

**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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**INTERIM ORDER PURSUANT TO SECTIONS 105(a) AND 362 OF
THE BANKRUPTCY CODE ESTABLISHING NOTIFICATION
PROCEDURES AND APPROVING RESTRICTIONS ON CERTAIN
TRANSFERS OF INTERESTS IN THE DEBTORS' ESTATES**

Upon the motion (the “**Motion**”)² of Star Tribune Holdings Corporation (“**Star Tribune Holdings**”) and The Star Tribune Company (“**Star Tribune**” and, together with Star Tribune Holdings, the “**Debtors**”), for an order (the “**Interim Order**”) pursuant to sections 105(a) and 362 of the Bankruptcy Code establishing notification procedures and approving restrictions on certain transfers of interests in the Debtors’ estates, 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 subject matter 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 District Court for the Southern District of New York dated July 10,

¹ The Debtors are Star Tribune Holdings Corporation and The Star Tribune Company. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

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

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)(2); 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) the holders of record of the common stock of Star Tribune Holdings (the “**Stock**”), (c) those creditors holding the five largest secured claims against the Debtors’ estates on a consolidated basis, (d) those creditors holding the 30 largest unsecured claims against the Debtors’ estates on a consolidated basis, (e) the Internal Revenue Service, (f) attorneys to the agent for the Debtors’ first lien pre-petition lenders, (g) attorneys to an ad hoc committee of the Debtors’ second-lien pre-petition lenders and (h) Avista Capital Partners, and it appearing that no other or further notice need be provided; and the interim relief requested in the Motion being in the best interest of the Debtors and their estates, creditors and interest holders; 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 the Motion is granted on an interim basis; and it is further

ORDERED that until further order of this Court to the contrary, any sale or other transfer, including a Worthless Stock Deduction (as defined below), in violation of the procedures set forth below shall be null and void *ab initio* as an act in violation of the

automatic stay prescribed in section 362(a) of the Bankruptcy Code and pursuant to this Court's equitable power under section 105(a) of the Bankruptcy Code; and it is further

ORDERED that the following procedures and restrictions are imposed and approved:

(a) Star Tribune Stock Ownership, Acquisition and Disposition.

(i) Notice of Substantial Ownership of Stock. Any person or entity who is or becomes an Owner of at least (i) 4.75 percent of the issued and outstanding Stock as of the Petition Date (approximately 52,012 shares) (a "**Substantial Equityholder**,") must, on or before the later of (A) 15 days after the Court's entry of an order approving these Procedures or (B) 10 days after that person or entity becomes a Substantial Equityholder, serve on the Debtors and their attorneys a notice containing the ownership information substantially in the form of Exhibit D attached to the Motion.

(ii) Advance Notice of Certain Proposed Acquisitions of Stock. Prior to any person or entity purchasing, acquiring or otherwise obtaining Ownership of Stock (including an option to acquire Stock) that would either (i) result in an increase in the amount of Stock Owned by a Substantial Equityholder or (ii) result in a person or entity becoming a Substantial Equityholder (a "**Stock Acquisition Transaction**"), such person or entity must file with this Court and serve on the Debtors and their attorneys a notice in the form of Exhibit E attached to the Motion.

(iii) Advance Notice of Certain Proposed Dispositions of Stock.

Prior to any person or entity who is a Substantial Equityholder selling, exchanging or otherwise disposing of an Ownership interest in Stock (including an option to acquire Stock) (a “**Stock Disposition Transaction**” and together with Stock Acquisition Transactions, “**Stock Transactions**”) such person or entity must file with this Court and serve on the Debtors and their attorneys a notice in the form of Exhibit F attached to the Motion. For purposes of this Order, a Stock Disposition Transaction shall include the treatment by any person who is a “50-percent shareholder” (within the meaning of Section 382(g)(4)(D) of the Internal Revenue Code) of any Stock as worthless for federal income tax purposes (a “**Worthless Stock Deduction**”) for any taxable year prior to the taxable year in which a Plan of Reorganization is confirmed.

