Section 1: 10-Q (10-Q)

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended July 1, 2018
OR

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

For the transition period from _____ to _____

Commission file number:001-36097

New Media Investment Group Inc.

(Exact name of registrant as specified in its charter)

Delaware	**38-3910250**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
1345 Avenue of the Americas 45th floor, New York, NY	**10105**
(Address of principal executive offices)	**(Zip Code)**

Telephone: (212) 479-3160
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐	Smaller reporting company	☐		

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

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of July 31, 2018, 60,293,003 shares of the registrant's common stock were outstanding.

CAUTIONARY NOTE REGARDING FORWARD LOOKING INFORMATION

Certain statements in this report on Form 10-Q may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that reflect our current views regarding, among other things, our future growth, results of operations, performance and business prospects and opportunities, as well as other statements that are other than historical fact. Words such as “anticipate(s),” “expect (s)”, “intend(s)”, “plan(s)”, “target(s)”, “project(s)”, “believe(s)”, “will”, “aim”, “would”, “seek(s)”, “estimate(s)” and similar expressions are intended to identify such forward-looking statements.

Forward-looking statements are based on management’s current expectations and beliefs and are subject to a number of known and unknown risks, uncertainties and other factors that could lead to actual results materially different from those described in the forward-looking statements. We can give no assurance that our expectations will be attained. Our actual results, liquidity and financial condition may differ from the anticipated results, liquidity and financial condition indicated in these forward-looking statements. These forward looking statements are not a guarantee of future performance and involve risks and uncertainties, and there are certain important factors that could cause our actual results to differ, possibly materially from expectations or estimates reflected in such forward-looking statements, including, among others:

- general economic and market conditions;
- economic conditions in the Northeast, Southeast and Midwest regions of the United States;
- declining advertising and circulation revenues;
- our ability to grow our digital marketing and business services and digital audience and advertiser base;
- the growing shift within the publishing industry from traditional print media to digital forms of publication;
- our ability to grow our business organically through both our consumer and small to medium size business strategies:
- our ability to acquire local media print assets at attractive valuations;
- the risk that we may not realize the anticipated benefits of our recent or potential future acquisitions;
- the availability and cost of capital for future investments;
- our indebtedness may restrict our operations and / or require us to dedicate a portion of cash flow from operations to the payment of principal and interest;
- our ability to pay dividends consistent with prior practice or at all;
- our ability to reduce costs and expenses;
- our ability to realize the benefits of the Management Agreement (as defined below);
- the impact of any material transactions with the Manager (as defined below) or one of its affiliates, including the impact of any actual, potential or perceived conflicts of interest;
- effects of the completed merger of Fortress Investment Group LLC with affiliates of SoftBank Group Corp.;
- the competitive environment in which we operate; and
- our ability to recruit and retain key personnel.

Additional risk factors that could cause actual results to differ materially from our expectations include, but are not limited to, the risks identified by us under the heading “Risk Factors” in Part II, Item 1A of this report. Such forward-looking statements speak only as of the date on which they are made. Except to the extent required by law, we expressly disclaim any obligation to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations with regard thereto or change in events, conditions or circumstances on which any statement is based.

Item 1. Financial Statements

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(In thousands, except share data)

	July 1, 2018	December 31, 2017
ASSETS		
Current assets:		
Cash and cash equivalents	$ 73,755	$ 43,056
Restricted cash	3,106	3,106
Accounts receivable, net of allowance for doubtful accounts of $7,217 and $5,998 at July 1, 2018 and December 31, 2017, respectively	150,994	151,692
Inventory	24,853	18,654
Prepaid expenses	28,988	23,378
Other current assets	17,839	23,311
Total current assets	299,535	263,197
Property, plant, and equipment, net of accumulated depreciation of $193,736 and $171,395 at July 1, 2018 and December 31, 2017, respectively	356,287	373,123
Goodwill	288,432	236,555
Intangible assets, net of accumulated amortization of $82,899 and $67,588 at July 1, 2018 and December 31, 2017, respectively	476,913	403,493
Other assets	8,890	7,178
Total assets	$ 1,430,057	$ 1,283,546
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 12,124	$ 2,716
Accounts payable	16,367	15,750
Accrued expenses	93,677	97,027
Deferred revenue	105,570	88,164
Total current liabilities	227,738	203,657
Long-term liabilities:		
Long-term debt	396,053	357,195
Deferred income taxes	10,344	8,080
Pension and other postretirement benefit obligations	24,644	25,462
Other long-term liabilities	15,993	14,759
Total liabilities	674,772	609,153
Stockholders' equity:		
Common stock, $0.01 par value, 2,000,000,000 shares authorized; 60,486,837 shares issued and 60,293,003 shares outstanding at July 1, 2018; 53,367,853 shares issued and 53,226,881 shares outstanding at December 31, 2017	605	534
Additional paid-in capital	758,466	683,168
Accumulated other comprehensive loss	(5,596)	(5,461)
Retained earnings (accumulated deficit)	3,644	(2,767)
Treasury stock, at cost, 193,834 and 140,972 shares at July 1, 2018 and December 31, 2017, respectively	(1,834)	(1,081)
Total stockholders' equity	755,285	674,393
Total liabilities and stockholders' equity	$ 1,430,057	$ 1,283,546

See accompanying notes to unaudited condensed consolidated financial statements.

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS) (UNAUDITED)
(In thousands, except per share data)

	Three months ended		Six months ended	
	July 1, 2018	**June 25, 2017**	**July 1, 2018**	**June 25, 2017**
Revenues:				
Advertising	$ 187,609	$ 167,381	$ 350,868	$ 322,946
Circulation	144,536	110,563	274,527	221,368
Commercial printing and other	56,657	44,929	104,172	86,083
Total revenues	388,802	322,873	729,567	630,397
Operating costs and expenses:				
Operating costs	217,775	177,020	414,164	354,811
Selling, general, and administrative	126,837	106,661	245,656	212,863
Depreciation and amortization	19,935	18,760	39,182	36,364
Integration and reorganization costs	1,749	2,237	4,179	4,607
Impairment of long-lived assets	—	—	—	6,485
Goodwill and mastheads impairment	—	27,448	—	27,448
Net gain on sale or disposal of assets	(808)	(2,634)	(3,979)	(2,546)
Operating income (loss)	23,314	(6,619)	30,365	(9,635)
Interest expense	8,999	7,217	17,351	14,435
Other income	(337)	(104)	(857)	(322)
Income (loss) before income taxes	14,652	(13,732)	13,871	(23,748)
Income tax expense	2,946	7,955	2,830	1,624
Net income (loss)	$ 11,706	$ (21,687)	$ 11,041	$ (25,372)
Income (loss) per share:				
Basic:				
Net income (loss)	$ 0.20	$ (0.41)	$ 0.20	$ (0.48)
Diluted:				
Net income (loss)	$ 0.20	$ (0.41)	$ 0.20	$ (0.48)
Dividends declared per share	$ 0.37	$ 0.35	$ 0.74	$ 0.70
Comprehensive income (loss)	$ 11,774	$ (21,659)	$ 11,176	$ (25,316)

See accompanying notes to unaudited condensed consolidated financial statements.

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (UNAUDITED)
(In thousands, except share data)

	Common stock		Additional paid-in capital	Accumulated other comprehensive loss	Retained earnings (accumulated deficit)	Treasury stock		Total
	Shares	Amount				Shares	Amount	
Balance at December 31, 2017	53,367,853	$ 534	$ 683,168	$ (5,461)	$ (2,767)	140,972	$ (1,081)	$ 674,393
Net income	—	—	—	—	11,041	—	—	11,041
Net actuarial loss and prior service cost, net of income taxes of $0	—	—	—	(135)	—	—	—	(135)
Restricted share grants	218,984	2	223	—	—	—	—	225
Non-cash compensation expense	—	—	1,832	—	—	—	—	1,832
Issuance of common stock, net of underwriters' discount and offering costs	6,900,000	69	110,650	—	—	—	—	110,719
Restricted share forfeiture	—	—	—	—	—	9,039	—	—
Purchase of treasury stock	—	—	—	—	—	43,823	(753)	(753)
Common stock cash dividend	—	—	(37,407)	—	(4,630)	—	—	(42,037)
Balance at July 1, 2018	60,486,837	$ 605	$ 758,466	$ (5,596)	$ 3,644	193,834	$ (1,834)	$ 755,285

See accompanying notes to unaudited condensed consolidated financial statements.

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(In thousands)

	Six months ended	
	July 1, 2018	**June 25, 2017**
Cash flows from operating activities:		
Net income (loss)	$ 11,041	$ (25,372)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	39,182	36,364
Non-cash compensation expense	1,832	1,595
Non-cash interest expense	1,078	1,392
Deferred income taxes	2,264	1,091
Net gain on sale or disposal of assets	(3,979)	(2,546)
Non-cash charge to investments	—	250
Impairment of long-lived assets	—	6,485
Goodwill and mastheads impairment	—	27,448
Pension and other postretirement benefit obligations	(984)	(877)
Changes in assets and liabilities:		
Accounts receivable, net	15,591	15,519
Inventory	(4,858)	1,043
Prepaid expenses	(3,777)	(4,012)
Other assets	5,255	(1,865)
Accounts payable	(806)	6,001
Accrued expenses	(6,845)	(13,619)
Deferred revenue	1,452	(301)
Other long-term liabilities	1,157	1,043
Net cash provided by operating activities	57,603	49,639
Cash flows from investing activities:		
Acquisitions, net of cash acquired	(149,604)	(22,060)
Purchases of property, plant, and equipment	(5,041)	(4,824)
Proceeds from sale of real estate and other assets	12,585	14,663
Net cash used in investing activities	(142,060)	(12,221)
Cash flows from financing activities:		
Borrowings under term loans	49,750	—
Payment of debt issuance costs	(500)	—
Repayments under term loans	(2,062)	(11,754)
Payment of offering costs	(152)	(431)
Issuance of common stock, net of underwriters' discount	111,099	—
Purchase of treasury stock	(753)	(627)
Repurchase of common stock	—	(5,001)
Payment of dividends	(42,226)	(37,524)
Net cash provided by (used in) financing activities	115,156	(55,337)
Net increase (decrease) in cash and cash equivalents	30,699	(17,919)
Cash, cash equivalents and restricted cash at beginning of period	46,162	175,652
Cash, cash equivalents and restricted cash at end of period	$ 76,861	$ 157,733

See accompanying notes to unaudited condensed consolidated financial statements.

(1) Unaudited Financial Statements

The accompanying unaudited condensed consolidated financial statements of New Media Investment Group Inc. and its subsidiaries (together, the "Company" or "New Media") have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and the instructions to Form 10-Q and applicable provisions of Regulation S-X, each as promulgated by the Securities and Exchange Commission (the "SEC"). Certain information and note disclosures normally included in comprehensive annual financial statements presented in accordance with GAAP have been condensed or omitted pursuant to SEC rules and regulations.

Management believes that the accompanying condensed consolidated financial statements contain all adjustments (which include normal recurring adjustments) that, in the opinion of management, are necessary to present fairly the Company's consolidated financial condition, results of operations, changes in stockholders' equity and cash flows for the periods presented. The results of operations for interim periods are not necessarily indicative of the results that may be expected for the full year. These condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2017, included in the Company's Annual Report on Form 10-K.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

New Media was formed as a Delaware corporation on June 18, 2013. New Media was capitalized by and issued 1,000 common shares to Newcastle Investment Corp. ("Newcastle"). New Media had no operations until November 26, 2013, when it assumed control of GateHouse Media, Inc. ("GateHouse") and Local Media Group Holdings LLC. GateHouse was determined to be the predecessor to New Media, as the operations of GateHouse comprise substantially all of the business operations of the combined companies. Newcastle owned approximately 84.6% of New Media until February 13, 2014, upon which date Newcastle distributed the shares that it held in New Media to its shareholders on a pro rata basis.

Through July 1, 2018, the Company's operating segments (Eastern US Publishing ("East"), Central US Publishing ("Central"), Western US Publishing ("West"), Recent Acquisitions and BridgeTower) are aggregated into one reportable business segment. On July 2, 2018, the operating segments were changed to Newspapers and BridgeTower. The operating segments will continue to be aggregated into one reportable business segment. Refer to Note 5 for further discussion.

The newspaper industry and the Company have experienced declining revenue and profitability over the past several years. As a result, the Company has implemented, and continues to implement, plans to reduce costs and preserve cash flow. This includes cost-reduction programs and the sale of non-core assets. The Company believes these initiatives along with cash provided by operating activities will provide it with the financial resources necessary to invest in the business and provide sufficient cash flow to enable the Company to meet its commitments. However, the Company recognized impairments of both goodwill and mastheads during the second quarter of 2017. Refer to Note 5 for further discussion.

Reclassifications

Certain amounts in the prior period's condensed consolidated financial statements have been reclassified to conform to the current year presentation.

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASC Topic 606"). ASC Topic 606 replaces all current U.S. GAAP guidance for revenue recognition and eliminates industry-specific guidance. The new standard provides a unified model to determine when and how revenue is recognized. The core principle is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. In March 2016, the FASB issued ASU No. 2016-08, "Revenue from

Contracts with Customers - Principal versus Agent Considerations" (ASU 2016-08), which amends ASC Topic 606 and clarifies the implementation guidance on principal versus agent considerations. The Company adopted ASC Topic 606 on January 1, 2018 using the modified retrospective approach. Refer to Note 10 for the discussion of the impact of the adoption of the new standard.

In February 2016, the FASB issued ASU No. 2016-02 ("ASU 2016-02"), "Leases (Topic 842)", which revises the accounting related to lessee accounting. Under the new guidance, lessees will be required to recognize a lease liability and a right-of-use asset on the balance sheet for all leases with terms greater than twelve months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The provisions of ASU 2016-02 are to be applied using a modified retrospective approach and are effective for reporting periods beginning after December 15, 2018; early adoption is permitted. The Company intends to adopt the standard on December 31, 2018. The Company expects to report comparative periods presented under current GAAP and does not expect to restate prior periods as a result of the adoption of ASU 2016-02. The Company continues to evaluate the effect that ASU 2016-02 will have on the consolidated financial statements, but it expects the ASU will have a material effect on the Consolidated Balance Sheets due to the recognition of most of its operating leases as both right-of-use assets and lease liabilities.

In November 2016, the FASB issued ASU No. 2016-18, "Restricted Cash" (Topic 230), which requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents, and amounts generally described as restricted cash and restricted cash equivalents. The Company adopted this standard on January 1, 2018 using a retrospective transition method. The impact of the new standard is that the Company's consolidated statements of cash flows now present the change in a combined amount for both restricted and unrestricted cash and cash equivalents for all periods presented.

In January 2017, the FASB issued ASU No. 2017-01, "Business Combinations - Clarifying the Definition of a Business" (Topic 805), which clarifies the definition of a business for determining whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The Company adopted this standard on January 1, 2018 and will apply the standard prospectively to determine whether certain future transactions should be accounted for as acquisitions of assets or businesses.

In March 2017, the FASB issued ASU No. 2017-07 "Compensation-Retirement Benefits: Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost" (Topic 715), which provides guidance that requires an employer to report the service cost component separate from the other components of net benefit pension costs. The employer is required to report the service cost component in the same line item or items as other compensation costs arising from services rendered by the pertinent employees during the period. The other components of net benefit cost are required to be presented in the income statement separately from the service cost component and outside the subtotal of income from operations, if one is presented. If a separate line item is not used, the line item used in the income statement must be disclosed. The Company adopted the standard on January 1, 2018 using a retrospective transition method. The adoption of the standard did not have a material impact on the Company's consolidated financial statements.

In February 2018, the FASB issued ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income ("AOCI"). This ASU provides entities the option to reclassify tax effects to retained earnings from AOCI which are impacted by the Tax Cuts and Jobs Act ("TCJA"). The ASU is effective for fiscal years beginning after December 15, 2018 but early adoption is permitted. The Company has a full valuation allowance for all tax benefits related to AOCI and therefore there are no tax effects to be reclassified to retained earnings for the year ended December 31, 2017.

All other issued and not yet effective accounting standards are not relevant to the Company.

(2) Acquisitions and Dispositions

2018 Acquisitions

The Company acquired substantially all the assets, properties and business of certain publications and businesses on June 18, 2018, June 4, 2018, May 11, 2018, May 1, 2018, April 2, 2018, March 31, 2018, March 6, 2018, February 28, 2018, February 23, 2018, and February 7, 2018 ("2018 Acquisitions"), which included seven daily newspapers, 16 weekly publications, one shopper, a print facility, cloud services and digital platforms, and domains, for an aggregate purchase price of $150,162, including estimated working capital. The acquisitions were financed from cash on hand. The rationale for the acquisitions was primarily due to the attractive nature, as applicable, of the newspaper assets and digital platforms, and their estimated cash flows combined with the cost-saving and revenue-generating opportunities available.

The Company accounted for the 2018 Acquisitions using the acquisition method of accounting for those acquisitions determined to meet the definition of a business. The net assets, including goodwill, have been recorded in the consolidated balance sheet at their fair values in accordance with Accounting Standards Codification ("ASC") 805, “Business Combinations” (“ASC 805”). The fair value determination of the assets acquired and liabilities assumed are preliminary based upon all information currently available to the Company and are subject to working capital and other adjustments and the completion of valuations to determine the fair market value of the tangible and intangible assets. The final calculation of working capital and other adjustments and determination of fair values for tangible and intangible assets may result in different allocations among the various asset classes from those set forth below and any such differences could be material.

The 2018 Acquisitions that were determined to be asset acquisitions were measured at the fair value of the consideration transferred on the acquisition date. Intangible assets acquired in an asset acquisition have been recognized in accordance with ASC 350 “Intangibles - Goodwill and Other”. Goodwill is not recognized in an asset acquisition.

The following table summarizes the preliminary determination of fair values of the assets and liabilities:

Current assets	$	18,805
Other assets		411
Property, plant and equipment		9,489
Advertiser relationships		34,874
Subscriber relationships		33,855
Customer relationships		8,573
Mastheads		11,708
Goodwill		51,426
Total assets		169,141
Current liabilities assumed		18,979
Net assets	$	150,162

The Company obtained third party independent valuations or performed similar calculations internally to assist in the determination of the fair values of certain assets acquired and liabilities assumed. Three basic approaches were used to determine value: the cost approach (used for equipment where an active secondary market is not available, building improvements, and software), the direct sales comparison (market) approach (used for land and equipment where an active secondary market is available) and the income approach (used for intangible assets).

The weighted average amortization periods for recently acquired amortizable intangible assets are equal to or similar to the periods presented in Note 5.

The Company recorded approximately $243 and $276 of selling, general and administrative expenses for acquisition-related costs for the 2018 Acquisitions during the three and six months ended July 1, 2018, respectively.

For tax purposes, the amount of goodwill that is expected to be deductible is $51,426.

2017 Acquisitions

The Company acquired substantially all the assets, properties and business of certain publications and businesses on November 6, 2017, October 30, 2017, October 2, 2017, July 6, 2017, June 30, 2017, February 10, 2017, and January 31, 2017 (“2017 Acquisitions”), which included four business publications, 22 daily newspapers, 34 weekly publications, 24 shoppers, two customer relationship management solutions providers, a social media app and an event production business for an aggregate purchase price of $165,053, including working capital. The acquisitions were financed from cash on hand. The rationale for the acquisitions was primarily due to the attractive nature, as applicable, of the newspaper assets and event production business, and cash flows combined with cost-saving and revenue-generating opportunities available.

The Company accounted for the 2017 Acquisitions using the acquisition method of accounting. The net assets, including goodwill, have been recorded in the consolidated balance sheet at their fair values in accordance with ASC 805. The fair value determination of the assets acquired and liabilities assumed are preliminary based upon all information available to the Company at the present time and are subject to working capital and other adjustments and subject to the completion of valuations to determine the fair market value of these tangible and intangible assets. The final calculation of working capital

and other adjustments and determination of fair values for tangible and intangible assets may result in different allocations among the various asset classes from those set forth below and any such differences could be material.

The following table summarizes the fair values of the assets and liabilities:

Current assets	$	20,870
Other assets		108
Property, plant and equipment		49,883
Noncompete agreements		532
Advertiser relationships		34,077
Subscriber relationships		26,926
Customer relationships		5,638
Software		704
Mastheads		9,902
Goodwill		37,652
Total assets		186,292
Current liabilities		21,100
Other long-term liabilities		139
Total liabilities		21,239
Net assets	$	165,053

The weighted average amortization periods for recently acquired amortizable intangible assets are equal to or similar to the periods presented in Note 5.

The Company recorded approximately $978 of selling, general and administrative expenses for acquisition-related costs for the 2017 Acquisitions.

For tax purposes, the amount of goodwill that is expected to be deductible is $37,652.

Dispositions

On May 11, 2018, the Company completed its sale of certain publications and related assets in Alaska for approximately $2,364, including estimated working capital. As a result, a nominal pre-tax gain, net of selling expenses, is included in net gain on sale or disposal of assets on the Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) during the three and six months ended July 1, 2018.

On February 27, 2018, the Company sold a parcel of land and building located in Framingham, Massachusetts for a sale price of $9,264, and recognized a pre-tax gain of approximately $3,337, net of selling expenses, which is included in net gain on sale or disposal of assets on the Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) during the six months ended July 1, 2018.

On June 2, 2017, the Company completed its sale of the *Mail Tribune*, located in Medford, Oregon, for approximately $14,700, including working capital. As a result, a pre-tax gain of approximately $5,400, net of selling expenses, is included in net gain on sale or disposal of assets on the Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) during the three and six months ended June 25, 2017 since the disposition did not qualify for treatment as a discontinued operation.

(3) Share-Based Compensation

The Company recognized compensation cost for share-based payments of $669, $764, $1,832, and $1,595 during the three and six months ended July 1, 2018 and June 25, 2017, respectively. The total compensation cost not yet recognized related to non-vested Restricted Stock Grants ("RSGs") pursuant to the Company's Nonqualified Stock Option and Incentive Award

Plan as of July 1, 2018 was $5,075, which is expected to be recognized over a weighted average period of 2.15 years through May 2021. As of July 1, 2018, the aggregate intrinsic value of unvested RSGs was $6,965.

RSG activity during the six months ended July 1, 2018 was as follows:

	Number of RSGs	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2017	342,264	$ 16.86
Granted	205,976	16.37
Vested	(162,281)	18.12
Forfeited	(9,039)	16.87
Unvested at July 1, 2018	376,920	$ 16.05

Under FASB ASC Topic 718, “Compensation – Stock Compensation”, the Company elected to recognize share-based compensation expense for the number of awards that are ultimately expected to vest. The Company’s estimated forfeitures are based on historical forfeiture rates. Estimated forfeitures are reassessed periodically, and the estimate may change based on new facts and circumstances.

(4) Restructuring

Over the past several years, in furtherance of the Company’s cost-reduction and cash-preservation plans outlined in Note 1, the Company has engaged in a series of individual restructuring programs, designed primarily to right-size the Company’s employee base, consolidate facilities and improve operations, including those of recently acquired entities. These initiatives impact all of the Company’s geographic regions and are often influenced by the terms of union contracts within the region. All costs related to these programs, which primarily include severance expense, are accrued at the time of the program announcement or over the remaining service period.

Severance-related expenses

Accrued restructuring costs are included in accrued expenses on the Unaudited Condensed Consolidated Balance Sheets. The activity in accrued restructuring costs for the six months ended July 1, 2018 is as follows:

	Severance and Related Costs	Other Costs [1]	Total
Balance at December 31, 2017	$ 717	$ 366	$ 1,083
Restructuring provision included in Integration and Reorganization	2,448	1,731	4,179
Cash payments	(2,421)	(1,652)	(4,073)
Balance at July 1, 2018	$ 744	$ 445	$ 1,189

(1) Other costs primarily include costs to consolidate operations.

The accrued restructuring reserve balance is expected to be paid out over the next twelve months.

The following table summarizes the costs incurred and cash paid in connection with these restructuring programs for the three and six months ended July 1, 2018 and June 25, 2017.

	Three months ended		Six months ended	
	July 1, 2018	June 25, 2017	July 1, 2018	June 25, 2017
Severance and related costs	$ 933	$ 1,857	$ 2,448	$ 4,082
Other costs	816	380	1,731	525
Cash payments	(1,587)	(2,070)	(4,073)	(4,184)

Facility consolidation charges and accelerated depreciation

As part of the ongoing cost reduction programs, the Company is consolidating print facilities, and during the six months ended June 25, 2017, the Company ceased printing operations at 11 facilities. As a result, the Company recognized an impairment charge related to retired equipment of $6,485 and accelerated depreciation of $1,216 during the six months ended June 25, 2017. The Company also began to accelerate depreciation of approximately $1,400 related to machinery and equipment in the third quarter of 2017. There were no such facility consolidations during the six months ended July 1, 2018.

(5) Goodwill and Intangible Assets

Goodwill and intangible assets consisted of the following:

	July 1, 2018		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Amortized intangible assets:			
Advertiser relationships	$ 243,850	$ 44,763	$ 199,087
Customer relationships	39,149	6,293	32,856
Subscriber relationships	151,724	25,667	126,057
Other intangible assets	10,866	6,176	4,690
Total	$ 445,589	$ 82,899	$ 362,690
Nonamortized intangible assets:			
Goodwill	$ 288,432		
Mastheads	114,223		
Total	$ 402,655		

	December 31, 2017		
	Gross carrying amount	Accumulated amortization	Net carrying amount
Amortized intangible assets:			
Advertiser relationships	$ 208,995	$ 37,046	$ 171,949
Customer relationships	30,576	5,094	25,482
Subscriber relationships	117,870	20,814	97,056
Other intangible assets	10,866	4,634	6,232
Total	$ 368,307	$ 67,588	$ 300,719
Nonamortized intangible assets:			
Goodwill	$ 236,555		
Mastheads	102,774		
Total	$ 339,329		

As of July 1, 2018, the weighted average amortization periods for amortizable intangible assets are 14.5 years for advertiser relationships, 12.7 years for customer relationships, 13.7 years for subscriber relationships and 4.7 years for other intangible assets. The weighted average amortization period in total for all amortizable intangible assets is 13.8 years.

Amortization expense for the three and six months ended July 1, 2018 and June 25, 2017 was $8,177, $5,630, $15,332, and $11,232, respectively. Estimated future amortization expense as of July 1, 2018, is as follows:

For the following fiscal years:		
2018 (six months remaining)	$	18,435
2019		33,861
2020		32,806
2021		32,627
2022		31,137
Thereafter		213,824
Total	$	362,690

The changes in the carrying amount of goodwill for the period from December 31, 2017 to July 1, 2018 are as follows:

Balance at December 31, 2017, net of accumulated impairments of $25,641	$	236,555
Goodwill acquired in business combinations		51,426
Measurement period adjustments		451
Balance at July 1, 2018, net of accumulated impairments of $25,641	$	288,432

The Company’s annual impairment assessment is made on the last day of its fiscal second quarter.

The carrying value of goodwill and indefinite-lived intangible assets are evaluated for possible impairment on an annual basis or between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of a reporting unit or indefinite-lived intangible asset below its carrying value. The Company adopted ASU No. 2017-04 in the second quarter of 2017 and performed a quantitative goodwill impairment test to identify the existence of impairment, if any, and the amount of impairment loss. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired. If the carrying amount of a reporting unit exceeds its fair value, an impairment loss shall be recognized in an amount equal to that excess, limited to the total amount of goodwill allocated to that reporting unit.

The Company performed its 2017 annual assessment for possible impairment of the carrying value of goodwill and indefinite-lived intangible assets as of June 25, 2017. As a result of this assessment, the Company recorded a goodwill impairment totaling $25,641 in two of its reporting units, Central and West, during the three months ended June 25, 2017. This impairment was primarily attributable to continuing economic pressures in the newspaper industry and a decline in the Company’s stock price, and represented a full impairment of the goodwill then recorded in the West reporting unit and a partial impairment of the goodwill recorded in the Central reporting unit. In addition, the Company recorded a partial impairment of the carrying value of mastheads, totaling $1,807, in the West reporting unit in the same period.

As of September 24, 2017, December 31, 2017, and April 1, 2018, the Company performed a review of potential impairment indicators noting that its financial results and forecast have not changed materially since the annual impairment assessment, and it was determined that no indicators of impairment were present.

The Company performed its 2018 annual assessment for possible impairment of the carrying value of goodwill and indefinite-lived intangibles as of July 1, 2018. The fair value of four of the Company's reporting units, including East, West, Central and BridgeTower, which include newspaper mastheads, were estimated using the expected present value of future cash flows, recent industry multiples and using estimates, judgments and assumptions that management believes were appropriate in the circumstances. The estimates and judgments used in the assessment included multiples for EBITDA, the weighted average cost of capital and the terminal growth rate. The Company determined that the future cash flow and industry multiple analysis provided the best estimate of the fair value of its reporting units. Key assumptions in the impairment analysis include revenue and EBITDA projections, discount rates, long-term growth rates and the effective tax rate that the Company determined to be appropriate. Revenue projections reflected slight declines in the current and next year, and revenues are expected to moderate to a terminal growth rate of 1%. Discount rates ranged from 16% to 17%. The effective tax rate was 27%. The fair value of the West reporting unit was less than its carrying value, however, all goodwill was previously written off in 2017. The fair value of the Central reporting unit exceeded the carrying value by approximately 10%. The Company performed a qualitative assessment for the Recent Acquisitions reporting unit and concluded that it is not more likely than not that the goodwill and indefinite-lived intangible assets are impaired. As a result, no quantitative impairment testing was performed for the Recent Acquisitions.

The total Company's estimate of reporting unit fair values was reconciled to its then market capitalization (based upon the stock market price and fair value of debt) plus an estimated control premium.

The Company uses a "relief from royalty" approach, a discounted cash flow model, to determine the fair value of each reporting units' mastheads. The estimated fair value equaled or exceeded carrying value for mastheads. The fair value of mastheads exceeded carrying value by less than 10% in the West reporting unit. Key assumptions within the masthead analysis included revenue projections, discount rates, royalty rates, long-term growth rates and the effective tax rate that the Company determined to be appropriate. Revenue projections reflected declines in the current and next year, and revenues are expected to moderate to a terminal growth rate of 1%. Discount rates ranged from 16% to 17%, and royalty rates ranged from 1.25% to 1.75%. The effective tax rate was 27%.

The Company considered the impairment of goodwill in the West to be a potential indicator of impairment under ASC 360. The Company determined that the long-lived asset groups were the same as its reporting units. The Company performed an analysis of its undiscounted cash flows in the West reporting unit to determine if there was an impairment of long-lived assets. The sum of undiscounted cash flows over the primary asset's weighted-average remaining useful life exceeded the groups' carrying value, so no impairment was recorded.

As of July 2, 2018, the Company reorganized its reporting units to align with its new management structure. The East, Central, West and Recent Acquisitions operating segments were consolidated into one reporting unit called Newspapers. BridgeTower remains a separate reporting unit. Due to the change in the composition of the reporting units, the Company performed an additional impairment test for goodwill and mastheads after the reorganization. Similar methodologies and assumptions were utilized for the post-reorganization impairment assessment, as described above. Fair values of the reporting units were determined to be greater than the carrying value of the reporting units, and the estimated fair value exceeded carrying value for all mastheads.

The newspaper industry and the Company have experienced declining same store revenue and profitability over the past several years. Should general economic, market or business conditions decline, and have a negative impact on estimates of future cash flow and market transaction multiples, the Company may be required to record impairment charges in the future.

(6) Indebtedness

New Media Credit Agreement

On June 4, 2014, New Media Holdings II LLC (the "New Media Borrower"), a wholly owned subsidiary of New Media, entered into a credit agreement (the "New Media Credit Agreement") among the New Media Borrower, New Media Holdings I LLC ("Holdings I"), the lenders party thereto, RBS Citizens, N.A. and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners, Credit Suisse AG, Cayman Islands Branch as syndication agent and Citizens Bank of Pennsylvania as administration agent which provided for (i) a $200,000 senior secured term facility (the "Term Loan Facility" and any loan thereunder, including as part of the Incremental Facility, "Term Loans"), (ii) a $25,000 senior secured revolving credit facility, with a $5,000 sub-facility for letters of credit and a $5,000 sub-facility for swing loans, (the "Revolving Credit Facility" and together with the Term Loan Facility, the "Senior Secured Credit Facilities") and (iii) the ability for the New Media Borrower to request one or more new commitments for term loans or revolving loans from time to time up to an aggregate total of $75,000 (the "Incremental Facility") subject to certain conditions. On June 4, 2014, the New Media Borrower borrowed $200,000 under the Term Loan Facility (the "Initial Term Loans"). As of July 1, 2018, $0 was drawn under the Revolving Credit Facility. The Term Loans mature on July 14, 2022 and the maturity date for the Revolving Credit Facility is July 14, 2021. The New Media Credit Agreement was amended:

- on September 3, 2014, to provide for additional term loans under the Incremental Facility in an aggregate principal amount of $25,000 (the "2014 Incremental Term Loan");
- on November 20, 2014, to increase the amount of the Incremental Facility that may be requested after the date of the amendment from $75,000 to $225,000;
- on January 9, 2015, to provide for $102,000 in additional term loans (the "2015 Incremental Term Loan") and $50,000 in additional revolving commitments (the "2015 Incremental Revolver") under the Incremental Facility and to make certain amendments to the Revolving Credit Facility in connection with the purchase of the assets of Halifax Media;

- on February 13, 2015, to provide for the replacement of the existing term loans under the Term Loan Facility (including the 2014 Incremental Term Loan and the 2015 Incremental Term Loan) with a new class of replacement term loans;
- on March 6, 2015, to provide for $15,000 in additional revolving commitments under the Incremental Facility;
- on May 29, 2015, to provide for $25,000 in additional term loans under the Incremental Facility;
- on July 14, 2017, to (i) extend the maturity date of the outstanding term loans under the Term Loan Facility to July 14, 2022, (ii) extend the maturity date of the Revolving Credit Facility to July 14, 2021, (iii) provide for $20,000 in additional term loans (the "2017 Incremental Term Loan") under the Incremental Facility and (iv) increase the amount of the Incremental Facility that may be requested on or after the date of the amendment (inclusive of the 2017 Incremental Term Loan) to $100,000; and
- on February 16, 2018, to provide for (i) $50,000 in additional term loans under the Term Loan Facility and (ii) a 1.00% prepayment premium for any prepayments of the Term Loans made in connection with certain repricing transactions effected within six months of the date of the amendment.

