1601 MCGEE STREET

KANSAS CITY, MISSOURI

- 15-year NNN Lease
- 424,000 Sq. Ft.
- 5.21 Acres
- $30,143,075 ($71.09 PSF)
- 9.24% Capitalization Rate
- McClatchy Publishes 30 Daily Newspapers in 29 U.S. Markets

CBRE

Offering Memorandum

THE KANSAS CITY STAR

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INVESTMENT CONTACT

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Executive Summary

THE OFFERING

CBRE, Inc., as exclusive advisor, is pleased to offer for sale a state-of-the-art print production facility that also houses the administrative offices of the Kansas City Star newspaper.

The offering is composed of two parcels, one of which is a paved parking lot, totaling 5.21 acres, with building improvements totaling 424,000 square feet.

The properties are owned by a wholly-owned subsidiary of The McClatchy Company (NYSE American: MNI), a media company that operates 30 daily newspapers in 29 markets and numerous digital media entities including websites, mobile apps, mobile news and advertising services, niche publications, direct marketing and direct mail services, and non-daily community newspapers. McClatchy was founded in 1857 and is headquartered in Sacramento, California.

The asset is priced at $30,143,075 which represents an initial capitalization rate of 9.24% on net operating income. Concurrently with closing, The McClatchy Company will execute a 15-year absolute NNN lease, the details of which are described elsewhere in this offering.

Offering Summary

LOCATION	LAND AREA	SF BUILDINGS	ANNUAL NNN RENT	FIRM TERM	CAP RATE	PRICE
Kansas City, MO	5.21 Ac.	424,000	$2,783,878	15 Years	9.24%	$30,143,075

INVESTMENT HIGHLIGHTS

- Following sale the Property will be leased by The McClatchy Company for an initial term of 15 years with no early termination provision and multiple options to extend.
- Lease will feature regularly scheduled rent increases.
- Lease will be absolutely net to the landlord, without exceptions.
- McClatchy is among the largest newspaper publishers in the United States and has been an industry leader in expanding beyond print into digital media.
- Kansas City is a growth market and *The Star* is the leading daily newspaper in its market.


Printing Pavilion
1601 McGee St.
Parking Lot
1708 Locust St.

Kansas City Parcel Summary

PARCEL NUMBER	29-240-19-11	29-240-36-08
ADDRESS	1601 McGee St., Kansas City, MO 64108	1708 Locust St., Kansas City, MO 64108
USES	Press facility/ office/distribution	Parking lot
ACREAGE	4.57	0.64
IMPROVEMENTS	Press and distribution facility built in 2005	Paved parking lot
SQUARE FOOTAGE OF IMPROVEMENTS	424,000	n/a
IMPUTED MARKET RENT PSF/ANNUALLY (NNN)	$6.50	$1.00
LEASE TYPE	NNN	NNN
ANNUAL RENT / NOI	$2,756,000	$27,878
CAP RATE	9.25%	8.00%
VALUE BY PARCEL	$29,794,595	$348,480
TOTAL PRICE	-	**$30,143,075**
OVERALL CAP RATE	-	**9.24%**

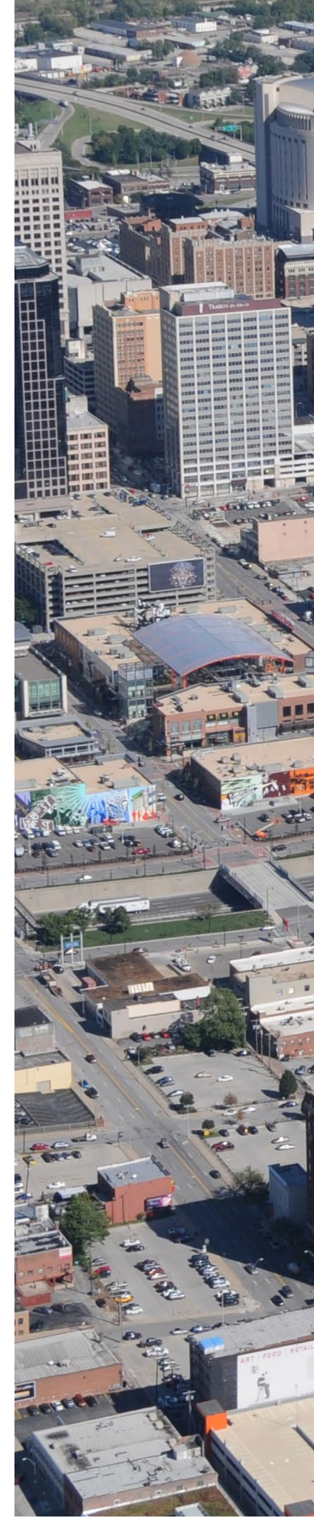
Bidding Process

Expressions of interest should be submitted in the form of a non-binding Letter of Intent to CBRE, Inc. Offers should identify the significant terms and conditions of the bidder's proposal, including at minimum, the following:

- Price and sources of funding
- Background and qualifications of bidder with transactional references
- Proposed time frames for due diligence and closing

