IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: TRIBUNE COMPANY, et al.,[1] Debtors.	Chapter 11 Case No. 08-13141 (KJC) Jointly Administered
In re: CHICAGO NATIONAL LEAGUE BALL CLUB, LLC,[2] Debtor.	Chapter 11 Case No. 09-13496 (Joint Administration Pending)

MOTION FOR ORDER PURSUANT TO 11 U.S.C. §§ 105(a), 363 AND 365 (I) AUTHORIZING CHICAGO NATIONAL LEAGUE BALL CLUB, LLC TO (A) ENTER INTO AND PERFORM OBLIGATIONS UNDER FORMATION AGREEMENT AND ANCILLARY AGREEMENTS, (B) EFFECT PROPOSED BUSINESS COMBINATION RESPECTING CUBS-RELATED ASSETS, INTERESTS IN WRIGLEY FIELD, COMCAST SPORTS NET

[1] The Tribune Debtors, along with the last four digits of each Tribune Debtor's federal tax identification number, are: Tribune Company (0355); 435 Production Company (8865); 5800 Sunset Productions Inc. (5510); Baltimore Newspaper Networks, Inc. (8258); California Community News Corporation (5306); Candle Holdings Corporation (5626); Channel 20, Inc. (7399); Channel 39, Inc. (5256); Channel 40, Inc. (3844); Chicago Avenue Construction Company (8634); Chicago River Production Company (5434); Chicago Tribune Company (3437); Chicago Tribune Newspapers, Inc. (0439); Chicago Tribune Press Service, Inc. (3167); ChicagoLand Microwave Licensee, Inc. (1579); Chicagoland Publishing Company (3237); Chicagoland Television News, Inc. (1352); Courant Specialty Products, Inc. (9221); Direct Mail Associates, Inc. (6121); Distribution Systems of America, Inc. (3811); Eagle New Media Investments, LLC (6661); Eagle Publishing Investments, LLC (6327); forsalebyowner.com corp. (0219); ForSaleByOwner.com Referral Services, LLC (9205); Fortify Holdings Corporation (5628); Forum Publishing Group, Inc. (2940); Gold Coast Publications, Inc. (5505); GreenCo, Inc. (7416); Heart & Crown Advertising, Inc. (9808); Homeowners Realty, Inc. (1507); Homestead Publishing Co. (4903); Hoy, LLC (8033); Hoy Publications, LLC (2352); InsertCo, Inc. (2663); Internet Foreclosure Service, Inc. (6550); JuliusAir Company, LLC (9479); JuliusAir Company II, LLC; KIAH Inc. (4014); KPLR, Inc. (7943); KSWB Inc. (7035); KTLA Inc. (3404); KWGN Inc. (5347); Los Angeles Times Communications LLC (1324); Los Angeles Times International, Ltd. (6079); Los Angeles Times Newspapers, Inc. (0416); Magic T Music Publishing Company (6522); NBBF, LLC (0893); Neocomm, Inc. (7208); New Mass. Media, Inc. (9553); New River Center Maintenance Association, Inc. (5621); Newscom Services, Inc. (4817); Newspaper Readers Agency, Inc. (7335); North Michigan Production Company (5466); North Orange Avenue Properties, Inc. (4056); Oak Brook Productions, Inc. (2598); Orlando Sentinel Communications Company (3775); Patuxent Publishing Company (4223); Publishers Forest Products Co. of Washington (4750); Sentinel Communications News Ventures, Inc. (2027); Shepard's Inc. (7931); Signs of Distinction, Inc. (3603); Southern Connecticut Newspapers, Inc. (1455); Star Community Publishing Group, LLC (5612); Stemweb, Inc. (4276); Sun-Sentinel Company (2684); The Baltimore Sun Company (6880); The Daily Press, Inc. (9368); The Hartford Courant Company (3490); The Morning Call, Inc. (7560); The Other Company LLC (5337); Times Mirror Land and Timber Company (7088); Times Mirror Payroll Processing Company, Inc. (4227); Times Mirror Services Company, Inc. (1326); TMLH 2, Inc. (0720); TMLS I, Inc. (0719); TMS Entertainment Guides, Inc. (6325); Tower Distribution Company (9066); Towering T Music Publishing Company (2470); Tribune Broadcast Holdings, Inc. (4438); Tribune Broadcasting Company (2569); Tribune Broadcasting Holdco, LLC (2534); Tribune Broadcasting News Network, Inc. (1088); Tribune California Properties, Inc. (1629); Tribune Direct Marketing, Inc. (1479); Tribune Entertainment Company (6232); Tribune Entertainment Production Company (5393); Tribune Finance, LLC (2537); Tribune Finance Service Center, Inc. (7844); Tribune License, Inc. (1035); Tribune Los Angeles, Inc. (4522); Tribune Manhattan Newspaper Holdings, Inc. (7279); Tribune Media Net, Inc. (7847); Tribune Media Services, Inc. (1080); Tribune Network Holdings Company (9936); Tribune New York Newspaper Holdings, LLC (7278); Tribune NM, Inc. (9939); Tribune Publishing Company (9720); Tribune Television Company (1634); Tribune Television Holdings, Inc. (1630); Tribune Television New Orleans, Inc. (4055); Tribune Television Northwest, Inc. (2975); ValuMail, Inc. (9512); Virginia Community Shoppers, LLC (4025); Virginia Gazette Companies, LLC (9587); WATL, LLC (7384); WCWN LLC (5982); WDCW Broadcasting, Inc. (8300); WGN Continental Broadcasting Company (9530); WLVI Inc. (8074); WPIX, Inc. (0191); and WTXX Inc. (1268). The Tribune Debtors' corporate headquarters and the mailing address for each Tribune Debtor is 435 North Michigan Avenue, Chicago, Illinois 60611.

[2] The last four digits of the federal tax identification number for Chicago National League Ball Club, LLC are 0347. Chicago National League Ball Club, LLC's corporate headquarters and mailing address is 435 North Michigan Avenue, Chicago, Illinois 60611.

AND RELATED ASSETS FREE AND CLEAR OF ALL LIENS, CLAIMS, RIGHTS, INTERESTS AND ENCUMBRANCES, (C) ASSUME AND ASSIGN EXECUTORY CONTRACTS, (D) OPERATE AND PAY OBLIGATIONS RELATED TO CUBS BUSINESS IN THE ORDINARY COURSE SUBJECT TO FORMATION AGREEMENT AND MAJOR LEAGUE BASEBALL RULES AND REGULATIONS, AND (E) PLEDGE MEMBERSHIP INTEREST IN CHICAGO BASEBALL HOLDINGS, LLC; (II) RECOGNIZING SUFFICIENCY OF NOTICE; (III) WAIVING CERTAIN ACTIONS AND (IV) GRANTING RELATED RELIEF

1. By this motion (the "Motion"), Chicago National League Ball Club, LLC ("CNLBC"), a debtor and debtor in possession in the above-captioned chapter 11 case, asks this Court to approve a number of related transactions by which the business, assets and operations of the Chicago Cubs Major League Baseball franchise (collectively, the "Cubs Business") and related assets will be contributed by Tribune and its affiliates (including CNLBC) to a joint venture which will be controlled by a third-party bidder, but in which Tribune Company ("Tribune" and, collectively with its affiliated debtors and debtors in possession other than CNLBC, the "Tribune Debtors") and the Cubs Entities (defined below) collectively will retain an interest (as described in this Motion and the related agreements in more detail, the "Proposed Business Combination"). That joint venture, Chicago Baseball Holdings, LLC ("Newco") and its subsidiaries (collectively, the "Newco Subs") will thereafter own and operate the Cubs Business. CNLBC also seeks authority by this Motion to operate the Cubs Business and to pay any obligations thereof (including prepetition obligations) subject to the terms of the Formation Agreement and Major League Baseball rules and regulations in the brief period after approval of this Motion and before the Proposed Business Combination is consummated. CNLBC further requests that the Court determine that the notice given pursuant to the Notice and Procedures

Approval Order [D.I. 2053][3] provided good, effective, and sufficient notice of the Proposed Business Combination to CNLBC's creditors and other parties-in-interest.

2. The majority of the relief sought by this Motion is duplicative of relief that has already been granted by the Bankruptcy Court with respect to Tribune. See Notice and Procedures Approval Order; Tribune Transaction Approval Order [D.I. 2213].[4] In addition, the Proposed Business Combination has already received the necessary approvals from Major League Baseball and is further supported by both the Official Committee of Unsecured Creditors (the "Creditors Committee") and the Steering Committee of the Tribune Debtors' prepetition lenders (the "Steering Committee"). Moreover, the transactions comprising the Proposed Business Combination have already closed into escrow on the terms provided in the Formation Agreement and its related documents. As a result, Bankruptcy Court approval for the Proposed Business Combination as it relates to CNLBC is one of the few steps remaining before the transactions can be closed and the Proposed Business Combination consummated.

3. The process of obtaining Bankruptcy Court approval for the Proposed Business Combination has proceeded substantially as the Tribune Debtors and CNLBC previously advised the Bankruptcy Court and all parties-in-interest that it would. The Tribune Debtors stated in the Notice and Procedures Approval Motion[5] (at ¶¶ 6, 9, 47-48) and the

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[3] The full title of the Notice and Procedures Approval Order is the Order (I) Approving Form and Scope of Notice of Proposed Business Combination Involving Cubs Business to Creditors and Parties-in-Interest of Tribune Debtors and Cubs Entities, (II) Approving Process for Effecting Proposed Business Combination and Setting Transaction Hearing and Related Deadlines, and (III) Approving Certain Investor Protections.

[4] The full title of the Tribune Transaction Approval Order is the Order Pursuant To 11 U.S.C. §§ 105(a), 363 And 365 (i) Authorizing Debtors And Debtors In Possession To (A) Enter Into And Perform Obligations Under Formation Agreement And Ancillary Agreements, (B) Effect Proposed Business Combination Respecting Cubs-Related Assets, Including Interests In Wrigley Field, Comcast Sports Network And Related Assets Free And Clear Of All Liens, Claims, Rights, Interests And Encumbrances, And (C) Assume And Assign Executory Contracts; (ii) Authorizing Debtor Tribune Company To Enter Into Guarantees Of Debt Financing, (iii) Authorizing Debtor WGN Continental Broadcast Company To Enter Into And Perform Obligations Under Radio And Television Broadcast Agreements, And (iv) Granting Related Relief.

[5] The full title of the Notice and Procedures Approval Motion is the Motion Of Debtors And Debtors In Possession Pursuant To Sections 105(a), 363(b) And 503(b) Of The Bankruptcy Code And Fed. R. Bankr. P. 2002, 6004 And

Tribune Transaction Approval Motion[6] (at ¶¶ 6, 12-13, 25, 89-94) that they intended first to seek Bankruptcy Court approval of the Proposed Business Combination with respect to the Tribune Debtors – which has been obtained – and that thereafter CNLBC would (i) commence a chapter 11 case as a means of implementing the Proposed Business Combination, and (ii) seek approval of the Proposed Business Combination in its chapter 11 case. CNLBC has now commenced its chapter 11 case, and, consistent with the Tribune Debtors' prior representations to the Court, CNLBC now seeks approval of the Proposed Business Combination.

4. Additional background concerning (i) the process by which the Tribune Debtors and CNLBC have sought approval of the Proposed Business Combination and (ii) certain aspects of the relief requested that pertain solely to the Tribune Debtors may be found in (a) the Notice and Procedures Approval Motion, (b) the Tribune Transaction Approval Motion, and (c) the Tribune Transaction Approval Order.

BACKGROUND OF CNLBC AND THE CUBS BUSINESS

5. The Cubs Business is one of the most valuable assets of the Tribune group of companies. The Cubs were founded in 1876 as the Chicago White Stockings and are a charter member of Major League Baseball's National League. The Cubs have won 16 National League pennants and two World Series championships during their history. Thirty-seven (37) members of the Baseball Hall of Fame played with the Cubs for all or part of their careers. Wrigley Field,

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9007 For An Order (I) Approving Form And Scope Of Notice Of Proposed Business Combination Involving Cubs Business To Creditors And Parties-In-Interest Of Tribune Debtors And Cubs Entities, (II) Approving Transaction Process And Setting Transaction Hearing And Related Deadlines, And (III) Approving Certain Investor Protections.

[6] The full title of the Tribune Transaction Approval Motion is Motion For Orders Pursuant To 11 U.S.C. §§ 105(a), 363 And 365 (i) Authorizing Tribune Debtors And CNLBC To (A) Enter Into And Perform Obligations Under Formation Agreement And Ancillary Agreements, (B) Effect Proposed Business Combination Respecting Cubs-Related Assets, Including Interests In Wrigley Field, Comcast Sports Network And Related Assets Free And Clear Of All Liens, Claims, Rights, Interests And Encumbrances, And (C) Assume And Assign Executory Contracts; (ii) Authorizing Debtor Tribune Company To Enter Into Guarantees Of Debt Financing, (iii) Authorizing Debtor WGN Continental Broadcast Company To Enter Into And Perform Obligations Under Radio And Television Broadcast Agreements, And (iv) Granting Related Relief.

the Cubs' 41,210-seat stadium on the north side of Chicago, has been the Cubs' home park since 1913 and is the anchor and namesake of Chicago's Wrigleyville neighborhood. The Cubs have consistently been considered one of Major League Baseball's most valuable teams, and have been described as a "premier franchise."[7] Tribune has owned the Cubs since 1981, when it acquired the team from William Wrigley.

6. The Cubs Business includes, but is not limited to, the Cubs' Major League Baseball, spring training, and Dominican Republic baseball operations. In addition, among the most prominent assets of the Cubs Business – each of which is sought to be included in the Proposed Business Combination described in this Motion and the accompanying transaction documents – are Wrigley Field, several pieces of real property located in Chicago that are used as parking lots near Wrigley Field or for other Cubs-related purposes, and the 25.34% stake indirectly owned by Tribune in Comcast SportsNet Chicago, LLC, a Delaware limited liability company that operates a local sports programming network in the Chicago area ("CSN Chicago").

7. The Cubs Business is conducted principally by five direct or indirect subsidiaries of Tribune (together, the "Cubs Entities"): (i) CNLBC; (ii) Tribune Sports Network Holdings, LLC; (iii) Wrigley Field Premium Ticket Services, LLC; (iv) Diana-Quentin, LLC; and (v) Chicago Cubs Dominican Baseball Operations, LLC. Although all five Cubs Entities will participate in the Proposed Business Combination, as described further below, only CNLBC has filed a petition under chapter 11 in connection with effectuating the transaction. In addition,

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[7] See "Cubs for Sale, But is Wrigley Field?", Chicago Tribune, Apr. 3, 2007 (quoting Chicago White Sox Chairman Jerry Reinsdorf as saying "[t]he Cubs are a premier franchise").

