

POLICY

H A N D B O O K

CNI

Community
Newspapers,
Incorporated

August, 2000

Community Newspapers, Inc. • Post Office Box 792 • Athens, Georgia 30603
(706)548-0010 • Fax (706)548-0808



Dear Associates,

Welcome to Community Newspapers, Inc. We are delighted you are joining our company. Because of our many loyal and dedicated associates — just like you — CNI has a proud tradition to uphold.

While our company covers three states, we choose to operate CNI as a close-knit organization relying on the initiative and energy of hundreds of individuals who bring their unique talents to our company. Our overall success relies entirely on each associate and our willingness to share our vision for Community Newspapers, Inc.

Our goal is to outline our policies for you in such a way as to reflect keen business logic, high ethical standards, high journalistic ideals, a relentless pursuit of excellence, and a sense of fairness for all. CNI's mission statement is included in this handbook and we want you to read the mission statement carefully, because it is vital that we all adopt it and our other standards as a guide to our performance.

Along with our mission statement, this Policy Manual helps provide the guide to our performance by creating a road map for the operation of our newspapers and press plants. Occasionally, conditions may change and necessitate modifications and, if so, we will notify you accordingly.

To cover every occurrence in our daily operations is impossible. Since we cannot address all situations, there must always be a margin of flexibility to allow local management to make the best decisions according to circumstance. In the following pages, you will have an opportunity to read and study most of the policies that we have adopted. There is one policy, however, that only the President of CNI and the Chairman of the Board of CNI may change through written notice. That policy is that all associates are employees-at-will.

Our policies, including the employees-at-will policy, follow. We hope you will study the enclosed information. You will see that we refer to each other by the term "associate" instead of "employee". That is because we respect and value the contribution that each person makes to the success of CNI. If you have any questions that we may answer, we would be pleased to speak with you.

You are very important to us. Thank you for choosing to join Community Newspapers, Inc.

Dink NeSmith, President

Tom Wood, Chairman

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OUR MISSION

Our mission is to publish distinguished and profitable community newspapers. Among our overall goals are:

To publish newspapers whose focus will be excellence in terms of news and advertising content, reproduction and service;

To maximize profits consistent with product quality, but in no case less than required to assure long-term growth and our editorial independence;

To be fundamentalists in our support of the public's right to know, and the right of free speech and press;

To take a bias in support of the communities we serve, providing aggressive, visionary leadership.

This mission will be accomplished through the teamwork of professionals who are dedicated to truth, integrity, loyalty, quality and hard work. We believe that a community must first know about itself in order to act in its own best interest.

We believe that strong newspapers build strong communities...
"Newspapers get things done!"

Dink NeSmith
President

Tom Wood
Chairman

HISTORY

It was March of 1989, and Tom Wood and W.H. “Dink” NeSmith were talking about the company of newspapers they, along with two other partners, had just purchased. It was called Community Newspapers Inc., a group that N.J. Babb of Spartanburg, S.C., began in 1967 with \$3,000 in borrowed money. Now this company of about 40 newspapers in three states belonged to Wood and NeSmith. So what should we do? they asked themselves.

Well, as NeSmith has said often, you have to be a good business before you can be a good anything else. And before you know where you’re going, they agreed, you must know where you want to go.

So the two of them sat down and wrote a mission statement for the company. “Our mission,” the statement began, “is to publish distinguished and profitable community newspapers.” And then they listed the ways to do that: in short, to publish newspapers whose focus was excellence in all areas; to maximize profits consistent with product quality; to be fundamentalists in their support of the public’s right to know; to take a bias in support of the communities they served.

Nearly two decades later, a few things have changed at CNI, but the mission statement hasn’t changed one bit. “Our Mission” is printed in every CNI newspaper – not just for show, but as a commitment to the readers.

One of the main changes in the company is in ownership. Wood and NeSmith today are the sole owners. They bought out their former partners, Bill Bresnan and Jeff DeMond. And they pared down the number of newspapers from 32 papers in four states to 25 in three states: Georgia, Florida and North Carolina.

Under the present owners, the Athens, Ga.-based company has acquired a number of newspapers, several of which have been merged with existing CNI papers. In September of 2000, the company purchased two dailies, along with a weekly, in northeast Florida from the New York Times Company. They are the Lake City Reporter, the Palatka Daily News, both dailies, and the News-Leader in Fernandina Beach. At the same time, CNI bought the Nassau County Record in Callahan, a paper owned by Tom Wood.

Other acquisitions over the years included the Richmond County Daily Journal in Rockingham, N.C. (sold in 2006); the Sylvania Telephone in Sylvania, Ga. (sold in 2006); The Telegraph of Cleveland, Ga.; The Toccoa Record of Toccoa, Ga.; The Southeast Georgian of Kingsland, Ga.; The Citizen News of Edgefield, S.C. (sold in 2006); Dawson News & Advertiser of Dawsonville, Ga.; The Elberton Star & Examiner of Elberton, Ga.; The Hartwell Sun of Hartwell, Ga., and The News Leader of Royston, Ga.

Through it all, the owners say, success has come with teamwork, just as the mission statement calls for – “teamwork of professionals who are dedicated to truth, integrity, loyalty, quality and hard work.”

