

Journal Broadcast Group

Douglas G. Kiel
Vice Chairman

August 24, 2001

Mr. Ivan V. Anderson, Jr.
President
Evening Post Publishing Co.
134 Columbus St.
Charleston, SC 29403-4800

Dear Andy:

This letter will set forth the terms upon which, in principle, Journal Broadcast Group, Inc., and/or an affiliate thereof ("Buyer") will acquire and Evening Post Publishing Co. ("Seller"), will sell, or cause to be sold, substantially all of the assets which constitute the assets and business of KIVI-TV in Nampa, Idaho (the "Station"). A listing of the material terms of this understanding is as follows:

1. Assets to be Sold. Seller will sell to Buyer, free and clear of all liens, liabilities and encumbrances, substantially all of its assets constituting the business and assets of the Station, including without limitation, all of Seller's licenses, permits, authorizations and renewals issued by the Federal Communication Commission ("FCC") or other regulatory agencies relating to the Station, all real and tangible personal property used or held for use in the operation of the Station, all leases, agreements and contract rights, all current assets (excluding cash, investments and accounts receivable) on the date of closing, Seller's call letters and all goodwill and other intangible assets used or held for use in the operation of the Station (the "Assets"). Except for obligations arising after Closing on certain contracts and agreements that Buyer agrees to assume, Buyer will not assume any liabilities or obligations of the Seller or the Station.

2. Purchase Price. The purchase price to be paid by Buyer for the Assets will be \$21,500,000 payable in cash at the closing.

3. Closing. The closing of the transaction shall occur on the last day of the calendar month that first ends at least seven (7) days after the date on which the FCC consent to the assignment of the Station's license(s) from Seller to Buyer becomes a final order.

Journal Broadcast Group, Inc.
720 East Capitol Drive
Milwaukee, WI 53212-1371
(414) 332-9611
Fax: (414) 967-5400

TELEVISION:

WSYM-TV, Lansing

KTNV-TV, Las Vegas

WTMJ-TV, Milwaukee

KMIR-TV, Palm Springs

RADIO:

Boise/Ontario Operations

Knoxville Operations

Milwaukee Operations

Omaha Operations

Springfield Operations

Tucson Operations

Tulsa Operations

Wichita Operations

Employee owned, a
Journal Communications
Company.

4. Conditions. Buyer's obligations to conclude the purchase of the Station shall be subject to certain conditions including, without limitation, the following:

a. Due Diligence Review. Buyer shall have completed a due diligence investigation of the financial condition and cash flows, business, properties and operations of Seller and the Station (including the environmental audit referenced in paragraph 5 below), which investigation results in Buyer and its representatives being satisfied in their sole discretion as to the financial condition and cash flows, business, properties and operations of Seller and the Station.

b. Definitive Purchase Agreement. The preparation and execution of a final definitive purchase agreement in form acceptable to Buyer and Seller which will include covenants, representations, warranties, indemnifications, escrows and conditions customary in a transaction of this nature as are reasonably negotiated between the parties. Such provisions shall include, without limitation, representations and warranties by Seller as to the accuracy of financial statements, condition of properties and assets, absence of claims and compliance with laws (including environmental laws and regulations). Specifically, Seller will agree to indemnify and hold Buyer harmless for any loss, cost or expense resulting from undisclosed liabilities, contracts and commitments or the breach of any warranty, representation, or covenant of Seller for a period of two years following closing.

c. No Adverse Change. There shall not have occurred or exist any condition or fact which is or may be materially adverse to the financial condition, properties, business or operations of Seller or the Station.

d. Authorizations. All FCC licenses, approvals and authorizations to the transfer of the Station to Buyer ("FCC Authorizations") shall have been granted, and unless waived by Buyer, such grants shall have become a Final Order, without any conditions materially adverse to Buyer, and on terms no more onerous to Buyer than are the terms to Seller under the existing FCC Authorizations for the Station.

e. Closing. Closing shall have occurred by a date that is no more than nine months following the date of execution of the definitive agreement.

f. Title Insurance; Surveys. Seller shall have delivered to Buyer at least 30 days prior to Closing, (1) commitments for title insurance with respect to the owned and/or leased interests in real property of the Station, to be issued at Closing at Seller's expense in form and amount customary in transactions

of this type and (2) current certified surveys of each parcel of real property, at Seller's expense.

g. Financing. Buyer's obligation to close will not be subject to any conditions based on financing.

h. Consent to Assignment of Affiliation Agreement. The receipt of any consent, waiver, or approval required to assign to Buyer all of Seller's rights under its ABC television affiliation agreement for the Station.

5. Environmental Audit. An environmental audit and review of the condition of the real estate of the Station will be conducted by a consultant selected by Buyer, at Buyer's expense. The results of such audit and review will be provided to Buyer and Seller as it becomes available.

