

ASSET PURCHASE AGREEMENT

THIS **ASSET PURCHASE AGREEMENT** (this “Agreement”) is made as of November 27, 2013 by and between Gray Television Group, Inc., a Delaware corporation (“Gray”), and Excalibur Hastings, LLC, a Delaware limited liability company (“Buyer”).

WHEREAS, Gray has entered into a Securities Purchase Agreement dated as of November 20, 2013, by and between Hoak Media, LLC (“Hoak”) and Gray (the “Hoak Agreement”), pursuant to which, and subject to the terms and conditions thereof, it will acquire the equity interests in the Acquired Companies (as defined in the Hoak Agreement).

WHEREAS, Hoak Media of Nebraska, LLC and Hoak Media of Nebraska License, LLC (collectively, “KHAS Seller”), two of the Acquired Companies, own and operate television broadcast station KHAS-TV, Hastings, Nebraska and its associated low power television station, television translator, and auxiliary facilities (collectively, the “Stations”) pursuant to certain authorizations issued by the Federal Communications Commission (the “FCC”).

WHEREAS, Gray is not permitted, under the Communications Act of 1934, as amended, and the FCC’s rules and policies promulgated thereunder (the “Communications Laws”), to acquire the FCC Licenses of the Stations; and pursuant to Section 2.6(g) of the Hoak Agreement, Gray has agreed to cause KHAS Seller to sell to Buyer, and Buyer has agreed to purchase from KHAS Seller, the Station Assets (defined below).

WHEREAS, in connection with and simultaneously with the consummation of the purchase and sale contemplated herein, Gray and Buyer desire to enter into (i) a shared services agreement, substantially in the form attached hereto as Exhibit A, relating to the Stations (the “Shared Services Agreement”), and (ii) a put and call option agreement, substantially in the form attached hereto as Exhibit B, relating to the Stations (the “Option Agreement”).

WHEREAS, capitalized terms used and not otherwise defined in this Agreement will have the meanings ascribed to them in the Hoak Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, the parties, intending to be legally bound, hereby agree as follows:

ARTICLE 1: PURCHASE OF ASSETS

1.1 Station Assets. On the terms and subject to the conditions hereof, and subject to the terms and conditions of the Hoak Agreement, on the Closing Date (as defined in the Hoak Agreement), Gray and KSAS Seller shall assign, transfer, convey and deliver to Buyer, and Buyer shall acquire from KHAS Seller, all right, title and interest of KHAS Seller, to the extent acquired pursuant to the Hoak Agreement, in, to and under the following assets used or useful in the operation of the Stations (the “Station Assets”):

(a) All licenses, permits and other authorizations (including call signs) issued by the FCC for the operation of the Stations described on *Schedule 1.1(a)*, including any renewals or modifications thereof and applications therefor between the date hereof and the Closing (the “FCC Licenses”);

(b) The personal property listed on *Schedule 1.1(b)*, except any retirements or dispositions thereof made between the date hereof and the Closing (i) in the ordinary course of business and consistent with past practices of KHAS Seller and (ii) in accordance with the terms of the Hoak Agreement (the “Personal Property”);

(c) KHAS Seller’s leasehold interest in and to, KHAS Seller’s rights under, the leases listed on *Schedule 1.1(c)* (the “Leased Real Property”);

(d) Those contracts and agreements used in connection with the business and operation of the Stations that are listed on *Schedule 1.1(d)* (the “Station Contracts”) (any contracts not listed on *Schedule 1.1(d)* shall not be assumed hereunder unless Gray and Buyer mutually agree to their assignment and assumption on or after the Closing);

(e) The Stations’ call letters and the trademarks, trade names, service marks, franchises, copyrights, jingles, slogans, logos, and other intangible property which are used or held for use in the operation of the Stations, listed on *Schedule 1.1(e)*, and all goodwill associated therewith (the “Intangible Property”);

(f) KHAS Seller’s interests in real property listed on *Schedule 1.1(f)* (the “Owned Real Property”); and

(g) The files, documents, records, including the Stations’ local public files, technical information and engineering data, sales correspondence, lists of advertisers, credit and sales reports, and logs, but excluding records relating to the Excluded Assets (defined below).

The Station Assets shall be transferred to Buyer free and clear of liens, claims and encumbrances except for (a) the Assumed Obligations (defined below) and (b) the Permitted Liens.

1.2 Excluded Assets. Buyer shall not, by virtue of this Agreement or otherwise, acquire any rights or interests in or to any assets of KHAS Seller or Hoak other than those set forth in Section 1.1 above (all such other assets, the “Excluded Assets”).