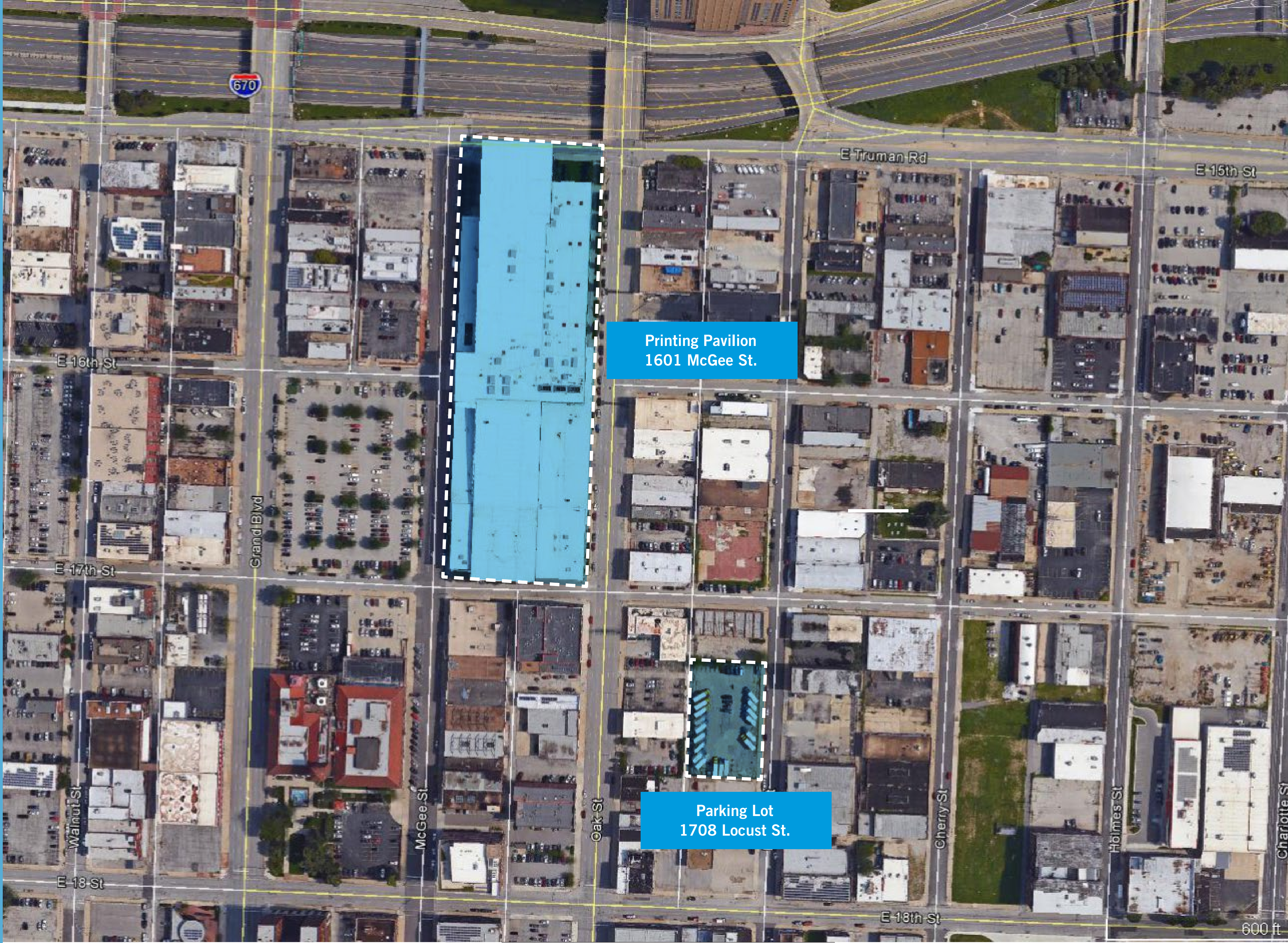
Prospective bidders should consider the following facts in preparing offers:

1. At close of escrow The McClatchy Company will execute a 15-year lease with three 5 year options to extend.
2. Key features will include:
   a. regularly scheduled rent increases,
   b. no early termination provision,
   c. absolutely net lease with no landlord responsibilities,
3. The lease form will be available for review on the due diligence website.




Sprint Center
Printing Pavilion
1601 McGee St.
Parking Lot
1708 Locust St.

Property Overview


Printing Pavilion
1601 McGee St.
Parking Lot
1708 Locust St.
E Truman Rd
E 15th St
E 16th St
E 17th St
E 18 St
E 18th St
Grand Blvd
Walnut St
McGee St
Oak St
Cherry St
Holmes St
Charlotte St
670
600 ft

PROPERTY OVERVIEW

The offering consists of the print pavilion building and a paved parking lot on two separate parcels as shown on the previous page. The parcel at 1708 Locust Street provides supplemental truck parking for the printing pavilion on McGee Street.

The architecturally imposing pavilion at 1601 McGee Street is a state-of-the-art printing plant that was constructed in 2006 to the exacting specifications of the *Kansas City Star*. This striking edifice was designed by Juan Moreno of the Gharfari Design Studio in Chicago, and features fire-resistant steel and reinforced concrete framing, with curtain walls of solar glass, accented with exterior copper panels that have been "weathered" until they developed a characteristic verdigris patina. After the building itself was completed, an additional 14 months was required to install all the equipment which cost a reported $120 million.

Architecturally the pavilion is vast and strikingly unique, leaving most visitors who tour it at a loss for words. Its design serves and supports the sometimes noisy and frenetic process of printing and distributing not only *The Star*, but multiple "in-sourced" publications, including the midwest edition of *The Wall Street Journal*. The entire operation is housed in what has been described as "a glass and copper temple to publishing," which sits in downtown Kansas City across the street from the Sprint Center, a multi-purpose sports arena and concert venue. Sprint Center frequently hosts college basketball games including the NCAA Tournament. The National Collegiate Basketball Hall of Fame is located immediately north of the arena.

The building and contiguous parking areas occupy roughly 4.6 acres, not including the parking lot on Locust Street, which has been bundled with the pavilion for sale. The structure houses the newspaper's press hall, packaging and distribution operation, automated high-bay storage and retrieval system, distribution warehouse, the *Star's* administrative offices, and plant maintenance facilities. An approximate allocation of uses within the building breaks down as follows: administrative – 23%; production – 42%; warehouse and distribution – 35%.

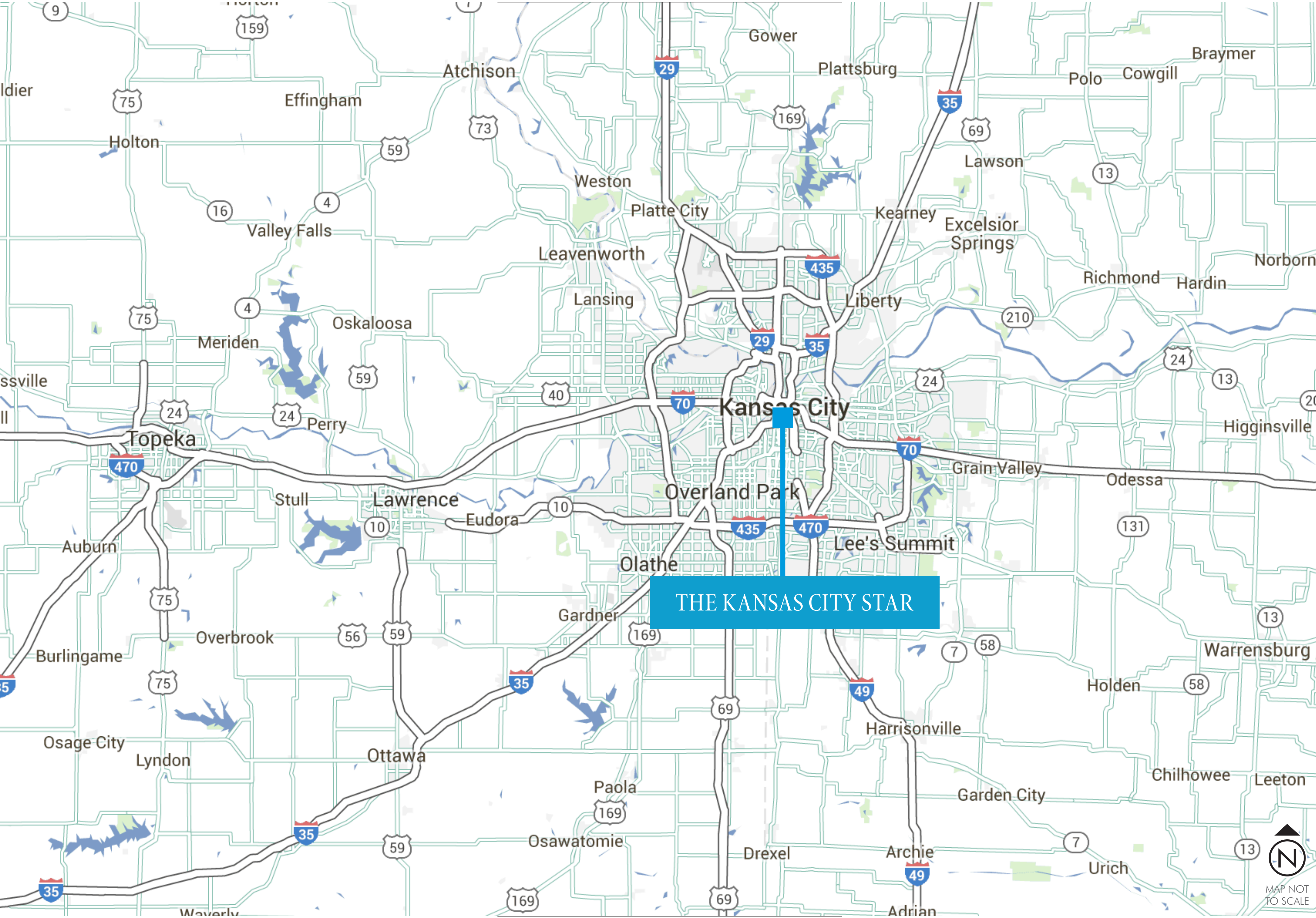
Printing capacity is enormous. The Company generates significant annual income from "in-sourcing" print jobs not only from The *Wall Street Journal*, but also from *USA Today*, *The Wichita Eagle*, *Topeka Capital Journal*, *Lawrence Journal World* and others

