

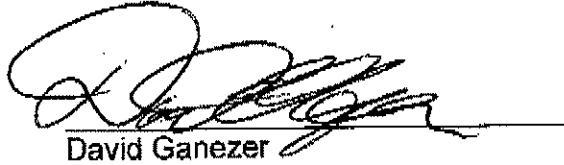
## **EXHIBIT A**

## DECLARATION OF DAVID GANEZER

I, David Ganezer, declare as follows:

1. I am the publisher of the Santa Monica Observer newspaper and one of the shareholders of the Santa Monica Media Company, LLC (SMMC), which offered to purchase the *Tucson Citizen* assets from Gannett. I was involved with SMMC's negotiations with Gannett for the *Tucson Citizen* assets.
2. On April 8, 2009, SMMC increased its offer for the *Tucson Citizen* assets from \$250,000 cash up front to \$400,000 over time. On that day, Gannett informed me it would take nothing less than \$800,000 cash for the *Tucson Citizen* assets and broke off all sales discussions.
3. I understand that Gannett has represented that SMMC would not provide proof that it could actually pay the price it offered for the *Tucson Citizen* assets. SMMC, in fact, did provide proof that it could pay its cash offering price as evidenced by the attached correspondence and attachments.
4. Aside from demanding proof that SMMC could pay the purchase price, Gannett demanded that SMCC provide competitive sensitive information, such as our proposed business plan for the *Tucson Citizen* assets and required SMMC to guarantee it would publish the *Tucson Citizen* as a daily newspaper. As SMCC would be entering the Tucson market to compete with Gannett and Lee, owner of the *Tucson Daily Star*, SMCC did not provide the competitively sensitive information to its potential competitors. Such information was not necessary to consummate the sale to SMMC. However, we do have a formal written business plan.

I declare under penalty of perjury that the foregoing is true and correct.

A handwritten signature in black ink, appearing to read 'David Ganezer', written over a horizontal line.

David Ganezer  
Executed on May 18, 2009  
In Santa Monica, California

Attached Message

From: Santa Monica Observer Newspaper <editor@smobserver.com>  
To: Nancy Bonnell <Nancy.Bonnell@azag.gov>; Susan Myers <Susan.Myers@azag.gov>  
Cc: noreen.matts@azag.gov  
Subject: Fwd: Counter Offer  
Date: Mon, 18 May 2009 16:52:30 -0700

Ms. Bonnell and Ms. Myers:

The below e mail and its attachments, show that we proved to Dan Ehrman at Gannett that we had the financial wherewithal to pay him \$400,000 for the Tucson Citizen.

David Ganezer, Publisher  
Santa Monica Observer Newspaper  
1844 Lincoln Blvd  
Santa Monica, CA 90404

Tel: (310) 452-9900  
Fax: (310) 388-1235

[Editor@smobserver.com](mailto:Editor@smobserver.com)

*The writer of this e mail is a licensed Los Angeles County Legal Document Assistant, LDA-385, pursuant to Cal. Bus. & Prof. Code Section 6400 et.seq. The writer of this e mail is not an attorney. Nothing herein is intended as legal advice. If you need legal advice or representation, you should consult with an attorney.*

Begin forwarded message:

**From:** Santa Monica Observer Newspaper <[editor@smobserver.com](mailto:editor@smobserver.com)>  
**Date:** April 8, 2009 2:36:23 PM PDT  
**To:** Dan Ehrman <[DEHRMAN@gannett.com](mailto:DEHRMAN@gannett.com)>  
**Cc:** Steve Hadland <[publisher@culvercityobserver.net](mailto:publisher@culvercityobserver.net)>, Justin Dempsey <[justin.dempsey@usdoj.gov](mailto:justin.dempsey@usdoj.gov)>  
**Subject:** Re: Counter Offer

Dan

Frankly your reply strikes me as totally unwarranted. We increased our offer to \$400,000, and in response you announce that you're walking away from the table?

As for the financial records; why do the buyers finances matter when the buyer is paying cash? We previously offered you \$250,000 all cash to close escrow

Elliot Ganezer is a member of SMMC LLC. Per your request, I attach proof that he has \$376,326.98 in cash, on deposit with various banks.

We have the cash on hand to do this deal. We just need to arrive at terms that make sense for all of us.

:-) David

On Apr 8, 2009, at 2:12 PM, Ehrman, Dan wrote:

David:

If you can't see your way to \$800,000 cash at closing, I see no basis on which to move forward. Your addition of payment terms, combined with your continuing refusal to provide SMMC LLC ownership data and proof of SMMC LLC's financial wherewithal, does not permit us to consider this as a serious offer. As a result we have nothing further to talk about. Thanks for your interest. Take care.