Tribune and certain of its direct and indirect subsidiaries other than the Cubs Entities own certain limited assets that are used solely in connection with the Cubs Business.[8]

8. An additional element of the Cubs Business relates to licensing of the radio and television broadcast rights to Cubs baseball games. The Cubs have had a radio broadcast relationship with WGN-AM, a radio station operated by WGN Continental Broadcasting Company ("WGN"), one of the Tribune Debtors in these chapter 11 cases, since 1925. The Cubs have also had a television broadcast relationship with WGN-TV, a television station operated by WGN, and WGN America, a television superstation operated by WGN, since 1948. WGN-TV and WGN America today broadcast a majority of Cubs baseball games.[9]

BACKGROUND CONCERNING THE MOTION

I. Overview of the Proposed Business Combination

9. CNLBC submits this Motion for entry of an order pursuant to 11 U.S.C. §§ 105(a), 363 and 365, substantially in the form submitted herewith,[10] (i) authorizing CNLBC to (a) enter into and perform its obligations under that certain Formation Agreement (the "Formation Agreement") dated as of August 21, 2009; (b) enter into and perform its obligations pursuant to certain agreements ancillary to the Formation Agreement that collectively effect the transactions described herein (together with the Closing Escrow Agreement, the "Ancillary Agreements");[11] (c) effect the Proposed Business Combination on the terms set forth in the

[8] Authorization for the Tribune Debtors to contribute any assets held by them to Newco and/or any of the Newco Subs was granted by the Bankruptcy Court as part of the Tribune Transaction Approval Motion.
[9] Entry by WGN into the Restated Radio Broadcast Rights Agreement (the "Radio Agreement") and the Restated Television Broadcast Rights Agreement (the "TV Agreement") has already been authorized via the Tribune Transaction Approval Order.
[10] On August 24, 2009, the Tribune Debtors submitted as an exhibit to the Tribune Transaction Approval Motion a proposed form of order granting the relief sought in this Motion. Attached hereto as Exhibit B is a blackline comparing the proposed form of order submitted contemporaneously herewith with the proposed order submitted in connection with the Tribune Transaction Approval Motion.
[11] Capitalized terms not defined herein shall have the meanings ascribed to them in the Formation Agreement and the Ancillary Agreements, as applicable. For the avoidance of doubt, the term Ancillary Agreements, as used in this

various agreements; (d) assume and assign substantially all executory contracts to which CNLBC is a party; and (e) pledge the membership interests it receives in Newco in connection with Newco's post-transaction financing; (ii) authorizing CNLBC to operate the Cubs Business and to pay any obligations thereof (including prepetition obligations) in the ordinary course during the brief period after approval of this Motion and before the Proposed Business Combination is consummated, subject to the terms of the Formation Agreement and Major League Baseball rules and regulations; (iii) authorizing CNLBC to waive certain actions as part of the Proposed Business Combination; and (iv) granting related relief.[12]

10. The Tribune Debtors, the Cubs Entities and Ricketts Acquisition LLC, a Delaware limited liability company (the "Bidder"), have agreed for purposes of structuring the Formation Agreement and the Ancillary Agreements that the Cubs Business has an enterprise value of $844,740,000. That amount forms the basis for the consideration to be received by

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Motion and in the form of proposed order approving this Motion, includes, without limitation, (i) the Tribune Guarantees, (ii) the WGN Agreements, (iii) the Superstation Extension, (iv) the Newco LLC Agreement, (v) the Tax Matters Agreement, (vi) the Transition Services Agreement, (vii) the Closing Escrow Agreement,(viii) the Indemnity Escrow Agreement, and (ix) the Trust Guaranty. In addition, for the further avoidance of doubt, CNLBC clarifies that it seeks authority to enter into and perform all of its obligations under each of the foregoing agreements and the other Ancillary Agreements by this Motion.

[12] On December 8, 2008 (the "Petition Date"), the Tribune Debtors each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). On December 10, 2008, the Bankruptcy Court entered an order consolidating the Tribune Debtors' chapter 11 cases for procedural purposes only. On October 12, 2009, CNLBC filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. A motion to consolidate CNLBC's chapter 11 case with those of the Tribune Debtors for procedural purposes, and to extend to the extent necessary certain elements of the "first-day" relief granted to the Tribune Debtors to CNLBC, has been filed with the Bankruptcy Court contemporaneously with the filing of this Motion.

The Tribune Debtors and CNLBC have continued in possession of their respective properties and have continued to operate and maintain their businesses as debtors in possession pursuant to section 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee in the Tribune Debtors' or CNLBC's chapter 11 cases.

On December 18, 2008, the Office of the United States Trustee appointed an official committee of unsecured creditors in the Tribune Debtors' chapter 11 cases.

The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The statutory predicates for the relief sought herein are 11 U.S.C. §§ 105(a), 363 and 365.

CNLBC in exchange for contributing the Cubs Business and related assets to Newco. See Formation Agreement at Preamble, §(H).

11. The transactions comprising the Proposed Business Combination have already closed into escrow. Specifically, the Formation Agreement contemplated that the Escrow Closing would occur after Bankruptcy Court approval was obtained with respect to the Proposed Business Combination as it relates to the Tribune Debtors, but before (i) final funding of the Debt Financing and the Equity Financing, (ii) the chapter 11 filing for CNLBC and (iii) entry by the Bankruptcy Court of the order approving the Proposed Business Combination as to CNLBC. See Formation Agreement at §§ 1.3(a), 1.4. The Escrow Closing Date (as defined in the Formation Agreement) occurred on October 9, 2009, and the parties have accordingly executed all documents necessary to facilitate the Proposed Business Combination, including the Closing Escrow Agreement attached to the Formation Agreement as Exhibit T thereto. See Formation Agreement at Preamble, §(D) and § 1.1(b).[13] The lenders providing the Debt Financing have also deposited an amount equal to the Debt Financing with the Closing Agent and with the Senior Bank Lender Agent, as provided in the Closing Escrow Agreement, and the Bidder has deposited the Specified Amount to be contributed by Newco pursuant to the Equity Financing (i.e., not less than $150,000,000) with the Closing Agent. See id. at § 1.1(b).

12. The escrowed documents and the funds will remain in the Closing Escrow Account or held by the Senior Lender Agent in trust for the lenders, as applicable, until after (i) certain limited conditions to consummating the Closing are satisfied, and (ii) the Court enters an order approving the Proposed Business Combination as to CNLBC and such order has become a

[13] The executed versions of Ancillary Documents put into escrow on the Escrow Closing Date include, without limitation, executed versions of (i) the Newco LLC Agreement, (ii) the Tax Matters Agreement, (iii) the Tribune Guarantees, (iv) the WGN Agreements, (v) the Transition Services Agreement, (vi) the Indemnity Escrow Agreement, and (vii) the Trust Guaranty. See Formation Agreement at § 1.4(a).

final, non-appealable order (unless such condition is waived in accordance with the transaction documents). See id. at §§ 1.3(b), 7.4. Once those events occur, the Cubs Entities and certain Tribune Debtors will contribute the Cubs Business to Newco (with the exception of certain assets (the "Direct Cubs Contributed Assets") that will be contributed directly by the Cubs Entities to Chicago Cubs National League Ball Club, LLC (the "Cubs Newco Sub").[14] Newco will then obtain debt and equity financing in the amounts specified in the Formation Agreement, with certain of such debt financing being guaranteed by Tribune, and the Cubs Entities will retain a membership interest in Newco and CNLBC will receive a special distribution of cash (initially $823,750,000, to be modified by certain amounts as set forth in the Formation Agreement) at the closing of the transaction (the "Estimated Special Distribution Amount").

13. The Estimated Special Distribution Amount will thereafter be modified by certain post-closing adjustments to arrive at the Final Special Distribution Amount, which will be the cash component of the consideration to be received as part of the Proposed Business Combination. See Formation Agreement at § 1.5. The Cubs Entities will collectively retain a 5% membership interest in Newco, while the remaining 95% membership interest in Newco will be held by the Bidder. Following all adjustments to the Estimated Special Distribution Amount (as described below), CNLBC expects that it will receive a distribution of approximately $740,000,000 in cash, subject to certain adjustments, from the Proposed Business Combination, as well as the 5% equity stake in Newco to be retained by the Cubs Entities.

[14] Under the Formation Agreement, the majority of the assets of the Cubs Business will be contributed to Newco, excepting only the Direct Cubs Contributed Assets, which will be contributed to the Cubs Newco Sub. See Formation Agreement at § 1.1(c)(i). For ease of drafting, in this Motion, CNLBC will refer to the contribution of the assets of the Cubs Business to Newco without qualifying at every point the exception of the Direct Cubs Contributed Assets; however, such omission is not intended to alter or recharacterize the proposed treatment of the Direct Cubs Contributed Assets under the Formation Agreement. Certain Cubs Executory Contracts may be assigned directly by the current Cubs Entities to one of the Newco Subs as well.

14. The 5% membership interest in Newco will be retained by the Cubs Entities in proportions reflecting the value of the assets of the Cubs Business they contributed to Newco. The Estimated Special Distribution Amount will be deposited by Newco with CNLBC. CNLBC will thereafter hold the Estimated Special Distribution Amount in a segregated account or accounts separate from the integrated cash management system it shares with Tribune and various of Tribune's affiliates.[15] That cash consideration will remain in those accounts pending confirmation of a chapter 11 plan for CNLBC or further order of the Bankruptcy Court. The rights of all parties respecting that cash will be reserved pending confirmation of such a plan or further order of the Court.

15. As part of the Proposed Business Combination, after the assets of the Cubs Business are contributed by the Tribune Debtors and the Cubs Entities to Newco and the Cubs Executory Contracts are assumed and assigned to Newco, Newco will then sell the Cubs Contributed Assets and assign the Cubs Executory Contracts to the Newco Subs (the "Newco Sale"). The Newco Sale is a disregarded transaction for Federal income tax purposes. As the Newco Sale is an element of the Proposed Business Combination, authority to consummate the Newco Sale is sought as part of the relief contemplated by this Motion.

II. Structuring of the Proposed Business Combination and Process

16. The Tribune Debtors and the Cubs Entities will consummate the Proposed Business Combination through a two-step process. Through the Tribune Transaction Approval Motion, the Tribune Debtors already sought and obtained approval of the Proposed Business Combination, including, without limitation, the assumption and assignment of any Cubs Executory Contracts to which they are a party, the entry by Tribune into and the performance by

[15] This arrangement has already been required by the Tribune Transaction Approval Order. See Tribune Transaction Approval Order at ¶ 23.

Tribune of its obligations under the Tribune Guarantees, and the entry by WGN and Tribune into and the performance by them of their obligations under the WGN Agreements and the Superstation Extension, respectively. Contemporaneously with the filing of the Tribune Transaction Approval Motion, the Tribune Debtors also filed the Notice and Procedures Approval Motion, pursuant to which the Tribune Debtors provided (i) notice of the Proposed Business Combination to parties-in-interest in the Tribune Debtors' chapter 11 cases; (ii) publication notice of the Proposed Business Combination and (iii) actual mailed notice of the Proposed Business Combination to creditors of the Cubs Entities, counterparties to Cubs Executory Contracts, and other parties-in-interest respecting CNLBC.

17. The first step of the Proposed Business Combination was completed on September 24, 2009, when the Bankruptcy Court entered the order approving the Tribune Transaction Approval Motion as to the Tribune Debtors. See Tribune Transaction Approval Order. CNLBC has now commenced its own chapter 11 case in the Bankruptcy Court for the limited purpose of consummating the Proposed Business Combination and has filed this Motion as part of the second step in the transaction.

18. As described in more detail in the Notice and Procedures Approval Motion, the Tribune Debtors and CNLBC have provided actual notice of the relief sought in this Motion, as well as of the Proposed Business Combination generally, to those parties that may plausibly have standing to object to the Proposed Business Combination as it affects the Tribune Debtors and/or CNLBC. Pursuant to the procedures approved by the Bankruptcy Court in the Notice and Procedures Approval Order, the Tribune Debtors provided actual notice of the Proposed Business Combination to stakeholders in respect of CNLBC, including creditors, counterparties to Cubs Executory Contracts, and other parties-in-interest of CNLBC as well as

the standard notice parties in the Tribune Debtors' chapter 11 cases, to the maximum extent practicable. See Notice and Procedures Approval Motion at ¶¶ 8, 42-46. In carrying out their obligations under the Notice and Procedures Approval Order, the Tribune Debtors provided mailed notice of the Proposed Business Combination to more than 11,000 creditors, potential creditors, contract counterparties, and other parties-in-interest, as well as providing published notice in the Chicago Tribune to unknown creditors and parties-in-interest. See Affidavit of Service [D.I. 2200]; Affidavit of Publication Regarding Notice of (I) Proposed Business Combination Involving the Chicago Cubs Major League Baseball Franchise and Related Assets and (II) Related Court Dates and Deadlines [D.I. 2179]; Affidavit of Service [D.I. 2122].

19. In short, the Tribune Debtors and CNLBC have made substantial efforts to ensure that appropriate parties-in-interest in the Tribune Debtors' cases, and creditors and parties-in-interest respecting CNLBC, received full notice of all proceedings relating to the Proposed Business Combination in connection with the filing of the Tribune Transaction Approval Motion so that (a) such parties have had at least twenty (20) days' notice of (i) the hearing to approve the Proposed Business Combination and (ii) CNLBC's commencement of its chapter 11 case as a final step in consummating the Proposed Business Combination, and (b) so that CNLBC will face little or no delay in attempting to obtain approval of the Proposed Business Combination in its chapter 11 case on an expedited basis. See Notice and Procedures Approval Motion at ¶¶ 46-47, 64, 83.

20. In this regard, it is important to note the Proposed Business Combination contemplates that Newco will honor the claims of the overwhelming majority of the creditors of CNLBC, other than certain Tribune creditors who assert guarantee claims or other joint and several claims against CNLBC. Those creditors of Tribune that also assert guarantee claims and

other joint and several claims against CNLBC are principally if not exclusively holders of Tribune's prepetition debt obligations. The largest holders of those obligations are already actively participating in the Tribune Debtors' chapter 11 cases through the Steering Committee. The Steering Committee has been fully apprised of the terms of the Proposed Business Combination prior to the filing of this Motion, and has advised the Tribune Debtors and CNLBC that they fully support the transaction.

21. The Proposed Business Combination, if approved and consummated, will monetize an interest in one of the principal assets of the Tribune group of companies and will represent a very substantial step forward in Tribune's reorganization process. Recognizing that fact, the Tribune Debtors and CNLBC have engaged the most significant organized creditor representatives in the Tribune Debtors' cases – the Creditors Committee and the Steering Committee – with respect to the Proposed Business Combination. Each of those groups fully supports the Proposed Business Combination on the terms described in this Motion, the Formation Agreement and the Ancillary Agreements. In addition, Major League Baseball has provided the required approvals of Major League Baseball for the Proposed Business Combination. The most significant stakeholders and other parties respecting the Proposed Business Combination thus already support the relief sought herein.

TERMS OF THE PROPOSED BUSINESS COMBINATION AND RELEVANT AGREEMENTS

22. The Proposed Business Combination will be effected through numerous related agreements, the principal one of which is the Formation Agreement. A copy of the Formation Agreement is attached hereto as Exhibit A.[16] The Formation Agreement, in turn,

[16] Copies of the Formation Agreement and certain of the Ancillary Agreements were filed with the Bankruptcy Court on August 24, 2009, as exhibits to the Tribune Transaction Approval Motion. Certain additional exhibits and

includes as exhibits most of the remaining agreements and other documents necessary to effect the Proposed Business Combination, other than a guaranty of certain obligations of the Bidder and certain of its affiliates (the "Ricketts Guaranty") by a Ricketts family trust with sufficient assets to satisfy the Ricketts Guaranty. Although it is not practicable to summarize all of the supporting agreements and documents herein, the most significant are discussed below in Section II, "Ancillary Agreements."[17]

I. The Formation Agreement

A. Assets and Liabilities Covered by the Formation Agreement

23. The Proposed Business Combination as embodied in the Formation Agreement and its schedules and exhibits involves (a) the contribution by the Cubs Entities and certain Tribune Debtors of the Cubs Business to Newco (or, with respect to the Direct Cubs Contributed Assets, to Cubs Newco Sub), (b) the receipt by Newco of certain debt and equity financing, certain of which debt financing will be guaranteed by Tribune, and (c) the receipt by the Cubs Entities of a five percent (5%) membership interest in Newco and a special distribution of cash to CNLBC, which distribution will approximate $740,000,000, subject to certain adjustments in accordance with the terms of the Formation Agreement.[18] Thereafter, ninety-five percent (95%) of the membership interests in Newco will be held by the Bidder and the remaining five percent (5%) of the membership interests in Newco will be held collectively by

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schedules to the Formation Agreement were filed with the Bankruptcy Court under seal pursuant to an order of the Bankruptcy Court dated September 24, 2009 [D.I. 2212, 2216].