Location

Downtown Kansas City enjoys exceptional access to all major Kansas City thoroughfares and significant centers of commerce. Across the urban core, within five to 10 minutes, are Interstates 29, 35, 49, 70 and 670 along with U.S. Highways 24, 40, 69, 71, and 169. In addition, the new 22nd Street connector to Highway 71, now partially renamed Interstate 49, has further improved regional access. Kansas City's efficient traffic flow benefits its local workforce with favorable commutes that average only 20 minutes and rank the metro area among the nation's top 10 cities for best commutes.

Located along the north side of Missouri River and just minutes from downtown Kansas City is Charles Wheeler Downtown Airport. Kansas City International Airport (KCI) is located within 25 minutes to the north. From KCI, most major U.S. cities are within three hours by air.

The property at 1601 McGee St. is a state-of-the-art printing plant that was constructed in 2006 to the exacting specifications of the Kansas City Star newspaper.


THE KANSAS CITY STAR
Kansas City
Overland Park
Olathe
Lee's Summit
Topeka
Lawrence
Leavenworth
Lansing
Atchison
Weston
Platte City
Gower
Plattsburg
Lawson
Kearney
Excelsior Springs
Liberty
Polo
Cowgill
Braymer
Richmond
Hardin
Norborne
Higginsville
Grain Valley
Odessa
Warrensburg
Holden
Harrisonville
Garden City
Chilhowee
Leeton
Urich
Archie
Adrian
Drexel
Paola
Osawatomie
Gardner
Ottawa
Eudora
Stull
Perry
Oskaloosa
Meriden
Valley Falls
Holton
Effingham
Auburn
Overbrook
Burlingame
Osage City
Lyndon
Waverly
MAP NOT TO SCALE
N

THE STAR.
KansasCity.com
THE STAR.
KansasCity.com

1601 McGee Street

Year Built

2006

Type of Construction

Fire resistant structural steel and reinforced concrete, with steel tube girts; high-E glass curtain wall; copper panels; stainless steel panels and corrugated metal panels.

Roof

TPO roofing system. Single-ply membrane over rigid insulation and metal deck.

Foundation

Column/caisson/pier support with steel and concrete footing with steel and concrete walls.

HVAC System

Heating: Two-pipe forced hot water gas-fired boilers.

Cooling: Four 875-ton chillers and one cooling tower. The cooling system maintains temperature between 72 and 75 degrees, with the humidity between 45% and 50% in the press hall.

Fire/Life/Safety

Fully automatic fire sprinkler system

Flood Zone:

Flood zone X: The property is not in a flood hazard area per NFIP map #2901730090B dated August 5, 1986

Elevators

One passenger elevator with 2,500-pound capacity; two freight elevators, each with 20,000-pound capacity; two material lifts.

Loading provisions

Nineteen loading docks, one grade-level door, plus two recycling dock doors and four compactors.

Power

13.2kv, three-phase service.

Communications features

Two fiber conduits with CAT 6 and fiber optics.

Other special features

Backup generators and 10,000-gallon underground fuel storage tank.

