

Channel Sharing Agreement

A copy of the Channel Sharing Agreement (“CSA”) subject to the instant application is attached.

In accordance with *Expanding the Economic and Opportunities of Spectrum Through Incentive Auctions*, First Order on Reconsideration and Notice of Proposed Rulemaking, 30 FCC Rcd 6668, FCC 15-67, ¶28, n.88 (2015), portions of the CSA have been redacted because they contain confidential and proprietary information. The redacted portions will be made available to the Commission upon request.

The parties to the CSA intend to become parties to other agreements concerning the station which are unrelated to the sharing of the channel bandwidth and shared transmission facilities as proposed herein and therefore are not germane to the Commission’s review of the instant application.

These other agreements will be made available to the Commission upon request or otherwise to the extent required by the Commission’s rules.

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CHANNEL SHARING AND FACILITIES AGREEMENT

THIS CHANNEL SHARING AND FACILITIES AGREEMENT (this “**Agreement**”) is made as of November 21, 2017 among Liberty University, Inc., a Virginia non-stock corporation, and Morning Star Broadcasting, LLC, a Virginia limited liability company (collectively, “**Sharee**”), and Gray Television Group, Inc., a Delaware corporation, and Gray Television Licensee, LLC, a Delaware limited liability company (collectively, “**Sharer**”).

Recitals

A. Sharee owns and operates the following television broadcast station, including its primary and all multicast streams (“**Sharee’s Station**”) pursuant to licenses issued by the Federal Communications Commission (the “**FCC**”) (such licenses, the “**FCC Licenses**”):

WFFP-TV, Danville, Virginia (FCC Facility ID #15507)

B. Sharee also owns and operates the following television broadcast station, including its primary and all multicast streams (“**WLHG**”) pursuant to licenses issued by the FCC:

WLHG-CD, Lynchburg, Virginia (FCC Facility ID #168095)

C. Sharer owns and operates the following television broadcast station, including its primary and all multicast streams (“**Sharer’s Station**”) pursuant to licenses issued by FCC:

WDBJ-TV, Roanoke, Virginia (FCC Facility ID #71329)

D. Sharer and Sharee have entered into an Memorandum of Understanding, dated as of November 21, 2017, which contemplates Sharer and Sharee entering into (i) an Asset Purchase Agreement, pursuant to which Sharer shall acquire the non-license assets of WLHG and the license assets of WLHG (upon consent of the FCC) and an option to purchase Sharee’s Station in accordance with an option agreement to be attached thereto (the “**Option Agreement**”) and Sharer shall acquire the FCC Licenses upon the consent of the FCC (the “**APA**”); (ii) a Shared Services Agreement, pursuant to which Sharer will provide certain programming for broadcast on Sharee’s Station (the “**SSA**”); and (iii) a program distribution and syndication agreement, pursuant to which Sharer will obtain rights to distribute and syndicate certain Liberty University sports programming.

E. As of the effective date of the SSA, Sharer and Sharee will share Sharer’s Station’s channel (the “**Shared Channel**”) pursuant to licenses to be issued by the FCC to Sharer and Sharee on the terms and conditions set forth herein.

F. Sharer owns or operates certain assets, including the transmitter, located approximate to Roanoke, Virginia (as it may change from time to time, the “**Transmitter Site**”), and other equipment necessary for channel sharing that will be used by Sharer and Sharee in the operation of their respective stations broadcasting on the Shared Channel (as modified or

replaced from time to time, the “**Shared Equipment**”, and together with the Transmitter Site, the “**Transmission Facilities**”).