[17] The descriptions of the Formation Agreement and the Ancillary Agreements provided in this Motion are necessarily in summary form. Each of those agreements is qualified by reference to the entirety of the agreements in question. In the event of a conflict between the descriptions herein and the terms of such agreements, the terms of the agreements shall control.

[18] The principal assets constituting or used in connection with the Cubs Business are presently owned by the Cubs Entities, while Tribune owns certain additional assets that constitute part of the Cubs Business. CNLBC seeks express authorization to transfer such assets to the extent held by CNLBC, but as the property held by the other Cubs Entities is not property of any of the Debtors' estates, relief is not sought with respect to those transfers of property.

the Cubs Entities. The specific assets comprising the Cubs Business are extensive, but include in material part: (i) the Chicago Cubs Major League Baseball franchise; (ii) Wrigley Field; (iii) the 25.34% interest in CSN Chicago currently owned directly by Tribune Sports Network Holdings, LLC, one of the Cubs Entities, and indirectly owned by Tribune; (iv) various parcels of real property owned by the Cubs Entities located on the north side of Chicago near Wrigley Field (including the so-called "Triangle Property"), most of which consist of parking lots used for game-day parking for Cubs baseball games;[19] (v) intellectual property owned by the Cubs Entities; (vi) certain partial ownership interests in various entities that in large part comprise the business of Major League Baseball; (vii) all goodwill relating to the Cubs Business; (viii) accounts receivable other than those specifically retained by the Cubs Entities; and (ix) other day-to-day assets used by the Cubs Entities in operating the Cubs Business (collectively, the "Cubs Contributed Assets"). Pursuant to the Formation Agreement, the Tribune Debtors and CNLBC will assign all of the Cubs Contributed Assets contributed by those entities free and clear of all liens, claims, interests and encumbrances (other than Permitted Liens and subject to certain other exceptions noted in the Formation Agreement) to Newco. See Formation Agreement at § 1.1(c)(i).

24. Assets explicitly excluded from contribution to Newco under the Formation Agreement, which will accordingly remain with Tribune and/or the Cubs Entities, as applicable, include without limitation: (i) most cash, cash equivalents, and short-term investments; (ii) the Excluded Contracts and related rights and claims; (iii) certain insurance policies placed by Tribune; (iv) two buildings owned by one of the Cubs Entities other than CNLBC (the Mueller Building and the T-Building), which will be leased by that Cubs Entity to

[19] Three of the parcels of real property addressed in the Formation Agreement are held by trusts under which CNLBC is the sole beneficiary. CNLBC has the authority and power to direct the trustees of those trusts to transfer title to those properties to the applicable Newco Sub(s). See Formation Agreement at § 2.11(g)-(h).

one of the Newco Subs; and (v) certain tax refunds. See Formation Agreement at Exhibit A – "Cubs Excluded Assets."[20] In addition, the Cubs Entities may elect to retain certain accounts receivable and other current assets in exchange for a corresponding reduction of the Final Special Distribution Amount. The Tribune Debtors and CNLBC will also, pursuant to the orders approving the Proposed Business Combination, assume all executory contracts and unexpired leases of nonresidential real property relating to the Cubs Business to which they are a party (collectively, the "Cubs Executory Contracts") and assign those contracts and leases to Newco, subject to the terms of the Formation Agreement. The non-Debtor Cubs Entities will further assign other specific contracts to Newco.

25. The Tribune Debtors and the Cubs Entities will receive aggregate consideration for the contribution of the Cubs Business to Newco based on an enterprise value for the Cubs Business of $844,740,000, which will then be subject to adjustments as set forth in the Formation Agreement to take account of working capital fluctuations, similar valuation issues, and other adjustments described therein. See Formation Agreement at § 1.5. This consideration will be comprised primarily of cash, in addition to the five percent (5%) membership interest to be collectively retained by the Cubs Entities as described above. Ultimately, however, the Tribune Debtors and the Cubs Entities expect that the cash distribution resulting from the Proposed Business Combination will approximate $740,000,000, subject to certain adjustments.

[20] For the avoidance of doubt and notwithstanding any provisions of the Formation Agreement to the contrary, the "Cubs Excluded Assets" defined in Exhibit A to the Formation Agreement shall also include in clause (c) of such definition all rights, claims, causes of action and choses in action, whenever arising, against any Person other than the Bidder Parties, Newco or the Newco Subs (i) arising out of, in connection with or otherwise relating in any manner to the series of transactions (or any thereof) pursuant to which Tribune became privately held, which transactions ultimately resulted in the transfer of ownership of Tribune to the Tribune Employee Stock Ownership Plan, and/or any financing incurred in connection therewith or related thereto (collectively, the "LBO Transactions"), including, without limitation, any claims seeking to avoid or invalidate any guarantees or other obligations incurred in connection therewith; or (ii) arising pursuant to Chapter 5 of the Bankruptcy Code with respect to all intercompany claims or obligations.

26. In addition to the consideration described above, Newco will also assume or pay numerous liabilities relating to the Cubs Business as part of the Proposed Business Combination. In particular, Newco will assume substantially all of the liabilities of the Cubs Entities existing as of the Closing (excepting guaranties entered into by CNLBC of Tribune's obligations under its pre-bankruptcy credit facilities and other exceptions set forth in the Formation Agreement).[21] See Formation Agreement at § 1.1(c)(i) (Newco to assume all Cubs Liabilities, which include most liabilities relating to the Cubs Business). Those liabilities being assumed include substantially all obligations to players and all current officers and employees of the Cubs Business, including the Chairman of CNLBC and other officers. The contract of the Chairman of CNLBC is being modified and assumed in connection with consummation of the Formation Agreement. Newco and the Newco Subs will also offer employment to substantially all employees of the Cubs Entities on substantially the same terms as those under which they are currently employed. See id. at § 5.1(a). Additionally, Newco and the Newco Subs will pay (i) all State of Illinois, Cook County, Illinois, and City of Chicago real estate transfer taxes relating to the transfer under the Formation Agreement of real property owned by the Cubs Entities and (ii) all sales, use and similar taxes incurred in connection with the contribution of the Cubs Business to Newco and the Newco Sale. See Formation Agreement at §§ 6.3, 6.4.

B. Escrow Closing and Closing of the Formation Agreement

27. The Formation Agreement contemplates that the Proposed Business Combination will first have most of its material elements closed into escrow (which has already

[21] Liabilities explicitly excluded from transfer to Newco and the Newco Subs include, but are not limited to, certain tax liabilities; certain severance obligations; liabilities of the Cubs Entities to Tribune; specified Cubs Expenses (as defined in the Formation Agreement); and, notwithstanding any provisions of the Formation Agreement to the contrary, any obligation or liability arising out of, in connection with or otherwise relating in any manner to rights, claims, causes of action and choses in action arising out of, in connection with or otherwise relating in any manner to (i) the LBO Transactions, including, without limitation, any claims seeking to avoid or invalidate any guarantees or other obligations incurred in connection therewith; or (ii) intercompany claims or obligations, including, without limitation, any claims arising under Chapter 5 of the Bankruptcy Code.

occurred), pending (i) the obtaining of an order of the Bankruptcy Court approving the Proposed Business Combination as to CNLBC and granting related relief, which order has become a final, non-appealable order (unless such condition is waived in accordance with the applicable transaction documents), and (ii) the satisfaction of all conditions precedent to obtaining the Senior Debt Financing (as described below). See Formation Agreement at § 7.4. Once those two additional conditions to the Closing are satisfied, the Closing under the Formation Agreement will occur.

28. Pursuant to the Formation Agreement, the Bidder has entered into commitments for two tranches of debt financing for the transaction: the Senior Debt Financing and the Subordinated Debt Financing, in amounts of $450,000,000 (including a $25,000,000 revolving facility that will be available to Newco after the Closing) and $248,750,000, respectively. In addition, the Bidder has obtained commitments for the Equity Financing, in an additional amount of $150,000,000, plus all transaction expenses necessary to consummate the transaction. See Formation Agreement at § 3.4. Each of the Debt Financing and the Equity Financing are subject to adjustment as described in the Formation Agreement. See id. at § 4.11.

29. After this Court entered the Tribune Transaction Approval Order, but before CNLBC commenced its chapter 11 case, the parties took the following actions:

- the Bidder caused (a) the lenders providing the Senior Debt Financing to fund the principal amount of the term loan portion of the Senior Debt Financing to the Senior Lender Agent in trust for the lenders, and (b) the Equity Financing to be deposited with the Closing Agent;
- the Escrow Documents, which are specified in Section 1.4 of the Formation Agreement, were deposited with the Closing Agent, and the Bidder caused the Senior Lender Agent and the Subordinated Debt Lenders to deposit the Senior Debt Documents that become effective on the Closing Date and the Subordinated Debt Documents, respectively, with the Closing Agent;
- all other documents specified in Section 1.4 of the Formation Agreement were delivered; and

- the Bidder delivered fully executed copies of the Escrow Closing Execution Senior Debt Documents effective on or prior to the Escrow Closing to Tribune.

See Formation Agreement at Preamble, §(G) and § 1.1(b). The materials delivered to the Closing Agent were placed by the parties into escrow pursuant to that certain Closing Escrow Agreement attached to the Formation Agreement as Exhibit T thereto.

30. The escrowed documents and funds will remain in the Closing Escrow Account and the funds provided by the Senior Lenders will remain with the Senior Lender Agent until after (i) the conditions to consummating the Closing set forth in the Formation Agreement are satisfied, (ii) CNLBC commences a chapter 11 case (which has already occurred), (iii) the Court enters an order approving the Proposed Business Combination as to CNLBC, which order has become a final, non-appealable order (unless such condition is waived in accordance with the applicable transaction documents); and (iv) Newco satisfies certain conditions precedent to the Senior Debt Financing. See id. at §§ 1.3(b), 7.4. Thereafter, the Cubs Entities will contribute the Cubs Business to Newco in exchange for the 5% membership interest in Newco to be held by the Cubs Entities, and immediately thereafter, among other things, (i) the Senior Lender Agent will deliver the Senior Debt Financing to the Closing Agent, (ii) the Closing Agent will deposit the Estimated Special Distribution Amount with CNLBC and (iii) the Closing Agent will deliver all escrowed documents and the remainder of the escrowed funds in accordance with the Closing Escrow Agreement, such that Closing of the transaction will occur. See Formation Agreement at Preamble, §(H) and §§ 1.3(b), 7.5. CNLBC will keep the cash deposited with it from the Proposed Business Combination separate from the integrated cash management system it shares with Tribune and various of Tribune's affiliates pending the coming into effect of a chapter 11 plan for CNLBC or further order of the Bankruptcy Court.

31. Out of the funds provided by the Senior Debt Financing, the Subordinated Debt Financing and the Equity Financing, Newco will on the Closing Date distribute the Estimated Special Distribution Amount less the Indemnity Escrow Initial Amount (i.e., $15,000,000) to CNLBC. The Estimated Special Distribution Amount is equal to $823,750,000, as (i) increased or decreased (as specified in the Formation Agreement) by the working capital held by the Cubs Business at the time the Proposed Business Combination is consummated, compared to a target; (ii) increased by Estimated Petty Cash (as defined in the Formation Agreement) and (iii) downwardly adjusted by various amounts, such as for deferred revenue, accounts receivable and other current assets retained by the Cubs Entities, transaction expenses paid by the Bidder, and additional items. See Formation Agreement at Exhibit A – "Estimated Special Distribution Amount." As set forth in the Formation Agreement, the Estimated Special Distribution Amount will be adjusted following the Closing Date to reach a Final Special Distribution Amount, which will fix the amount of cash consideration to be provided to the Cubs Entities in connection with the Proposed Business Combination. See Formation Agreement at § 1.5. Following application of the adjustments provided for in Section 1.5 of the Formation Agreement, the Tribune Debtors and the Cubs Entities anticipate that the Final Special Distribution Amount will be approximately $740,000,000, subject to certain adjustments.

32. The Bidder's pre-Closing obligations under the Formation Agreement, as well as the Bidder's obligations with respect to the Estimated Special Distribution Amount and the Final Special Distribution Amount (as set forth in Section 1.5 of the Formation Agreement) and the obligations of the Bidder and its affiliates under the Equity Commitment Letter, are guaranteed by the Joe and Marlene Ricketts Grandchildren's Trust (the "Bidder Trust"). See

Formation Agreement at Preamble, §(C). The Bidder Trust is the owner of all outstanding membership interests in the Bidder.

C. Additional Terms of the Formation Agreement

33. The Formation Agreement addresses a number of further terms necessary to effect the Proposed Business Combination. Although it is not practicable to describe all of those terms herein, and hence reference is made to the full text of the Formation Agreement for such terms, CNLBC apprises the Court and parties-in-interest of the following material terms:

- Indemnification. Following the Closing, CNLBC (together with the other Cubs Entities) will indemnify Newco and the Newco Subs (and, in certain cases, the Bidder Parties) against certain events and occurrences, including, without limitation, (i) the inaccuracy or breach of certain representations and warranties contained in the Formation Agreement or the breach of covenants or agreements contained in the Formation Agreement (subject to limitations set forth in the Formation Agreement), and (ii) any Cubs Excluded Liabilities. With certain exceptions for breaches of specified representations and for fraud, the indemnification obligations with respect to breaches of representations and warranties are not triggered until the aggregate amount of indemnified losses exceeds $8 million, and are subject to an aggregate cap of $125 million.[22] See Formation Agreement at § 8.2(a).

- As assurance for the Cubs Entities' indemnification obligations under the Formation Agreement, $15 million in proceeds from the Proposed Business Combination has been placed into escrow pursuant to the Formation Agreement (the "Indemnity Escrow Initial Amount"). Under the Indemnity Escrow Agreement, a copy of which is attached to the Formation Agreement as Exhibit S thereto, Newco and the Newco Subs will draw on such portion of the Indemnity Escrow Initial Amount as remains in the Indemnity Escrow Account at the relevant time to satisfy any indemnification obligations of the Cubs Entities under section 8.2(a) of the Formation Agreement. See id. at § 8.4(a). If the amount in the Indemnity Escrow Initial Account is insufficient to satisfy any indemnification obligation, in addition to directly recovering such amount pursuant to the indemnification obligation described above, the Formation Agreement provides that Newco has the option to setoff that

[22] The Bidder provides an indemnification in favor of Tribune and the Cubs Entities under the Formation Agreement for the inaccuracy or breach of any representations or warranties, or breaches of covenants, in the Formation Agreement, any Cubs Liabilities, or any untrue statements or omissions made by the Bidder in connection with obtaining the Debt Financing. These indemnification obligations with respect to breaches of representations and warranties are not triggered until the aggregate amount of indemnified losses exceeds $8 million, and are subject to an aggregate cap of $125 million.

obligation against any distribution or other payment to be made by Newco to any of the Tribune Parties. See id. at § 8.4(b).

- As further support for the Cubs Entities' indemnification obligations under the Formation Agreement, the Cubs Entities commit under the Formation Agreement that at least $110 million of the proceeds from the Proposed Business Combination will remain in one segregated account for all of the Cubs Entities until the effective date of a plan of reorganization for Tribune and its affiliates. Such amounts shall be held in a segregated account separate from the centralized cash management system of Tribune and its affiliates. See id. at § 8.9.

- Following the coming into effect of the plan of reorganization for Tribune and its affiliates, the Formation Agreement provides that Tribune, in addition to the Cubs Entities, will be liable for any remaining indemnification obligations contained in Section 8.2(a) of the Formation Agreement. See id. at § 8.2.