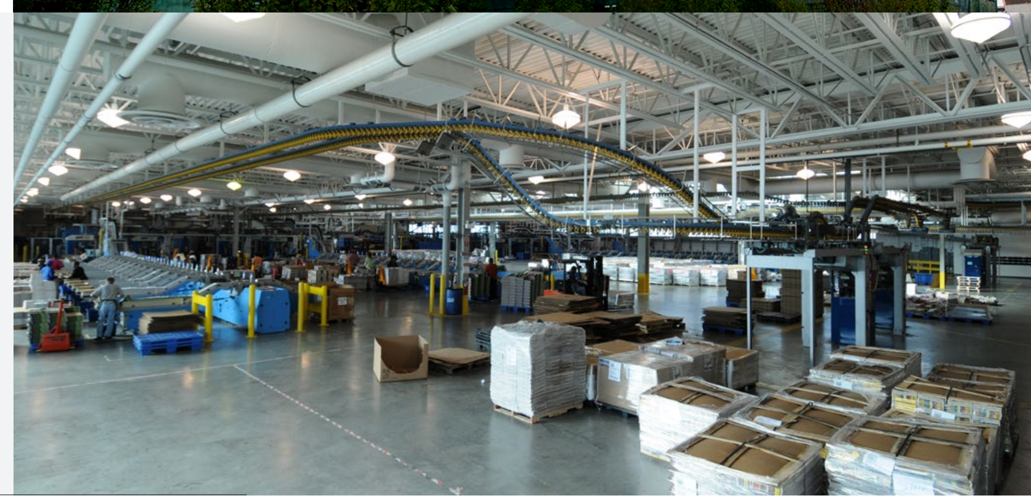
Proposed lease

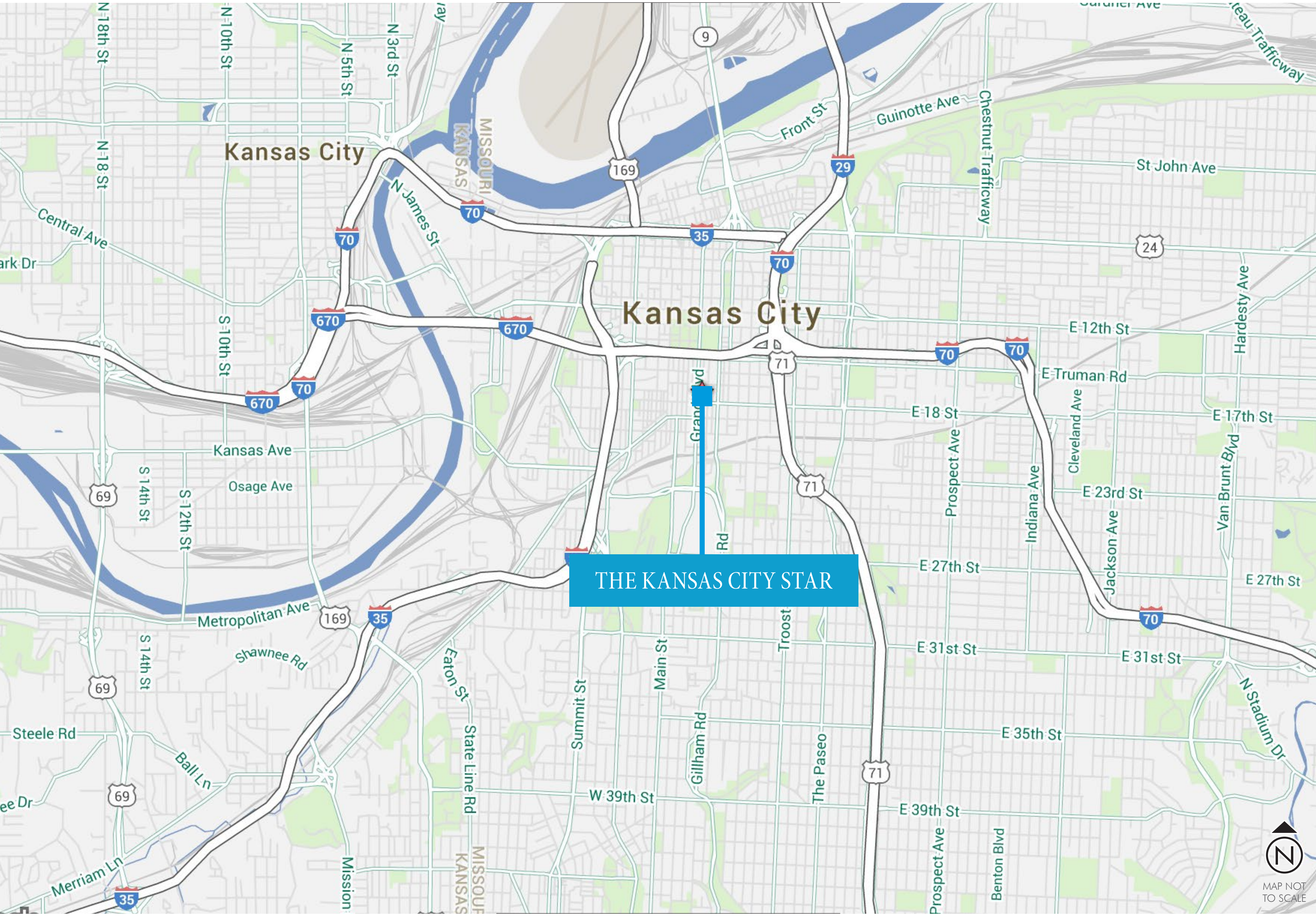
At close of escrow The McClatchy Company will execute a 15-year lease for the building and parking lot which will include the following provisions.

1. Initial annual net rent shall be as shown in the Parcel Summary Table on page 10.
2. Rent shall be increased 10% every five years throughout the initial term of the lease.
3. Lease shall be absolutely NNN to Landlord who shall not be responsible for any costs or expenses.
4. Options for three 5-year extensions, each commencing at fair market rent but not less than the rent paid at the end of the previous term, with 2% annual increases.
5. No option for early termination during the original term or any extension.

Redevelopment Zone Property Tax Abatement

1601 McGee Street was built in a redevelopment zone which qualified it for a 25-year partial abatement of property taxes. The agreement expires in 2029. Until then McClatchy pays fixed annual property taxes of $303,538/year plus any special tax assessments. The abatement agreement applies only to the press building. Upon expiration of the agreement property taxes would once again be based upon the market value of the property.




Kansas City
Kansas City
THE KANSAS CITY STAR
MISSOURI
KANSAS
N 18th St
N 10th St
N 5th St
N 3rd St
N James St
Central Ave
Front St
Guinotte Ave
Chestnut Trafficway
St John Ave
E 12th St
E Truman Rd
E 18 St
E 17th St
E 23rd St
E 27th St
E 31st St
E 35th St
E 39th St
W 39th St
Kansas Ave
Osage Ave
Metropolitan Ave
Shawnee Rd
Steele Rd
Ball Ln
Merriam Ln
S 10th St
S 14th St
S 12th St
Summit St
Main St
Gillham Rd
Troost
The Paseo
Prospect Ave
Indiana Ave
Cleveland Ave
Jackson Ave
Van Brunt Blvd
Hardesty Ave
Benton Blvd
N Stadium Dr
Eaton St
State Line Rd
Mission
MAP NOT TO SCALE

Kansas City Overview

KANSAS CITY OVERVIEW

As the region's largest business center, downtown Kansas City is the heart of the local business community and home to many of the city's most prestigious firms. Headquarters of Assurant, DST Systems, H&R Block, Hallmark Cards, J.E. Dunn, and UMB Financial are all in downtown Kansas City, as are many of the city's largest law firms and multiple government offices.

Since 2000 downtown Kansas City has been experiencing a wave of development and revitalization, with projects totaling $5.5 billion already completed and another $2 billion currently underway or in the planning stages. Completion of the Power & Light District and state-of-the-art Sprint Center made the area a popular entertainment destination while sparking a resurgence in the popularity of living Downtown.

Kansas City has been recognized by *Forbes Magazine* as having one of "America's Best Downtowns" and by *BusinessWeek* as one of "America's Best Cities" based upon economic factors, educational and leisure attributes, crime statistics, and air quality. *Site Selection* magazine, a major resource for corporations considering expansion or relocation, recognized Kansas City for having the technology, infrastructure and resources to support companies of all sizes.