In connection with the February 16, 2018 amendment, the Company incurred approximately $592 of fees and expenses, of which $500 were capitalized in deferred financing costs and will be amortized over the term of the Term Loan Facility. The related third party fees of $92 were expensed during the quarter as this amendment was determined to be a debt modification for accounting purposes. In addition, the Company recognized $250 of original issue discount, which will also be amortized over the term of the Term Loan Facility.

In connection with the July 14, 2017 amendment, the Company incurred approximately $6,605 of fees and expenses. There was one lender who had a significant change in the terms of the Term Loan Facility; the difference between the present value of the cash flows after this amendment and the present value of the cash flows before this amendment was more than 10%. This portion of the transaction was accounted for as an extinguishment under ASC Subtopic 470-50, "Debt Modifications and Extinguishments". Deferred fees and expenses of $1,009 previously allocated to that lender were written off to loss on early extinguishment of debt. Additionally, the current fees of $2,423 attributed to this lender were expensed to loss on early extinguishment of debt. The third party expenses of $121 apportioned to the lender were capitalized. In addition, $1,335 fees and expenses allocated to lenders that exited the facility were written off to loss on early extinguishment of debt. The remainder of this amendment was treated as a debt modification for accounting purposes. The consent fees of $3,020 for the lenders other than the one mentioned above were capitalized and will be amortized over the term of the Term Loan Facility. The third party fees of $606 related to these lenders were expensed. Additionally, the fees and expenses allocated to the Revolving Credit Facility of $435 were capitalized as this component of the amendment was accounted for as a debt modification.

Borrowings under the Term Loan Facility bear interest, at the New Media Borrower's option, at a rate equal to either (i) an adjusted Eurodollar rate, plus an applicable margin equal to 6.25% per annum (subject to a floor of 1.00%) or (ii) an adjusted base rate, plus an applicable margin equal to 5.25% per annum (subject to a floor of 2.00%). The New Media Borrower currently uses the Eurodollar rate option.

Borrowings under the Revolving Credit Facility bear interest, at the New Media Borrower's option, at a rate equal to either (i) an adjusted Eurodollar rate, plus an applicable margin equal to 5.25% per annum or (ii) an adjusted base rate, plus an applicable margin equal to 4.25% per annum, with a step down based on achievement of a certain total leverage ratio. The New Media Borrower currently uses the Eurodollar rate option.

As of July 1, 2018, the New Media Credit Agreement had a weighted average interest rate of 8.34%.

The Senior Secured Credit Facilities are unconditionally guaranteed by Holdings I and certain subsidiaries of the New Media Borrower (collectively, the "Guarantors") and are required to be guaranteed by all future material wholly-owned domestic subsidiaries, subject to certain exceptions. All obligations under the New Media Credit Agreement are secured, subject to certain exceptions, by substantially all of the New Media Borrower's assets and the assets of the Guarantors.

Repayments made under the Term Loans are equal to 1.0% annually of the original principal amount in equal quarterly installments for the life of the Term Loans, with the remainder due at maturity. The New Media Borrower is permitted to make voluntary prepayments at any time without premium or penalty, except in the case of prepayments made in connection with certain repricing transactions with respect to the Term Loans effected within six months of February 16, 2018, to which a 1.00% prepayment premium applies.

The New Media Credit Agreement contains customary representations and warranties and affirmative covenants and negative covenants applicable to Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, dividends and other distributions, and events of default. The New Media Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.25 to 1.00.

As of July 1, 2018, the Company is in compliance with all of the covenants and obligations under the New Media Credit Agreement.

Advantage Credit Agreements

In connection with the purchase of the assets of Halifax Media, which was completed on January 9, 2015, certain subsidiaries of the Company (the "Advantage Borrowers") agreed to assume all of the obligations of Halifax Media and its affiliates in respect of each of (i) that certain Consolidated Amended and Restated Credit Agreement dated January 6, 2012 among Halifax Media Acquisition LLC, Advantage Capital Community Development Fund XXVIII, L.L.C., and Florida Community Development Fund II, L.L.C. (as amended, the "Halifax Florida Credit Agreement") and (ii) that certain Credit Agreement dated June 18, 2013 between Halifax Alabama, LLC and Southeast Community Development Fund V, L.L.C. (the "Halifax Alabama Credit Agreement" and, together with the Halifax Florida Credit Agreement, the "Advantage Credit Agreements"), respectively (the debt under the Halifax Florida Credit Agreement, the "Advantage Florida Debt"; the debt under the Halifax Alabama Credit Agreement, the "Advantage Alabama Debt"). The $10,000 outstanding balance under the Halifax Florida Credit Agreement was fully repaid on December 31, 2016.

As of January 9, 2015, the Halifax Alabama Credit Agreement had a principal amount of $8,000 and bore interest at the rate of LIBOR plus 6.25% per annum (with a minimum of 1% LIBOR) payable quarterly in arrears. On May 15, 2018, the Halifax Alabama Credit Agreement was amended to reduce the interest rate to 2% per annum. In addition, a 2% prepayment premium will be charged if the balance is paid before December 28, 2018 unless the Advantage Borrowers elect to escrow the remaining principal amount. Subsequent to December 28, 2018, the principal may be repaid without a premium or penalty. The Advantage Alabama Debt matures on March 31, 2019. The Advantage Alabama Debt is secured by a perfected second priority security interest in all the assets of the Advantage Borrowers and certain other subsidiaries of the Company, subject to the limitation that the maximum amount of secured obligations is $15,000. The Advantage Alabama Debt is unconditionally guaranteed by Holdings I and certain subsidiaries of the New Media Borrowers and is required to be guaranteed by all future material wholly-owned domestic subsidiaries, subject to certain exceptions. The Advantage Alabama Debt is subordinated to the Senior Secured Credit Facilities pursuant to an intercreditor agreement.

The Halifax Alabama Credit Agreement contains covenants substantially consistent with those contained in the New Media Credit Agreement in addition to those required for compliance with the New Markets Tax Credit program. The Advantage Borrowers are subject to customary mandatory prepayment events including from proceeds from asset sales and certain debt obligations.

The Halifax Alabama Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to the Advantage Borrowers and certain of the Company's subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions. The Halifax Alabama Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.75 to 1.00. The Halifax Alabama Credit Agreement contains customary events of default.

As of July 1, 2018, the Company is in compliance with all of the covenants and obligations under the Halifax Alabama Credit Agreement.

Fair Value

The fair value of long-term debt under the Senior Secured Credit Facilities and the Advantage Alabama Debt was estimated at $416,288 as of July 1, 2018, based on discounted future contractual cash flows and a market interest rate adjusted for necessary risks, including the Company's own credit risk as there are no rates currently observable in publicly traded debt markets of similar risk, terms and average maturities. Accordingly, the Company's long-term debt under the Senior Secured Credit Facilities is classified within Level 3 of the fair value hierarchy.

Payment Schedule

As of July 1, 2018, scheduled principal payments of outstanding debt are as follows:

2018 (six months remaining)	$	1,031
2019		12,124
2020		4,124
2021		4,124
2022		394,885
		416,288
Less: Current portion of long-term debt		12,124
Remaining original issue discount		3,565
Deferred financing costs		4,546
Long-term debt	$	396,053

(7) Related Party Transactions

As of December 29, 2013, Newcastle (an affiliate of FIG LLC (the “Manager”), an affiliate of Fortress Investment Group LLC ("Fortress")) beneficially owned approximately 84.6% of the Company’s outstanding common stock. On February 13, 2014, Newcastle completed the spin-off of the Company. On February 14, 2014, New Media became a separate, publicly traded company trading on the NYSE under the ticker symbol “NEWM”. As a result of the spin-off and listing, the fees included in the Management Agreement with the Company’s Manager became effective. As of July 1, 2018, Fortress and its affiliates owned approximately 1.1% of the Company’s outstanding stock and approximately 39.5% of the Company’s outstanding warrants. The Company’s Manager (or its affiliates) holds options to purchase 2,904,811 shares of the Company’s common stock as of July 1, 2018. During the three and six months ended July 1, 2018 and June 25, 2017, Fortress and its affiliates were paid $238, $239, $490, and $477 in dividends, respectively.

In addition, the Company’s Chairman, Wesley Edens, is also a member of the board of directors of FIG LLC and a Principal, the Co-Chief Executive Officer and a member of the board of directors of Fortress. The Company does not pay Mr. Edens a salary or any other form of compensation.

On February 28, 2018, the Company acquired substantially all of the assets, consisting primarily of publications and related websites, of Holden Landmark Corporation ("Holden"), a Massachusetts corporation owned by the Company’s Chief Operating Officer, for $1,225 plus working capital. The Company recognized revenue from Holden of $0, $172, $77, and $312 during the three and six months ended July 1, 2018 and June 25, 2017, respectively, which is included in commercial printing and other on the Unaudited Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

The Company’s Chief Executive Officer and Chief Financial Officer are employees of Fortress, and their salaries are paid by Fortress.

Management Agreement

On November 26, 2013, the Company entered into a management agreement with the Manager (as amended and restated, the “Management Agreement”). The Management Agreement requires the Manager to manage the Company’s business affairs subject to the supervision of the Company’s board of directors (the “Board of Directors” or "Board"). On March 6, 2015, the Company’s independent directors on the Board approved an amendment to the Management Agreement.

The Management Agreement had an initial three-year term and will be automatically renewed for one-year terms thereafter unless terminated either by the Company or the Manager. The Manager is (a) entitled to receive from the Company a management fee, (b) eligible to receive incentive compensation that is based on the Company’s performance and (c) eligible to receive options to purchase New Media Common Stock upon the successful completion of an offering of shares of the Company’s Common Stock or any shares of preferred stock with an exercise price equal to the price per share paid by the public or other ultimate purchaser in the offering, see Note 9. In addition, the Company is obligated to reimburse certain expenses incurred by the Manager. The Manager is also entitled to receive a termination fee from the Company under certain circumstances.

The following provides the management and incentive fees recognized and paid to the Manager for the three and six months ended July 1, 2018 and June 25, 2017:

	Three months ended		Six months ended	
	July 1, 2018	June 25, 2017	July 1, 2018	June 25, 2017
Management fee expense	$ 2,740	$ 2,422	$ 5,107	$ 5,318
Incentive fee expense	4,802	1,866	5,755	1,866
Management fees paid	4,179	1,930	6,836	6,280
Incentive fees paid	953	—	9,327	5,915
Reimbursement for expenses	615	342	1,059	892

The Company had an outstanding liability for all management agreement related fees of $5,885 and $2,680 at July 1, 2018 and December 31, 2017, respectively, included in accrued expenses.

Registration Rights Agreement with Omega

The Company entered into a registration rights agreement (the "Omega Registration Rights Agreement") with Omega Advisors, Inc. and its affiliates (collectively, "Omega"). Under the terms of the Omega Registration Rights Agreement, upon request by Omega the Company is required to use commercially reasonable efforts to file a resale shelf registration statement providing for the registration and sale on a continuous or delayed basis by Omega of its New Media Common Stock acquired in connection with the restructuring of GateHouse (the "Registrable Securities") (the "Shelf Registration"), subject to customary exceptions and limitations. Omega is entitled to initiate up to three offerings or sales with respect to some or all of the Registrable Securities pursuant to the Shelf Registration.

Omega may only exercise its right to request Shelf Registrations if Registrable Securities to be sold pursuant to such Shelf Registration are at least 3% of the then-outstanding New Media Common Stock.

(8) Income Taxes

Income tax expense includes Federal and state income taxes and interest and penalties on uncertain tax positions. Certain income and expenses are not reported in tax returns and financial statements in the same year. The tax effect of such temporary differences is reported as deferred income taxes. Deferred tax assets are reported net of a full valuation allowance since the Company believes it is more likely than not that a tax benefit will not be realized.

The Company recorded income tax expense of $2,946, $7,955, $2,830 and $1,624 for the three and six months ended July 1, 2018 and June 25, 2017, respectively. The Company's estimated effective tax rate was 20% for the six months ended July 1, 2018. The tax effects resulting from utilizing the annual effective tax rate for the six months ended June 25, 2017 was determined to not be an effective method to determine the tax expense for that period. Therefore, the Company calculated its tax provision based upon year-to-date results.

The Company performs a quarterly assessment of its deferred tax assets and liabilities. ASC Topic 740, "Income Taxes" ("ASC 740") limits the ability to use future taxable income to support the realization of deferred tax assets when a company has experienced a history of losses even if future taxable income were supported by detailed forecasts and projections.

In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences are projected to become deductible. The Company considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. During the six months ended July 1, 2018, the Company recorded a net decrease to the valuation allowance of $1,054, which was a benefit to earnings. All of this amount was recognized through the Unaudited Condensed Consolidated Statements of Operations and Comprehensive Income (Loss).

The realization of the remaining deferred tax assets is primarily dependent on their scheduled reversals. Any changes to deferred taxes may require an additional valuation allowance. Any increase or decrease in the valuation allowance could result in an increase or decrease in income tax expense in the period of adjustment.

The computation of the annual expected effective tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected operating income (loss) for the year, projections of the proportion of income or loss, permanent and temporary differences, and an assessment of the likelihood of recovering deferred tax assets generated in the current year. The accounting estimates used to compute the provision for income taxes may change as new events occur, more experience is acquired, or as additional information is obtained.

On December 22, 2017, the Tax Cuts and Jobs Act ("TCJA") was signed into law. The Company recorded a tax benefit of $4,200 during the year ended December 31, 2017 which was primarily attributable to a re-measurement of deferred tax assets and deferred tax liabilities. The tax benefit was also attributable to a valuation allowance release of $800 related to an alternative minimum tax credit that is refundable in 2021 or earlier. As of December 31, 2017, the Company made a reasonable estimate of the effects on the change in deferred tax balances under the TCJA. These amounts are provisional and subject to change as the determination of the impact of the income tax effects may require additional analysis and further interpretation of the TCJA from yet to be issued FASB guidance and U.S. Treasury regulations.

In addition, the TCJA imposes a new limit on interest expense deductions with respect to any debt outstanding on January 1, 2018. The Company has evaluated the effect of this rule and do not expect that the Company will be limited in its ability to claim interest expense deductions at this time although limitations may apply after 2021.

For the six months ended July 1, 2018, the difference between the expected tax charge at a statutory rate of 21% ($2,913) and the recorded tax expense of $2,830 is primarily attributable to the reduction of the federal valuation allowance offset by other charges.

The Company and its subsidiaries file a U.S. federal consolidated income tax return. The U.S. federal and state statute of limitations generally remains open for the 2014 tax year and beyond.

(9) Equity

Income (Loss) Per Share

The following table sets forth the computation of basic and diluted income (loss) per share ("EPS"):

	Three months ended		Six months ended	
	July 1, 2018	**June 25, 2017**	**July 1, 2018**	**June 25, 2017**
Numerator for income (loss) per share calculation:				
Net income (loss)	$ 11,706	$ (21,687)	$ 11,041	$ (25,372)
Denominator for income (loss) per share calculation:				
Basic weighted average shares outstanding	59,279,159	53,119,530	56,106,899	53,153,138
Effect of dilutive securities:				
Stock Options and Restricted Stock	440,851	—	379,575	—
Diluted weighted average shares outstanding	59,720,010	53,119,530	56,486,474	53,153,138

For the three months ended July 1, 2018 and June 25, 2017, the Company excluded 1,362,479 and 1,362,479 common stock warrants, 0 and 372,166 RSGs, and 700,000 and 2,307,562 stock options, respectively, from the computation of diluted income per share because their effect would have been antidilutive. For the six months ended July 1, 2018 and June 25, 2017, the Company excluded 1,362,479 and 1,362,479 common stock warrants, 0 and 372,166 RSGs, and 700,000 and 2,307,562 stock options, respectively, from the computation of diluted income per share because their effect would have been antidilutive.

Equity

On May 17, 2017, the Board of Directors authorized the repurchase of up to $100,000 of the Company's common stock ("Share Repurchase Program") over the next 12 months. On May 1, 2018, the Board of Directors authorized an extension of the Share Repurchase Program through May 18, 2019. Under the Share Repurchase Program, the Company may purchase its shares from time to time in the open market or in privately negotiated transactions. During the three months ended June 25, 2017, the Company repurchased 391,120 shares at a weighted average price of $12.77 per share for a total cost, including

transaction costs, of $5,001. The shares were subsequently retired. The cost paid to acquire the shares in excess of par was recorded in additional paid-in capital in the consolidated balance sheet.

Pursuant to the anti-dilution provisions of the Incentive Plan, the exercise price on the 652,311 remaining options granted to the Manager in 2014 were equitably adjusted during the three months ended April 1, 2018 from $14.37 to $12.95 as a result of the 2017 return of capital distributions.

Pursuant to the anti-dilution provisions of the Incentive Plan, the exercise price on the 700,000 options granted to the Manager in 2015 were equitably adjusted during the three months ended April 1, 2018 from $20.36 to $18.94 as a result of the 2017 return of capital distributions.

Pursuant to the anti-dilution provisions of the Incentive Plan, the exercise price on the 862,500 options granted to the Manager in 2016 were equitably adjusted during the three months ended April 1, 2018 from $16.00 to $13.24 as a result of the 2017 return of capital distributions.

During the three months ended June 25, 2017, the Company issued 16,605 shares of its common stock to its Non-Officer Directors to settle a liability of $225 for 2016 services.

During the three months ended April 1, 2018, the Company issued 13,008 shares of its common stock to its Non-Officer Directors to settle a liability of $225 for 2017 services.

During April 2018, the Company completed the sale of 6,900,000 shares of the Company's common stock, including 25,000 shares of the Company's common stock sold to an officer of the Company. The estimated net proceeds of the sale were approximately $110,650. For the purpose of compensating the Manager for its successful efforts in raising capital for the Company, in connection with this offering, the Company granted options to the Manager to purchase 690,000 shares of the Company's common stock at a price of $16.45, which had an aggregate fair value of approximately $1,408 as of the grant date. The assumptions used in an option valuation model to value the options were: a 2.8% risk-free rate, a 8.0% dividend yield, 28.1% volatility and an expected life of 10 years.

The following table includes additional information regarding the Manager stock options:

	Number of Options	Weighted-Average Grant Date Fair Value	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value ($000)
Outstanding at December 31, 2017	2,214,811	$ 4.08	$ 16.90	7.7	$ 2,245
Granted	690,000	$ 2.04	$ 16.45		
Outstanding at July 1, 2018	2,904,811	$ 3.59	$ 15.31	7.8	$ 9,527
Exercisable at July 1, 2018	1,992,561		$ 15.26	7.0	$ 6,741

Accumulated Other Comprehensive Loss

The changes in accumulated other comprehensive loss by component for the six months ended July 1, 2018 and June 25, 2017 are outlined below.

	Net actuarial loss and prior service cost [1]
For the six months ended July 1, 2018:	
Balance at December 31, 2017	$ (5,461)
Amounts reclassified from accumulated other comprehensive loss	(135)
Balance at July 1, 2018	$ (5,596)
For the six months ended June 25, 2017:	
Balance at December 27, 2016	$ (3,977)
Amounts reclassified from accumulated other comprehensive loss	56
Balance at June 25, 2017	$ (3,921)

(1) This accumulated other comprehensive loss component is included in the computation of net periodic benefit cost. See Note 11.

The following table presents reclassifications out of accumulated other comprehensive loss for the three and six months ended July 1, 2018 and June 25, 2017.

	Amounts Reclassified from Accumulated Other Comprehensive Loss				Affected Line Item in the Consolidated Statements of Operations and Comprehensive Income (Loss)
	Three months ended		Six months ended		
	July 1, 2018	June 25, 2017	July 1, 2018	June 25, 2017	
Amortization of unrecognized (gain) loss	$ (68)	$ 28	$ (135)	$ 56 (1)	
Amounts reclassified from accumulated other comprehensive loss	(68)	28	(135)	56	Income (loss) before income taxes
Income tax expense	—	—	—	—	Income tax benefit
Amounts reclassified from accumulated other comprehensive loss, net of taxes	$ (68)	$ 28	$ (135)	$ 56	Net income (loss)

(1) This accumulated other comprehensive loss component is included in the computation of net periodic benefit cost. See Note 11.

Dividends

During the six months ended June 25, 2017, the Company paid dividends of $0.70 per share of Common Stock of New Media.

During the six months ended July 1, 2018, the Company paid dividends of $0.74 per share of Common Stock of New Media.

(10) Revenues

Adoption of ASC Topic 606, "Revenue from Contracts with Customers"

On January 1, 2018, the Company adopted ASC Topic 606 using the modified retrospective method applied to those contracts which were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under ASC Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with the previously applicable accounting standards under ASC Topic 605.

The adoption of ASC Topic 606 resulted in no change to accumulated deficit as of January 1, 2018. Revenue and expenses related to certain license agreements and recognized during the three and six months ended July 1, 2018 decreased by $1,467 and $2,886, respectively, as a result of applying ASC Topic 606.

Summary of Accounting Policies for Revenue Recognition

Revenue Recognition

Revenues are recognized when control of the promised goods or services is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Revenues are recognized as performance obligations that are satisfied either at a point in time, such as when an advertisement is published, or over time, such as customer subscriptions.

The Company’s Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) presents revenues disaggregated by revenue type. Sales taxes and other usage-based taxes are excluded from revenues.

Advertising Revenues

The Company generates advertising revenues primarily by delivering advertising in local publications including newspapers and websites. Advertising revenues are categorized as local retail, local classified, online and national. Revenue is recognized upon publication of the advertisement.

Circulation Revenues

Circulation revenues are derived from print and digital subscriptions as well as single copy sales at retail stores, vending racks and boxes. Circulation revenues from subscribers are generally billed to customers at the beginning of the subscription period and are typically recognized on a straight-line basis over the terms of the related subscriptions. The term of customer subscriptions normally ranges from three to twelve months. Circulation revenues from single-copy income are recognized based on the date of publication, net of provisions for related returns.

Commercial Printing and Other Revenues

The Company provides commercial printing services to third parties as a means to generate incremental revenue and utilize excess printing capacity. These customers consist primarily of other publishers that do not have their own printing presses and do not compete with other GateHouse publications. The Company also prints other commercial materials, including flyers, business cards and invitations. Revenue is generally recognized upon delivery.

The Other Revenues category includes UpCurve, Inc. (“UpCurve”), formerly referred to as “Propel Business Services,” the Company's SMB solutions provider. UpCurve provides digital marketing and business services for small to medium sized businesses. Other Revenues also include GateHouse Live, the Company’s events business. A significant judgment management must make with respect to UpCurve revenue recognition is determining whether the Company is the principal or agent for certain licensing transactions. Under ASC Topic 606, the principal in the relationship is the entity that controls the specified goods or services. An entity may have control if (i) it is primarily responsible for fulfilling the promise to provide the good or service; (ii) it has inventory risk before or after the good or service has been transferred to the customer; or (iii) it has the discretion in establishing the price for the good or service. The Company has determined that UpCurve is the principal in the relationships for those transactions in which the goods or services are customized for the customer and reports the related revenues on a gross basis. The Company has determined that UpCurve is the agent in the relationships for those transactions in which the Company resells the goods or services with no customization and reports these revenues on a net basis.

As a result of the change from gross to net reporting for certain licensing transactions, the Company’s commercial printing and other revenues, and operating expenses were both approximately $1,467 and $2,886 lower in the three and six months ended July 1, 2018, respectively, than the amounts that would have been reported under previously applicable accounting standards.

Arrangements with Multiple Performance Obligations

The Company’s contracts with customers may include multiple performance obligations such as bundled print and digital subscriptions. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines standalone selling prices based on the prices charged to customers or using expected cost plus margin.

Contract Balances

The Company records deferred revenues when cash payments are received in advance of the Company’s performance. The most significant unsatisfied performance obligation is the delivery of publications to subscription customers. The Company expects to recognize the revenue related to unsatisfied performance obligations over the next three to twelve months in accordance with the terms of the subscriptions. The increase in the deferred revenue balance for the six months ended July 1, 2018 is primarily driven by acquisitions. For the six month period ended July 1, 2018, the Company recognized approximately $69,000 of revenues that were included in the deferred revenue balance as of December 31, 2017.

The Company's payment terms vary by the type and location of the customer and the products or services offered. The period between invoicing and when payment is due is not significant. For certain products or services and customer types, the Company requires payment before the products or services are delivered to the customer.

Accounts Receivable

Accounts receivable are stated at amounts due from customers, net of an allowance for doubtful accounts. The Company’s allowance for doubtful accounts is based upon several factors including the length of time the receivables are past due, historical payment trends and current economic factors. The Company recorded bad debt expense of $914, $778, $4,101 and $2,484 during the three and six months ended July 1, 2018 and June 25, 2017, respectively. Impairment losses are recorded

within the selling, general and administrative expenses in the Company's Unaudited Condensed Consolidated Statements of Operations and Comprehensive Loss.

Practical Expedients and Exemptions

The Company expenses sales commissions or other costs to obtain contracts when incurred because the amortization period is generally one year or less. These costs are recorded within selling, general and administrative expenses.

The Company does not disclose unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which the Company has the right to invoice for services performed.

(11) Pension and Postretirement Benefits

As a result of the Enterprise News Media LLC (in 2005), Copley Press, Inc. (in 2007), and Times Publishing Company (in 2016) acquisitions, the Company maintains two pension and several postretirement medical and life insurance plans which cover certain employees. The Company uses the accrued benefit actuarial method and best estimate assumptions to determine pension costs, liabilities and other pension information for defined benefit plans. Amounts related to the postretirement benefit plans are immaterial.

The George W. Prescott Company pension plan, assumed in the Enterprise News Media, LLC acquisition, was amended to freeze all future benefit accruals by December 31, 2008, except for a select group of union employees whose benefits were frozen during 2009. During 2008, the medical and life insurance benefits were frozen, and the plan was amended to limit future benefits to a select group of active employees under the Enterprise News Media, LLC postretirement medical and life insurance plan. Benefits under the postretirement medical and life insurance plan assumed with the Copley Press, Inc. acquisition are only available to Brush-Moore employees hired before January 1, 1976. The Times Publishing Company pension plan was frozen prior to the acquisition.

The following provides information on the pension plans for the three and six months ended July 1, 2018 and June 25, 2017:

	Three months ended		Six months ended	
	July 1, 2018	June 25, 2017	July 1, 2018	June 25, 2017
Components of net periodic benefit costs:				
Service cost	$ 150	$ 157	$ 300	$ 314
Interest cost	700	780	1,400	1,560
Expected return on plan assets	(1,062)	(1,045)	(2,124)	(2,090)
Amortization of unrecognized loss	68	44	135	88
Total	$ (144)	$ (64)	$ (289)	$ (128)

For the three and six months ended July 1, 2018 and June 25, 2017, the Company recognized a total benefit of $144, $64, $289, and $128 in pension plans, respectively. The service cost component is included within Operating Costs and the other components of net benefit cost are included within Other Income in the Company's Condensed Consolidated Statements of Operations and Comprehensive Income (Loss). During the three and six months ended July 1, 2018, the Company paid $340 and $447 into the pension plans, respectively. The Company is expected to pay an additional $1,398 in employer contributions to the pension plans during the remainder of 2018.

(12) Fair Value Measurement

The Company measures and records in the accompanying condensed consolidated financial statements certain assets and liabilities at fair value on a recurring basis. ASC Topic 820 "Fair Value Measurements and Disclosures" establishes a fair value hierarchy for those instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs).

These inputs are prioritized as follows:

- Level 1: Observable inputs such as quoted prices in active markets for identical assets or liabilities;

- Level 2: Inputs other than quoted prices included within Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities or market corroborated inputs; and
- Level 3: Unobservable inputs for which there is little or no market data and which require the Company to develop their own assumptions about how market participants price the asset or liability.

The valuation techniques that may be used to measure fair value are as follows:

- Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities;
- Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectation about those future amounts;
- Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost).

The following table provides information for the Company's major categories of financial assets and liabilities measured or disclosed at fair value on a recurring basis:

	Fair Value Measurements at Reporting Date Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
As of July 1, 2018				
Assets				
Cash and cash equivalents	$ 73,755	$ —	$ —	$ 73,755
Restricted cash	3,106	—	—	3,106
Total	$ 76,861	$ —	$ —	$ 76,861
As of December 31, 2017				
Assets				
Cash and cash equivalents	$ 43,056	$ —	$ —	$ 43,056
Restricted cash	3,106	—	—	3,106
Total	$ 46,162	$ —	$ —	$ 46,162

Certain assets are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances (for example, when there is evidence of impairment).

For the 2018 acquisitions and 2017 acquisitions the Company recorded the assets and liabilities under the acquisition method of accounting. Accordingly, the assets acquired and liabilities assumed were recorded at their fair value. Property, plant and equipment was valued using Level 2 inputs, and intangible assets were valued using Level 3 inputs. Refer to Note 2 for discussion of the valuation techniques, significant inputs, assumptions utilized, and the fair value recognized.

During the quarter ended June 25, 2017, certain goodwill and mastheads were written down to their implied fair value using Level 3 inputs. The valuation techniques and significant inputs and assumptions utilized to measure fair value are discussed in Note 5.

Refer to Note 6 for the discussion on the fair value of the Company's total long-term debt.

(13) Commitments and Contingencies

The Company is and may become involved from time to time in legal proceedings in the ordinary course of its business, including but not limited to with respect to such matters as libel, invasion of privacy, intellectual property infringement, wrongful termination actions and complaints alleging employment discrimination, and regulatory investigations and inquiries. In addition, the Company is involved from time to time in governmental and administrative proceedings concerning employment, labor, environmental and other claims. Insurance coverage mitigates potential loss for certain of these matters. Historically, such claims and proceedings have not had a material adverse effect on the Company's condensed consolidated results of operations or financial position. Although the Company is unable to predict with certainty the eventual outcome of

any litigation, regulatory investigation or inquiry, in the opinion of management, the Company does not expect its current and any threatened legal proceedings to have a material adverse effect on the Company's business, financial position or consolidated results of operations. Given the inherent unpredictability of these types of proceedings, however, it is possible that future adverse outcomes could have a material effect on the Company's financial results.

Restricted cash of $3,106 at both July 1, 2018 and December 31, 2017 was held as cash collateral for certain business operations.

(14) Subsequent Events

Dividends

On August 2, 2018, the Company announced a second quarter 2018 cash dividend of $0.37 per share of Common Stock, par value $0.01 per share, of New Media. The dividend will be paid on August 21, 2018, to shareholders of record as of the close of business on August 13, 2018.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's discussion and analysis of financial condition and results of operations is intended to help the reader understand the results of operations and financial condition of New Media Investment Group Inc. and its subsidiaries ("New Media", "Company", "we", "us" or "our"). The following should be read in conjunction with the unaudited consolidated financial statements and notes thereto included herein, and with Part II, Item 1A, "Risk Factors."

Overview

New Media supports small to mid-size communities by providing locally-focused print and digital content to its consumers and premier marketing and technology solutions for our small and medium businesses partners. We have a particular focus on owning and acquiring strong local media assets in small to mid-size markets. With our collection of assets, we focus on two large business categories: consumers and small to medium-sized businesses ("SMBs").

Our portfolio of media assets today spans across 572 markets and 37 states. Our products include 691 community print publications, 572 websites and two yellow page directories. As of July 1, 2018, we reach over 23 million people per week and serve over 220,000 business customers.

We are focused on growing our consumer revenues primarily through our penetration into the local consumer market that values comprehensive local news and receives its news primarily from our products. We believe our rich local content, our strong media brands, and multiple platforms for delivering content will impact our reach to local consumers leading to growth in subscription income. We also believe our focus on smaller markets will allow us to be a leading provider of valuable, unique local news to consumers in those markets. We believe that one result of our local consumer penetration in these smaller markets will be transaction revenues as we link consumers with local businesses. For our SMB business category, we focus on leveraging our strong local media brands, our in-market sales force and our high consumer penetration rates with a variety of products and services that we believe will help SMBs expand their marketing, advertising and other digital lead generation platforms. We also believe our strong position in our local markets will allow us to develop other products that will be of value to our SMBs in helping them run and grow their businesses.

Our business strategy is to be the preeminent provider of local news, information, advertising, and digital and business services in the markets we operate in. We aim to grow our business organically through both our consumer and SMB strategies. We also plan to continue to pursue strategic acquisitions of high-quality local media and digital marketing assets at attractive valuation levels. Finally, we intend to distribute a portion of our free cash flow generated from operations or other sources as a dividend to stockholders through a quarterly dividend, subject to satisfactory financial performance, approval by our board of directors (the "Board of Directors" or "Board") and dividend restrictions in the New Media Credit Agreement (as defined below). The Board of Directors' determinations regarding dividends will depend on a variety of factors, including the Company's U.S. generally accepted accounting principles ("GAAP") net income, free cash flow generated from operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results.

