

## **OPTION AGREEMENT**

THIS OPTION AGREEMENT (the “**Option Agreement**”) is entered into as of February 7, 2018 by and between Gray Television Group, Inc. (“**Gray**”), and G.I.G. of North Dakota, LLC (“**GIG**”).

### **RECITALS**

A. GIG owns and operates the full-power television station KCPM(DT), Grand Forks, North Dakota (FCC Facility Identification #86208) (the “**Station**”) pursuant to licenses, permits and other authorizations issued to GIG with respect to the Station including the licenses, permits and other authorizations identified on Schedule A (the “**FCC Licenses**”) issued by the Federal Communications Commission (“**FCC**”).

B. GIG desires to grant to Gray an exclusive and irrevocable option to purchase the FCC Licenses and certain other assets related to the Station, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of these premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, agree as follows:

I. Grant of Option. GIG hereby grants to Gray an exclusive and irrevocable option to acquire the FCC Licenses (the “**Option**”) for \$25,000.00 (“**Option Grant Price**”) on the date hereof.

II. Notice of Exercise. Gray may deliver to GIG written notice of Gray’s intention to exercise the Option (the “**Option Notice**”) at any time after the date hereof and prior to the termination of the Option as set forth in Section IV below.

III. Option Purchase Agreement. Within three (3) business days following GIG’s receipt of the Option Notice, GIG and Gray shall enter into an Asset Purchase Agreement in form attached hereto as Exhibit A (the “**Option Purchase Agreement**”) pursuant to which Gray shall have the right to acquire the Assets (as defined in the Option Purchase Agreement) for the Purchase Price set forth therein and GIG and Gray shall agree to the covenants set forth therein, including, without limitation, with respect to filing and prosecuting an appropriate application for FCC consent to the assignment of the FCC Licenses from GIG to Gray (the “**FCC Consent**”), and thereafter GIG and Gray shall perform their respective obligations under the Option Purchase Agreement.

IV. Termination of Option. Unless the Option is exercised in accordance with Section III, the Option shall remain in full force and effect until the tenth anniversary of the date hereof.

V. Representations and Warranties of GIG. GIG represents and warrants to Gray as follows:

(a) GIG is a limited liability company duly organized, validly existing and in good standing under the laws of the state of North Dakota. GIG has full power and authority to execute and deliver this Option Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Option Agreement and the consummation of the transactions contemplated hereby by GIG has been duly and validly authorized by all necessary limited liability action on the part of GIG. This Option Agreement has been duly and validly executed and delivered by GIG and constitutes a legally valid and binding agreement of GIG enforceable against GIG in accordance with its terms, except as such enforceability may be affected by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

(b) Except for the FCC Consent, there is no requirement applicable to GIG to make any filing with, or to obtain any permit, authorization, consent or approval of, any governmental or regulatory authority or any other third party as a condition to the consummation by GIG of the transactions contemplated by this Option Agreement and the Option Purchase Agreement.

(c) Subject to obtaining the FCC Consent, the execution, delivery and performance of this Option Agreement and the Option Purchase Agreement by GIG will not (i) conflict with GIG's organizational documents, (ii) result in a default (or give rise to any right of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, agreement, or lease to which GIG is a party or by which any of the FCC Licenses are bound, or (iii) violate any statute, law, rule, regulation, order, writ, injunction or decree applicable to GIG, the FCC Licenses.

VI. Representations and Warranties of Gray. Gray represents and warrants to GIG as follows:

(a) Gray has full corporate power and authority to execute and deliver this Option Agreement and to consummate the transactions contemplated hereby. The execution and delivery of this Option Agreement and the consummation of the transactions contemplated hereby by Gray have been duly and validly authorized by all necessary corporate action on the part of Gray. This Option Agreement has been duly and validly executed and delivered by Gray and constitutes a legally valid and binding agreement of Gray enforceable against Gray in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

(b) Except for the FCC Consent, there is no requirement applicable to Gray to make any filing with, or to obtain any permit, authorization, consent or approval of, any governmental or regulatory authority or any other third party as a condition to the consummation by Gray of the transactions contemplated by this Option Agreement and the Option Purchase Agreement.

(c) Subject to obtaining the FCC Consent, the execution, delivery and performance of this Option Agreement and the Option Purchase Agreement by Gray will not (i) conflict with Gray's organizational documents, (ii) result in a default (or give rise to any right

of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, agreement, or lease to which Gray is a party or by which any of its assets are bound, or (iii) violate any statute, law, rule, regulation, order, writ, injunction or decree applicable to Gray.

VII. Covenants of GIG. GIG will not commit any act that is inconsistent with the grant of the Option to Gray or the transactions contemplated by this Option Agreement.

VIII. Cooperation. GIG and Gray shall cooperate fully with each other and their respective counsel and accountants in connection with any steps required to be taken as part of their respective obligations under this Option Agreement and the Option Purchase Agreement and will each use their respective best efforts to perform or fulfill all conditions and obligations to be performed or fulfilled by them under this Option Agreement and the Option Purchase Agreement so that the transactions contemplated hereby shall be consummated.

IX. Specific Performance. The parties recognize that if GIG breaches this Option Agreement and refuses to perform under the provisions of this Option Agreement, monetary damages alone would not be adequate to compensate Gray for its injury. Gray shall therefore be entitled, in addition to any other remedies that may be available, including money damages, to obtain specific performance of the terms of this Option Agreement. If any action is brought by Gray to enforce this Option Agreement, GIG shall waive the defense that there is an adequate remedy at law.

X. Notices. All notices, demands, and requests required or permitted to be given under the provisions of this Option Agreement shall be (a) in writing, (b) delivered by personal delivery, or sent by commercial delivery service or registered or certified mail, return receipt requested, (c) deemed to have been given on the date of personal delivery or the date set forth in the records of the delivery service or on the return receipt, and (d) addressed as follows:

if to GIG, then to:

G.I.G. OF NORTH DAKOTA, LLC  
P.O. Box 88336  
Sioux Falls, SD 57109  
Attn: Mr. Charles Poppen

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

Aaron P. Shainis, Esq.  
Shainis & Peltzman Chartered  
1850 M Street, N.W., Suite 240  
Washington, D.C. 20036  
Fax: 202-293-0810

if to Gray, then to:

Gray Television Group, Inc.  
4370 Peachtree Rd NE  
Atlanta, GA, 30319  
Attn: General Counsel  
Telephone: (404) 504-9828  
Facsimile: (202) 747-7791

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

Cooley LLP  
1299 Pennsylvania Avenue, NW Suite 700  
Washington, DC 20004  
Attn: John R. Feore  
Telephone: (202) 776-2045  
Fax: (202) 842-7899  
Email: jfeore@cooley.com

or to any other or additional persons and addresses as the parties may from time to time designate in a writing delivered in accordance with this Section X.

XI. Entire Agreement; Amendment. This Option Agreement and the Option Purchase Agreement supersede all prior agreements and understandings of the parties, oral and written, with respect to its subject matter. This Option Agreement and the Option Purchase Agreement may be modified only by an agreement in writing executed by all of the parties hereto. No waiver of compliance with any provision of this Option Agreement or the Option Purchase Agreement will be effective unless evidenced by an instrument evidenced in writing and signed by the parties hereto.

XII. Further Assurances. From time to time after the date of execution hereof, the parties shall take such further action and execute such further documents, assurances and certificates as either party reasonably may request of the other to effectuate the purposes of this Option Agreement.

XIII. Counterparts. This Option Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective when each of the parties hereto shall have delivered to it this Option Agreement duly executed by the other parties hereto.

XIV. Headings. The headings in this Option Agreement are for the sole purpose of convenience of reference and shall not in any way limit or affect the meaning or interpretation of any of the terms or provisions of this Option Agreement.

XV. Governing Law. This Option Agreement shall be construed under and in accordance with the laws of the State of Delaware, without giving effect to the principles of conflicts of law.

XVI. Benefit and Binding Effect; Assignability. This Option Agreement shall inure to the benefit of and be binding upon GIG, Gray and their respective successors and permitted assigns. GIG may not assign this Option Agreement without the prior written consent of Gray. Gray at any time prior to the consummation of the transactions contemplated by this Option Agreement may assign its rights and obligations under this Option Agreement without GIG's consent to any third party qualified to hold the FCC Licenses. Upon any permitted assignment by a party in accordance with this Section XVI, all references to "Gray" herein shall be deemed to be references to Gray's assignee and all references to "GIG" herein shall be deemed to be references to GIG's assignee, as the case may be. Gray may also collaterally assign its rights, benefits, duties or obligations hereunder to its lenders.

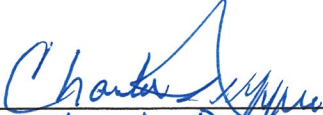
XVII. Confidentiality. Except as necessary for the consummation of the transaction contemplated by this Option Agreement, and except as and to the extent required by law, each party will keep confidential any information obtained from the other party in connection with the transactions contemplated by this Option Agreement. If this Option Agreement is terminated, each party will return to the other party all information obtained by the such party from the other party in connection with the transactions contemplated by this Option Agreement.

XVIII. Press Release. No party shall publish any press release, make any other public announcement or otherwise communicate with any news media concerning this Option Agreement or the transactions contemplated hereby without the prior written consent of the other party.


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IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the date first above written.

**G.I.G. OF NORTH DAKOTA, LLC**

By:   
Name: Charles Popper  
Title: General Partner

**GRAY TELEVISION GROUP, INC.**

By:   
Name: Kevin P. Latek  
Title: Secretary