With that kind of teamwork and a fundamental belief – that “strong newspapers build strong communities” – Community Newspapers Inc. will continue its mission “to publish distinguished and profitable community newspapers.”

CNI REGIONS

MURPHY REGION

The Andrews Journal	Andrews, N.C.
The Cherokee Scout	Murphy, N.C.
Clay County Progress	Hayesville, N.C.
The Graham Star	Robbinsville, N.C.
The News Observer	Blue Ridge, Ga.

FRANKLIN REGION

Crossroads Chronicle	Cashiers, N.C.
The Franklin Press	Franklin, N.C.
The Highlander	Highlands, N.C.
Mitchell News-Journal	Spruce Pine, N.C.
Smoky Mountain Times	Bryson City, N.C.
The Sylva Herald	Sylva, N.C.

LAKE HARTWELL REGION

Franklin County Citizen	Lavonia, Ga.
The Hartwell Sun	Hartwell, Ga.
The Elberton Star & Examiner	Elberton, Ga.
The News Leader	Royston, Ga.
The Toccoa Record	Toccoa, Ga.

N.E. GEORGIA REGION

The Dahlonega Nugget	Dahlonega, Ga.
Dawson News & Advertiser	Dawsonville, Ga.
The Northeast Georgian	Cornelia, Ga.
White County News	Cleveland, Ga.
The Clayton Tribune	Clayton, Ga.

COASTAL/SOUTHEAST GEORGIA REGION

Lake City Reporter	Lake City, Fla.
Nassau County Record	Callahan, Fla.
News-Leader	Fernandina Beach, Fla.
Palatka Daily News	Palatka, Fla.
Tribune & Georgian	St. Marys
The Press-Sentinel	Jesup
The Telfair Enterprise	McRae
The Beaches Leader	Jacksonville Beach, Fla.

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1-800-226-0692
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www.cninewspapers.com

INTRODUCTION

As newspaper people, our daily role is to examine, analyze and report the actions of others in our communities. While we do our jobs, an important reminder is that our actions are accountable as well. We, too, are living in glass houses and others are watching our actions.

For that reason, we should continually monitor the way we perform our duties. As the owners of Community Newspapers, Inc., we want you to understand what type of conduct is expected.

We are professionals. If we are to be respected as professionals, we must act accordingly. We must always strive to earn the respect of our readers, advertisers, customers and associates. Therefore, honesty is our policy. We should treat people as we expect to be treated ourselves – openly and fairly.

There are times when some customers may ask us to compromise our principles such as wanting us to participate in double billing. This practice is illegal and we must never use this means to unfairly charge for our advertising. Double billing is forbidden in Community Newspapers, Inc.

Another example is the usual enticements vendors sometimes use to sell us their products. We are always eager to negotiate the best price and service. However, we do not condone accepting special gifts or favors. If the supplier is willing to give you a “free television” for making a purchase, say “no thank you” loudly and clearly. With that done, promptly shop for a vendor who will provide the company with an excellent price without strings attached.

Publishers, editors and members of the news staff should be extremely careful in their actions. While every member of the staff should be concerned, the news department should be especially careful to avoid conflicts of interest – real or perceived. We have a responsibility to be unmistakably objective in our reporting at all times. We must not become personally involved (i.e., dating or business partnerships) with our news sources. Perception is what affects the public’s attitude toward our newspapers. At all times, we expect that attitude to reflect an air of objectivity and trust. Likewise, we expect associates of the company to refrain from possible conflicts of interest by not seeking public offices.

The possession and/or consumption of alcoholic beverages or illegal drugs is forbidden in the workplace. The possession of firearms or other weapons is also forbidden in the workplace.

The success of Community Newspapers, Inc. is based upon the cooperation of everyone in the company. A cooperative spirit among associates is essential. Emotional outbursts, profanity, verbal and physical abuse should be avoided at all times. The most effective guideline for good human relations is always the Golden Rule.

In employee relations matters, keep in mind that Community Newspapers, Inc. is an equal opportunity employer. We hire and promote those employees who are the most able by experience and education and who have work ethics that will further the aims of Community Newspapers. A person’s race, sex, religion or age is never considered in decisions affecting employees. Additionally, CNI does not discriminate against qualified persons with physical or mental disabilities. If you have any reason to believe this policy is not being followed you have an obligation to notify the home office in Athens.

Nor will we tolerate sexual harassment of any kind. Any employee who believes that a hostile environment of sexual harassment exists should make a complaint to the appropriate supervisor or to the home office in Athens.

When finances are involved, there is only one way to handle the company’s money; the procedure as prescribed by CNI’s controller. Every nickel must be accounted for and reflected in the company’s books. Before we can operate

good newspapers, we must first operate good businesses.

While nepotism is not prohibited, it is discouraged except in the case of seasonal or temporary employment. The hiring of a family member should be handled carefully. Should an opening occur in your newspaper or printing plant and you feel that the best qualified individual is a family member of a CNI associate, you should contact the home office before making a final decision.

