

ASSET EXCHANGE AGREEMENT

THIS ASSET EXCHANGE AGREEMENT (this “Agreement”) is dated as of October 2, 2018, by and among The Edge Spectrum, Inc. (“Edge”), Gray Television Group, Inc. (“Gray”) and Gray Television Licensee, LLC (“License Sub”).

RECITALS

A. Edge holds a construction permit (the “Edge FCC Licenses”) issued by the Federal Communications Commission (“FCC”) for the following television station (the “Edge Station”):

W36EG-D, Albany, Georgia (FCC Facility ID #184721)

B. Gray holds license authorizations (the “Gray FCC Licenses”) issued by the FCC for the following television stations (the “Gray Stations”)

W16CX-D, Panama City, Florida (FCC Facility ID #182839)
WIDM-LD, Panama City, Florida (FCC Facility ID #182841)
WZBJ-LD, Enterprise, Alabama (FCC Facility ID #187829)
WGEI-LD, Enterprise, Alabama (FCC Facility ID #187828)

C. Pursuant to the terms and subject to the conditions set forth in this Agreement, the parties desire to exchange the Gray FCC Licenses for the Edge FCC Licenses. The parties intend the transactions contemplated by this Agreement to be a like-kind exchange in accordance with the provisions of Section 1031 of the Internal Revenue Code of 1986, as amended (the “Code”).

AGREEMENTS

In consideration of the above recitals, the following covenants and agreements, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Gray and Edge, intending to be legally bound, agree as follows:

SECTION 1. EXCHANGE OF ASSETS

1.1 Exchange. Subject to the terms and conditions set forth in this Agreement, upon the consummation of the exchange of assets provided for in this Agreement (the “Closing”), (i) Gray shall assign, transfer, convey and deliver to Edge, and Edge shall acquire from Gray, all right, title and interest of Gray in and to the Gray FCC Licenses, and (ii) Edge shall assign, transfer, convey and deliver to Gray, and Gray shall acquire from Edge, all right, title and interest of Edge in and to the Edge FCC Licenses, free and clear of all debts, liens and encumbrances of any nature.

1.2 Assumption. As of the Closing Date, (i) Edge shall assume and undertake to pay, discharge, and perform the obligations and liabilities of Gray under the Gray FCC Licenses insofar as they relate to the time on and after the Closing Date, and Edge shall not assume any other obligations or liabilities of Gray or the Gray Stations and Gray shall remain liable for and pay and discharge such other obligations or liabilities, and (ii) Gray shall assume and undertake to pay,

discharge, and perform the obligations and liabilities of Edge under the Edge FCC Licenses insofar as they relate to the time on and after the Closing Date, and Gray shall not assume any other obligations or liabilities of Edge or the Edge Station and Edge shall remain liable for and pay and discharge such other obligations or liabilities.

1.3 Edge FCC Licenses to be Conveyed to License Sub. Notwithstanding any provision herein to the contrary, at the Closing, Edge shall convey the Edge FCC Licenses to License Sub, and License Sub shall perform all obligations under this Agreement with respect to the acquisition of the Edge FCC Licenses. License Sub hereby makes for itself all of the representations and warranties made by Gray herein, and agrees to be bound to perform all of the covenants made by Gray herein to the extent that Gray fails to perform them.

1.4 Prorations and Adjustments. Subject to the agreement described in Section 1.5 (as applicable), all prepaid and deferred income and expenses arising from the operation of the Gray Stations and the Edge Station shall be prorated between Edge and Gray in accordance with generally accepted accounting principles (“GAAP”) as of 11:59 p.m. on the day immediately preceding the Closing. Such prorations shall include without limitation all FCC regulatory fees and similar prepaid and deferred items. Prorations and adjustments shall be made at Closing to the extent practicable and in any event no later than sixty (60) calendar days after Closing.

1.5 LMA. At Gray’s option at any time prior to Closing, Gray and Edge shall enter into Gray’s form of local programming and marketing agreement with respect to the Edge Station, pursuant to which Gray may (i) construct the Edge Station’s facilities in accordance the Edge FCC Licenses, and subject to Edge’s ultimate oversight and control and (ii) provide programming and other services to the Edge Station.