Dan

-----Original Message-----

From: Santa Monica Observer Newspaper [mailto:editor@smobserver.com]  
Sent: Wednesday, April 08, 2009 1:09 AM  
To: Ehrman, Dan  
Cc: Steve Hadland <publisher@culvercityobserver.net>  
Subject: Counter Offer

Dan:

1. You have countered our offer with a revised purchase price of \$800,000. I am authorized to increase our offer to \$400,000, payable over five years either as a or as a promissory note.
2. I don't see how our proposed revisions to paragraph 4.5 constitute a subsidy. I don't understand why your addition of "Such operation shall include the publication of a daily print edition of the Newspaper through December 31, 2010", would prevent it from being a subsidy. Nor do I see why Gannett would have any interest in whether or not we print a Daily after the sale closes and Citizen exits the JOA. See 4 below.
3. We might be interested in a lease proposal, either short or long term. However we would first be interested in reviewing the proposed terms--dates, square footage, price. We find no lease proposal in the documentation previously sent to us.
4. As to the forfeiture provision, our Board of Directors is concerned and troubled by a contract that calls on us to pay money, then puts the seller in a position to judge whether or not we've failed to satisfactorily publish a daily newspaper. As a continuing member of the JOA, Gannett would be our competitor. A forfeiture position also puts Gannett in a position to judge us and execute against the purchased assets.
5. The pre-press services language and rates are acceptable.
6. Being a closed corporation, our federal tax returns are privileged. We don't ordinarily produce them to third parties.

Thank you for your consideration, and for your patience.

David Ganezer, Senior Vice President  
Santa Monica Media Company LLC

100 Wilshire Blvd Suite 2060  
Santa Monica, CA 90401

Tel: (310) 394-1200  
Fax: (310) 388-1235

On Mar 31, 2009, at 6:17 PM, Ehrman, Dan wrote:

> David:  
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>  
> We have reviewed your best and final offer and have the following  
> comments:  
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> the proposed valuation is unsatisfactory. In order to consider  
> moving forward toward a deal with SMMC LLC, we need the purchase  
> price which I just communicated to you via phone conversation.  
> your proposed revisions to Section 4.5 constitute a subsidy. As  
> indicated in the Information Memorandum we are not entertaining  
> offers which require a subsidy. In Steve's undated letter which we  
> received March 27th, he said that the delayed closing is in part  
> related to your need to find space in Tucson. This can be  
> addressed without delay by merely accepting our lease proposal. We  
> would agree to a short term lease for a reduced lease space to  
> facilitate an immediate close. If you still prefer to delay  
> closing it is purely your decision to do so, but that should not  
> result in us subsidizing the delay.  
>  
>  
> Assuming that you agreed to these two significant deal points we  
> believe the other issues we have with your best and final offer can  
> be negotiated. We have enclosed a redlined copy of the APA. As  
> with the last turn, we accepted all your changes and marked against  
> it to reflect the following:  
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>  
>  
> the APA continues to reflect items 1-2 per above.  
> although you committed to publish through December 31, 2015; based  
> on your concerns about the IP forfeiture provision if you cease  
> publishing the printed product, we shortened this commitment to  
> December 31, 2010 but left in the forfeiture provision  
> when we asked for best and finals we were still open on the  
> definition of pre-press production services in the TSA. The cover  
> e-mail to your best and final indicated acceptance of the TSA  
> subject to conforming dates. Have you also accepted our pre-press  
> services language and rates?  
>  
>  
> We continue to be concerned about the SMMC ownership structure and  
> financial wherewithal. If the changes noted above are acceptable,  
> we renew our request that SMMC LLC provide (A) full and complete  
> disclosure of who is behind it and what resources it brings to bear  
> and (B) independent third party verification of SMMC LLC's  
> financial wherewithal. In the case of financial wherewithal this  
> could be a copy of (1) SMMC's latest audited financial statements  
> and the interim year to date financials since the last audit or (2)

> if SMMC does not have audited financials please forward copies of  
> (a) its most recent bank statements and (b) its last three years  
> Federal Income Tax returns plus the interim year to date financials  
> since the last tax filing. If you elect to provide tax returns, we  
> can start with complete copies of pages 1 and 5 from either the  
> Form 1120 or the Form 1065 of SMMC LLC.

>  
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>  
> If these changes and your structure/financial wherewithal  
> submissions are acceptable we want to schedule the employee  
> meetings ASAP. Let me know when it would be convenient for you to  
> interview the Citizen's editorial staff and based on the  
> Confidential Information organization chart which categories of  
> staff you wish to interview.

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>  
> Gannett reserves the right to withdraw the assets from sale or to  
> accept a competing offer at any time. Thank you for your interest;  
> let me know how you would like to proceed.

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>  
> Dan

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> From: Santa Monica Observer Newspaper [<mailto:editor@smobserver.com>]  
> Sent: Friday, March 27, 2009 11:46 PM  
> To: Ehrman, Dan  
> Cc: Harrison, Akin; Steve Hadland  
> Subject: APA with \$250,000 payment

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>  
> Guys

>  
> Please delete the version of the APA we sent earlier this evening.  
> The previous version contained a typographical error. Thank you.

>  
> <LAW1-#81972-v5-GCI\_Santa\_Monica\_Media\_Company\_-  
> \_Asset\_Purchase\_Agreement\_re\_\_Tucson\_(2009).doc>