We believe that our focus on owning and operating leading local content oriented media properties in small to mid-size markets puts us in a position to better execute on our strategy. We believe that being the leading provider of local news and information in the markets in which we operate and distributing that content across multiple print and digital platforms, gives us an opportunity to grow our audiences and reach. Further, we believe our strong local media brands and our market presence gives us the opportunity to expand our advertising and lead generation products with local business customers.

For our SMB category, we focus on leveraging our strong local media brands, our in-market sales force and our high consumer penetration rates with a variety of technology oriented products and services that solve acute pain points for SMBs. Central to this business strategy is our wholly-owned subsidiary UpCurve, Inc. ("UpCurve"). UpCurve provides two broad categories of services: ThriveHive, previously known as Propel Marketing, which provides marketing services for every SMB regardless of size, and UpCurve Cloud which offers cloud-based products with expert migration, integration, and support. ThriveHive is designed to offer a complete set of turn-key digital marketing and business services to SMBs that provide transparent results to the business owners. In 2016, we acquired a turn-key proprietary software application that enables SMB owners to run their own digital and contact marketing campaigns.

We launched the UpCurve products in 2012 and have seen rapid growth since then. We believe UpCurve, combined with our strong local brands and in-market sales force, is positioned to continue to be a key component to our overall organic growth strategy. The opportunity UpCurve aims to seize upon is as follows:

There were approximately 29.6 million SMBs in the U.S. in 2014 according to the U.S. Small Business Administration. Of these, approximately 29.0 million had 20 employees or fewer.

Many of the owners and managers of these SMBs do not have the resources or expertise to navigate the fast evolving digital marketing and cloud based service sectors, but are increasingly aware of the need to embrace the digital disruption to their business model.

We believe our local media properties and local sales infrastructure are uniquely positioned to sell these digital marketing and business services to local business owners and give us distinct advantages, including:

- our strong and trusted local brands, with 85% of our daily newspapers having published local content for more than 100 years;
- our ability to market through our print and online properties, driving branding and traffic; and
- our more than 1,350 local, direct, in-market sales professionals with long standing relationships with small businesses in the communities we serve.

Our core products include:

- 145 daily newspapers with total paid circulation of approximately 1.6 million;
- 340 weekly newspapers (published up to three times per week) with total paid circulation of approximately 297,000 and total free circulation of approximately 2.3 million;
- 136 “shoppers” (generally advertising-only publications) with total circulation of approximately 3.3 million;
- 572 locally-focused websites, which extend our businesses onto the internet and mobile devices with approximately 313 million page views per month;
- two yellow page directories, with a distribution of approximately 290,000, that cover a population of approximately 419,000 people;
- 70 business publications; and
- UpCurve Cloud and ThriveHive digital marketing.

In addition to our core products, we also opportunistically produce niche publications that address specific local market interests such as recreation, sports, healthcare and real estate.

GateHouse Live, our event business, was started in late 2015 to leverage our local brands to create events in the markets we serve. In 2017, GateHouse Live produced over 250 annual events with a collective attendance over 300,000. Among our core event offerings are a variety of themed expos focused on target audiences, including men, women, seniors and young families. Other signature event series produced across many of our markets include one of the nation's largest high school

sports recognition events and the official community's choice awards for dozens of markets across the country. GateHouse Live also offers white label event services for retailers and other media companies.

Our advertising revenue tends to follow a seasonal pattern, with higher advertising revenue in months containing significant events or holidays. Accordingly, our first quarter and our third quarter historically are our weakest revenue quarters of the year. Correspondingly, our second and fourth fiscal quarters historically are our strongest quarters. We expect that this seasonality will continue to affect our advertising revenue in future periods.

We have experienced ongoing declines in same store print advertising revenue streams and increased volatility of operating performance, despite our geographic diversity, well-balanced portfolio of products, broad customer base and reliance on smaller markets. We may experience additional declines and volatility in the future. These declines in print advertising revenue have come with the shift from traditional media to the internet for consumers and businesses. We believe our local advertising tends to be less sensitive to economic cycles than national advertising because local businesses generally have fewer advertising channels through which to reach their target audience. We are making investments in digital platforms, such as UpCurve, as well as online and mobile applications, to support our print publications in order to capture this shift as witnessed by our digital advertising and business services revenue growth, which more than doubled between 2013 and 2017.

Our operating costs consist primarily of labor, newsprint and delivery costs. Our selling, general and administrative expenses consist primarily of labor costs.

Compensation represents just under 50% of our expenses. Over the last few years, we have worked to drive efficiencies and centralization of work throughout our Company. Additionally, we have taken steps to cluster our operations thereby increasing the usage of facilities and equipment while increasing the productivity of our labor force. We expect to continue to employ these steps as part of our business strategy.

Through July 1, 2018, our operating segments (Eastern US Publishing, Central US Publishing, Western US Publishing, Recent Acquisitions and BridgeTower) are aggregated into one reportable business segment. On July 2, 2018, the operating segments were changed to Newspapers and BridgeTower. The operating segments will continue to be aggregated into one reportable business segment.

Acquisitions

During the six months ended July 1, 2018, we completed 11 acquisitions. We acquired substantially all the assets, properties, and business of certain publications/businesses, which included seven daily newspapers, 16 weekly newspapers, one shopper, a print facility, cloud services and digital platforms, and domains, for an aggregate purchase price of $150.2 million, including estimated working capital.

During 2017, we acquired substantially all the assets, properties, and business of certain publications/businesses, which included four business publications, 22 daily newspapers, 34 weekly publications, 24 shoppers, two customer relationship management solutions providers, a social media app and an event production business for an aggregate purchase price of $165.1 million, including working capital.

Management Agreement

On November 26, 2013, New Media entered into the management agreement (as amended and restated, the “Management Agreement”) with FIG LLC (the “Manager”), an affiliate of Fortress Investment Group LLC ("Fortress"), pursuant to which the Manager manages the operations of New Media. We pay the Manager an annual management fee equal to 1.5% of New Media’s Total Equity (as defined in the Management Agreement) and the Manager is eligible to receive incentive compensation.

On December 27, 2017, SoftBank Group Corp. (“SoftBank”) announced that it completed its previously announced acquisition of Fortress (the “SoftBank Merger”).

Long-Lived Asset Impairment

As part of the ongoing cost reduction programs, we are consolidating print facilities, and during the six months ended June 25, 2017, we ceased printing operations at 11 facilities. As a result, we recognized an impairment charge related to retired equipment of $6.5 million and accelerated depreciation of $1.2 million during the six months ended June 25, 2017. We also

began to accelerate depreciation of approximately $1.4 million related to machinery and equipment in the third quarter of 2017. There were no such facility consolidations during the six months ended July 1, 2018.

Dispositions

On May 11, 2018, we completed the sale of certain publications and related assets in Alaska for approximately $2.4 million, including estimated working capital. As a result, a nominal pre-tax gain, net of selling expenses, is included in net gain on sale or disposal of assets on the Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) during the six months ended July 1, 2018.

On February 27, 2018, we sold a parcel of land and building located in Framingham, Massachusetts, for $9.3 million, and recognized a pre-tax gain of approximately $3.3 million, net of selling expenses, which is included in net gain on sale or disposal of assets on the Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) during the six months ended July 1, 2018.

On June 2, 2017, we completed the sale of the *Mail Tribune*, located in Medford, Oregon, for approximately $14.7 million, including working capital. As a result, a pre-tax gain of approximately $5.4 million, net of selling expenses, is included in net gain on sale or disposal of assets on the Unaudited Condensed Consolidated Statement of Operations and Comprehensive Income (Loss) during the three and six months ended June 25, 2017 since the disposition did not qualify for treatment as a discontinued operation.

Industry

The newspaper industry and the Company have experienced declining same store revenue and profitability over the past several years. As a result, we have implemented, and continue to implement, plans to reduce costs and preserve cash flow. We have also invested in potential growth opportunities, primarily in the digital and business services space. We believe the cost reductions and the new digital and business services initiatives will provide the appropriate capital structure and financial resources necessary to invest in the business and ensure our future success and provide sufficient cash flow to enable us to meet our commitments for the next year.

General economic conditions, including declines in consumer confidence, high unemployment levels in certain local markets, declines in real estate values in certain local markets, and other trends, have also impacted the markets in which we operate. Additionally, media companies continue to be impacted by the migration of consumers and businesses to an internet and mobile-based, digital medium. These conditions may continue to negatively impact print advertising and other revenue sources as well as increase operating costs in the future. We expect that we will have adequate capital resources and liquidity to meet our working capital needs, borrowing obligations and all required capital expenditures for at least the next twelve months.

We periodically perform testing for impairment of goodwill and newspaper mastheads in which the fair value of our reporting units for goodwill impairment testing and newspaper mastheads are estimated using the expected present value of future cash flows and recent industry transaction multiples, using estimates, judgments and assumptions that we believe are appropriate in the circumstances. Should general economic, market or business conditions decline, and have a negative impact on estimates of future cash flow and market transaction multiples, we may be required to record additional impairment charges in the future.

Critical Accounting Policy Disclosure

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“GAAP”) requires management to make decisions based on estimates, assumptions and factors it considers relevant to the circumstances. Such decisions include the selection of applicable principles and the use of judgment in their application, the results of which could differ from those anticipated.

A summary of our significant accounting policies are described in Note 1, of our consolidated financial statements, "Description of Business, Basis of Presentation, and Summary of Significant Accounting Policies", for the year ended December 31, 2017, included in our Annual Report on Form 10-K.

During the three months ended April 1, 2018, we changed several accounting policies in order to adopt recent accounting standards, including the Financial Accounting Standards Board Accounting Standards Update No. 2014-09, “Revenue from

Contracts with Customers". There have been no other material changes in critical accounting policies in the current year from those described in our Annual Report on Form 10-K for the year ended December 31, 2017.

Results of Operations

The following table summarizes our results of operations for the three and six months ended July 1, 2018 and June 25, 2017:

NEW MEDIA INVESTMENT GROUP INC. AND SUBSIDIARIES
Unaudited Condensed Consolidated Statements of Operations
(In thousands)

	Three months ended		Six months ended	
	July 1, 2018	June 25, 2017	July 1, 2018	June 25, 2017
Revenues:				
Advertising	$ 187,609	$ 167,381	$ 350,868	$ 322,946
Circulation	144,536	110,563	274,527	221,368
Commercial printing and other	56,657	44,929	104,172	86,083
Total revenues	388,802	322,873	729,567	630,397
Operating costs and expenses:				
Operating costs	217,775	177,020	414,164	354,811
Selling, general, and administrative	126,837	106,661	245,656	212,863
Depreciation and amortization	19,935	18,760	39,182	36,364
Integration and reorganization costs	1,749	2,237	4,179	4,607
Impairment of long-lived assets	—	—	—	6,485
Goodwill and mastheads impairment	—	27,448	—	27,448
Net gain on sale or disposal of assets	(808)	(2,634)	(3,979)	(2,546)
Operating income (loss)	23,314	(6,619)	30,365	(9,635)
Interest expense	8,999	7,217	17,351	14,435
Other income	(337)	(104)	(857)	(322)
Income (loss) before income taxes	14,652	(13,732)	13,871	(23,748)
Income tax expense	2,946	7,955	2,830	1,624
Net income (loss)	$ 11,706	$ (21,687)	$ 11,041	$ (25,372)

Three Months Ended July 1, 2018 Compared To Three Months Ended June 25, 2017

Revenue. Total revenue for the three months ended July 1, 2018 increased by $65.9 million, or 20.4%, to $388.8 million from $322.9 million for the three months ended June 25, 2017. The increase in total revenue was comprised of a $20.2 million, or 12.1%, increase in advertising revenue, a $33.9 million, or 30.7%, increase in circulation revenue, and a $11.8 million, or 26.1%, increase in commercial printing and other revenue.

Revenues increased primarily due to acquisitions. Advertising revenue was partially offset by declines driven by reductions in the local retail, classified, and preprint categories due to secular pressures and a continuing uncertain economic environment. These secular trends and economic conditions have also led to a decline in our print circulation volumes, which have been offset by price increases in select locations. The majority of the remaining increase in commercial printing and other revenue is due to digital marketing services, events revenue, and commercial print and distribution.

Operating Costs. Operating costs for the three months ended July 1, 2018 increased by $40.8 million, or 23.0%, to $217.8 million from $177.0 million for the three months ended June 25, 2017. The increase includes operating costs from acquisitions of $45.4 million and a $1.1 million increase in newsprint and ink, which was partially offset by an $7.1 million decrease in the costs related to the remaining operations. This decline in operating costs related to the remaining operations was primarily due to a decrease in compensation, hauling and delivery and internet expenses of $3.3 million, $2.2 million and $0.5 million, respectively. There were no other increases or decreases greater than $0.5 million.

Selling, General and Administrative. Selling, general and administrative expenses for the three months ended July 1, 2018 increased by $20.2 million, or 18.9%, to $126.8 million from $106.6 million for the three months ended June 25, 2017.

The increase includes selling, general and administrative expenses from acquisitions of $25.0 million, a $3.7 million increase in outside services, and a $0.6 million increase in travel and entertainment, partially offset by a $9.1 million decrease in the costs related to the remaining operations. This decline in selling, general and administrative expenses related to the remaining operations was primarily due to a decrease in compensation and professional and consulting fees of $6.8 million and $1.2 million, respectively. There were no other increases or decreases greater than $0.5 million.

Integration and Reorganization Costs. During the three month periods ended July 1, 2018 and June 25, 2017, we recorded integration and reorganization costs of $1.7 million and $2.2 million, respectively, primarily resulting from severance costs related to acquisition-related synergies and the continued consolidation of our operations resulting from ongoing implementation of our plans to reduce costs and preserve cash flow.

Goodwill and Mastheads Impairment. During the three months ended June 25, 2017, we recorded a $27.4 million goodwill and mastheads impairment due to softening business conditions and the related impact on the fair value of our reporting units. No such charge was recorded during the three months ended July 1, 2018.

Income Tax Expense. During the three months ended July 1, 2018 and June 25, 2017, we recorded an income tax expense of $2.9 million and $8.0 million, respectively. The reduced income tax expense is primarily attributable to the 20% annualized effective tax rate for 2018, while the 2017 provision was determined based on year-to-date results because utilizing the effective tax rate for the three months ended June 25, 2017 was determined to not be an effective method to determine the tax expense for that period.

Net Income (Loss). Net income for the three months ended July 1, 2018 was $11.7 million, and net loss for the three months ended June 25, 2017 was $21.7 million. The difference is related to the factors noted above.

Six Months Ended July 1, 2018 Compared To Six Months Ended June 25, 2017

Revenue. Total revenue for the six months ended July 1, 2018 increased by $99.2 million, or 15.7%, to $729.6 million from $630.4 million for the six months ended June 25, 2017. The increase in total revenue was comprised of a $27.9 million, or 8.6%, increase in advertising revenue, a $53.2 million, or 24.0%, increase in circulation revenue, and a $18.1 million, or 21.0%, increase in commercial printing and other revenue.

Revenues increased primarily due to acquisitions. Advertising revenue was partially offset by declines driven by reductions in the local retail, classified, and preprint categories due to secular pressures and a continuing uncertain economic environment. These secular trends and economic conditions have also led to a decline in our print circulation volumes, which have been offset by price increases in select locations. The majority of the remaining increase in commercial printing and other revenue is due to digital marketing services, events revenue, and commercial print and distribution.

Operating Costs. Operating costs for the six months ended July 1, 2018 increased by $59.4 million, or 16.7%, to $414.2 million from $354.8 million for the six months ended June 25, 2017. The increase includes operating costs from acquisitions of $71.8 million, a $0.9 million increase in professional and consulting, a $0.9 million increase in outside publishing and a $0.5 million increase in advertising and promotion, which was partially offset by a $16.2 million decrease in the costs related to the remaining operations. This decline in operating costs related to the remaining operations was primarily due to a decrease in compensation, hauling and delivery, internet expenses and outside services of $7.9 million, $4.9 million, $0.9 million and $0.8 million, respectively. There were no other increases or decreases greater than $0.5 million.

Selling, General and Administrative. Selling, general and administrative expenses for the six months ended July 1, 2018 increased by $32.8 million, or 15.4%, to $245.7 million from $212.9 million for the six months ended June 25, 2017. The increase includes selling, general and administrative expenses from acquisitions of $42.6 million, a $3.7 million increase in outside services, $0.9 million increase in bad debt expense and a $0.8 million increase in travel and entertainment, which was partially offset by a $15.2 million decrease in the costs related to the remaining operations. This decline in selling, general and administrative expenses related to the remaining operations was primarily due to a decrease in compensation, professional and consulting fees, bank charges and building rental and maintenance of $10.0 million, $2.4 million, $0.8 million and $0.6 million, respectively. There were no other increases or decreases greater than $0.5 million.

Integration and Reorganization Costs. During the six month periods ended July 1, 2018 and June 25, 2017, we recorded integration and reorganization costs of $4.2 million and $4.6 million, respectively, primarily resulting from severance costs related to acquisition-related synergies and the continued consolidation of our operations resulting from ongoing implementation of our plans to reduce costs and preserve cash flow.

Impairment of Long-lived Assets. During the six months ended June 25, 2017, we recorded a $6.5 million impairment of long-lived assets due to eleven printing facilities ceasing operations during the six months ended June 25, 2017, and additional shut downs expected in the third quarter of 2017. No such charge was recorded during the six months ended July 1, 2018.

Goodwill and Mastheads Impairment. During the six months ended June 25, 2017, we recorded a $27.4 million goodwill and mastheads impairment due to softening business conditions and the related impact on the fair value of our reporting units. No such charge was recorded during the six months ended July 1, 2018.

Income Tax Expense. During the six months ended July 1, 2018 and June 25, 2017, we recorded an income tax expense of $2.8 million and $1.6 million, respectively. The increase in income tax expense is primarily attributable to the 20% annualized effective tax rate for 2018, while the 2017 provision was determined based on year-to-date results because utilizing the effective tax rate for the six months ended June 25, 2017 was determined to not be an effective method to determine the tax expense for that period.

Net Income (Loss). Net income for the six months ended July 1, 2018 was $11.0 million and net loss for the six months ended June 25, 2017 was $25.4 million. The difference is related to the factors noted above.

Liquidity and Capital Resources

Our primary cash requirements are for working capital, debt obligations, capital expenditures and acquisitions. We have no material outstanding commitments for capital expenditures. We expect our 2018 capital expenditures to total between $14 million and $16 million. The 2018 capital expenditures will be primarily comprised of projects related to the consolidation of facilities and upgrades to improve operations. For more information on our long term debt and debt service obligations, see Note 6 to the unaudited condensed consolidated financial statements, “Indebtedness”. Our principal sources of funds have historically been, and are expected to continue to be, cash provided by operating activities.

We expect to fund our operations through cash provided by our subsidiaries’ operating activities, the incurrence of debt or the issuance of additional equity securities. We expect that we will have adequate capital resources and liquidity to meet our working capital needs, borrowing obligations and all required capital expenditures for at least the next twelve months.

Our leverage may adversely affect our business and financial performance and restricts our operating flexibility. The level of our indebtedness and our on-going cash flow requirements may expose us to a risk that a substantial decrease in operating cash flows due to, among other things, continued or additional adverse economic developments or adverse developments in our business, could make it difficult for us to meet the financial and operating covenants contained in our credit facilities. In addition, our leverage may limit cash flow available for general corporate purposes such as capital expenditures and our flexibility to react to competitive, technological and other changes in our industry and economic conditions generally.

Dividends

On August 2, 2018, we announced a second quarter 2018 cash dividend of $0.37 per share of Common Stock, par value $0.01 per share, of New Media. The dividend will be paid on August 21, 2018, to shareholders of record as of the close of business on August 13, 2018.

On May 3, 2018, we announced a first quarter 2018 cash dividend of $0.37 per share of Common Stock, par value $0.01 per share, of New Media. The dividend was paid on May 16, 2018, to shareholders of record as of the close of business on May 14, 2018.

On February 28, 2018, we announced a fourth quarter 2017 cash dividend of $0.37 per share of Common Stock, par value $0.01 per share, of New Media. The dividend was paid on March 22, 2018, to shareholders of record as of the close of business on March 14, 2018.

On October 26, 2017, we announced a third quarter 2017 cash dividend of $0.37 per share of Common Stock, par value $0.01 per share, of New Media. The dividend was paid on November 16, 2017, to shareholders of record as of the close of business on November 8, 2017.

On July 27, 2017, we announced a second quarter 2017 cash dividend of $0.35 per share of Common Stock, par value $0.01 per share, of New Media. The dividend was paid on August 17, 2017, to shareholders of record as of the close of business on August 9, 2017.

On April 27, 2017, we announced a first quarter 2017 cash dividend of $0.35 per share of Common Stock, par value $0.01 per share, of New Media. The dividend was paid on May 18, 2017, to shareholders of record as of the close of business on May 10, 2017.

On February 21, 2017, we announced a fourth quarter 2016 cash dividend of $0.35 per share of Common Stock, par value $0.01 per share, of New Media. The dividend was paid on March 16, 2017, to shareholders of record as of the close of business on March 8, 2017.

New Media Credit Agreement

On June 4, 2014, New Media Holdings II LLC (the "New Media Borrower"), a wholly owned subsidiary of New Media, entered into a credit agreement (the "New Media Credit Agreement") among the New Media Borrower, New Media Holdings I LLC ("Holdings I"), the lenders party thereto, RBS Citizens, N.A. and Credit Suisse Securities (USA) LLC as joint lead arrangers and joint bookrunners, Credit Suisse AG, Cayman Islands Branch as syndication agent and Citizens Bank of Pennsylvania as administration agent which provided for (i) a $200 million senior secured term facility (the "Term Loan Facility" and any loan thereunder, including as part of the Incremental Facility, "Term Loans"), (ii) a $25 million senior secured revolving credit facility, with a $5 million sub-facility for letters of credit and a $5 million sub-facility for swing loans, (the "Revolving Credit Facility" and together with the Term Loan Facility, the "Senior Secured Credit Facilities") and (iii) the ability for the New Media Borrower to request one or more new commitments for term loans or revolving loans from time to time up to an aggregate total of $75 million (the "Incremental Facility") subject to certain conditions. On June 4, 2014, the New Media Borrower borrowed $200 million under the Term Loan Facility (the "Initial Term Loans"). As of July 1, 2018, $0 was drawn under the Revolving Credit Facility. The Term Loans mature on July 14, 2022 and the maturity date for the Revolving Credit Facility is July 14, 2021. The New Media Credit Agreement was amended:

- on September 3, 2014, to provide for additional term loans under the Incremental Facility in an aggregate principal amount of $25 million (the "2014 Incremental Term Loan");
- on November 20, 2014, to increase the amount of the Incremental Facility that may be requested after the date of the amendment from $75 million to $225 million;
- on January 9, 2015, to provide for $102 million in additional term loans (the "2015 Incremental Term Loan") and $50 million in additional revolving commitments (the "2015 Incremental Revolver") under the Incremental Facility and to make certain amendments to the Revolving Credit Facility in connection with the purchase of the assets of Halifax Media;
- on February 13, 2015, to provide for the replacement of the existing term loans under the Term Loan Facility (including the 2014 Incremental Term Loan and the 2015 Incremental Term Loan) with a new class of replacement term loans;
- on March 6, 2015, to provide for $15 million in additional revolving commitments under the Incremental Facility;
- on May 29, 2015, to provide for $25 million in additional term loans under the Incremental Facility;
- on July 14, 2017, to (i) extend the maturity date of the outstanding term loans under the Term Loan Facility to July 14, 2022, (ii) provide for a 1.00% prepayment premium for any prepayments made in connection with certain repricing transactions effected within six months of the date of the amendment, (iii) extend the maturity date of the Revolving Credit Facility to July 14, 2021, (iv) provide for $20 million in additional term loans (the "2017 Incremental Term Loan") under the Incremental Facility and (v) increase the amount of the Incremental Facility that may be requested on or after the date of the amendment (inclusive of the 2017 Incremental Term Loan) to $100 million; and
- on February 16, 2018, to provide for (i) $50 million in additional term loans under the Term Loan Facility and (ii) a 1.00% prepayment premium for any prepayments of the Term Loans made in connection with certain repricing transactions effected within six months of the date of the amendment.

In connection with the February 16, 2018 amendment, the Company incurred approximately $0.6 million of fees and expenses, of which $0.5 million were capitalized in deferred financing costs and will be amortized over the term of the Term Loan Facility. The related third party fees of $0.1 million were expensed during the quarter as this amendment was determined to be a debt modification for accounting purposes. In addition, the Company recognized $0.3 million of original issue discount, which will also be amortized over the term of the Term Loan Facility.

In connection with the July 14, 2017 amendment, we incurred approximately $6.6 million of fees and expenses. There was one lender who had a significant change in the terms of the Term Loan Facility; the difference between the present value of

the cash flows after this amendment and the present value of the cash flows before this amendment was more than 10%. This portion of the transaction was accounted for as an extinguishment under ASC Subtopic 470-50, "Debt Modifications and Extinguishments". Deferred fees and expenses of $1.0 million previously allocated to that lender were written off to loss on early extinguishment of debt. Additionally, the current fees of $2.4 million attributed to this lender were expensed to loss on early extinguishment of debt. The third party expenses of $0.1 million apportioned to the lender were capitalized. In addition, $1.3 million fees and expenses allocated to lenders that exited the facility were written off to loss on early extinguishment of debt. The remainder of this amendment was treated as a debt modification for accounting purposes. The consent fees of $3.0 million for the lenders other than the one mentioned above were capitalized and will be amortized over the term of the Term Loan Facility. The third party fees of $0.6 million related to these lenders were expensed. Additionally, the fees and expenses allocated to the Revolving Credit Facility of $0.4 million were capitalized as this component of the amendment was accounted for as a debt modification.

The New Media Credit Agreement contains customary representations and warranties and affirmative covenants and negative covenants applicable to Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries, including, among other things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions, and events of default. The New Media Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.25 to 1.00.

As of July 1, 2018, we are in compliance with all of the covenants and obligations under the New Media Credit Agreement.

Refer to Note 6 to the unaudited condensed consolidated financial statements, "Indebtedness," and to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources," in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, for further discussion of the New Media Credit Agreement.

Advantage Credit Agreements

In connection with the purchase of the assets of Halifax Media, which was completed on January 9, 2015, certain subsidiaries of the Company (the "Advantage Borrowers") agreed to assume all of the obligations of Halifax Media and its affiliates in respect of each of (i) that certain Consolidated Amended and Restated Credit Agreement dated January 6, 2012 among Halifax Media Acquisition LLC, Advantage Capital Community Development Fund XXVIII, L.L.C., and Florida Community Development Fund II, L.L.C. (as amended, the "Halifax Florida Credit Agreement") and (ii) that certain Credit Agreement dated June 18, 2013 between Halifax Alabama, LLC and Southeast Community Development Fund V, L.L.C. (the "Halifax Alabama Credit Agreement" and, together with the Halifax Florida Credit Agreement, the "Advantage Credit Agreements"), respectively (the debt under the Halifax Florida Credit Agreement, the "Advantage Florida Debt"; the debt under the Halifax Alabama Credit Agreement, the "Advantage Alabama Debt"). The $10 million outstanding balance under the Halifax Florida Credit Agreement was fully repaid on December 31, 2016.

As of January 9, 2015, the Halifax Alabama Credit Agreement had a principal amount of $8 million and bore interest at the rate of LIBOR plus 6.25% per annum (with a minimum of 1% LIBOR) payable quarterly in arrears. On May 15, 2018, the Halifax Alabama Credit Agreement was amended to reduce the interest rate to 2% per annum. In addition, a 2% prepayment premium will be charged if the balance is paid before December 28, 2018 unless the Advantage Borrowers elect to escrow the remaining principal amount. Subsequent to December 28, 2018, the principal may be repaid without a premium or penalty. The Advantage Alabama Debt matures on March 31, 2019. The Advantage Alabama Debt is secured by a perfected second priority security interest in all the assets of the Advantage Borrowers and certain other subsidiaries of the Company, subject to the limitation that the maximum amount of secured obligations is $15 million. The Advantage Alabama Debt is unconditionally guaranteed by Holdings I and certain subsidiaries of the New Media Borrowers and is required to be guaranteed by all future material wholly-owned domestic subsidiaries, subject to certain exceptions. The Advantage Alabama Debt is subordinated to the Senior Secured Credit Facilities pursuant to an intercreditor agreement.

The Halifax Alabama Credit Agreement contains covenants substantially consistent with those contained in the New Media Credit Agreement in addition to those required for compliance with the New Markets Tax Credit program. The Advantage Borrowers are subject to customary mandatory prepayment events including from proceeds from asset sales and certain debt obligations.

The Halifax Alabama Credit Agreement contains customary representations and warranties and customary affirmative and negative covenants applicable to the Advantage Borrowers and certain of the Company subsidiaries, including, among other

things, restrictions on indebtedness, liens, investments, fundamental changes, dispositions, and dividends and other distributions. The Halifax Alabama Credit Agreement contains a financial covenant that requires Holdings I, the New Media Borrower and the New Media Borrower's subsidiaries to maintain a maximum total leverage ratio of 3.75 to 1.00. The Halifax Alabama Credit Agreement contains customary events of default.

As of July 1, 2018, we are in compliance with all of the covenants and obligations under the Halifax Alabama Credit Agreement.

Refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources," in our Annual Report on Form 10-K for the fiscal year ended December 31, 2017, for further discussion of the Advantage Credit Agreements.

Cash Flows

The following table summarizes our historical cash flows.

	Six months ended July 1, 2018	Six months ended June 25, 2017
Cash provided by operating activities	$ 57,603	$ 49,639
Cash used in investing activities	(142,060)	(12,221)
Cash provided by (used in) financing activities	115,156	(55,337)

Cash Flows from Operating Activities. Net cash provided by operating activities for the six months ended July 1, 2018 was $57.6 million, an increase of $8.0 million when compared to $49.6 million of cash provided by operating activities for the six months ended June 25, 2017. This $8.0 million increase was the result of an improvement in operating results of $36.4 million and an increase in cash provided by working capital of $3.4 million, which was partially offset by a decrease in adjustments for non-cash charges, including impairments, of $31.8 million.

The $3.4 million increase in cash provided by working capital for the six months ended July 1, 2018 when compared to the six months ended June 25, 2017, is primarily attributable to a decrease in other assets, an increase in accrued expenses and an increase in deferred revenue, which was partially offset by an increase in prepaid expenses and a decrease in accounts payable.

The $31.8 million decrease in adjustments to net income for non-cash charges, when compared to the six months ended June 25, 2017, primarily consisted of a $27.4 million decrease in goodwill and mastheads impairment, $6.5 million decrease in impairment of long-lived assets, a $1.4 million increase in net gain on sale or disposal of assets, a $0.3 million decrease in non-cash interest expense and a $0.1 million decrease in pension and other postretirement benefit obligations, which was partially offset by a $2.8 million increase in depreciation and amortization, a $1.2 million increase in deferred income taxes and a $0.2 million increase in non-cash compensation expense.

Cash Flows from Investing Activities. Net cash used in investing activities for the six months ended July 1, 2018 was $142.1 million. During the six months ended July 1, 2018, we used $149.6 million, net of cash acquired, for acquisitions and $5.0 million for capital expenditures, which was partially offset by $12.6 million we received from the sale of real estate and other assets.

Net cash used in investing activities for the six months ended June 25, 2017 was $12.2 million. During the six months ended June 25, 2017, we used $22.1 million, net of cash acquired, for acquisitions and $4.8 million for capital expenditures, which was partially offset by $14.7 million we received from the sale of real estate and other assets.

Cash Flows from Financing Activities. Net cash provided by financing activities for the six months ended July 1, 2018 was $115.2 million and was primarily comprised of the issuance of common stock, net of underwriters' discount and the payment of offering costs, of $110.9 million, borrowings under term loans of $49.8 million, partially offset by the payment of dividends of $42.2 million, repayments under term loans of $2.1 million, a $0.8 million purchase of treasury stock, and payment of debt issuance costs of $0.5 million.

Net cash used in financing activities for the six months ended June 25, 2017 was $55.3 million and was primarily due to the payment of dividends of $37.5 million, repayments under term loans of $11.8 million, $5.0 million in repurchases of

common stock under the Share Repurchase Program, a $0.6 million purchase of treasury stock, and $0.4 million payment of offering costs.

Changes in Financial Position

The discussion that follows highlights significant changes in our financial position and working capital from December 31, 2017 to July 1, 2018.

Inventory. Inventory increased $6.2 million from December 31, 2017 to July 1, 2018, which primarily relates to the increase in newsprint inventory due to price increases, driven largely by government tariffs, and the effect of 2018 acquisitions.

Prepaid Expenses. Prepaid expenses increased $5.6 million from December 31, 2017 to July 1, 2018, which primarily relates to the timing of payments and assets acquired in the six month period ending July 1, 2018.

Other Current Assets. Other current assets decreased $5.5 million from December 31, 2017 to July 1, 2018, primarily due to decreased collateral required by our insurers.

Property, Plant, and Equipment. Property, plant, and equipment decreased $16.8 million from December 31, 2017 to July 1, 2018, of which $23.9 million relates to depreciation and $7.1 million relates to assets sold, classified as held for sale, or disposed of during the first six months of 2018, which was partially offset by $9.0 million of assets acquired in 2018 and $5.0 million of capital expenditures.

Goodwill. Goodwill increased $51.9 million from December 31, 2017 to July 1, 2018, which is primarily due to assets acquired in 2018.