We firmly believe that esprit de corps is a key to overall success. We want for all of our associates a positive atmosphere in which to work. That is why we strongly discourage dating between supervisors and those working under their authority. Likewise, we feel it is inappropriate for an associate to date his or her supervisor.

Let good common sense be your guide. If something doesn't feel quite right to you, the chances are pretty good that the matter would not stand our test of proper ethics. If you have a question about any of these matters, take it up with your supervisor, or publisher.

In summary, our goal is to be a team of professionals who are dedicated to truth, integrity, loyalty, quality and hard work. Through a commitment to these standards, we can be assured Community Newspapers, Inc. will be the best it can be. We appreciate the important role you play in making this possible.

If you have any questions or concerns, please notify:

Community Newspapers, Inc.
P.O. Box 792
Athens, GA 30603
1-800-226-0692

Tom Wood, Chairman of the Board
P.O. Box 50129
Jacksonville Beach, FL 32240
904-249-9033

Dink NeSmith, President
P.O. Box 792
Athens, GA 30603
706-548-0010

OPEN DOOR POLICY

Respect for the individual is a basic belief of Community Newspapers, Inc. For this reason, CNI has an Open Door Policy for all associates. We believe that every associate should have the power to appeal the actions of those who are immediately over him or her in authority.

In most instances, we encourage people with problems to have a private and frank discussion with their immediate supervisor. If the issue cannot be resolved, we recommend you request a meeting with the supervisor and the local publisher/manager.

If the matter remains unresolved or is of such a nature that you prefer not to discuss it with your local management, you should go to your regional publisher.

Finally, if you feel that you still have not received a satisfactory answer, you may want to talk with either the chairman of the board or the president of Community Newspapers, Inc. A toll free telephone number, 1-800-226-0692, is available for the Athens home office.

The Employee At Will

The traditional rule in the United States, and adopted by Community Newspapers, Inc., is that every employee is employed on an "at-will" basis. This means that the employee is not guaranteed employment for any specific period of time and can be terminated for any or no reason, with or without cause, and with or without notice. Employees also have the right under the employment-at-will rule to resign their employment at any time.

ON THE JOB

Introductory Period

Your first 90 days on the job are particularly important to you and Community Newspapers, Inc. All associates are employed on an orientation basis until they have completed the first 90 days of their employment. This 90 days is a trial period designed to determine whether the associate is suited to the job and capable of satisfactorily performing the work assigned.

Community Newspapers, Inc. wants you to succeed – and expects you to – or you would not have been hired. The basic purpose of the trial period is to determine whether an associate is able to perform the job, and to provide a chance to become familiar with it. The success of the company depends on everyone's doing his or her job well.

Although CNI supervisors are expected to work closely with associates and provide recommendations for improvement, the company makes no guarantee that associates will be allowed to complete the 90-day probationary period. As stated elsewhere in this handbook, CNI is an at-will employer, and may terminate employment at any time for any or no reason. The company may choose at any time during the probationary period, or at any time thereafter, to terminate employment, and the associate is not entitled to an explanation or an opportunity to improve performance.

There are times when it is not in the best interest of the associate or CNI to continue the relationship. That is the reason for the 90-day get-acquainted period during which we can evaluate your merits as a member of the CNI team. Likewise, you will have an opportunity to evaluate Community Newspapers, Inc. as the appropriate place to work. If you successfully complete the 90-day probationary period, you and your supervisor will have a discussion. If your performance, attitude and commitment to the goals of the company meet the job requirements, you will become eligible for any applicable company benefits.

Dress Code

The question often arises, “How should I dress for my job with Community Newspapers, Inc.?”

While the conditions may vary from town to town, some standards should be consistent within our organization. While it is not possible to specify an exact dress code to cover all situations, it is expected that the manner of dress and overall appearance reflect a business environment.

For our associates who are involved in contact with the public, there are always these two questions: “Should I wear a necktie?” or “Should I wear a dress?” It is our personal preference to see our news and advertising personnel in a neatly pressed dress shirt and a tie or a dress, a skirt or dress slacks and a blouse. Depending on the weather, the coat is optional.

While we have dealt with a few bankers who dress in casual attire, that is the exception rather than the rule. We think the more professional approach is the best; that is why we do not recommend jeans, tennis shoes or T-shirts when working with the public. We should always be eager to put our best foot forward.

It has been our philosophy that if we want to be respected as professionals we must act and look like professionals. In most cases when it comes to deciding – “What will I wear to work today?”, we want you to always consider – “What will make the most favorable impression on my customers or news sources today?”

For those associates working in production and other areas with little or no contact with outside customers, we expect the dress standards to conform to what is appropriate, safety-conscious and in good taste.

Summarized, the dress code of Community Newspapers, Inc. is: “At all times dress neatly and in the appropriate manner for the community you serve, remembering that professionalism is of the utmost importance.”

Sexual Harassment Policy

It is the policy of Community Newspapers, Inc. that all associates should be able to avoid unwelcome behavior of a sexual nature known as sexual harassment. Sexual harassment infringes on an associate’s right to a comfortable work environment, and is a form of misconduct which undermines the integrity of the employment relationship. No associate – male or female – should be subjected to unsolicited and unwelcome sexual overtures or conduct, either verbal, visual or physical.

