

EXHIBIT 12

Description of Transaction

By this application, the parties seek the Commission's consent to the substitution of Gray Midwest EAT, LLC ("Gray EAT") for Gray Television Licensee, LLC as the assignee of the licenses of television broadcast stations KWQC-TV, Davenport, Iowa (Facility ID No. 6885) from Young Broadcasting of Davenport, Inc. ("Young Davenport") and WBAY-TV, Green Bay, Wisconsin (Facility ID No. 74417) from Young Broadcasting of Green Bay, Inc. ("Young Green Bay") (collectively, KWQC-TV and WBAY-TV are referred hereto as the "Stations").

On June 3, 2016, Gray Television Group, Inc. ("Gray Parent"), on behalf of its broadcast subsidiary Gray Television Licensee, LLC ("Gray Licensee"), and Nexstar Broadcasting, Inc. and Media General Inc. (collectively "Nexstar/Media General"), on behalf of the current licensees which are subsidiaries of Media General, Inc., entered into an Asset Purchase Agreement (the "APA").¹ Pursuant to the APA, Gray Parent agreed that it or its permitted assignees would purchase the Federal Communications Commission ("FCC") licenses and other assets of Young Davenport and Young Green Bay. Gray Licensee and Young Davenport and Young Green Bay filed applications seeking FCC consent to the assignments on June 10, 2016.²

In connection with an Engagement Agreement discussed below, Gray Licensee has agreed to assign its rights under the APA for the purchase of the Stations to Gray EAT. At the consummation of the transaction contemplated by the APA, the licenses of the Stations will be assigned directly from Nexstar/Media General to Gray EAT.

Gray EAT will hold the Stations' licenses and assets as an "exchange accommodation titleholder" (an "EAT") solely for the benefit of Gray Licensee to facilitate a like-kind exchange under Section 1031 of the Internal Revenue Code and Revenue Procedure 2000-37, issued on September 13, 2000 by the U.S. Department of Treasury and the IRS. In a like-kind exchange, the taxpayer effectively replaces one property with a property of similar type and use, and the tax laws provide special tax treatment for those exchanges. The proposed assignment follows the structure prescribed in Revenue Procedure 2000-37. The EAT structure proposed in this application also is consistent with the EAT structure previously approved by the Commission in *Media General Communications, Inc.*, 21 FCC Rcd 7669 (2006).

Two-Step Process: The acquisition of the Stations by Gray EAT is the first step in a two-step process. The second step will be the acquisition by Gray Licensee of either all of the assets of Gray EAT or all of the LLC interests of Gray EAT. In a second application, Gray EAT and Gray Licensee will seek the Commission's consent to step two, which must be consummated no later than 180 days following consummation of step one to qualify as a like kind exchange under IRS rules and regulations.

¹ A copy of the APA is attached to this Application in Exhibit 12.

² See BALCDT-20160610ABI (KWQC-TV) and BALCDT-20160610ABG (WBAY-TV).

Description of Gray EAT: Gray EAT is a Delaware limited liability company created to serve as EAT for this transaction. Gray EAT will hold legal title to the Stations' assets and licenses for a limited time following consummation of the transaction. During such limited period, Gray EAT will act solely as the agent of Gray Licensee for all purposes – including the purposes of the Communications Act of 1934, as amended, and the FCC's rules and regulations – other than for federal and state income tax purposes, as permitted under IRS rulings.

Gray EAT will have two LLC members. The first member of Gray EAT will be REVAC, Inc. ("REVAC"). REVAC, in turn, is a wholly owned subsidiary of TVPX 1031 Exchange Co., a privately held corporation in the business of arranging and equipping entities to serve as titleholders in EAT transactions and similar tax-driven transactions. The second member will be Gray Licensee. Gray Licensee will be the FCC Managing Member of Gray EAT. Gray Licensee does not and will not hold any equity interest in Gray EAT, but as the FCC Managing Member it will have complete control of the Stations. Gray EAT will neither exercise *de facto* control of the Stations nor have the legal right to do more than hold title. Nevertheless, party information has been provided for REVAC and its parent entities and the responses in this application include pertinent information for REVAC.

