" East, a distance of 480.00 feet to an "X" cut in concrete found for the southwest corner of said Belo Corp. tract;

North 75°02'09" East, a distance of 175.33 feet to a 60d nail found for the southeast corner of said Belo Corp. tract and in the west right-of-way of S. Market Street (a variable width right-of-way);

THENCE with said west right-of-way line of S. Market Street the following courses and distances to wit:

South 15°04'19" East, a distance of 70.20 feet to a 1/2" iron rod with cap stamped "Daltech" found for corner;

South 0°32'47" East, a distance of 29.89 feet to a 1/2" iron rod found for corner;

South 15°04'19" East, a distance of 112.77 feet to a mag nail found at the beginning of a tangent curve to the right having a central angle of 47°49'07", a radius of 460.00 feet, a chord bearing and distance of South 8°50'15" West, 372.87 feet;

In a southwesterly direction, with said curve to the right, an arc distance of 383.91 feet to an "X" cut in concrete found for corner;

South 32°43'59" West, a distance of 37.84 feet to a 3" metal corner post found for corner and in the north right-of-way line of DART railway (a variable width right-of-way) described in Warranty Deed to Dallas Area Rapid Transit (DART) recorded in Volume 88083, Page 4905, of said Deed Records;

THENCE departing said west right-of-way line of S. Market Street and with said north right-of-way line of DART railway, the following courses and distances to wit:

North 85°54'17" West, a distance of 200.80 feet to an "X" cut in concrete found for corner;

North 55°03'55" West, a distance of 99.11 feet to a 1/2" iron rod with plastic cap stamped "DALTECH" found for corner;

North 59°31'37" West, a distance of 75.00 feet to a 5/8" iron rod with cap stamped

"BDD 3689" found for corner and in said east right-of-way line of Houston Street;

THENCE departing said DART Railway and with said east right-of-way line of Houston Street the following courses and distance to wit:

North 41°27'49" East, a distance of 57.00 feet to a point for corner from which a 5/8" iron rod with cap stamped "BDD 3689" found bears North 52°17'43" West, a distance of 0.40 feet and a 1/2" iron rod with cap stamped "Daltech" found bears S 77°52'19" West, a distance of 0.33 feet;

North 15°04'19" West, a distance of 552.20 feet to an "X" cut in concrete found for corner;

North 74°55'47" East, a distance of 5.00 feet to an "X" cut in concrete found for corner;

North 15°04'19" West, a distance of 280.00 feet to the POINT OF BEGINNING, and containing 8.0332 acres or 349,928 square feet of land, more or less.

Bearing system based on the Texas Coordinate System of 1983, North Central Zone (4202), North American Datum of 1983 (2011).

Tract 2:

Non-exclusive easement rights created by that certain Reciprocal Easement and Operating Agreement, by and between The Dallas Morning News, Inc., the successor by merger to The Dallas Morning News, LP, Belo Corp., Texas Cable news, Inc., and WFFA-TV, Inc., filed October 24, 2008, recorded under Clerk's File No. 20080330754, Official Public Records of Dallas County, Texas.

PROMISSORY NOTE
(Interest and Property Tax Reconciliation)

\$374,713.52

April 1, 2020

For value received, **CHARTER DMN HOLDINGS, LP**, a Texas limited partnership, as principal ("Borrower"), promises to pay to the order of **THE DALLAS MORNING NEWS, INC.**, a Delaware corporation ("Lender") at 1954 Commerce Street, Dallas, Texas 75201, Attention: Chief Financial Officer, or at such other address as Lender shall from time to time specify in writing, the principal sum of THREE HUNDRED SEVENTY-FOUR THOUSAND SEVEN HUNDRED THIRTEEN AND 52/100 DOLLARS (\$374,713.52), in legal and lawful money of the United States of America, with interest on the outstanding principal from the date advanced until paid at the rate set out below. Interest shall be computed on a per annum basis of a year of 365 days or 366 days in a leap year, as the case may be, and for the actual number of days elapsed.

1. Payment Terms. The entire principal amount hereof and principal and accrued interest thereon then remaining unpaid shall then be due and payable on June 30, 2021 (the "Maturity Date"); interest being calculated on the unpaid principal each day principal is outstanding and all payments made credited first to any collection costs, second to the discharge of the interest accrued and third to the reduction of the principal balance of this Note.

2. Interest Rate. The unpaid principal balance of this Note shall bear interest prior to maturity (however such maturity is brought about) at (a) a fixed rate of three and one-half percent (3.5%) per annum from the date of this Note through June 30, 2020, and (b) four and one-half percent (4.5%) per annum from July 1, 2020 through the maturity of this Note.

3. Default Rate. Principal and/or interest that is not paid when same become due and payable hereunder shall bear interest from the date due until paid at (a) the highest rate permitted by applicable law, or (b) if no such maximum rate is established by applicable law, at the rate stated above plus five percent (5%) per annum.

4. Prepayment. Borrower reserves the right to prepay, prior to maturity, all or any part of the principal of this Note without notice, premium or penalty. Any prepayments shall be applied first to accrued interest and then to principal. All payments and prepayments of principal or interest on this Note shall be made in lawful money of the United States of America in immediately available funds, at the address of Lender indicated above, or such other place as the holder of this Note shall designate in writing to Borrower. All partial prepayments of principal shall be applied to the last installments payable in their inverse order of maturity.

5. *Default.* It is expressly provided that upon (a) default in the punctual payment of this Note or any part hereof, principal or interest, as the same shall become due and payable; provided, no more than once in any twelve (12) month period, Lender shall provide written notice of such default to Borrower and it shall not be a default unless Borrower fails to cure such default within five (5) calendar days after written notice from Lender, or (b) default under that certain Promissory Note (Fixed Rate) dated May 17, 2019 in the original principal amount of \$22,400,000 executed by Borrower payable to the order of Lender (the “Seller Financing Note”) and the failure of such default to be cured within the grace or cure period, if any, applicable thereto under the Seller Financing Note, or (c) the occurrence of an event of default specified in any of the other Loan Documents (as defined below) and the failure of such default to be cured within the grace or cure period, if any, applicable thereto under the Loan Documents, the holder of this Note may, at its option, without further notice or demand, (i) declare the outstanding principal balance of and accrued but unpaid interest on this Note at once due and payable, (ii) foreclose all liens securing payment hereof, (iii) pursue any and all other rights, remedies and recourses available to the holder hereof, including but not limited to any such rights, remedies or recourses under the Loan Documents, at law or in equity, or (iv) pursue any combination of the foregoing; and in the event default is made in the prompt payment of this Note when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through probate, bankruptcy or other judicial proceedings, then the Borrower agrees and promises to pay all costs of collection, including reasonable attorneys’ fees.

6. *Joint and Several Liability; Waiver.* Each maker, signer, surety and endorser hereof, as well as all heirs, successors and legal representatives of said parties, shall be directly and primarily, jointly and severally, liable for the payment of all indebtedness hereunder. Lender may release or modify the obligations of any of the foregoing persons or entities, or guarantors hereof, in connection with this loan without affecting the obligations of the others. Except as specifically provided herein, all such persons or entities expressly waive presentment and demand for payment, notice of default, notice of intent to accelerate maturity, notice of acceleration of maturity, protest, notice of protest, notice of dishonor, and all other notices and demands for which waiver is not prohibited by law, and diligence in the collection hereof; and agree to all renewals, extensions, indulgences, partial payments, releases or exchanges of collateral, or taking of additional collateral, with or without notice, before or after maturity. No delay or omission of Lender in exercising any right hereunder shall be a waiver of such right or any other right under this Note.

7. No Usury Intended; Usury Savings Clause. In no event shall interest contracted for, charged or received hereunder, plus any other charges in connection herewith which constitute interest, exceed the maximum interest permitted by applicable law. The amounts of such interest or other charges previously paid to the holder of the Note in excess of the amounts permitted by applicable law shall be applied by the holder of the Note to reduce the principal of the indebtedness evidenced by the Note, or, at the option of the holder of the Note, be refunded. To the extent permitted by applicable law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the loan and indebtedness, all interest at any time contracted for, charged or received from the Borrower hereof in connection with the loan and indebtedness evidenced hereby, so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof.