1.6 Tower Leases. At Closing, subject to sufficient availability of space and tower loading studies, Gray and Edge will execute Gray’s customary leases pursuant to which Gray shall lease space to Edge at Gray’s Panama City, Florida and Dothan, Alabama tower sites for the Gray Stations for nominal rent for a term of five (5) years commencing from the date of construction (the “Tower Leases”).

SECTION 2. REPRESENTATIONS AND WARRANTIES OF EDGE

Edge represents and warrants to Gray as follows:

2.1 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Edge have been duly authorized by all necessary actions on the part of Edge. This Agreement constitutes the legal, valid, and binding obligation of Edge, enforceable against Edge in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors’ rights generally and by judicial discretion in the enforcement of equitable remedies.

2.2 No Conflicts. Subject to obtaining the FCC Consent (defined below), the execution, delivery and performance by Edge of this Agreement will not conflict with (i) any law, judgment, order, or ruling of any court or governmental authority applicable to Edge or (ii) the terms of any agreement, instrument, license, or permit to which Edge is a party or by which Edge may be bound. There is no claim, legal action or other legal, administrative or tax

proceeding, nor any order, decree or judgment, in progress or pending, or to Edge's knowledge, threatened, against or relating to Edge with respect to the Edge Station.

2.3 Edge FCC Licenses. The Edge FCC Licenses have been validly issued and are in full force and effect, and Edge is the authorized legal holder thereof. The Edge FCC Licenses are the only licenses, permits or authorizations required by the FCC for the construction and/or operation of the Edge Station. Except for administrative proceedings that affect the television broadcasting industry in general, there is not pending or, to Edge's knowledge, threatened, any actions by or before the FCC to revoke, suspend, cancel, rescind or materially modify the Edge FCC Licenses. There is not issued, pending or outstanding or, to Edge's knowledge, threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability against the Edge Station or Edge with respect to the Edge Station. Edge has not received any written communication from the FCC indicating that the Edge Station or Edge with respect to the Edge Station is in violation of any regulation or policy of the FCC. The Edge FCC Licenses are not subject to any restriction or condition that would limit Gray's ability to operate the Edge Station, except for such restrictions or conditions that appear on the face of such Edge FCC Licenses. To Edge's knowledge, no application has been filed with the FCC that could reasonably be expected to cause the displacement or adverse modification of the Edge Station. Edge is in compliance in all material respects with the Edge FCC Licenses and all federal, state and local laws applicable to the ownership or operation of the Edge Station.

2.4 FCC Qualifications. Edge is, and as of the Closing will be, legally, financially, and otherwise qualified under FCC rules, regulations and policies to acquire and to hold the Gray FCC Licenses.

2.5 Brokers. Edge has not engaged any agent, broker or other person acting pursuant to Edge's authority which is or may be entitled to a commission or broker or finder's fee in connection with the transaction contemplated by this Agreement or otherwise with respect to the conveyance of assets to Gray and License Sub.

SECTION 3. REPRESENTATIONS AND WARRANTIES OF GRAY

Gray represents and warrants to Edge as follows:

3.1 Authorization and Binding Obligation. The execution, delivery, and performance of this Agreement by Gray have been duly authorized by all necessary actions on the part of Gray. This Agreement constitutes the legal, valid, and binding obligation of Gray, enforceable against Gray in accordance with its terms, except as the enforceability of this Agreement may be affected by bankruptcy, insolvency, or similar laws affecting creditors' rights generally and by judicial discretion in the enforcement of equitable remedies.

3.2 No Conflicts. Subject to obtaining the FCC Consent, the execution, delivery and performance by Gray of this Agreement will not conflict with (i) any law, judgment, order, or ruling of any court or governmental authority applicable to Gray or (ii) the terms of any agreement, instrument, license, or permit to which Gray is a party or by which Gray may be bound. There is no claim, legal action or other legal, administrative or tax proceeding, nor any order, decree or judgment, in progress or pending, or to Gray's knowledge, threatened, against or relating to Gray with respect to the Gray Station.