- Negotiations. The Formation Agreement obligates Tribune and the Cubs Entities to negotiate exclusively and in good faith with the Bidder concerning the Proposed Business Combination. See Formation Agreement at § 4.7(a). Tribune and the Cubs Entities agree not to solicit or initiate alternative proposals for the acquisition or purchase of the Cubs Business, participate in discussions concerning any such proposals, or enter into any agreements respecting any such proposals, and further agree to notify the Bidder in the event any such proposals are received. See id. Notwithstanding those provisions, if Tribune or any of the Cubs Entities receives an acquisition proposal or any communication that may reasonably be expected to lead to or otherwise relates to a potential acquisition proposal, Tribune and the Cubs Entities shall be entitled to advise the Bankruptcy Court of such acquisition proposal and shall be permitted to take any action or refrain from taking any action ordered or directed by the Bankruptcy Court with respect to such acquisition proposal, provided that Tribune and the Cubs Entities shall continue to use reasonable best efforts to obtain entry of the orders approving the Proposed Business Combination. See id. at § 4.7(b).

- Pledge of Newco Membership Interest. As partial security for Newco's debt financing obligations, CNLBC will undertake to pledge any portion of the membership interest in Newco to be retained by it as part of the Proposed Business Combination, subject to receiving the necessary consents to such a pledge. See Formation Agreement at § 4.11(d).

- Post-Closing Access and Cooperation. The parties will provide one another with reasonable access post-Closing to relevant books and records relating to the pre-Closing period for the purpose of preparing financial statements or discharging and defending relevant liabilities. See Formation Agreement at § 4.10.

- Termination. The Formation Agreement can be terminated prior to the Closing by mutual consent. See Formation Agreement at § 9.1(a). In addition, the Formation Agreement may be terminated by the Bidder, on the one hand, or the Tribune Parties on the other hand, if the Closing has not occurred by the Termination Date. See id. at § 9.1(b). As defined in relevant terms in the Formation Agreement, the Termination Date means 45 business days after the Escrow Closing, with the potential for an additional 30 day extension, subject to Tribune's consent, if certain extensions of the debt financing commitments are obtained by the Bidder (with any further extensions requiring Tribune's consent).

  In the event the Formation Agreement is terminated pursuant to Section 9.1(b) thereof, the Formation Agreement provides that Tribune and the Cubs Entities may be required to make a payment to the Bidder, or the Bidder to make a payment to Tribune and the Cubs Entities, depending on whether certain factors occurred prior to the Termination Date, as set forth in Section 4.15 of the Formation Agreement. See Formation Agreement at § 4.15.[23]

D. Approval of the Proposed Business Combination by Major League Baseball

34. As set forth in the Tribune Transaction Approval Motion, a critical element in consummating the Proposed Business Combination is approval thereof by Major League Baseball. Major League Baseball, which is an unincorporated association of the Cubs and twenty-nine (29) other member clubs in North America, produces a unique entertainment product; namely, an annual series of professional baseball games that culminates in the World Series and the determination of a World Series Champion. Each member club operates within a particular geographic location. Major League Baseball is governed by the Major League Constitution, which prescribes rules and procedures addressing, among other things, franchise ownership and the transfer of ownership interests in the member clubs.

35. The transfer of ownership of a Major League Baseball franchise is understandably a matter of critical importance to Major League Baseball, given the unique place professional sports franchises hold in general, and Major League Baseball franchises more

[23] The making of any such payments by Tribune was approved by the Bankruptcy Court as part of the Notice and Procedures Approval Order.

specifically, hold within our society. See Statement of Position of the Office of the Commissioner of Baseball, In re Dewey Ranch Hockey, LLC, Case No. 09-09488 (RTB) (Bankr. D. Ariz. May 19, 2009) (stating that the Major League Constitution's procedures governing franchise ownership transfers are "critical to the MLB member clubs' ability to produce the collective MLB baseball product and to the success of the League as a whole"). A Major League Baseball franchise reflects a license to serve the fans of Major League Baseball within a particular geographic area and to play games against other Major League Baseball franchises. It is crucial to the success of the entire league that ownership of its franchises be stable, well-financed, and committed to enhancing the team's role within the league and the larger community. The 30 Major League Baseball member clubs are inherently interdependent, with each club having a fundamental and compelling interest in the structure and identity of the owner of every other club.

36. As a result of these interests, any proposed relocation or ownership transfer of a Major League Baseball club (other than certain intra-family ownership transfers, which require the approval of a majority of all Major League Baseball clubs) requires the approval of three-quarters of all Major League Baseball clubs. Such approval can be obtained only after extensive diligence by Major League Baseball aimed at ensuring that the proposed transfer of ownership is likely to serve the best interests of the league as a whole. That diligence, which often takes months to complete, includes a detailed assessment of the proposed new owner's financial circumstances, current and former business relationships, and personal background, as well as the potential owner's likely compliance with league rules. A potential new owner must also covenant in writing that, if the proposed transfer of ownership is approved,

he or she will comply with all league rules, including rules governing franchise relocation and rules governing transfers of ownership interests.

37. Given these substantial considerations, the Proposed Business Combination as contemplated by the Formation Agreement and the Ancillary Agreements, as well as the entry into and performance of many of the other agreements in connection with the Proposed Business Combination, is subject to the express approval of Major League Baseball in its sole and absolute discretion. See Formation Agreement at § 4.14. As widely reported in the media, such approval was received from Major League Baseball on October 6, 2009. See, e.g., "Ricketts Family Gets Owners' Seal", Chicago Tribune, Oct. 7, 2009 (reporting that Major League Baseball owners unanimously approved transfer of control of Cubs Franchise to the Ricketts family); "Transfer of Cubs Approved by MLB", http://mlb.com, Oct. 6, 2009 (same). Accordingly, a critical element of obtaining the necessary approvals for the Proposed Business Combination has already been obtained and such approval, together with this Court's prior approval of the Proposed Business Combination as to the Tribune Debtors, argues powerfully in favor of this Court's approval of the relief sought herein as well.

II. The Ancillary Agreements

38. The Formation Agreement is the principal agreement by which the Proposed Business Combination will be effected. The Formation Agreement contemplates, however, that the Bidder, Newco, the Newco Subs, certain of the Tribune Debtors and/or the Cubs Entities will enter into a number of Ancillary Agreements that will effect various elements of the Proposed Business Combination. The most significant of the Ancillary Agreements with respect to CNLBC are described briefly below.

A. Newco LLC Agreement

39. The Bidder and the Cubs Entities will enter into an Amended and Restated Limited Liability Company Agreement for Newco in connection with the Proposed Business Combination (the "Newco LLC Agreement"). The Newco LLC Agreement is the principal document governing Newco and delineating the ongoing rights and responsibilities that the Cubs Entities will have as holders of a 5% membership interest in Newco. The Newco LLC Agreement affirms that the Cubs Entities will each contribute assets, as well as certain assumed liabilities, to Newco in exchange for membership interests in Newco, while the Bidder will contribute cash to Newco in exchange for the retention of membership interests. See Newco LLC Agreement at § 1.3.[24]

40. The principal terms and conditions of the Newco LLC Agreement are as follows:

- Call/Put re: Cubs Entities' interests.[25] The Newco LLC Agreement provides that the Bidder will have certain call rights on membership interests held by the Cubs Entities in Newco, while the Cubs Entities will have certain rights to put their membership interests in Newco to the Bidder. Specifically, at any time during the one year periods beginning on January 1, 2018 and January 1, 2024, the Bidder will have the right to acquire all of the membership interests in Newco held by the Cubs Entities at fair market value, for cash consideration payable, at the option of the Bidder, either immediately or in equal annual installments over a four-year period at 6.5% interest per annum. See Newco LLC Agreement at § 7.2(a) and (b).

  At any time during the one-year periods beginning on January 1, 2021 and January 1, 2027, the Cubs Entities will have the right to put all of their membership interests in Newco to the Bidder at fair market value. That consideration, as with the consideration under the call option, is payable in cash either immediately or, at the option of the Bidder, in annual installments over a four-year period at 6.5% interest per annum. See id.

[24] The Tribune Debtors and the Cubs Entities previously contemplated that some portion of the membership interests in Newco might be distributed to Tribune. Following evaluation of the assets of the Cubs Business being contributed to Newco, however, the Tribune Debtors and the Cubs Entities have determined that all of the five percent (5%) membership interests in Newco forming part of the Tribune Debtors' and Cubs Entities' consideration for the Proposed Business Combination will be distributed to the Cubs Entities.

[25] The Newco LLC Agreement accounts for the possibility that ownership of the contributed membership interests may later shift among Tribune and the Cubs Entities and allocates rights accordingly.

- Bidder's Right of First Refusal. If the Cubs Entities receive an offer from a third party to purchase their membership interests in Newco, they will provide notice to the Bidder, who will have 45 days after receipt of that notice to acquire the membership interests on the same terms as offered by the third party. If the Bidder does not exercise the right to purchase the membership interests, the Cubs Entities may dispose of their interests to the third party within 90 days after expiration of the Bidder's right of first refusal. The Bidder's right of first refusal is not triggered in the event of a transfer to an affiliate, or disposition of the membership interests pursuant to a plan of reorganization for Tribune and/or its affiliates. See id. at § 7.3.

- Tag-Along; Drag-Along Rights. Following January 1, 2018, the Bidder will have customary drag along rights in connection with any transfer of its membership interests in Newco to a third party. The Cubs Entities shall at all times have customary tag along rights with respect to any transfer by Bidder of an interest in Newco to a third party that would reduce the Bidder's interest in Newco below 50%. See id. at § 7.4.

- In all cases involving the put and call options, the fair market value of the Cubs Entities' interests in Newco will be determined based on what the Cubs Entities would receive if all assets of Newco were sold at fair market value and will be determined by the Board of Newco, subject to the determination of a neutral appraiser in the event that the Cubs Entities do not accept the determination of the Board of Newco. See id. at § 7.5.

- Capital Contributions. The Newco LLC Agreement contemplates that additional capital contributions will not be sought from Newco's members except in certain limited circumstances. See id. at §§ 1.6, 2.2. If the board of directors of Newco determines that additional financing is needed, and determines further that third party debt financing cannot be reasonably obtained, it may issue a capital call requesting the members of Newco to contribute the funds pro rata in accordance with their membership interests. If the Cubs Entities fail to fund their pro rata share, the Cubs Entities' aggregate membership interest would be diluted on a fair market value basis. See id. at § 2.2.

- Governance. Except for actions requiring unanimous approval of the members, Newco will be governed by a board of directors, which shall act by majority vote. The board may consist of between two (2) and twenty (20) members, one of whom will be appointed by the Cubs Entities and the remainder of whom will be appointed by Bidder. See id. at § 3.2. The number of directors may be increased from time to time, provided that if the number of directors exceeds twenty (20), the Cubs Entities will have the right to appoint an additional director if the Cubs Entities' aggregate membership interest in Newco is at least 3% at such time. See id.

- Distributions, Net Income and Net Loss. Newco shall distribute net cash flow to the members pro rata, subject to reserves for expenses, as determined by the board

of directors and the terms of the loan documents. See id. at § 5.4. Net income and loss, and items of income, gain, loss and deduction shall generally be allocated to the members pro rata.

- Section 704(c) Methodology. Newco shall use the Code Section 704(c) "remedial allocation method" for making allocations of items of income, gain, loss and deduction with respect to the Cubs Business, resulting in annual allocations of ordinary income to the Cubs Entities. See id. at § 5.3(a).

- Tax Returns; Tax Matters Member. CNLBC will be the Tax Matters Member for the first taxable year of Newco and Bidder will be the Tax Matters Member thereafter. CNLBC shall have the right to review and comment on Newco's tax returns at least thirty (30) days prior to filing. See id. at § 6.6.

B. Tax Matters Agreement

41. The Bidder, Newco, Tribune, CNLBC and the other Cubs Entities will enter into a Tax Matters Agreement in connection with the Proposed Business Combination. Pursuant to that agreement, Newco agrees on behalf of itself and its affiliates that it will not directly or indirectly sell, transfer, exchange or dispose of certain assets contributed by Tribune and the Cubs Entities in any transaction taxable for Federal income tax purposes until after January 1, 2018, subject to certain limited carve-outs. See Tax Matters Agreement at § 2(a). In addition, Newco and the Ricketts-affiliated parties to the agreement agree that they will not take any actions resulting in certain tax shortfall amounts, again subject to certain limited carve-outs. See id. The parties also agree that Newco will maintain certain minimum debt levels until January 2, 2018, subject to certain limited carve-outs. See id. at § 2(b).

42. If any of those agreements are breached, Newco and the other Ricketts-affiliated parties to the Tax Matters Agreement indemnify Tribune and the Cubs Entities for the net present value cost to them of any Federal, state or local income tax liabilities resulting from that breach, with the liability of GuarantyCo under such indemnity capped at $20 million. GuarantyCo will deposit $20 million of cash and cash equivalents into a blocked securities account to secure GuarantyCo's obligations to Tribune and the Cubs Entities under the Tax

Matters Agreement. See id. at § 10(c). Newco's liability under such indemnity is not subject to any cap. Any indemnity payment owing to Tribune and the Cubs Entities shall be paid no later than ten (10) days after the delivery by Tribune and the Cubs Entities of the computation of the indemnity payment, or, if Newco, Bidder and GuarantyCo do not agree with such computation, within ten (10) days after the resolution of the disagreement under a dispute resolution procedure, plus 10% interest on the unpaid amount, compounded monthly.

43. The Tax Matters Agreement also contains an agreement between the parties on how to report for tax purposes any indemnity payment owed to Tribune and the Cubs Entities. See id. at § 5. Newco, Bidder and GuarantyCo shall have the right to contest, at their own expense, any claim by a taxing authority that could result in an obligation of Newco, Ricketts Member and GuarantyCo to make an indemnity payment, or increase the amount of any such indemnity payment. Tribune shall have the right to contest, at its own expense, any claim by a taxing authority that could result in the disallowance of the tax treatment of contributions to Newco and the Final Special Distribution Amount.

C. Closing Escrow Agreement

44. Tribune, CNLBC and the other Cubs Entities, Bidder, Newco, certain lenders providing financing necessary to fund the Proposed Business Combination, by and through their agents (as applicable) and JPMorgan Chase Bank, N.A., as Closing Agent, have entered into the Closing Escrow Agreement to facilitate the closing of the Proposed Business Combination. Under the Closing Escrow Agreement, the Equity and Subordinated Debt Financing and executed but undated documents necessary to consummate the Proposed Business Combination (subject to certain limitations) (the "Closing Escrow Deliverables") have been delivered in accordance with the Formation Agreement to the Closing Agent. Upon receipt by

the Closing Agent of a joint certificate executed by representatives of the Bidder and Tribune certifying that the conditions to Closing set forth in Section 7.4 of the Formation Agreement have been satisfied and setting forth the Specified Amount and the Special Distribution Amount, the Closing will occur. See Closing Escrow Agreement at § 10. Thereafter, the Senior Lender Agent will make the Senior Debt Financing available to the Closing Agent for disbursement in accordance with the terms of the Closing Escrow Agreement. The Closing Agent will thereafter date the executed documents it received as of the Closing Date and will deliver and disburse the Closing Escrow Deliverables in accordance with the Formation Agreement and Closing Escrow Agreement.[26] See id.

D. Indemnity Escrow Agreement

45. CNLBC and the other Cubs Entities, Newco, and JPMorgan Chase Bank, N.A., as Indemnity Escrow Agent, are also entering into the Indemnity Escrow Agreement to provide a limited fund for the Cubs Entities' indemnification obligations contained in Section 8.2 of the Formation Agreement. Pursuant to the Indemnity Escrow Agreement, the Indemnity Escrow Agent will hold in an escrow account (the "Indemnity Escrow Account") fifteen million dollars ($15,000,000) (the "Initial Escrow Amount") received from the Closing Agent pursuant to the Closing Escrow Agreement.