6. Conduct of Business. Prior to Closing, Seller will conduct the Stations' business and manage its finances and assets in the same manner as heretofore conducted and managed and will use its best efforts to maintain the business and audience share of the Station and preserve intact its business organization and its relationships with employees, advertisers, suppliers and other business contacts, and Seller will not dispose of, lease or license or acquire, any asset of the Station other than in the ordinary course of business.

7. Access to Information; Due Diligence Investigation. Seller shall supply Buyer with all information necessary or beneficial for consideration of the purchase of the Station, and will permit Buyer and its accounting, legal and other representatives to conduct an investigation and evaluation of the assets, liabilities, financial condition and cash flows, business, operations and prospects of the Station, which shall include access to the business premises and books and records of Seller, on a discreet basis and in cooperation with Seller. Seller shall provide such assistance and cooperation in connection with the purchase of the Station as is reasonably requested.

8. Covenant Not to Compete. Seller and its affiliates shall enter into a covenant not to compete with the Buyer with respect to the business of the Station in the Boise, Idaho ADI during the three-year period immediately following the closing.

9. Definitive Agreement. The parties will proceed diligently to negotiate in good faith towards the execution and delivery of the definitive asset purchase agreement containing the agreed-upon terms and conditions within 60 days after the date of Seller's acceptance of this letter of intent.

10. Good Faith Deposit. As an indication of Buyer's good faith and commitment to consummate this transaction, Buyer will, upon execution of the definitive asset purchase agreement, deposit in escrow with U.S. Bank Trust National Association of St. Paul, Minnesota, \$500,000 which will be used at the closing as a partial payment of the purchase price provided herein. All interest will accrue to Buyer. If this transaction is not consummated because one of the conditions to Buyer's obligations is not satisfied, then Buyer will be entitled to receive back the deposit.

11. No Other Negotiations. Seller acknowledges that Buyer has incurred and will incur significant costs in reviewing and analyzing the Station and proceeding in good faith to purchase the Assets as described herein. Therefore, for a period of 60 days commencing on the date of Seller's acceptance of this letter of intent, unless Buyer notifies Seller in writing that negotiations with respect to the transactions contemplated hereby have terminated, Seller will not directly or indirectly, through brokers or otherwise, solicit or make or entertain any offer or proposal from or to a third party regarding the sale or possible sale of the Station or discuss in any manner any such sale with any third party or provide any information concerning the Station to any third party. In the event Seller or any broker engaged by Seller receive any inquiry from a third party with respect to such a sale or possible sale, Seller will notify Buyer and inform such party of Seller's obligations under this Paragraph 11.

12. Brokerage Commissions. The parties recognize Kalil & Co., Inc. as the exclusive broker for the transaction contemplated by this letter of intent. The brokerage commission due Kalil & Co., Inc. upon successful closing of the transaction shall be paid by Buyer at Closing.

13. Expenses. Seller shall be responsible for all transfer taxes and sales taxes incurred as a result of the transaction contemplated by this letter of intent. Buyer and Seller will be responsible for the payment of their respective expenses and professional fees incurred in connection with the negotiation and consummation of the transactions contemplated by this letter of intent, except as provided in Paragraph 12 above or as otherwise provided in the definitive purchase agreement.

14. Confidentiality. Seller and its affiliates and Buyer and its affiliates shall strictly maintain the confidentiality of this letter and the transactions contemplated hereby, until such time as Buyer and Seller shall mutually agree.

15. FCC Authorizations. Within five (5) business days after the date of execution of this letter by Buyer and Seller, Buyer and Seller shall file with the FCC an application for the FCC Authorizations. Each party shall bear its own

costs incurred in the preparation of such application, provided that the FCC filing fee shall be divided equally between Buyer and Seller. If, at the end of the 60-day period contemplated by Paragraph 11 (No Other Negotiations), Buyer and Seller shall not have executed and delivered a definitive asset purchase agreement with respect to the transaction, then, upon the written request of either party, Buyer and Seller shall use their reasonable efforts to withdraw the application for the FCC Authorizations.

We will begin preparing the purchase agreement and anticipate forwarding it to you promptly for your review.

It is understood that except for the provisions of Sections 11, 13, 14 and 15, this letter of intent is not legally binding on either Buyer or Seller, but that it is intended only to evidence the good faith intent of Buyer and Seller to proceed toward the transactions contemplated hereby, subject to the negotiation of certain terms and conditions not dealt with herein.

Neither party is currently aware of any material area of disagreement which would call into question successful execution of the definitive purchase agreement.

We look forward to the prompt completion of this transaction. Please signify acceptance of this proposal by signing and returning the enclosed copy of this letter by August 28, 2001.

Very truly yours,

Journal Broadcast Group, Inc.

By D. G. Kiel
Douglas G. Kiel

Accepted this 25 day of August, 2001

Evening Post Publishing Co.

By Juan V. Anderson Jr.
President

cc: Kalil & Co., Inc.