Intangible Assets. Intangible assets increased $73.4 million from December 31, 2017 to July 1, 2018, of which $89.0 million relates to assets acquired in 2018, which was partially offset by $15.3 million in amortization.

Other Assets. Other assets increased $1.7 million from December 31, 2017 to July 1, 2018, which is primarily due to acquisitions during the six months ended July 1, 2018.

Current Portion of Long-term Debt. Current portion of long-term debt increased $9.4 million from December 31, 2017 to July 1, 2018, due to the reclassification to current portion of long-term debt of $8.0 million of debt that was assumed in the Halifax acquisition in 2015 that is due on March 31, 2019, a $0.9 million reclassification from long-term debt and an increase in the current portion of long-term debt of $0.5 million related to the February 16, 2018 amendment to the New Media Credit Agreement.

Deferred Revenue. Deferred revenue increased $17.4 million from December 31, 2017 to July 1, 2018, primarily due to acquisitions during the six months ended July 1, 2018.

Long-term Debt. Long-term debt increased $38.9 million from December 31, 2017 to July 1, 2018, primarily due to borrowings under term loans of $49.2 million, net of original issue discount, and $1.1 million non-cash interest expense, which was partially offset by the reclassification of long-term debt to current portion of long-term debt of $8.9 million, and a $2.1 million repayment of term loans.

Deferred Income Taxes. Deferred income taxes increased $2.3 million from December 31, 2017 to July 1, 2018, which primarily relates to an increase in the deferred tax liability for indefinite-lived intangible assets.

Additional Paid-in Capital. Additional paid-in capital increased $75.3 million from December 31, 2017 to July 1, 2018, which resulted primarily from the issuance of common stock, net of underwriters' discount and offering costs, from the public offering of $110.7 million, non-cash compensation expense of $1.8 million, and restricted share grants of $0.2 million, which was partially offset by dividends of $37.4 million.

Retained Earnings (Accumulated Deficit). Retained earnings increased $6.4 million from December 31, 2017 to July 1, 2018, primarily due to net income of $11.0 million which was partially offset by dividends of $4.6 million.

Summary Disclosure About Contractual Obligations and Commercial Commitments

Other than the amendment to the New Media Credit Agreement described below, there have been no significant changes to our contractual obligations previously reported in our Annual Report on Form 10-K for the year ended December 31, 2017.

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements reasonably likely to have a current or future effect on our financial statements.

Contractual Commitments

On February 16, 2018, the New Media Credit Agreement was amended to, among other things, provide for (i) $50 million in additional term loans under the Term Loan Facility and (ii) a 1.00% prepayment premium for any prepayments of the Term Loans made in connection with certain repricing transactions effected within six months of the date of the amendment.

There were no other material changes made to our contractual commitments during the period from December 31, 2017 to July 1, 2018.

Non-GAAP Financial Measures

A non-GAAP financial measure is generally defined as one that purports to measure historical or future financial performance, financial position or cash flows, but excludes or includes amounts that would not be so adjusted in the most comparable GAAP measure. We define and use Adjusted EBITDA, a non-GAAP financial measure, as set forth below.

Adjusted EBITDA

We define Adjusted EBITDA as follows:

Income (loss) from continuing operations *before*:

- income tax expense (benefit);
- interest/financing expense;
- depreciation and amortization; and
- non-cash impairments.

Management's Use of Adjusted EBITDA

Adjusted EBITDA is not a measurement of financial performance under GAAP and should not be considered in isolation or as an alternative to income from operations, net income (loss), cash flow from continuing operating activities or any other measure of performance or liquidity derived in accordance with GAAP. We believe this non-GAAP measure, as we have defined it, is helpful in identifying trends in our day-to-day performance because the items excluded have little or no significance on our day-to-day operations. This measure provides an assessment of controllable expenses and affords management the ability to make decisions which are expected to facilitate meeting current financial goals as well as achieve optimal financial performance.

Adjusted EBITDA provides us with a measure of financial performance, independent of items that are beyond the control of management in the short-term, such as depreciation and amortization, taxation, non-cash impairments and interest expense associated with our capital structure. This metric measures our financial performance based on operational factors that management can impact in the short-term, namely the cost structure or expenses of the organization. Adjusted EBITDA is one of the metrics we use to review the financial performance of our business on a monthly basis.

Limitations of Adjusted EBITDA

Adjusted EBITDA has limitations as an analytical tool. It should not be viewed in isolation or as a substitute for GAAP measures of earnings or cash flows. Material limitations in making the adjustments to our earnings to calculate Adjusted EBITDA and using this non-GAAP financial measure as compared to GAAP net income (loss), include: the cash portion of

interest/financing expense, income tax (benefit) provision and charges related to impairment of long-lived assets, which may significantly affect our financial results.

A reader of our financial statements may find this item important in evaluating our performance, results of operations and financial position. We use non-GAAP financial measures to supplement our GAAP results in order to provide a more complete understanding of the factors and trends affecting our business.

Adjusted EBITDA is not an alternative to net income, income from operations or cash flows provided by or used in operations as calculated and presented in accordance with GAAP. Readers of our financial statements should not rely on Adjusted EBITDA as a substitute for any such GAAP financial measure. We strongly urge readers of our financial statements to review the reconciliation of income (loss) from continuing operations to Adjusted EBITDA, along with our consolidated financial statements included elsewhere in this report. We also strongly urge readers of our financial statements to not rely on any single financial measure to evaluate our business. In addition, because Adjusted EBITDA is not a measure of financial performance under GAAP and is susceptible to varying calculations, the Adjusted EBITDA measure, as presented in this report, may differ from and may not be comparable to similarly titled measures used by other companies.

We use Adjusted EBITDA as a measure of our day-to-day operating performance, which is evidenced by the publishing and delivery of news and other media and excludes certain expenses that may not be indicative of our day-to-day business operating results. We consider the unrealized (gain) loss on derivative instruments and the (gain) loss on early extinguishment of debt to be financing related costs associated with interest expense or amortization of financing fees. Accordingly, we exclude financing related costs such as the early extinguishment of debt because they represent the write-off of deferred financing costs and we believe these non-cash write-offs are similar to interest expense and amortization of financing fees, which by definition are excluded from Adjusted EBITDA. Additionally, the non-cash gains (losses) on derivative contracts, which are related to interest rate swap agreements to manage interest rate risk, are financing costs associated with interest expense. Such charges are incidental to, but not reflective of, our day-to-day operating performance and it is appropriate to exclude charges related to financing activities such as the early extinguishment of debt and the unrealized (gain) loss on derivative instruments which, depending on the nature of the financing arrangement, would have otherwise been amortized over the period of the related agreement and does not require a current cash settlement. Such charges are incidental to, but not reflective of our day-to-day operating performance of the business that management can impact in the short term.

The table below shows the reconciliation of net income (loss) to Adjusted EBITDA for the periods presented:

	Three months ended		Six months ended	
	July 1, 2018	June 25, 2017	July 1, 2018	June 25, 2017
	(in thousands)			
Net income (loss)	$ 11,706	$ (21,687)	$ 11,041	$ (25,372)
Income tax expense	2,946	7,955	2,830	1,624
Interest expense	8,999	7,217	17,351	14,435
Impairment of long-lived assets	—	—	—	6,485
Goodwill and mastheads impairment	—	27,448	—	27,448
Depreciation and amortization	19,935	18,760	39,182	36,364
Adjusted EBITDA from continuing operations	$ 43,586 (a)	$ 39,693 (b)	$ 70,404 (c)	$ 60,984 (d)

(a) Adjusted EBITDA for the three months ended July 1, 2018 included net expenses of $5,165, related to transaction and project costs, non-cash compensation, and other expense of $4,224, integration and reorganization costs of $1,749, less an $808 gain on the sale or disposal of assets.

(b) Adjusted EBITDA for the three months ended June 25, 2017 included net expenses of $3,583, related to transaction and project costs, non-cash compensation, and other expense of $3,980, integration and reorganization costs of $2,237 and an $2,634 gain on the sale or disposal of assets.

(c) Adjusted EBITDA for the six months ended July 1, 2018 included net expenses of $10,874, related to transaction and project costs, non-cash compensation, and other expense of $10,674, integration and reorganization costs of $4,179 and a $3,979 gain on the sale or disposal of assets.

(d) Adjusted EBITDA for the six months ended June 25, 2017 included net expenses of $8,983, related to transaction and project costs, non-cash compensation, and other expense of $6,922, integration and reorganization costs of $4,607 and an $2,546 gain on the sale or disposal of assets.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

During the six month period ended July 1, 2018, there were no material changes to the quantitative and qualitative disclosures about market risk that were presented in Item 7A of our Annual Report on Form 10-K for the year ended December 31, 2017.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer (principal executive officer) and Chief Financial Officer (principal financial officer), has evaluated the effectiveness of our disclosure controls and procedures (as is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1934, as amended), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective.

Changes in Internal Control

There has not been any change in our internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Exchange Act) during the fiscal quarter to which this Quarterly Report on Form 10-Q relates that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Part II. — OTHER INFORMATION

Item 1. Legal Proceedings

There have been no material changes to the legal proceedings previously disclosed under “Legal Proceedings” included in our Annual Report on Form 10-K filed with the SEC on February 28, 2018.

Item 1A. Risk Factors

You should carefully consider the following risks and other information in this Quarterly Report on Form 10-Q in evaluating us and our common stock. Any of the following risks could materially and adversely affect our results of operations or financial condition. The risk factors generally have been separated into the following groups: Risks Related to Our Business, Risks Related to Our Manager, and Risks Related to Our Common Stock.

Risks Related to Our Business

We depend to a great extent on the economies and the demographics of the local communities that we serve, and we are also susceptible to general economic downturns, which have had, and could continue to have, a material and adverse impact on our advertising and circulation revenues and on our profitability.

Our advertising revenues and, to a lesser extent, circulation revenues, depend upon a variety of factors specific to the communities that our publications serve. These factors include, among others, the size and demographic characteristics of the local population, local economic conditions in general and the economic condition of the retail segments of the communities that our publications serve. If the local economy, population or prevailing retail environment of a community we serve experiences a downturn, our publications, revenues and profitability in that market could be adversely affected. Our advertising revenues are also susceptible to negative trends in the general economy that affect consumer spending. The advertisers in our newspapers and other publications and related websites are primarily retail businesses that can be significantly affected by regional or national economic downturns and other developments. For example, many traditional retail companies continue to face greater competition from online retailers and face uncertainty in their businesses, which has reduced and may continue to reduce their advertising spending. Declines in the U.S. economy could also significantly affect key advertising revenue categories, such as help wanted, real estate and automotive.

Uncertainty and adverse changes in the general economic conditions of markets in which we participate may negatively affect our business.

Current and future conditions in the economy have an inherent degree of uncertainty. As a result, it is difficult to estimate the level of growth or contraction for the economy as a whole. It is even more difficult to estimate growth or contraction in various parts, sectors and regions of the economy, including the markets in which we participate. Adverse changes may occur as a result of weak global economic conditions, declining oil prices, wavering consumer confidence, unemployment, declines in stock markets, contraction of credit availability, declines in real estate values, natural disasters, or other factors affecting economic conditions in general. These changes may negatively affect the sales of our products, increase exposure to losses from bad debts, increase the cost and decrease the availability of financing, or increase costs associated with publishing and distributing our publications.

Our ability to generate revenues is correlated with the economic conditions of three geographic regions of the United States.

Our Company primarily generates revenue in three geographic regions: the Northeast, the Midwest, and the Southeast. During the six months ended July 1, 2018, approximately 31% of our total revenues were generated in four states in the Northeast: Massachusetts, Pennsylvania, New York, and Rhode Island. During the same period, approximately 23% of our total revenues were generated in three states in the Midwest: Ohio, Illinois, and Nebraska. Also during the same period, approximately 22% of our total revenues were generated in two states in the Southeast: Florida and North Carolina. As a result of this geographic concentration, our financial results, including advertising and circulation revenue, depend largely upon economic conditions in these principal market areas. Accordingly, adverse economic developments within these three regions in particular could significantly affect our consolidated operations and financial results.

Our indebtedness and any future indebtedness may limit our financial and operating activities and our ability to incur additional debt to fund future needs or dividends.

As of July 1, 2018, New Media's outstanding indebtedness consists primarily of the New Media Credit Agreement. The New Media Credit Agreement provided for (i) a $200 million senior secured term facility, (ii) a $25 million senior secured revolving credit facility, with a $5 million sub-facility for letters of credit and a $5 million sub-facility for swing loans and (iii) the ability for us to request one or more new commitments for term loans or revolving loans from time to time up to an aggregate total of $75 million (the "Incremental Facility"), subject to certain conditions. On September 3, 2014, the New Media Credit Agreement was amended to provide for additional term loans under the Incremental Facility in an aggregate principal amount of $25 million. On November 20, 2014, the New Media Credit Agreement was further amended to increase the amount available thereunder for incremental term loans from $75 million to $225 million in order to facilitate the financing of the acquisition of substantially all of the assets from Halifax Media Group LLC. On January 9, 2015, the New Media Credit Agreement was amended to provide for additional term loans and revolving commitments under the Incremental Facility in a combined aggregate principal amount of $152 million and to make certain amendments to the Revolving Credit Facility. On February 13, 2015, the New Media Credit Agreement was amended to, amongst other things, replace the existing term loans with a new class of replacement term loans with extended call protection. On March 6, 2015, the New Media Credit Agreement was amended to provide for $15 million in additional revolving commitments under the Incremental Facility. On May 29, 2015, the New Media Credit Agreement was amended to provide for $25 million in additional term loans under the Incremental Facility. On July 14, 2017, the New Media Credit Agreement was amended to, among other things, (i) extend the maturity date of the outstanding term loans to July 14, 2022 (the "Extended Term Loans"), (ii) provide for a 1.00% prepayment premium for any prepayments of the Extended Term Loans made in connection with certain repricing transactions effected within six months of the date of the amendment, (iii) extend the maturity date of the revolving credit facility to July 14, 2021, (iv) provide for additional dollar-denominated term loans in an aggregate principal amount of $20 million (the "2017 Incremental Term Loans") on the same terms as the Extended Term Loans and (v) increase the amount of the Incremental Facility that may be requested on or after the date of the amendment (inclusive of the 2017 Incremental Term Loans) to $100 million. On February 16, 2018, the New Media Credit Agreement was amended to provide for additional dollar-denominated term loans in an aggregate principal amount of $50 million under the Incremental Facility and a 1.00% prepayment premium for any prepayments of the Extended Term Loans made in connection with certain repricing transactions effected within six months of the date of the amendment.

The Halifax Alabama Credit Agreement, which arose from debt obligations assumed by us in connection with our acquisition of substantially all of the assets from Halifax Media Group LLC on January 9, 2015, is comprised of debt in the principal amount of $8 million that bore interest at the rate of LIBOR plus 6.25% per annum (with a minimum of 1% LIBOR) payable quarterly in arrears. On May 15, 2018, the Halifax Alabama Credit Agreement was amended to reduce the interest rate to 2% per annum. In addition, a 2% prepayment premium will be charged if the balance is paid before December 28, 2018 unless the Advantage Borrowers elect to escrow the remaining principal amount. Subsequent to December 28, 2018, the principal may be repaid without a premium or penalty. The Advantage Alabama Debt matures on March 31, 2019. As of July 1, 2018, $8 million was outstanding under the Halifax Alabama Credit Agreement.

All of the above indebtedness and any future indebtedness we incur could:

- require us to dedicate a portion of cash flow from operations to the payment of principal and interest on indebtedness, including indebtedness we may incur in the future, thereby reducing the funds available for other purposes, including dividends or other distributions;
- subject us to increased sensitivity to increases in prevailing interest rates;
- place us at a competitive disadvantage to competitors with relatively less debt in economic downturns, adverse industry conditions or catastrophic external events; or
- reduce our flexibility in planning for or responding to changing business, industry and economic conditions.

In addition, our indebtedness could limit our ability to obtain additional financing on acceptable terms or at all to fund future acquisitions, working capital, capital expenditures, debt service requirements, general corporate and other purposes, which would have a material effect on our business and financial condition. Our liquidity needs could vary significantly and may be affected by general economic conditions, industry trends, performance and many other factors not within our control.

Each of the New Media Credit Agreement and Halifax Alabama Credit Agreement contains covenants that restrict our operations and may inhibit our ability to grow our business, increase revenues and pay dividends to our stockholders.

The New Media Credit Agreement contains various restrictions, covenants and representations and warranties. If we fail to comply with any of these covenants or breach these representations or warranties in any material respect, such noncompliance would constitute a default under the New Media Credit Agreement (subject to applicable cure periods), and the lenders could elect to declare all amounts outstanding under the agreements related thereto to be immediately due and payable and enforce their respective interests against collateral pledged under such agreements.

The covenants and restrictions in the New Media Credit Agreement generally restrict our ability to, among other things:

- incur or guarantee additional debt;
- make certain investments, loans or acquisitions;
- transfer or sell assets;
- make distributions on capital stock or redeem or repurchase capital stock;
- create or incur liens;
- enter into transactions with affiliates;
- consolidate, merge or sell all or substantially all of our assets; and
- create restrictions on the payment of dividends or other amounts to us from our restricted subsidiaries.

The Halifax Alabama Credit Agreement contains covenants substantially consistent with those contained in the New Media Credit Agreement in addition to those required for compliance with the New Markets Tax Credit program.

The restrictions described above may interfere with our ability to obtain new or additional financing or may affect the manner in which we structure such new or additional financing or engage in other business activities, which may significantly limit or harm our results of operations, financial condition and liquidity. A default and any resulting acceleration of obligations under either the New Media Credit Agreement or Halifax Alabama Credit Agreement could also result in an event of default and declaration of acceleration under our other existing debt agreements. Such an acceleration of our debt would have a material adverse effect on our liquidity and our ability to continue as a going concern. A default under either the New Media Credit Agreement or Halifax Alabama Credit Agreement could also significantly limit our alternatives to refinance both the debt under which the default occurred and other indebtedness. This limitation may significantly restrict our financing options during times of either market distress or our financial distress, which are precisely the times when having financing options is most important.

We may not generate a sufficient amount of cash or generate sufficient funds from operations to fund our operations or repay our indebtedness.

Our ability to make payments on our indebtedness as required depends on our ability to generate cash flow from operations in the future. This ability, to a certain extent, is subject to general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control.

If we do not generate sufficient cash flow from operations to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets, reducing or delaying capital investments or seeking to raise additional capital. We cannot provide assurance that any refinancing would be possible, that any assets could be sold, or, if sold, of the timeliness and amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the finance and credit markets. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would materially affect our business, financial condition and results of operations.

We may not be able to pay dividends in accordance with our announced intent or at all.

We have announced our intent to distribute a portion of our free cash flow generated from operations or other sources as a dividend to our stockholders, through a quarterly dividend, subject to satisfactory financial performance, approval by our Board of Directors and dividend restrictions in the New Media Credit Agreement. The Board of Directors' determinations regarding dividends will depend on a variety of factors, including the Company's GAAP net income, free cash flow generated from

operations or other sources, liquidity position and potential alternative uses of cash, such as acquisitions, as well as economic conditions and expected future financial results. Although we recently paid a first quarter 2018 cash dividend of $0.37 per share of Common Stock and have paid regularly quarterly dividends since the third quarter of 2014, there can be no guarantee that we will continue to pay dividends in the future or that this recent dividend is representative of the amount of any future dividends. Our ability to declare future dividends will depend on our future financial performance, which in turn depends on the successful implementation of our strategy and on financial, competitive, regulatory, technical and other factors, general economic conditions, demand and selling prices for our products and other factors specific to our industry or specific projects, many of which are beyond our control. Therefore, our ability to generate free cash flow depends on the performance of our operations and could be limited by decreases in our profitability or increases in costs, capital expenditures or debt servicing requirements.

We may acquire additional companies with declining cash flow as part of a strategy aimed at stabilizing cash flow through expense reduction and digital expansion. If our strategy is not successful, we may not be able to pay dividends.

We are also dependent on our subsidiaries being able to pay dividends. Our subsidiaries are subject to restrictions on the ability to pay dividends under the various instruments governing their indebtedness. If our subsidiaries incur additional debt or losses, such additional indebtedness or loss may further impair their ability to pay dividends or make other distributions to us. In addition, the ability of our subsidiaries to declare and pay dividends to us will also be dependent on their cash income and cash available and may be restricted under applicable law or regulation. Under Delaware law, approval of the board of directors is required to approve any dividend, which may only be paid out of surplus or net profit for the applicable fiscal year. As a result, we may not be able to pay dividends in accordance with our announced intent or at all.

We have invested in growing our digital business, including UpCurve and including through strategic acquisitions, but such investments may not be successful, which could adversely affect our results of operations.

We continue to evaluate our business and how we intend to grow our digital business. Internal resources and effort are put towards this business and acquisitions are sought to expand this business. In addition, key partnerships have been entered into to assist with our digital business, including UpCurve. We continue to believe that our digital businesses, including UpCurve, offer opportunities for revenue growth to support and, in some cases, offset the revenue trends we have seen in our print business. There can be no assurances that the partnerships we have entered into, the acquisitions we have completed or the internal strategy being employed will result in generating or increasing digital revenues in amounts necessary to stabilize or offset trends in print revenues. In addition, we have a limited history of operations in this area and there can be no assurances that past performance will be indicative of future performance or future trends or that the demand trends for online advertising and services experienced in recent periods will continue. If our digital strategy, including with regard to UpCurve, is not as successful as we anticipate, our financial condition, results of operations and ability to pay dividends could be adversely affected.

Acquisitions have formed a significant part of our growth strategy in the past and are expected to continue to do so. If we are unable to identify suitable acquisition candidates or successfully integrate the businesses we acquire, our growth strategy may not succeed. Acquisitions involve numerous risks, including risks related to integration, and these risks could adversely affect our business, financial condition and results of operations.

Our business strategy relies on acquisitions. We expect to derive a significant portion of our growth by acquiring businesses and integrating those businesses into our existing operations. We continue to seek acquisition opportunities, however we may not be successful in identifying acquisition opportunities, assessing the value, strengths and weaknesses of these opportunities or consummating acquisitions on acceptable terms. Furthermore, suitable acquisition opportunities may not even be made available or known to us. In addition, valuations of potential acquisitions may rise materially, making it economically unfeasible to complete identified acquisitions.

Additionally, our ability to realize the anticipated benefits of the synergies between New Media and our recent or potential future acquisitions of assets or companies will depend, in part, on our ability to appropriately integrate the business of New Media and the businesses of other such acquired companies. The process of acquiring assets or companies may disrupt our business and may not result in the full benefits expected. The risks associated with integrating the operations of New Media and recent and potential future acquisitions include, among others:

- uncoordinated market functions;
- unanticipated issues in integrating the operations and personnel of the acquired businesses;

- the incurrence of indebtedness and the assumption of liabilities;
- the incurrence of significant additional capital expenditures, transaction and operating expenses and non-recurring acquisition-related charges;
- unanticipated adverse impact on our earnings from the amortization or write-off of acquired goodwill and other intangible assets;
- cultural challenges associated with integrating acquired businesses with the operations of New Media;
- not retaining key employees, vendors, service providers, readers and customers of the acquired businesses; and
- the diversion of management's attention from ongoing business concerns.

If we are unable to successfully implement our acquisition strategy or address the risks associated with integrating the operations of New Media and past acquisitions or potential future acquisitions, or if we encounter unforeseen expenses, difficulties, complications or delays frequently encountered in connection with the integration of acquired entities and the expansion of operations, our growth and ability to compete may be impaired, we may fail to achieve acquisition synergies and we may be required to focus resources on integration of operations rather than other profitable areas. Moreover, the success of any acquisition will depend upon our ability to effectively integrate the acquired assets or businesses. The acquired assets or businesses may not contribute to our revenues or earnings to any material extent, and cost savings and synergies we expect at the time of an acquisition may not be realized once the acquisition has been completed. Furthermore, if we incur indebtedness to finance an acquisition, the acquired business may not be able to generate sufficient cash flow to service that indebtedness. Unsuitable or unsuccessful acquisitions could adversely affect our business, financial condition, results of operations, cash flow and ability to pay dividends.

If we are unable to retain and grow our digital audience and advertiser base, our digital businesses will be adversely affected.

Given the ever-growing and rapidly changing number of digital media options available on the internet, we may not be able to increase our online traffic sufficiently and retain or grow a base of frequent visitors to our websites and applications on mobile devices.

We have experienced declines in advertising revenue due in part to advertisers' shift from print to digital media, and we may not be able to create sufficient advertiser interest in our digital businesses to maintain or increase the advertising rates of the inventory on our websites. There can be no assurances that past performance will be indicative of future performance or future trends or that the demand trends for digital advertising and services experienced in recent periods will continue.

In addition, the ever-growing and rapidly changing number of digital media options available on the internet may lead to technologies and alternatives that we are not able to offer or about which we are not able to advise. Such circumstances could directly and adversely affect the availability, applicability, marketability and profitability of the suite of SMB services and the private ad exchange we offer as a significant part of our digital business. Specifically, news aggregation websites and customized news feeds (often free to users) may reduce our traffic levels by driving interaction away from our websites or our digital applications. If traffic levels stagnate or decline, we may not be able to create sufficient advertiser interest in our digital businesses or to maintain or increase the advertising rates of the inventory on our digital platforms. We may also be adversely affected if the use of technology developed to block the display of advertising on websites proliferates.

Technological developments and any changes we make to our business strategy may require significant capital investments. Such investments may be restricted by our current or future credit facilities.

If there is a significant increase in the price of newsprint or a reduction in the availability of newsprint, our results of operations and financial condition may suffer.

A basic raw material for our publications is newsprint. We generally maintain a 45 to 55-day inventory of newsprint. An inability to obtain an adequate supply of newsprint at a favorable price or at all in the future could have a material adverse effect on our ability to produce our publications. Historically, the price of newsprint has been volatile, reaching a high of approximately $823 per metric ton in 2008 and experiencing a low of almost $410 per metric ton in 2002. The average price of newsprint during 2017 was approximately $635 per metric ton. Recent and future consolidation of major newsprint suppliers may adversely affect price competition among suppliers. Tariffs, duties and other restrictions on non-U.S. suppliers of newsprint, including duties recently announced by the United States Department of Commerce, have and may in the future

increase the price of newsprint and/or limit the supply of available newsprint. Significant increases in newsprint costs for properties and periods not covered by our newsprint vendor agreement could have a material adverse effect on our financial condition and results of operations.

We have experienced declines in advertising revenue, and further declines, which could adversely affect our results of operations and financial condition, may occur.

Excluding acquisitions, we have experienced declines in advertising revenue, due in part to advertisers' shift from print to digital media. We continue to search for organic growth opportunities, including in our digital advertising business, and for ways to stabilize print revenue declines through new product launches and pricing. However, there can be no assurance that our advertising revenue will not continue to decline. In addition, the range of advertising choices across digital products and platforms and the large inventory of available digital advertising space have historically resulted in significantly lower rates for digital advertising than for print advertising. Consequently, our digital advertising revenue may not be able to replace print advertising revenue lost as a result of the shift to digital consumption. Further declines in advertising revenue could adversely affect our results of operations and financial condition.

We compete with a large number of companies in the local media industry; if we are unable to compete effectively, our advertising and circulation revenues may decline.

Our business is concentrated in newspapers and other print publications located primarily in small and midsize markets in the United States. Our revenues primarily consist of advertising and paid circulation. Competition for advertising revenues and paid circulation comes from direct mail, directories, radio, television, outdoor advertising, other newspaper publications, the internet and other media. For example, as the use of the internet and mobile devices has increased, we have lost some classified advertising and subscribers to online advertising businesses and our free internet sites that contain abbreviated versions of our publications. Competition for advertising revenues is based largely upon advertiser results, advertising rates, readership, demographics and circulation levels. Competition for circulation is based largely upon the content of the publication and its price and editorial quality. Our local and regional competitors vary from market to market, and many of our competitors for advertising revenues are larger and have greater financial and distribution resources than us. We may incur increased costs competing for advertising expenditures and paid circulation. We may also experience further declines of circulation or print advertising revenue due to alternative media, such as the internet. If we are not able to compete effectively for advertising expenditures and paid circulation, our revenues may decline.

We are undertaking strategic process upgrades that could have a material adverse financial impact if unsuccessful.

We are implementing strategic process upgrades of our business. Among other things we are implementing the standardization and centralization of systems and processes, the outsourcing of certain financial processes and the use of new software for our circulation, advertising and editorial systems. As a result of ongoing strategic evaluation and analysis, we have made and will continue to make changes that, if unsuccessful, could have a material adverse financial impact.

Our business is subject to seasonal and other fluctuations, which affects our revenues and operating results.

Our business is subject to seasonal fluctuations that we expect to continue to be reflected in our operating results in future periods. Our first fiscal quarter of the year tends to be our weakest quarter because advertising volume is at its lowest levels following the December holiday season. Correspondingly, our second and fourth fiscal quarters tend to be our strongest because they include heavy holiday and seasonal advertising. Other factors that affect our quarterly revenues and operating results may be beyond our control, including changes in the pricing policies of our competitors, the hiring and retention of key personnel, wage and cost pressures, distribution costs, changes in newsprint prices and general economic factors.

We could be adversely affected by declining circulation.

Overall daily newspaper circulation, including national and urban newspapers, has declined in recent years. For the year ended December 31, 2017, our circulation revenue increased by $52.8 million, or 12.5%, as compared to the year ended December 25, 2016, of which $49.4 million relates to acquisitions. There can be no assurance that our circulation revenue will not decline again in the future. We have been able to maintain annual circulation revenue from existing operations in recent years through, among other things, increases in per copy prices. However, there can be no assurance that we will be able to continue to increase prices to offset any declines in circulation. Further declines in circulation could impair our ability to maintain or increase our advertising prices, cause purchasers of advertising in our publications to reduce or discontinue those

purchases and discourage potential new advertising customers, all of which could have a material adverse effect on our business, financial condition, results of operations, cash flows and ability to pay dividends.

The increasing popularity of digital media could also adversely affect circulation of our newspapers, which may decrease circulation revenue and cause more marked declines in print advertising. Further, readership demographics and habits may change over time. If we are not successful in offsetting such declines in revenues from our print products, our business, financial condition and prospects will be adversely affected.

The value of our intangible assets may become impaired, depending upon future operating results.

As of July 2, 2018, we reorganized our reporting units to align with our new management structure. The Eastern US Publishing, Central US Publishing ("Central") and Western US Publishing ("West") and Recent Acquisitions operating segments were consolidated into one reporting unit called Newspapers. BridgeTower remains a separate reporting unit. Due to the change in the composition of the reporting units, the Company performed an additional goodwill impairment test and assessment of mastheads for impairment after the reorganization. Fair values of the reporting units were determined to be greater than the carrying value of the reporting units. And, the estimated fair value exceeded carrying value for all mastheads, so there was no impairment.

At July 1, 2018 the carrying value of our goodwill is $288.4 million, mastheads is $114.2 million, and amortizable intangible assets is $362.7 million. The indefinite-lived assets are subject to annual impairment testing and more frequent testing upon the occurrence of certain events or significant changes in our circumstances that indicate all or a portion of their carrying values may no longer be recoverable, in which case a non-cash charge to earnings may be necessary in the relevant period. We may subsequently experience market pressures which could cause future cash flows to decline below our current expectations, or volatile equity markets could negatively impact market factors used in the impairment analysis, including earnings multiples, discount rates, and long-term growth rates. Any future evaluations requiring an asset impairment charge for goodwill or other intangible assets would adversely affect future reported results of operations and shareholders' equity.

As a result of the annual impairment assessment, as of June 25, 2017, we recorded a goodwill impairment in two of our reporting units, Central and West, for a total of $25.6 million, representing a full impairment of the goodwill then recorded in the West reporting unit and a partial impairment of the goodwill in then recorded in the Central reporting unit. Additionally, the estimated fair value exceeded carrying value for mastheads except in the West reporting unit, for which we recognized an impairment charge of $1.8 million.

For further information on goodwill and intangible assets, see Note 5 to the consolidated financial statements, "Goodwill and Intangible Assets".

We are subject to environmental and employee safety and health laws and regulations that could cause us to incur significant compliance expenditures and liabilities.

Our operations are subject to federal, state and local laws and regulations pertaining to the environment, storage tanks and the management and disposal of wastes at our facilities. Under various environmental laws, a current or previous owner or operator of real property may be liable for contamination resulting from the release or threatened release of hazardous or toxic substances or petroleum at that property. Such laws often impose liability on the owner or operator without regard to fault, and the costs of any required investigation or cleanup can be substantial. Although in connection with certain of our acquisitions we have rights to indemnification for certain environmental liabilities, these rights may not be sufficient to reimburse us for all losses that we might incur if a property acquired by us has environmental contamination. In addition, although in connection with certain of our acquisitions we have obtained insurance policies for coverage for certain potential environmental liabilities, these policies have express exclusions to coverage as well as express limits on amounts of coverage and length of term. Accordingly, these insurance policies may not be sufficient to provide coverage for us for all losses that we might incur if a property acquired by us has environmental contamination.

Our operations are also subject to various employee safety and health laws and regulations, including those pertaining to occupational injury and illness, employee exposure to hazardous materials and employee complaints. Environmental and employee safety and health laws tend to be complex, comprehensive and frequently changing. As a result, we may be involved from time to time in administrative and judicial proceedings and investigations related to environmental and employee safety and health issues. These proceedings and investigations could result in substantial costs to us, divert our management's attention and adversely affect our ability to sell, lease or develop our real property. Furthermore, if it is determined that we are

not in compliance with applicable laws and regulations, or if our properties are contaminated, it could result in significant liabilities, fines or the suspension or interruption of the operations of specific printing facilities.