46. At any time, CNLBC and Newco may jointly deliver a release certificate in substantially the form of Exhibit A to the Indemnity Escrow Agreement, directing the Indemnity Escrow Agent on the disposition of the amounts remaining in the Indemnity Escrow Account, or any portion thereof, and the Indemnity Escrow Agent will comply as directed within one (1) business day. At any time prior to the Release Date (which shall be the date that is

[26] As noted above, CNLBC has already entered into the Closing Escrow Agreement, and the Escrow Closing occurred on October 9, 2009. Accordingly, by this Motion, CNLBC seeks to perform any remaining obligations it has under that agreement.

twelve (12) months from the Escrow Closing Date, as defined in the Formation Agreement), Newco may submit a request to the Indemnity Escrow Agent for funds in satisfaction of any pending indemnification claim it has asserted under the Formation Agreement. CNLBC has the right to contest any such request by 5:00 p.m. CST on the fifteenth (15th) business day after Newco has made any such request. The Indemnity Escrow Agent shall disburse the funds requested by Newco unless CNLBC contests the request; if CNLBC contests the request, the Indemnity Escrow Agent shall pay to Newco or its designee the uncontested portion of such request and shall retain any portion of such request (the "Disputed Amounts") pending formal or consensual resolution of the dispute in accordance with Section 6(b) of the Indemnity Escrow Agreement. Within two (2) Business Days following the Release Date, the Indemnity Escrow Agent shall disburse to the Cubs Entities any amounts remaining in the Indemnity Escrow Account which are not Disputed Amounts.

III. Assumption and Assignment of Cubs Executory Contracts

47. To facilitate and effectuate the Proposed Business Combination, approval by the Bankruptcy Court is sought for the assumption by CNLBC of the Cubs Executory Contracts and the assignment of those executory contracts and unexpired leases to Newco.[27] The Cubs Executory Contracts cover a wide range of business arrangements of the Cubs Business, including but not limited to (i) advertising and sponsorship contracts; (ii) leases for certain of the Cubs' baseball facilities in the Dominican Republic and their spring training facility in Mesa, Arizona; (iii) various parking garage licenses; and (iv) similar items. The Cubs Executory Contracts also include that certain Amended and Restated Rights Agreement, dated December 2, 2003, between CSN Chicago and WGN, which governs the relationship between those parties.

[27] The Cubs Entities other than CNLBC may also assume certain contracts and leases and assign them to Newco; however, as those entities are not anticipated to commence chapter 11 cases, approval of such assumption and assignment is not sought by this Motion.

The Tribune Debtors have recently filed an amended list of Cubs Executory Contracts and relevant cure amounts. See Notice of Filing Amended Cure Exhibit for Cubs Executory Contracts [D.I. 2165].

48. The Cubs Executory Contracts are an essential element of the Cubs Business, and their assumption and assignment in connection with the Proposed Business Combination is crucial to ensuring that the Cubs Business will operate without disruption.[28] In addition, the Cubs Executory Contracts collectively represent a substantial element of value associated with the Cubs Business, because CNLBC and the other Cubs Entities realize significant revenues thereunder. Accordingly, assumption and assignment of the Cubs Executory Contracts should be approved as a component of the Proposed Business Combination.[29]

IV. Authority to Conduct Cubs Business Pending Consummation of the Proposed Business Transaction

49. Maintaining the value of the Cubs Business requires the uninterrupted operation of the business during the brief period after the order approving this Motion is entered but before the Closing occurs. Although that period is anticipated to be brief, CNLBC may be required to take various substantive business-related actions during the period, and will certainly continue to be required to pay players and non-player employees and undertake other, similar actions. Therefore, CNLBC also requests by this Motion authority to continue operating the

[28] In the event the assignment of any contract under the Formation Agreement without the consent of any third party constitutes a breach thereof notwithstanding the effect of the orders approving this Motion, then Tribune and the Cubs Entities will use their reasonable best efforts to cooperate with Newco to perform the obligations under that contract and provide Newco with the benefits of that contract after Closing. None of Tribune, CNLBC, or the other Cubs Entities will have any liability to the Bidder, Newco, or any Newco Sub if any consent is not obtained, or if Newco or a Newco Sub is not able to obtain the benefits under a particular contract. See Formation Agreement at § 1.6.

[29] If any amounts are paid by a contract counterparty to Tribune or a Cubs Entity post-Closing, Tribune or the applicable Cubs Entity will pay such amounts over to Newco or the applicable Newco Sub within five (5) business days, unless the amounts constitute an account receivable retained by the Cubs Entities under the Formation Agreement. See Formation Agreement at § 1.6.

Cubs Business in the ordinary course, including, without limitation, paying players and non-player employees, selling tickets, entering into sponsorship agreements for the upcoming season, and otherwise conducting its baseball operations, consistent with its pre-petition practice. The relief requested by this Motion includes authority for CNLBC to pay prepetition obligations, subject to the limitations (a) specified in the Formation Agreement and (b) contained in the rules and regulations of Major League Baseball. As a corollary, CNLBC will waive any avoidance actions it may have under chapter 5 of the Bankruptcy Code for (i) prepetition transfers made by CNLBC in connection with the Cubs Business, and (ii) transfers to creditors of the Cubs Entities whose liabilities are assigned to Newco and any counterparties to executory contracts and unexpired leases of nonresidential real property that are assumed by CNLBC and assigned to Newco (or, in the case of any liabilities or executory contracts relating to the Direct Cubs Contributed Assets, to Cubs Newco Sub) ("Potential Avoidance Defendants") to the extent such transfers would have become obligations of Newco pursuant to the Formation Agreement and/or the Ancillary Agreements had they not already been made by CNLBC ("Potential Avoidance Actions").

50. Such relief should be granted for several reasons. First, and most critically, the Cubs Business faces unique and unprecedented challenges in operating in chapter 11, which are detailed in the Declaration of Crane H. Kenney, Chairman of Chicago National League Ball Club, LLC (attached to the Notice and Procedures Motion as Exhibit D) (the "Kenney Declaration"), incorporated herein by reference. With the recent conclusion of the 2009 Major League Baseball regular season, the Cubs are in the process of making player personnel decisions for 2010 and other decisions critical to the Cubs Business, which may require action with little or no advance notice. See Kenney Declaration at ¶¶ 7-9. Preserving the

value of the Cubs Business for the benefit of all stakeholders largely depends upon the uninterrupted operation of the Cubs Business.

51. Second, the Closing under the Formation Agreement is imminent. The Proposed Business Combination has already been approved by the Bankruptcy Court as to the Tribune Debtors, and obtaining the order approving the Proposed Business Combination as to CNLBC is by design one of the last steps to be taken prior to Closing. Accordingly, the number and amount of payments to be made prior to the Closing should be limited.

52. Third, there are substantial external controls imposed on the quantum of payments that can be made by CNLBC pursuant to the Formation Agreement. The Formation Agreement, at section 4.1, imposes a number of requirements and restrictions on Tribune and the Cubs Entities' conduct of the Cubs Business prior to the Closing, including requiring the operation of the Cubs Business in the ordinary course and requiring Tribune and the Cubs Entities to use reasonable best efforts to preserve the Cubs Business. See Formation Agreement at § 4.1(a), (b). The Formation Agreement additionally limits the ability of CNLBC and the other Cubs Entities to make changes to benefit plans, enter into material sponsorship contracts, resolve disputes and tax audits, and take various other actions without the prior written consent of the Bidder. The rules and regulations of Major League Baseball also impose restrictions on the operation of the Cubs Business. Accordingly, there is substantial assurance that the Cubs Business will be operated properly during the brief period prior to the Closing, and authority for the Cubs Business to be operated in the ordinary course – including the making of prepetition payments – should be granted for this reason as well.

53. Release and waiver of the Potential Avoidance Actions is also necessary and appropriate under these circumstances for several reasons. The Final Special Distribution

Amount received by CNLBC will account for any obligatory payments made by CNLBC to Potential Avoidance Defendants during the relevant avoidance period. Moreover, any actions by CNLBC against Potential Avoidance Defendants on account of such payments may lead to (i) an unwarranted double recovery to CNLBC's estate and (ii) claims by Newco against CNLBC's estate. In addition, actions to recover any such payments to the Potential Avoidance Defendants after CNLBC has assumed and assigned its liabilities and executory contracts to Newco may impair the value of the Cubs Business, in which the Cubs Entities retain a 5% membership interest (through Newco). Therefore, the risk to the Cubs Business from failing to make such payments is not compensated by any benefit to CNLBC's estate because the failure to make such payments will directly reduce the cash CNLBC will receive upon consummation of the Proposed Business Combination.

THE PROPOSED BUSINESS COMBINATION COMPLIES WITH APPLICABLE LAW AND SHOULD BE APPROVED

I. The Proposed Business Combination Should be Approved Pursuant to Sections 105 and 363 of the Bankruptcy Code

A. The Proposed Business Combination is a Sound Exercise of CNLBC's Business Judgment

54. The Bankruptcy Code provides that a debtor, "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b). Although section 363 of the Bankruptcy Code does not specify a standard for determining when it is appropriate for a court to authorize such a transaction, courts routinely authorize debtors to use assets outside the ordinary course of business if such use is based upon the sound business judgment of the debtor. See, e.g., Myers v. Martin (In re Martin), 91 F.3d 389, 395 (3d Cir. 1996); In re Montgomery Ward Holding Corp., 242 B.R. 147, 153 (D. Del. 1996); In re Delaware & Hudson Ry. Co., 124 B.R. 169, 174 (D. Del. 1991).

55. Courts typically consider the following factors in determining whether a proposed transaction outside the ordinary course of business satisfies this standard: (a) whether a sound business justification exists for the transaction, (b) whether adequate and reasonable notice of the transaction has been given to interested parties, (c) whether the transaction will produce a fair and reasonable price for the property, and (d) whether the parties to the transaction have acted in good faith. See, e.g., Delaware & Hudson Ry., 124 B.R. at 176; In re Phoenix Steel Corp., 82 B.R. 334, 335-36 (Bankr. D. Del. 1987).

56. Furthermore, "[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." Comm. of Asbestos-Related Litigants and/or Creditors v. Johns-Manville Corp. (In re Johns-Manville Corp.), 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). There is a presumption that "in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was in the best interests of the company." Official Comm. of Subordinated Bondholders v. Integrated Resources Inc. (In re Integrated Resources Inc.), 147 B.R. 650, 656 (Bankr. S.D.N.Y. 1992). Accordingly, absent a particularized showing of bad faith or arbitrary and capricious behavior in taking a business action to use assets outside the ordinary course of business, courts will defer to the debtor's business judgment. See In re Global Crossing, 295 B.R. 726, 743 (Bankr. S.D.N.Y. 2003).

1. CNLBC Has a Sound Business Purpose in Disposing of an Interest in the Cubs Business

57. The Proposed Business Combination has already been approved by the Bankruptcy Court as a valid exercise of the Tribune Debtors' business judgment. It follows that the Bankruptcy Court should approve the Proposed Business Combination as a valid exercise of CNLBC's business judgment as well. Even absent that very compelling fact, however, the

decision to enter into and manner of executing the Proposed Business Combination unquestionably result from the informed business judgment of CNLBC and should be approved. Tribune announced in April 2007, on the same day that it announced approval of a leveraged buyout transaction, that it intended to dispose of an interest in the Cubs Business. See Declaration of Chandler Bigelow III, Senior Vice President and Chief Financial Officer of Tribune Company (the "Bigelow Declaration"), attached to the Tribune Transaction Approval Motion as Exhibit B, at ¶ 5, and incorporated herein by reference. Tribune and CNLBC made the decision to dispose of that interest, and have continued to pursue that disposal, for several reasons.

58. First, and most significantly, disposing of an interest in the Cubs Business permits Tribune and its affiliates to re-focus their business efforts. The core business of Tribune and its affiliates is the creation and distribution of news, entertainment, and other content through Tribune's publishing, broadcasting, and interactive businesses. Although the Cubs Business is a very valuable asset of the Tribune group of companies, it is not a core business of the Tribune group of companies. See id. at ¶ 6.

59. Focusing on Tribune's core media businesses is a central element of the Company's current business plan. As Tribune has sought to restructure its overall business, both before and after it and certain of its affiliates commenced their chapter 11 cases, it has attempted to re-allocate its resources to its core businesses and achieve efficiencies that go along with operating a core of complementary businesses. Tribune has sought to effect this re-allocation by entering into transactions respecting its non-core businesses wherever achievable on terms that are in the best interests of the Tribune group of companies and the stakeholders therein (as evidenced in this situation through the support of the Creditors Committee and the Steering

Committee for the Proposed Business Combination). Entering into the Proposed Business Combination is consistent with, and is indeed a major step forward in, re-focusing the Tribune group of companies on its media businesses as part of Tribune's long-term business plan. See id. at ¶ 7.

60. The primary relationship between the Cubs Business and the rest of Tribune's businesses is largely related to the Cubs providing a source of radio and television programming for WGN. The Proposed Business Combination is attractive to CNLBC because, among many other considerations, it preserves a substantial financial benefit for the Tribune group of companies by ensuring that the radio and television broadcast relationships between the Cubs and WGN are maintained. Cubs baseball games are a critical component of WGN's radio and television programming, accounting for substantial portions of WGN's listeners and viewership. See id. at ¶ 8.

61. Under the broadcast agreements to be entered into as part of the Proposed Business Combination, WGN will continue to have radio and television broadcast rights for Cubs baseball games until October 31, 2022, subject to earlier termination under limited circumstances. These long-term media arrangements ensure that essential elements of WGN's businesses and the financial benefits attending those elements of business are preserved in the long-term for the benefit of the Tribune Debtors' estates, preserving the key benefit of the Cubs relationship for the Tribune Debtors and CNLBC. See id. at ¶ 9.

62. Entering into the Proposed Business Combination also permits the Tribune group of companies to enhance the overall financial posture of the group because it provides the Tribune Debtors and CNLBC with substantial financial benefits not otherwise obtainable. Through the Proposed Business Combination, the Tribune group of companies will dispose of an

interest in the Cubs Business and receive a cash distribution of approximately $740,000,000, subject to certain adjustments. Professional sports franchises are businesses presently valued at high multiples of cash flow, and Tribune and CNLBC believe – with the support of Tribune's major stakeholders – that it is an opportune time to lock in that value. In addition, with the acquisition of a controlling interest in the Cubs Business by the Bidder, Tribune and CNLBC will limit their financial obligations and responsibility for a business that is inherently capital intensive (for example, with respect to player contracts and stadium maintenance) and can be volatile depending upon a team's performance. See id. at ¶ 10.

63. In addition to the benefits to be received from monetizing an interest in the Cubs Business, Tribune and CNLBC will also be freed going forward from the need to commit significant new capital to the Cubs Business. In CNLBC's view, maximizing the value of the Cubs Business in the future will likely require significant expenditures of new capital even beyond player contracts and stadium maintenance. CNLBC believes that such capital can be better deployed in Tribune's core media businesses and in pursuing opportunities to enhance those businesses, in which the Tribune group of companies may benefit from the efficiencies relating to Tribune's core businesses. See id. at ¶ 11.

64. In the judgment of Tribune and CNLBC's management and Tribune's board of directors, following consultation with and with the support of the principal stakeholders in the Tribune Debtors' chapter 11 cases, the Proposed Business Combination provides the Tribune group of companies with the ability to monetize a non-core business at an attractive value, generating cash proceeds that can be used in connection with the Debtors' reorganization and ongoing core businesses. The Proposed Business Combination permits the Tribune group of companies to achieve these benefits while preserving WGN's broadcast relationships with the

Cubs, which will be extended for a significant period into the future. Based on these factors, it is in the best interests of the Tribune group of companies, including CNLBC and its affiliates, to consummate the Proposed Business Combination, and that business judgment should be approved by the Bankruptcy Court. See id. at ¶ 12.

