

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

----- X
:
In re: :
: **Chapter 11 Case No.**
:
STAR TRIBUNE HOLDINGS : **09-10244 (RDD)**
CORPORATION, et al., :
: **(Jointly Administered)**
:
Debtors.¹ :
----- X

ORDER (i) DEEMING UTILITY COMPANIES ADEQUATELY ASSURED OF FUTURE PERFORMANCE, (ii) ESTABLISHING PROCEDURES FOR DETERMINING REQUESTS FOR ADDITIONAL ADEQUATE ASSURANCE AND (iii) PROHIBITING UTILITIES FROM ALTERING, REFUSING OR DISCONTINUING SERVICE

Upon the motion dated January 21, 2009 (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 deeming utilities adequately assured of future performance, establishing procedures for determining requests for additional adequate assurance and prohibiting utilities from altering, refusing, or discontinuing service, 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 District

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.

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 pursuant to the Case Management Order and it appearing that no other or further notice need be provided; and the relief requested in the Motion and granted herein being essential to the continued operation of the Debtors' business and in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing on February 6, 2009 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, and it is further

ORDERED that the Debtors are authorized to pay on a timely basis, in accordance with their pre-petition practices, all undisputed invoices for utility services (collectively, the "**Utility Services**") rendered by utilities (as that term is used in section 366 of the Bankruptcy Code, the "**Utilities**") to the Debtors after the Petition Date; and it is further

ORDERED that the Debtors shall provide a deposit in an amount equal to two weeks of Utility Service (the "**Adequate Assurance Deposit**"), calculated as a historical average over the past 12 months, to each Utility that requests such a

deposit in writing as set forth below, *provided* that such requesting Utility does not already hold a deposit equal to or greater than two weeks of Utility Service, and *provided further* that such Utility is not currently paid at least two weeks in advance for its services; and it is further

ORDERED that the Utilities, whether under direct relationship with the Debtors or through the Debtors' landlords or service agencies, including but not limited to the Utilities identified on Exhibit B to the Motion, as may be supplemented by the Debtors from time to time by the filing of a notice with the Court (a "**Supplemental Notice**" and, together with Exhibit B to the Motion, as may be so supplemented from time to time, the "**Utilities List**"), are prohibited from discontinuing, altering, or refusing service to, or discriminating against, the Debtors, or requiring additional adequate assurance of payment other than the Adequate Assurance Deposit (and, in conjunction with the Debtors' ability to pay for Utility Services in the ordinary course of business, the "**Proposed Adequate Assurance**"), except in compliance with the following procedures (the "**Adequate Assurance Procedures**"):

(a) Any Utility requesting payment of an Adequate Assurance Deposit must send to (i) the Debtor, The Star Tribune Company, 425 Portland Avenue, Minneapolis, MN 55488, Attn: Chuck Brown and (ii) the attorneys for the Debtors, Davis Polk & Wardwell, 450 Lexington Avenue, New York, New York, 10017, Attn: Lynn I. Poss (the "**Request Parties**") a written request (a "**Deposit Request**") that names the Utility and includes payment instructions for the Adequate Assurance Deposit.

(b) Promptly after the receipt of a Deposit Request, the Debtors shall provide the requesting Utility with the corresponding Adequate Assurance Deposit, *provided, however*, that such requesting Utility does not already hold a deposit equal to or greater than two weeks of Utility Services, and *provided further* that such Utility is not currently paid at least two weeks in advance for its Utility Services. Any Utility that submits a Deposit Request and already holds a deposit of less than two weeks of Utility Service shall receive an amount equal to the difference between the deposit held by such Utility and the Adequate Assurance Deposit. Any Utility that is currently paid at least two weeks in advance for its Utility Services shall continue to be paid in the ordinary course of business.

