

LOCAL PROGRAMMING AND MARKETING AGREEMENT

THIS LOCAL PROGRAMMING AND MARKETING AGREEMENT (this “Agreement”) is made as of January 1, 2016 between Knoxville TV LLC, a Virginia limited liability company (“Licensee”) and WVLT-TV, Inc., a Delaware corporation (“Programmer”).

Recitals

A. Licensee owns and operates the following television station (the “Station”) pursuant to licenses issued by the Federal Communications Commission (“FCC”):

WBXX-TV, Crossville, Tennessee

B. Licensee desires to obtain programming for the Station, and Programmer desires to provide programming for broadcast on the Station on the terms set forth in this Agreement.

C. The parties have entered into that certain Asset Purchase Agreement, dated as of September 30, 2015, by and among Licensee, Programmer (as assignee of Gray Television Group, Inc.), and Gray Television Licensee, LLC (the “Purchase Agreement”), pursuant to which the Programmer has agreed to purchase substantially all of the property and assets used or useful in the operation of the Station and to assume certain liabilities set forth therein, subject to the prior approval of FCC. Pending the receipt of FCC approval and the closing of the transactions contemplated by the Purchase Agreement (the “Closing”), the parties desire to have Programmer commence providing programming and sales operations at the Station consistent with the rules of the FCC and the terms of this Agreement.

Agreement

NOW, THEREFORE, taking the foregoing recitals into account, and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. Term. The term of this Agreement (the “Term”) will begin on January 1, 2016 (the “Commencement Date”) and will continue until the date one (1) year thereafter, unless earlier terminated in accordance with the terms of this Agreement (or extended by mutual written agreement).

2. Programming. During the Term, Licensee shall make available to Programmer all of the airtime on the Station (including the primary and all secondary program streams and ancillary uses) for programming provided by Programmer (the “Programs”) for broadcast twenty-four (24) hours per day, seven (7) days per week, excluding at Licensee’s option the period from 6:00 a.m. to 8:00 a.m. each Sunday morning (the “Broadcasting Period”). Without limiting the foregoing, Programmer is entitled to use all of the Station’s digital transmission capacity. During the Term, Programmer will transmit the Programs to the Station’s transmitting

facilities and Licensee shall broadcast the Programs on the Station, subject to the provisions of Section 5 below.

3. Advertising. During the Term, Programmer will be exclusively responsible for the sale of advertising on the Station and for the collection of accounts receivable arising therefrom, and Programmer shall be entitled to all revenue of the Station (including without limitation from the Station's websites, tower income and ancillary revenue). During the Term, Licensee shall not sell any advertising on the Station, except as provided by Section 6(b).

4. Payments. For the broadcast of the Programs and the other benefits made available to Programmer pursuant to this Agreement, during the Term, Programmer will pay Licensee as set forth on **SCHEDULE A** attached hereto. To the extent reasonably necessary to perform this Agreement, during the Term, Licensee shall provide Programmer with the benefits of any of the Station's contracts and agreements and Programmer shall perform the obligations of Licensee thereunder, to the extent of the benefits received.

5. Control.

(a) Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority, power and control over the operation of the Station and over all persons working at the Station during the Term. Licensee shall bear responsibility for the Station's compliance with the rules, regulations and policies of the FCC and all other applicable laws. Without limiting the generality of the foregoing, Licensee will: (1) employ a manager for each market in which the Station are located, who will report to Licensee and will direct the day-to-day operations of the applicable Station, (2) employ a second employee for each such market, who will report and be solely accountable to the applicable manager, and (3) retain control over the policies, programming and operations of the Station.

(b) Nothing contained herein shall prevent Licensee from (i) rejecting or refusing programs which Licensee believes to be contrary to the public interest, or (ii) substituting programs which Licensee believes to be of greater local or national importance or which are designed to address the problems, needs and interests of the local communities. Licensee reserves the right to (i) refuse to broadcast any Program containing matter which violates any right of any third party, which constitutes a personal attack, or which does not meet the requirements of the rules, regulations, and policies of the FCC, (ii) preempt any Program in the event of a local, state, or national emergency, or (iii) delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy. If Licensee preempts, rejects or otherwise refuses to broadcast any Program, then Licensee shall broadcast substitute programming of equal or greater value to Programmer.