2. *The Proposed Business Combination Maximizes Recoveries to CNLBC*

65. CNLBC has also pursued the Proposed Business Combination in a good-faith manner fashioned to maximize recoveries to Tribune, CNLBC, and their affiliates as a result thereof. The process of marketing the Cubs Business, evaluating the bids therefor and ultimately negotiating with the Bidder has been deliberative and thorough, and has in all aspects taken place at arm's-length and in good faith. As described in detail in the Notice and Procedures Approval Motion, that process spanned more than two years, in which an initial group of more than one hundred potential bidders was gradually reduced through various stages of evaluation until a single Bidder, a third party with no pre-existing ties to the Tribune Debtors or the Cubs Entities, was chosen. See Notice and Procedures Approval Motion at ¶¶ 16-36; Declaration of Christopher J. Martell, Vice President of J.P. Morgan Securities Inc. (attached to Notice and Procedures Approval Motion as Exhibit B) thereto at ¶¶ 7-30 (the "Martell Declaration") (describing marketing and negotiation processes in detail), incorporated herein by reference. Throughout the process, the Tribune Debtors and CNLBC exercised sound business judgment in connection with the process of soliciting bids, narrowing the field of bidders, obtaining highest and best offers from each of the potential bidders, comparing and evaluating bids, obtaining further bids from the narrowed field, and reaching terms of the Proposed Business Combination with the Bidder. See Notice and Procedures Approval Motion at ¶¶ 17-40; Martell Declaration at ¶¶ 7-30. The Tribune Debtors, CNLBC and the other Cubs Entities have negotiated intensively with the Bidder over the terms of the Formation Agreement and the

Ancillary Agreements for virtually the entire length of the Tribune Debtors' chapter 11 cases to date. See Notice and Procedures Approval Motion at ¶¶ 34-40; Martell Declaration at ¶¶ 25-30.

66. The Proposed Business Combination also provides CNLBC with substantial financial benefits not otherwise obtainable. See Bigelow Declaration at ¶ 10. CNLBC expects that the Final Special Distribution Amount, representing the cash portion of the consideration for the Proposed Business Combination, will approximate $740,000,000, subject to certain adjustments. The Cubs Entities will also retain a 5% membership interest in Newco, conferring further value from the Proposed Business Combination on them. In connection with the Proposed Business Combination, WGN will also secure radio and television broadcast rights until 2022 (subject to certain early termination rights provided in the WGN Agreements) for Cubs baseball games, providing a significant benefit for the Debtors' collective ongoing business. See Bigelow Declaration at ¶ 9.

67. The ultimate selection of the Proposed Business Combination as the preferred transaction respecting the Cubs Business is also a product of the informed business judgment of CNLBC and should be approved. Management of CNLBC and Tribune and Tribune's board of directors, with input from J.P. Morgan Securities Inc., as financial adviser, considered several factors in evaluating the Bidder's offer and comparing that offer to other offers received for the Cubs Business. These factors included, but were not limited to (i) the total value of the transaction to Tribune and its affiliates, including CNLBC; (ii) the amount of net after-tax cash proceeds to be received as a result of the transaction, (iii) the terms and value of the ongoing radio and television broadcast agreements to be provided to WGN; (iv) the certainty that the proposed transaction would be consummated, including the strength of the bidding parties, financing arrangements, and the net worth of the bidding parties; (v) the

likelihood that the proposed owner or ownership group, and the proposed transactional documents and structure, would receive approval from Major League Baseball; (vi) the debt guarantees, if any, required to be provided by Tribune or its affiliates to a bidding group; and (vii) tax considerations relating to the proposed transaction structure. See Bigelow Declaration at ¶ 14-16.

68. Based on these principal factors, in the determination of Tribune and CNLBC's management and Tribune's board of directors, the Proposed Business Combination is the best overall transaction respecting the Cubs Business. Pursuant to the Proposed Business Combination, Tribune and CNLBC will receive the highest amount of net cash proceeds as compared to other bids. The Bidder has obtained executed financing commitments for a proposed transaction involving the Cubs Business. Major League Baseball has also provided the necessary approvals for the proposed transaction. See id. at ¶ 17.

69. Furthermore, the structure of the Proposed Business Combination affords numerous tax and other financial benefits. An affiliate of the Bidder will provide $35 million in financial support on a subordinated basis for Newco under the Operating Support Agreement, providing assurance to Major League Baseball that the Proposed Business Combination will maintain the financial strength of the Cubs franchise, and further providing assurance that the Cubs Business will continue operations uninterrupted and that counterparties to contracts that are part of the Cubs Business will have any obligations under those contracts paid in the ordinary course. In addition, the provision of an indemnity by Bidder and certain of its affiliates in the event certain provisions of the Proposed Business Combination are breached (as described in the Tax Matters Agreement), which indemnity is secured by up to $20 million in cash and cash equivalents, provides certainty for Tribune and its affiliates. Beyond these points, the Proposed

Business Combination is acceptable to Tribune and CNLBC with respect to all other criteria for the proposed transaction. See id. at ¶ 18.

70. CNLBC's business judgment in seeking to enter into the Proposed Business Combination has also been affirmed by the most significant stakeholders in respect of the Cubs Business in general and the Proposed Business Combination in particular. The Creditors Committee and the Steering Committee have both been apprised of the status and terms of the Proposed Business Combination on a continuous basis prior to the filing of this Motion, and support the relief requested herein. In addition, as discussed previously in this Motion, Major League Baseball has given its approval for the Proposed Business Combination, the Formation Agreement, and the related transactions. CNLBC's business judgment is thus well-supported by the other stakeholders most directly affected by the Proposed Business Combination, further supporting the conclusion that such transaction should be approved by the Court.

B. The Contribution of the Assets of the Cubs Business by CNLBC to Newco Should be Approved Free and Clear of Liens, Claims, Encumbrances and Interests

71. The contribution of the assets of the Cubs Business held by CNLBC to Newco should be approved free and clear of liens, claims, encumbrances, and interests pursuant to section 363(f) of the Bankruptcy Code, except for such liabilities as are expressly being assumed by Newco pursuant to the Formation Agreement and related documents, including Permitted Liens (as defined in the Formation Agreement).[30] Section 363(f) of the Bankruptcy Code provides that a debtor in possession may transfer property "free and clear of any interest in such property of an entity other than the estate," only if (i) applicable nonbankruptcy law permits

[30] Permitted Liens under the Formation Agreement include, without limitation, (i) certain tax liens; (ii) mechanics' liens, workers' liens and similar statutory liens; (iii) certain interests under operating leases or license agreements; and (iv) liens securing capital lease obligations.

a transfer of such property free and clear of such interest; (ii) such entity consents; (iii) such interest is a lien and the price at which such property is to be sold is greater than the aggregate value of all liens on such property; (iv) such interest is in bona fide dispute; or (v) such entity could be compelled, in a legal or equitable proceeding, to accept a money satisfaction of such interest. See 11 U.S.C. § 363(f).

72. The term "any interest," as used in section 363(f), is not defined in the Bankruptcy Code. See Folger Adam Sec., Inc. v. DeMatteis/MacGregor, JV, 209 F.3d 252, 259 (3d Cir. 2000). In Folger Adam, the Third Circuit expressly addressed the scope of the term "any interest." 209 F.3d at 258. The Third Circuit observed that while some courts have "narrowly interpreted that phrase to mean only in rem interests in property," the trend in modern cases is "towards a broader interpretation which includes other obligations that may flow from ownership of the Property." Id. (citing 3 Collier on Bankruptcy ¶ 363.06[1] (15th ed. rev. 2007); see also In re Trans World Airlines, Inc., 322 F.3d 283 (3d Cir. 2003) (reading § 363(f) broadly and permitting sale of airline's assets free and clear of, among other things, travel voucher claims); In re Chrysler, LLC, 405 B.R. 84, 111 (Bankr. S.D.N.Y. 2009) (following TWA and holding that a sale under 363(f) is free and clear of in personam interests as well as in rem interests). As determined by the Fourth Circuit in In re Leckie Smokeless Coal Co., 99 F.3d 573, 581-82 (4th Cir. 1996), a case cited approvingly and extensively by the Third Circuit in Folger Adam, the scope of section 363(f) is not limited to in rem interests.

73. Here, the Bankruptcy Court has already approved the Tribune Debtors' contribution of Cubs Business assets to Newco free and clear of all liens, claims, encumbrances and interests. See Tribune Transaction Approval Order at ¶¶ 11-12. Moreover, under the Proposed Business Combination, most liabilities relating to the Cubs Business are being

expressly assumed by Newco. See Formation Agreement at § 1.1(c)(i) (Newco to assume all Cubs Liabilities). CNLBC is unaware of any material liens or similar interests that will remain with CNLBC following the consummation of the Proposed Business Combination, and believes that the limited number of liabilities that are not being assumed by the Bidder fall within the scope of section 363(f), such that the assets comprising the Cubs Business which are transferred by CNLBC may be contributed to Newco free and clear of any liens, claims, encumbrances and interests. The Formation Agreement expressly contemplates that the contribution of such assets to Newco will be free and clear of any liens, claims, encumbrances or interests, except for those liabilities that are being expressly assumed by Newco, such as Permitted Liens. See Formation Agreement at § 1.1(c)(i). Instead, pursuant to the order approving this Motion, such liens, claims, encumbrances and interests will attach to the net consideration to be received by CNLBC with the same rights and priorities therein.

74. CNLBC is a guarantor of Tribune's obligations under Tribune's prepetition credit agreements. That guarantee is not secured by any of the assets of CNLBC. That guarantee will remain in place at CNLBC and will not be assumed by Newco or any of Newco's affiliates.

C. The Bidder Has Acted in Good Faith and Is Entitled to the Protections of Section 363(m) of the Bankruptcy Code, and the Proposed Business Combination Does Not Violate Section 363(n) of the Bankruptcy Code

75. Pursuant to section 363(m) of the Bankruptcy Code, the reversal or modification on appeal of an authorization under sections 363(b) or 363(c) of the Bankruptcy Code does not affect the validity of a disposition under that authorization to an entity that has acted in good faith, whether or not such entity knew of the pendency of the appeal, unless such

authorization and the relevant transaction were stayed pending the appeal. See 11 U.S.C. § 363(m). While the Bankruptcy Code does not define "good faith," the Third Circuit has held that

> [t]he requirement that [an acquiror] act in good faith . . . speaks to the integrity of his conduct in the course of the sale proceedings. Typically, the misconduct that would destroy [an acquiror's] good faith status ... involves fraud, collusion between [the acquiror] and other bidders or the trustee, or an attempt to take grossly unfair advantage of other bidders.

In re Abbotts Dairies of Pennsylvania, Inc., 788 F.2d 143, 147 (3d Cir. 1986) (quotation marks omitted); see also In re Kabro Assocs. of West Islip, L.L.C. v. Colony Hill Assocs. (In re Colony Hill Assocs.), 111 F.3d 269, 276 (2d Cir. 1997) (same).

76. In the instant circumstance, relief under sections 363(m) and 363(n) has already been granted by the Bankruptcy Court in the Tribune Transaction Approval Order. See Tribune Transaction Approval Order at ¶¶ 20-21. The Bidder is unaffiliated with either the Tribune Debtors or the Cubs Entities and has prevailed in an extensive bidding process that has extended for more than two years. See Notice and Procedures Approval Motion at ¶¶ 16-40; Martell Declaration at ¶¶ 7-30. The terms of the Proposed Business Combination have been fashioned through thorough arm's-length negotiations between the Bidder, on the one hand, and the Tribune Debtors and the Cubs Entities, on the other hand. See Notice and Procedures Approval Motion at ¶¶ 34-40; Martell Declaration at ¶¶ 25-30. Additionally, the Proposed Business Combination has been approved and is supported by the Creditors Committee and the Steering Committee. Final approval from Major League Baseball for the Proposed Business Combination has also been received. These facts demonstrate beyond reasonable dispute that the Bidder and all parties respecting the Proposed Business Combination have acted in good faith with respect to the negotiation, formulation, and implementation of the Proposed Business Combination. Accordingly, the Court should rule that the protections of section 363(m) of the

Bankruptcy Code apply, and that the prohibitions contained in section 363(n) of the Bankruptcy Code have not been violated.[31]

II. Assumption and Assignment of the Cubs Executory Contracts Complies with Section 365 of the Bankruptcy Code and Should be Authorized

77. Pursuant to section 365(a) of the Bankruptcy Code, a debtor in possession "subject to the court's approval may assume or reject any executory contracts or unexpired leases of the debtor." 11 U.S.C. § 365(a). Section 365(b)(1) of the Bankruptcy Code, in turn, codifies the requirements for assuming an executory contract or unexpired lease, providing that:

> (b)(1) If there has been a default in an executory contract or unexpired lease of the debtor, the [debtor in possession] may not assume such contract or lease unless, at the time of assumption of such contract or lease, the [debtor in possession] –
>
> (A) cures or provides adequate assurance that the [debtor in possession] will promptly cure, such default ...;
>
> (B) compensates, or provides adequate assurance that the [debtor in possession] will promptly compensate, a party other than the debtor to such contract or lease, for any actual pecuniary loss to such party resulting from such default; and
>
> (C) provide adequate assurance of future performance under such contract or lease.

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[31] Section 363(n) of the Bankruptcy Code provides that

> [t]he trustee may avoid a sale under this section if the sale process was controlled by an agreement among the potential bidders at such sale, or may recover from a party to such agreement any amount by which the value of the property sold exceeds the price at which such sale was consummated and may recover any costs, attorneys' fees, or expenses incurred in avoiding such sale or recovering such amount. In addition to any recovery under the preceding sentence, the court may grant judgment for punitive damages in favor of the estate and against any such party that entered into such an agreement in willful disregard of this subsection.

11 U.S.C. § 363(n). Here, the evidence concerning the marketing process demonstrates conclusively that the formulation, development, and anticipated implementation of the Proposed Business Combination have been conducted at arm's-length and in good faith, and that the Bidder has not exercised any control over or engaged in any collusion regarding the Proposed Business Combination. Accordingly, CNLBC requests that the order granting the relief sought in this Motion provide that Section 363(n) has not been violated.

11 U.S.C. § 365(b)(1).

78. While the Bankruptcy Code does not specify a particular standard of review to be used by a court in determining whether to approve the assumption or rejection of an executory contract, courts have applied the business judgment standard in evaluating the propriety of a debtor's decision to assume or reject an executory contract. See, e.g., In re Federal-Mogul Global Inc., 293 B.R. 124, 126 (D. Del. 2003) ("motions to reject executory contracts are evaluated under the business judgment test"); see also In re Pinnacle Brands, Inc., 259 B.R. 46, 53-54 (Bankr. D. Del. 2001); Nat'l Labor Relations Board v. Bildisco (In re Bildisco), 682 F.2d 72, 79 (3d Cir. 1982), aff'd 465 U.S. 513 (1984) ("The usual test for rejection of an executory contract is simply whether rejection would benefit the estate, [under] the 'business judgment' test"); Sharon Steel, 872 F.2d at 39-40 (propriety of a debtor in possession's decision to reject an executory contract evaluated under traditional "business judgment test"). Under the business judgment standard, courts generally will not second-guess a debtor's business judgment concerning the assumption or rejection of an executory contract. See Federal-Mogul, 293 B.R. at 126; Phar-Mor, Inc. v. Strouss Bldg. Assocs., 204 B.R. 948, 952 (N.D. Ohio 1997) ("Courts should generally defer to a debtor's decision whether to reject an executory contract." (citation omitted)).