G. Sharer and Sharee desire to enter into an agreement that is in accordance with existing and future FCC rules and published policies governing the broadcast incentive auction conducted by the FCC under Section 6403 of the Middle Class Tax Relief and Job Creation Act (Pub. L. No. 112-96, § 6403, 126 Stat. 156, 225-230 (2012)) (“**Incentive Auction**”) and channel sharing agreements, including without limitation the Report and Order adopted in ET Docket No. 10-235, released April 27, 2012 (the “**Channel Sharing Order**”), the Report and Order adopted in GN Docket No. 12-268, released June 2, 2014 (the “**Incentive Auction Order**”), the First Order on Reconsideration and Notice of Proposed Rulemaking adopted in GN Docket No. 12-268, released June 12, 2015 (the “**First Order**”), the Second Order on Reconsideration adopted in GN Docket No. 12-268, released June 19, 2015 (the “**Omnibus Order**”), the Second Order on Reconsideration in GN Docket No. 12-268, adopted October 21, 2015 (the “**Second Order**”), the Public Notices adopted in MB Docket No. 16-306 and GN Docket No. 12-268, released January 27, 2017 (the “**Transition Public Notices**”), the Report and Order adopted in GN Docket No. 12-268, MB Docket No. 03-185, and MB Docket No. 15-137, released on March 24, 2017 (the “**Expanded Sharing Order**”), the Public Notice adopted in AU Docket No. 14-252, GN Docket No. 12-268, WT Docket No. 12-269, and MB Docket No. 16-306, released on April 13, 2017 (the “**Auction Closing Public Notice**”), and the FCC regulations adopted at 47 C.F.R. §§ 1.2200-1.2209 and 73.3700, as amended (together with the Channel Sharing Order, the Incentive Auction Order, the First Order, the Omnibus Order, the Second Order, the Transition Public Notices, and the Expanded Sharing Order, and any other FCC orders or public notices relating to the Incentive Auction and channel sharing, the “**Channel Sharing Rules**”) on the terms set forth in 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 adopt the forgoing recitals as true and agree as follows:

ARTICLE 1: COMMENCEMENT

1.1. **Term.** The term of this Agreement (the “**Term**”) will begin on the date of this Agreement and will continue until the date that is ten years following the date hereof, unless earlier terminated in accordance with this Agreement or extended pursuant to Section 5.1(c) of this Agreement or by mutual written agreement of the parties.

1.2. Commencement of Shared Operations.

(a) The parties shall cooperate to transition Sharee’s Station to the Shared Channel and the Transmission Facilities on a mutually agreeable date determined by the parties within the time required under the Channel Sharing Rules and as soon as reasonably practicable following FCC approval of this Agreement and issuance of the CP (as defined in Section 1.3(a)) and after the end of the 30-day period required to notify viewers and MVPDs (such agreed date,

the “**Sharing Commencement Date**”). Sharer and Sharee shall use their respective commercially reasonable efforts to cause the Sharing Commencement Date to occur no later than the date sixty (60) days after the date of FCC grant of the CP.

(b) Sharee shall timely transmit the required notices to viewers and MVPDs to inform them of the Sharing Commencement Date.

(c) Any out-of-pocket costs reasonably necessary to modify the Transmission Facilities for shared use under this Agreement shall be paid by Sharer. Any out-of-pocket costs necessary to move the operations of Sharee’s Station to the Transmitter Site shall be paid by Sharee.

1.3. FCC Filings.

(a) Within five (5) business days after the date of this Agreement, Sharee shall file with the FCC and thereafter diligently prosecute a minor change application for a construction permit for Sharee’s Station in order to implement this Agreement (the “**CP**”) (and, if required, include with such application a copy of this Agreement with appropriate redactions of confidential information). Sharer shall furnish Sharee with such information and assistance as Sharee may reasonably request in connection with Sharee’s preparation of such application (or the covering license application). Neither party shall take any action that would reasonably be expected to result in the dismissal of the FCC application for the CP or the covering license application. All FCC filing fees (if any) associated with the minor change application and the covering license application shall be paid by Sharer. The parties shall cooperate in good faith to prepare, submit, and prosecute any other applications with the FCC that may be necessary to implement the sharing arrangement contemplated by this Agreement, including without limitation license applications for the Shared Channel and any necessary community of license change.

(b) Within three (3) business days after the Sharing Commencement Date, Sharee shall file and thereafter diligently prosecute a license application to cover the CP.