Prohibited Conduct

- Offensive flirtations, advances, or propositions;
- Verbal abuse or a sexual nature;
- Explicit or degrading verbal comments about another individual or his/her appearance;
- The display of sexually suggestive pictures or objects;
- Visual sexual gestures;
- Any offensive or abusive physical conduct;
- The taking of, or refusal to take, any personnel action on the basis of an associate’s submission to or refusal of sexual overtures.

Community Newspapers, Inc. will take immediate disciplinary action against any associate engaging in sexual harassment. Such action may include, depending on the circumstances, suspension, demotion, or discharge.

Any associate who believes that he or she has been the victim of sexual harassment, or who has any knowledge of that kind of behavior, should report such conduct immediately to his or her supervisor, the publisher, manager, of the Athens office.

Part-time Status

Non-regular or part-time associates are those who normally work less than 32 hours per week. Part-time and temporary personnel are occasionally hired for peak load periods or for a limited time during the summer or vacations.

Due to the nature of their jobs, certain sections of this handbook do not apply to “temporary” or “part-time” associates. These would include sections covering Holidays, Vacations, and Leaves of Absence. The section on health insurance would also not apply; however, Social Security and Worker’s Compensation are applicable to “temporary” or “part-time” associates. (For possible exceptions, see page 16 entitled: Part-time Consideration).

All full-time, part-time and temporary associates of CNI are expected to abide by the rules and regulations in this handbook.

Safety and Accidents

Community Newspapers, Inc. does everything it can do to keep you and others from being injured, but your safety really depends on each of us.

You are expected to report promptly to your supervisor any hazards or unsafe conditions that might exist. You are expected to follow all applicable safety regulations and guidelines.

Should you have an accident, immediately obtain appropriate medical treatment. In most instances, see a physician. A small cut or scratch may become infected if not promptly and properly treated. If professional medical treatment is sought, you are required to submit to your supervisor a doctor's statement authorizing your return to work.

You are required to notify your supervisor immediately of any accident involving personal injury. Likewise, all personal injury accidents must be reported to Athens by the supervisor, local publisher or manager within 24 hours or the next business day.

As in most incidents, good common sense is usually the best guide for action. CNI wants to know of all accidents/injuries that occur on the job. Report all accidents/injuries as soon as possible to your supervisor or the publisher/manager. They will complete an accident report as required by law.

The best policy for an accident-free work place is "safety first, last and always!"

Discipline and Discharge

Occasionally, job-related performance or behavior falls short of the expectations set forth. While there are multiple ways to become discharged from Community Newspapers, Inc. the categories that most often elicit the strongest actions are:

1. Lying
2. Stealing
3. Abuse of people
4. Abuse of equipment
5. Selling, distributing or being under the influence of illicit drugs or alcohol on CNI premises.

If any of these or other undesirable actions take place, management is encouraged to take the appropriate action. Decisions are to be based on the seriousness of the situation, the circumstances surrounding the incident and the associate's history with CNI. The list above is not exhaustive.

Disciplinary actions may range from informal warnings and discussions between the supervisor and the associate about the matter to immediate discharge.

Special emphasis shall be given to the study and understanding of CNI's expectations of ethical conduct. The newspaper profession requires the highest possible standards. See special section entitled "Behavior in the Workplace."

Any associate who believes he or she has been wrongfully discharged is encouraged to follow the steps suggested in the Open Door Policy.

Please note, however, that since each associate is always at liberty to leave employment with CNI, the company reserves the right and discretion to terminate an associate at any time, as stated in the at-will policy.

Behavior in the Workplace

Community Newspapers, Inc. is committed to provide an excellent environment in which to work. We believe in a system that promotes fairness in dealing with all personnel.

It is our policy to avoid unnecessary restrictions or restraints on your personal conduct. However, you have a right to know what is expected of you and what you may expect in your relations with other people within CNI. We feel it is important that everyone treat others with consideration and respect.

The following acts of misconduct are examples of behavior which CNI deems to be against the best interest of everyone. This is a partial list of actions, since it is impossible to itemize every offense that could lead to disciplinary action or termination. Your supervisor will inform you if your conduct does not meet the standards or expectations of CNI.

1. Possessing, or being under the influence of, or using drugs or intoxicants at any time while on or off company premises during working hours.
2. Dishonesty.
3. Misbehavior including but not limited to: sleeping or wasting time; intimidating other workers; making malicious statements about co-workers or Community Newspapers, Inc.; sexual or other harassment; failure to follow instructions; misuse of confidential information; falsifying records, reports, or benefit claim documents; insubordination; illegal conduct; and projecting a negative/unprofessional attitude toward other personnel or CNI.
4. Tardiness or absenteeism without authorization or abusing sick leave policy.
5. Deliberate misuse of or damage to equipment, materials or property.
6. Carelessness endangering the safety of oneself, others or company property.
7. Rudeness or discourtesy to our customers or co-workers.
8. Theft of materials, supplies or company services or the assistance to others of such theft or failure to report any knowledge of such thefts.
9. Striking or manhandling another person or fighting while on the job.
10. Possession of weapons. Firearms are prohibited on Company premises except as authorized by law.