Future events, such as changes in existing laws and regulations, new laws or regulations or the discovery of conditions not currently known to us, may give rise to additional compliance or remedial costs that could be material.

Sustained increases in costs of employee health and welfare benefits may reduce our profitability. Moreover, our pension plan obligations are currently underfunded, and we may have to make significant cash contributions to our plans, which could reduce the cash available for our business.

In recent years, we have experienced significant increases in the cost of employee medical benefits because of economic factors beyond our control, including increases in health care costs. At least some of these factors may continue to put upward pressure on the cost of providing medical benefits. Although we have actively sought to control increases in these costs, there can be no assurance that we will succeed in limiting cost increases, and continued upward pressure could reduce the profitability of our businesses.

Our pension and postretirement plans were underfunded by $25.2 million at July 1, 2018. Our pension plans invest in a variety of equity and debt securities. Future volatility and disruption in the stock markets could cause declines in the asset values of our pension plans. In addition, a decrease in the discount rate used to determine minimum funding requirements could result in increased future contributions. If either occurs, we may need to make additional pension contributions above what is currently estimated, which could reduce the cash available for our businesses.

We may not be able to protect intellectual property rights upon which our business relies and, if we lose intellectual property protection, our assets may lose value.

Our business depends on our intellectual property, including, but not limited to, our titles, mastheads, content and services, which we attempt to protect through patents, copyrights, trade laws and contractual restrictions, such as confidentiality agreements. We believe our proprietary and other intellectual property rights are important to our success and our competitive position.

Despite our efforts to protect our proprietary rights, unauthorized third parties may attempt to copy or otherwise obtain and use our content, services and other intellectual property, and we cannot be certain that the steps we have taken will prevent any misappropriation or confusion among consumers and merchants, or unauthorized use of these rights. If we are unable to procure, protect and enforce our intellectual property rights, we may not realize the full value of these assets, and our business may suffer. If we must litigate to enforce our intellectual property rights or determine the validity and scope of the proprietary rights of third parties, such litigation may be costly and divert the attention of our management from day-to-day operations.

We depend on key personnel and we may not be able to operate or grow our business effectively if we lose the services of any of our key personnel or are unable to attract qualified personnel in the future.

The success of our business is heavily dependent on our ability to retain our management and other key personnel and to attract and retain qualified personnel in the future. Competition for senior management personnel is intense, and we may not be able to retain our key personnel. Although we have entered into employment agreements with certain of our key personnel, these agreements do not ensure that our key personnel will continue in their present capacity with us for any particular period of time. We do not have key man insurance for any of our current management or other key personnel. The loss of any key personnel would require our remaining key personnel to divert immediate and substantial attention to seeking a replacement. An inability to find a suitable replacement for any departing executive officer on a timely basis could adversely affect our ability to operate or grow our business.

A shortage of skilled or experienced employees in the media industry, or our inability to retain such employees, could pose a risk to achieving improved productivity and reducing costs, which could adversely affect our profitability.

Production and distribution of our various publications requires skilled and experienced employees. A shortage of such employees, or our inability to retain such employees, could have an adverse impact on our productivity and costs, our ability to expand, develop and distribute new products and our entry into new markets. The cost of retaining or hiring such employees could exceed our expectations which could adversely affect our results of operations.

A number of our employees are unionized, and our business and results of operations could be adversely affected if current or additional labor negotiations or contracts were to further restrict our ability to maximize the efficiency of our operations.

As of July 1, 2018, we employed 11,096 employees, of whom 1,325 (or approximately 12%) were represented by 39 unions. 80% of the unionized employees are in four states: Ohio, Rhode Island, Massachusetts and Illinois and represent 34%, 19%, 14% and 13% of all our union employees, respectively. In addition, in July 2018 the newsroom employees at one of our Florida newspapers elected to form a union.

Although our newspapers have not experienced a union strike in the recent past nor do we anticipate a union strike to occur, we cannot preclude the possibility that a strike may occur at one or more of our newspapers at some point in the future. We believe that, in the event of a newspaper strike, we would be able to continue to publish and deliver to subscribers, which is critical to retaining advertising and circulation revenues, although there can be no assurance of this. Further, settlement of actual or threatened labor disputes or an increase in the number of our employees covered by collective bargaining agreements can have unknown effects on our labor costs, productivity and flexibility.

The collectability of accounts receivable under adverse economic conditions could deteriorate to a greater extent than provided for in our financial statements and in our projections of future results.

Adverse economic conditions in the United States may increase our exposure to losses resulting from financial distress, insolvency and the potential bankruptcy of our advertising customers. Our accounts receivable are stated at net estimated realizable value, and our allowance for doubtful accounts has been determined based on several factors, including receivable agings, significant individual credit risk accounts and historical experience. If such collectability estimates prove inaccurate, adjustments to future operating results could occur.

Our potential inability to successfully execute cost control measures could result in greater than expected total operating costs.

We have implemented general cost control measures, and we expect to continue such cost control efforts in the future. If we do not achieve expected savings as a result of such measures or if our operating costs increase as a result of our growth strategy, our total operating costs may be greater than expected. In addition, reductions in staff and employee benefits could affect our ability to attract and retain key employees.

We rely on revenue from the printing of publications for third parties that may be subject to many of the same business and industry risks that we are.

In 2017, we generated approximately 6.4% of our revenue from printing third-party publications, and our relationships with these third parties are generally pursuant to short-term contracts. As a result, if the macroeconomic and industry trends described herein such as the sensitivity to perceived economic weakness of discretionary spending available to advertisers and subscribers, circulation declines, shifts in consumer habits and the increasing popularity of digital media affect those third parties, we may lose, in whole or in part, a substantial source of revenue.

A decision by any of the three largest national publications or the major local publications to cease publishing in those markets, or seek alternatives to their current business practice of partnering with us, could materially impact our profitability.

Our possession and use of personal information and the use of payment cards by our customers present risks and expenses that could harm our business. Unauthorized access to or disclosure or manipulation of such data, whether through breach of our network security or otherwise, could expose us to liabilities and costly litigation and damage our reputation.

Our online systems store and process confidential subscriber and other sensitive data, such as names, email addresses, addresses, and other personal information. Therefore, maintaining our network security is critical. Additionally, we depend on the security of our third-party service providers. Unauthorized use of or inappropriate access to our, or our third-party service providers' networks, computer systems and services could potentially jeopardize the security of confidential information, including payment card (credit or debit) information, of our customers. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and often are not recognized until launched against a target, we or our third-party service providers may be unable to anticipate these techniques or to implement adequate preventative measures. Non-technical means, for example, actions by an employee, can also result in a data breach. A party that is able to circumvent our security measures could misappropriate our proprietary information or the information of our customers or users, cause interruption in our operations, or damage our computers or those of our customers or users. As a result of any such breaches, customers or users may assert claims of liability against us and these activities may subject us to legal claims, adversely impact our reputation, and interfere with our ability to provide our products and services, all of which

may have an adverse effect on our business, financial condition and results of operations. The coverage and limits of our insurance policies may not be adequate to reimburse us for losses caused by security breaches.

A significant number of our customers authorize us to bill their payment card accounts directly for all amounts charged by us. These customers provide payment card information and other personally identifiable information which, depending on the particular payment plan, may be maintained to facilitate future payment card transactions. Under payment card rules and our contracts with our card processors, if there is a breach of payment card information that we store, we could be liable to the banks that issue the payment cards for their related expenses and penalties. In addition, if we fail to follow payment card industry data security standards, even if there is no compromise of customer information, we could incur significant fines or lose our ability to give our customers the option of using payment cards. If we were unable to accept payment cards, our business would be seriously harmed.

There can be no assurance that any security measures we, or our third-party service providers, take will be effective in preventing a data breach. We may need to expend significant resources to protect against security breaches or to address problems caused by breaches. If an actual or perceived breach of our security occurs, the perception of the effectiveness of our security measures could be harmed and we could lose customers or users. Failure to protect confidential customer data or to provide customers with adequate notice of our privacy policies could also subject us to liabilities imposed by United States federal and state regulatory agencies or courts. We could also be subject to evolving state laws that impose data breach notification requirements, specific data security obligations, or other consumer privacy-related requirements. Our failure to comply with any of these laws or regulations may have an adverse effect on our business, financial condition and results of operations.

Risks Related to Our Manager

We are dependent on our Manager and may not find a suitable replacement if our Manager terminates the Management Agreement and the inability of our Manager to retain or obtain key personnel could delay or hinder implementation of our investment strategies, which could impair our ability to make distributions and could reduce the value of your investment.

Some of our officers and other individuals who perform services for us are employees of our Manager. We are reliant on our Manager, which has significant discretion as to the implementation of our operating policies and strategies, to conduct our business. We are subject to the risk that our Manager will terminate the Management Agreement and that we will not be able to find a suitable replacement for our Manager in a timely manner, at a reasonable cost or at all. Furthermore, we are dependent on the services of certain key employees of our Manager whose compensation may be partially or entirely dependent upon the amount of incentive or management compensation earned by our Manager and whose continued service is not guaranteed, and the loss of such services could adversely affect our operations. If any of these people were to cease their affiliation with us or our Manager, either we or our Manager may be unable to find suitable replacements, and our operating results could suffer. We believe that our future success depends, in large part, upon our Manager's ability to hire and retain highly skilled personnel. Competition for highly skilled personnel is intense, and our Manager may be unsuccessful in attracting and retaining such skilled personnel. If we lose or are unable to obtain the services of highly skilled personnel, our ability to implement our investment strategies could be delayed or hindered and this could materially adversely affect our business, results of operations, financial condition and ability to make distributions to our stockholders.

On December 27, 2017, SoftBank announced that it completed the SoftBank Merger. Fortress operates within SoftBank as an independent business headquartered in New York. There can be no assurance that the SoftBank Merger will not have an impact on us or our relationship with the Manager.

There are conflicts of interest in our relationship with our Manager.

Our Management Agreement with our Manager was not negotiated between unaffiliated parties, and its terms, including fees payable, although approved by the independent directors of both Newcastle (our parent prior to the spin-off of the Company) and New Media as fair, may not be as favorable to us as if they had been negotiated with an unaffiliated third party.

There are conflicts of interest inherent in our relationship with our Manager insofar as our Manager and its affiliates—including investment funds, private investment funds, or businesses managed by our Manager—invest in media assets and whose investment objectives overlap with our investment objectives. Certain investments appropriate for us may also be appropriate for one or more of these other investment vehicles. Certain members of our Board of Directors and employees of our Manager who may be officers also serve as officers and/or directors of these other entities. Although we have the same Manager, we may compete with entities affiliated with our Manager or Fortress for certain target assets. From time to time,

affiliates of Fortress focus on investments in assets with a similar profile as our target assets that we may seek to acquire. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. In addition, with respect to Fortress funds in the process of selling investments, our Manager may be incentivized to regard the sale of such assets to us positively, particularly if a sale to an unrelated third party would result in a loss of fees to our Manager.

Our Management Agreement with our Manager does not prevent our Manager or any of its affiliates, or any of their officers and employees, from engaging in other businesses or from rendering services of any kind to any other person or entity, including investment in, or advisory service to others investing in, any type of media or media related investment, including investments which meet our principal investment objectives. Our Manager may engage in additional investment opportunities related to media assets in the future, which may cause our Manager to compete with us for investments or result in a change in our current investment strategy. In addition, our certificate of incorporation provides that if Fortress or an affiliate or any of their officers, directors or employees acquire knowledge of a potential transaction or matter that may be a corporate opportunity, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us, our stockholders or our affiliates. In the event that any of our directors and officers who is also a director, officer or employee of Fortress or its affiliates acquires knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person's capacity as a director or officer of ours and such person acts in good faith, then to the fullest extent permitted by law such person is deemed to have fully satisfied such person's fiduciary duties owed to us and is not liable to us if Fortress or its affiliates pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

The ability of our Manager and its officers and employees to engage in other business activities, subject to the terms of our Management Agreement with our Manager, may reduce the amount of time our Manager, its officers or other employees spend managing us. In addition, we may engage in material transactions with our Manager or another entity managed by our Manager or one of its affiliates, which may present an actual, potential or perceived conflict of interest. It is possible that actual, potential or perceived conflicts could give rise to investor dissatisfaction, litigation or regulatory enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential, actual or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially adversely affect our business in a number of ways, including causing an inability to raise additional funds, a reluctance of counterparties to do business with us, a decrease in the prices of our equity securities and a resulting increased risk of litigation and regulatory enforcement actions.

The management compensation structure that we have agreed to with our Manager, as well as compensation arrangements that we may enter into with our Manager in the future (in connection with new lines of business or other activities), may incentivize our Manager to invest in high risk investments. In addition to its management fee, our Manager is currently entitled to receive incentive compensation. In evaluating investments and other management strategies, the opportunity to earn incentive compensation may lead our Manager to place undue emphasis on the maximization of such measures at the expense of other criteria, such as preservation of capital, in order to achieve higher incentive compensation. Investments with higher yield potential are generally riskier or more speculative than lower-yielding investments. Moreover, because our Manager receives compensation in the form of options in connection with the completion of our equity offerings, our Manager may be incentivized to cause us to issue additional stock, which could be dilutive to existing stockholders.

It would be difficult and costly to terminate our Management Agreement with our Manager.

It would be difficult and costly for us to terminate our Management Agreement with our Manager. After its initial three-year term, the Management Agreement is automatically renewed for one-year terms unless (i) a majority consisting of at least two-thirds of our independent directors, or a simple majority of the holders of outstanding shares of our common stock, reasonably agree that there has been unsatisfactory performance by our Manager that is materially detrimental to us or (ii) a simple majority of our independent directors agree that the management fee payable to our Manager is unfair, subject to our Manager's right to prevent such a termination by agreeing to continue to provide the services under the Management Agreement at a fee that our independent directors have determined to be fair. If we elect not to renew the Management Agreement, our Manager will be provided not less than 60 days' prior written notice. In the event we terminate the Management Agreement, our Manager will be paid a termination fee equal to the amount of the management fee earned by the Manager during the 12-month period immediately preceding such termination. In addition, following any termination of the Management Agreement, our Manager may require us to purchase its right to receive incentive compensation at a price determined as if our assets were sold for their then current fair market value or otherwise we may continue to pay the incentive

compensation to our Manager. These provisions may increase the effective cost to us of terminating the Management Agreement, thereby adversely affecting our ability to terminate our Manager without cause.

Our Board of Directors does not approve each investment decision made by our Manager. In addition, we may change our investment strategy without a stockholder vote, which may result in our making investments that are different, riskier or less profitable than our current investments.

Our Manager has great latitude in determining the types and categories of assets it may decide are proper investments for us, including the latitude to invest in types and categories of assets that may differ from those in which we currently invest. Our board of directors periodically reviews our investment portfolio. However, our Board of Directors does not review or pre-approve each proposed investment or our related financing arrangements. In addition, in conducting periodic reviews, our Board of Directors relies primarily on information provided to them by our Manager. Furthermore, transactions entered into by our Manager may be difficult or impossible to unwind by the time they are reviewed by our Board of Directors even if the transactions contravene the terms of the Management Agreement. In addition, we may change our investment strategy, including our target asset classes, without a stockholder vote.

Our investment strategy may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets in which we invest and our ability to finance such assets on a short- or long-term basis. Investment opportunities that present unattractive risk-return profiles relative to other available investment opportunities under particular market conditions may become relatively attractive under changed market conditions, and changes in market conditions may therefore result in changes in the investments we target. Decisions to make investments in new asset categories present risks that may be difficult for us to adequately assess and could therefore reduce our ability to pay dividends on our common stock or have adverse effects on our liquidity or financial condition. A change in our investment strategy may also increase our exposure to interest rate, real estate market or credit market fluctuations. In addition, a change in our investment strategy may increase the guarantee obligations we agree to incur or increase the number of transactions we enter into with affiliates. Our failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect our results of operations and our financial condition.

Our Manager will not be liable to us for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of our investments.

Pursuant to our Management Agreement, our Manager assumes no responsibility other than to render the services called for thereunder in good faith and shall not be responsible for any action of our Board of Directors in following or declining to follow its advice or recommendations. Our Manager, its members, managers, officers and employees will not be liable to us or any of our subsidiaries, to our Board of Directors, or our or any subsidiary's stockholders or partners for any acts or omissions by our Manager, its members, managers, officers or employees, except by reason of acts constituting bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement. We shall, to the full extent lawful, reimburse, indemnify and hold our Manager, its members, managers, officers and employees, and each other person, if any, controlling our Manager, harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of our Manager's duties under our Management Agreement and not constituting such indemnified party's bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement.

Our Manager's due diligence of investment opportunities or other transactions may not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Our Manager intends to conduct due diligence with respect to each investment opportunity or other transaction it pursues. It is possible, however, that our Manager's due diligence processes will not uncover all relevant facts, particularly with respect to any assets we acquire from third parties. In these cases, our Manager may be given limited access to information about the investment and will rely on information provided by the target of the investment. In addition, if investment opportunities are scarce, the process for selecting bidders is competitive, or the timeframe in which we are required to complete diligence is short, our ability to conduct a due diligence investigation may be limited, and we would be required to make investment decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, investments and other transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

Because we are dependent upon our Manager and its affiliates to conduct our operations, any adverse changes in the financial health of our Manager or its affiliates or our relationship with them could hinder our Manager's ability to successfully manage our operations.

We are dependent on our Manager and its affiliates to manage our operations and acquire and manage our investments. Under the direction of our Board of Directors, our Manager makes all decisions with respect to the management of our company. To conduct its operations, our Manager depends upon the fees and other compensation that it receives from us in connection with managing our company and from other entities and investors with respect to investment management services it provides. Any adverse changes in the financial condition of our Manager or its affiliates, or our relationship with our Manager, could hinder our Manager's ability to successfully manage our operations, which would materially adversely affect our business, results of operations, financial condition and ability to make distributions to our stockholders. For example, adverse changes in the financial condition of our Manager could limit its ability to attract key personnel.

Risks Related to our Common Stock

There can be no assurance that the market for our stock will provide you with adequate liquidity.

The market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control. These factors include, without limitation:

- our business profile and market capitalization may not fit the investment objectives of any stockholder;
- a shift in our investor base;
- our quarterly or annual earnings, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our Common Stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- the operating and stock price performance of other comparable companies;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general and recently have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the trading price of our Common Stock. Additionally, these and other external factors have caused and may continue to cause the market price and demand for our Common Stock to fluctuate, which may limit or prevent investors from readily selling their shares of Common Stock, and may otherwise negatively affect the liquidity of our common stock.

Sales or issuances of shares of our common stock could adversely affect the market price of our Common Stock.

Sales of substantial amounts of shares of our Common Stock in the public market, or the perception that such sales might occur, could adversely affect the market price of our Common Stock. The issuance of our common stock in connection with property, portfolio or business acquisitions or the settlement of awards that may be granted under our Incentive Plan (as defined below) or otherwise could also have an adverse effect on the market price of our Common Stock.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. We continue to seek acquisition opportunities, and such potential acquisitions may result in a change to our internal control over financial reporting that may materially affect our internal control over financial reporting. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our

business, or changes in applicable accounting rules. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that internal controls were effective. If we are not able to maintain or document effective internal control over financial reporting, our management and our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. Matters impacting our internal controls may cause us to be unable to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in our internal control over financial reporting. This could materially adversely affect us by, for example, leading to a decline in our share price and impairing our ability to raise capital, if and when desirable.

The percentage ownership of existing shareholders in New Media may be diluted in the future.

We have issued and may continue to issue equity in order to raise capital or in connection with future acquisitions and strategic investments, which would dilute investors' percentage ownership in New Media. In addition, your percentage ownership may be diluted if we issue equity instruments such as debt and equity financing.

The percentage ownership of existing shareholders in New Media may also be diluted in the future as result of the issuance of ordinary shares in New Media upon the exercise of 10-year warrants (the "New Media Warrants"). The New Media Warrants collectively represent the right to acquire New Media Common Stock, which in the aggregate are equal to 5% of New Media Common Stock outstanding as of November 26, 2013 (calculated prior to dilution from shares of New Media Common Stock issued pursuant to Newcastle's contribution of Local Media Group Holdings LLC and assignment of related stock purchase agreement to New Media (the "Local Media Contribution")) at a strike price of $46.35 calculated based on a total equity value of New Media prior to the Local Media Contribution of $1.2 billion as of November 26, 2013. As a result, New Media Common Stock may be subject to dilution upon the exercise of such New Media Warrants.

Furthermore, the percentage ownership in New Media may be diluted in the future because of additional equity awards that we expect will be granted to our Manager pursuant to our Management Agreement. Upon the successful completion of an offering of shares of our Common Stock or any shares of preferred stock, we shall pay and issue to our Manager options to purchase our Common Stock equal to 10% of the number of shares sold in the offering, with an exercise price equal to the offering price per share paid by the public or other ultimate purchaser in the offering. On February 3, 2014, the Board of Directors adopted the New Media Investment Group Inc. Nonqualified Stock Option and Incentive Award Plan (the "Incentive Plan"), which provides for the grant of equity and equity-based awards, including restricted stock, stock options, stock appreciation rights, performance awards, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisors of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. Any future grant would cause further dilution. We initially reserved 15 million shares of our Common Stock for issuance under the Incentive Plan; on the first day of each fiscal year beginning during the ten-year term of the Incentive Plan in and after calendar year 2015, that number will be increased by a number of shares of our Common Stock equal to 10% of the number of shares of our Common Stock newly issued by us during the immediately preceding fiscal year (and, in the case of fiscal year 2014, after the effective date of the Incentive Plan). In January 2018 and 2017, the number of shares reserved for issuance under the Incentive Plan was increased by 20,276 and 107,023, respectively, representing 10% of the shares of Common Stock newly issued in fiscal year 2017 and 2016, respectively.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws and of Delaware law may prevent or delay an acquisition of our company, which could decrease the trading price of our Common Stock.

Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our Board rather than to attempt a hostile takeover. These provisions provide for:

- amendment of provisions in our amended and restated certificate of incorporation and amended and restated bylaws regarding the election of directors, classes of directors, the term of office of directors, the filling of director vacancies and the resignation and removal of directors only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;

- amendment of provisions in our amended and restated certificate of incorporation regarding corporate opportunity only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- removal of directors only for cause and only with the affirmative vote of at least 80% of the voting interest of stockholders entitled to vote in the election of directors;
- our Board to determine the powers, preferences and rights of our preferred stock and to issue such preferred stock without stockholder approval;
- provisions in our amended and restated certificate of incorporation and amended and restated bylaws prevent stockholders from calling special meetings of our stockholders;
- advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings;
- a prohibition, in our amended and restated certificate of incorporation, stating that no holder of shares of our Common Stock will have cumulative voting rights in the election of directors, which means that the holders of majority of the issued and outstanding shares of our Common Stock can elect all the directors standing for election; and
- action by our stockholders outside a meeting, in our amended and restated certificate of incorporation and our amended and restated bylaws, only by unanimous written consent.

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or a change in our management and Board and, as a result, may adversely affect the market price of our Common Stock and your ability to realize any potential change of control premium.

We are not required to repurchase our common stock, and any such repurchases may not result in effects we anticipated.

We have authorization from our Board of Directors to repurchase up to $100 million of the Company's common stock through May 18, 2019. We are not obligated to repurchase any specific amount of shares. The timing and amount of repurchases, if any, depends on several factors, including market and business conditions, the market price of shares of our common stock and our overall capital structure and liquidity position, including the nature of other potential uses of cash, not limited to investments in growth. There can be no assurance that any repurchases will have the effects we anticipated, and our repurchases will utilize cash that we will not be able to use in other ways, whether to grow the business or otherwise.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased		Weighted-Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan or Programs	Approximate Number of Shares that May Yet Be Purchased Under the Plan or Programs
April 2, 2018 through May 6, 2018	1,097	(1)	$ 16.94	—	5,285,691
May 7, 2018 through June 3, 2018	—		$ —	—	5,285,691
June 4, 2018 through July 1, 2018	—		$ —	—	$ 5,285,691
Total	1,097			—	

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(1) Pursuant to the "withhold to cover" method for collecting and paying withholding taxes for our employees upon the vesting of restricted securities, we withheld from certain employees the shares noted in the table above to cover such statutory minimum tax withholdings. These transactions took place outside of a publicly-announced repurchase plan. The weighted-average price per share listed in the above table is the weighted-average of the fair market prices at which we calculated the number of shares withheld to cover tax withholdings for the employees.

The Board of Directors authorized an extension of the Company’s previously announced authorization to repurchase up to $100 million of the Company's common stock (the "Share Repurchase Program") through May 18, 2019. Under the Share Repurchase Program, the Company may purchase its shares from time to time in the open market or in privately negotiated transactions.

Item 3. Defaults Upon Senior Securities

Not applicable

Item 4. Mine Safety Disclosures

Not applicable

Item 5. Other Information

Not applicable

Item 6. Exhibits

See Index to Exhibits on page 57 of this Quarterly Report on Form 10-Q.

Exhibit No.	Description
*3.1	Amended and Restated Certificate of Incorporation of New Media Investment Group Inc. (included herewith).
*3.2	Amended and Restated Bylaws of New Media Investment Group Inc. (included herewith).
* 31.1	Rule 13a-14(a)/15d-14(d) Certification of Principal Executive Officer under the Securities Exchange Act of 1934 (included herewith).
* 31.2	Rule 13a-14(a)/15d-14(d) Certification of Principal Financial Officer under the Securities Exchange Act of 1934 (included herewith).
* 32.1	Section 1350 Certifications (included herewith).
* 101.INS	XBRL Instance Document
* 101.SCH	XBRL Taxonomy Extension Schema
* 101.CAL	XBRL Taxonomy Extension Calculation Linkbase
* 101.DEF	XBRL Taxonomy Extension Definition Linkbase
* 101.LAB	XBRL Taxonomy Extension Label Linkbase
* 101.PRE	XBRL Taxonomy Extension Presentation Linkbase

* Filed herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

NEW MEDIA INVESTMENT GROUP INC.

Date: August 2, 2018

/s/ Gregory W. Freiberg
Gregory W. Freiberg
Chief Financial Officer
(Principal Financial and Accounting Officer)

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Section 2: EX-3.1 (EXHIBIT 3.1)

Exhibit 3.1

AMENDED AND RESTATED CERTIFICATE OF INCORPORATION
OF
NEW MEDIA INVESTMENT GROUP INC.

_____

Pursuant to the
Delaware General Corporation Law

_____

New Media Investment Group Inc. (the "Corporation"), a corporation organized and existing under the General Corporation Law of the State of Delaware (the "DGCL"), does hereby certify as follows:

(1) The original certificate of incorporation of the Corporation was filed with the office of the Secretary of State of the State of Delaware on June 18, 2013.

(2) This amended and restated certificate of incorporation (this "Amended and Restated Certificate of Incorporation") was duly adopted by the board of directors of the Corporation (the "Board of Directors") and by the stockholders of the Corporation in accordance with Sections 228, 242 and 245 of the DGCL.

(3) This Amended and Restated Certificate of Incorporation restates and integrates and amends the certificate of incorporation of the Corporation as heretofore amended and/or restated.

(4) Effective as of May 29, 2018, the text of the certificate of incorporation of the Corporation is amended and restated in its entirety as follows:

FIRST: The name of the Corporation is New Media Investment Group Inc.

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Wilmington, New Castle County, Delaware 19801. The name of its registered agent at that address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the DGCL.

FOURTH: (a) Authorized Capital Stock. The total number of shares of stock that the Corporation shall have authority to issue is two billion, three hundred thousand (2,000,300,000) shares of capital stock, consisting of (i) two billion (2,000,000,000) shares of common stock, par value $0.01 per share (the "Common Stock") and (ii) three hundred thousand (300,000) shares of preferred stock, par value $0.01 per share (the "Preferred Stock").

(b) Common Stock. The powers, preferences and rights, and the qualifications, limitations and restrictions, of the Common Stock are as follows:

(1) Voting. Except as otherwise expressly provided herein or required by law or the relevant Preferred Stock Designation (as defined in Part (c) of this Article FOURTH) of any class or series of Preferred Stock, each holder of record of shares of Common Stock shall be entitled to vote at all meetings of the stockholders and shall have one vote for each share held by such holder of record.

(2) Dividends. Subject to applicable law and the preferential rights as to dividends of the holders of all classes or series of stock at the time outstanding, the holders of shares of Common Stock shall be entitled to receive, when and as declared by the Board of Directors, out of funds of the Corporation legally available therefor, such dividends as may be declared from time to time by the Board of Directors.

(3) Liquidation. In the event of any liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary (a "Liquidation Event"), the holders of shares of Common Stock shall be entitled to receive, subject to the preferential rights as to distributions upon such Liquidation Event of each of the creditors of the Corporation and the holders of all classes or series of stock at the time outstanding, their ratable and proportionate share of the remaining assets of the Corporation. The term "Liquidation Event" shall not be deemed to be occasioned by or to include any voluntary consolidation or merger of the Corporation with or into any other corporation or entity or other corporations or entities or a sale, lease, or conveyance of all or a part of the Corporation's assets.

(4) No Cumulative Voting Rights. No holder of shares of Common Stock shall have cumulative voting rights.

(5) No Preemptive Rights. No holder of shares of Common Stock shall be entitled to preemptive, subscription, redemption, or conversion rights.

(c) Preferred Stock.

(1) The Board of Directors is hereby expressly authorized to provide for the issuance of all or any shares of the Preferred Stock in one or more classes or series, by filing a certificate pursuant to §151(g) of the DGCL (hereinafter referred to as a "Preferred Stock Designation"), to establish from time to time the number of shares to be included in each such series, and to fix for each such class or series such voting powers, full or limited, or no voting powers, and such designations, preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be authorized by the Board of Directors and stated in the applicable Preferred Stock Designation, providing for the issuance of such class or series, including, without limitation, the authority to provide that any such class or series may be (i) subject to redemption at such time or times and at such price or prices; (ii) entitled to receive dividends (which may be cumulative or non-cumulative) at such rates, on such conditions, and at such times, and payable in preference to, or in such relation to, the dividends payable on any other class or classes or any other series; (iii) entitled to such rights upon the dissolution of, or upon any distribution of the assets of, the Corporation; or (iv) convertible into, or exchangeable for, shares of any other class or classes of stock, or of any other series of the same or any other class or classes of stock, of the

Corporation at such price or prices or at such rates of exchange and with such adjustments; all as may be stated in such resolution or resolutions.

(2) The Common Stock shall be subject to the express terms of any series of Preferred Stock. Except as required by a Preferred Stock Designation or applicable law, holders of Preferred Stock shall not be entitled to vote at or receive notice of any meeting of stockholders.

(d) Power to Sell and Purchase Shares. Subject to the requirements of applicable law, the Corporation shall have the power to issue and sell all or any part of any shares of any class of stock herein or hereafter authorized to such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not greater consideration could be received upon the issue or sale of the same number of shares of another class, and as otherwise permitted by law. Subject to the requirements of applicable law, the Corporation shall have the power to purchase any shares of any class of stock herein or hereafter authorized from such persons, and for such consideration, as the Board of Directors shall from time to time, in its discretion, determine, whether or not less consideration could be paid upon the purchase of the same number of shares of another class, and as otherwise permitted by law.

(e) Non-Voting Stock. Notwithstanding anything herein to the contrary, the Corporation shall not be authorized to issue non-voting capital stock of any class, series or other designation to the extent prohibited by Section l 123(a)(6) of chapter 11 of title 11 of the United States Code, as amended (the "Bankruptcy Code"); provided, however, that the foregoing restriction shall (i) have no further force and effect beyond that required under Section l123(a)(6) of the Bankruptcy Code, (ii) only have such force and effect for so long as such Section l123(a)(6) is in effect and applies to the Corporation and (iii) be deemed void or eliminated if required under applicable law.

FIFTH: The following provisions are inserted for the management of the business and the conduct of the affairs of the Corporation, and for further definition, limitation and regulation of the powers of the Corporation and of its directors and stockholders.

(a) Number. The business and affairs of the Corporation shall be managed by or under the direction of a Board of Directors consisting of not fewer than three nor more than eleven members, the exact number of which shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the Entire Board of Directors.

(b) Removal. Subject to the rights, if any, of the holders of shares of Preferred Stock then outstanding, any director or the Entire Board of Directors may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 80% of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote in the election of directors (the "Voting Shares"), provided, however, that for so long as the Fortress Stockholders (as defined in Part (a) of Article ELEVENTH), collectively, beneficially own (as defined in Part (a) of Article ELEVENTH) at least 20% of the then issued and outstanding Voting Shares, any director or the Entire Board of Directors may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least a majority of the voting power of the then issued and outstanding Voting Shares. The vacancy or vacancies in the

Board of Directors caused by any such removal shall be filled by the Board of Directors as provided in Part (d) of this Article FIFTH.

(c) Term of Office. Directors elected at the 2018 annual meeting of stockholders shall be elected for a term of office to expire at the 2021 annual meeting of stockholders. After the 2018 annual meeting of stockholders, the term of office of each director elected at each succeeding annual meeting of stockholders, or elected at any time in the period between annual meetings of stockholders, shall expire at the next annual meeting of stockholders following such election. Nothing in this Article FIFTH shall shorten the term of any director elected at or before the 2018 annual meeting of stockholders. Additionally, in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, retirement, disqualification or removal from office.