(c) If the FCC imposes a condition on the approval, performance or terms and conditions of this Agreement or any of the FCC applications filed pursuant to this Agreement that (i) has the effect of materially increasing the cost of performance by a party of its obligations under this Agreement or (ii) cancels, changes or supersedes any material term or provision of this Agreement (collectively, a “**Regulatory Condition**”), then the parties shall negotiate in good faith to modify this Agreement in a manner consistent with the form, intent and purpose of this Agreement and as may be necessary to comply with such Regulatory Condition, while maintaining to the greatest extent possible the benefit of the bargain of this Agreement prior to the imposition of such Regulatory Condition, provided that no party shall be required to agree to any amendment that would deprive that party of a material benefit of this Agreement.

1.4. Repacking. Sharer’s Station is being moved to a different frequency in connection with the repacking following the Incentive Auction (the “**Repacking**”). In connection with the Repacking, Sharer shall determine any modifications needed to the

Transmission Facilities (and be responsible for the related costs) and shall determine whether or not to acquire equipment that may not be reimbursed by the TV Broadcaster Relocation Fund (or other governmental authority).

ARTICLE 2: CAPACITY AND FCC LICENSES

2.1. Allocation of Bandwidth. Pursuant to the Channel Sharing Rules, from and after the Sharing Commencement Date, Sharer and Sharee shall share the Shared Channel (or 19.39 Megabits per second (“Mb/s”) as allocated under the current ATSC 1.0 system) in accordance with the allocation set forth on *Schedule 2.1*. Sharer and Sharee may change the allocation of bandwidth set forth on *Schedule 2.1* at any time as they may mutually agree, provided that any allocation shall comply with the FCC’s requirements and, at a minimum, shall provide that each channel sharing licensee shall retain spectrum usage rights adequate to ensure a sufficient amount of the Shared Channel capacity to allow it to provide at least one Standard Definition over-the-air program stream at all times.

2.2. Encoding. In order to take advantage of a Stat Mux pool, Sharer and Sharee may implement a single common encoding pool.

2.3. Technical Changes.

(a) Mandatory Changes. In the event that the FCC requires new standards of modulation or other technical or other modifications to the operation of the Transmission Facilities or the Shared Channel, the parties will timely make any such modifications in compliance with such requirements established by the FCC. Sharer shall be responsible for any costs to implement such modulation or technical changes, except that if Sharee elects to maintain this Agreement in accordance with Section 5.1(c), then Sharee shall be responsible for its pro rata share of such costs (in accordance with the then-current capacity allocation). In the event that such changes alter the available bandwidth on the Shared Channel, Sharer and Sharee will cooperate to divide the available bandwidth following such modifications.

(b) New Transmission Technologies. Sharer shall determine if and when to adopt or deploy the new modulation standard or transmission technology currently known within the television industry as ATSC 3.0 (“**ATSC 3.0 Upgrade**”) for the Shared Channel. Any budget and timeline for implementing the ATSC 3.0 Upgrade shall comply with applicable FCC rules and regulations and meet generally accepted industry standards. Sharer shall be responsible for all costs associated with the ATSC 3.0 Upgrade.

(c) Other Upgrades. In addition to the ATSC 3.0 Upgrade, Sharer, in its sole discretion and at its expense, may at any time implement any new transmission systems or new technical standards for Sharer’s Station or the Shared Channel.

2.4. Use of Capacity. Each party shall have the right to use its allocated capacity on the Shared Channel in such party’s sole discretion in accordance with the terms of this Agreement and all FCC rules and regulations, including without limitation broadcasting one stream or multiple streams and broadcasting content provided by third parties; provided that a third party programmer shall not have the right to access the Shared Equipment, and each party

shall be responsible for all of its costs associated with adding multiple program streams requested by it to the encoding pool. Neither party shall take any action that interferes with the other's use of capacity on the Shared Channel or the Transmission Facilities. Sharer shall have the right, in its sole discretion, to enter into additional channel sharing agreements within its allocated capacity that do not have a material adverse effect on Sharee's Station or the Shared Channel. Sharee may not enter into any sub-sharing arrangements.