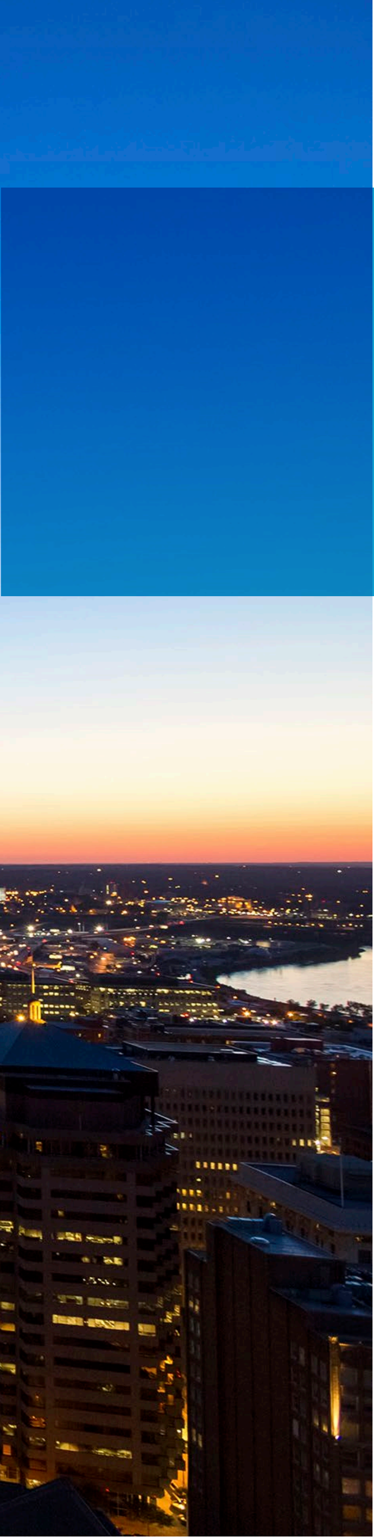
Major Downtown Development since 2004

PROJECT	YEAR	INVESTMENT
CENTRAL LIBRARY	2004	$49.5M
HILTON PRESIDENT	2006	$45.4M
KC STAR PRODUCTION PLANT	2006	$200.0M
IRS PROCESSING CENTER	2006	$370.0M
SPRINT CENTER	2007	$276.0M
POWER & LIGHT DISTRICT	2007	$295.0M
FEDERAL RESERVE BANK	2008	$200.0M
JE DUNN HQ	2009	$41.0M
KANSAS CITY BALLET	2011	$32.0M
KAUFFMAN PERFORMING ARTS CENTER	2011	$413.0M
GSA RELOCATION	2015	$49.8M
KC STREETCAR (PHASE I)	2015	$100.0M
ONE LIGHT APARTMENT BUILDING	2015	$64.5M
ROASTERS BLOCK	2016	$35.9M
POWER & LIGHT BUILDING - APARTMENT CONVERSION	2016	$54.7M
COMMERCE TOWER BUILDING (APARTMENTS)	2017	$139.0M
TWO LIGHT RESIDENTIAL TOWER	2018	$105.0M
BERKLEY RIVERFRONT APARTMENTS	2018	$65.0M
APEX AND SUMMIT ON QUALITY HILL (APARTMENTS)	2017	$59.5M
SECOND AND DELAWARE (APARTMENTS)	Under Construction	$59.0M
PICKWICK RESIDENTIAL CONVERSION	2017	$46.0M
LOEWS CONVENTION CENTER HOTEL	Under Construction	$325.0M
FEDERAL RESERVE BANK - EMBASSY SUITES CONVERSION	2018	$148.5M
UMKC DOWNTOWN ARTS CAMPUS	Planned	$96.0M
CROSSROADS WESTIDE	2018	$90.5M
THE GALLERIE	2018	$68.0M
CITY CLUB APARTMENTS CROSSROADS	Under Construction	$72.0M
MGE BUILDING REDEVELOPMENT (APARTMENTS)	Planned	$63.0M

Source: Downtown Council of Kansas City

Population and growth trends

Kansas City is known as "The Heart of America" with a location that is within 250 miles of both the geographic and population centers of the United States. The Kansas City metropolitan statistical area (MSA) encompasses 18 counties and more than 50 communities. Its population has grown by 19% since 2000, and is expected to grow another 4.7% by 2023. Kansas City boasts a highly-educated workforce and an enviable unemployment rate of 2.7%, both of which are indicators of Kansas City's vibrant economy. Characterized by spacious parkways and numerous parks, the Kansas City metro area offers excellent quality of life and a special sense of community. Kansas City also has a well-developed transportation and distribution network with 30% more interstate miles per capita than any other city, yielding some of the shortest commute times in the U.S.



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Demographics

The population of the Kansas City MSA has surpassed 2.1 million people, and is projected to exceed 2.2 million by 2023. Since 1990 Kansas City's population has been growing faster than either the state of Missouri or Kansas as a whole, and has also greatly exceeded the growth of St. Louis, the other major metropolitan area in Missouri.

	1990	2000	2010	2018	2023 PROJECTED
KANSAS CITY POPULATION	1,582,875	1,811,256	2,009,342	2,157,584	2,259,520
GROWTH %	-	14.4%	10.9%	7.4%	4.7%
ST. LOUIS POPULATION	2,492,525	2,675,345	2,787,701	2,859,358	2,906,464
GROWTH	-	7.3%	4.2%	2.6%	1.6%
MISSOURI POPULATION	5,117,073	5,595,288	5,988,927	6,223,738	6,370,820
GROWTH %	-	9.3%	7.0%	3.9%	2.4%
KANSAS POPULATION	2,477,574	2,688,416	2,853,118	2,970,536	3,031,779
GROWTH %	-	8.5%	6.1%	4.1%	2.1%

U.S. Census data

KANSAS CITY METRO ECONOMIC DRIVERS

- Among mid-sized cities the economy of Kansas City is recognized as one of the nation's most diverse, with no single sector comprising more than 17% of the overall economy.
- Kansas City's unemployment rate fell to 2.7% at the end of October 2018, 70 bps lower than the national rate of 3.5%.
- Given its central location, it is not surprising that Kansas City has a concentration of federal government offices that employ 30,000 people. (Source: KC Area Development Council)
- The Federal Reserve and the 600,000 square foot world headquarters of H&R Block help make Kansas City a significant Midwest banking and financial center.
- With 30% more miles of interstate highway per capita than any other American city, Kansas City's commuters average only 23 minutes on the road, ranking the metro area among the nation's top 10 cities for best commutes.
- The City's lower business costs (93% of the U.S. average) and highly educated workforce are significant market strengths. High-quality human capital is abundant: one-third of the metro's population has at least a bachelor's degree – well above the national average.
- Kansas City is in the heart of the Animal Health Corridor which stretches 200 miles from Manhattan, KS to Columbia, MO. Companies with a presence in the Corridor account for 56% of an estimated $88.2B in global annual sales of animal health, diagnostics, and pet food products.

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Major Employers

COMPANY	LOCATION DESCRIPTION	EMPLOYEES
Federal Government	Government	30,000
Cerner Corporation	Software (HQ)	13,964
HCA MidAmerica	Health Services (HQ)	9,939
University of Kansas Hospital	Health Services	9,810
Children's Mercy Hospitals	Health Services	8,123
Ford Motor Company	Manufacturing	7,470
Saint Luke's Health System	Health Services	7,278
Sprint	Telecommunications	6,000
Hallmark	Manufacturing (HQ)	5,166
State of Kansas	Government	5,093
DST Systems, Inc.	Data Processing (HQ)	4,990
Olathe School District	Public Education	4,637
City of Kansas City, MO	Government	4,521
Mosaic Life Care	Health Services	4,000
Johnson County, KS	Government	3,950
Kansas City, KS School District	Public Education	3,868
UMKC	Higher Education	3,850
Honeywell	Manufacturing	3,600
Garmin Intl, Inc.	Manufacturing (HQ)	3,414

Source: Kansas City Area Development Council, 2018

COMMERCIAL REAL ESTATE

Industrial Sector

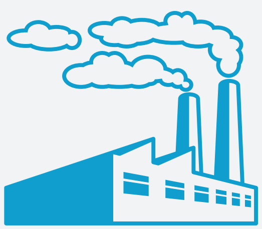
The Kansas City industrial market is being redefined as a national strategic center for logistics, warehousing and distribution. While the 5.1 million sq. ft. of new industrial space delivered in 2018 failed to match the historic levels of 2016-2017, it maintained a healthy rate of growth exceeding the market's long-term average, leading to a decline in the vacancy rate of 30 bps year-over-year.

