

THIS PAYMENT-IN-LIEU-OF-TAX AGREEMENT (the "Agreement"), dated as of August 13, 2004, by and between GANNETT SATELLITE INFORMATION NETWORK, INC. d/b/a PRESS & SUN-BULLETIN, a corporation duly organized and validly existing under the laws of the State of Delaware with an address for the transaction of business located at P.O. Box 1270, Binghamton, New York, 13902-1279 (the "Company") and the BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY, a public-benefit corporation duly organized and validly existing under the laws of the State of New York with an office for the transaction of business located at 44 Hawley Street, P.O. Box 1510, Binghamton, New York 13902 (the "Agency"), collectively, the "Parties".

WITNESSETH:

WHEREAS, Title 1 of Article 18-A, as amended, of the General Municipal Law of the State of New York (the "Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York (the "State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, including industrial pollution control facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve their standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities on such terms and conditions as it deems advisable, to issue its bonds for the purpose

of carrying out any of its corporate purposes; and, as security for the payment of the principal and redemption price of, and interest on, any such bonds so issued and any agreements made in connection therewith, to pledge the revenues and receipts from its facilities or from the lease thereof; and

WHEREAS, pursuant to and in accordance with the provisions of the Enabling Act, Chapter 564 of the Laws of 1970 of the State (collectively, the "Act") created the Agency, which is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, the Agency was created as a public benefit corporation pursuant to and for the purposes specified in Title 1 of Article 18-A of the General Municipal Law; and

WHEREAS, the Company has agreed to a sale and lease-back transaction, on the real property more particularly described on Schedule "A" attached hereto (the "Land"), to facilitate the acquisition, construction and equipping of a high-technology printing press and production facility located at the corner of Lester Avenue and CFJ Boulevard in the Village of Johnson City, Town of Union, Broome County, New York (the Land and the improvements to be constructed thereon will hereinafter be collectively referred to as the "Facility"), and to lease the Facility from the Agency; and

WHEREAS, the Agency will lease the Facility to the Company for a term not to exceed approximately fifteen (15) years after completion of construction of the Facility; and

WHEREAS, the Agency is exempt from the payment of taxes and assessments imposed upon real property, and as a further condition related to the acquisition of the Facility, the Company has agreed that, notwithstanding such exemption, the Company will nevertheless make payments to the Village of Johnson City (the "Village"), the Town of Union (the "Town"), the Johnson City Central School District (the "School District") and the County of Broome (the "County") (collectively, the "Taxing Authorities") while occupying the Facility in lieu of general tax levies.

NOW, THEREFORE, in consideration of the covenants herein contained, it is mutually agreed as follows:

1. Pursuant to Section 874 of the General Municipal Law and Section 412-a of the Real Property Tax Law, the Parties hereto understand that, upon acquisition of the Land by the Agency and the filing of an Equalization and Assessment Form RP-412-a (and "Exemption Form") with respect to the Facility, and for so long thereafter as the Agency shall own the Facility, the Facility shall be assessed by the various taxing entities having jurisdiction over the Facility, including, without limitation, the Village, the Town, the School District and the County as exempt on their respective assessment rolls prepared subsequent to the acquisition by the Agency of Title to the Land and the filing of the Exemption Form. The Parties hereto understand that the Facility shall not be entitled to such exempt status on any tax roll until the first tax year following the tax status date subsequent to the date upon which the Agency became the record owner of the Land and an Exemption Form is filed with all required Taxing Authorities ("Exemption Date"). The Company shall be required to pay all taxes and assessments lawfully levied and/or assessed against the Facility, including taxes and assessments levied for the current tax year and all subsequent years until the Facility is entitled to exempt status on the tax roll. The Agency will cooperate with the Company to obtain and preserve the tax exempt status of the Facility, including the preparation and filing of the Exemption Form with all required Taxing Authorities.