Company Resources

Use of company equipment

Community Newspapers, Inc. provides certain equipment (such as computers, copiers, printers and telephone systems) and accounts (such as e-mail and internet access) that are intended for company business use. Associates who wish to use these resources for personal business must first secure the permission of the on-site manager.

Personal use of company resources should not incur financial liability to the company. Financial liability would include significant wear and tear on equipment, and charges on company telecommunications accounts. Associates must also conduct personal business on personal time. For instance, computer games and personal internet activities should not be conducted while an associate is on the clock.

Community Newspapers, Inc. expects associates to exhibit good judgement and good taste regarding the use of company-provided resources.

E-mail, voice mail and other electronic communication

Community Newspapers, Inc. reserves the right to access all information on company computers, even where personal passwords have been assigned. Associates should not assume that personal data on company computers is confidential.

Associates should use good judgement and good taste regarding the use of telecommunication systems. E-mail and other systems should not be used to transmit messages you would not want read by a third party. This includes gossip, personal information about yourself and others, sexually explicit messages or jokes, unwelcome propositions or love letters, ethnic or racial slurs, or any other message that could be construed as harassing, disruptive or offensive.

Proprietary Information

Information stored in print, electronic, or any other form should be considered proprietary and the sole and exclusive property of the company. It should be treated as confidential and may not be disclosed to any person outside the company or removed from the company's premises without the express permission of the on-site manager.

Smoking Policy

Community Newspapers, Inc. believes that smoking is a health hazard. To support a safe and healthy work environment for our associates, CNI prohibits smoking - including smoking devices, such as e-cigarettes or vaporizers - in all its buildings.

Conflicts of Interest

The newspapers and printing plants of Community Newspapers, Inc. should be free of obligations to news sources and special interests. Even the appearance of obligation or conflict of interest should be avoided.

Involvement in such things as politics, demonstrations and social causes that could cause a conflict of interest should be avoided. Likewise, we should not become personally involved (i.e., dating or business partnerships) with our news sources or subjects of news coverage.

Outside employment by news sources is an obvious conflict of interest and employment by potential news sources should also be avoided. Financial investments by staff members should be avoided if that action could conflict with the newspaper's ability to report the news or create the impression that a conflict of interest exists.

All of Community Newspaper, Inc.'s papers operate in competitive markets. We value competition as an important part of the American enterprise system, and will treat our competitors with respect and courtesy at all times. We recognize that other media outlets, including, but not limited to, other newspapers, radio and television, are competing for the same readers and advertising dollars that contribute to the well-being of our company and its associates. Therefore, our associates are prohibited from employment by media outlets that are our competitors. Any contribution an associate makes to another media outlet, whether or not it is for compensation, must be approved in advance by the publisher.

No code of ethics can prejudge every situation. Common sense and good judgement are required in applying ethical principles to our profession. Associates of CNI are encouraged to maintain high ethical ideals and report to their supervisor, publisher or manager any activity that appears to reflect poorly on the organization.

While it is not prohibited, nepotism is discouraged within the organization. We do, however, recognize this is not practical when considering seasonal or temporary employment. Nonetheless, publishers/managers should contact the Athens office before making the final decision on whether to hire a family member of a CNI associate.

Likewise, supervisors are prohibited from dating personnel who work under their authority and vice versa.

Moonlighting by full-time associates is strongly discouraged. Full-time associates who wish to work an additional job are required to obtain prior approval of the local publisher or manager.

Resignation

You are asked to give your supervisor two week's notice of your intention to leave Community Newspapers, Inc. If you are absent for three consecutive days and fail to call in, you will be considered to have resigned. All tools, keys and other CNI equipment must be turned in immediately. All other outstanding obligations must be fulfilled promptly. All benefits cease on the last day of regular employment. You may, however, elect continuation of medical insurance at your own expense in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA).

COMPENSATION

Non-exempt and Exempt

Provisions of the Federal Wage and Hour Law with regard to overtime classify workers as “non-exempt” or “exempt.” Generally, administrative, professional, managerial and outside sales associates are in the “exempt” classification; those assigned to technical, clerical and other positions are “non-exempt” and eligible for overtime pay.

Community Newspapers, Inc. considers the work of non-exempt associates to be equal importance. Virtually all of the information in this handbook applies equally to both groups.

Overtime

On occasion, it may be necessary for you to work overtime. Every attempt will be made to assign it as fairly as practical. If overtime is worked, we expect our non-exempt associates to receive their earned compensation. Our pay period covers two (2) 40-hour work weeks. The proper procedure for calculating what is due is to consider the hours worked within each 40-hour week.

Each 40-hour week stands alone in the calculations. If non-exempt associates work 40 hours within the first days of the pay period, their schedule can be arranged so that no additional hours are accumulated. If they actually worked 44 hours, they are due four hours of additional pay at 1.5 times their regular rate.

Non-exempt associates are paid time and one-half for all time worked over 40 hours in a work week. Overtime will be calculated on the actual hours worked over 40. For example, if a holiday or a day of leave (i.e., illness or attend a funeral) falls within the work week, the 8 hours of leave or holiday would not be figured into the consideration for overtime compensation.