1.3 Assumption of Obligations. Subject to the terms and conditions hereof and of the Hoak Agreement, on the Closing Date, Buyer shall assume the obligations arising from and relating to the period after the Closing under the Station Contracts, including any contracts related to the Leased Real Property (the “Assumed Leases”) and Buyer shall assume and undertake to pay, discharge and perform all obligations and liabilities arising or accruing after the Closing under the FCC Licenses (collectively, the “Assumed Obligations”); provided that the Assumed Obligations shall not include (a) liabilities arising out of any facts, circumstances or actions that constitute a misrepresentation or breach of any warranty or covenant by Gray made in this Agreement, (b) any indebtedness for borrowed money of Gray or KHAS Seller, (c) any liabilities of KHAS Seller resulting from, or arising out of, relating to, in the nature of or caused by any breach of the Hoak Agreement, (d) any obligations or liabilities of KHAS Seller or Hoak which are unrelated to the Stations or the Station Assets, (e) any accounts payable related to or arising from the operation of the Stations prior to the Closing Date, or (f) the liabilities of Hoak or KHAS Seller for the accrued vacation or sick pay of Hoak’s employees. Buyer does not assume or agree to discharge or perform, and will not be deemed by reason of the execution and

delivery of this Agreement or the consummation of the transactions contemplated hereby, to have assumed or to have agreed to discharge or perform, and Gray and KHAS Seller shall remain liable for, all liabilities, obligations or commitments of KHAS Seller (the “Retained Liabilities”), other than the Assumed Obligations.

1.4 Purchase Price. In consideration for the sale of the Station Assets to Buyer, at Closing (as defined in Section 1.5), Buyer shall pay Gray, by wire transfer of immediately available funds, the sum of Seventeen Million Seven Hundred Thousand Dollars (\$17,700,000) (the “Purchase Price”) and shall execute and deliver the Shared Services Agreement and Option Agreement.

1.5 Closing. The consummation of the sale and purchase of the Station Assets provided for in this Agreement shall take place on the Closing Date (as defined in the Hoak Agreement) contingent upon and concurrently with the consummation of the transactions contemplated by the Hoak Agreement (the “Closing”).

ARTICLE 2: REPRESENTATIONS AND WARRANTIES OF SELLER

Gray makes the following representations and warranties to Buyer:

2.1 Organization and Standing. Gray is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization. Gray has the requisite power and authority to execute and deliver this Agreement, the Hoak Agreement and all of the other agreements and instruments to be executed and delivered by Gray in connection with the Closing (collectively, the “Ancillary Agreements”), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof. At Closing, KHAS Seller shall have the requisite power and authority to execute and deliver all of the other agreements and instruments to be executed and delivered by KHAS Seller in connection with the Closing (collectively, the “KHAS Ancillary Agreements”), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

2.2 Authorization. The execution, delivery and performance of this Agreement, the Hoak Agreement and the Ancillary Agreements by Gray have been duly authorized and approved by all necessary action of Gray and do not require any further authorization or consent of Gray or the shareholders of Gray. This Agreement and the Hoak Agreement are, and each Ancillary Agreement when executed and delivered by Gray and the other parties thereto will be, a legal, valid and binding agreement of Gray enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors’ rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law). At Closing, the execution, delivery and performance of the KHAS Ancillary Agreements by KHAS Seller shall have been duly authorized and approved by all necessary action of KHAS Seller and shall not require any further authorization or consent of KHAS Seller or Gray. Each KHAS Ancillary Agreement when executed and delivered by KHAS Seller and the other parties thereto will be, a legal, valid and binding agreement of KHAS Seller enforceable in accordance

with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

2.3 No Conflicts. Subject to receipt of the FCC Consent (defined below) and the receipt of all regulatory approvals contemplated by the Hoak Agreement, neither the execution and delivery by Gray or KHAS Seller, as applicable, of this Agreement, the Hoak Agreement, the Ancillary Agreements or the KHAS Ancillary Agreements nor the consummation by Gray or KHAS Seller of any of the transactions contemplated hereby or thereby nor compliance by Gray or KHAS Seller, as applicable, with or fulfillment by Gray or KHAS Seller of the terms, conditions and provisions hereof or thereof will conflict with any organizational documents of Gray or KHAS Seller or any law, judgment, order, or decree to which Seller is subject.