(c) Any Utility desiring additional adequate assurance in the form of a deposit, prepayment or mechanic otherwise different from the Proposed Adequate Assurance must file with the Court and serve on the Request Parties a request (an “**Additional Assurance Request**”), which must be in writing and set forth (i) the amount and form of additional assurance requested, (ii) the location for which the Utility Services are provided and the relevant account numbers, (iii) the Debtors’ payment history for the most recent 12 months, (iv) a list of any deposits, prepayments or other security currently held by the Utility on account of the Debtors, (v) a description of any prior material payment delinquency or irregularity and (vi) an explanation of why the Utility believes the

Proposed Adequate Assurance is not sufficient adequate assurance of payment. Any request for additional adequate assurance filed before entry of this Order shall be deemed to be an Additional Assurance Request.

(d) The Debtors may, upon consultation with the official committee of unsecured creditors (except for de minimis settlements), but otherwise in their discretion, resolve and settle any Additional Assurance Request by mutual agreement with the Utility and without further order of the Court. The Debtors shall not be required to provide a Utility that files an Additional Assurance Request with an Adequate Assurance Deposit until such Additional Assurance Request is resolved. If the Debtors determine that the Additional Assurance Request is not reasonable and are not able to reach a consensual resolution with the Utility, the Debtors will file a motion (which may address the Additional Assurance Requests of multiple Utilities) and request a hearing before this Court to determine the adequacy of assurance of payment with respect to a particular Utility (the “**Determination Hearing**”) pursuant to section 366(c)(3) of the Bankruptcy Code, *provided* that notwithstanding any other provision of this Order, any Utility may seek an expedited Determination Hearing pursuant to Local Rule 9077-1 and paragraph 18(d) of the Case Management Order.

(e) Pending resolution of a Utility’s Additional Assurance Request by the Court, such Utility shall be prohibited from discontinuing, altering, or refusing service to the Debtors on account of unpaid charges

for pre-petition services, on account of the Debtors' bankruptcy filing or financial condition or on account of any dispute over the Additional Adequate Assurance Request.

(f) Any Utility that does not submit a Deposit Request or does not file an Additional Assurance Request shall be deemed to have been provided with adequate assurance of payment as required by section 366 of the Bankruptcy Code; and it is further

ORDERED that each Utility shall be deemed to have adequate assurance of payment unless and until (a) the Debtors, in their sole discretion, agree to a Deposit Request or Additional Assurance Request or agree to alternative adequate assurance of payment with the Utility or (b) this Court enters an order requiring that additional adequate assurance of payment be provided; and it is further

ORDERED that nothing herein constitutes a finding that any entity is or is not a Utility hereunder or under section 366 of the Bankruptcy Code, whether or not such entity is included in the Utilities List; and it is further

ORDERED that the Debtors shall (a) serve a copy of this Order and the Motion upon each of the Utilities identified on Exhibit B to the Motion by e-mail or fax or (where the Debtors do not have the e-mail address or fax number for a Utility, by first-class mail) and (b) post the Order on the independent website (the "**Website**") created and maintained by the Debtors; and it is further

ORDERED that the Debtors shall (a) serve the Order and any Supplemental Notice by e-mail or fax or (where the Debtors do not have the e-mail address or fax number for a Utility) by first-class mail on all Utilities listed

in such Supplemental Notice and (b) post the Supplemental Notice on the Website; and it is further

ORDERED that the Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order; and it is further

ORDERED that this Court retains jurisdiction to hear and determine all matters arising from or related to the implementation and/or interpretation of this Order; and it is further

ORDERED that nothing in this Order or the Motion shall be deemed to constitute the post-petition assumption or adoption of any agreement pursuant to section 365 of the Bankruptcy Code; and it is further

ORDERED that any period of time prescribed or allowed by this Order shall be computed in accordance with Bankruptcy Rule 9006.

Dated: New York, New York
February 6, 2009

/s/Robert D. Drain
THE HONORABLE ROBERT D. DRAIN
UNITED STATES BANKRUPTCY JUDGE