3.3 Gray FCC Licenses. The Gray FCC Licenses have been validly issued and are in full force and effect, and Gray is the authorized legal holder thereof. The Gray FCC Licenses are the only licenses, permits or authorizations required by the FCC for the construction and/or operation of the Gray Stations. Except for administrative proceedings that affect the television broadcasting industry in general, there is not pending or, to Gray's knowledge, threatened, any actions by or before the FCC to revoke, suspend, cancel, rescind or materially modify the Gray FCC Licenses. There is not issued, pending or outstanding or, to Gray's knowledge, threatened, by or before the FCC, any order to show cause, notice of violation, notice of apparent liability against the Gray Stations or Gray with respect to the Gray Stations. Gray has not received any written communication from the FCC indicating that the Gray Stations or Gray with respect to the Gray Stations is in violation of any regulation or policy of the FCC. The Gray FCC Licenses are not subject to any restriction or condition that would limit Edge's ability to operate the Gray Stations, except for such restrictions or conditions that appear on the face of such Gray FCC Licenses. To Gray's knowledge, no application has been filed with the FCC that could reasonably be expected to cause the displacement or adverse modification of the Gray Stations. Gray is in compliance in all material respects with the Gray FCC Licenses and all federal, state and local laws applicable to the ownership or operation of the Gray Stations.

3.4 FCC Qualifications. Gray is, and as of the Closing will be, legally, financially, and otherwise qualified under FCC rules, regulations and policies to acquire and to hold the Edge FCC Licenses.

3.5 Brokers. Gray has not engaged any agent, broker or other person acting pursuant to Gray's authority which is or may be entitled to a commission or broker or finder's fee in connection with the transaction contemplated by this Agreement or otherwise with respect to the conveyance of assets to Gray and License Sub.

SECTION 4. COVENANTS PRIOR TO CLOSING

From the date hereof until the Closing:

4.1 Generally.

(a) Edge shall not cause or permit, by any act or failure to act, an Edge FCC License to expire or to be revoked, suspended, or modified in any material manner or take any action that could cause the FCC to institute proceedings for the suspension, revocation, or material modification of an Edge FCC License. Edge shall not waive any right relating to an Edge FCC License or the Edge Station.

(b) Gray shall not cause or permit, by any act or failure to act, a Gray FCC License to expire or to be revoked, suspended, or modified in any material manner or take any action that could cause the FCC to institute proceedings for the suspension, revocation, or material modification of a Gray FCC License. Gray shall not waive any right relating to a Gray FCC License or the Gray Station.

4.2 Compliance with Laws. Edge shall comply in all material respects with all federal, state and local laws applicable to the ownership or operation of the Edge FCC Licenses or the Edge Station. Gray shall comply in all material respects with all federal, state and local laws applicable to the ownership or operation of the Gray FCC Licenses or the Gray Stations.

4.3 No Contracts. Edge shall not enter into any contract or commitment relating to an Edge FCC License or the Edge Station that will be binding on Gray after Closing. Gray shall not enter into any contract or commitment relating to a Gray FCC License or the Gray Stations that will be binding on Edge after Closing.

4.4 Risk of Loss. The risk of any loss, damage, impairment, confiscation, or condemnation of an Edge FCC License from any cause shall be borne by Edge at all times prior to the Closing. The risk of any loss, damage, impairment, confiscation, or condemnation of a Gray FCC License from any cause shall be borne by Gray at all times prior to the Closing.

4.5 Access. Edge shall give Gray and its authorized representatives access, during normal business hours and with reasonable prior notice, to Edge's books and records related to the Edge FCC Licenses. Gray shall give Edge and its authorized representatives access, during normal business hours and with reasonable prior notice, to Gray's books and records related to the Gray FCC Licenses.