ARTICLE 3: REPRESENTATIONS AND WARRANTIES OF BUYER

Buyer makes the following representations and warranties to Gray:

3.1 Organization and Standing. Buyer is duly organized, validly existing in good standing under the laws of the jurisdiction of its organization, and is or will be by Closing qualified to do business in each jurisdiction in which the Station Assets are located. Buyer has the requisite power and authority to execute and deliver this Agreement and all of the other agreements and instruments to be executed and delivered by Buyer pursuant hereto (collectively, the "Buyer Ancillary Agreements"), to consummate the transactions contemplated hereby and thereby and to comply with the terms, conditions and provisions hereof and thereof.

3.2 Authorization. The execution, delivery and performance of this Agreement and the Buyer Ancillary Agreements by Buyer have been duly authorized and approved by all necessary action of Buyer and do not require any further authorization or consent of Buyer. This Agreement is, and each Buyer Ancillary Agreement when executed and delivered by Buyer and the other parties thereto will be, a legal, valid and binding agreement of Buyer enforceable in accordance with its respective terms, except in each case as such enforceability may be limited by bankruptcy, moratorium, insolvency, reorganization or other similar laws affecting or limiting the enforcement of creditors' rights generally and except as such enforceability is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.3 No Conflicts. Subject to receipt of the FCC Consent, neither the execution and delivery by Buyer of this Agreement and the Ancillary Agreements nor the consummation by Buyer of any of the transactions contemplated hereby or thereby nor compliance by Buyer with or fulfillment by Buyer of the terms, conditions and provisions hereof or thereof will conflict with any organizational documents of Buyer or any law, judgment, order, or decree to which Buyer is subject.

3.4 FCC Qualifications. Buyer is qualified under the Communications Act to hold the FCC Licenses.

ARTICLE 4: COVENANTS

Buyer and Gray hereby covenant and agree that between the date hereof and Closing:

4.1 Cooperation. Each party (i) shall use commercially reasonable efforts to obtain any governmental or third party consents necessary to accomplish the transactions contemplated by this Agreement, and to satisfy the conditions to Closing set forth herein, and (ii) shall not take any action that conflicts with its obligations hereunder or that causes its representations and warranties to become untrue in any material respect.

4.2 Consents to Assignment. Buyer shall use commercially reasonable efforts to cooperate with Gray and Hoak to obtain any third party consents necessary for the assignment of any Station Contract (which shall not require any payment to any such third party). To the extent that any such contract may not be assigned without the consent of any third party, and such consent is not obtained prior to Closing, this Agreement and any assignment executed pursuant hereto shall not constitute an assignment thereof, but to the extent permitted by law shall constitute an equitable assignment and assumption of rights and obligations under the applicable and the acquiring party performing the obligations thereunder on the conveying party's behalf.

ARTICLE 5: GRAY CLOSING CONDITIONS

The obligations of Gray hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

5.1 Representations, Warranties and Covenants. Each of the representations and warranties of Buyer contained in this Agreement shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects except to the extent changes are permitted or contemplated pursuant to this Agreement. Buyer shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Closing Date. Gray shall have received a certificate dated as of the Closing Date from Buyer executed by an authorized officer of Buyer, to the effect that the conditions set forth in this Section have been satisfied.

5.2 FCC Consent. The FCC Consent shall have been granted without any condition materially adverse to Gray.

5.3 Hoak Agreement. The closing of the transactions contemplated by the Hoak Agreement shall be occurring simultaneously or immediately prior to the Closing hereunder.

5.4 Deliveries. Buyer shall have made or simultaneously shall make the following deliveries:

(a) The Purchase Price;

(b) an instrument of assignment and assumption evidencing Buyer's assumption of the Assumed Obligations, including the Station Contracts (the "Assignment and Assumption"), duly executed by Buyer;

- (c) an assignment and assumption of lease or leases with respect to the Assumed Leases (the “Assignments and Assumptions for Leases”), duly executed by Buyer;
- (d) the Shared Services Agreement, duly executed by Buyer;
- (e) the Option Agreement, duly executed by Buyer;
- (f) all other instruments and certificates of assumption, as the Seller may reasonably request in order to effectively make the Buyer responsible for all Assumed Obligations, duly executed by Buyer; and
- (g) An officer’s certificate, which shall certify as to the satisfaction of the conditions set forth in Section 5.1 hereof, duly executed by an officer of Buyer.

5.5 Legal Proceedings. No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits the transactions contemplated by this Agreement; and no material adverse action or proceeding by any governmental authority shall have been instituted or threatened in writing (and not subsequently dismissed, settled or otherwise terminated) which would be reasonably likely to restrain, prohibit or invalidate the transactions contemplated by this Agreement.

ARTICLE 6: BUYER CLOSING CONDITIONS

The obligations of Buyer hereunder are, at its option, subject to satisfaction, at or prior to Closing, of each of the following conditions:

6.1 Representations, Warranties and Covenants. Each of the representations and warranties of Gray contained in this Agreement shall have been true and correct as of the date hereof and shall be deemed to be made again on and as of the Closing Date and shall then be true and correct in all material respects, except to the extent changes are permitted or contemplated pursuant to this Agreement. Gray shall have performed and complied in all material respects with the covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Closing Date. Buyer shall have received a certificate dated as of the Closing Date from Gray, executed by an authorized officer of Gray to the effect that the conditions set forth in this Section have been satisfied.

6.2 FCC Consent. The FCC Consent shall have been granted.

6.3 Hoak Agreement. The closing of the transactions contemplated by the Hoak Agreement shall be occurring simultaneously or immediately prior to the Closing hereunder.

6.4 Deliveries. Gray shall have made or simultaneously shall make, or shall cause KHAS Seller to make, the following deliveries:

- (a) A bill of sale evidencing the transfer of the Station Assets (the “Bill of Sale”), duly executed by KHAS Seller;
- (b) the Assignment and Assumption, duly executed by KHAS Seller;

- (c) the Assignments and Assumptions for Leases, duly executed by KHAS Seller;
- (d) an assignment of the FCC Licenses, duly executed by KHAS Seller;
- (e) a special warranty deed with respect to the Owned Real Property, duly executed by KHAS Seller;
- (f) certificates of title or origin (or like documents) with respect to any motor vehicles for which a certificate of title or origin evidences title, together with properly completed assignments of such vehicles to be delivered by the KHAS Seller;
- (g) such other instruments of transfer as the Buyer may reasonably request to convey any Station Assets to the Buyer;
- (h) the Shared Services Agreement, duly executed by Gray;
- (i) the Option Agreement, duly executed by Gray; and
- (j) An officer's certificate to be delivered by Gray, which shall certify as to the satisfaction of the conditions set forth in Section 6.1 hereof, duly executed by Gray.

6.5 Legal Proceedings. No injunction, restraining order or decree of any nature of any court or governmental authority of competent jurisdiction shall be in effect that restrains or prohibits the transactions contemplated by this Agreement; and no material adverse action or proceeding before or by any court, governmental authority, arbitrator or other entity shall have been instituted or threatened in writing (and not subsequently dismissed, settled or otherwise terminated) which would be reasonably likely to restrain, prohibit or invalidate the transactions contemplated by this Agreement.

ARTICLE 7: SURVIVAL; INDEMNIFICATION

7.1 Survival. The representations and warranties in this Agreement shall survive Closing (regardless of any investigation or inquiry of any party and even if the damaged party knew or had reason to know of any misrepresentation or breach of warranty at the time of Closing) for a period of 12 months from the Closing Date whereupon they shall expire and be of no further force or effect. Any claim with respect to a breach of a representation or warranty under Section 7.2 must be asserted in writing with reasonable particularity by the party making such claim within the applicable survival period, in which case such representation and warranty shall survive until such claim is finally resolved.

7.2 Indemnification.

(a) Gray shall defend, indemnify and hold harmless Buyer from and against any and all losses, costs, damages, liabilities and expenses, including reasonable attorneys' fees and expenses ("Damages") incurred by Buyer arising out of or resulting from: (i) any breach of the representations and warranties of Gray in this Agreement; (ii) any failure by Gray or KHAS Seller to pay the Retained Liabilities; or (iv) the Stations' operations prior to the Closing.

(b) Buyer shall defend, indemnify and hold harmless Gray from and against any and all Damages incurred by Gray arising out of or resulting from: (i) any breach of the representations and warranties of Buyer in this Agreement; (ii) any failure by Buyer to comply with the covenants and agreements of Buyer under this Agreement; (iii) the Assumed Obligations; or (iv) the Stations' operations after the Closing.