2.5. Transmissions. Each of Sharer and Sharee shall be responsible, at its sole expense, for transmitting its station's programming in a broadcast-ready final format to the Transmitter Site or other receive site reasonably designated by Sharer. Sharer may encode, compress or modulate Sharee's content as required to statistically multiplex together the parties' content streams using the parameters set forth in this Agreement, provided that Sharer shall not otherwise alter the content provided by Sharee.

2.6. FCC Licenses.

(a) Authorizations. Each party shall maintain all main station FCC licenses necessary for its operations on its station in full force and effect during the Term. Neither party shall make any filing with the FCC to modify the Shared Channel without the prior written consent of the other party.

(b) Compliance with Law. Each party shall comply with this Agreement, the Channel Sharing Rules, and with all other FCC and other applicable laws with respect to its ownership and operation of its station subject to this Agreement and its use of the Shared Channel. Sharer shall be solely responsible for all content it transmits on the Shared Channel, and Sharee shall be solely responsible for all content it transmits on the Shared Channel.

(c) Control. Consistent with FCC rules and subject to the SSA, each party shall control, supervise and direct the day-to-day operation of its station subject to this Agreement (including its employees, programming and finances), and nothing in this Agreement affects any such respective responsibilities. Neither party shall use the call letters of the other's television station in any medium, except in correspondence with the FCC related to the performance of this Agreement.

(d) Channel Sharing Documents. In the event that the FCC adopts changes to the Channel Sharing Rules, the parties will undertake good faith negotiations to amend this Agreement in order to comply with such changes to the Channel Sharing Rules while maintaining to the greatest extent possible the benefit of the bargain of this Agreement prior to the imposition of such changes to the Channel Sharing Rules, provided that no party shall be required to agree to any amendment that would deprive that party of a material benefit of this Agreement. Each party shall notify the other of all documents filed with or received from the FCC with respect to this Agreement, the transactions contemplated hereby or the Shared Channel, and shall provide the other with copies of such documents to the extent permitted by FCC rules and other applicable laws.

2.7. **Must-Carry and Retransmission Consent.** Each party shall be solely responsible for exercising must-carry or retransmission consent rights (or any other right of distribution) for its respective station, and neither party shall have any use, claim, or benefit of, or derive any carriage rights from or have any obligation under any carriage agreement of the other party. If a party electing must-carry rights becomes subject to a “market modification” or similar petition filed by any MVPD with respect to carriage of its station subject to this Agreement, it shall, within five (5) business days of receipt, notify the other party and provide a copy of such petition. To the extent Sharer obtains the right to negotiate for carriage of the Sharee’s Station, Sharer agrees to use commercially reasonable efforts to ensure that Sharee’s Station’s Sharee-produced programming would continue to be carried by MVPDs on the same (or more favorable) channel number positions on which they are carried as of the date of this Agreement.

ARTICLE 3: OPERATIONS

3.1. Transmission Facilities.

(a) **Transmitter Site.** Sharer shall provide Sharee with access to the Transmission Facilities during normal business hours, and upon prior notice in the event of an emergency; provided, however, that Sharee shall not take any action that disrupts or impairs Sharer’s use of the Transmission Facilities.

(b) **Shared Equipment.** A list of material items of Shared Equipment as of the date of this Agreement has been prepared and separately agreed to by the parties, and such list may be updated by the parties upon mutual agreement. The Shared Equipment shall include any replacements of such items or additions thereto as mutually agreed by the parties from time to time in accordance with this Agreement. Title to all Shared Equipment shall remain with Sharer, and Sharee shall not move, damage, impair or interfere with such equipment. The shared use under this Agreement does not constitute a conveyance of title. Sharee may use the Shared Equipment only in accordance with good engineering practices and only in the ordinary course of operation of Sharee’s Station and for no other purpose. Sharer shall maintain the Transmission Facilities consistent with past practices and shall determine, in its sole discretion, any ordinary course maintenance and repairs, non-ordinary course capital expenditures, upgrades or replacements necessary or desirable with respect to the Transmission Facilities.

