

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: :
: **Chapter 11 Case No.**
:
STAR TRIBUNE HOLDINGS : **09-10244 (RDD)**
CORPORATION, et al., :
: **(Jointly Administered)**
:
Debtors.¹ :
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**ORDER AUTHORIZING DEBTORS TO (i) PAY PRE-PETITION SALES AND
USE TAXES, EMPLOYMENT TAXES AND OTHER SIMILAR TAXES AND
FEES AND (ii) DIRECT FINANCIAL INSTITUTIONS TO
HONOR AND PROCESS RELATED CHECKS AND TRANSFERS**

Upon the motion (the “**Motion**”)² of Star Tribune Holdings Corporation (“**Star Tribune Holdings**”) and The Star Tribune Company (together with Star Tribune Holdings, the “**Debtors**”), for authorization pursuant to sections 105(a) and 363(b) of the Bankruptcy Code to (i) pay pre-petition Covered Taxes and Fees (including sales and use taxes, employment taxes, franchise taxes and fees, property taxes and other similar taxes and fees as described in the Motion) to various Governmental Authorities and (ii) direct their banks and financial institutions to honor and process related checks and transfers, as more fully described in the Motion; and upon consideration of the Affidavit of David W. Montgomery filed in support of the Debtors’ first-day pleadings; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. § 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the

¹ The Debtors are Star Tribune Holdings Corporation and The Star Tribune Company.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Motion.

District Court for the Southern District of New York dated July 10, 1984 (Ward, Acting C.J.); and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided to (a) the Office of the United States Trustee for the Southern District of New York, (b) attorneys to the agent for the Debtors' first lien pre-petition lenders, Latham & Watkins LLP, 885 Third Avenue, New York, NY 10022, Attn: Mark A. Broude, (c) attorneys to an ad hoc committee of the Debtors' second-lien pre-petition lenders, (d) those creditors holding the five largest secured claims against the Debtors' estates on a consolidated basis, (e) those creditors holding the 30 largest unsecured claims against the Debtors' estates on a consolidated basis, (f) the Internal Revenue Service and (g) Avista Capital Partners, and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of and necessary to avoid immediate and irreparable harm to the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing with appearances of parties in interest noted in the transcript thereof (the "**Hearing**"); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that, pursuant to sections 105(a) and 363(b) of the Bankruptcy Code, the relief requested in the Motion is hereby granted; and it is further

ORDERED that the Debtors are authorized, but not directed, in their sole discretion to pay Covered Taxes and Fees, including but not limited to all of those Covered Taxes and Fees subsequently determined upon audit, or otherwise, to be owed for periods prior to the Petition Date, to the Governmental Authorities; and it is further

ORDERED that the Debtors are authorized in their sole discretion to direct the Banks to receive, process, honor and pay any and all checks or electronic transfers drawn on the Debtors' accounts to pay the Covered Taxes and Fees, whether those checks were presented prior to or after the Petition Date, provided that sufficient funds are available in the applicable accounts to make the payments; and it is further

ORDERED that, notwithstanding anything to the contrary in any other order of this Court, the Banks (a) are authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires or automated clearing house transfers ("**ACH Transfers**") should be honored or dishonored, consistent with any order of this Court and governing law, whether such checks, drafts, wires, or ACH Transfers are dated prior to, on, or subsequent to the Petition Date, and whether the Banks believe the payment is or is not authorized by an order of this Court and (b) have no duty to inquire as to whether such payments are authorized by an order of this Court; and it is further

ORDERED that the Banks shall not be liable to any party on account of (a) following the Debtors' instructions or representations as to any order of this Court, (b) the honoring of any pre-petition check or item in a good faith belief that the Court has authorized such pre-petition check or item to be honored or (c) an innocent mistake made despite implementation of reasonable item handling procedures; and it is further

ORDERED that nothing in this Order shall be construed as impairing the Debtors' right to contest the validity or amount of Covered Taxes and Fees assessed by the Governmental Authorities, and all of the Debtors' rights with respect thereto are hereby reserved; and it is further

ORDERED that nothing in this Order authorizes the Debtors to prepay any Covered Taxes and Fees; and it is further

ORDERED that notwithstanding the possible applicability of Bankruptcy Rules 6003 and 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion.

Dated: New York, New York
January 16, 2009

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE