

Memorandum of Understanding
 Between
 McClatchy Newspapers, Inc. Publisher of
 The Sacramento Bee (“Company”)
 AND
 Northern California Media Workers
 Guild/Typographical Union, Local 29521
 CWA (“Guild”)

Pursuant to Section 29.2 of the Collective Bargaining Agreement (“Agreement”) the Company the Guild negotiated on sections 4, 19, 23, 24, 29 and side letter 6. The Company and The Guild agreed that there would be no changes in the reopened sections except for the following revisions effective January 1, 2008:

1. Section 4.1 (a) of the Agreement is revised to read as follows:

Merit Increase Guide Chart for 2008
 Comp-Ratio

Rating	60% - 79%	80% - 94%	95% - 105%	106% - 125%	126+%
Consistently Exceeds	5%	4%	3%	2.5%	Lump Sum
Frequently Exceeds	3.5%	3%	2%	2%	Lump Sum
Meets Standards	2%	2%	1.5%	1.5%	0%
Fails to Meet Standards	0%	0%	0%	0%	0%

2. Section 4.1(b) of the Agreement is revised to read as follows:

The merit increase pool will be the following for the period January 1, 2008 through December 31, 2008, 2%. It is agreed that there is no requirement that there be money put in the merit increase pool beyond 2008.

3. Section 4.1 (d) of the Agreement is revised to read as follows:

If there are monies put in the merit increase pool in a given year, the average percentage increase of those employees eligible to be considered for a merit pay increase in that year shall be at least 95% of the merit increase pool percentage for that year.

4. Section 4.9 (b) of the Agreement is revised to read as follows:

It is understood that the Publisher may offer an employee more than is contractually required when promoting them into a higher job classification. The resulting promotional increase may also include an early annual merit increase, based upon the employee’s last annual performance review rating. If the annual

merit increase is given early with a promotional increase that raises the employee's salary by more than 5%, the employee's next annual review may at the Publisher's discretion be re-set for one year from the effective date of the promotion.

5. Section 4.7 of the Agreement is revised to read as follows:

2008 Ranges - Newsroom

Title	Min	Mid	Max
Artist I	\$20.91	\$27.54	\$34.43
Artist II	\$25.50	\$33.66	\$42.08
Copy Editor I	\$20.91	\$27.54	\$34.43
Copy Editor II	\$26.01	\$34.68	\$43.35
Editorial Assistant I	\$11.93	\$15.91	\$19.89
Editorial Assistant II	\$15.30	\$18.36	\$22.95
Editorial Secretary	\$14.28	\$17.81	\$22.29
Librarian	\$19.13	\$25.50	\$31.88
Library Clerk	\$11.93	\$15.91	\$19.89
Newsroom Aide I	\$10.05	\$13.41	\$16.78
Newsroom Aide II	\$11.93	\$15.91	\$19.89
Lab Technician	\$16.32	\$20.40	\$25.50
Photographer I	\$20.91	\$27.54	\$34.43
Photographer II	\$25.50	\$33.66	\$42.08

Senior Photographer	\$1262.25/wk	\$1702.13/wk	\$2128.62/wk
Sports Clerk	\$10.05	\$13.41	\$16.78
Sidetracks Intern	\$11.93	\$15.91	\$19.89
Reporter I	\$20.91	\$27.54	\$34.43
Reporter II	\$25.50	\$33.66	\$42.08
Senior Writer I	\$29.07	\$36.31	\$45.39
Senior Writer II	\$1262.25/wk	\$1702.13/wk	\$2128.62/wk
Newsroom Technology Assistant	\$20.40	\$27.03	\$33.81
Content Developer	\$20.40	\$27.03	\$33.81
Video/Photographer	\$25.50	\$33.66	\$42.08

2007 Ranges – Advertising

Title	Min	Mid	Max
Telephone Salesperson	\$15.30	\$19.89	\$24.48
Telephone Salesperson - Contract	\$16.32	\$21.42	\$26.52
Telephone Salesperson - Paginator	\$15.81	\$20.91	\$26.01
Regional Account Manager	\$573.75/wk	\$765.00/wk	\$956.25/wk
Outside Advertising Assistant	\$10.35	\$13.77	\$17.19
National Account Manager	\$841.50/wk	\$1109.25/wk	\$1377.00/wk

Graphic Designer II	\$20.15	\$26.88	\$33.66
Graphic Designer	\$17.60	\$23.46	\$29.33
Customer Service Coordinator	\$17.60	\$23.46	\$29.33
Clerk	\$13.41	\$17.85	\$22.29
Receptionist	\$10.91	\$14.54	\$18.21
Advertising Sales Assistant II	\$15.81	\$21.17	\$26.27
Advertising Sales Assistant	\$13.77	\$18.11	\$22.29
Lead Ad Text Processor	\$15.30	\$20.40	\$25.50
Ad Text Processor	\$10.91	\$14.54	\$18.16
Account Manager Inside Sales	\$17.34	\$22.95	\$28.56
Acct Mgr Bus Development	\$17.70	\$23.69	\$29.50
Account Manager - Retail	\$678.94/wk	\$908.44/wk	\$1128.38/wk
Account Manager - Majors/Key Accounts	\$841.50/wk	\$1109.25/wk	\$1377.00/wk
Account Manager - Classified II	\$761.18/wk	\$1013.63/wk	\$1267.99/wk
Account Manager - Classified	\$703.80/wk	\$937.13/wk	\$1172.37/wk
Vacation Relief - Outside Sales	\$703.80/wk	\$937.13/wk	\$1172.37/wk

6. Section 19 (c) of the Agreement is revised to read as follows:

Employees may be transferred over their objection within the final circulation area. The company whenever possible will make every effort to give any affected employee at least two weeks notice prior to transfer. In addition, the Publisher will make every effort to first post the position for one week, to determine if an employee acceptable to the Company wants to apply for any particular transfer.

It is understood that the Publisher will make the final determination of who will be transferred to the bureau. It is also understood that such transfers will not be used for disciplinary or punitive reasons.

7. Section 23 (a) of the Agreement is revised to read as follows:

2008 Sales Goal Commission*							
Sales Goal		Inside Sales	Key	Call Center	Major	National	Retail Territory/ Bus. Dev.
100%	105%	7.25%	1.35%	1.50%	1.20%	0.25%	7.75%
105%	110%	7.75%	2.35%	1.75%	1.40%	0.25%	8.50%
110%	115%	8.25%	2.45%	2.00%	1.65%	0.50%	9.00%
115%	120%	8.75%	3.35%	2.25%	1.80%	0.50%	10.00%
120%	125%	9.00%	3.45%	2.50%	2.00%	0.75%	10.50%
125%	135%	9.25%	4.35%	2.75%	2.05%	1.00%	11.00%
135%	150%	9.50%	5.35%	3.00%	2.20%	1.00%	11.50%
150%	+	10.0%	6.90%	3.50%	2.40%	1.00%	12.00%
LY to Goal		2.5%	.50%	n/a	.50%	.10%	2.5%
<p>*When goal is above LY, employees making over LY will be paid on all revenues between LY and goal, at the rate shown above. In addition, if these employees exceed goal, they will also be paid on all revenues above 100% of goal at the rate based on the level of goal attained.</p> <p>(It is understood that LY (Last Year) refers to the actual revenue history of accounts currently assigned to the employee).</p> <p>When goal is below LY employees making over 100% of goal will be paid on all revenues above 100% at the rate based on the level of goal attained.</p>							

(No changes to Regional Sales Goal Commission)

8. Section 23 © of the Agreement is revised to read as follows:

1. The period revenue goal for each covered employee shall be determined each period by the company. Goals shall be set by the team. If all team members of a team agree on each team member's individual goal, and the team's coach approves these goals, the goals shall apply for the period. If all the members of the team do not agree on each team member's individual goal or if the coach does not approve of the goals set, then on or before the fifth (5) day prior to a new period, the covered employee shall meet with his or her supervisor to discuss his or her revenue goal for the next period. The covered employee shall be informed on or before the third (3rd) working day prior to the start of each period of the Company's determination of his or her period revenue goal for the next period. If the covered employee disagrees with the goal, he/she may appeal to the team coach. The decision of the team coach must be made within three (3) calendar days. If the employee still disagrees he/she may appeal to the division director.