(c) **Exclusive Equipment.** Sharee may install equipment owned solely by it at the Transmitter Site. Each party shall, at its own expense, maintain, repair and replace any equipment owned or leased solely by it located at the Transmitter Site in accordance with past practice. Title to all such equipment solely owned by a party shall remain with such party.

(d) **Operations.** Sharee shall not permit to exist any lien, claim or encumbrance on the Transmission Facilities. Each of Sharer and Sharee shall:

(i) not interfere with the business and operation of the other’s television station or the other’s use of such facilities;

(ii) use the Transmission Facilities only for the operation of its television station in the ordinary course of business, including any purpose permitted under the terms of its station's FCC authorizations;

(iii) maintain, at its own expense, sufficient insurance with respect to its use of the Transmission Facilities and operations from the Transmission Facilities during the Term and name the other broadcaster as an additional insured under such policies; and

(iv) comply with all laws applicable to its operations relating to the Transmission Facilities.

(e) Cooperation. In the event Sharer determines, in its sole discretion, that it is reasonably necessary for Sharee to reduce, limit or temporarily cease use of the Shared Equipment, the Shared Channel or Sharee's equipment located at the Transmitter Site so that Sharer can maintain, install, repair, remove or otherwise work on the Shared Equipment, the Shared Channel or Sharer's Station, then Sharee shall cooperate with such request. If requested, Sharee shall temporarily reduce, limit or cease use of the Shared Equipment, the Shared Channel or Sharee's equipment located at the Transmitter Site so that Sharer can perform such work, and, if practicable, Sharer shall use commercially reasonable efforts to minimize the amount of time Sharee must operate with reduced facilities.

(f) Alterations to Transmission Facilities. Sharee shall not upgrade or modify the Transmission Facilities without the prior written authorization of Sharer.

(g) Hazardous Materials. Each of Sharer and Sharee shall: (i) comply with all environmental laws applicable to its operations from the Transmission Facilities, (ii) not cause or permit the release of any hazardous materials on, to or from the Transmission Facilities in violation of any applicable environmental laws, (iii) not take any action that would subject the Transmission Facilities to permit requirements for storage, treatment or disposal of hazardous materials and (iv) not dispose of hazardous materials on the Transmission Facilities except in compliance with applicable law.

3.2. Interference. Neither party shall make any changes or installations at the Transmitter Site or enter into any third-party arrangement that could reasonably be expected to impair or interfere in any material respect with the other party's signals or broadcast operations or use of the Shared Channel. In the event interference to such signals or operations does occur, the party experiencing interference shall notify the other party in writing and the party so notified shall take all commercially reasonable steps to correct such interference in all material respects as promptly as possible.

3.3. Force Majeure. Neither party shall be liable to the other party for any failure or delay in the performance of its non-monetary obligations under this Agreement to the extent that the default or delay is caused by an event outside of its reasonable control, including without limitation a fire, flood, earthquake, war, act of terrorism, labor dispute, government or court action, failure of facilities or act of God.

3.4. Expenses.

(a) Operating Costs. The expenses of operating the Shared Channel and the Transmission Facilities shall be shared by the parties as set forth on *Schedule 3.4*.

(b) Sole Costs of Each Party. Each of Sharer and Sharee shall be solely responsible for (i) costs for any necessary link between its station's studio site and the site in the market from which Sharer's Station transports its signal to the Transmitter Site for broadcast on the Shared Channel, (ii) all expenses related to any equipment solely owned by it and located at the Transmitter Site and (iii) all of its expenses not related to the Transmission Facilities. Sharee shall be responsible for the costs of delivering its signal to the Transmitter Site.