Since the beginning of 2015, 25.2 million sq. ft. of new industrial space has been completed, the highest total in the Midwest outside of Chicago. Over the same period net absorption totaled 18.4 million sq. ft. The vacancy rate remains extremely low at 5.4% and total market inventory now exceeds 277.5 million sq. ft.

The requirements of e-commerce tenants are affecting the fundamentals of new speculative projects. Many developers are raising clear heights to 36' or more in order to better accommodate higher racking which creates more storage per square foot. At the same time more land area is being allocated to employee parking and trailer storage.

Significant recent transactions include Kubota breaking ground on its 2 million sq. ft. North American Distribution Center with completion expected in Q1 2019; Overstock.com leased 513,000 sq. ft. of existing space at 5300 Kansas Ave; Hopkins Manufacturing leased 406,426 sq. ft. of speculative space at LPKC VIII; Turn 5 Inc leased 363,029 sq. ft. of speculative space at Lenexa Logistics Centre North Bldg 1; and Mid-State Distributing leased a 725,769 sq. ft. warehouse formerly occupied by Toys R 'US.

Looking forward, 2019 is already shaping up to be another strong year for development, with 5.5 million sq. ft. currently in the pipeline and scheduled to be completed this year.



Industrial

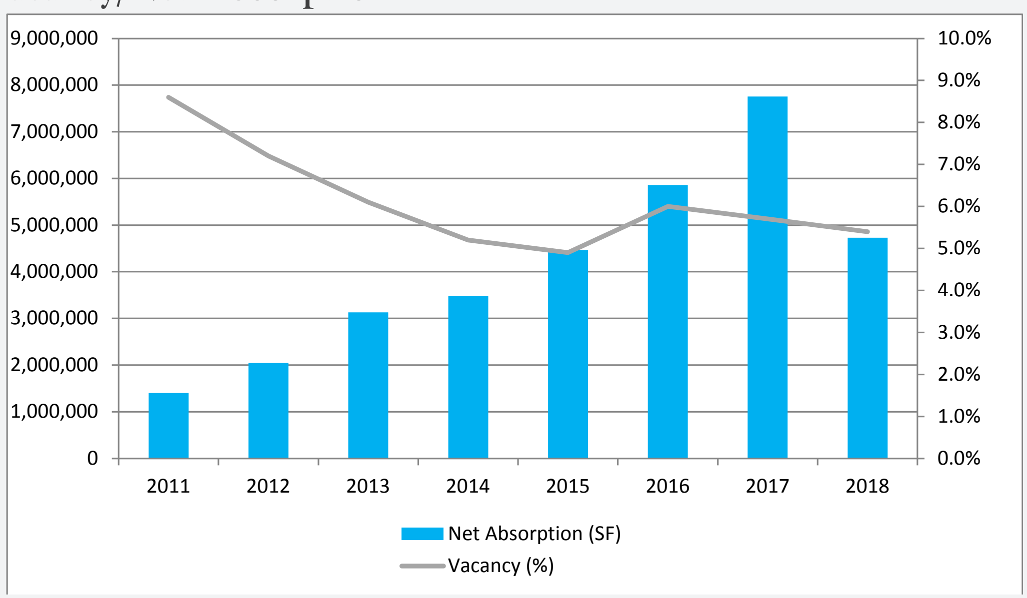
INVENTORY

277.5 million SF

AVG. MARKET RENT & TREND

$4.74 NNN/rising

Vacancy/Net Absorption



Office

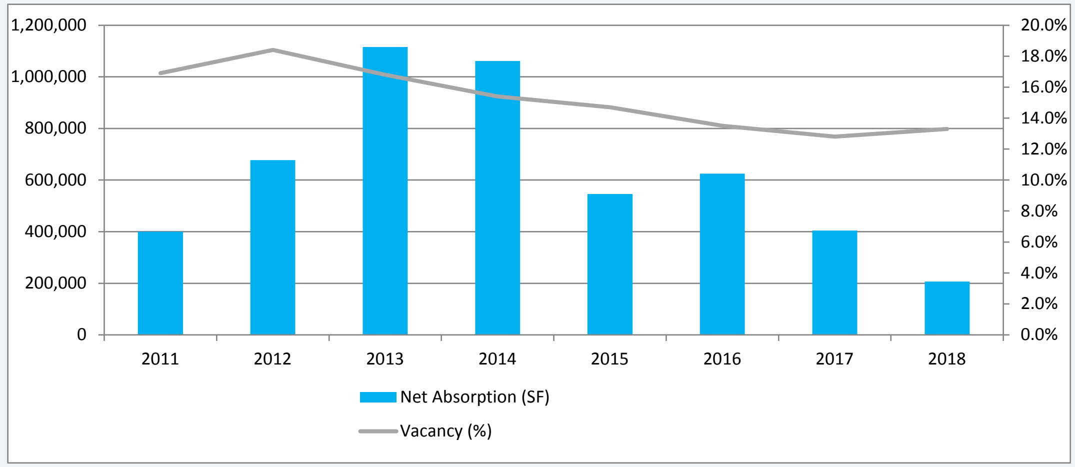
INVENTORY

51.9 million SF

AVG. MARKET RENT & TREND

$19.64 FS/rising

Vacancy/Net Absorption



Office Sector

The Kansas City Downtown office submarket is comprised of 115 multi-tenant office buildings containing 12.3 million square feet. This includes 17 Class A office buildings totaling 6.4 million square feet, which accounts for 52% of the submarket's overall office inventory.

Downtown's overall occupancy rate at the end of 2018 was 85.0%, and for the Class A segment the occupancy rate stood at 88.9%. Occupancy rates have been trending up over the long term. In the last three years, occupancy has increased by 250 bps in the Downtown submarket. The overall Class A segment has experienced the most significant improvement in occupancy, increasing 630 bps over the same period.

The removal of obsolete structures in the CBD has been an important factor in declining vacancy, with 2.3 million sq. ft. of building area removed over the last four years. The majority of these sites are being converted to multifamily and hotel uses. Such redevelopment projects are enhancing the overall image and health of the market as Downtown is increasingly recognized as a desirable area in which to live, work, and play.