4.6 Cooperation. Gray and Edge shall cooperate fully with each other and their respective counsel and accountants in connection with any actions required to be taken as part of their respective obligations under this Agreement, and Gray and Edge shall take such further actions and execute such other documents as may be necessary and desirable to effectuate the implementation and consummation of this Agreement. Neither Edge nor Gray shall take any action that is inconsistent with its respective obligations under this Agreement or that could hinder or delay the consummation of the transactions contemplated by this Agreement.

4.7 Control.

(a) Edge shall not, directly or indirectly, control, supervise or direct the operation of the Gray Stations prior to Closing. Consistent with FCC rules and regulations, control, supervision and direction of the operation of the Gray Stations prior to Closing shall remain the responsibility of the holder of the Gray FCC Licenses.

(b) Gray shall not, directly or indirectly, control, supervise or direct the operation of the Edge Station prior to Closing. Consistent with FCC rules and regulations, control, supervision and direction of the operation of the Edge Station prior to Closing shall remain the responsibility of the holder of the Edge FCC Licenses.

4.8 Modification Application. Upon Gray's written request, Edge shall promptly provide Gray with written consent to Gray's submission, at Gray's sole cost, of application(s) to the FCC for modification of the license or construction permit for the Edge Station. Gray shall request that any application filed pursuant to the previous sentence shall be contingent upon the FCC's grant of the Assignment Application (defined below).

4.9 Call Sign Change. Prior to the Closing, Gray shall apply for and pay all required FCC filing fees for a new call sign for WZBJ-LD to be effective on or prior to the Closing Date. Gray shall apply for a call sign of Edge's choosing; providing that such call sign is readily available according to the FCC's call sign database.

SECTION 5. FCC CONSENT

5.1 Application. The assignment of (i) the Edge FCC Licenses from Edge to Gray and (ii) the Gray FCC Licenses from Gray to Edge shall be subject to the prior consent of the FCC (together, the “FCC Consent”). Edge and Gray shall prepare and file one or more applications for the FCC Consent (together, the “Assignment Application”) within three (3) business days following execution of this Agreement by Gray and Edge. The parties shall prosecute the Assignment Application with all reasonable diligence and otherwise use their reasonable efforts to obtain a grant of the Assignment Application as expeditiously as practicable. Gray shall pay the filing fees required for the Assignment Application. If the Closing does not occur within the effective period of the FCC Consent, and neither party shall have terminated this Agreement under Section 8, the parties shall jointly request an extension of the effective period of the FCC Consent. No extension of the FCC Consent shall limit the exercise by either party of its rights under Section 8.

5.2 Conditions. Each party agrees to comply at its expense with any condition imposed on it by the FCC Consent, except that no party shall be required to comply with a condition if (i) the condition was imposed on it as the result of a circumstance the existence of which does not constitute a breach by such party of any of its representations, warranties, or covenants under this Agreement, and (ii) compliance with the condition would have a material adverse effect upon such party.

SECTION 6. CONDITIONS TO OBLIGATIONS OF GRAY AND EDGE AT CLOSING

6.1 Conditions to Obligations of Gray. Unless waived by Gray in writing, all obligations of Gray at the Closing are subject to the fulfillment by Edge prior to or on the Closing Date of each of the following conditions:

(a) Representations and Warranties. All representations and warranties of Edge contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time.

(b) Covenants and Conditions. Edge shall have performed and complied with in all material respects all covenants, agreements and conditions required by this Agreement to be performed or complied with by Edge prior to or on the Closing Date.

(c) Consents. The FCC Consent shall have been granted without the imposition on Gray of any conditions that need not be complied with by Gray under Section 5.2, and Edge shall have complied with any conditions imposed on it by the FCC Consent that need be complied with by Edge under Section 5.2.

(d) Edge FCC Licenses. There shall not have been any termination, suspension or adverse modification of an Edge FCC License. Except for administrative proceedings that affect the television broadcasting industry in general, no proceeding shall be pending the effect of which could be to revoke, cancel, fail to renew, suspend, or modify adversely an Edge FCC License.