3.5. Representations and Warranties.

(a) Sharer Representations. Sharer represents and warrants to Sharee that: (i) it has obtained all FCC and other material governmental agency approvals necessary for its operations on Sharer's Station as currently operated by it, (ii) its ownership and operation of Sharer's Station complies with the FCC rules, regulations and policies and other applicable laws in all material respects and (iii) the FCC license for Sharer's Station has not expired or been cancelled.

(b) Sharee Representations. Sharee represents and warrants to Sharee that: (i) it has obtained all FCC and other material governmental agency approvals necessary for its operations on Sharee's Station as currently operated by it, (ii) its ownership and operation of Sharee's Station complies with the FCC rules, regulations and policies and other applicable laws in all material respects and (iii) the FCC license for Sharee's Station has not expired or been cancelled.

ARTICLE 4: INDEMNIFICATION

4.1. General Indemnification. Subject to Sections 4.3 and 4.4, each party shall indemnify, defend and hold the other harmless from and against any and all loss, liability, cost and expense (including reasonable attorneys' fees) arising from: (i) any breach of any representation or warranty made by it under this Agreement, (ii) failure to comply with the covenants and obligations to be performed by it under this Agreement and (iii) its use of the Transmission Facilities or the Shared Channel. The prevailing party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement shall be entitled to recover reasonable attorneys' fees and costs from the non-prevailing party.

4.2. Programming Indemnification. Without limiting the terms of Section 4.1, subject to Sections 4.3 and 4.4, each party shall indemnify, defend and hold the other harmless from and against any and all loss, liability, cost and expense (including reasonable attorneys' fees) arising from the programming, advertising and operation of its television station using the Shared Channel, including without limitation for indecency, libel, slander, infringement of trademarks or trade names, infringement of copyrights and proprietary rights, violation of rights of privacy and other violations of rights or FCC rules or other applicable law.

4.3. **Liability.** In no event shall either party have any liability, whether based on contract, tort (including negligence or strict liability), warranty or any other legal or equitable grounds, for any punitive, consequential, indirect, exemplary, special or incidental loss or damage suffered by the other arising from or related to the performance or nonperformance of this Agreement, including loss of data, profits, interest or revenue or interruption of business, even if such party has been informed of or might otherwise have anticipated or foreseen the possibility of such losses or damages. Neither party shall have any obligation or liability to the other with respect to the other party's station, except as specifically set forth in this Agreement.

4.4 **Disclaimer of Warranties.** EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THIS AGREEMENT, INCLUDING THE EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTIONS 3.5 AND 6.2, NEITHER PARTY MAKES ANY OTHER REPRESENTATIONS OR GRANTS ANY WARRANTY, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, BY STATUTE OR OTHERWISE, AND EACH PARTY SPECIFICALLY DISCLAIMS ANY OTHER REPRESENTATIONS AND WARRANTIES, WHETHER WRITTEN OR ORAL, OR EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF QUALITY, STANDARD OF CARE OR METHOD OF PERFORMANCE WITH RESPECT TO THE MAINTENANCE AND OPERATION OF THE TRANSMISSION FACILITIES.

ARTICLE 5: TERMINATION AND REMEDIES

5.1. Termination.

(a) **Breach.** Either party may terminate this Agreement by written notice to the other party in the event of a material breach of or default under this Agreement which is not cured within ninety (90) days after written notice of such breach or default. For purposes of this Agreement, a material breach or default under this Agreement shall be defined as a breach of a material obligation of a party under this Agreement that (i) results in a fundamental impairment of a party's ability to broadcast its programming on the Shared Channel, (ii) constitutes a failure by a party to pay the other party any undisputed payment owed under this Agreement or (iii) results in material damage to the Transmission Facilities or other material transmission equipment or facilities of the other party.

(b) **Loss of License.** If Sharee's FCC license to use the Shared Channel is voluntarily or involuntarily revoked, rescinded, relinquished, canceled, withdrawn, surrendered, not renewed, or otherwise terminated for any reason, then simultaneously therewith Sharee's spectrum usage rights for the full 6 MHz Shared Channel shall revert to Sharer and this Agreement shall terminate. The parties shall make and prosecute such FCC filings and take such further actions as applicable and as may be reasonably necessary for Sharer to assume such spectrum.