(d) Vacancies and Newly Created Directorships. Unless otherwise required by law, and subject to the terms of any one or more classes or series of Preferred Stock, any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, and any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, by a sole remaining director, or, solely in the event of the removal of the Entire Board of Directors, by the affirmative vote of the holders of at least 80% of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote in the election of directors. Any director elected to fill a vacancy resulting from an increase in the number of directors shall hold office for a term that shall expire at the next annual meeting of stockholders following such election. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of his or her predecessor.

(e) Powers. In addition to the powers and authority hereinbefore or by statute expressly conferred upon the directors, the directors are hereby empowered to exercise all such powers and do all such acts and things as may be exercised or done by the Corporation, subject, nevertheless, to the provisions of the DGCL, this Amended and Restated Certificate of Incorporation, and any bylaws adopted by the stockholders; provided, however, that no bylaws hereafter adopted by the stockholders shall invalidate any prior act of the directors which would have been valid if such bylaws had not been adopted.

(f) Special Meetings of Stockholders. Unless otherwise required by law, special meetings of stockholders, for any purpose or purposes (a) may be called at any time by either (i) the Chairman of the Board of Directors, if there be one or (ii) the Chief Executive Officer, if there be one, and (b) shall be called by any such officer at the request in writing of (i) the Board of Directors, (ii) a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers include the authority to call such meetings or (iii) the Fortress Stockholders provided that the Fortress Stockholders, collectively, beneficially own at least 20% of the then issued and

outstanding Voting Shares. Such request shall state the purpose or purposes of the proposed meeting. If at any time the Fortress Stockholders do not, collectively, beneficially own at least 20% of the then issued and outstanding Voting Shares, the ability of the stockholders to call or cause a special meeting of stockholders to be called is hereby specifically denied.

(g) Management Agreements. The Board of Directors may authorize the execution and performance by the Corporation of one or more agreements with any person, corporation, association, company, trust, partnership (limited or general) or other organization (including, without limitation, any one or more of an affiliate of the Corporation and the Corporation's directors) whereby, subject to the supervision and control of the Board of Directors, any such other person, corporation, association, comp any, trust, partnership (limited or general) or other organization (including, without limitation, any one or more of an affiliate of the Corporation and/ the Corporation's directors) shall render or make available to the Corporation managerial, operational, investment, either or both advisory and related services, office space and other services and facilities (including, if deemed advisable by the Board of Directors, the management or supervision of the operations of the Corporation and its subsidiaries) upon such terms and conditions as may be provided in such agreement or agreements (including, if deemed fair and equitable by the Board of Directors, the compensation payable thereunder by the Corporation).

SIXTH: No director shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL as the same exists or may hereafter be amended. If the DGCL is amended hereafter to authorize the further elimination or limitation of the liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent authorized by the DGCL, as so amended. Any repeal or modification of this Article SIXTH shall not adversely affect any right or protection of a director of the Corporation existing at the time of such repeal or modification with respect to acts or omissions occurring prior to such repeal or modification.

SEVENTH: The Corporation shall indemnify its directors and officers, to the fullest extent authorized or permitted by law, as now or hereafter in effect, and such right to indemnification shall continue as to a person who has ceased to be a director or officer of the Corporation and shall inure to the benefit of such director's or officer' s heirs, executors, and personal and legal representatives; provided, however, that, except for proceedings to enforce rights to indemnification, the Corporation shall not be obligated to indemnify any director or officer (or such director's or officer's heirs, executors or personal or legal representatives) in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors. The right to indemnification conferred by this Article SEVENTH shall include the right to be paid by the Corporation the expenses (including attorneys' fees) incurred in defending or otherwise participating in any proceeding in advance of its final disposition upon receipt by the Corporation of an undertaking by or on behalf of the director or officer receiving advancement to repay the amount advanced if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation under this Article SEVENTH.

The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article SEVENTH to directors and officers of the Corporation.

The rights to indemnification and to the advance of expenses conferred in this Article SEVENTH shall not be exclusive of any other right which any person may have or hereafter acquire under this Amended and Restated Certificate of Incorporation (as either or both amended and restated from time to time), the bylaws of the Corporation, as either or both amended and restated from time to time (the "Bylaws"), any statute, agreement, vote of stockholders or disinterested directors or otherwise.

The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was or has agreed to become a director, officer, employee or agent of the Corporation against any liability asserted against him or her and incurred by him or her or on his or her behalf in such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability.

Any repeal or modification of this Article SEVENTH shall not adversely affect any rights to indemnification and to the advancement of expenses of a director or officer of the Corporation existing at the time of such repeal or modification with respect to any acts or omissions occurring prior to such repeal or modification.

EIGHTH: Any action required or permitted to be taken by the stockholders of the Corporation at any meeting of stockholders may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the stockholders entitled to vote with respect to the subject matter thereof, provided, however, that at any time the Fortress Stockholders. collectively, beneficially own at least 20% of the then issued and outstanding Voting Shares, any action required or permitted to be taken by the stockholders of the Corporation at any meeting of stockholders may be taken without a meeting if a consent in writing. setting forth the action so taken, is signed by stockholders, including the Fortress Stockholders, holding at least a majority of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote with respect to the subject matter thereof.

NINTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws may provide. The books of the Corporation may be kept (subject to any provision contained in the DGCL) outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws.

TENTH:

(a) In furtherance and not in limitation of the powers conferred upon it by the laws of the State of Delaware, the Board of Directors shall have the power to adopt, amend, alter or repeal the Bylaws. The affirmative vote of at least a majority of the Entire Board of Directors shall be required to adopt, amend, alter or repeal the Bylaws. The Bylaws also may be adopted, amended, altered or repealed by the affirmative vote of the holders of at least 66 2/3% of the voting power of then issued and outstanding shares of capital stock of the Corporation entitled to

vote thereon, provided, however, that at any time the Fortress Stockholders, collectively, beneficially own at least 20% of the then issued and outstanding Voting Shares, the Bylaws also may be adopted, amended, altered or repealed by the affirmative vote of the holders of at least a majority of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote thereon or by the affirmative vote of a majority of the Entire Board of Directors.

(b) Notwithstanding Part (a) of this Article TENTH, or any other provision of the Bylaws (and in addition to any other vote that may be required by law), the affirmative vote of the holders of at least 80% of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend, alter, change or repeal, or to adopt any provision as part of the Bylaws inconsistent with the purpose and intent of Section 2.3 (Special Meetings), Section 2.11 (Consent of Stockholders in Lieu of Meeting), Section 3.1 (Duties and Powers), Section 3.2 (Number and Election of Directors), Section 3.3 (Vacancies), Section 3.6 (Resignations and Removals of Directors), Article IX and Article XI (Definitions) (collectively, the "Specified Bylaws"), provided, however, that at any time that the Fortress Stockholders, collectively, beneficially own at least 20% of the then issued and outstanding shares of capital stock entitled to vote thereon, the Specified Bylaws also may be amended, altered, changed, or repealed, in whole or in part, by the affirmative vote of a majority of the Entire Board of Directors (and, for the avoidance of doubt, without approval of the stockholders).

ELEVENTH: (a) Definitions. For purposes of this Article ELEVENTH, the following definitions shall apply:

"Affiliate" means, with respect to a given person, any other person that, directly or indirectly, controls, is controlled by or is under common control with, such person; provided, however, that for purposes of this definition and this Article ELEVENTH, none of (i) the New Media Entities and any entities (including corporations, partnerships, limited liability companies, or other persons) in which such New Media Entities hold, directly or indirectly, an ownership interest, on the one hand, or (ii) the Fortress Stockholders and their Affiliates (excluding any New Media Entities or other entities described in clause (i)), on the other hand, shall be deemed to be "Affiliates" of one another. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and " under common control with") as applied to any person, means the possession, directly or indirectly, of beneficial ownership of, or the power to vote, 10% or more of the securities having voting power for the election of directors (or other persons acting in similar capacities) of such person or the power otherwise to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise.

"beneficially own" and "beneficial ownership" and similar terms used herein shall be determined in accordance with Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934.

"Corporate Opportunity" shall include, but not be limited to, business opportunities that the Corporation is financially able to undertake, which are, from their nature, in the line of the Corporation's business, are of practical advantage to it and are ones in which the Corporation has an interest or a reasonable expectancy, and in which, by embracing the opportunities, the self-

interest of the Fortress Stockholders or any of their Affiliates or their officers or directors will be brought into conflict with that of any of the New Media Entities or their Affiliates.

"Entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

"Fortress Affiliate Stockholders" shall mean (A) any director of the Corporation who may be deemed an Affiliate of Fortress Investment Group LLC (" FIG"), (B) any director or officer of FIG or its Affiliates and (C) any investment funds (including any managed accounts) managed directly or indirectly by FIG or its Affiliates.

"Fortress Stockholders" shall mean (i) the Initial Stockholder and (ii) each Fortress Affiliate Stockholder and (iii) each Permitted Transferee.

"Governmental Entity" shall mean any national, state, provincial, municipal, local or foreign government, any court, arbitral tribunal, administrative agency or commission, or other governmental or regulatory authority, commission, or agency, or any non-governmental, self regulatory authority, commission, or agency.

"Initial Stockholder" shall mean Newcastle Investment Corp. and its Subsidiaries (other than Subsidiaries that constitute New Media Entities).

"Judgment" shall mean any order, writ, injunction, award, judgment, ruling, or decree of any Governmental Entity.

"Law" shall mean any statute, law, code, ordinance, rule, or regulation of any Governmental Entity.

"Lien" shall mean any pledge, claim, equity, option, lien, charge, mortgage, easement, right-of-way, call right, right of first refusal, "tag"- or "drag"- along right, encumbrance, security interest or other similar restriction of any kind or nature whatsoever.

"Listing" shall mean the listing of the Common Stock on the NYSE or other national securities exchange.

"New Media Entities" means the Corporation and its Subsidiaries, and " New Media Entity" shall mean any of the New Media Entities.

"Permitted Transferee" shall mean, with respect to each Fortress Stockholder, (i) any other Fortress Stockholder, (ii) such Fortress Stockholder's Affiliates and (iii) in the case of any Fortress Stockholder, (A) any member or general or limited partner of such Fortress Stockholder (including, without limitation, any member of the Initial Stockholder), (B) any corporation, partnership, limited liability company, or other entity that is an Affiliate of such Fortress Stockholder or any member, general or limited partner of such Fortress Stockholder (collectively, "Fortress Stockholder Affiliates"), (C) any investment funds managed directly or indirectly by such Fortress Stockholder or any Fortress Stockholder Affiliate (a "Fortress Stockholder Fund"), (D) any general or limited partner of any Fortress Stockholder Fund, (E) any managing director, general partner, director, limited partner, officer, or employee of any Fortress Stockholder Affiliate, or any spouse, lineal descendant, sibling, parent, heir, executor, administrator,

testamentary trustee, legatee, or beneficiary of any of the foregoing persons described in this clause (E) (collectively, "Fortress Stockholder Associates"), or (F) any trust, the beneficiaries of which, or any corporation, limited liability company or partnership, the stockholders, members or general or limited partners of which, consist solely of any one or more of such Fortress Stockholders, any general or limited partner of such Fortress Stockholders, any Fortress Stockholder Affiliates, any Fortress Stockholder Funds, any Fortress Stockholder Associates, their spouses or their lineal descendants.

"Restriction" with respect to any capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security, shall mean any voting or other trust or agreement, option, warrant, preemptive right, right of first offer, right of first refusal, escrow arrangement, proxy, buy-sell agreement, power of attorney or other contract, any Law, license, permit, or Judgment that, conditionally or unconditionally, (i) grants to any person the right to purchase or otherwise acquire, or obligates any person to sell or otherwise dispose of or issue, or otherwise results or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, may result in any person acquiring, (A) any of such capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security, (B) any of the proceeds of, or any distributions paid or that are or may become payable with respect to, any of such capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security, or (C) any interest in such capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security or any such proceeds or distributions, (ii) restricts or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, is reasonably likely to restrict the transfer or voting of, or the exercise of any rights or the enjoyment of any benefits arising by reason of ownership of, any such capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security or any such proceeds or distributions or (iii) creates or, whether upon the occurrence of any event or with notice or lapse of time, or both, or otherwise, is reasonably likely to create a Lien or purported Lien affecting such capital stock, partnership interest, membership interest in a limited liability company or other equity interest or security, proceeds or distributions.

"Subsidiary" with respect to any person means: (i) a corporation, a majority of whose capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly owned by such person, by a Subsidiary of such person, or by such person and one or more Subsidiaries of such person, without regard to whether the voting of such capital stock is subject to a voting agreement or similar Restriction, (ii) a partnership or limited liability company in which such person or a Subsidiary of such person is, at the date of determination, (A) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (B) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company or (iii) any other person (other than a corporation) in which such person, a Subsidiary of such person or such person and one or more Subsidiaries of such person, directly or indirectly, at the date of determination thereof, has (A) the power to elect or direct the election of a majority of the members of the governing body of such person (whether or not such power is subject to a voting agreement or similar restriction) or (B) in the absence of such a governing body, a majority ownership interest.

(b) Fortress Stockholders. In anticipation and in recognition that:

(1) the Initial Stockholder or its Permitted Transferees or their Affiliates will be significant stockholders of the Corporation;

(2) any one or more directors, officers and employees of the Fortress Stockholders and their Affiliates may serve as any one or more directors, officers, and employees of the New Media Entities and their Affiliates;

(3) the New Media Entities and their Affiliates, on the one hand, and the Fortress Stockholders and their Affiliates, on the other hand, may engage in the same, similar or related lines of business and may have an interest in the same, similar or related areas of corporate opportunities;

(4) the New Media Entities and their Affiliates, on the one hand, and the Fortress Stockholders and their Affiliates, on the other hand, may enter into, engage in, perform and consummate contracts, agreements, arrangements, transactions and other business relations including one or more management agreements and amendments thereof; and

(5) the New Media Entities and their Affiliates will derive benefits therefrom and through their continued contractual, corporate and business relations with the Fortress Stockholders and their Affiliates, the provisions of this Article ELEVENTH are set forth to regulate, define and guide, to the fullest extent permitted by Law, the conduct of certain affairs of the New Media Entities and their Affiliates as they may involve the Fortress Stockholders and their Affiliates and their officers and directors, and the powers, rights, duties and liabilities of the New Media Entities and their Affiliates and their officers, directors and stockholders in connection therewith.

(c) Related Business Activities. Except as the Fortress Stockholders and their Affiliates, on the one hand, and the New Media Entities or their Affiliates, on the other hand, may otherwise agree in writing, the Fortress Stockholders and their Affiliates shall have the right to, and shall have no duty to abstain from exercising such right to, (i) engage or invest, directly or indirectly, in the same, similar, or related business activities or lines of business as the New Media Entities or their Affiliates, (ii) do business with any client, customer, vendor or lessor of any of the New Media Entities or their Affiliates or (iii) employ or otherwise engage any officer, director or employee of the New Media Entities or their Affiliates, and, to the fullest extent permitted by Law, the Fortress Stockholders and their Affiliates and officers, directors and employees thereof (subject to Part (e) of this Article ELEVENTH) shall not have or be under any fiduciary duty, duty of loyalty or duty to act in good faith or in the best interests of the Corporation or its stockholders and shall not be liable to the Corporation or its stockholders for any breach or alleged breach thereof or for any derivation of any personal economic gain by reason of any such activities of the Fortress Stockholders or any of their Affiliates or of any of their officers', directors' or employees' participation therein.

(d) Corporate Opportunity. Except as the Fortress Stockholders and their Affiliates, on the one hand, and the New Media Entities or their Affiliates, on the other hand, may otherwise agree in writing, if the Fortress Stockholders or any of their Affiliates, or any officer, director or

employee thereof (subject to the provisions of Part (e) of this Article ELEVENTH), acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity for the Fortress Stockholders or any of their Affiliates, none of the New Media Entities or their Affiliates or any stockholder thereof shall have an interest in, or expectation that, such Corporate Opportunity be offered to it or that it be offered an opportunity to participate therein, and any such interest, expectation, offer or opportunity to participate, and any other interest or expectation otherwise due to the Corporation or any other New Media Entity with respect to such Corporate Opportunity, is hereby renounced by the Corporation on its behalf and on behalf of the other New Media Entities and their respective Affiliates and stockholders in accordance with Section 122(17) of the DGCL. Accordingly, subject to Part (e) of this Article ELEVENTH and except as the Fortress Stockholders or their Affiliates may otherwise agree in writing, (i) none of the Fortress Stockholders or their Affiliates or any officer, director or employee thereof will be under any obligation to present, communicate or offer any such Corporate Opportunity to the New Media Entities or their Affiliates and (ii) the Fortress Stockholders and any of their Affiliates shall have the right to hold any such Corporate Opportunity for their own account, or to direct, recommend, sell, assign or otherwise transfer such Corporate Opportunity to any person or persons other than the New Media Entities and their Affiliates, and, to the fullest extent permitted by Law, the Fortress Stockholders and their respective Affiliates and officers, directors and employees thereof (subject to Part (e) of this Article ELEVENTH) shall not have or be under any fiduciary duty, duty of loyalty or duty to act in good faith or in the best interests of the Corporation, the other New Media Entities and their respective Affiliates and stockholders and shall not be liable to the Corporation, the other New Media Entities or their respective Affiliates and stockholders for any breach or alleged breach thereof or for any derivation of personal economic gain by reason of the fact that any of the Fortress Stockholders or any of their Affiliates or any of their officers, directors or employees pursues or acquires the Corporate Opportunity for itself, or directs, recommends, sells, assigns, or otherwise transfers the Corporate Opportunity to another person, or any of the Fortress Stockholders or any of their Affiliates or any of their officers, directors or employees does not present, offer or communicate information regarding the Corporate Opportunity to the New Media Entities or their Affiliates.

(e) Directors, Officers and Employees. Except as the Fortress Stockholders and their Affiliates, on the one hand, and the New Media Entities or their Affiliates, on the other hand, may otherwise agree in writing, in the event that a director or officer of any of the New Media Entities or their Affiliates who is also a director, officer or employee of the Fortress Stockholders or their Affiliates acquires knowledge of a potential transaction or matter that may be a Corporate Opportunity or is offered a Corporate Opportunity, if (i) such person acts in good faith and (ii) such knowledge of such potential transaction or matter was not obtained solely in connection with, or such Corporate Opportunity was not offered to such person solely in, such person' s capacity as director or officer of any of the New Media Entities or their Affiliates, then (A) such director, officer or employee, to the fullest extent permitted by Law, (1) shall be deemed to have fully satisfied and fulfilled such person's fiduciary duty to the Corporation, the other New Media Entities and their respective Affiliates and stockholders with respect to such Corporate Opportunity, (2) shall not have or be under any fiduciary duty to the Corporation, the other New Media Entities and their respective Affiliates and stockholders and shall not be liable to the Corporation, the other New Media Entities or their respective Affiliates and stockholders for any breach or alleged breach thereof by reason of the fact that any of the Fortress Stockholders or their Affiliates pursues or acquires the Corporate Opportunity for itself, or

directs, recommends, sells, assigns or otherwise transfers the Corporate Opportunity to another person, or any of the Fortress Stockholders or their Affiliates or such director, officer or employee does not present, offer or communicate information regarding the Corporate Opportunity to the New Media Entities or their Affiliates, (3) shall be deemed to have acted in good faith and in a manner such person reasonably believes to be in, and not opposed to, the best interests of the Corporation and its stockholders for the purposes of Article SIXTH and the other provisions of this Amended and Restated Certificate of Incorporation and (4) shall not have any duty of loyalty to the Corporation, the other New Media Entities and their respective Affiliates and stockholders or any duty not to derive any personal benefit therefrom and shall not be liable to the Corporation, the other New Media Entities or their respective Affiliates and stockholders for any breach or alleged breach thereof for purposes of Article SIXTH and the other provisions of this Amended and Restated Certificate of Incorporation as a result thereof and (B) such potential transaction or matter that may be a Corporate Opportunity, or the Corporate Opportunity, shall belong to the applicable Fortress Stockholder or respective Affiliates thereof (and not to any of the New Media Entities or Affiliates thereof).

(f) Agreements with Fortress Stockholders. The New Media Entities and their Affiliates may from time to time enter into and perform one or more agreements (or modifications or supplements to pre-existing agreements) with the Fortress Stockholders and their respective Affiliates pursuant to which the New Media Entities and their Affiliates, on the one hand, and the Fortress Stockholders and their respective Affiliates, on the other hand, agree to engage in transactions of any kind or nature with each other and/or agree to compete, or to refrain from competing or to limit or restrict their competition, with each other, including to allocate and to cause their respective directors, officers and employees (including any who are directors, officers or employees of both) to allocate corporate opportunities between or to refer corporate opportunities to each other. Subject to Part (e) of this Article ELEVENTH, except as otherwise required by Law, and except as the Fortress Stockholders and their Affiliates, on the one hand, and the New Media Entities or their Affiliates, on the other hand, may otherwise agree in writing, no such agreement, or the performance thereof by the New Media Entities and their Affiliates, or the Fortress Stockholders or their Affiliates, shall be considered contrary to or inconsistent with any fiduciary duty to the Corporation, any other New Media Entity or their respective Affiliates and stockholders of any director or officer of the Corporation, any other New Media Entity or any Affiliate thereof who is also a director, officer or employee of the Fortress Stockholders or their Affiliates or to any stockholder thereof. Subject to Part (e) of this Article ELEVENTH, to the fullest extent permitted by Law, and except as the Fortress Stockholders or their Affiliates, on the one hand, and the New Media Entities or their Affiliates, on the other hand, may otherwise agree in writing, none of the Fortress Stockholders or their Affiliates shall have or be under any fiduciary duty to refrain from entering into any agreement or participating in any transaction referred to in this Part (t) of Article ELEVENTH and no director, officer or employee of the Corporation, any other New Media Entity or any Affiliate thereof who is also a director, officer or employee of the Fortress Stockholders or their Affiliates shall have or be under any fiduciary duty to the Corporation, the other New Media Entities and their respective Affiliates and stockholders to refrain from acting on behalf of the Fortress Stockholders or their Affiliates in respect of any such agreement or transaction or performing any such agreement in accordance with its terms.

(g) Ambiguity. For the avoidance of doubt and in furtherance of the foregoing, nothing contained in this Article ELEVENTH amends or modifies, or will amend or modify, in

any respect, any written contractual arrangement between the Fortress Stockholders or any of their Affiliates, on the one hand and the New Media Entities or any of their Affiliates, on the other hand.

(h) Application of Provision. This Article ELEVENTH shall apply as set forth above except as otherwise provided by Law. It is the intention of this Article ELEVENTH to take full advantage of statutory amendments, the effect of which may be to specifically authorize or approve provisions such as this Article ELEVENTH. No alteration, amendment, termination, expiration or repeal of this Article ELEVENTH nor the adoption of any provision of this Amended and Restated Certificate of Incorporation inconsistent with this Article ELEVENTH shall eliminate, reduce, apply to or have any effect on the protections afforded hereby to any director, officer, employee or stockholder of the New Media Entities or their Affiliates for or with respect to any investments, activities or opportunities of which such director, officer, employee or stockholder becomes aware prior to such alteration, amendment, termination, expiration, repeal or adoption, or any matters occurring, or any cause of action, suit or claim that, but for this Article ELEVENTH, would accrue or arise, prior to such alteration, amendment, termination, expiration, repeal or adoption.

(i) Deemed Notice. Any person or entity purchasing or otherwise acquiring any interest in any shares of the capital stock of the Corporation shall be deemed to have notice of and to have consented to the provisions of this Article ELEVENTH.

(j) Chairman or Chairman of a Committee. For purposes of this Article ELEVENTH, a director who is chairman of the Board of Directors or chairman of a committee of the Board of Directors is not deemed an officer of the Corporation by reason of holding that position unless that person is a full-time employee of the Corporation.

(k) Severability. If this Article ELEVENTH or any portion hereof shall be invalidated or held to be unenforceable on any ground by any court of competent jurisdiction, the decision of which shall not have been reversed on appeal, this Article ELEVENTH shall be deemed to be modified to the minimum extent necessary to avoid a violation of law and, as so modified, this Article ELEVENTH and the remaining provisions hereof shall remain valid and enforceable in accordance with their terms to the fullest extent permitted by law.

Neither the alteration, amendment or repeal of this Article ELEVENTH nor the adoption of any provision of this Amended and Restated Certificate of Incorporation inconsistent with this Article ELEVENTH shall eliminate or reduce the effect of this Article ELEVENTH in respect of any matter occurring, or any cause of action, suit or claim that, but for this Article ELEVENTH, would accrue or arise, prior to such alteration, amendment, repeal or adoption. Following the expiration of this Article ELEVENTH, any contract, agreement, arrangement or transaction involving a Corporate Opportunity shall not by reason there of result in any breach of any fiduciary duty or duty of loyalty or failure to act in good faith or in the best interests of the Corporation or derivation of any improper benefit or personal economic gain, but shall be governed by the other provisions of this Amended and Restated Certificate of Incorporation, the Bylaws, the DGCL and other applicable law.

TWELFTH: The Bylaws may establish procedures regulating the submission by stockholders of nominations, proposals and other business for consideration at meetings of stockholders of the Corporation.

THIRTEENTH: The Corporation expressly elects not to be governed by Section 203 of the DGCL.

FOURTEENTH: The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation in the manner now or hereafter prescribed in this Amended and Restated Certificate of Incorporation, the Bylaws or the DGCL, and all rights herein conferred upon stockholders are granted subject to such reservation; provided, however, that, notwithstanding any other provision of this Amended and Restated Certificate of Incorporation (and in addition to any other vote that may be required by law), the affirmative vote of the holders of at least 80% of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend, alter, change or repeal, or to adopt any provision as part of this Amended and Restated Certificate of Incorporation inconsistent with the purpose and intent of Articles FIFTH, EIGHTH, TENTH or ELEVENTH of this Amended and Restated Certificate of Incorporation or this Article FOURTEENTH.

FIFTEENTH: The Court of Chancery of the State of Delaware shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation arising pursuant to any provision of the DGCL or this Amended and Restated Certificate of Incorporation, or Bylaws or (iv) any action asserting a claim against the Corporation governed by the internal affairs doctrine.

[Signature page follows]

IN WITNESS WHEREOF, the Corporation has caused this Amended and Restated Certificate of Incorporation to be executed on its behalf this 29th day of May, 2018.

NEW MEDIA INVESTMENT GROUP INC.

By: /s/ Gregory Freiberg
Name: Gregory Freiberg
Title: Chief Financial Officer and Chief Accounting Officer

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Section 3: EX-3.2 (EXHIBIT 3.2)

Exhibit 3.2

AMENDED AND RESTATED

BYLAWS

OF

NEW MEDIA INVESTMENT GROUP INC.

A Delaware Corporation

Effective May 29, 2018

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AMENDED AND RESTATED BYLAWS
OF
NEW MEDIA INVESTMENT GROUP INC.

Adopted by the Board of Directors and Stockholders of New Media Investment Group Inc. (the "Corporation") on June 18, 2013, as amended and restated by the Board of Directors of the Corporation effective as of May 29, 2018 (as amended and restated, the "Bylaws").

ARTICLE I

OFFICES

Section 1.1 Registered Office. The registered office of the Corporation shall be in the State of Delaware at 1209 Orange Street, Wilmington, New Castle County, Delaware 19801; and the Corporation shall have and maintain at all times a registered agent located at such address whose name is The Corporation Trust Company, until changed from time to time as provided by the General Corporation Law of the State of Delaware, as in effect from time to time (the "DGCL").

Section 1.2 Other Offices. The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors of the Corporation (the "Board of Directors") may from time to time determine.

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 2.1 Place of Meetings. All meetings of the stockholders for the election of directors or for any other purpose shall be held at such time and place, either within or without the State of Delaware, as shall be designated from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that a meeting of the stockholders shall not be held at any place, but may instead be held solely by means of remote communication in the manner authorized by the DGCL

Section 2.2 Annual Meetings. A meeting of the stockholders for the election of directors shall be held annually on such date and at such time as shall be designated from time to time by the Board of Directors (each, an "Annual Meeting"). Any other business prescribed by law, by the certificate of incorporation of the Corporation, as amended and restated from time to time (the "Certificate of Incorporation"), or elsewhere in these Bylaws may be transacted at the Annual Meeting of Stockholders.

Section 2.3 Special Meetings. Unless otherwise required by law or by the Certificate of Incorporation, special meetings of stockholders, for any purpose or purposes (a) may be called at any time by either (i) the Chairman of the Board of Directors, if there be one or (ii) the Chief Executive Officer, if there be one, and (b) shall be called by the Chairman or Chief Executive Officer at the request in writing of (i) the Board of Directors, (ii) a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers include the authority to call such meetings or (iii) the Fortress Stockholders provided that the Fortress

Stockholders (as defined in Section 11.1 of Article XI), collectively, beneficially own (as defined in Section 11.1 of Article XI) at least 20% of the then issued and outstanding shares of capital stock of the Corporation entitled to vote in the election of directors (the "Voting Shares"). Such request shall state the purpose or purposes of the proposed meeting. At any time the Fortress Stockholders do not, collectively, beneficially own at least 20% of the then issued and outstanding Voting Shares, the ability of the stockholders to call or cause a special meeting of stockholders to be called is hereby specifically denied. At a special meeting of stockholders, only such business shall be conducted as shall be specified in the notice of meeting (or any supplement thereto).

Section 2.4 Notice. Except as otherwise provided by law, these Bylaws or the Certificate of Incorporation, whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given in accordance with Section 6.1 hereof, which shall state the place, if any, date and hour of the meeting (or the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person), describing the purpose or purposes for which the meeting is called. Unless otherwise required by law, such notice of any meeting shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to notice of and to vote at such meeting, except that, where any other minimum or maximum notice period for any action to be taken at such meeting is required under the DGCL, then such other minimum or maximum notice period shall control.

Section 2.5 Adjournments. Any meeting of the stockholders may be adjourned from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place, if any, thereof and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting in accordance with the requirements of Section 2.4 hereof shall be given to each stockholder of record entitled to notice of and to vote at the meeting.

Section 2.6 Waiver of Notice. Notice of any meeting of stockholders shall not be required to be given to any stockholder who shall attend such meeting in person or by proxy and shall not, at the beginning of such meeting, object to the transaction of any business because the meeting has not been lawfully called or convened, or who shall, either before or after the meeting, submit a signed waiver of notice or waive notice by electronic transmission, in person or by proxy. To the extent permitted by law, a stockholder's attendance at a meeting, in person or by proxy, waives objection to consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the stockholder objects to considering the matter when it is presented. Any stockholder so waiving notice of a meeting shall be bound by the proceedings of such meeting in all respects as if due notice thereof had been given.

Section 2.7 Quorum. Unless otherwise required by applicable law or the Certificate of Incorporation, the holders of a majority of the Corporation's capital stock issued and outstanding and entitled to vote thereat, present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. Where a separate vote by one

or more series or classes is required, a majority in voting power of the outstanding shares of such one or more series or classes present in person or by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter. A quorum, once established, shall not be broken by the withdrawal of enough votes to leave less than a quorum. If, however, such quorum shall not be present or represented at any meeting of the stockholders, the stockholders entitled to vote thereat, present in person or represented by proxy, shall have power to adjourn the meeting from time to time, in the manner provided in Section 2.5 hereof, until a quorum shall be present or represented.

Section 2.8 Organization. Such person as the Chairman of the Board may have designated or, in the absence of such person, such person as the Board of Directors may have designated or, in the absence of such person, the Chief Executive Officer, or in the Chief Executive Officer's absence, such person as may be chosen by the holders of a majority of the Corporation's shares of capital stock issued and outstanding and entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of the meeting. In the absence of the Secretary, the secretary of the meeting shall be such person as the chairman of the meeting appoints.

Section 2.9 Voting. Unless otherwise required by law, the Certificate of Incorporation or these Bylaws, or permitted by the rules of any stock exchange on which the Corporation's shares are listed and traded, any question brought before any meeting of the stockholders, other than the election of directors, shall be decided by the vote of the holders of a majority of the total number of votes of the Corporation's capital stock present or represented at the meeting and entitled to vote on such question, voting as a single class. Unless otherwise provided in the Certificate of Incorporation, and subject to Section 2.13 (a) of this Article II, each stockholder present or represented at a meeting of the stockholders shall be entitled to cast one (1) vote for each share of the capital stock entitled to vote thereat held by such stockholder. Such votes may be cast in person or by proxy as provided in Section 2.10 of this Article II. The Board of Directors, in its discretion, or person acting as chairman of the meeting of the stockholders, in such person's discretion, may require that any votes cast at such meeting shall be cast by written ballot.

Section 2.10 Proxies. Each stockholder entitled to vote at a meeting of the stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder as proxy, but no such proxy shall be voted upon after three years from its date, unless such proxy provides for a longer period. Any proxy to be used at a meeting of stockholders must be filed with the Secretary or the Secretary's representative at or before the time of the meeting. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby with respect to a meeting of stockholders to vote at any adjournment of such meeting but shall not be valid after final adjournment of such meeting. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by one of them if the person signing appears to be acting on behalf of all the co-owners unless prior to exercise of the proxy the Corporation receives a specific written notice to the contrary from any one of them. Subject to the provisions of Section 212 of the DGCL and to any express limitation on the proxy's authority provided in the appointment form, the Corporation is entitled to accept the proxy's vote or other action as that of the stockholder making the appointment. Without limiting the manner in which a stockholder may authorize another person or persons to act for such stockholder as proxy, the following shall constitute a valid means by which a stockholder may grant such authority:

(a) A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy. Execution may be accomplished by the stockholder or such stockholder's authorized officer, director, employee or agent signing such writing or causing such person's signature to be affixed to such writing by any reasonable means, including, but not limited to, by facsimile or electronic signature.