(c) Programmer shall cooperate with Licensee to ensure that EAS transmissions are properly performed in accordance with Licensee's instructions. Each party shall deliver to the other a copy of any letters of complaint it receives with respect to the Station and Licensee shall include such letters in the Station's public inspection file as appropriate.

(d) If any employee is shared by Licensee and Programmer, when performing services for Licensee, such employee will report to and be supervised and directed solely by

Licensee, and when performing services for Programmer, such employee will report to and be supervised and directed solely by Programmer, and Licensee and Programmer shall instruct such employee accordingly.

6. Programs.

(a) Licensee acknowledges that it is familiar with the type of programming Programmer currently produces or licenses and has determined that the broadcast of such programming on the Station would serve the public interest. Programmer shall ensure that the contents of the Programs conform to all FCC rules, regulations and policies in all material respects. Programmer shall consult with Licensee in the selection of the Programs to ensure that the Programs' content contains matters responsive to issues of public concern in the local communities, as those issues are made known to Programmer by Licensee. Licensee acknowledges that its right to broadcast the Programs is non-exclusive and that ownership of or license rights in the Programs shall be and remain vested in Programmer.

(b) Licensee shall oversee and take ultimate responsibility with respect to the provision of equal opportunities, lowest unit charge, and reasonable access to political candidates, and compliance with the political broadcast rules of the FCC. During the Term, Programmer shall cooperate with Licensee as Licensee complies with its political broadcast responsibilities, and shall supply such information promptly to Licensee as may be necessary to comply with the political broadcasting provisions of the FCC's rules, the Communications Act of 1934, as amended, and federal election laws. Programmer shall release advertising availabilities to Licensee during the Broadcasting Period as necessary to permit Licensee to comply with the political broadcast rules of the FCC; provided, however, that revenue received by Licensee as a result of any such release of advertising time shall promptly be remitted to Programmer.

(c) During the Term, Licensee and Programmer will maintain music licenses with respect to the Station and the Programs, as appropriate.

7. Expenses. Subject to Section 4, Licensee will pay for its employees contemplated by Section 5, maintenance of all studio and transmitter equipment and all other operating costs required to be paid to maintain the Station's broadcast operations in accordance with FCC rules and policies and applicable law, and all utilities supplied to its main studio and transmitter sites. Subject to Section 4, Licensee will provide all personnel necessary for the broadcast transmission of the Programs (once received at its transmitter site) and will be responsible for the salaries, taxes, insurance and related costs for all such personnel.

8. Call Signs. During the Term, Licensee will retain all rights to the call letters of the Station or any other call letters that may be assigned by the FCC for use by the Station, and will ensure that proper station identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer shall include in the Programs an announcement at the beginning of each hour of such Programs to identify such call letters, as well as any other announcements required by the rules and regulations of the FCC. Programmer is authorized to use such call letters in its Programs and in any promotional material in any media used in connection with the Programs.

9. Maintenance. During the Term, Licensee shall maintain the operating power of the Station at the maximum level authorized by the FCC for the Station and shall repair and maintain the Station's towers and transmitter sites and equipment in good operating condition.

10. Facilities. During the Term, Licensee shall provide Programmer access to and use of Licensee's studio and office facilities located in the Station's markets for purposes of performing this Agreement. When on Licensee's premises, Programmer shall not act contrary to the terms of any lease for such premises or unreasonably interfere with the business and operation of Licensee's use of such premises. If practicable, Programmer shall obtain insurance with respect to the Station and Licensee and its affiliates shall be added as additional insureds to Programmer's policies.

11. Representations. Programmer and Licensee each represent and warrant to the other that (i) it has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, (ii) it is in good standing in the jurisdiction of its organization and is qualified to do business in the states in which the Station are located (if such qualification is required), (iii) it has duly authorized this Agreement, and this Agreement is binding upon it, and (iv) the execution, delivery, and performance by it of this Agreement does not conflict with, result in a breach of, or constitute a default or ground for termination under any agreement to which it is a party or by which it is bound.

12. Termination. This Agreement shall terminate automatically upon the consummation of Programmer's acquisition of the Station, pursuant to the Purchase Agreement.

13. Events of Default.

(a) The occurrence of any of the following will be deemed an Event of Default by Programmer under this Agreement: (i) Programmer fails to observe or perform any obligation contained in this Agreement in any material respect; or (ii) Programmer breaches any representation or warranty made by it under this Agreement in any material respect.

(b) The occurrence of the following will be deemed an Event of Default by Licensee under this Agreement: (i) Licensee fails to observe or perform any obligation contained in this Agreement in any material respect; or (ii) Licensee breaches any representation or warranty made by it under this Agreement in any material respect.

(c) Notwithstanding the foregoing, an Event of Default will not be deemed to have occurred until twenty (20) calendar days after the non-defaulting party has provided the defaulting party with written notice specifying the Event of Default and such Event of Default remains uncured. Upon the occurrence of an Event of Default, and in the absence of a timely cure pursuant to this Section, the non-defaulting party may terminate this Agreement, effective immediately upon written notice to the defaulting party.

14. Indemnification. Programmer shall indemnify and hold Licensee harmless against any and all liability arising from the broadcast of the Programs on the Station, including without limitation all liability for indecency, libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights or any other violation of third party rights or

FCC rules or other applicable law. Licensee shall indemnify and hold Programmer harmless against any and all liability arising from the broadcast of Licensee's programming on the Station, including without limitation all liability for indecency, libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, and infringement of copyrights and proprietary rights or any other violation of third party rights or FCC rules or other applicable law. The obligations under this Section shall survive any termination of this Agreement.

15. Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

16. Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal, or unenforceable under any applicable law, then so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby. The obligations of the parties under this Agreement are subject to the rules, regulations and policies of the FCC and all other applicable laws. The parties agree that Licensee may file a copy of this Agreement with the FCC, and that Licensee shall place a copy of this Agreement in the Station's public inspection files.

17. Notices. Any notice pursuant to this Agreement shall be in writing and shall be deemed delivered on the date of personal delivery or confirmed facsimile transmission or confirmed delivery by a nationally recognized overnight courier service, or on the third day after prepaid mailing by certified U.S. mail, return receipt requested, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Licensee, then to:

Dave Hanna
President
Lockwood Broadcast Group
220 Salters Creek Road
Hampton, VA 23669
Telephone: (757) 722-9736
E-mail: dhanna@lockwoodbroadcast.com

with a copy (which shall not constitute notice) to:

Mark J. Prak
Elizabeth Spainhour
Brooks Pierce
Post Office Box 1800
Suite 1600, Wells Fargo Capitol Center (zip 27601)
Raleigh, North Carolina 27602
Telephone: 919-839-0108

Facsimile: 919-839-0304
mprak@brookspierce.com
espainhour@brookspierce.com

if to Programmer, then to:

Gray Television Group, Inc.
4370 Peachtree Road, NE
Atlanta, GA 30319-3023
Attn: General Counsel
Facsimile No.: 404-261-9607

with a copy (which shall not
constitute notice) to:

Cooley LLP
1299 Pennsylvania Avenue NW, Suite 700
Washington, DC 20004-2400
Attention: John Feore
Telephone: (202) 776-2786
Facsimile: (202) 842-7899
E-mail: jfeore@cooley.com

18. Miscellaneous. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by the party against whom enforcement of such amendment, waiver, or consent is sought. This Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership, agency relationship, or joint venture between the parties. Neither party shall be authorized to act as an agent of or otherwise to represent the other party. The construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the choice of law provisions thereof. This Agreement (including the Schedule hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings with respect to the subject matter hereof.

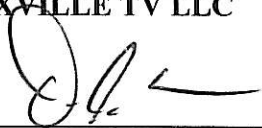
19. Certifications. Licensee certifies that it maintains ultimate control over the Station's facilities including, specifically, control over the Station's finances, personnel and programming. Programmer certifies that this Agreement complies with the provisions of 47 C.F.R. Sections 73.3555(b) and (c).

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO LOCAL PROGRAMMING AND MARKETING AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first set forth above.

LICENSEE: KNOXVILLE TV LLC

By: 
Name: DAVID A. HANSEN
Title: PRESIDENT

PROGRAMMER: WVLT-TV, INC.

By: _____
Name: _____
Title: _____

SIGNATURE PAGE TO LOCAL PROGRAMMING AND MARKETING AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first set forth above.

LICENSEE: **KNOXVILLE TV LLC**

By: _____
Name: _____
Title: _____

PROGRAMMER: **WVLT-TV, INC.**

By: *Kevin P. Latek*
Name: Kevin P. Latek
Title: Secretary

SCHEDULE A TO LMA

1. The parties agree that Programmer may use Licensee's Accounts Receivable as needed to fund operation of the Station starting on the Commencement Date and throughout the Term. The parties agree that the Licensee's Accounts Receivable used to fund operations of the Station shall be credited to Licensee, and the parties agree to true up on the date that is the earlier of (a) the Closing, or (b) the expiration or earlier termination of this Agreement. As used herein, the term "Licensee's Accounts Receivable" means all accounts receivable, notes receivable, and other monies due to Licensee for sales and deliveries of goods, performance of services, sale of advertisements, broadcast time and programming and other business transactions related to the Station that are billed by Licensee on or before December 31, 2015 and collected by Programmer on and after the Commencement Date and before the Closing Date, or if the Closing does not occur, before the expiration or termination date.

2. Programmer shall be entitled to full and unrestricted use and possession of Programmer's Accounts Receivable. Programmer's Accounts Receivable shall belong to Programmer and shall not be credited to Licensee or subject to true up with Licensee. As used herein, the term "Programmer's Accounts Receivable" means all accounts receivable, notes receivable, and other monies due to Licensee for sales and deliveries of goods, performance of services, sale of advertisements, broadcast time and programming and other business transactions related to the Station that are billed by Programmer on and after the Commencement Date.

3. During the Term, Programmer shall reimburse Licensee for the Station Expenses as set forth herein. As used herein, the term "Station Expenses" means the reasonable operating expenses of the Station incurred by Licensee, its affiliates and any manager thereof in the ordinary course of business and consistent with industry custom (taking into account this Agreement, the services provided hereunder, and the Station's expenses paid directly by Programmer in performing this Agreement) for which Licensee has submitted to Programmer a written reimbursement request supported by appropriate documentation of expenses. The Station Expenses shall include all reasonable operating expenses of the Station incurred by Licensee, its affiliates and any manager thereof in the ordinary course of business and consistent with industry custom, arising from and after the dates of Licensee's acquisitions of the Station (even if such dates precede the Commencement Date).

4. Station Expenses will be prorated between Programmer and Licensee in accordance with the following principles and procedures and in accordance with GAAP ("Prorations"):

a. Licensee will be allocated with respect to the Station all Station Expenses incurred in or allocable to, the period prior to the Commencement Date.

b. Programmer will be allocated with respect to the Station all Station Expenses incurred in or allocable to, the period on or after the Commencement Date.

c. Assuming the Closing occurs, Prorations shall be handled as set forth in Section 2.5 of the Purchase Agreement.

d. If the Closing does not occur and this Agreement expires or is terminated earlier, Prorations shall be handled as follows:

i. Licensee shall, no later than three (3) Business Days prior the termination or expiration date, prepare and deliver to Programmer a good faith estimate of the Prorations to the Station Expenses that are required.

ii. As promptly as possible after receiving the Prorations estimate, but in any event not later than thirty (30) days after Programmer's receipt of such estimate pursuant to Section 4(d)(i) above, Programmer shall deliver to Licensee a statement setting forth Programmer's determination of the Prorations. In connection with Licensee's review of such determination, Programmer will furnish Licensee with such information as may be reasonably requested by Licensee. If Licensee disputes the amount of the Prorations determined by Programmer, Licensee shall deliver to Programmer within thirty (30) days after Licensee receipt of Programmer's statement, a statement setting forth Licensee determination of the Prorations. If Licensee notifies Programmer of its acceptance of Programmer's statement, or if Licensee fails to deliver its statement within the period specified in the preceding sentence, Programmer's determination of the Prorations shall be conclusive and binding on the parties as of the last day of the thirty (30) day period.

iii. Final settlement of the Prorations, in cash, will be made no later than the fifth (5th) Business Day after the value of the Prorations are finally determined pursuant to Section 4(d)(ii) above.

5. The parties agree to reevaluate the financial terms of this Agreement and cooperate in good faith to establish new financial terms if the Closing has not occurred by January 31, 2016.

EXHIBIT A

Asset Purchase Agreement