Time Records

For CNI to comply with federal and state wage and hour laws, it is necessary to maintain time records for non-exempt workers. Your paycheck is prepared from the information recorded on your time sheet. Your supervisor will advise you of the correct procedure for reporting hours worked. These reports must be filed on a timely basis and proper care should be taken to assure accuracy in filling out all appropriate information. Vacation and sick leave days of all associates are to be regarded with local bookkeepers.

Your Paycheck

Your statement of earnings shows your total pay before deductions. It shows what deductions have been made and net amounts of earnings you received. This statement is not only your payroll receipt, it is also a receipt for all your deductions. You may wish to save these statements so that you can check them against the Federal Income Tax (W-2) Form.

Only two kinds of deductions are made from your earnings:

1. Those required by state and federal laws.
2. Voluntary deductions that are requested by you and approved by the company such as your portion of health insurance coverage, 401(k), etc.

HOLIDAYS, VACATIONS AND LEAVES OF ABSENCE

Holidays with pay

Full-time associates of Community Newspapers, Inc. are eligible for paid holidays after 90 days of employment. CNI observes six paid holidays each year. Full-time associates receive eight hours straight time pay for:

- New Year's Day
- Independence Day (Fourth of July)
- Labor Day
- Thanksgiving Day
- Christmas Day
- An additional floating day to be chosen by the associate

Vacation with Pay

You will earn a vacation with pay by completing one year of full-time employment

Your days of paid vacation are based on the following schedule:

Employment Period

- Completion of 1 year (on anniversary)
Vacation Earned: 1 week (5 working days)
- Completion of 2nd year
Vacation Earned: 2 weeks (10 working days)
- Completion of 5th year
Vacation Earned: Beginning with the sixth year, an associate earns an additional day of vacation for each year with CNI to a maximum of 15 days. On the associate's tenth anniversary and the years following, a total of three weeks (15 days) of vacation will be earned.

Example: An associate joins CNI in September. Twelve months later, one week of vacation is earned. After another 12 months and at the end of the second year of employment, another week of vacation is earned for a total of 10 days. On the anniversary of the associate's sixth year, one extra day of vacation will be added. The following September another day is earned with a total possible accumulation of 15 days after 10 years of service with CNI.

At the anniversary of your first year of employment, you are eligible for paid vacation. Vacation should be arranged according to the scheduling of your department with the approval of your supervisor.

Vacation time may not be carried over from one year to another. Vacation time that is not used will not be paid for and lost. CNI encourages its associates to use their vacations as a means of recreation, rest and relaxation.

Family and Medical Leave

Time off Without Pay

CNI Recognizes that an unusual family emergency can necessitate your being absent from the job, and adheres to the provisions in the Family and Medical Leave Act of 1993. If you have worked at least 12 months for the Company and over the previous twelve months have accumulated at least 1,250 hours, you are eligible to take up to 12 weeks of unpaid, job-protected leave each year for specified family and medical reasons.

Conditions Triggering Leave

Family and medical leave must involve one of more of the following reasons:

- To care for your newly-born child, or placement of a child with you for adoption or foster care;
- To care for an immediate family member (spouse, child, or parents or other individual who acted in loco parentis to the employee) with a serious health condition; or
- Because your own serious health condition makes you unable to perform the functions of your job.

Duration of Leave

You may take up to 12 weeks of unpaid leave during a twelve-month period (measured from the first date the family medical leave is used). Family and medical leave involving the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement.

FMLA leave may be taken intermittently – taking leave in blocks of time or reducing your normal weekly or daily work schedule – whenever it is medically necessary to care for a seriously ill family member, or because you are seriously ill and unable to work. Intermittent leave is not permitted for birth of a child or placement of a child for adoption or foster care.

Maintenance of Health Benefits

CNI will maintain coverage for you and (if applicable) your family under the group health plan during your family and medical leave. This coverage will be provided if you or your family were covered under the plan before the leave was taken and on the same terms as if you had continued work. Where appropriate, you must make arrangements to pay your share of health plan premiums while on leave.

In some instances, the company may recover premiums it paid to maintain health coverage for an employee and family.

Job Restoration

Upon returning from a family and medical leave, you will normally be restored to your original job, or to an equivalent pay, benefits, and other employment terms and conditions.

In addition, your use of family and medical leave cannot result in the loss of any employment benefit that you earned or were entitled to before using family and medical leave.

Family and Medical Leave

Notice and Medical Certification

When seeking family and medical leave, you may be required to provide:

- 30 days' advance notice of the need to take family and medical leave, if the need is foreseeable.
- Medical certifications supporting the need for leave due to a serious health condition affecting you or an immediate family member. Second or third medical opinions and periodic recertifications (at the Company's expense) may also be required.
- Periodic reports during the leave regarding your status and intent to return to work.
- Medical certification of fitness for duty before returning to work, if the leave was due to your health condition.

When leave is needed to care for an immediate family member or for your own illness, and is for planned medical treatment, you must try to schedule treatment so that it will not unduly disrupt the Company's operation.