(b) A stockholder may authorize another person or persons to act for such stockholder as proxy by transmitting or authorizing the transmission of a facsimile, email or other means of electronic transmission to the person who will be the holder of the proxy or to a proxy solicitation firm, proxy support service organization or like agent duly authorized by the person who will be the holder of the proxy to receive such transmission, provided that any such facsimile, email, or other means of electronic transmission must either set forth or be submitted with information from which it can be determined that such transmission was authorized by the stockholder. If it is determined that such facsimile, email, or other means of electronic transmission is valid, the inspectors or, if there are no inspectors, such other persons making that determination shall specify the information on which they relied.

Section 2.11 Consent of Stockholders in Lieu of Meeting. Subject to the provisions of the Corporation's Certificate of Incorporation, any action required or permitted to be taken by the stockholders of the Corporation at any meeting of stockholders may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by all the stockholders entitled to vote with respect to the subject matter thereof, provided, however, that at any time the Fortress Stockholders, collectively, beneficially own at least 20% of the then issued and outstanding Voting Shares, any action required or permitted to be taken by the stockholders of the Corporation at any meeting of stockholders may be taken without a meeting if a consent in writing, setting forth the action so taken, is signed by stockholders, including the Fortress Stockholders, holding at least a majority of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote with respect to the subject matter thereof.

Section 2.12 List of Stockholders Entitled to Vote. In accordance with Section 219 of the DGCL, the officer of the Corporation who has charge of the stock ledger of the Corporation shall prepare and make available, at least 10 days before every meeting of the stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder; provided, however, that if the record date for determining the stockholders entitled to vote is less than 10 days before the meeting date, the list shall reflect the stockholders entitled to vote as of the 10th day before the meeting date. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least 10 days prior to the meeting either (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably

accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

Section 2.13 Record Date. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of the stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of the stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of the stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance with the foregoing provisions of this clause (a) at the adjourned meeting.

(a) In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting (if an action in writing is then permitted under the Corporation's Certificate of Incorporation and these Bylaws), the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 10 days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by applicable law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of the stockholders are recorded. Delivery made to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by applicable law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(b) Any stockholder's notice requesting the setting of a record date pursuant to clause (b) of this Section 2.13 shall be valid and effective only if received by the Secretary at the principal executive offices of the Corporation and only if it contains the information set forth in Section 2.19 (and, if such notice relates to the nomination of any person for election or re-election as a director of the Corporation, the questionnaire, representation and agreement required by Section 2.20 must also be delivered with and at the same time as such notice). The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation. In addition, a stockholder requesting a record date for proposed stockholder

action by consent shall promptly provide any other information reasonably requested by the Corporation.

Section 2.14 Stock Ledger. The stock ledger of the Corporation shall be the only evidence as to who are the stockholders entitled to examine the stock ledger, the list required by Section 2.12 of this Article II or the books of the Corporation, or to vote in person or by proxy at any meeting of the stockholders.

Section 2.15 Meetings by Remote Communications. Unless otherwise provided in the Certificate of Incorporation, if authorized by the Board of Directors, any annual or special meeting of stockholders, whether such meeting is to be held at a designated place or by means of remote communication, may be conducted in whole or in part by means of remote communication. If authorized by the Board of Directors, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communications: (a) participate in such meeting of stockholders; and (b) be deemed present in person and vote at such meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that: (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder; (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings; and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

Section 2.16 Reproductions. Any copy, facsimile or other reliable reproduction of a vote, consent, waiver, proxy appointment or other action by a stockholder or by the proxy or other agent of any stockholder may be substituted or used in lieu of the original writing or electronic transmission for any and all purposes for which the original writing or electronic transmission could be used, so long as the copy, facsimile or other reproduction is a complete reproduction of the entire original writing or electronic transmission.

Section 2.17 Conduct of Meetings.

(a) The Board of Directors of the Corporation may adopt by resolution such rules and regulations for the conduct of any meeting of the stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the chairman of any meeting of the stockholders shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) the determination of when the polls shall open and close for any given matter to be voted on at the meeting; (iii) rules and procedures for maintaining order at the meeting and the safety of those present; (iv) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (v) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (vi) limitations on the time allotted to questions or comments by participants.

(b) The chairman of any meeting of stockholders shall have the power and duty to determine all matters relating to the conduct of the meeting, including determining whether any nomination or item of business has been properly brought before the meeting in accordance with these Bylaws (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made, solicited (or is part of a group that solicited) or did not so solicit, as the case may be, proxies in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by Section 2.19), and if the chairman should so determine and declare that any nomination or item of business has not been properly brought before a meeting of stockholders, then such business shall not be transacted or considered at such meeting and such nomination shall be disregarded. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 2.18 Inspectors of Election. In advance of any meeting of the stockholders, the Board of Directors, by resolution, the Chairman of the Board or the Chief Executive Officer shall appoint one or more inspectors to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of the stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by applicable law, inspectors may be officers, employees or agents of the Corporation. Each inspector, before assuming the duties of inspector, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and shall take charge of

the polls and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by applicable law.

Section 2.19 Nature of Business at Meetings of Stockholders. Only such business (other than nominations for election to the Board of Directors, which must comply with the provisions of Section 2.20 of this Article II) may be transacted at an Annual Meeting as is either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors (or any duly authorized committee thereof), (b) otherwise properly brought before the Annual Meeting by or at the direction of the Board of Directors (or any duly authorized committee thereof), or (c) otherwise properly brought before the Annual Meeting by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 2.19 and on the record date for the determination of stockholders entitled to notice of and to vote at such Annual Meeting and (ii) who complies with the notice procedures set forth in this Section 2.19. This Section shall be the exclusive means for a stockholder to make business proposals before a special meeting of stockholders (other than matters properly bought under Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") and included in the Corporation's notice of meeting). Subject to Rule 14a-8 under the Exchange Act, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any business proposal.

In addition to any other applicable requirements, for business to be properly brought before an Annual Meeting by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or be mailed and received at the principal executive offices of the Corporation not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding Annual Meeting of Stockholders; provided, however, that in the event that no annual meeting was held in the previous year, or the Annual Meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not earlier than the opening of business 120 days before the date of such annual meeting, and not later than the close of business on the 10th day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure of the date of the Annual Meeting was made, whichever first occurs. In no event shall the adjournment or postponement of an Annual Meeting, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

To be in proper written form, a stockholder's notice to the Secretary must set forth the following information:

(a) as to each matter such stockholder proposes to bring before the Annual Meeting, (1) a brief description of the business desired to be brought before the Annual Meeting; (2) the text of the proposal to be voted on by stockholders (including the text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Bylaws, the language of the proposed amendment); (3) the reasons for conducting such business at the meeting; and (4) a description of any direct or indirect material interest of the stockholder or of any beneficial owner on whose behalf the proposal is made, or their respective affiliates, in

such business (whether by holdings of securities, or by virtue of being a creditor or contractual counterparty of the Corporation or of a third party, or otherwise), and all agreements, arrangements and understandings between such stockholder or any such beneficial owner or their respective affiliates and any other person or persons (naming such person or persons) in connection with the proposal of such business; and

(b) as to the stockholder giving notice and the beneficial owner, if any, on whose behalf the proposal is being made (each, a "Party"), (1) the name and address of such Party (in the case of each stockholder, as they appear on the Corporation's books); (2) the class or series and number of shares of the Corporation that are owned, directly or indirectly, beneficially or held of record by such Party or any of its affiliates (naming such affiliates); (3) a description of any agreement, arrangement or understanding (including any swap or other derivative or short position, profit interest, option, warrant, convertible security, stock appreciation or similar right with exercise or conversion privileges, hedging transactions, and securities lending or borrowing arrangement) to which such Party or any of its affiliates is, directly or indirectly, a party as of the date of such notice (x) with respect to shares of stock of the Corporation; or (y) the effect or intent of which is to mitigate loss to, manage the potential risk or benefit of security price changes (increases or decreases) for, or increase or decrease the voting power of such Party or any of its affiliates with respect to securities of the Corporation or which has a value derived in whole or in part, directly or indirectly, from the value (or change in value) of any securities of the Corporation, in each case whether or not subject to settlement in the underlying security of the Corporation (each such agreement, arrangement or understanding, a "Disclosable Arrangement") (specifying in each case (I) the effect of such Disclosable Arrangement on voting or economic rights in securities in the Corporation, as of the date of the notice; and (II) any changes in such voting or economic rights which may arise pursuant to the terms of such Disclosable Arrangement); (4) any proxy, agreement, arrangement, understanding or relationship pursuant to which such Party has a right to vote, directly or indirectly, any shares of any security of the Corporation; (5) any rights to dividends on the shares of the Corporation owned, directly or indirectly, beneficially by such Party that are separated or separable from the underlying shares of the Corporation; (6) any proportionate interest in shares of the Corporation or Disclosable Arrangements held, directly or indirectly, by a general or limited partnership in which such Party is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; (7) any performance-related fees (other than an asset-based fee) that such Party is directly or indirectly entitled to based on any increase or decrease in the value of shares of the Corporation or Disclosable Arrangements, if any, as of the date of such notice, including any such interests held by members of such Party's immediate family sharing the same household; (8) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination; (9) a representation whether such Party intends, or is part of a group which intends, either or both (x) to deliver either or both a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding shares of capital stock required to approve or adopt the proposal or elect the nominee; and (y) otherwise to solicit proxies from stockholders in support of such proposal or nomination. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected; (10) any other information relating to such Party required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, either or both the proposal and for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder; and (11) a certification regarding

whether such Party has complied with all federal, state, and other legal requirements in connection with any one or more of such Party's acquisition of shares of capital stock or other securities of the Corporation and such Party's acts or omissions as a stockholder of the Corporation.

A stockholder providing notice of business proposed to be brought before an Annual Meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.19 shall be true and correct as of the record date for determining the stockholders entitled to receive notice of the Annual Meeting and such update and supplement shall be delivered to or be mailed and received by the Secretary at the principal executive offices of the Corporation not later than five business days after the record date for determining the stockholders entitled to receive notice of the Annual Meeting.

No business shall be conducted at the Annual Meeting of Stockholders except business brought before the Annual Meeting in accordance with the procedures set forth in this Section 2.19; provided, however, that, once business has been properly brought before the Annual Meeting in accordance with such procedures, nothing in this Section 2.19 shall be deemed to preclude discussion by any stockholder of any such business. If the chairman of an Annual Meeting determines that business was not properly brought before the Annual Meeting in accordance with the foregoing procedures, the chairman shall declare at the meeting that the business was not properly brought before the meeting and such business shall not be transacted.

Nothing contained in this Section 2.19 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act (or any successor provision of law).

Section 2.20 Nomination of Directors. Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation, except as may be otherwise provided in the Certificate of Incorporation with respect to the right of holders of preferred stock of the Corporation to nominate and elect a specified number of directors in certain circumstances. Nominations of persons for election to the Board of Directors may be made at any Annual Meeting of Stockholders, or at any Special Meeting of Stockholders called for the purpose of electing directors, (a) by or at the direction of the Board of Directors (or any duly authorized committee thereof) or (b) by any stockholder of the Corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this Section 2.20 and on the record date for the determination of stockholders entitled to notice of and to vote at such Annual Meeting or Special Meeting and (ii) who complies with the notice procedures set forth in this Section 2.20. This Section shall be the exclusive means for a stockholder to make nominations before a special meeting of stockholders (other than matters properly bought under Rule 14a-8 under the Exchange Act and included in the Corporation's notice of meeting). Subject to Rule 14a-8 under the Exchange Act, nothing in these Bylaws shall be construed to permit any stockholder, or give any stockholder the right, to include or have disseminated or described in the Corporation's proxy statement any nomination of director or directors.

In addition to any other applicable requirements for a nomination to be made by a stockholder, such stockholder must have given timely notice thereof in proper written form to the Secretary of the Corporation.

To be timely, a stockholder's notice to the Secretary must be delivered to or be mailed and received at the principal executive offices of the Corporation (a) in the case of an Annual Meeting, not less than 90 days nor more than 120 days prior to the anniversary date of the immediately preceding Annual Meeting of Stockholders; provided, however, that in the event that no annual meeting was held in the previous year, or the Annual Meeting is called for a date that is not within 30 days before or after such anniversary date, notice by the stockholder in order to be timely must be so received not earlier than the opening of business 120 days before the date of such annual meeting, and not later than the close of business on the 10th day following the day on which such notice of the date of the Annual Meeting was mailed or such public disclosure of the date of the Annual Meeting was made, whichever first occurs; and (b) in the case of a Special Meeting of Stockholders called for the purpose of electing directors, not later than the close of business on the 10th day following the day on which notice of the date of the Special Meeting was mailed or public disclosure of the date of the Special Meeting was made, whichever first occurs. In no event shall the adjournment or postponement of an Annual Meeting or a Special Meeting called for the purpose of electing directors, or the public announcement of such an adjournment or postponement, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

In the event that the number of directors to be elected to the Board of Directors at an annual meeting of stockholders is increased and there is no public announcement by the Corporation naming the nominees for the additional directorships at least 100 days prior to the first anniversary of the date of the Corporation's proxy statement released to stockholders in connection with the previous year's annual meeting of stockholders, a stockholder's notice required by this Section 2.20 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the Corporation.

To be in proper written form, a stockholder's notice to the Secretary must set forth the following information:

(a) as to each person whom the stockholder proposes to nominate for election as a director, (1) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case in accordance with Regulation 14A under the Exchange Act and such other information as may be required by the Corporation pursuant to any policy of the Corporation governing the selection of directors publicly available (whether on the Corporation's website or otherwise) as of the date of such notice; (2) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (3) a statement whether such person, if elected, intends to tender any advance resignation notice(s) requested by the Board of Directors in connection with subsequent elections, such advance resignation to be contingent upon the nominee's failure to receive a majority of the votes cast by stockholders and acceptance of such resignation by the Board of Directors; and (4) a description of all arrangements or understandings between the stockholder or any beneficial owner on whose behalf such nomination is made, or their respective affiliates, and each nominee or any other person or persons (naming such person or persons) in connection with the making of such nomination or nominations; and

(b) (b) as to the stockholder giving the notice, and the beneficial owner, if any, on whose behalf the nomination is being made, (1) the name and address of such Party (in the case of each stockholder, as they appear on the Corporation's books); (2) the class or series and number of shares of the Corporation that are owned, directly or indirectly, beneficially or held of record by such Party or any of its affiliates (naming such affiliates); (3) a description of any Disclosable Arrangement (including any swap or other derivative or short position, profit interest, option, warrant, convertible security, stock appreciation or similar right with exercise or conversion privileges, hedging transactions, and securities lending or borrowing arrangement) to which such Party or any of its affiliates is, directly or indirectly, a party as of the date of such notice (x) with respect to shares of stock of the Corporation; or (y) the effect or intent of which is to mitigate loss to, manage the potential risk or benefit of security price changes (increases or decreases) for, or increase or decrease the voting power of such Party or any of its affiliates with respect to securities of the Corporation or which has a value derived in whole or in part, directly or indirectly, from the value (or change in value) of any securities of the Corporation, in each case whether or not subject to settlement in the underlying security of the Corporation (specifying in each case (I) the effect of such Disclosable Arrangement on voting or economic rights in securities in the Corporation, as of the date of the notice; and (II) any changes in such voting or economic rights which may arise pursuant to the terms of such Disclosable Arrangement); (4) any proxy, agreement, arrangement, understanding or relationship pursuant to

which such Party has a right to vote, directly or indirectly, any shares of any security of the Corporation; (5) any rights to dividends on the shares of the Corporation owned, directly or indirectly, beneficially by such Party that are separated or separable from the underlying shares of the Corporation; (6) any proportionate interest in shares of the Corporation or Disclosable Arrangements held, directly or indirectly, by a general or limited partnership in which such Party is a general partner or, directly or indirectly, beneficially owns an interest in a general partner; (7) any performance-related fees (other than an asset-based fee) that such Party is directly or indirectly entitled to based on any increase or decrease in the value of shares of the Corporation or Disclosable Arrangements, if any, as of the date of such notice, including any such interests held by members of such Party's immediate family sharing the same household; (8) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination; and (9) a representation whether such Party intends, or is part of a group which intends, either or both (x) to deliver either or both a proxy statement and form of proxy to holders of at least the percentage of the Corporation's outstanding shares of capital stock required to approve or adopt the proposal or elect the nominee; and (y) otherwise to solicit proxies from stockholders in support of such proposal or nomination. Such notice must be accompanied by a written consent of each proposed nominee to being named as a nominee and to serve as a director if elected.

The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such nominee. In addition, a stockholder seeking to nominate a director candidate or bring another item of business before the annual meeting shall promptly provide any other information reasonably requested by the Corporation. For purposes of these Bylaws, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Exchange Act.

A stockholder providing notice of any nomination proposed to be made at an Annual Meeting or Special Meeting shall further update and supplement such notice, if necessary, so that the information provided or required to be provided in such notice pursuant to this Section 2.20 shall be true and correct as of the record date for determining the stockholders entitled to receive notice of the Annual Meeting or Special Meeting, and such update and supplement shall be delivered to or be mailed and received by the Secretary at the principal executive offices of the Corporation not later than five business days after the record date for determining the stockholders entitled to receive notice of such Annual Meeting or Special Meeting.

To be eligible to be a nominee for election or re-election by the stockholders as a director of the Corporation or to serve as a Director of the Corporation, a person must deliver (not later than the deadline prescribed in the foregoing) to the Secretary a written questionnaire with respect to the background and qualification of such person and, if applicable, the background of any other person on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person: (i) is not and will not become a party to any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person as to how such person, if elected as a director, will act

or vote on any issue or question that has not been disclosed in such questionnaire; (ii) is not and will not become a party to any agreement, arrangement or understanding with any person other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed in such questionnaire; and (iii) in such person's individual capacity and on behalf of any person on whose behalf the nomination is being made, would be in compliance, if elected as a director, and will comply with, applicable law and all conflict of interest, confidentiality and other policies and guidelines of the Corporation (including the Corporation's Corporate Governance Guidelines) applicable to directors generally and publicly available (whether on the Corporation's website or otherwise) as of the date of such representation and agreement.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the procedures set forth in this Section 2.20. If the chairman of the meeting determines that a nomination was not made in accordance with the foregoing procedures, the chairman shall declare to the meeting that the nomination was defective and such defective nomination shall be disregarded.

Section 2.21 Requirement to Appear. Notwithstanding anything to the contrary contained in Section 2.19 and Section 2.20, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or item of business, such proposed business shall not be transacted and such nomination shall be disregarded, notwithstanding that proxies in respect of such vote may have been received by the Corporation.

ARTICLE III

DIRECTORS

Section 3.1 Duties and Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things as are not by statute or by the Certificate of Incorporation or by these Bylaws required to be exercised or done by the stockholders.

Section 3.2 Number and Election of Directors. The Board of Directors shall consist of not fewer than three nor more than eleven members, the exact number of which shall be fixed from time to time by resolution adopted by the affirmative vote of a majority of the Entire Board of Directors. Directors elected at the 2018 annual meeting of stockholders shall be elected for a term of office to expire at the 2021 annual meeting of stockholders. After the 2018 annual meeting of stockholders, the term of office of each director elected at each succeeding annual meeting of stockholders, or elected at any time in the period between annual meetings of stockholders, shall expire at the next annual meeting of stockholders following such election. Nothing in this Article III shall shorten the term of any director elected at or before the 2018 annual meeting of stockholders. Additionally, in no case will a decrease in the number of directors shorten the term of any incumbent director.

The Board of Directors shall present to the stockholders nominations of candidates for election to the Board of Directors (or recommend the election of such candidates as nominated

by others) such that, and shall take such other corporate actions as may be reasonably required to provide that, to the best knowledge of the Board of Directors, if such candidates are elected by the stockholders, following the time of Listing, at least a majority of the members of the Board of Directors shall be Independent Directors (as hereinafter defined). Following the time of Listing, the Board of Directors shall only elect any person to fill a vacancy on the Board of Directors if, to the best knowledge of the Board of Directors, after such person's election at least a majority of the members of the Board of Directors shall be Independent Directors. The foregoing provisions of this paragraph shall not cause a director who, upon commencing such director's service as a member of the Board of Directors was determined by the Board of Directors to be an Independent Director but did not in fact qualify as such, or who by reason of any change in circumstances ceases to qualify as an Independent Director, from serving the remainder of the term as a director for which such director was selected. Notwithstanding the foregoing provisions of this paragraph, no action of the Board of Directors shall be invalid by

reason of the failure at any time of a majority of the members of the Board of Directors to be Independent Directors.

Except as provided in Section 3.3 of this Article III, directors shall be elected by a plurality of the votes of the shares of capital stock of the Corporation, present in person or represented by proxy, and entitled to vote on the election of directors at any meeting of stockholders or in any action by written consent in lieu of such a meeting with respect to which (a) the Corporation receives a notice that a stockholder has nominated a person for election to the Board of Directors (including a notice that a stockholder seeks to include a nominee in the Corporation's proxy materials pursuant to Rule 14a-11 under the Exchange Act) that was timely made in accordance with the applicable nomination periods provided in these Bylaws (or, in the case of a notice that a stockholder seeks to include a nominee in the Corporation's proxy materials pursuant to Rule 14a-11 under the Exchange Act, the applicable notice periods provided in such rule), and (b) such nomination or notice has not been withdrawn (and, in the case of a notice under Rule 14a-11, the Corporation has not determined that it will exclude such proposed nominee from its proxy materials) on or before the 10th day before the Corporation first mails its initial proxy statement in connection with such election of directors; provided, however, that the determination that directors shall be elected by a plurality of the votes cast shall be determinative only as to the timeliness of a notice of nomination or notice under Rule 14a-11 and not otherwise as to its validity. If directors are to be elected by a plurality of the votes cast, stockholders shall not be permitted to vote against a nominee.

Section 3.3 Vacancies. Unless otherwise required by law or the Certificate of Incorporation, and subject to the terms of any one or more classes or series of preferred stock of the Corporation, (i) any vacancy on the Board of Directors that results from an increase in the number of directors may be filled by a majority of the Board of Directors then in office, provided that a quorum is present, (ii) any other vacancy occurring on the Board of Directors may be filled by a majority of the Board of Directors then in office, even if less than a quorum, or by a sole remaining director or (iii) solely in the event of the removal of the Entire Board of Directors, by the affirmative vote of the holders of at least eighty percent (80%) of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote in the election of directors. Any director elected to fill a vacancy resulting from an increase in the number of directors shall hold office for a term that shall expire at the next annual meeting of stockholders following such election. Any director elected to fill a vacancy not resulting from an increase in the number of directors shall have the same remaining term as that of such director's predecessor.

Section 3.4 Meetings. The Board of Directors and any committee thereof may hold meetings, both regular and special, either within or without the State of Delaware. Regular meetings of the Board of Directors or any committee thereof may be held without notice at such time and at such place as may from time to time be determined by the Board of Directors or such committee, respectively. Special meetings of the Board of Directors may be called by the Chairman, if there be one, the Chief Executive Officer, or by any two directors. Special meetings of any committee of the Board of Directors may be called by the chairman of such committee, if there be one, the Chief Executive Officer or any director serving on such committee. Notice thereof stating the place, date and hour of the meeting shall be given to each director (or, in the case of a committee, to each member of such committee) either by mail not less than 48 hours before the date of the meeting, by telephone, facsimile, email, or other electronic means on 24 hours' notice, or on such shorter notice as the person or persons calling

such meeting may deem necessary or appropriate in the circumstances. A notice of a special meeting of the Board of Directors need not specify the purpose of the meeting unless required by the Certificate of Incorporation or these Bylaws. Notice of any meeting of the Board shall not, however, be required to be given to any director who submits a signed waiver of notice, or waives notice of such meeting by electronic transmission, whether before or after the meeting, or if he or she shall be present at such meeting; and any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given if all the directors of the Corporation then in office shall be present thereat or shall have waived notice thereof.

The Independent Directors shall meet periodically without any member of management present and, except as the Independent Directors may otherwise determine, without any other director present to consider the overall performance of management and the performance of the role of the Independent Directors in the governance of the Corporation; such meetings shall be held in connection with a regularly scheduled meeting of the Board of Directors except as the Independent Directors shall otherwise determine.

Section 3.5 Organization. At each meeting of the Board of Directors or any committee thereof, the Chairman of the Board of Directors or the chairman of such committee, as the case may be, or, in such chairman's absence or if there be none, a director chosen by a majority of the directors present, shall act as chairman. Except as provided below, the Secretary of the Corporation shall act as secretary at each meeting of the Board of Directors and of each committee thereof. In case the Secretary shall be absent from any meeting of the Board of Directors or of any committee thereof, an Assistant Secretary shall perform the duties of secretary at such meeting; and in the absence from any such meeting of the Secretary and all the Assistant Secretaries, the chairman of the meeting may appoint any person to act as secretary of the meeting. Notwithstanding the foregoing, the members of each committee of the Board of Directors may appoint any person to act as secretary of any meeting of such committee and the Secretary or any Assistant Secretary of the Corporation may, but need not if such committee so elects, serve in such capacity.

Section 3.6 Resignations and Removals of Directors. Any director of the Corporation may resign from the Board of Directors or any committee thereof at any time, by giving notice in writing or electronic transmission to (i) the Chairman of the Board of Directors, if there be one, or to the Chief Executive Officer, if there is no Chairman of the Board, and (ii) the Secretary of the Corporation and, in the case of a committee, to the chairman of such committee, if there be one. Such resignation shall take effect at the time therein specified or, if no time is specified, immediately; and, unless otherwise specified in such notice, the acceptance of such resignation shall not be necessary to make it effective. Except as otherwise required by applicable law and subject to the rights, if any, of the holders of shares of preferred stock of the Corporation then outstanding, any director or the Entire Board of Directors may be removed from office at any time, but only for cause and only by the affirmative vote of the holders of at least 80% of the voting power of the then issued and outstanding Voting Shares, provided, however, that at any time the Fortress Stockholders, collectively, beneficially own at least 20% of the then issued and outstanding Voting Shares, any director or the Entire Board of Directors may be removed from office at any time, with or without cause, by the affirmative vote of the holders of at least a majority of the voting power of the then issued and outstanding Voting Shares. The vacancy or vacancies in the Board of Directors caused by any such removal shall be filled by the Board of Directors as provided in Section 3.3. Any director serving on a committee of the Board of Directors may be removed from such committee at any time by the Board of Directors.

Section 3.7 Quorum. Except as otherwise required by law, the Certificate of Incorporation or the rules and regulations of any stock exchange on which the Corporation's shares are listed and traded, at all meetings of the Board of Directors or any committee thereof, a majority of the Entire Board of Directors or a majority of the directors constituting such committee, as the case may be, shall constitute a quorum for the transaction of business, and the act of a majority of the directors or committee members present at any meeting at which there is a quorum shall be the act of the Board of Directors or such committee, as applicable. If a quorum shall not be present at any meeting of the Board of Directors or any committee thereof, a majority of directors present thereat may adjourn the meeting from time to time, without notice other than announcement at the meeting of the time and place of the adjourned meeting, until a quorum shall be present.

Section 3.8 Action at Meeting. At any meeting of the Board of Directors at which a quorum is present (or such smaller number as may make a determination pursuant to Section 145 of the DGCL or any successor provision), business shall be transacted in such order and manner as the Board of Directors may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present at such meeting at which there is a quorum, except as is required or provided by law, by the Certificate of Incorporation or by any other provision of these Bylaws.

Section 3.9 Actions of the Board by Written Consent. Unless otherwise provided in the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all the members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or such committee. Action taken under this Section 3.9 is effective when the last director signs or delivers the consent, unless the consent specifies a different effective date. A consent signed or delivered under this Section 3.9 has the effect of a meeting vote and may be described as such in any document.

Section 3.10 Meetings by Means of Conference Telephone. Unless otherwise provided in the Certificate of Incorporation or these Bylaws, members of the Board of Directors of the Corporation, or any committee thereof, may participate in a meeting of the Board of Directors or such committee by means of a conference telephone or other communications equipment by means of which all persons participating in the meeting can simultaneously hear each other, and participation in a meeting pursuant to this Section 3.10 shall constitute presence in person at such meeting.

Section 3.11 Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. Each member of a committee must meet the requirements for membership, if any, imposed by applicable law and the rules and regulations of any securities exchange or quotation system on which the securities of the Corporation are listed or quoted for trading. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of any such committee. Subject to the rules and regulations of any securities exchange or quotation system on which the securities of the Corporation are listed or quoted for trading, in the absence or disqualification of a member of a committee, and in the absence of a designation by the Board of Directors of an alternate member

to replace the absent or disqualified member, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another qualified member of the Board of Directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent permitted by law and provided in the resolution establishing such committee, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it. Each committee shall keep regular minutes and report to the Board of Directors when required. Notwithstanding anything to the contrary contained in this Article III, the resolution of the Board of Directors establishing any committee of the Board of Directors and/or the charter of any such committee may establish requirements or procedures relating to the governance and/or operation of such committee that are different from, or in addition to, those set forth in these Bylaws and, to the extent that there is any inconsistency between these Bylaws and any such resolution or charter, the terms of such resolution or charter shall be controlling.

Section 3.12 Compensation. The Board of Directors, by affirmative vote of a majority of the directors then in office, and irrespective of any personal interest of any of its members, may establish reasonable compensation (including reasonable pensions, disability or death benefits, and other benefits or payments) of directors for services to the Corporation as directors, or may delegate such authority to an appropriate committee. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary for service as director, payable in cash or securities. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for service as committee members.

Section 3.13 Interested Directors. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the contract or transaction, or solely because any such director's or officer's vote is counted for such purpose if: (i) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (ii) the material facts as to the director's or officer's relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (iii) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified by the Board of Directors, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes the contract or transaction.

ARTICLE IV

OFFICERS

Section 4.1 General. The officers of the Corporation shall be chosen by the Board of Directors and shall be a Chief Executive Officer, a President, a Chief Financial Officer and a Secretary. The Board of Directors, in its discretion, also may choose a Chairman of the Board of Directors (who must be a director but is not required to be an employee of the Corporation), a Treasurer and one or more Vice Presidents, Assistant Secretaries, Assistant Treasurers and other officers. Any number of offices may be held by the same person, unless otherwise prohibited by law, the Certificate of Incorporation or these Bylaws. The officers of the Corporation need not be stockholders of the Corporation nor, except in the case of the Chairman of the Board of Directors (who must be a director), need such officers be directors of the Corporation. Whenever an officer or officers is absent, or whenever for any reason the Board of Directors may deem it desirable, the Board may delegate the powers and duties of any officer or officers to any director or directors. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any other provision hereof.

Section 4.2 Election. The Board of Directors shall elect the officers of the Corporation who shall hold their offices for such terms and shall exercise such powers and perform such duties as shall be determined from time to time by the Board of Directors; and each officer of the Corporation shall hold office until such officer's successor is elected and qualified, or until such officer's earlier death, resignation or removal. Any officer elected by the Board of Directors may be removed at any time by the Board of Directors, including by unanimous written consent. Any vacancy occurring in any office of the Corporation shall be filled by the Board of Directors.

Section 4.3 Voting Securities Owned by the Corporation. Powers of attorney, proxies, waivers of notice of meeting, consents and other instruments relating to securities owned by the Corporation may be executed in the name of and on behalf of the Corporation by the President or any Vice President or any other officer authorized to do so by the Board of Directors and any such officer may, in the name of and on behalf of the Corporation, take all such action as any such officer may deem advisable to vote in person or by proxy at any meeting of security holders of any corporation in which the Corporation may own securities and at any such meeting shall possess and may exercise any and all rights and power incident to the ownership of such securities and which, as the owner thereof, the Corporation might have exercised and possessed if present. The Board of Directors may, by resolution, from time to time confer like powers upon any other person or persons.

Section 4.4 Chairman of the Board of Directors. The Chairman of the Board of Directors, if there be one, shall preside at all meetings of the stockholders and of the Board of Directors. The Chairman of the Board of Directors shall be designated by the Board of Directors and, except where by law the signature of the President is required, the Chairman of the Board of Directors shall possess the same power as the President to sign all contracts, certificates and other instruments of the Corporation which may be authorized by the Board of Directors. During the absence or disability of the President, the Chairman of the Board of Directors shall exercise all the powers and discharge all the duties of the President. The Chairman of the Board of Directors shall also perform such other duties and may exercise such other powers as may from time to time be assigned by these Bylaws or by the Board of Directors.

Section 4.5 Chief Executive Officer. The Chief Executive Officer shall, subject to the control of the Board of Directors and if there be one, the Chairman of the Board, have general supervision of the affairs of the Corporation and general and active control of all its business. In the absence or disability of the Chairman of the Board of Directors, or if there be none, the Chief Executive Officer shall preside at all meetings of the stockholders and, provided the Chief Executive Officer is also a director, the Board of Directors. The Chief Executive Officer shall see that all orders and resolutions of the Board of Directors and the stockholders are carried into effect. The Chief Executive Officer shall have general authority to execute bonds, deeds and contracts in the name of the Corporation and affix the corporate seal thereto; to sign stock certificates; to cause the employment or appointment of such employees and agents of the Corporation as the proper conduct of operations may require, and to fix their compensation, subject to the provisions of these Bylaws; to remove or suspend any employee or agent who shall have been employed or appointed under the Chief Executive Officer's authority or under authority of an officer subordinate to the Chief Executive Officer; to suspend for cause, pending final action by the authority which shall have elected or appointed the Chief Executive Officer, any officer subordinate to the Chief Executive Officer; and, in general, to exercise all the powers and authority usually appertaining to the chief executive officer of a corporation, except as otherwise provided in these Bylaws.

