

**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

**FINAL 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 unopposed 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

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.

Judges of the 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)(2); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having entered the Interim Order on January 16, 2009; 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, (h) Avista Capital Partners and (i) attorneys to the statutory committee of unsecured creditors (the “**Creditors’ Committee**”) (collectively, the “**Notice Parties**”), and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interest 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 final 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; 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 of the Bankruptcy Code and pursuant to this Court's equitable power prescribed in 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 and the Creditors' Committee 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 and the Creditors’ Committee 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 and the Creditors’ Committee 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 and the Creditors’ Committee 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 or the Creditors’ Committee 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 or the Creditors’ Committee 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 or the Creditors’ Committee 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.

(b) For purposes of this Final 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. Upon five business days prior written notice to the Creditors' Committee, the Debtors may waive, in writing, any and all restrictions, stays and notification procedures contained in the Motion. The Creditors' Committee reserves the right to petition the Court for appropriate relief in opposition to the Debtors' proposed waiver of some or all of restrictions, stays and notification procedures contained in the 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 the requirements set forth in this Final 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
February 6, 2009

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