

**MANAGEMENT SERVICES AGREEMENT**

MANAGEMENT SERVICES AGREEMENT (this "Agreement") made as of this \_\_\_\_ day of December, 2013, by and between Don Ray, an individual resident of the State of West Virginia ("Don Ray") and EXCALIBUR HASTINGS, LLC, a Delaware limited liability company ("Station Owner").

**WITNESSETH:**

WHEREAS, Station Owner has entered into an agreement pursuant to which it intends, pending regulatory approval and certain other conditions, to become the licensee of television station KHAS-TV, Hastings, Nebraska (Facility ID Number 34487) and any associated low power or translator stations (the "Station");

WHEREAS, Station Owner wishes to engage Don Ray (the "Manager") to provide the management services described herein on behalf of Station Owner; and

WHEREAS, the Manager is willing to perform such services for Station Owner on the terms and conditions described herein.

NOW, THEREFORE, in consideration of the foregoing and the terms and conditions hereinafter set forth, the receipt and sufficiency of which are hereby acknowledged by the parties, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Agreement to Manage. During the Term, Station Owner agrees to engage the Manager, and the Manager agrees to accept such engagement, to provide management services to and for the benefit of Station Owner on the terms and subject to the conditions hereinafter set forth.

2. Management Services. The Manager shall manage all phases of the operational, financial and administrative activities and functions of Station Owner as they relate to the business of the Station (the "Business"), including, but not limited to, the following areas of its operation: (i) sales development; (ii) programming; (iii) promotion; (iv) improving the Station's ratings; (v) increasing the Station's revenues and profits; (vi) public relations; (vii) engineering; (viii) operational procedures and regulatory compliance; (ix) financial reports, contracts and disbursements; (x) bookkeeping and other clerical activities; (xi) initiating and developing proposals for improving various aspects of Station's operations; and (xii) managing and negotiating Station's relationships with multi-channel video programming distributors.

3. Annual Compensation and Expenses.

(a) For each year during the Term, Station Owner shall pay the Manager at the annual rate of Twenty-Five Thousand Dollars (\$25,000) payable in equal monthly installments commencing upon the first day of each calendar month during the Term.

(b) Station Owner shall also reimburse the Manager for all reasonable out-of-pocket costs and expenses incurred by the Manager in connection with managing, operating, and supervising the Business.

(c) Notwithstanding anything contained elsewhere in the Agreement, it is expressly agreed that in rendering services under this Agreement, the Manager is acting as an independent contractor.

4. Standards of Performance.

(a) In the performance of its duties hereunder, the Manager shall act in good faith and in a manner which it reasonably believes to be in the best interests of Station Owner and shall be subject to the ultimate control of Station Owner in the performance of the Manager's duties hereunder.

(b) The obligations of the Manager hereunder are subject to the terms of the broadcast licenses issued to the Station, to all federal, state, and local laws, including but not limited to the Communications Act of 1934, as amended, and regulations and to all applicable rules, regulations and orders of the Federal Communications Commission, now or hereafter in effect.

5. Disclaimer by the Manager and Release by Station Owner. Except for any liability incurred by the Manager in connection with a breach of this Agreement, the Manager shall not be liable or obligated and hereby disclaims any liability and obligation, and Station Owner hereby forever irrevocably releases the Manager from any claim, demand, liability and obligation (i) in connection with any direct or indirect act or omission of the Manager, except acts or omissions of the Manager which are fraudulent or constitute willful misconduct or gross negligence and (ii) with respect to the results of operations, financial or otherwise, of the business.

6. Indemnification by Station Owner. It is understood and agreed by the parties that all services rendered by the Manager under this Agreement are rendered in a management capacity. Station Owner hereby agrees to defend, indemnify and hold harmless the Manager and its affiliates, members, managers, subsidiaries, officers and agents from and against any and all claims, losses, damages, actions, expenses and/or liability (collectively, "Damages") of any nature and from any source whatsoever which may be asserted against or incurred by the Manager or any other aforementioned indemnitee(s) arising or resulting from the performance of the Manager's duties hereunder except to the extent that any such Damages relate to the fraudulent or willful misconduct or gross negligence of Manager.