2. During the period the Facility is owned by the Agency, pursuant to a lease agreement with the Company, the Company agrees to pay to the Village, the Town, the County and the School District the following percentages of taxes that would otherwise be levied on said property if the same was subject to real property taxation:

A. After the Exemption Date and until the provisions of Paragraph 2.B become effective, the Company shall pay, as payments in lieu of taxes and assessments, one hundred percent (100%) of

the taxes and assessments which would be levied upon the Facility by the respective Taxing Authorities.

B. Commencing, at the sole option and discretion of the Company, at the earlier of (i) the first fiscal tax year of each of the Taxing Authorities following the first taxable status date after the issuance of a certificate of occupancy to the Company for the Facility by the appropriate governmental entity or (ii) written notice from the Company to the Agency setting forth the effective date for commencement of the payments in accordance with the Schedule of Payments described below (which effective date can be no later than the date set forth in (i) above), the Company shall pay, as payments in lieu of taxes and assessments, the amounts set forth on the Schedule of Payments described below (such earlier date being the "PILOT Schedule Commencement Date").

C. The term "PILOT Year" shall mean the fiscal tax year of each Taxing Authority, beginning with each Taxing Authority's first fiscal tax year after the PILOT Schedule Commencement Date.

SCHEDULE OF PAYMENTS

<u>PILOT Year</u>	<u>Percentage of Tax Due</u>
Years 1-5	25%
Years 6-10	50%
Years 11-15	75%
Year 16 and thereafter	100%

Commencing with the sixteenth (16th) PILOT Year of each Taxing Authority and until such time as the Facility is conveyed by the Agency to the Company, the Company shall pay the actual taxes of the Facility that would have been imposed but for the Agency's tax exemption.

3. As long as this Agreement is in effect, the Agency and the Company agree that the Company shall be deemed to be the owner of the Facility for purposes of filing and instituting, and shall have the right to file and institute, administrative and judicial review of assessments of the Facility pursuant to the provisions of Article 7 of the Real Property Tax Law or any other

applicable law, as the same may be amended from time. In the event that the assessment of the Facility is reduced, by settlement or court determination, as a result of any such judicial review so that the Company would be entitled to receive a refund or refunds of taxes paid to the respective Taxing Authorities, if the Company was the owner of the Facility, the Company shall be entitled to receive a refund or refunds of the payments in lieu of taxes paid pursuant to this Agreement, adjusted for the payment percentages set forth in the Schedule of Payments in Paragraph 2 above.

4. The Village, the Town, the County, and the School District shall separately bill the Company for each payment-in-lieu-of-tax due hereunder. For the purposes of this Agreement, the term "Timely Payment" shall be defined as payment made within thirty (30) days after receipt by the Company of a written bill demanding payment.

5. Should the Company (i) use the Facility for other than office/manufacturing or allied purposes such as defined in Article 18-A of the General Municipal Law, (ii) fail to retain substantially the number of jobs anticipated by the project, when such job reductions are not reflective of the Company's normal business cycle and/or local and national economic conditions or (iii) acquire title during the term of this Agreement to the leased Facility from the Agency, this Agreement shall terminate immediately and the Premises shall be returned to the non-exempt portion of the tax roll and be subject to taxation thereafter, including any portion of a tax year not otherwise covered by this Agreement.

6. If any default shall be made in the payment referred to in Paragraph 2, supra, the Company hereby agrees to pay the same to the extent above specified:

A. Without requiring any notice of non-payment or of default to the Company, the Agency, or to any other person;

B. Without proof of demand.

7. The Parties hereto understand that the tax exemption extended to the Agency by Section 874 of the General Municipal Law and Section 412-A of the Real Property Tax Law does

not entitle the Agency to an exemption from special assessments and special ad valorem levies such as, but without limitation, charges for metered water and sewer rent. The Company hereby agrees to pay all special assessments and special ad valorem levies lawfully levied and/or assessed against the Facility.

8. Pursuant to Section 858 (15) of the General Municipal Law, the Agency agrees to give each of the Taxing Authorities a copy of this PILOT Agreement within fifteen (15) days of the execution and delivery hereof, together with a request that a copy thereof be given to the appropriate officer or officers with respect to each taxing jurisdiction responsible for preparing the tax rolls for said jurisdiction, together with a request that said officer or officers submit to the Company and the appropriate receiver of taxes periodic statements specifying the amount and due date or dates of the payments due to each hereunder. Such periodic statements to be submitted to the Company at approximately the times that tax bills are mailed by such jurisdictions.