7.3 Procedures. The indemnified party shall give prompt written notice to the indemnifying party of any written demand, suit, claim or assertion of liability by third parties or other circumstances that could give rise to an indemnification obligation hereunder against the indemnifying party (a "Claim"), but a failure to give such notice or delaying such notice shall not affect the indemnified party's right to indemnification and the indemnifying party's obligation to indemnify as set forth in this Agreement, except to the extent the indemnifying party's ability to remedy, contest, defend or settle with respect to such Claim is thereby prejudiced. The obligations and liabilities of the parties with respect to any Claim shall be subject to the following additional terms and conditions:

(a) The indemnifying party shall have the right to undertake, by counsel of its own choosing, the defense or opposition to such Claim; provided that prior to the indemnifying party's assuming control of such defense, the indemnifying party must first furnish the indemnified party with evidence which, in the indemnified party's reasonable judgment, establishes that the indemnifying party is and will be able to satisfy any such liability. Furthermore the indemnifying party will not be entitled to assume control of such defense if (A) the claim for indemnification relates to or arises in connection with any criminal proceeding, action, indictment, allegation or investigation against the indemnified party, or (B) the indemnified party reasonably concludes in good faith that, in light of any actual or potential conflict of interest, it would be inappropriate for legal counsel selected by the indemnifying party to represent the indemnified party, in which case the parties hereto shall mutually agree upon appropriate defense counsel.

(b) If the indemnifying party is not able to, or does not elect to, undertake such defense or opposition, or, within twenty (20) days after written notice (which shall include sufficient description of background information explaining the basis for such Claim) of any such Claim from the indemnified party, the indemnifying party shall fail to undertake to defend or oppose, the indemnified party (upon further written notice to the indemnifying party) shall have the right to undertake the defense, opposition, compromise or settlement of such Claim, by counsel or other representatives of its own choosing, on behalf of and for the account and risk of the indemnifying party (subject to the right of the indemnifying party to assume defense of such Claim at any time prior to settlement, compromise or final determination thereof).

(c) Anything herein to the contrary notwithstanding: (i) the indemnified party shall have the right, at its own cost and expense, to participate in the defense, opposition, compromise or settlement of the Claim; (ii) the indemnifying party shall not, without the indemnified party's written consent, settle or compromise any Claim or Consent to entry of any judgment which does not include the giving by the claimant to the indemnified party of a release from all liability in respect of such Claim; and (iii) in the event that the indemnifying party undertakes defense of or opposition to any Claim, the indemnified party, by counsel or other representative of its own choosing and at its sole cost and expense, shall have the right to consult

with the indemnifying party and its counsel or other representatives concerning such Claim and the indemnifying party and the indemnified party and their respective counsel or other representatives shall cooperate in good faith with respect to such Claim.

(d) All Claims not disputed shall be paid by the indemnifying party within thirty (30) days after receiving notice of the Claim. “Disputed Claims” shall mean claims for Damages by an indemnified party which the indemnifying party objects to in writing within thirty (30) days after receiving notice of the Claim. In the event there is a Disputed Claim with respect to any Damages, the indemnifying party shall be required to pay the indemnified party the amount of such Damages for which the indemnifying party has, pursuant to a final determination, been found liable within ten (10) days after there is a final determination with respect to such Disputed Claim. A final determination of a Disputed Claim shall be (i) a judgment of any court determining the validity of a Disputed Claim, if no appeal is pending from such judgment and if the time to appeal therefrom has elapsed; (ii) an award of any arbitration determining the validity of such disputed claim, if there is not pending any motion to set aside such award and if the time within which to move to set aside such award has elapsed; (iii) a written termination of the dispute with respect to such claim signed by the parties thereto or their attorneys; (iv) a written acknowledgment of the indemnifying party that it no longer disputes the validity of such claim; or (v) such other evidence of final determination of a disputed claim as shall be acceptable to the parties.

ARTICLE 8: MISCELLANEOUS PROVISIONS

8.1 Termination. This Agreement may be terminated at any time prior to Closing: (a) by the mutual consent of Buyer and Gray; (b) by any party hereto, by written notice to the other party, if the FCC has denied the approvals contemplated by this Agreement in an order which has become a Final Order; or (c) by Gray upon written notice to Buyer of the termination of the Hoak Agreement.

8.2 Specific Performance. In the event of a breach or threatened breach by either party of any representation, warranty, covenant or agreement under this Agreement, at the nonbreaching party’s election, in addition to any other remedy available to it, the non-breaching party shall be entitled to an injunction restraining any such breach or threatened breach and, subject to obtaining any requisite approval of the FCC, to enforcement of this Agreement by a decree of specific performance requiring the breaching party to fulfill its obligations under this Agreement, in each case without the necessity of showing economic loss or other actual damage and without any bond or other security being required.