Section 4.6 President. The President shall, subject to the control of the Board of Directors and, if there be one, the Chairman of the Board of Directors, have general supervision of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect. The President shall execute all bonds, mortgages, contracts and other instruments of the Corporation requiring a seal, under the seal of the Corporation, except where required or permitted by law to be otherwise signed and executed and except that the other officers of the Corporation may sign and execute documents when so authorized by these Bylaws, the Board of Directors or the President. If there be no Chairman of the Board of Directors, or if the Board of Directors shall otherwise designate, the President shall be the Chief Executive Officer of the Corporation. The President shall also perform such other duties and may exercise such other powers as may from time to time be assigned to such officer by these Bylaws or by the Board of Directors.

Section 4.7 Chief Financial Officer. The Chief Financial Officer shall, subject to the control of the Board of Directors, and if there be one, the Chairman of the Board, the Chief Executive Officer and President, keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name and to the credit of the Corporation in such depositories as shall be designated by the Board of Directors or, in the absence of such designation in such depositories, as the Chief Financial Officer shall from time to time deem proper. The Chief Financial Officer shall be the treasurer of the Corporation, unless a Treasurer shall be appointed. The Chief Financial Officer, Treasurer or Assistant Chief Financial Officer, shall sign all stock certificates as treasurer of the Corporation. The Chief Financial Officer shall disburse the funds of the Corporation as shall be ordered by the Board of Directors, taking proper vouchers for such disbursements, shall promptly render to the Chief Executive Officer and to the Board of Directors such statements of the Chief Financial Officer's transactions and accounts as the Chief Executive Officer and Board of Directors respectively may from time to time require, and in general, shall exercise all the powers and authority usually appertaining to the chief financial officer of a corporation, except as otherwise provided in these Bylaws.

Section 4.8 Vice Presidents. At the request of the President or in the President's absence or in the event of the President's inability or refusal to act (and if there be no Chairman of the Board of Directors), the Vice President, or the Vice Presidents if there are more than one (in the order designated by the Board of Directors), shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. Each Vice President shall perform such other duties and have such other powers as the Board of Directors from time to time may prescribe. If there be no Chairman of the Board of Directors and no Vice President, the Board of Directors shall designate an officer of the Corporation who, in the absence of the President or in the event of the inability or refusal of the President to act, shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President.

Section 4.9 Secretary. Except as otherwise provided herein, the Secretary shall record all the proceedings of meetings of the Board of Directors and all meetings of the stockholders in a book or books to be kept for that purpose, and the Secretary shall also perform like duties for committees of the Board of Directors when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors, the Chairman of the Board of Directors or the President, under whose supervision the Secretary shall be. If the Secretary shall be unable or shall refuse to cause to be given notice of all meetings of the stockholders and special meetings of the Board of Directors, and if there be no Assistant Secretary, then either the Board of Directors or the President may choose another officer to cause such notice to be given. The Secretary shall have custody of the seal of the Corporation and the Secretary or any Assistant Secretary, if there be one, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by the signature of the Secretary or by the signature of any such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest to the affixing by such officer's signature. The Secretary shall see that all books, reports, statements, certificates and other documents and records required by law to be kept or filed are properly kept or filed, as the case may be.

Section 4.10 Other Officers. Such other officers as the Board of Directors may choose shall perform such duties and have such powers as from time to time may be assigned to them by the Board of Directors. The Board of Directors may delegate to any other officer of the Corporation the power to choose such other officers and to prescribe their respective duties and powers.

Section 4.11 Resignation. Any officer may resign by delivering such officer's written resignation to the Corporation at its principal office, and such resignation shall be effective upon receipt unless it is specified to be effective at a later time. If a resignation is made effective at a later date and the Corporation accepts the future effective date, the Board of Directors may fill the pending vacancy before the effective date if the Board of Directors provides that the successor shall not take office until the effective date. An officer's resignation shall not affect the Corporation's contract rights, if any, with the officer.

Section 4.12 Removal. The Board of Directors may remove any officer with or without cause. Nothing herein shall limit the power of any officer to discharge any subordinate.

ARTICLE V

STOCK

Section 5.1 Issuance and Consideration. Subject to any applicable requirements of law, the Certificate of Incorporation or these Bylaws, the Board of Directors may direct the Corporation to issue the number of shares of each class or series of stock authorized by the Certificate of Incorporation. The Board of Directors may authorize shares to be issued for any valid consideration. Before the Corporation issues shares, the Board of Directors shall determine that the consideration received or to be received for shares to be issued is adequate. That determination by the Board of Directors is conclusive insofar as the adequacy of consideration for the issuance of shares relates to whether the shares are validly issued, fully paid and nonassessable. Subject to any applicable requirements of law or the Certificate of Incorporation, the Board of Directors shall determine the terms upon which the rights, options, or warrants for the purchase of shares or other securities of the Corporation are issued by the Corporation and the terms, including the consideration, for which the shares or other securities are to be issued.

Section 5.2 Share Certificates. If shares are represented by certificates, at a minimum each share certificate shall state on its face: (a) the name of the Corporation and that it is organized under the laws of the State of Delaware; (b) the name of the person to whom issued; and (c) the number and class of shares and the designation of the series, if any, the certificate represents. The front or back of each certificate shall also set forth any information or statement required to be set forth thereon by the DGCL. Unless shares can be issued in uncertificated form as contemplated by Section 5.3, each stockholder shall be entitled to a certificate signed by, or in the name of the Corporation by, either manually or in facsimile, the Chairman of the Board, Chief Executive Officer, President, Chief Financial Officer, General Counsel or Secretary (if there be such officers appointed) or any two officers designated by the Board of Directors, certifying the name of shares owned by him or her. Any or all of the signatures on the certificate may be by facsimile, and any such certificate shall bear the corporate seal or its facsimile. If the person who signed, either manually or in facsimile, a share certificate no longer holds office when the certificate is issued, the certificate shall be nevertheless valid.

Section 5.3 Uncertificated Shares. The Board of Directors may authorize by resolution or resolutions the issue of some or all of the shares of any or all of the Corporation's classes or series of capital stock without certificates. The authorization shall not affect shares already represented by certificates until they are surrendered to the Corporation. To the extent required by the DGCL, within a reasonable time after the issue or transfer of shares without certificates, the Corporation shall send the stockholder a written statement of the information required by the DGCL to be on physical share certificates of the Corporation.

Section 5.4 Lost, Stolen or Destroyed Certificates. The Board of Directors may, subject to Delaware Code, Title 6, Section 8-405, determine the conditions upon which a new share certificate may be issued in place of any certificate alleged to have been lost, destroyed, or wrongfully taken. The Board of Directors may, in its discretion, require the owner of such share certificate, or such owner's legal representative, to give a bond, sufficient in its opinion, with or without surety, to indemnify the Corporation against any loss or claim which may arise by reason of the issue of the new certificate.

Section 5.5 Transfers. Transfers of stock shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to

transfer shares of stock of the Corporation. Subject to any restrictions on transfer and except when a certificate is issued in accordance with Section 5.4, shares of stock represented by certificates may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment and power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require. Upon receipt of proper transfer instructions from the registered owner of uncertificated shares, such uncertificated shares shall be cancelled and the issuance of new equivalent uncertificated shares shall be made to the person entitled thereto and the transaction shall be recorded upon the books of the Corporation. A record shall be made of each transfer and whenever a transfer shall be made for collateral security, and not absolutely, it shall be so expressed in the entry of the transfer.

Section 5.6 Record Owners. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and to hold liable for calls and assessments a person registered on its books as the owner of shares, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise required by law.

Section 5.7 Transfer and Registry Agents. The Corporation may from time to time maintain one or more transfer offices or agencies and registry offices or agencies at such place or places as may be determined from time to time by the Board of Directors.

Section 5.8 Regulations. The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VI

NOTICES

Section 6.1 Notices. Whenever written notice is required by law, the Certificate of Incorporation or these Bylaws, to be given to any director, member of a committee or stockholder, such notice may be given by mail, addressed to such director, member of a committee or stockholder, at such person’s address as it appears on the records of the Corporation, with postage thereon prepaid, and such notice shall be deemed to be given at the time when the same shall be deposited in the United States mail. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under applicable law, the Certificate of Incorporation or these Bylaws shall be effective if given by a form of electronic transmission if consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed to be revoked if (i) the Corporation is unable to deliver by electronic transmission two (2) consecutive notices by the Corporation in accordance with such consent and (ii) such inability becomes known to the Secretary or Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, that the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action. Notice given by electronic transmission, as described above, shall be deemed given: (i) if by facsimile telecommunication, when directed to a number at which the stockholder has consented to receive notice; (ii) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (iii) if by

a posting on an electronic network, together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (iv) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the mailing or other means of giving any notice of any stockholders' meeting, executed by the Secretary, an Assistant Secretary or any transfer agent of the Corporation giving the notice, shall be prima facie evidence of the giving of such notice or report. Notice shall be deemed to have been given to all stockholders of record who share an address if notice is given in accordance with the "householding" rules set forth in Rule 14a-3(e) under the Exchange Act, and Section 233 of the DGCL. Notice to directors or committee members may be given personally or by telegram, telex, cable or other means of electronic transmission.

Section 6.2 Waivers of Notice. Whenever any notice is required by applicable law, the Certificate of Incorporation or these Bylaws, to be given to any director, member of a committee or stockholder, a waiver thereof in writing, signed by the person or persons entitled to notice, or a waiver by electronic transmission by the person or persons entitled to notice, or a waiver by electronic transmission by the person or persons entitled to notice whether before or after the time stated therein, shall be deemed equivalent thereto. Attendance of a person at a meeting, present in person or represented by proxy, shall constitute a waiver of notice of such meeting, except where the person attends the meeting for the express purpose of objecting at the beginning of the meeting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any Annual or Special Meeting of Stockholders or any regular or special meeting of the directors or members of a committee of directors need be specified in any written waiver of notice unless so required by law, the Certificate of Incorporation or these Bylaws.

ARTICLE VII

GENERAL PROVISIONS

Section 7.1 Dividends.

(a) Dividends upon the capital stock of the Corporation, subject to the requirements of the DGCL and the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting of the Board of Directors (or any action by written consent in lieu thereof in accordance with Section 3.8 of Article III hereof), and may be paid in cash, in property, or in shares of the Corporation's capital stock. Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board of Directors from time to time, in its absolute discretion, deems proper as a reserve or reserves to meet contingencies, or for purchasing any of the shares of capital stock, warrants, rights, options, bonds, debentures, notes, scrip or other securities or evidences of indebtedness of the Corporation, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for any proper purpose, and the Board of Directors may modify or abolish any such reserve.

(b) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record

date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 7.2 Disbursements. All checks or demands for money and notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

Section 7.3 Fiscal Year. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors. If the Board makes no determination to the contrary, the fiscal year of the Corporation shall be the twelve months ending on December 31 each year.

Section 7.4 Corporate Seal. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words "Corporate Seal, Delaware". The seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal (the original of which shall be kept with the Secretary) may be kept and used by the Treasurer or by an Assistant Treasurer or Assistant Secretary (if there be such officers appointed).

Section 7.5 Records to be Kept.

(a) The Corporation shall keep as permanent records minutes of all meetings of its stockholders and Board of Directors, a record of all actions taken by the stockholders or Board of Directors without a meeting, and a record of all actions taken by a committee of the Board of Directors in place of the Board of Directors on behalf of the Corporation. The Corporation or its agent shall maintain a record of its stockholders, in a form that permits preparation of a list of the names and addresses of all stockholders, in alphabetical order by class or series of shares showing the number and class or series of shares held by each. The Corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(b) The Corporation shall keep within the State of Delaware a copy of such records at its principal office or an office of its transfer agent or of its Secretary or Assistant Secretary or of its registered agent as may be required by law.

Section 7.6 Execution of Instruments. The Board of Directors may authorize, or provide for the authorization of, officers, employees or agents to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation. Any such authorization must be in writing or by electronic transmission and may be general or limited to specific contracts or instruments.

Section 7.7 Certificate of Incorporation. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time, including any certificate of designations in effect from time to time with respect to Preferred Stock.

Section 7.8 Construction. The words “include” and “including” and similar terms shall be deemed to be followed by the words “without limitation.” Whenever used in these Bylaws, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders. Any reference in these Bylaws to provision of any statute shall be deemed to include any successor provision. Unless the context otherwise requires, the term “person” shall be deemed to include any natural person or any corporation, organization or other entity.

ARTICLE VIII

INDEMNIFICATION

Section 8.1 Power to Indemnify in Actions, Suits or Proceedings other than Those by or in the Right of the Corporation. Subject to Section 8.3 of this Article VIII, the Corporation shall indemnify and hold harmless to the fullest extent authorized by Delaware law any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation), by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees), judgments, fines, and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe such person’s conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner which such person reasonably believed to be in or not opposed to the best interests of the Corporation, and, with respect to any criminal action or proceeding, had reasonable cause to believe that such person’s conduct was unlawful.

Section 8.2 Power to Indemnify in Actions, Suits or Proceedings by or in the Right of the Corporation. Subject to Section 8.3 of this Article VIII, the Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in the right of the Corporation to procure a judgment in its favor by reason of the fact that such person is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys’ fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation; except that no indemnification shall be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the Corporation unless and only to the extent that the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or such other court shall deem proper.

Section 8.3 Authorization of Indemnification. Any indemnification under this Article VIII (unless ordered by a court) shall be made by the Corporation only as authorized in the specific case upon a determination that indemnification of the present or former director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 8.1 or Section 8.2 of this Article VIII, as the case may be. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (i) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion or (iv) by the stockholders. Such determination shall be made, with respect to former directors and officers, by any person or persons having the authority to act on the matter on behalf of the Corporation. To the extent, however, that a present or former director or officer of the Corporation has been successful on the merits or otherwise in defense of any action, suit or proceeding described above, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith, without the necessity of authorization in the specific case.

Section 8.4 Good Faith Defined. For purposes of any determination under Section 8.3 of this Article VIII, a person shall be deemed to have acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation, or, with respect to any criminal action or proceeding, to have had no reasonable cause to believe such person's conduct was unlawful, if such person's action is based on the records or books of account of the Corporation or another enterprise, or on information supplied to such person by the officers of the Corporation or another enterprise in the course of their duties, or on the advice of legal counsel for the Corporation or another enterprise or on information or records given or reports made to the Corporation or another enterprise by an independent certified public accountant or by an appraiser or other expert selected with reasonable care by the Corporation or another enterprise. The provisions of this Section 8.4 shall not be deemed to be exclusive or to limit in any way the circumstances in which a person may be deemed to have met the applicable standard of conduct set forth in Section 8.1 or Section 8.2 of this Article VIII, as the case may be.

Section 8.5 Indemnification by a Court. Notwithstanding any contrary determination in the specific case under Section 8.3 of this Article VIII, and notwithstanding the absence of any determination thereunder, any director or officer may apply to the Court of Chancery of the State of Delaware or any other court of competent jurisdiction in the State of Delaware for indemnification to the extent otherwise permissible under Section 8.1 or Section 8.2 of this Article VIII. The basis of such indemnification by a court shall be a determination by such court that indemnification of the director or officer is proper in the circumstances because such person has met the applicable standard of conduct set forth in Section 8.1 or Section 8.2 of this Article VIII, as the case may be. Neither a contrary determination in the specific case under Section 8.3 of this Article VIII nor the absence of any determination thereunder shall be a defense to such application or create a presumption that the director or officer seeking indemnification has not met any applicable standard of conduct. Notice of any application for indemnification pursuant to this Section 8.5 shall be given to the Corporation promptly upon the filing of such application. If successful, in whole or in part, the director or officer seeking indemnification shall also be entitled to be paid the expense of prosecuting such application; provided, however,

that such notice shall not be a requirement for an award of or a determination of entitlement to indemnification or advancement of expenses.

Section 8.6 Expenses Payable in Advance. To the fullest extent authorized by Delaware law, expenses (including attorneys' and other professionals' fees and disbursements and court costs) incurred by a director or officer in defending any civil, criminal, administrative or investigative action, suit or proceeding shall be paid by the Corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the Corporation as authorized in this Article VIII. Such expenses (including attorneys' fees) incurred by former directors and officers or other employees and agents may be so paid upon such terms and conditions, if any, as the Corporation deems appropriate.

Section 8.7 Non-exclusivity of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under the Certificate of Incorporation, these Bylaws, any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, it being the policy of the Corporation that indemnification of and advancement of expenses to the persons specified in Section 8.1 and Section 8.2 of this Article VIII shall be made to the fullest extent permitted by law, including as a result of any amendment of the DGCL expanding the right of corporations to indemnify and advance expenses. The provisions of this Article VIII shall not be deemed to preclude the indemnification of any person who is not specified in Section 8.1 or Section 8.2 of this Article VIII but whom the Corporation has the power or obligation to indemnify under the provisions of the DGCL, or otherwise. The Corporation's obligation, if any, to indemnify, to hold harmless, or to provide advancement of expenses to any indemnitee who was or is serving at its request as a director, officer, employee, agent or manager of another corporation, partnership, limited liability company, joint venture, trust or other enterprise or nonprofit entity (including service with respect to an employee benefit plan) shall be reduced by any amount such indemnitee actually collects as indemnification, holding harmless, or advancement of expenses from such other corporation, partnership, limited liability company, joint venture, trust or other enterprise nonprofit entity.

Section 8.8 Insurance. The Corporation may purchase and maintain at its expense insurance on behalf of any person who is or was a director or officer of the Corporation, or is or was a director or officer of the Corporation serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the Corporation would have the power or the obligation to indemnify such person against such liability under the provisions of this Article VIII or Delaware law. Nothing contained in this Article VIII shall prevent the Corporation from entering into with any person any agreement that provides independent indemnification, hold harmless or exoneration rights to such person or further regulates the terms on which indemnification, hold harmless or exoneration rights are to be provided to such person or provides independent assurance of any one or more of the Corporation's obligations to indemnify, hold harmless, and exonerate such person, whether or not such indemnification, hold harmless or exoneration rights are on the same or different terms

than provided for by this Article VIII or is in respect of such person acting in any other capacity, and nothing contained herein shall be exclusive of, or a limitation on, any right to indemnification, to be held harmless, to exoneration or to advancement of expenses to which any person is otherwise entitled. The Corporation may create a trust fund, grant a security interest or use other means (including a letter of credit) to ensure the payment of such amounts as may be necessary to effect indemnification and the advancement of expenses as provided in this Article VIII.

Section 8.9 Certain Definitions. For purposes of this Article VIII, references to the "Corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors or officers, so that any person who is or was a director or officer of such constituent corporation, or is or was a director or officer of such constituent corporation serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article VIII with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued. The term "another enterprise" as used in this Article VIII shall mean any other corporation or any partnership, joint venture, trust, employee benefit plan or other enterprise of which such person is or was serving at the request of the Corporation as a director, officer, employee or agent. For purposes of this Article VIII, references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director or officer with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article VIII.

Section 8.10 Survival of Indemnification and Advancement of Expenses. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article VIII shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the heirs, executors and administrators of such a person.

Section 8.11 Contractual Rights. The rights conferred upon any person in this Article VIII shall be contract rights and such rights shall continue as to any person who has ceased to be a director, officer, employee, trustee or agent, and shall inure to the benefit of such person's heirs, executors and administrators. A right to indemnification or to advancement of expenses arising under any provision of this Article VIII shall not be eliminated or impaired by an amendment, alteration or repeal of any provision of the Bylaws of this Corporation after the occurrence of the act or omission that is the subject of the proceeding for which indemnification or advancement of expenses is sought (even in the case of a proceeding based on such a state of facts that is commenced after such time).

Section 8.12 Limitation on Indemnification. Notwithstanding anything contained in this Article VIII to the contrary, except for proceedings to enforce rights to indemnification

(which shall be governed by Section 8.5 of this Article VIII), the Corporation shall not be obligated to indemnify any director or officer (or such director's or officer's heirs, executors or personal or legal representatives) or advance expenses in connection with a proceeding (or part thereof) initiated by such person unless such proceeding (or part thereof) was authorized or consented to by the Board of Directors of the Corporation.

Section 8.13 Indemnification of Employees and Agents. The Corporation may, to the extent authorized from time to time by the Board of Directors, provide rights to indemnification and to the advancement of expenses to employees and agents of the Corporation similar to those conferred in this Article VIII to directors and officers of the Corporation.

Section 8.14 Severability. If this Article VIII or any portion hereof shall be invalidated or held to be unenforceable on any ground by any court of competent jurisdiction, the decision of which shall not have been reversed on appeal, this Article VIII shall be deemed to be modified to the minimum extent necessary to avoid a violation of law and, as so modified, this Article and the remaining provisions hereof shall remain valid and enforceable in accordance with their terms to the fullest extent permitted by law.

ARTICLE IX

AMENDMENTS

Section 9.1 Amendments. These Bylaws may be altered, amended or repealed, in whole or in part, or new Bylaws may be adopted by the stockholders or by the Board of Directors; provided, however, that notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such meeting (if there is one) of the stockholders or Board of Directors, as the case may be. All such alterations, amendments, repeals or adoptions must be approved by either the affirmative vote of the holders of at least 66 2/3% of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote thereon or by a majority of the Entire Board of Directors, provided, however, that at any time the Fortress Stockholders, collectively, beneficially own at least 20% of the then issued and outstanding Voting Shares, any such alterations, amendments, repeals or adoptions may be approved by either the affirmative vote of the holders of at least a majority of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote thereon or by a majority of the Entire Board of Directors. Notwithstanding the foregoing or any other provision of these Bylaws (and in addition to any other vote that may be required by law), the affirmative vote of the holders of at least 80% of the voting power of the then issued and outstanding shares of capital stock of the Corporation entitled to vote thereon shall be required to amend, alter, change or repeal, or to adopt any provision as part of these Bylaws inconsistent with the purpose and intent of Section 2.3 (Special Meetings), Section 2.11 (Consent of Stockholders in Lieu of Meeting), Section 3.1 (Duties and Powers), Section 3.2 (Number and Election of Directors), Section 3.3 (Vacancies), Section 3.6 (Resignations and Removals of Directors), this Article IX and Article XI (Definitions) (collectively, the "Specified Bylaws"), provided, however, that at any time that the Fortress Stockholders, collectively, beneficially own at least 20% of the then issued and outstanding shares of capital stock entitled to vote thereon, the Specified Bylaws also may be amended, altered, changed, or repealed, in whole or in part, by the affirmative vote of a majority of the Entire Board of Directors (and, for the avoidance of doubt, without approval of the stockholders).

ARTICLE X

EMERGENCY BYLAWS

Section 10.1 Emergency Board of Directors. In case of an attack on the United States or on a locality in which the Corporation conducts its business or customarily holds meetings of the Board of Directors or its stockholders, or during any nuclear or atomic disaster, or during the existence of any catastrophe, or other similar emergency condition, as a result of which a quorum of the Board of Directors or a committee thereof cannot readily be convened for action in accordance with the provisions of the Bylaws, the business and affairs of the Corporation shall be managed by or under the direction of an Emergency Board of Directors (hereinafter called the "Emergency Board") established in accordance with Section 10.2.

Section 10.2 Membership of Emergency Board of Directors. The Emergency Board shall consist of at least three of the following persons present or available at the Emergency Corporate Headquarters determined according to Section 10.5: (a) those persons who were directors at the time of the attack or other event mentioned in Section 10.1, and (b) any other persons appointed by such directors to the extent required to provide a quorum at any meeting of the Board of Directors. If there are no such directors present or available at the Emergency Corporate Headquarters, the Emergency Board shall consist of the three highest-ranking officers or employees of the Corporation present or available and any other persons appointed by them.

Section 10.3 Powers of the Emergency Board. The Emergency Board will have the same powers as those granted to the Board of Directors in these Bylaws, but will not be bound by any requirement of these Bylaws which a majority of the Emergency Board believes impracticable under the circumstances.

Section 10.4 Stockholders' Meeting. At such time as it is practicable to do so, as determined in the sole discretion of the Emergency Board, the Emergency Board shall call a meeting of stockholders for the purpose of electing directors. Such meeting will be held at a time and place (or by means of remote communication) to be fixed by the Emergency Board and pursuant to such notice to stockholders as it is deemed practicable to give. The stockholders entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum.

Section 10.5 Emergency Corporate Headquarters. Emergency Corporate Headquarters shall be at such location as the Board of Directors or the Chief Executive Officer shall determine prior to the attack or other event, or if not so determined, at such place as the Emergency Board may determine.

Section 10.6 Limitation of Liability. No officer, director or employee acting in accordance with the provisions of this Article X shall be liable except for willful misconduct.

Section 10.7 Amendments; Repeal. At any meeting of the Emergency Board, the Emergency Board may modify, amend or add to the provisions of this Article X so as to make any provision that may be practical or necessary for the circumstances of the emergency. The provisions of this Article X shall be subject to repeal or change by further action of the Board of Directors or by action of the stockholders, but no such repeal or change shall modify the provisions of Section 10.6 with regard to action taken prior to the time of such repeal or change.

ARTICLE XI

DEFINITIONS

Section 11.1 Certain Defined Terms. For purposes of these Bylaws, the following terms shall have the following meanings:

(a) "Affiliate" means, with respect to a given person, any other person that, directly or indirectly, controls, is controlled by or is under common control with, such person; provided, however, that for purposes of this definition and this Article XI, none of (i) the New Media Entities and any entities (including corporations, partnerships, limited liability companies, or other persons) in which such New Media Entities hold, directly or indirectly, an ownership interest, on the one hand, or (ii) the Fortress Stockholders and their Affiliates (excluding any New Media Entities or other entities described in clause (i)), on the other hand, shall be deemed to be "Affiliates" of one another. For purposes of this definition, "control" (including, with correlative meanings, the terms "controlled by" and "under common control with") as applied to any person, means the possession, directly or indirectly, of beneficial ownership of, or the power to vote, 10% or more of the securities having voting power for the election of directors (or other persons acting in similar capacities) of such person or the power otherwise to direct or cause the direction of the management and policies of such person, whether through the ownership of voting securities, by contract or otherwise.

(b) "beneficially own" and "beneficial ownership" and similar terms used herein shall be determined in accordance with Rules 13d-3 and 13d-5 under the Exchange Act.

(c) "Entire Board of Directors" means the total number of directors which the Corporation would have if there were no vacancies.

(d) "Fortress Affiliate Stockholders" shall mean (A) any director of the Corporation who may be deemed an Affiliate of Fortress Investment Group LLC ("FIG"), (B) any director or officer of FIG or its Affiliates and (C) any investment funds (including any managed accounts) managed directly or indirectly by FIG or its Affiliates.

(e) "Fortress Stockholders" shall mean (i) the Initial Stockholder, (ii) each Fortress Affiliate Stockholder and (iii) each Permitted Transferee.

(f) "Governmental Entity" shall mean any national, state, provincial, municipal, local or foreign government, any court, arbitral tribunal, administrative agency or commission or other governmental or regulatory authority, commission, or agency, or any non-governmental, self-regulatory authority, commission, or agency.

(g) "Independent Director" shall mean a director who (i) qualifies as an "independent director" within the meaning of the corporate governance listing standards from time to time adopted by the NYSE (or, if at any time the Corporation's common stock is not listed on the NYSE and is listed on a stock exchange other than the NYSE, the applicable corporate governance listing standards of such stock exchange) with respect to the composition of the board of directors of a listed company (without regard to any independence criteria applicable under such standards only to the members of a committee of the board of directors) and (ii) also satisfies the minimum requirements of director independence of Rule 10A-3(b)(1)

under the Exchange Act (as from time to time in effect), whether or not such director is a member of the audit committee.

(h) "Initial Stockholder" shall mean Newcastle Investment Corp. and its Subsidiaries (other than Subsidiaries that constitute New Media Entities).

(i) "Judgment" shall mean any order, writ, injunction, award, judgment, ruling, or decree of any Governmental Entity.

(j) "Law" shall mean any statute, law, code, ordinance, rule, or regulation of any Governmental Entity.

(k) "Lien" shall mean any pledge, claim, equity, option, lien, charge, mortgage, easement, right-of-way, call right, right of first refusal, "tag"- or "drag"- along right, encumbrance, security interest, or other similar restriction of any kind or nature whatsoever.

(l) "Listing" shall mean the listing of the Common Stock on the NYSE or other national securities exchange.

(m) "New Media Entities" means the Corporation and its Subsidiaries, and "New Media Entity" shall mean any of the New Media Entities.

(n) "NYSE" shall mean the New York Stock Exchange.

(o) "Permitted Transferee" shall mean, with respect to each Fortress Stockholder, (i) any other Fortress Stockholder, (ii) such Fortress Stockholder's Affiliates and (iii) in the case of any Fortress Stockholder, (A) any member or general or limited partner of such Fortress Stockholder (including, without limitation, any member of the Initial Stockholder), (B) any corporation, partnership, limited liability company or other entity that is an Affiliate of such Fortress Stockholder or any member, general or limited partner of such Fortress Stockholder (collectively, "Fortress Stockholder Affiliates"), (C) any investment funds managed directly or indirectly by such Fortress Stockholder or any Fortress Stockholder Affiliate (a "Fortress Stockholder Fund"), (D) any general or limited partner of any Fortress Stockholder Fund, (E) any managing director, general partner, director, limited partner, officer, or employee of any Fortress Stockholder Affiliate, or any spouse, lineal descendant, sibling, parent, heir, executor, administrator, testamentary trustee, legatee, or beneficiary of any of the foregoing persons described in this clause (E) (collectively, "Fortress Stockholder Associates"), or (F) any trust, the beneficiaries of which, or any corporation, limited liability company or partnership, the stockholders, members or general or limited partners of which, consist solely of any one or more of such Fortress Stockholders, any general or limited partner of such Fortress Stockholders, any Fortress Stockholder Affiliates, any Fortress Stockholder Fund, any Fortress Stockholders Associates, their spouses or their lineal descendants.

(p) "Restriction" with respect to any capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security, shall mean any voting or other trust or agreement, option, warrant, preemptive right, right of first offer, right of first refusal, escrow arrangement, proxy, buy-sell agreement, power of attorney or other contract, any Law, license, permit, or Judgment that, conditionally or unconditionally, (i) grants to any person the right to purchase or otherwise acquire, or obligates any person to sell or otherwise dispose of or issue, or otherwise results or, whether upon the occurrence of any event

or with notice or lapse of time or both or otherwise, may result in any person acquiring, (A) any of such capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security, (B) any of the proceeds of, or any distributions paid or that are or may become payable with respect to, any of such capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security, or (C) any interest in such capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security or any such proceeds or distributions, (ii) restricts or, whether upon the occurrence of any event or with notice or lapse of time or both or otherwise, is reasonably likely to restrict the transfer or voting of, or the exercise of any rights or the enjoyment of any benefits arising by reason of ownership of, any such capital stock, partnership interest, membership interest in a limited liability company, or other equity interest or security or any such proceeds or distributions or (iii) creates or, whether upon the occurrence of any event or with notice or lapse of time, or both, or otherwise, is reasonably likely to create a Lien or purported Lien affecting such capital stock, partnership interest, membership interest in a limited liability company or other equity interest or security, proceeds or distributions.

(q) "Subsidiary" with respect to any person means: (i) a corporation, a majority of whose capital stock with voting power, under ordinary circumstances, to elect directors is at the time, directly or indirectly owned by such person, by a Subsidiary of such person, or by such person and one or more Subsidiaries of such person, without regard to whether the voting of such capital stock is subject to a voting agreement or similar Restriction, (ii) a partnership or limited liability company in which such person or a Subsidiary of such person is, at the date of determination, (A) in the case of a partnership, a general partner of such partnership with the power affirmatively to direct the policies and management of such partnership or (B) in the case of a limited liability company, the managing member or, in the absence of a managing member, a member with the power affirmatively to direct the policies and management of such limited liability company or (iii) any other person (other than a corporation) in which such person, a Subsidiary of such person or such person and one or more Subsidiaries of such person, directly or indirectly, at the date of determination thereof, has (A) the power to elect or direct the election of a majority of the members of the governing body of such person (whether or not such power is subject to a voting agreement or similar restriction) or (B) in the absence of such a governing body, a majority ownership interest.

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Adopted as of: May 29, 2018

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Section 4: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

Rule 13a-14(a)/15d-14(a) Certification of Principal Executive Officer

I, Michael E. Reed, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended July 1, 2018 of New Media Investment Group Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability

of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2018

/s/ Michael E. Reed

Michael E. Reed
Chief Executive Officer
(Principal Executive Officer)

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Section 5: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

Rule 13a-14(a)/15d-14(a) Certification of Principal Financial Officer

I, Gregory W. Freiberg, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended July 1, 2018 of New Media Investment Group Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2018

/s/ Gregory W. Freiberg

Gregory W. Freiberg
Chief Financial Officer
(Principal Financial Officer)

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Section 6: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

SECTION 1350 CERTIFICATIONS

In connection with the Quarterly Report on Form 10-Q of New Media Investment Group Inc. (the "Company") for the quarterly period ended July 1, 2018, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael E. Reed, as Principal Executive Officer of the Company, and Gregory W. Freiberg, as Principal Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002 ("Section 906"), that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Michael E. Reed

Name:	Michael E. Reed
Title:	Chief Executive Officer (Principal Executive Officer)
Date:	August 2, 2018

/s/ Gregory W. Freiberg

Name:	Gregory W. Freiberg
Title:	Chief Financial Officer (Principal Financial Officer)
Date:	August 2, 2018

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

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