9. The Company agrees to pay the amounts due hereunder to each particular taxing jurisdiction in any calendar year to the appropriate receiver of taxes within the period that such taxing entity allows the payment of taxes levied in such calendar year without penalty. The Company shall be entitled to receive receipts for such payments.

10. Pursuant to Section 874(5) of the General Municipal Law, if the Company shall fail to make any Timely Payment required by this PILOT Agreement, the Company shall pay the same, together with a late-payment penalty equal to five (5%) percent of the amount due. If the Company shall remain in default beyond the first month after such payment is due, the Company shall hereafter pay a late-payment penalty of one (1%) percent per month for each month, or part thereof, that the payment due thereunder is delinquent beyond the first month plus interest thereon, to the extent permitted by law, at the greater of (a) one (1%) percent per month, or (b) the rate per annum which would have been payable if such amount were delinquent taxes, until so paid in full.

11. Pursuant to Section 874(6) of the General Municipal Law, if the Company should default in performing any of its obligations, covenants or agreements under this PILOT Agreement and the Agency or any taxing jurisdiction should employ attorneys or incur other expense for the collection of any amounts payable hereunder, or for the enforcement or performance or observation of any obligation, covenant or agreement on the part of the Company herein contained, the Company agrees that it will, on demand therefore, pay to the Agency or such taxing jurisdiction, as the case may be, not only the amounts adjudicated due hereunder, together with the late-payment penalty and interest due thereon, but also reasonable fees and disbursements of such attorneys and all other expenses, costs and disbursements so incurred whether or not an action is commenced.

12. No remedy herein conferred upon or reserved to the Agency or any taxing jurisdiction is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this PILOT Agreement or now and hereafter existing at law or in equity or by statute. No delay or admission in exercising any such right or power accruing upon a default hereunder shall impair any such right or power or be construed as a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

13. The Agency reserves the right to recapture benefits provided through the abatement of real property taxes in the event that the Company's performance is substantially different than anticipated as defined below:

- A. Sale or foreclosure of the Facility and departure of the Company from Broome County;
- B. Significant change in the use of the Facility and/or business activities of the Company; and
- C. Significant employment reductions not reflective of the Company's normal business cycle and/or local and national economic conditions.

In cases deemed to meet one or more of the above conditions, the following recapture schedule will apply:

<u>Period</u>	<u>Accumulative Amount of Recapture</u>
Within 1 Year	100%
Within 2 Years	75%
Within 3 Years	50%
Within 4 Years	25%
After 4 Years	0%

The time period above is from the effective date of the PILOT Agreement. Imposition of this recapture policy is at the sole discretion of the Agency and will be considered on a case by case basis.

14. The addresses to which notices, certificates and other communications hereunder shall be delivered are as follows:

IF TO THE AGENCY:

Broome County Industrial Development Agency
44 Hawley Street
P.O. Box 1510
Binghamton, New York 13902
Attn: Executive Director

Copy to: Joseph B. Meagher, Esq.
Thomas, Collison & Meagher
1201 Monroe Street
P.O. Box 329
Endicott, New York 13761-0329

IF TO THE COMPANY:

Gannett Satellite Information Network, Inc.
d/b/a Press & Sun-Bulletin
P.O. Box 1270
Binghamton, New York 13902-1279
Attn: Bernard M. Griffin, Publisher

Copy to: Gannett Co., Inc.
7950 Jones Branch Drive
McLean, VA 22107
Attn: General Counsel

15. The Village, Town, County, School District, Agency and the Company as used herein shall include their successors and assigns.

IN WITNESS WHEREOF, the Parties hereto have caused this instrument to be duly executed the date set forth hereinabove.