(iv) The Debtors shall have 15 days after receipt of any notice described in paragraph (ii) or (iii) above to object to the Stock Transaction on the grounds that the transfer may adversely affect the Debtors’ ability to utilize their NOL and other tax attributes. If the Debtors file an objection to the Stock Transaction, it may not be consummated, and, if consummated in violation of this Court’s order, will not be deemed effective, unless approved by a final and nonappealable order of this Court. If the Debtors do not object within the 15-day period, the Stock Transaction may proceed solely as set forth in the notice. Further Stock Transactions within the scope of paragraph (ii) above must be the subject

of additional notices as set forth herein with an additional 15-day waiting period. If the Debtors voluntarily advise the party proposing to acquire or dispose of Stock, in writing before the fifteenth day, that they do not object, the party may proceed to acquire or dispose of the subject Stock.

(iv) The Debtors shall promptly provide counsel to any official creditors committee with a copy of any notice received hereunder.

(b) For purposes of this Interim Order, “**Ownership**” of Stock or an interest in Stock shall be determined in accordance with applicable rules under section 382 of the Internal Revenue Code and thus shall include, but not be limited to, direct and indirect ownership (*e.g.*, the partners in a partnership would be considered to Own their proportionate share of shares held by the partnership), ownership by members of a person’s family and persons acting in concert and, in certain cases, the creation or issuance of an option (in any form). Any variation of the term Ownership (*e.g.*, “Own” or “Owner”) shall have the same meaning, and an “option” to acquire Stock shall include any contingent purchase, warrant, convertible debt, put, Stock subject to risk of forfeiture, contract to acquire stock or similar interest, regardless of whether it is contingent or otherwise not currently exercisable.

(c) Debtors’ Right to Waive. The Debtors may waive, in writing, any and all restrictions, stays and notification procedures contained in this Motion.

(d) Rule 3001(e) of the Federal Rules of Bankruptcy Procedure. The application of Rule 3001(e) of the Federal Rules of Bankruptcy Procedure shall be unaffected by these trading restriction and notification requirements.

And it is further

ORDERED that on or before January 20, 2009, the Debtors shall send to (i) the Office of the United States Trustee for the Southern District of New York and (ii) the holders of record of the Stock of Star Tribune a notice in substantially the form of Exhibit C attached to the Motion describing the authorized transfer restrictions and notification requirements hereunder; and it is further

ORDERED that any objection to the relief requested in the Motion on a permanent basis must, by 4:00 p.m. (prevailing Eastern Time) on February 2, 2009, be: (i) filed with the Court, One Bowling Green, New York, New York 10004-1408 (with a copy to chambers) and (ii) actually received on or before the objection deadline by (a) the Office of the U.S. Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Brian Masumoto, (b) attorneys for the Debtors, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York 10017, Attn: Marshall S. Huebner and Timothy E. Graulich, (c) attorneys for any official committee then-appointed in these cases, (d) 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; and it is further

ORDERED that a reply to an Objection may be filed with the Court and served (with a copy to chambers) on or before 12:00 p.m. (prevailing Eastern Time) on February 4, 2009; and it is further

ORDERED that if timely objections are received the Court will hold a hearing on February 6, 2009, at 10:00 a.m. (prevailing Eastern Time) to consider the timely objections to the Motion; and it is further

ORDERED that if no objections to the Motion are timely filed and served as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order substantially in the form of this Interim Order *nunc pro tunc* to the date of the commencement of these chapter 11 cases, which may be entered with no further notice or opportunity to be heard afforded to any party; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good and sufficient notice of the Motion; and it is further

ORDERED that the requirements set forth in this Interim Order are in addition to the requirements of Rule 3001(e) of the Federal Rules of Bankruptcy Procedure and applicable securities, corporate and other laws, and do not excuse compliance therewith.

Dated: New York, New York
January 16, 2009

/s/Robert D. Drain
UNITED STATES BANKRUPTCY JUDGE