79. The Bankruptcy Court has already authorized the Tribune Debtors to assume and assign those Cubs Executory Contracts to which any of them is a party. See Tribune Transaction Approval Order at ¶¶ 24-25. The decision to assume and assign the Cubs Executory Contracts is a well-justified exercise of the business judgment of CNLBC. The Cubs Business is being contributed to Newco as an operating business, so that it will operate in a largely unchanged manner under its new ownership from the manner in which it operates under its

existing ownership. The revenue and benefits derived by CNLBC and the other Cubs Entities from the Cubs Executory Contracts contribute a substantial portion of the overall value of the Cubs Business. The Cubs Executory Contracts consist of the Cubs Entities' key sponsorship agreements, real property leases, operating agreements, and numerous other agreements essential to the ongoing, uninterrupted operation of the Cubs Business.

80. CNLBC is current on its obligations under all or nearly all of the Cubs Executory Contracts to which it is a party. See Amended Contract Cure List (attached as Exhibit A to Notice of Filing Amended Cure Exhibit for Cubs Executory Contracts) [D.I. 2165]. Furthermore, most of the Cubs Executory Contracts involve payments to CNLBC and the other Cubs Entities, rather than payments to the counterparty. As a result, the Tribune Debtors and CNLBC will incur few if any costs in connection with assuming and assigning the Cubs Executory Contracts. Moreover, the Bidder has bargained for assignment of the Cubs Executory Contracts to Newco as part of the Proposed Business Combination and has bargained for subsequent performance by Newco (and, following the Newco Sale, by the relevant Newco Subs) of obligations arising from those Cubs Executory Contracts. See Formation Agreement at Exhibit A, "Cubs Contributed Assets" (providing that all Cubs Contracts to which any of the Tribune Debtors or CNLBC are a party be assumed and assigned to the Bidder and that all Cubs Contracts to which any non-debtor Cubs Entity is a party also be assigned to the Bidder). Assumption and assignment of the Cubs Executory Contracts will thus provide value to CNLBC by increasing the value of the Cubs Business to the Bidder and thereby increasing the consideration obtained from the Bidder, while imposing few if any costs. The business judgment of CNLBC should be affirmed, and assumption and assignment of the Cubs Executory Contracts should be approved.

81. A debtor in possession may assign an executory contract or an unexpired lease of the debtor if it assumes the agreement in accordance with section 365(a) of the Bankruptcy Code and provides adequate assurance of future performance by the assignee, whether or not there has been a default under the agreement. See 11 U.S.C. § 365(f)(2). The meaning of "adequate assurance of future performance" depends on the facts and circumstances of each case, but should be given a "practical, pragmatic construction." See Carlisle Homes, Inc. v. Arrari (In re Carlisle Homes, Inc.), 103 B.R. 524, 538 (Bankr. D.N.J. 1989) (citation omitted); In re Natco Indus., Inc., 54 B.R. 436, 440 (Bankr. S.D.N.Y. 1985) (adequate assurance of future performance need not be absolute assurance); In re Bon Ton Rest. & Pastry Shop, Inc., 53 B.R. 789, 803 (Bankr. N.D. Ill. 1985) ("Although no single solution will satisfy every case, the required assurance will fall considerably short of an absolute guarantee of performance."). Adequate assurance may be demonstrated, among many other ways, by demonstrating the assignee's financial health. See In re Bygraph, Inc., 56 B.R. 596, 605-06 (Bankr. S.D.N.Y. 1986) (adequate assurance of future performance is present when prospective assignee has financial resources and expressed willingness to devote sufficient funding to business to give it strong likelihood of succeeding).

82. In the instant case, the Cubs Business is being contributed to Newco as a going concern. It will have essentially the same structure immediately after the Proposed Business Combination (including the Newco Sale) is completed as it has today, except that it will be owned through a joint venture (i.e., Newco) between the Bidder (owning 95%) and the Cubs Entities (collectively retaining 5%). The revenues and financial performance of the Cubs Business are not anticipated to be materially affected as a result of the contribution of the Cubs Business to Newco. Accordingly, the counterparties to the Cubs Executory Contracts have at

least substantially identical assurances of continued performance and payment under those contracts going forward as they do at the present time.

83. Moreover, in two material respects the counterparties' assurances of future performance will be enhanced. First, Newco, unlike CNLBC, will not be a guarantor of indebtedness to Tribune's prepetition lenders. Second, Newco will have significant new financing as set forth in the Formation Agreement, including a $25,000,000 revolving credit facility available to fund operating expenses. It follows that the counterparties to the Cubs Executory Contracts should be found to be adequately assured of future performance, and the assumption and assignment of the Cubs Executory Contracts to Newco should be approved.

84. CNLBC seeks certain other relief with respect to the assumption and assignment of the Cubs Executory Contracts. Specifically, to facilitate the assumption and assignment of the Cubs Executory Contracts, CNLBC requests that the Court order that the assumption and assignment of the Cubs Executory Contracts is permissible notwithstanding any provisions therein, or in otherwise applicable law, that purport to prohibit, restrict or condition the assignment of any of the Cubs Executory Contracts, consistent with section 365(f) of the Bankruptcy Code.[32] Section 365(f)(1) of the Bankruptcy Code permits a debtor to assign executory contracts and unexpired leases free from such anti-assignment restrictions, providing in pertinent part that:

> [N]otwithstanding a provision in an executory contract or unexpired lease of the debtor, or in applicable law, that prohibits, restricts, or conditions the assignment of such contract or lease, the [debtor in possession] may assign such contract or lease under paragraph (2) of this subsection . . . .

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[32] Such approval consistent with section 365(f) of the Bankruptcy Code has already been granted in the Tribune Transaction Approval Order with respect to those Cubs Executory Contracts to which any of the Tribune Debtors is a party.

11 U.S.C. § 365(f)(1). This section invalidates contractual or other provisions that prohibit, restrict or condition assignment of an executory contract or unexpired lease. See, e.g., Coleman Oil Co., Inc. v. The Circle K Corp. (In re Circle K Corp.), 127 F.3d 904, 911 (9th Cir. 1997), cert. denied, 522 U.S. 1148 (1998) ("[N]o principle of bankruptcy or contract law precludes us from permitting the Debtors here to extend their leases in a manner contrary to the leases' terms, when to do so will effectuate the purposes of section 365."). In addition, section 365(f)(3) of the Bankruptcy Code goes beyond the scope of section 365(f)(1) by prohibiting enforcement of any clause creating a right to modify or terminate the contract or lease upon a proposed assumption or assignment thereof. See, e.g., In re Jamesway Corp., 201 B.R. 73 (Bankr. S.D.N.Y. 1996) (section 365(f)(3) prohibits enforcement of any lease clause creating a right to terminate a lease because it is being assumed and/or assigned; all lease provisions, not merely those entitled anti-assignment clauses, are subject to court's scrutiny regarding anti-assignment effect).

85. Courts have recognized that provisions having the effect of restricting assignments cannot be enforced. See, e.g., In re Rickel Home Ctrs., Inc., 240 B.R. 826, 831 (D. Del. 1998) (noting that in interpreting section 365(f)(3), "courts and commentators alike have construed the terms to not only render unenforceable lease provisions which prohibit assignment outright, but also lease provisions that are so restrictive that they constitute de facto anti-assignment provisions"). Similarly, in In re Mr. Grocer, Inc., 77 B.R. 349, 354 (Bankr. D.N.H. 1987), the court observed:

> [the] case law interpreting § 365(f)(1) of the Bankruptcy Code establishes that the court does retain some discretion in determining that lease provisions, which are not themselves ipso facto anti-assignment clauses, may still be refused enforcement in a bankruptcy context in which there is no substantial economic detriment to the landlord shown, and in which enforcement would preclude the bankruptcy estate from realizing the intrinsic value of its assets.

Accordingly, CNLBC requests that any anti-assignment provisions in any of the Cubs Executory Contracts, whether or not explicitly stated, be deemed not to restrict, limit, or prohibit the assumption and assignment of the Cubs Executory Contracts, and be deemed and found to be unenforceable anti-assignment provisions within the meaning of section 365(f) of the Bankruptcy Code.

86. CNLBC further requests that, as provided in section 365(k) of the Bankruptcy Code, the Court order that CNLBC and its estate shall be relieved from any liability for any breach of any Cubs Executory Contract following its assumption and assignment to the relevant Newco Sub.

III. Payment of Pre-Petition Liabilities by CNLBC is Permissible Under Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 6003 and Should be Authorized on the Unique Facts Here

87. In the instant matter, CNLBC seeks authority to pay all of its obligations in the ordinary course of business, including prepetition obligations, up through the time of the Closing, subject to (i) the limitations contained in the Formation Agreement, and (ii) the rules and regulations of Major League Baseball. The purpose of this request is to ensure that the Cubs Business operates on a normal footing between the date of its chapter 11 filing and the Closing, without disruptions that could impair the value of the business and jeopardize the transaction, to the detriment of all stakeholders. The relief requested is thus substantially the same as that afforded to a party commencing a prepackaged bankruptcy case – authority to continue making payments to unsecured creditors in order to maintain the continuity and value of the business through its emergence, the terms of which have been pre-determined (as they have in this case through the Formation Agreement and the Court's prior entry of the Tribune Transaction Approval Order). See, e.g., In re Hilex Poly Co., LLC, Case No. 08-10890 (KJC) (Bankr. D.

Del. May 7, 2008) (granting authority to debtor filing pre-packaged plan to continue paying unsecured claims in the ordinary course).

88. The requirements of Bankruptcy Rule 6003 with respect to making such payments are also satisfied. While subsection (b) of that rule ordinarily prohibits the making of payments on prepetition claims absent a showing of immediate and irreparable harm, such harm would be present here. It is essential to the maintenance of the Cubs Business and the preservation of its value, as well as the preservation of the Proposed Business Combination, that the Cubs Business operate on an uninterrupted basis through the Closing. In the instant matter, there is uncommonly strong assurance that the Closing will occur – the Formation Agreement and Ancillary Agreements have been executed, the Escrow Closing has occurred, and the Court has already approved the Proposed Business Combination (with no objections) with respect to the Tribune Debtors. To disrupt that process now presents CNLBC and the Tribune Debtors with a potentially serious disruption of the business and would present an immediate and irreparable harm to the transaction, CNLBC, and the Tribune Debtors.

89. Payment of CNLBC's prepetition liabilities may also be justified under the necessity-of-payment doctrine. The Court's general equitable powers are codified in section 105(a) of the Bankruptcy Code. Section 105(a) empowers the Court to "issue any order, process, or judgment that is necessary to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). A bankruptcy court's use of its equitable powers to "authorize the payment of prepetition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept." In re Ionosphere Clubs, Inc., 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). Under section 105(a), the Court "can permit pre-plan payment of a prepetition obligation when essential to the continued operation of the debtor." In re NVR L.P., 147 B.R. 126, 127 (Bankr. E.D. Va.

1992); see also In re Just for Feet, Inc., 242 B.R. 821, 825 (D. Del. 1999) ("to invoke the necessity of payment doctrine, a debtor must show that payment of the prepetition claims is critical to the debtor's reorganization").

90. A number of courts have used their section 105(a) equitable powers under the necessity of payment doctrine to authorize payment of a debtor's prepetition obligations where, as here, such payment is necessary to preserve the value of the debtor's business. See In re Lehigh Co. & New England Ry. Co., 657 F.2d 570, 581 (3d Cir. 1981) (holding that "if payment of a claim which arose prior to reorganization is essential to the continued operation of the . . . [business] during reorganization, payment may be authorized even if it is made out of [the] corpus"); In re Ionosphere Clubs, Inc., 98 B.R. 174,176-77 (Bankr. S.D.N.Y. 1989) (doctrine "recognizes the existence of the judicial power to authorize a debtor in a reorganization case to pay prepetition claims where such payment is essential to the continued operation of the debtor"); see also In re James A. Phillips, Inc., 29 B.R. 391, 394-95 (S.D.N.Y. 1983) (upholding the bankruptcy court's order authorizing the debtor to make postpetition payment of prepetition claims in the ordinary course without notice and a hearing). The "necessity of payment" doctrine "recognizes the existence of the judicial power to authorize a debtor in a reorganization case to pay prepetition claims where such payment is essential to the continued operation of the debtor." Ionosphere Clubs, 98 B.R. at 176; In re Chateaugay Corp., 80 B.R. 279 (S.D.N.Y. 1987). This rule is consistent with the paramount goal of chapter 11, i.e., "facilitating the continued operation and rehabilitation of the debtor . . . ." Ionosphere Clubs, 98 B.R. at 176. The rule is applicable to the facts presented here because, although CNLBC will shortly transfer the Cubs Business to Newco, CNLBC and the other Cubs Entities will retain an interest in the reorganizing Cubs

Business and the Debtors will rely in their own reorganization on the continued existence and success of the Cubs Business to provide long-term programming for WGN.

91. Under the doctrine of necessity, a bankruptcy court may exercise its equitable power to authorize a debtor to pay the prepetition claims of certain critical vendors. See In re Columbia Gas Sys., Inc., 136 B.R. 930, 939 (Bankr. D. Del. 1992) (recognizing that "[i]f payment of a prepetition claim 'is essential to the continued operation of [the debtor], payment may be authorized'"). Indeed, it is not uncommon for courts in this District to authorize the payment of critical trade claims where the payment of such claims is essential to the debtor's continued operations. See, e.g., In re Smurfit-Stone Container Corp., Case No. 09-10235 (Bankr. D. Del. Jan. 27, 2009) (BLS); In re Tribune Co., Case No. 08-13141 (Bankr. D. Del. Dec. 8, 2008) (KJC); In re Buffets Holding, Inc., Case No. 08-10141 (Bankr. D. Del. Jan. 24, 2008) (MFW) (entered by BLS); In re Am. Home Mortgage Holdings, Inc., Case No. 07-11047 (Bankr. D. Del. Aug. 7, 2007) (CSS); In re Tweeter Home Entm't Group, Inc., Case No. 07-10787 (Bankr D. Del. June 12, 2007) (PJW); In re Holliston Mills, Inc., Case No. 07-10687 (Bankr. D. Del. May 23, 2007) (MFW); In re Meridian Auto. Sys.-Composite Operations, et al., Case No. 05-11168 (Bankr. D. Del. May 27, 2005) (MFW). CNLBC respectfully submits that similar relief is warranted in this chapter 11 case.

92. The value of the Cubs Business depends upon CNLBC's ability to maintain the regularity of its operations until the Closing occurs. Although CNLBC's time in bankruptcy prior to Closing is anticipated to be very brief, CNLBC will be required to pay players and non-player employees and undertake other, similar actions. Because (i) the Formation Agreement and the rules and regulations of Major League Baseball already impose substantial limitations on CNLBC's pre-Closing actions; (ii) CNLBC faces unique and

unprecedented challenges in operating in chapter 11; and (iii) CNLBC's brief stint in bankruptcy will likely translate to a limited number and amount of payments to be made prior to the Closing, there is substantial assurance that the Cubs Business will be operated properly and as necessary during the brief period prior to the Closing. The Court should therefore recognize that the value of the Cubs Business is tied to its ability to maintain stable operations prior to Closing and authorize CNLBC to operate the Cubs Business – including making certain prepetition payments – under its section 105(a) equitable powers.