Religious Observances

Community Newspapers, Inc. has established a policy applicable to all associates which provides that they may be excused during working hours so that they can participate in services conducted in connection with the holy days of their faith as long as they have prior approval from their supervisor. This policy is not an authorization for absence merely because of a religious holiday, but is limited to the purpose of permitting participation in religious holiday services. When the associate asks to be excused from work to attend one of these services, it is understood that the normal work required will be completed promptly even if it necessitates working after hours or on the weekend.

Sick Leave

Eligibility

After the first 90 days, any associate with an average of 32 working hours per week in the previous three month period will be eligible for sick pay.

Pay

Weekly newspapers depend on a small staff that is intent on meeting the deadlines that define our business. For that reason our sick pay policy assumes that absences of one day or less will be made up in the evening or on the weekend and associates will have an opportunity to receive their normal pay.

For absences of more than one day, sick pay will begin on the second day (unless hospitalization is required the first day) each time an associate is absent because of illness. The amount paid will be 80% of normal pay rate for the hours regularly scheduled on the eligible days absent up to the accrued annual sick pay allowance for non-exempt and exempt employees.

Accrued annual sick pay allowed

Associates having at least three months' full-time continuous service will be eligible for up to 40 hours' sick pay in any calendar year. Associates having at least 2 years' full-time continuous service will be eligible for up to 80 hours' sick pay in any calendar year. Associates having five or more years' full-time past service will be eligible for up to 120 hours' sick pay in any calendar year.

Determination

Community Newspapers, Inc. in its sole discretion, will make the determination when an associate is absent for reason of illness and therefore eligible for sick pay. A physician's statement may be required. There is no carry-forward of accrued or unused sick leave to another calendar year. Likewise, associates who leave the company voluntarily or are terminated will not be paid their unused sick leave. Unless there are unusual circumstances, associates absent due to illness are expected to make up in a timely manner any work left undone during the absence.

Death in Family

An associate who is absent from work because of a death in the family will be paid for time lost, up to maximum of two consecutive regular workdays. This paid leave is to be taken within a period of five days, starting on the day immediately after the day of the death.

This benefit applies in the death of a parent, brother, sister, child, spouse, mother-in-law, father-in-law, daughter-in-law, son-in-law, sister-in-law, brother-in-law, grandparent-in-law, grandparent, grandchild, stepparent, stepbrother, stepsister, or stepchild or foster child residing in the associate's home. Associates become eligible for this special leave after 90 days of continuous employment.

Court Appearances

Community Newspapers, Inc. expects its associates to fulfill their duties as citizens of our communities served.

When called for jury duty or attending a proceeding of a court or government agency at the request of CNI or in response to a

subpoena served on you in a proceeding in which you are not a party, or in which you have no direct financial interest, you will receive the difference between your regular pay and the compensation you receive from the courts.

If you receive a summons to jury duty or a subpoena, notify your supervisor at once. You should present a slip signed by the court clerk to your supervisor upon returning to work.

On any day that you are released from jury duty less than six hours after appearing and more than two hours before the end of your scheduled work day, you will be expected to call your supervisor immediately for instructions regarding the remainder of the work day. It is also understood that the normal work required will be completed as promptly as possible even if it necessitates working after hours or on the weekend.

Military Leave

Associates entering active duty in any branch of the U.S. Armed Forces are entitled to reemployment rights as provided by law.

An associate who is a member of a reserve unit or a National Guard unit and who is called to serve six month's active duty will be reinstated within 31 days following his or her release from the military. Associates will also be permitted to meet any obligation for field or encampment duty with any branch of the U.S. Armed Forces for a period not to exceed 13 working days or 17 calendar days in a calendar year (excluding holidays for which they receive payment). The associate shall be on non-pay status with CNI while on military duty.

Part-time Consideration

Part-time associates who have been employed by CNI for at least five years may be eligible for certain fringe benefits. An application should be made by the local publisher or manager to the home office in Athens. Special consideration will be given when it is in the company's best interest to have part-time rather than full-time associates to handle the workload of publishing weekly newspapers.

401(k) Retirement Plan

As a fringe benefit, CNI offers a 401(k) Retirement Plan. The eligibility requirements are as follows: an associate must have met his/her one year anniversary with the company and must have completed 1,000 hours of service during the twelve month period beginning on his/her date of hire and ending on his/her employment anniversary date. The maximum amount of income allowed to be invested on a pre-tax basis is 15% of gross wages per paycheck. CNI will pay a "matching contribution" that will be determined annually. All participants will receive statements on their individual investments at least semi-annually.

We encourage all eligible associates to take advantage of this retirement opportunity.

For more information, consult with your local publisher or manager.

HEALTH INSURANCE AND WORKER'S COMPENSATION

Health Insurance

Community Newspapers, Inc. is pleased to offer you a major medical health insurance plan. Many of our associates also choose to enroll their dependants to receive coverage under our group plan,

You and your dependants become eligible to apply for coverage after 90 days of employment. Associates working an average of 32 hours per week are eligible for participation in this benefit program. For a full explanation of the major medical plan, refer to the booklet provided by the insurance company.