GANNETT SATELLITE INFORMATION NETWORK,
INC. d/b/a PRESS & SUN-BULLETIN

By: Bernard M. Griffin
Bernard M. Griffin, Publisher

BROOME COUNTY INDUSTRIAL
DEVELOPMENT AGENCY

By: Richard D'Attilio
Richard D'Attilio, Executive Director

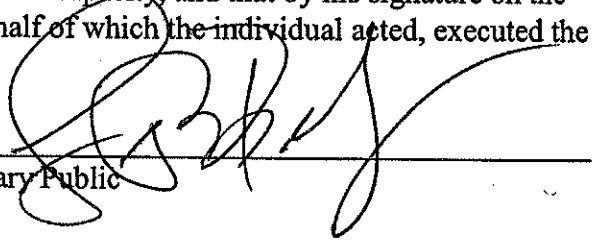
STATE OF NEW YORK :

: ss.:

COUNTY OF BROOME :

On this 13th day of August, 2004, before me, the undersigned, personally appeared BERNARD M. GRIFFIN, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public



JOSEPH B. MEAGHER
Notary Public, State of New York
Broome County 02ME4974837
Commission Expires Nov. 26, 2010

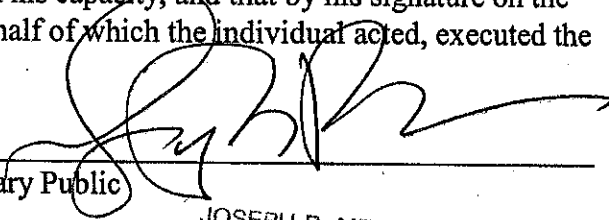
STATE OF NEW YORK :

: ss.:

COUNTY OF BROOME :

On this 13th day of August, 2004, before me, the undersigned, personally appeared RICHARD D'ATTILIO, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Notary Public



JOSEPH B. MEAGHER
Notary Public, State of New York
Broome County 02ME4974837
Commission Expires Nov. 26, 2010

SCHEDULE "A"

ALL THAT TRACT OR PARCEL OF LAND, situate in the Village of Johnson City, State of New York, bounded and described as follows:

BEGINNING at a point at the northeast corner of the premises, said point being located at the intersection of the southerly street line of C.F.J. Boulevard and the division line between the Village of Johnson City on the West and the Town of Dickinson on the East;

THENCE South 07 degrees 15 minutes 12 seconds West along the line between the Village of Johnson City on the West and the Town of Dickinson on the East a distance of 958.09 feet to a point;

THENCE North 58 degrees 37 minutes 03 seconds West along land N/F Stella Ireland Road Associates, LLC a distance of 849.19 feet to a point;

THENCE North 32 degrees 49 minutes 07 seconds East along land N/F Stella Ireland Road Associates, LLC and land N/F the Village of Johnson City a distance of 283.96 feet to a point;

THENCE North 48 degrees 06 minutes 07 seconds East along land N/F the Village of Johnson City a distance of 130.31 feet to a point;

THENCE North 40 degrees 34 minutes 07 seconds East along land N/F the Village of Johnson City, a distance of 181.09 feet to a point;

THENCE North 11 degrees 29 minutes 53 seconds West along land N/F the Village of Johnson City a distance of 20.84 feet to an iron found;

THENCE North 38 degrees 25 minutes 53 seconds west along land N/F the Village of Johnson City a distance of 101.50 feet to a point in the Southerly street line of CFJ Boulevard;

THENCE South 73 degrees 24 minutes 23 seconds East along the Southerly street line of CFJ Boulevard a distance of 63.70 feet to a point;

THENCE North 79 degrees 45 minutes 17 seconds East along the Southerly street line of CFJ Boulevard a distance of 94.82 feet to a point;

THENCE South 76 degrees 02 minutes 25 seconds East along the Southerly street line of CFJ Boulevard a distance of 369.03 feet to a point;

THENCE along a non-tangent curve to the Northeast having a radius of 50 feet along the Southerly street line of CFJ Boulevard an arc distance of 49.76 feet to the point or place of beginning.

As surveyed by David Marnicki, NYLS 49903 on February 9, 2004, revised August 11, 2004.