(c) **APA and Option Agreement.** This Agreement shall terminate automatically upon any termination or expiration of the APA or upon any termination or expiration of the Option Agreement. Notwithstanding the foregoing, if the APA or Option Agreement is terminated in accordance with its terms for any reason other than Sharee's breach or default thereunder, then Sharee may, but is not obligated to, elect, by written notice to Sharer

within five (5) business days after the effective date of such termination, to continue the Term and maintain this Agreement in full force and effect for a period of up to eighteen (18) months from the effective date of termination; provided that during such period Sharee continues to comply with the terms of this Agreement, including any payment obligations. In such event, Sharee shall make the payments described on *Schedule 3.4*. If Sharee elects to extend the Term in accordance with the foregoing, then it shall provide at least thirty (30) days' notice of termination to Sharer.

(d) Survival. No termination shall relieve a party of liability for failure to comply with this Agreement prior to termination. Notwithstanding anything herein to the contrary, Article 4, Sections 5.1(b), (c), (d) and (e), 6.1 and 6.7, and all payment obligations arising prior to termination shall survive any termination or expiration of this Agreement.

(e) Surrender of Facilities. Within thirty (30) business days after the effective date of any termination of this Agreement, but subject to Section 5.1(c), Sharee shall vacate the Transmitter Site, remove all of its assets from the Transmitter Site, surrender the Transmitter Site in substantially the same condition existing on Sharing Commencement Date (reasonable wear and tear excepted) and return to Sharer all keys and other means of entry to the Transmitter Site.

5.2. Specific Performance. In addition to any other available remedies, in the event of failure or threatened failure by a party to comply with the terms of this Agreement, the other party shall be entitled to an injunction restraining such failure or threatened failure and, subject to obtaining any necessary FCC consent, to enforcement of this Agreement by a decree of specific performance requiring compliance with this Agreement.

5.3. Remedies Cumulative. All rights and remedies provided in this Agreement are cumulative and not exclusive of any other rights or remedies that may be available to the parties, whether provided by law, equity, statute, in any other agreement between the parties or otherwise.

ARTICLE 6: MISCELLANEOUS

6.1. Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their respective businesses and properties that is disclosed in connection with the performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except on a confidential basis to the parties' representatives and lenders. No party shall issue or cause the publication of any press release or other public statement relating to this Agreement or disclose the existence of or details regarding this Agreement to any unaffiliated third party without the prior written consent of the other party. Notwithstanding anything to the contrary herein, the parties acknowledge that Sharee will be required to submit this Agreement (with redactions agreed to by the parties) with its application for the CP. This Section shall survive any termination or expiration of this Agreement.

6.2. Authority. Each party represents and warrants 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, if necessary, is qualified to do business in the state of Virginia, (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.

6.3. Assignment. Except for an assignment to Sharer, Sharee may not assign, sublease or delegate this Agreement. Upon prior written notice to Sharee, Sharer shall assign this Agreement to any FCC-approved assignee or transferee of Sharer's Station who assumes this Agreement in a writing delivered to Sharee, effective upon consummation of such assignment or transfer. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns. 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.

6.4. Severability. The transactions contemplated by this Agreement are intended to comply with the Communications Act of 1934, as amended, and the rules and published policies of the FCC. If any court or governmental authority holds any provision of 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, and the parties shall negotiate in good faith to amend this Agreement, if necessary and as appropriate, to accommodate such ruling.