(e) Deliveries. Edge shall stand ready to deliver to Gray on the Closing Date a customary bringdown certificate, a duly executed assignment agreement pursuant to which Edge shall convey to Gray the Edge FCC Licenses in accordance with the terms of this

Agreement, the Tower Leases, and such other certificates and similar documents requested by Gray that are reasonably required to evidence and confirm Edge's performance of its obligations under, and the conveyance of the Edge FCC Licenses in accordance with, this Agreement.

(f) No Order. There shall be no order, decree or judgment of any court, arbitrator, agency or governmental authority that enjoins the transactions contemplated by this Agreement.

6.2 Conditions to Obligations of Edge. Unless waived in writing by Edge, all obligations of Edge at the Closing are subject to the fulfillment by Gray prior to or on the Closing Date of each of the following conditions:

(a) Representations and Warranties. All representations and warranties of Gray contained in this Agreement shall be true and complete in all material respects at and as of the Closing Date as though made at and as of that time.

(b) Covenants and Conditions. Gray shall have performed and complied with in all material respects all covenants, agreements and conditions required by this Agreement to be performed or complied with by Gray prior to or on the Closing Date.

(c) FCC Consent. The FCC Consent shall have been granted without the imposition on Edge of any conditions that need not be complied with by Edge under Section 5.2 hereof, and Gray shall have complied with any conditions imposed on it by the FCC Consent that need be complied with by Gray under Section 5.2 hereof.

(d) Gray FCC Licenses. There shall not have been any termination, suspension or adverse modification of a Gray FCC License. Except for administrative proceedings that affect the television broadcasting industry in general, no proceeding shall be pending the effect of which could be to revoke, cancel, fail to renew, suspend, or modify adversely a Gray FCC License.

(e) Deliveries. Gray shall stand ready to deliver to Edge on the Closing Date a customary bringdown certificate, a duly executed assignment agreement pursuant to which Gray shall convey to Edge the Gray FCC Licenses in accordance with the terms of this Agreement, the Tower Leases, and such other certificates and similar documents requested by Edge that are reasonably required to evidence and confirm Gray's performance of its obligations under, and the conveyance of the Gray FCC Licenses in accordance with, this Agreement.

(f) No Order. There shall be no order, decree or judgment of any court, arbitrator, agency or governmental authority that enjoins the transactions contemplated by this Agreement.

SECTION 7. CLOSING

Subject to the satisfaction or waiver of the conditions to Closing set forth in Sections 6.1 and 6.2, the Closing shall take place on a date set by Gray on no less than two (2) business days' notice to Edge that is (i) not earlier than the third (3rd) business day after the FCC Consent is granted, and (ii) not later than the fifth (5th) business day after the FCC Consent is granted; provided, that if Gray fails to provide such notice to Edge, the Closing shall take place on the

fifth (5th) business day after the FCC Consent is granted. The Closing shall be held by the execution and delivery of the documents contemplated hereby by mail, facsimile or electronic transmission in PDF format.

SECTION 8. TERMINATION

8.1 Termination by Edge. This Agreement may be terminated by Edge upon written notice to Gray, upon the occurrence of any of the following:

(a) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Edge that would prevent or make unlawful the Closing.

(b) Conditions. If, on the date that would otherwise be the Closing Date, Edge is not in material breach of any of its representations, warranties or covenants hereunder and any of the conditions precedent to the obligations of Edge set forth in this Agreement have not been satisfied by Gray or waived in writing by Edge.

(c) Breach. Without limiting Edge's rights under any other clause hereof, if Edge is not in material breach of any of its representations, warranties or covenants hereunder and Gray has failed to cure any material breach of any of its representations, warranties or covenants under this Agreement within fifteen (15) days after Gray has received written notice of such breach from Edge.

(d) Upset Date. If the Closing shall not have occurred by the first anniversary of the date of this Agreement (the "Upset Date").

8.2 Termination by Gray. This Agreement may be terminated by Gray upon written notice to Edge, upon the occurrence of any of the following:

(a) Judgments. If there shall be in effect on the date that would otherwise be the Closing Date any judgment, decree, or order, not caused by Gray, that would prevent or make unlawful the Closing.