Summary of Agreements:

1. Gray Licensee and REVAC have entered into an Engagement Agreement, a copy of which is attached to this Application in Exhibit 12, pursuant to which (a) REVAC formed Gray EAT by filing a Certificate of Formation, a copy of which is attached to this Application in Exhibit 12, and (b) the parties agreed that, upon notice from Gray Licensee to REVAC, the parties will enter into (i) a Qualified Exchange Accommodation Agreement (the "QEAA"), (ii) a Limited Liability Company Agreement (the "LLC Agreement") for Gray EAT, (iii) an Assignment of the APA from Gray Licensee to Gray EAT (the "Assignment") (collectively, the QEAA, LLC Agreement, and Assignment are the "Agreements").

2. The Agreements will provide as follows:

a. Gray Licensee will loan Gray EAT the purchase price for the Stations.

b. Gray EAT and Gray Licensee will agree that Gray EAT is purchasing the Stations and holding the Stations for the benefit of Gray Licensee to effect a Section 1031 like-kind exchange pursuant to the safe harbor established by the Treasury Department and the IRS in Revenue Procedure 2000-37. As required by Revenue Procedure 2000-37, Gray EAT will be treated as the beneficial owner of the Stations for tax purposes, with the Stations nevertheless remaining fully subject to the control and direction of Gray Licensee.

c. Gray Licensee will operate the Stations and will be entitled to the cash flow of the Stations. Gray EAT will be prohibited from

selling the Stations, borrowing funds, or undertaking any other transaction without the express direction of Gray Licensee.

d. Gray EAT will act as Gray Licensee's agent for all purposes other than federal and state income tax purposes.

e. Subject to approval from the FCC, upon direction from Gray Licensee, Gray EAT will transfer the Stations to Gray Licensee. As indicated above, Gray Licensee will seek consent to this step in a future application.

f. Gray Licensee will agree to pay Gray EAT all expenses incurred by Gray EAT during the time that it holds the Stations. Further, Gray Licensee will agree to indemnify Gray EAT and hold it harmless against all losses that may be incurred by Gray EAT while it holds the Stations.

Control of the Stations:

Gray Licensee, as the FCC Managing Member, will have exclusive and direct control of the operations of the Stations under the QEAA and LLC Agreement through a right to direct the voting, control, and actions of Gray EAT with respect to all Station matters. Furthermore, both the LLC Agreement and the QEAA specify that Gray Licensee has sole legal responsibility for any and all activities, actions and decisions relating to the operation, preservation and enhancement of the Stations and the Stations assets, including, but not limited to:

1. Ensuring compliance with all applicable provisions of the Communications Act of 1934, as amended, the rules, regulations, and policies of the FCC and all other laws applicable to the Stations, the Stations' assets, and the Stations' licenses;
2. Ensuring compliance with all contracts applicable to the Stations and the Stations' assets including affiliation agreements, programming contracts, and leases;
3. Hiring, firing, promoting, disciplining, and exercising day-to-day control over the employees who operate and manage the Stations, the Stations' assets, and the Stations' licenses in accordance with the rules, regulations, and policies of the FCC;
4. Establishing and administering operating budgets for the Stations, the Stations' assets, and the Stations' licenses;
5. Causing the payment of financial obligations involving the operation of the Stations, including utility payments, payments of rent, legal fees and expenses, programming expenses, travel expenses, insurance costs, taxes, and such other operating, capital, and other expenses that arise from time to time and concern the business or operations of the Stations, the Stations' assets; and the Stations' licenses;
6. Maintaining appropriate insurance coverage with respect to the Stations, the Stations' assets, and the Stations' licenses;

7. Undertaking the repair and maintenance of the Stations and the Stations' assets to maintain compliance with the Stations' licenses;
8. Selling advertising time on the Stations and collecting all revenues therefrom;
9. Selling, transferring, or otherwise disposing of the Stations and the Stations' assets; and
10. All other activities, actions and decisions relating to the operation and management of the Stations, the Stations' assets, and the Stations' licenses.

The LLC Agreement will limit the responsibilities of REVAC, as the other Managing Member of Gray EAT, to ministerial actions, such as a name change, choice of Gray EAT's office location (but not the main studio location or sales office for the Stations), and selection of registered agent for Gray EAT.