6.5. 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, and shall be addressed as follows (or to such other address as any party may request by written notice):

if to Sharer:

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

if to Sharee:

Liberty University
1971 University Blvd
Lynchburg, VA 24515
Attn: David M. Corry
Email: dcorry@liberty.edu

with a copy, which shall not constitute notice, to:

Brooks Pierce
1700 Wells Fargo Capitol Center
150 Fayetteville Street
Raleigh, NC 27601
P.O. Box 1800 (27602)
Attn: Tim Nelson
Telephone: (919) 573-6205
Fax: (336) 232-9105
Email: tnelson@brookspiece.com

6.6. Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Delaware. The prevailing party in a lawsuit brought to enforce the performance or compliance of any provision of this Agreement may recover reasonable attorneys' fees and costs from the non-prevailing party.

6.7. Miscellaneous. This Agreement may not be amended except in a writing executed by both parties. No 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 waiver or consent is sought. Neither party shall be authorized to act as an agent of or otherwise to represent the other party to this Agreement. Except as otherwise set forth in this Agreement, each party shall be solely responsible for all costs and expenses incurred by it in connection with the negotiation, preparation and performance of and compliance with the terms of this Agreement. This Agreement (including the Schedules 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. This Agreement may be executed in separate counterparts.

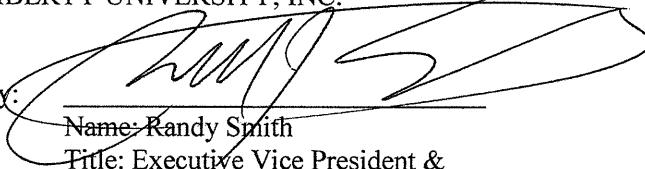
[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO CHANNEL SHARING AND FACILITIES AGREEMENT

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

SHAREE:

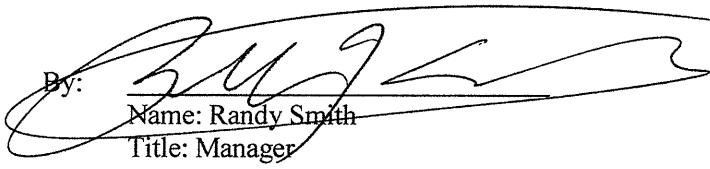
LIBERTY UNIVERSITY, INC.

By: 

Name: Randy Smith

Title: Executive Vice President &
Chief Operating Officer

MORNING STAR BROADCASTING, LLC

By: 

Name: Randy Smith

Title: Manager

SHARER:

GRAY TELEVISION GROUP, INC.

By: _____

Name: _____

Title: _____

GRAY TELEVISION LICENSE, LLC

By: _____

Name: _____

Title: _____

SIGNATURE PAGE TO CHANNEL SHARING AND FACILITIES AGREEMENT

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

SHAREE:

LIBERTY UNIVERSITY, INC.

By:

Name: Randy Smith
Title: Executive Vice President &
Chief Operating Officer

MORNING STAR BROADCASTING, LLC

By:

Name: Randy Smith
Title: Manager

SHARER:

GRAY TELEVISION GROUP, INC.

By:

Name: Robert J. Folliard, III
Title: Vice President and Deputy General
Counsel

GRAY TELEVISION LICENSEE, LLC

By:

Name: Robert J. Folliard, III
Title: Assistant Secretary

Schedule 2.1

Capacity Allocation

Subject to Section 2.1, following is the parties' initial agreement with respect to the allocation of the capacity of the Shared Channel:

(i) bandwidth shall be sufficient for Sharee's station to broadcast, at a minimum, at **REDACTED**; and

(ii) the remainder of the capacity of the Shared Channel to Sharer's Station.

Sharer and Sharee may elect to implement a mutually beneficial weighting system as allowed by the encoding pool and use the software optimization technology of statistical multiplexing or "Stat Mux" or a successor technology mutually agreed upon by the parties. Such system shall be implemented as follows:

(i) each party shall designate one program stream with the highest priority within its allocated capacity;

(ii) all other program streams shall have a lesser priority; and

(iii) the parties shall cooperate to devise a system that produces the best results for each party with minimum picture degradation, subject to the constraints imposed by the allocation of capacity set forth on this *Schedule 2.1* and in Section 2.1(a).

Schedule 3.4
Expenses

****REDACTED****