(b) Conditions. If, on the date that would otherwise be the Closing Date, Gray is not in material breach of any of its representations, warranties or covenants hereunder and any of the conditions precedent to the obligations of Gray set forth in this Agreement have not been satisfied by Edge or waived in writing by Gray.

(c) Breach. Without limiting Gray's rights under any other clause hereof, if Gray is not in material breach of any of its representations, warranties or covenants hereunder and Edge has failed to cure any material breach of any of its representations, warranties or covenants under this Agreement within fifteen (15) days after Edge has received written notice of such breach from Gray.

(d) Upset Date. If the Closing shall not have occurred by the Upset Date.

9.3 Rights on Termination. The termination of this Agreement shall not relieve any party of any liability for breach or default under this Agreement prior to the date of termination.

4370 Peachtree Road, NE
Atlanta, GA 30319
Attn: General Counsel

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 10.5.

10.6 Entire Agreement; Amendment. This Agreement, the Schedules hereto and all documents and certificates to be delivered pursuant hereto collectively represent the entire understanding and agreement between Gray and Edge with respect to the subject matter hereof. This Agreement may be modified only by an agreement in writing executed by the parties. No waiver of compliance with any provision of this Agreement shall be effective unless evidenced by an instrument evidenced in writing and signed by the party consenting to such waiver. No party makes any representation or warranty with respect to the transactions contemplated by this Agreement except as expressly set forth in this Agreement.

10.7 Counterparts. This Agreement may be executed and delivered (including by facsimile transmission or electronic transmission in PDF format) 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 party hereto shall have delivered to it this Agreement duly executed by the other party hereto.

10.8 Governing Law. This Agreement shall be construed in a manner consistent with federal law and otherwise under and in accordance with the laws of the State of New York, without giving effect to the principles of conflicts of law.

10.9 Benefit and Binding Effect; Assignability. This Agreement shall inure to the benefit of and be binding upon Edge, Gray and their respective heirs, successors, and permitted assigns. Neither Gray nor Edge may assign this Agreement without the prior written consent of the other; provided, however, that, without the consent of Edge, Gray may assign its rights under this Agreement, in whole or in part to any direct or indirect wholly-owned subsidiary of Gray.

10.10 Press Releases. Prior to Closing, no party shall, without the prior written consent of the other, issue any press release or make any other public announcement concerning the transactions contemplated by this Agreement, except to the extent that such party is so obligated by law, in which case such party shall give advance notice to the other, and except as necessary to enforce rights under or in connection with this Agreement. Notwithstanding the foregoing, the parties acknowledge that this Agreement and the terms hereof will be filed with the FCC and thereby become public.

10.11 Confidentiality. Subject to the requirements of applicable law, all non-public information regarding the parties and their business and properties that is disclosed in connection with the negotiation, preparation or performance of this Agreement shall be confidential and shall not be disclosed to any other person or entity, except the parties' representatives and lenders for the purpose of consummating the transaction contemplated by this Agreement.

10.12 Neutral Construction. This Agreement was negotiated fairly between the parties at arms' length and the terms hereof are the product of the parties' negotiations. Each party has retained legal counsel of its own choosing with regard to the contents of this Agreement and the

rights and obligations affected hereby. This Agreement shall be deemed to have been jointly and equally drafted by the parties, and the provisions of this Agreement shall not be construed against a party on the grounds that such party drafted or was more responsible for drafting such provisions.

10.13 No Real Property Interest. The assets to be sold and conveyed hereunder do not include any interest in any real property.

10.14 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.

14231500

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET EXCHANGE AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Asset Exchange Agreement as of the day and year first above written.

GRAY:

Gray Television Group, Inc.

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

EDGE:

The Edge Spectrum, Inc.

By: 
Name: Randy Weiss
Title: President

LICENSE SUB¹:

Gray Television Licensee, LLC

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

¹ License Sub joins this Agreement solely with respect to its rights and obligations pursuant to Section 1.3.