8. Security. This Note is secured by, inter alia, a Second Lien Deed of Trust, Security Agreement - Financing Statement from Borrower in favor of Vicky Pogue Gunning, Trustee for the benefit of the Lender (the "Second Lien Deed of Trust"), covering certain real property situated in Dallas County, Texas, as more particularly described therein (the "Property"). This Note and all other documents evidencing, securing, governing, guaranteeing and/or pertaining to this Note, including but not limited to those documents described above, are hereinafter collectively referred to as the "Loan Documents." The holder of this Note is entitled to the benefits and security provided in the Loan Documents. As of the date of this Note, the only Loan Documents are this Note, the Second Lien Deed of Trust, and related UCC-1 financing statements previously filed on or about May 17, 2019. Borrower hereby agrees to pay all fees and expenses of the title company in order to obtain a mortgagee's title insurance policy on the Second Lien Deed of Trust and to provide all documents and affidavits required by the title company for issuance of such title policy.

9. Texas Finance Code. In no event shall Chapter 346 of the Texas Finance Code (which regulates certain revolving loan accounts and revolving tri-party accounts) apply to this Note. To the extent that Chapter 303 of the Texas Finance Code is applicable to this Note, the "weekly ceiling" specified in such article is the applicable ceiling; provided that, if any applicable law permits greater interest, the law permitting the greatest interest shall apply.

10. Governing Law, Venue. This Note is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement and interpretation of this Note. In the event of a dispute involving this Note or any other instruments executed in connection herewith, the undersigned irrevocably agrees that venue for such dispute shall lie in any court of competent jurisdiction in Dallas County, Texas.

11. Purpose of Loan. Borrower agrees that no advances under this Note shall be used for personal, family or household purposes.

12. Captions. The captions in this Note are inserted for convenience only and are not to be used to limit the terms herein.

13. Assignment. This Note will be binding upon and inure to the benefit of Lender and Borrower and their respective successors and assigns; provided, however, that Borrower may not, without the prior written consent of Lender, assign or encumber any interests, rights, remedies, powers, duties, or obligations under this Note or any of the other Loan Documents.

14. George Dahl Building. Until this Note has been fully paid and satisfied, Borrower will not, and will not permit any other party to, directly or indirectly, demolish the George Dahl former Dallas Morning News headquarters five story building on the Property, or modify in any way the exterior of such building. This restriction shall not apply to the former printing building which is currently attached to the former headquarters building. Exterior improvements to the rear of the headquarters building that may be required as a result of a printing building demolition are permitted.

15. Ownership Representation. Borrower represents and warrants to Lender that as of the date of this Note, Ray W. Washburne is in Control (as defined in the Second Lien Deed of Trust) of Borrower and the sole general partner of Borrower is Charter DMN GP, LLC, a Texas limited liability company, an entity Controlled by Ray W. Washburne. The ownership of the Borrower and the ultimate owners of all constituent entities comprising the general partner and limited partners of Borrower are as provided in the capitalization schedule certified by Borrower and delivered to Lender on or about May 17, 2019. As provided in the Second Lien Deed of Trust, upon the sale or transfer of all or any part of the property described therein or a Change in Control (as defined in the Second Lien Deed of Trust) of Borrower, Lender may declare this Note to be immediately due and payable.

16. Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing, and shall be deemed to be given or delivered when actually received by the party to whom directed, or, if earlier and regardless of whether actually received, on the date of delivery if by personal delivery, one business day after deposit with the overnight delivery service if by reputable overnight courier service, or upon deposit in a regularly maintained receptacle for the United States mail, registered or certified, postage fully prepaid, addressed to the party to whom directed at its address set forth below or at such other address as such party may have previously specified by notice actually received by the other party:

If to Borrower: Charter DMN Holdings, LP
47 Highland Park Village, Suite 200
Dallas, Texas 75205
Attn: Ray W. Washburne

With a copy to: Munsch Hardt Kopf & Harr, P.C.
500 N. Akard, Suite 3800
Dallas, Texas 75201
Attn: William T. Cavanaugh, Jr.