IV. CNLBC Is Authorized to Waive the Potential Avoidance Actions

93. As described in paragraph 49 and 53 above, CNLBC will release any Potential Avoidance Actions as part of the Proposed Business Combination. CNLBC is not presently aware of any Potential Avoidance Actions that it would seek to bring in its chapter 11 case. Waiver of any such actions, however, provides assurance to the Bidder and the Cubs Business going forward that the goodwill associated with the business will not be reduced by potential avoidance actions against current vendors or other parties-in-interest respecting the Cubs Entities. Absent that waiver, the consideration for the Cubs Business might be reduced to account for such potential impairment, with negative consequences to the Debtors and the Cubs Entities. Moreover, it is questionable whether the Cubs Entities would have the ability to bring actions against such parties. See Kimmelman v. Port Authority of N.Y. and N. J. (In re Kiwi Int'l Air Lines, Inc.), 344 F.3d 311 (3d Cir. 2003) (assumption of a contract under § 365 barred preference claim by trustee for payments made pursuant to contract during the preference period); see also In re Vision Metals, Inc., 325 B.R. 138, 146-47 (Bankr. D. Del. 2005), aff'd, 327 B.R. 719 (D. Del. 2005) (holding that debtor could not argue that an agreement and payments made pursuant to the agreement constituted fraudulent transfers after the debtor sought

the Court's permission to assume the agreement); Official Committee of Unsecured Creditors v. Aust (In re Network Access Solutions Corp.), 330 B.R. 67 (Bankr. D. Del. 2005) (because contract assumption required finding that debtor was acting on an informed basis, in good faith, and with honest belief that assumption was in best interests of the estate, creditors' committee could not then recover prepetition payments made pursuant to the assumed contract). Accordingly, the proposed release of avoidance actions should be approved by the Court.

V. CNLBC Has Provided Good, Effective, and Sufficient Notice to Creditors and Other Parties-In-Interest Through the Procedures Contemplated By the Notice and Procedures Approval Order

94. Bankruptcy courts in this District have observed that "notice is of paramount importance" and therefore "it is fundamental that notice should be sent to all parties whose interests may be affected by" any transfer of assets. In re Pinnacle Brands, Inc., 259 B.R. 46, 53 (Bankr. D. Del. 2001).[33] The Third Circuit has observed that good and proper notice of an asset transaction, for purposes of satisfying due process requirements, includes notice of (i) the time and place of a particular asset transaction, (ii) the terms and conditions thereof, (iii) the time for filing objections thereto, and (iv) if real estate is being disposed of, a general description of the property. Folger Adam Security, Inc. v. DeMatteis/MacGregor, JV, 209 F.3d 252, 265 (3d Cir. 2000). Due process requires notice of an intended action to be "reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." Folger Adam, 209 F.3d at 265 (citing Mullane, 339 U.S. at 314-15). The notice also must "reasonably convey the required information." Id. Although interested parties must have sufficient information and time to determine whether they

[33] Pursuant to section 363(b)(1) of the Bankruptcy Code, the debtor-in-possession may use, sell, or lease property of the estate outside the ordinary course of business "after notice and a hearing." 11 U.S.C. § 363(b)(1). The Bankruptcy Code states that "after notice and hearing" means "after such notice as is appropriate in the particular circumstances and such opportunity for hearing as is appropriate in the particular circumstances." 11 U.S.C. § 102(1)(A).

need to defend their interests and object to the proposed transaction, see In re Ex-Cel Concrete Co., Inc., 178 B.R. 198, 204-05 (9th Cir. B.A.P. 1995), the Third Circuit has observed that the provision of good and proper actual notice does not require that any party potentially affected by an action be provided with notice. Rather, provision of actual notice requires notice to parties whose identities are "reasonably ascertainable" in the exercise of proper diligence by a party. See Chemetron Corp. v. Jones, 72 F.3d 341, 348 (3d Cir. 1995).

95. The Third Circuit and the Supreme Court have further observed that the touchstone of due process is the provision of "notice and an opportunity for hearing appropriate to the nature of the case." In re Mansaray-Ruffin, 530 F.3d 230, 239 (3d Cir. 2008) (quoting Mullane, 339 U.S. at 313). Mansaray-Ruffin's holding accords fully with the Supreme Court's oft-cited statement in Mullane that "[a]n elementary and fundamental requirement of due process in any proceeding which is to be accorded finality is notice reasonably calculated, *under all the circumstances*, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." 339 U.S. at 314; see also id. at 314-15 ("[I]f *with due regard for the practicalities and peculiarities of the case* these conditions are reasonably met the constitutional requirements are satisfied." (emphasis added)).

96. The notice procedures established by the Notice and Procedures Approval Order and followed by the Tribune Debtors and CNLBC with respect to the Proposed Business Combination accomplish the goals of notice and satisfy the requirements of due process for all creditors and other parties-in-interest of CNLBC. Those creditors and other parties-in-interest have had over thirty-five (35) days' actual notice of the Proposed Business Combination and the date, time and place of the hearings thereon, as well as a full and fair opportunity to object

thereto.[34] Those creditors and other parties-in-interest have also been apprised that substantially all of the liabilities of the Cubs Business will be assumed by the entities to which the Cubs Business will be transferred, and substantially all executory contracts and leases relating to the Cubs Business are expected to be assumed and assigned to the relevant entity holding that portion of the Cubs Business following consummation of the Proposed Business Combination.[35] See Tribune Transaction Approval Motion at ¶¶ 18-19. In short, the requirements of due process concerning notice of the Proposed Business Combination have been satisfied. No other or further notice to parties that receive notice thereunder should be required now because all creditors and other parties-in-interest with respect to CNLBC have by definition received actual notice at least equal to that which would be provided in a standard asset transaction under Fed. R. Bankr. P. 2002.

97. Furthermore, the forms of supplemental notice provided by the Tribune Debtors and CNLBC in respect of the Proposed Business Combination further compel the conclusion that the requirements of due process have been satisfied. The Tribune Debtors and CNLBC have caused notice of the Proposed Business Combination to be published in the Chicago Tribune and have issued appropriate press releases containing all pertinent information about the Proposed Business Combination. Those press releases have been widely disseminated, and will be in addition to the intense media attention that has focused on the Proposed Business Combination, and that has already accompanied the process that has led to the Proposed

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[34] The Tribune Debtors and CNLBC contemplated that the hearing on this Motion would occur on either October 1 or October 13, 2009. The form of notice sent to parties in early September specified the October 1 date, and the Tribune Transaction Approval Order expressly contemplated a re-noticing of that date to specified parties in the event the hearing was re-scheduled for October 13. When it became known that the hearing would occur on October 13, 2009, the Tribune Debtors and CNLBC caused notice of the re-scheduling to be served and filed in accordance with the applicable provisions of the Notice and Procedures Approval Order. See Notice of Rescheduled Hearing dated Sept. 29, 2009 [D.I. 2243].

[35] Contracts to which non-filing Cubs Entities are a party will also be assigned in connection with the Proposed Business Transaction. While guaranty claims of Tribune's prepetition lenders will not be transferred to Newco, the Steering Committee of those lenders has long been aware of and supports the Proposed Business Combination.

Business Combination. As one prominent bankruptcy court has recently observed, where events leading up to a chapter 11 filing and a proposed 363 transaction have been highly publicized, the notice and due process provided to creditors and parties-in-interest are enhanced. See In re Chrysler, LLC, 405 B.R. 84, 109 (Bankr. S.D.N.Y. 2009), aff'd, 576 F.3d 108 (2d Cir. 2009) (citing as a basis for expedited notice that "even prior to the bankruptcy filing, the circumstances of these Debtors were under scrutiny and the events leading up to the filing, including the proposal for the sale of the assets was highly publicized").

98. In addition to the notice program described above, the Tribune Debtors and CNLBC have provided a letter notice to all season ticket holders of the Cubs announcing the proposed change in ownership for the Cubs Business and further providing details as to the timing and location of the hearings on the Motions. Such notice has been provided notwithstanding the fact that the Cubs' season ticket holders are not creditors of the Cubs Business and hence fall outside the normal scope of notice.

99. It has long been held that "the mode of effecting service rests with the court," subject to due process requirements. In re Greyling Realty Corp., 74 F.2d 734, 738 (2d Cir. 1935) (citing Flexner v. Farson, 248 U.S. 289 (1919)). The level of notice to be given "depends on the interest at issue because 'due process is flexible and calls for such procedural protections as the particular situation demands.'" Taylor v. Slick (In re Taylor), 178 F.3d 698, 703 (3d Cir. 1999) (citing Morrissey v. Brewer, 408 U.S. 471, 481 (1972)); see also OAN Serv. v. Official Comm. of Unsecured Creds. (In re Parcel Consultants, Inc.), 58 Fed. Appx. 946 (3d Cir. 2003) (unpublished opinion); Wilkinson v. Abrams, 627 F.2d 650, 664 (3d Cir. 1980) (citing Morrissey and listing three factors generally considered in determining due process: (i) the interest that will be affected by the official action; (ii) the risk of an erroneous deprivation of

such interest through the procedures used and the probable value, if any, of additional or substitute procedural safeguards; and (iii) other interests and the fiscal and administrative burdens that any additional or substitute procedural requirement would entail).

100. The Tribune Debtors and CNLBC have provided notice of the Proposed Business Combination that goes far beyond the requirements of due process. The proposed notice procedures have been crafted to provide extensive and wide-ranging notice to all creditors and other parties-in-interest with a plausible interest in the Proposed Business Combination. In light of the unique circumstances here, as well as the risk to the Cubs Business of any more than a brief period in bankruptcy, the Court should recognize and formally determine that all creditors and parties-in-interest as to CNLBC have been provided with good, effective, and sufficient notice of the Proposed Business Combination and the hearing on this Motion.

THE REQUIREMENTS OF BANKRUPTCY RULE 6003 ARE SATISFIED

101. As described in the Notice and Procedures Approval Motion and elsewhere in this Motion, CNLBC seeks the relief herein immediately following the commencement of its chapter 11 case. Fed. R. Bankr. P. 6003 provides that "[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 20 days after the filing of the petition, grant relief regarding . . . a motion to use, sell, lease or otherwise incur an obligation regarding property of the estate . . . ." Fed. R. Bankr. P. 6003. In other words, a bankruptcy court may grant such relief at the outset of a chapter 11 case, but a proper showing of harm is required.

102. That harm is present given the unique circumstances here. CNLBC has commenced its chapter 11 case following extensive public disclosure of its intention to be in chapter 11 for a brief period solely for the limited purpose of consummating the Proposed

Business Combination. Absent consummation of the Proposed Business Combination immediately following the commencement of CNLBC's chapter 11 case and interim authority to continue operating the Cubs Business subject only to the limitations imposed by the Formation Agreement, as described in the Kenney Declaration, the Cubs Business may be irreparably harmed as a result of damage to the Cubs' unique brand and the uncertain, and potentially severe, ramifications on a Major League Baseball franchise from an extended stay in bankruptcy. See Kenney Declaration at ¶ 7.

103. Although the immediate and irreparable harm standard of Fed. R. Bankr. P. 6003 is satisfied here, it is also noteworthy that the policies underlying that Rule's restrictions on certain transactions are not implicated here. Unlike a conventional case, CNLBC commenced its chapter 11 case several months after its parent company commenced its own chapter 11 proceedings. Even more significantly, while the restrictions of Fed. R. Bankr. P. 6003 are animated by a concern over excessive requests for "first day" relief in chapter 11 cases, which occur with little or no notice, here, wide-ranging and thorough notice of the Proposed Business Combination and the hearings thereon was given more than twenty days prior to the date of that hearing.[36] Similarly, in a conventional chapter 11 case a creditors' committee may not even have selected professionals twenty days into the case; here there are organized creditors' constituencies in place that have thoroughly evaluated and support the relief requested. Moreover, the relief sought in this Motion is substantially identical to that already granted by the Bankruptcy Court in the Tribune Transaction Approval Order. In other words, there can be no

[36] See Advisory Committee Notes to Fed. R. Bankr. P. 6003 (noting as bases for the Rule that "[t]here can be a flurry of activity during the first days of a bankruptcy case" and "[t]his activity frequently takes place prior to the formation of a creditors' committee…" before stating that "[t]his rule is intended to alleviate some of the time pressures present at the start of a case so that full and close consideration can be given to matters that may have a fundamental impact on the case." Those concerns are not present here, given that a full opportunity for notice and a hearing concerning all the relief requested, as well as the full involvement of the Tribune Debtors' organized creditors' constituencies, has occurred, and the relief requested has already been granted in the Tribune Debtors' chapter 11 cases.

concern that far-reaching relief is being sought from this Court without full notice and procedural protections having already been afforded to all parties in interest. Accordingly, the Court should approve the relief requested.

REQUEST FOR RELIEF UNDER BANKRUPTCY RULES 6004(h) AND 6006(d)

104. Pursuant to Fed. R. Bankr. P. 6004(h), an "order authorizing the use, sale, or lease of property is stayed until the expiration of 10 days after entry of the order, unless the court orders otherwise." In addition, Fed. R. Bankr. P. 6006(d) provides that an "order authorizing the [debtor in possession] to assign an executory contract or unexpired lease ... is stayed until the expiration of 10 days after the entry of the order, unless the court orders otherwise."

105. Here, the Tribune Debtors, the Cubs Entities, and the Bidder are all able to close the transactions described herein promptly upon receiving the order approving the Proposed Business Combination as to CNLBC, as is evidenced by the fact that the Escrow Closing has already occurred. Consummation of the Proposed Business Combination will ensure that CNLBC promptly receives approximately $740,000,000 in cash consideration, subject to adjustments, as specified under such transactions, and will further ensure a minimum of disruption to the Cubs Business. Accordingly, CNLBC requests that the order approving the Proposed Business Combination as to CNLBC be effective immediately upon the entry of such order by providing that the ten-day stay not apply.

NOTICE

106. Notice of the relief sought in this Motion has already been provided to holders of claims against the Cubs Entities, counterparties to Cubs Executory Contracts, and other parties-in-interest respecting the Cubs Entities as set forth in the Notice and Procedures

Approval Order. To the extent not covered by the foregoing, notice of the filing of this Motion has also been provided to: (i) the Office of the United States Trustee; (ii) the United States Securities and Exchange Commission; (iii) the Office of the United States Attorney for the District of Delaware; (iv) the Internal Revenue Service; (v) CNLBC's twenty (20) largest unsecured creditors; (vi) counsel to the Steering Committee of lenders for the Tribune Debtors' prepetition loan facilities; (vii) counsel to the Official Committee of Unsecured Creditors in the Tribune Debtors' chapter 11 cases; and (viii) all parties that have requested to receive notices in the Tribune Debtors' chapter 11 cases pursuant to Rule 2002 of the Federal Rules of Bankruptcy Procedure. Notice of this Motion and any order entered hereon will be served in accordance with Local Rule 9013-1(m). In light of the nature of the relief requested herein, CNLBC submits that no other or further notice is necessary.

NO PRIOR REQUEST

107. Other than the Notice and Procedures Approval Motion and the Tribune Transaction Approval Motion, each of which sought relief related to that sought herein and each of which has been previously granted by this Court, no motion seeking or concerning the relief requested herein has been previously submitted to this or to any other court.

WHEREFORE, CNLBC respectfully requests that the Court enter an order granting this Motion and (i) authorizing CNLBC to (a) enter into and perform its obligations under that certain Formation Agreement and the Ancillary Agreements, (b) consummate the Proposed Business Combination on the terms set forth in the Formation Agreement and the Ancillary Agreements, (c) assume and assign all Cubs Executory Contracts to Newco, (d) operate the Cubs Business and to pay any obligations thereof (including prepetition obligations) in the ordinary course during the period after approval of this Motion and before the Proposed Business Combination is consummated, subject to the terms of the Formation Agreement and Major League Baseball rules and regulations, and (e) pledge its membership interests in Newco; (ii) recognizing the sufficiency of the notice provided concerning the Proposed Business Combination; (iii) authorizing CNLBC to waive the Potential Avoidance Actions; and (iv) granting such other relief as the Court deems just and proper.

Dated: Wilmington, Delaware
October 12, 2009

Respectfully submitted,

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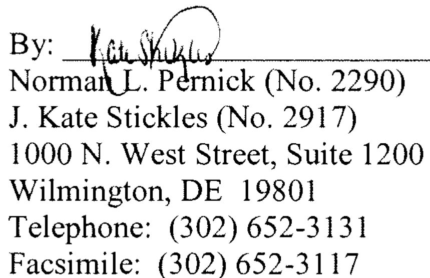
By: 
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