8.3 Application for FCC Consent. KHAS Seller, at Gray’s request pursuant to the terms of the Hoak Agreement, and Buyer jointly shall prepare and file with the FCC all requisite applications and other necessary instruments and documents (the “Application”) requesting the FCC’s written consent to the assignment of the FCC Licenses to Buyer within the time frame set forth in the Hoak Agreement. Gray, KHAS Seller, at Gray’s request pursuant to the terms of the Hoak Agreement, and Buyer shall diligently take all steps necessary, proper or desirable to expedite the prosecution of the Application to a favorable conclusion. KHAS Seller, at Gray’s request pursuant to the terms of the Hoak Agreement, shall promptly provide Buyer and Buyer shall promptly provide Gray and KHAS Seller with a copy of any pleading, order or other

document served on KHAS Seller, or Buyer relating to the Application. KHAS Seller, at Gray's request pursuant to the terms of the Hoak Agreement, and Buyer shall furnish all information required by the FCC and shall be represented at all meetings or hearings scheduled to consider the Application. The FCC's initial written consent to the Application is referred to herein as the "FCC Consent."

8.4 Expenses. 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, except that (i) all taxes (and any other governmental fees and charges) applicable to the transfer of the Station Assets to Buyer hereunder at Closing (including without limitation any real estate transfer taxes), shall be paid equally by Buyer and Gray, and (ii) all FCC filing fees in connection with the Application shall be paid by Gray.

8.5 Further Assurances. After Closing, each party shall from time to time, at the request of and without further cost or expense to the other, execute and deliver such other instruments of conveyance and assumption and take such other actions as may be reasonably necessary to complete the sale of assets contemplated by this Agreement and otherwise consummate the transactions contemplated hereby.

8.6 Employees. Buyer shall have no obligation to employ and hire any employees employed in the operation of the Stations; provided, however, Buyer shall notify Gray at least 5 days prior to Closing with respect to any employee of KHAS Seller that Buyer intends to hire.

ARTICLE 9: GENERAL PROVISIONS

9.1 Assignment. Neither party may assign this Agreement without the prior written consent of the other party hereto. No assignment shall relieve a party of its obligations or liability under this Agreement. All covenants, agreements, statements, representations, warranties and indemnities in this Agreement by and on behalf of any of the parties hereto shall bind and inure to the benefit of their respective successors and any permitted assigns of the parties hereto.

9.2 Amendments. No amendment, waiver of compliance with any provision or condition 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 any waiver, amendment, change, extension or discharge is sought.

9.3 Headings. The headings set forth in this Agreement are for convenience only and do not control or affect the meaning or construction of the provisions of this Agreement.

9.4 Governing Law. The construction and performance of this Agreement shall be governed by the laws of the State of Delaware without giving effect to the choice of law provisions thereof.

9.5 Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing, including by facsimile, and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, on the

day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery or when delivered by facsimile transmission, and shall be addressed as set below (or to such other address as any party may request by written notice):

if to Gray:

Gray Television Group, Inc.
4370 Peachtree Rd NE
Atlanta, GA, 30319
Attention: General Counsel
Fax: 202-747-7791

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

Dow Lohnes PLLC
1200 New Hampshire Avenue, N.W., Suite 800
Washington, DC 20036-6802
Attention: J. Kevin Mills
Fax: (202) 776-4827

If to Buyer:

Excalibur Grand Junction, LLC
PO Box 1962
Huntington, WV 25720
Attention: Don Ray
Fax:

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

Law Offices of Jack N. Goodman
1200 New Hampshire Avenue, NW Ste 800
Washington, DC 20006
Fax: 202-776-2222

9.6 Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same instrument.

9.7 Severability. If one or more provisions contained in this Agreement shall be deemed or held to be invalid, illegal or unenforceable in any respect under any applicable law, then, so long as it does not deprive a party 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.

9.8 Entire Agreement. This Agreement and the Schedules hereto constitute the full and entire understanding and agreement between the parties with regard to the subject matter hereof, and supersedes all prior agreements, understandings, inducements or conditions, express or implied, oral or written, relating to the subject matter hereof.

[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

GRAY:

GRAY TELEVISION GROUP, INC.

By: 
Name: Kevin P. Latek
Title: Senior Vice President

BUYER:

EXCALIBUR HASTINGS, LLC

By: _____
Name: _____
Title: _____

SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT

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

GRAY:

GRAY TELEVISION GROUP, INC.

By: _____
Name:
Title:

BUYER:

EXCALIBUR HASTINGS, LLC

By: Don Ray
Name: DON RAY
Title: PRESIDENT