The decision of the division director shall be made within three (3) calendar days. The decision of the division director on the goal appeal shall be final.

9. Section 24.1 (e) of the Agreement is revised to read as follows:

In situations where sales assistants have been grouped together to support multiple teams, where there is not a dotted line relationship between the sales assistant and the team, the team bonus payment to the sales assistants shall be determined by the combined results of that same group of multiple teams. The company will formally notify the Guild when the dotted line relationship no longer exists and the pooled team bonus is put into effect. (See example of calculation of pooled sales assistant bonus payment calculations in side letter 10).

10. Section 24.1 (f) of the Agreement is revised to read as follows:

The advertising artists have been grouped together to support all advertising sales teams. The team bonus payment to the artists shall be determined by the combined results of all advertising sales teams. (See example of calculation of pooled artist bonus payment calculation in side letter 10).

11. New Side Letter #10

Sales Assistant and Advertising Artists Pooled Team Bonus Calculation

1. # employees pooled, multiplied by \$250 per person = \$ potential bonus pool*
2. (Potential bonus pool) divided by the # of teams supported = incentive per team
3. Incentive per team reaching goal, divided by # sales assistants = incentive per asst for each team that makes goal.
4. # teams making goal each period, times incentive per team = bonus per employee.

Sales Assistant example:

1. 6 sales assistants x \$250 per person = \$1500 potential monthly bonus pool
2. \$1500 divided by 5 teams supported = \$300 pooled incentive per team
3. \$300 divided by 6 sales assistants = \$50 per sales assistant for each team that makes goal
4. 5 teams make goal = 5 times \$50 per assistant = \$250 bonus per sales assistant
4 teams make goal = 4 times \$50 per assistant = \$200 bonus per sales assistant.

Artist example

1. 24 advertising artists x \$250 per person = \$ 6000 potential monthly bonus pool
2. \$6000 divided by 12 teams supported = \$500 pooled incentive per team
3. \$ 500 divided by 24 artists = \$ 21 per artist for each team that makes goal
4. 12 teams make goal = 12 times \$21 = \$ 252 bonus per artist

8 teams make goal = 8 times \$21 = \$168 bonus per artist.

*If any team exceeds period goal, total \$ potential monthly bonus increases in the same dollar increments as described in Section 24.1(d).

12. Side letter 6 MOU –Subcontracting, is modified as follows to read as follows:

(a) Notwithstanding any other provision of the Agreement, the Company may subcontract in whole or in part, the work of the Ad Central department and the Call Center department, and lay off the affected employees. Section 13.4 and Section 6 of this Agreement shall cover any employee laid off pursuant to this letter. However, the maximum severance amount for Ad Central and Call Center employees affected by this letter shall be increased to fifty-two (52) weeks and the maximum company-paid COBRA health insurance benefit shall be increased to six (6) months.

(b) Notwithstanding any other provision of the Agreement, the Company may subcontract in whole or part the work of the Advertising Artists and lay off the affected employees based on the provisions on the attached Sacramento Bee Advertising Outsourcing Q & A dated 12/5/07 , with the following changes:

1. The maximum severance amount shall be 52 weeks
2. There will be no severance pay back provisions, if rehired.
3. If the Company determines the business need, the Company reserves the right to increase the amount of the retention bonus.
4. At the conclusion of the outsourcing, it is understood that any remaining non-union advertising graphic specialists, shall be transferred into the Guild graphic designer II job classification and will be covered by Guild jurisdiction.

Company _____

Guild _____

Dated _____

Dated _____

Guild _____

Dated _____