7. Term of Agreement. The term of this Agreement shall commence on the date that Station Owner becomes the licensee of the Station and shall continue for so long as Station Owner or any affiliate of Station Owner remains the licensee of the Station (the "Term"); provided however, that either party may terminate this Agreement (y) effective upon the sale of the Station or a transfer of control of Station Owner in an arms length transaction to either an unrelated third party or (z) effective upon the sale of substantially all of the assets of or a transfer of control in an arms length transaction of Gray Television, Inc. or of its affiliate that operates or holds FCC licenses for all television stations in the Station's market that are ultimately owned by Gray Television, Inc. Upon the termination of this Agreement pursuant to the preceding sentence, Station Owner shall pay Manager Fifty Thousand Dollars (\$50,000), within ten (10) business days of the closing of such sale or transfer, provided that, if this Agreement is so

terminated within four months of the date hereof, Station Owner shall pay Manager an additional payment equal to Twenty-Five Thousand Dollars (\$25,000) less any monthly payment amounts already paid to Manager pursuant to this Agreement.

8. Headings. The section headings of this Agreement are included for reference purposes only and are to be given no effect in the construction or interpretation of any provisions of this Agreement.

9. Notices. All communications or notices required or permitted by this Agreement shall be in writing and shall be deemed to have been given at the earlier of (i) the business date when sent by facsimile to the number set forth below, (ii) the business day after being properly deposited for delivery by commercial overnight delivery service, prepaid, or (iii) five (5) days after the deposit in the United States mail, postage prepaid, return receipt requested and addressed as follows, unless and until either of such parties notifies the other in accordance with this Section 9 of a change of address:

if to Station Owner, to:  
Excalibur Hastings, LLC  
PO Box 1962  
Huntington, WV 25720  
Attention: Don Ray  
T: 304-633-3729  
F: 202-776-2222

with copies to:  
Law Offices of Jack N. Goodman  
1200 New Hampshire Avenue Northwest  
Suite 800  
Washington, DC 20036  
T: 202-776-2045  
F: 202-776-2222

if to Manager, to:  
Don Ray  
PO Box 1962  
Huntington, WV 25720  
Attention: Don Ray  
T: 304-633-3729  
F: 202-776-2222

with copies to:  
Law Offices of Jack N. Goodman  
1200 New Hampshire Avenue Northwest  
Suite 800  
Washington, DC 20036  
T: 202-776-2045  
F: 202-776-2222

Any party may from time to time change its address or facsimile number for the purpose of notices to that party by a similar notice specifying a new address or facsimile number, but no such change shall be deemed to have been given until it is actually received by the party sought to be charged with its contents.

10. Assignment. Neither Station Owner nor the Manager shall assign any rights or delegate any duties hereunder without the prior written consent of the other.

11. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto and its respective successors and permitted assigns.

12. Governing Law. This Agreement shall be construed and interpreted according to the laws of the State of Delaware without regard to the conflicts of law principles thereof.

13. Entire Agreement. This Agreement sets forth the entire understanding and agreement among the parties and supersedes any and all other understandings, negotiations or agreements between Station Owner and the Manager relating to the subject matter hereof.

14. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and such counterparts shall together constitute but one and the same agreement.

15. No Prejudice. This Agreement has been jointly prepared by the parties hereto and the terms hereof shall not be construed in favor of or against any party on account of its participation in such preparation.

16. Words in Singular and Plural Form. Words used in the singular form in this Agreement shall be deemed to import the plural, and vice versa, as the sense may require.

17. Parties in Interest. Nothing expressed or implied in this Agreement is intended or shall be construed to confer upon or give to any individual or entity other than the parties hereto (and its successors and permitted assigns) any rights or remedies under or by reason of this Agreement or any transaction contemplated hereby.

18. Amendment and Modification. This Agreement may be amended or modified only by written agreement executed by all parties hereto.

19. Good Faith. Recognizing the complex nature of the transactions contemplated in this Agreement, the parties hereto agree to cooperate in good faith to effectuate the transactions set forth herein in accordance with the intent of the parties as expressed herein.

*[Signature Pages Follow]*

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

\_\_\_\_\_  
Don Ray

EXCALIBUR HASTINGS, LLC

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_