If to Lender: The Dallas Morning News, Inc.
1954 Commerce Street
Dallas, Texas 75201
Attention: General Counsel

With a copy to: Locke Lord LLP
2200 Ross Avenue, 28th Floor
Dallas, Texas 75201
Attn: Vicky Gunning

BORROWER:

CHARTER DMN HOLDINGS, LP, a Texas
limited partnership

By: Charter DMN GP, LLC, a Texas
limited liability company, its General Partner

By: /s/ Ray W. Washburne
Ray W. Washburne, President

A. H. BELO CORPORATION

A. H. Belo Corporation Provides Business Update in Response to COVID-19 Outbreak

DALLAS – A. H. Belo Corporation (NYSE: AHC) announced today that it is taking several actions to maintain operating momentum while preserving cash and financial flexibility.

Grant Moise, president and publisher of *The Dallas Morning News*, said, “We have entered an economic reality where our growth in audience is not enough to offset near-term challenges in advertising revenue. While we are aggressively reducing non-compensation related expenses, that will not be enough. Base compensation for all employees is being reduced between 3 percent and 17 percent. Total compensation for senior executives may be reduced by as much as 27 percent. There will be no immediate layoffs or furloughs.

“The responsible stewardship of the Company’s balance sheet will allow us to come out of the downturn in a position of comparative strength. Our unduplicated, high-quality journalism and public engagement have never been more important.”

Katy Murray, executive vice president and Chief Financial Officer, said, “In addition to these operating actions, the Board of Directors is reducing capital expenditures to less than \$1.0 million for this year, lowering director compensation by 17 percent going forward, and lowering the quarterly dividend rate to \$0.04 per share from the current rate of \$0.08 per share effective in the third quarter of this year. Commencing with the 2020 annual meeting of shareholders, non-employee directors will receive an annual retainer of \$105,000 with no additional amounts for service as Lead Director or committee chair. The size of the Board will be reduced by two at the annual meeting, as directors Ty Miller and Nicole Small will not stand for reelection.

“In regards to the Company’s 2019 SEC quarterly and annual filings, we are pleased to have the 2019 first and second quarter amended reports on file and we expect to file the third quarter 2019 Form 10-Q by the middle of this month. On March 16, 2020, the Company availed itself of a 45-day extension to file its 2019 Form 10-K based on the Securities and Exchange Commission’s March 4, 2020 order permitting certain exemptions and extensions for COVID-19-related delays. The

Company’s 2019 Form 10-K is now due April 30, 2020, and is eligible for an additional 15-day extension. We expect to file the 2019 Form 10-K by April 30.”

Robert W. Decherd, chairman, president and Chief Executive Officer, said, “Our Company is advantaged by comparison to most others, especially within the newspaper industry. This gives our Board choices to prioritize the long-term health of this great enterprise and support its reason for being – that is, to provide invaluable news and information to the people who depend on us and to the communities *The Dallas Morning News* has served for nearly 135 years.

“We started the year with \$48.6 million of cash and no debt. Based on the actions we have taken to refocus the Company’s 2020 financial plan, we’ll invest approximately \$8.0 million of cash from our balance sheet this year to maintain operations, continue paying a dividend, and fund progress toward becoming sustainably profitable in a digital world.”

About A. H. Belo Corporation

A. H. Belo Corporation is the leading local news and information publishing company in Texas. The Company has commercial printing, distribution and direct mail capabilities, as well as a presence in emerging media and digital marketing. While focusing on extending the Company's media platforms, A. H. Belo delivers news and information in innovative ways to a broad range of audiences with diverse interests and lifestyles. For additional information, visit www.ahbelo.com or email invest@ahbelo.com.

Statements in this communication concerning A. H. Belo Corporation's business outlook or future economic performance, revenues, expenses, and other financial and non-financial items that are not historical facts, including statements of the Company's expectations relating to the outcome of its ongoing review of asset impairment and related items and the timing of its late third quarter 2019 report and its 2019 Form 10-K with the Securities and Exchange Commission and filing future reports, are "forward-looking statements" as the term is defined under applicable federal securities laws. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could cause actual outcomes and results to differ materially from current expectations. Such risks, trends and uncertainties are, in most instances, beyond the Company's control, and include changes in advertising demand and other economic conditions; consumers' tastes; newsprint prices; program costs; labor relations; technology obsolescence; the current and future impacts of the COVID-19 public health crisis; as well as other risks described in the Company's most recent Annual Report on Form 10-K and in its other public disclosures and filings with the Securities and Exchange Commission. Among other risks, there can be no guarantee that the Board will approve a quarterly dividend in future quarters. A. H. Belo Corporation undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law.