Recent deals in Kansas City's CBD office submarket include:

- Spring Venture Group's expansion of 26,218 square feet at 2301 McGee in Crown Center;
- Hollis and Miller Architects signed a 25,000 square foot lease at the historic Corrigan Building that is undergoing a $22 million redevelopment;
- Pinsight Media's lease of 20,285 square feet at City Center Square;
- BNIM leased 20,000 square feet at 2460 Pershing Road in Crown Center;
- OnGoal LLC leased 12,942 square feet at 2020 Baltimore Avenue;
- ACI/Boland leased 12,780 square feet at 1706 Wyandotte;
- Holmes Murphy leased 11,000 square feet at the Corrigan Building;
- Virgin Mobile leased 10,000 square feet at One Kansas City Place.; and
- Turner Construction leased 10,000 square feet at 1220 Washington Street.

The McClatchy Story

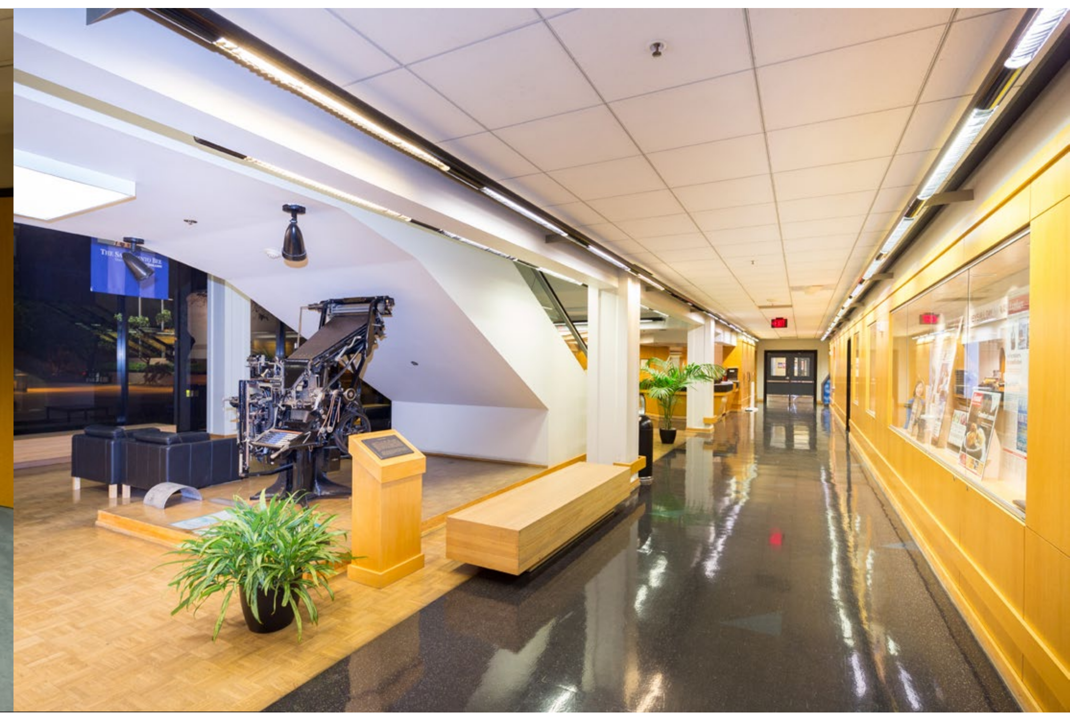
EARLY HISTORY

McClatchy is a leading news and information provider which dates to the California Gold Rush era in 1857 when James McClatchy founded The Daily Bee in Sacramento, California. Coverage of California's Central Valley expanded with the founding of The Fresno Bee in 1922 and purchase of The Modesto Bee in 1927. In 1979 McClatchy entered the Northwest with the purchase of the Anchorage Daily News and Tri-City Herald in Kennewick, Washington, followed in 1986 by The News Tribune in Tacoma, Washington.

East Coast publishing was launched in 1990 with the purchase of three daily newspapers in South Carolina before entering North Carolina in 1995 with the acquisition of The News & Observer in Raleigh, and several affiliated non-dailies. The Star Tribune, which serves the Twin Cities of Minneapolis and St. Paul, was acquired in 1998 which positioned the company nationally in four distinct, fast-growing regions.

SINCE 2000

In 2006, McClatchy acquired Knight-Ridder, Inc., making it the second-largest newspaper publisher in the United States at that time. With the Knight Ridder acquisition McClatchy also picked up dozens of non-daily newspapers, added a number of digital assets and employees, significantly expanded its Washington, D.C. news bureau, and attained an international presence with the addition of multiple foreign news bureaus. Following the 2007 sale of its largest newspaper, the Star Tribune, McClatchy ranked as the third-largest newspaper publisher in the United States at that time based on daily circulation. Purchase of the Herald-Sun in Durham, North Carolina in 2016 brought McClatchy to its current size with 30 daily newspapers in 29 U.S. markets, which are generally growing faster than the U.S. average. In each of its daily newspaper markets McClatchy operates a leading local media company, offering a wide array of print and digital products.



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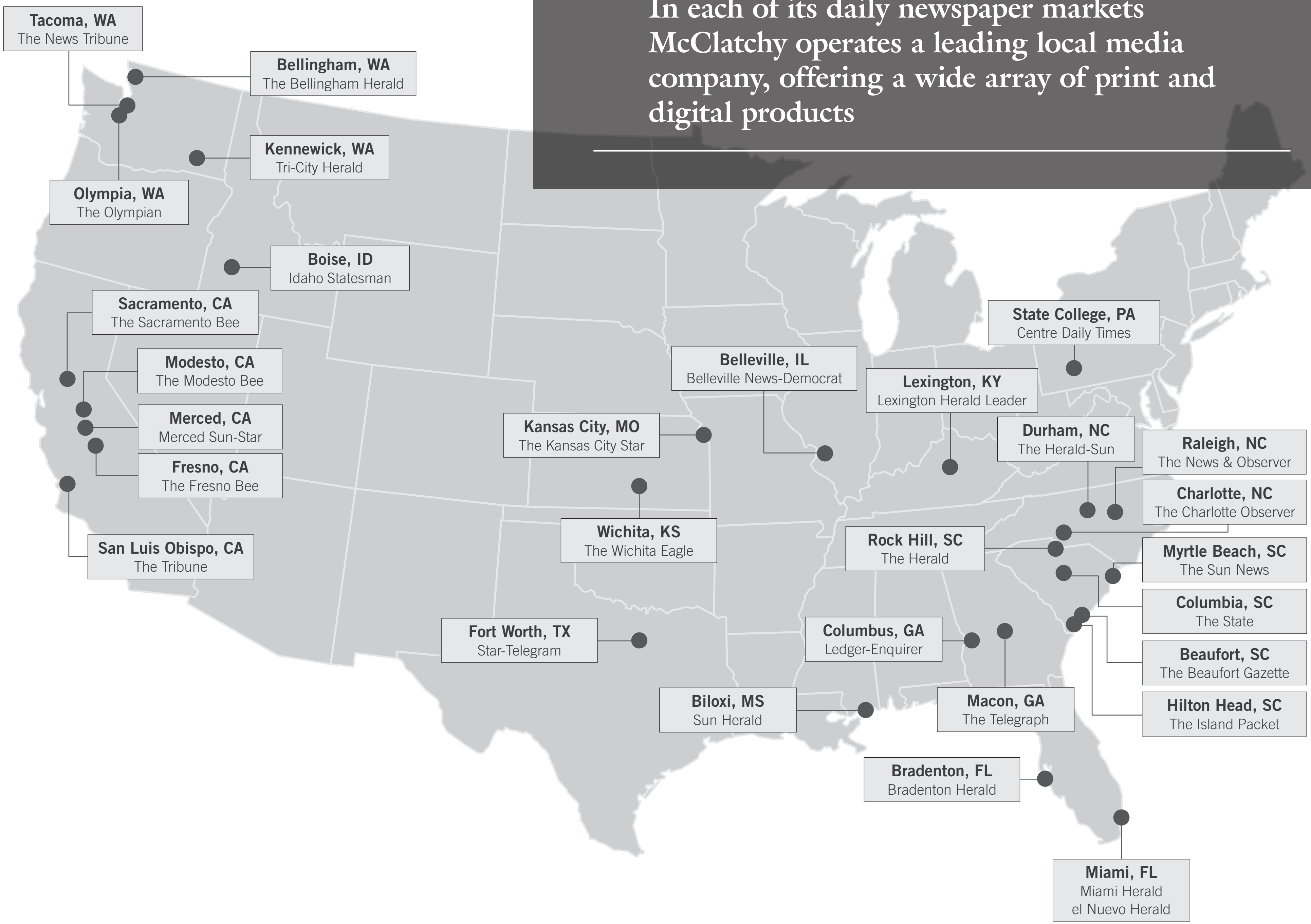