Worker's Compensation

If you are injured while on the job, or if you lose time because of a job-related injury or occupational illness contracted in the course of your employment with Community Newspapers, Inc., the medical expenses and the time lost are compensated in accordance with the provisions of the Worker's Compensation law.

All on-the-job injuries, no matter how slight, must be reported to your supervisor. Failure to do so promptly may cause unnecessary delay in processing your claim or could result in its denial by the Worker's Compensation Board.

Social Security

Community Newspapers, Inc. shares equally with you in contributing to a government fund to provide for your future retirement benefits and health insurance under the Social Security and Medicare. Your contribution is deducted from each paycheck and matched by CNI.

BLOGGING POLICY FOR ASSOCIATES OF CNI

The trust of our readers and advertisers is one of our most important assets. No matter how careful we are, when CNI associates blog, we run the risk that outsiders will assume personal blogs are connected to professional responsibilities. Therefore, we have adopted the following policies governing blogging activities:

Any associate hosting his or her own blog must have the approval of the publisher in advance. No approval will be given for any blog site or posting concerning the items about which we regularly report, regardless of the department in which the associate works.

Blog postings, whether hosted by the associate or others, must be concerned with leisure- time pursuits and cannot relate to the associate's professional responsibilities, directly or indirectly. Any associate hosting a blog must include his or her true identity. Be particularly mindful of CNI's rules about conflicts of interest.

Associates are not permitted to write blog postings while at work. This will be viewed as an abuse of company time and inappropriate use of company resources. Associates should never expect any privacy while utilizing company-owned computers or other resources. The company reserves the right to monitor these systems at any time.

Generally, associates will not be allowed to post comments or responses to CNI web sites. If a CNI newspaper is hosting the site, the professional writings of an associate, may be presented as a beginning point for reader comment or as a response to the posting of a reader. These staff-written postings to our web site will be subject to our normal editing and fact-checking process and the same policies for source identification. These postings would also be an exception to the rule against posting on company time.

Providing blog postings (content) to sites that compete for local ad dollars is prohibited, as are postings that promote offers, products or services for sale, or ask a viewer to respond to a marketing offer.

Associates may never post or disclose information about our trade secrets, company business plans, financial results, new products or projects, advertisers, other associates of the company or other confidential information. However, associates may post to industry sponsored blogs dealing with technical issues of our business. For example: an editor might post a question to a blog about the efficient use of a new edition of editing software.

Associates are prohibited from using blog postings to harass or attack another associate, government official, candidate or any member of the community. Associates are reminded that they may be subject to legal action for spreading disparaging or untrue information about another company or person. Laws against invasion of privacy also apply to blogging. Posting private information about another person's medical, financial or sexual information may expose the blogger to a lawsuit.

These policies are intended to apply to social networking sites like Face Book and You Tube as well as blog sites set up for that purpose. Associates will be subject to disciplinary action, up to and including termination, for violation of the company's blogging policy.

TRAINING AND EDUCATION

Community Newspapers, Inc. is interested in the efforts of all associates to further their education and training when it would be beneficial to the associates and the Company.

If you wish to enroll in any course relating directly to your work, you should present to your supervisor the course description along with itemized cost estimated. If the course and related fees are approved by the publisher/manager, you are eligible for reimbursement of registration and tuition fees. Associates must pay for their books and other associated expenses.

Associates completing an approved course with a satisfactory grade are reimbursed for the cost upon presentation of a statement from the school verifying the grade and cost of the course.

Community Newspapers, Inc. schedules at varying intervals throughout the year workshops for associates to share their ideas and learn from others within the CNI organization. We believe these seminars are fundamental to our attainment of our overall goals for the company. Attendance is expected unless absence is approved by your supervisor, publisher or manager. CNI covers the usual costs of travel, lodging and meals to these events.

For courses that are required to enable associates to satisfactorily perform their jobs, CNI will pay for all tuition and registration fees in advance.

IN CONCLUSION...

At Community Newspapers, Inc., we look confidently toward the future, preparing ourselves for continual growth and progress. We want you to share the vision set forth in CNI's mission statement. Our number one goal is to publish profitable and community-oriented newspapers. We are committed to being a team of professions who are dedicated to truth, integrity, loyalty, quality and hard work. We are glad you have chosen a career with Community Newspapers, Inc. and we need your help to achieve these goals.

We welcome any questions, comments or suggestions on the information covered in this handbook. Thank you.

IMPORTANT NOTICE: THIS IS NOT AN EMPLOYMENT CONTRACT

This handbook is intended to be a source of information about the policies and benefits of employment with Community Newspapers, Inc. However, it does not create or imply that any contract of employment exists between you and CNI. Both you and the company have a right to terminate your employment relationship at any time for any lawful reason.

Furthermore, since circumstances and conditions change, all policies herein may be changed from time to time, except the at-will policy, which can be changed only by written notification from the president and chairman of the board.

As we have stated before, this handbook cannot attempt to cover all situations and every set of circumstances. That is why we expect there to be a sense of fairness and good judgement used by local management at the various newspapers and printing plants within the organization.

I acknowledge receipt of my copy of the Community Newspapers, Inc. Policy Handbook and understand that it is my responsibility to know and abide by its contents.

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