

OPTION AGREEMENT

THIS OPTION AGREEMENT (the “**Option Agreement**”) is entered into as of April 20, 2018 by and between Gray Television Group, Inc., a Delaware corporation (“**Gray**”), and Liberty University, Inc. a Virginia non-stock corporation (“**Liberty**”) and Morning Star Broadcasting, LLC, a Virginia limited liability company (“**Liberty Licensee**” and together with Liberty, “**Seller**”).

R E C I T A L S

A. Seller owns and operates the full-power television station WFFP-TV, Danville, Virginia (FCC Facility Identification #15507) (the “**Station**”) pursuant to licenses, permits and other authorizations issued to Seller with respect to the Station including the licenses, permits and other authorizations identified on Schedule A (the “**FCC Licenses**”) issued by the Federal Communications Commission (“**FCC**”).

B. Seller and Gray have entered into an Asset Purchase Agreement, dated as of the date hereof, related to the sale and acquisition of certain assets of WLHG-CD, Lynchburg, Virginia (the “**APA**”).

C. Gray and Seller have entered into a Shared Services Agreement, dated as of the date hereof (the “**Shared Services Agreement**”) pursuant to which Gray shall provide programming for the Station in accordance with the terms of the Shared Services Agreement.

D. Gray and Seller entered into a Channel Share Agreement, dated as of November 21, 2017, pursuant to which the Station, as sharee, may channel share with Gray’s WDBJ-TV, as sharer.

E. Seller desires to grant to Gray an exclusive and irrevocable option to purchase the FCC Licenses, on the terms and conditions set forth herein.

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

I. Grant of Option. Seller hereby grants to Gray an exclusive and irrevocable option to acquire the FCC Licenses (the “**Option**”) for the purchase price based on the calculation set forth on Schedule B (the “**Purchase Price**”) upon the closing of the Option Purchase Agreement (as defined in Section III below).

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

III. Option Purchase Agreement. Within ten (10) business days following Seller's receipt of the Option Notice, Seller and Gray shall enter into an Asset Purchase Agreement in form and substance substantially similar to the APA with such changes that are reasonably acceptable to Gray and Seller (the "**Option Purchase Agreement**"), and such Option Purchase Agreement shall include covenants, without limitation, with respect to filing and prosecuting an appropriate application (the "**FCC Application**") for FCC consent to the assignment of the FCC Licenses from Seller to Gray (the "**FCC Consent**") and the assumption by Gray of the Channel Share Agreement and all rights of Seller thereunder, and thereafter Seller and Gray shall perform their respective obligations under the Option Purchase Agreement.

IV. Termination of Option. Unless the Option is exercised in accordance with Section III, the Option shall remain in full force and effect until the tenth anniversary of the date hereof. This Agreement may be terminated by either party by written notice to the other in the event of any expiration or termination of the APA without the occurrence of the Closing (as defined in the APA).

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

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

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

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

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

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

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

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

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

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

IX. Specific Performance. Each party recognizes that if the other party breaches this Option Agreement and refuses to perform under the provisions of this Option Agreement, monetary damages alone would not be adequate to compensate the non-breaching party for its injury. Each party shall therefore be entitled, in addition to any other remedies that may be available, including money damages, to obtain specific performance of the terms of this Option Agreement in the event of a breach of this Option Agreement by the other party.

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

if to Seller, then to:	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: Mark Prak and Tim Nelson Telephone: (919) 573-6205 Fax: (336) 232-9105 Email: mprak@brookspierce.com tnelson@brookspiece.com
if to Programmer, then to:	Gray Television Group, Inc. 4370 Peachtree Rd NE Atlanta, GA, 30319 Attn: General Counsel Telephone: (404) 504-9828 Facsimile: (202) 747-7791
with a copy (which shall not constitute notice) to:	Cooley LLP 1299 Pennsylvania Avenue, NW Suite 700 Washington, DC 20004 Attn: John R. Feore Telephone: (202) 776-2045 Fax: (202) 842-7899 Email: jfeore@cooley.com

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

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

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

XIII. Counterparts. This Option Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument, and shall become effective when each of the parties hereto shall have delivered to it (including by electronic delivery to the email address(es) listed in Section X) this Option Agreement duly executed by the other parties hereto.

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

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

XVI. Benefit and Binding Effect; Assignability. This Option Agreement shall inure to the benefit of and be binding upon Seller, Gray and their respective successors and permitted assigns. Seller may not assign this Option Agreement without the prior written consent of Gray. Gray at any time after the delivery of the Option Notice, but (provided the Option Notice is not withdrawn) prior to the consummation of the transactions contemplated by this Option Agreement, shall not assign its rights and obligations under this Option Agreement without Seller's prior written consent, which consent shall not be unreasonably withheld, to any third party qualified to hold the FCC Licenses; provided, that Gray may by written notice to Seller, but without consent of, Seller, assign all or any part of its rights and obligations hereunder to one or more affiliates of Gray and Gray may assign its rights hereunder in whole or in part as security for any financing of the transactions contemplated hereby, provided, that, in either case, any such assignment does not materially delay the processing of the FCC Application, the grant of the FCC Consent or the Closing or conflict with any FCC rules or policies; and provided further, that Gray shall not be relieved of any liability pursuant to this Agreement in connection with such assignment. Upon any permitted assignment by a party in accordance with this Section XVI, all references to "Gray" herein shall be deemed to be references to Gray's assignee and all references to "Seller" herein shall be deemed to be references to Seller's assignee, as the case may be. Gray may also collaterally assign its rights, benefits, duties or obligations hereunder to its lenders.

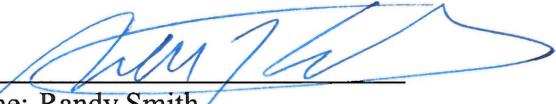
XVII. Confidentiality. Except as necessary for the consummation of the transaction contemplated by this Option Agreement, and except as and to the extent required by law, each party will keep confidential any information obtained from the other party in connection with the transactions contemplated by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

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

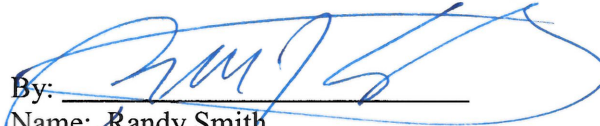
[THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

LIBERTY UNIVERSITY, INC.

By: 
Name: Randy Smith
Title: Executive Vice President and Chief Operating Officer

MORNING STAR BROADCASTING, LLC

By: 
Name: Randy Smith
Title: Manager

GRAY TELEVISION GROUP, INC.

By: _____
Name: Kevin P. Latek
Title: Secretary

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

LIBERTY UNIVERSITY, INC.

By: _____

Name: Randy Smith

Title: Executive Vice President and Chief Operating Officer

MORNING STAR BROADCASTING, LLC

By: _____

Name: Randy Smith

Title: Manager

GRAY TELEVISION GROUP, INC.

By: _____

Name: Kevin P. Latek

Title: Secretary