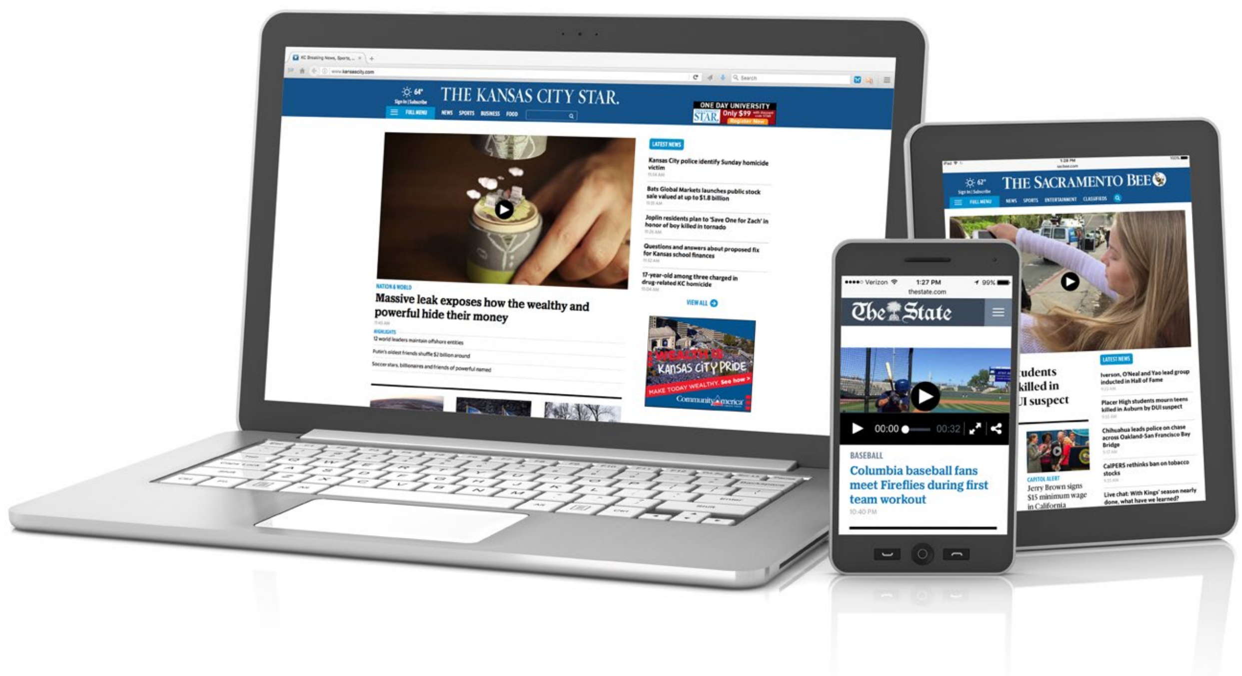
In recent years the newspaper industry has seen print advertising revenues slip and readership numbers fall as younger consumers, raised in the digital age, rely less on print to stay informed and connected. McClatchy has responded to these new trends by ramping up its digital presence and ownership of electronic media, particularly in business segments where advertising revenues are migrating rapidly away from print. As early as 1998 McClatchy acquired a stake in Cars.com and Apartments.com through its ownership interest in Classified Ventures LLC (CV), which was sold in 2014. In the Knight-Ridder acquisition McClatchy increased its stake in CV and acquired a 15.0% interest in CareerBuilder, LLC, which operates a job-search website called CareerBuilder.com which was sold during 2017 and 2018. McClutchy continues to use Cars.com and Careerbuilder.com as vendors in selling online advertising. As electronic real estate advertising platforms began attracting users the Company purchased a 33.3% stake in HomeFinder, LLC, owner of the real estate website HomeFinder.com, which was sold in early 2016 for a stake in Placester, owner of Placester.com, a similar real estate website.

McClatchy is pursuing a three pronged strategy to grow its businesses and total revenues: first, to maintain its position as the leading local media company in each market by providing high-quality journalism and advertising information to audiences 24x7 on digital platforms and in its printed newspapers; second, to grow non-traditional revenues with a focus on digital revenues including operating a leading local digital business in each of its markets, including websites, mobile apps, e-mail products, mobile services, video products and other electronic media; and third, to extend these franchises by supplementing the reach of the newspaper and digital businesses with direct marketing.

To assist with these strategies, McClatchy has continually reengineered its operations to reduce legacy costs and strengthen areas driving performance in news, audience, advertising and digital growth and to reduce its debt with its ample cash flow.

McClatchy has reduced its debt load from approximately $4 billion in 2007 to $745 million as of September 30, 2018. Standard & Poor's rates McClatchy CCC+, Stable.

McClatchy's 2017 Annual Report to Shareholders and its Form 10-Q for September 30, 2018 are available at: www.mcclatchy.com.



McClatchy operates 30 daily newspapers in 29 markets and numerous digital media entities including websites, mobile apps, mobile news and advertising services.

Affiliated Business Disclosure

CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an "Affiliate") engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the "Property") may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

Confidentiality Agreement

This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc, nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

Disclaimer

 The information contained in this document has been obtained from sources believed reliable. While CBRE, Inc. does not doubt its accuracy, CBRE, Inc. has not verified it and makes no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs.

The Kansas City Star

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