

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA**

In re:

PITTSBURGH ATHLETIC ASSOCIATION,
et al.,¹
Debtors.

PITTSBURGH ATHLETIC ASSOCIATION,
PITTSBURGH ATHLETIC ASSOCIATION
LAND COMPANY,
Movants,

v.

NO RESPONDENTS.

Jointly Administered at:
Bankruptcy No. 17-22222-JAD

Bankruptcy Nos:
17-22222-JAD, and
17-22223-JAD

Chapter 11

Doc. No. _____

**JOINT DISCLOSURE STATEMENT TO ACCOMPANY THE JOINT PLAN OF
REORGANIZATION DATED DECEMBER 22, 2017**

Pittsburgh Athletic Association (“PAA”) and Pittsburgh Athletic Association Land Company (“PAALC”) and together with PAA collectively, the “Debtors”) file this Joint Disclosure Statement (the “Disclosure Statement”) regarding the Joint Plan of Reorganization dated December 22, 2017 (the “Plan”) pursuant to 11 U.S.C. § 1125 and Rule 3016 of the Federal Rules of Bankruptcy Procedure. Capitalized terms not defined in this Disclosure Statement shall have the meaning ascribed to them in the Plan. A copy of the Plan is attached as “**Exhibit A**” and is incorporated herein by reference.

I. INTRODUCTION

On May 30, 2017 (the “Petition Date”), the Debtors each filed a voluntary petition seeking relief under Chapter 11 of the Bankruptcy Code and the Orders for relief were entered.

The Debtors retained the law firm of Tucker Arensberg, P.C. (“TAPC”) as their counsel in

¹ The Debtors have the following cases pending: Pittsburgh Athletic Association, Bankruptcy No. 17-22222-JAD and Pittsburgh Athletic Association Land Company, Bankruptcy No. 17-22223-JAD; both cases are being jointly administered under Case No. 17-22222-JAD.

connection with their bankruptcy cases. In addition, the Debtors retained Gleason and Associates, P.C. (“Gleason”) as their financial advisors and Holiday Fenoglio Fowler, L.P. (“HFF”) as their real estate and capital advisors. Post-petition, the Debtors retained the law firm of Babst Calland Clements and Zomnir, P.C. (“BCCZ”) to serve as special litigation counsel. An official committee of unsecured creditors (the “Committee”) was appointed by the United States Trustee on June 8, 2017, and Leech Tishman Fuscaldo and Lampl, LLC (“LTFL”) was appointed as counsel for the Committee.

On June 29, 2017, Orders were entered approving the retention of TAPC and Gleason. On August 1, 2017, an Order was entered approving the retention of HFF. LTFL was approved as counsel to the Committee on July 12, 2017, and the retention of BCCZ was approved by an Order dated October 12, 2017.

The Debtors with the assistance of HFF, have focused their reorganization efforts on a national marketing campaign of the Sale Assets. The Plan provides for the sale of the Sale Assets and other assets of the Debtors. The Plan proposes that a third-party developer will purchase the Sale Assets and redevelop the Club Parcel. In addition, the third-party developer will assist PAA with its reorganization through a limited partnership relationship known as Walnut PAA, LLC, or any assignee or designee thereof (“Walnut PAA”).

A. Summary

Through a joint enterprise, the Debtors operate a social club in accordance with 26 U.S.C. § 501(c)(7). Their Clubhouse is located in the Oakland Historic District within the City of Pittsburgh. The purpose of the Plan is to enable the Debtors to sell certain assets and to retain a the proceeds to reinvest in replacement facilities to carry on its tax exempt purpose.

The Plan provides for the distribution of funds from the closing of the Sale Assets, and to the extent necessary the sale of the Artwork and other personal property. The proceeds of the sale(s) will provide the Debtors with necessary and sufficient funds to: (i) pay 100% of Allowed Claims, and (ii) establish a Disputed Claims Reserve with cash sufficient to pay the full amount of Disputed Claims.

Section 1126(a) of the Bankruptcy Code permits holders of claims or interests to accept or reject a plan. 11 U.S.C. § 1126(a). Further, section 1126(f) of the Bankruptcy Code provides in relevant part that if a class of claims or interests is not impaired under a plan, that class and each holder of a [claim](#) or interest of such class are conclusively presumed to have accepted the plan and solicitation of acceptances with respect to such class from the holders of claims or interests of such class is not required. 11 U.S.C. § 1126(f).

There are no impaired holders of unsecured claims. Holders of unsecured claims with either be paid in full or have accepted their treatment under the Plan.

An entity which has consented to its treatment is the National Retirement Fund (“NRF”). NRF filed a proof of claim on September 12, 2017, in the PAA case at Claim No. 25 on the PAA’s claim registry asserting: (i) a general unsecured claim in the amount of \$4,098,642.00 representing withdrawal liability for the PAA’s alleged early withdrawal from its participation in a multi-employer pension fund; and (ii) an unsecured priority claim of \$228,090.70 for unpaid pension contributions, for total claim amount of \$4,326,732.70. The NRF also filed a Proof of Claim on September 12, 2017, in the PAALC case at Claim No. 7 on the PAALC’s claims registry asserting a general unsecured claim in the amount of \$4,098,642.00 representing withdrawal liability for the PAA’s alleged early withdrawal from its participation in a multi-employer pension fund. PAALC Claim No. 7 and PAA Claim No. 25, as filed by the NRF, will

be collectively referred to herein as the “NRF Claim”. While, the Debtors dispute the validity and amount of the NRF Claim, the Debtors and the NRF have resolved the dispute as it relates to the NRF Claim as follows:

In full and final satisfaction of the NRF Claims, the NRF shall have an allowed priority unsecured claim in the PAA case of \$100,000 (the “NRF PAA Priority Claim”). The NRF shall also have an allowed general unsecured claim in the PAA case of \$4,326,732.70 (the “NRF PAA Unsecured Claim”). The NRF’s claim filed in the PAALC case at Claim No. 7, (the “NRF PAALC Claim”) will be disallowed in its entirety. Unless the Settlement is terminated, the Debtors and the Committee will not take any action with respect to the NRF PAA Priority Claim or the NRF PAA Unsecured Claim, including, without limitation, contesting the merits of the claims or otherwise objecting to the claims in the Bankruptcy Court or any other court of competent jurisdiction.

The NRF will agree to cap any distribution to be made by the PAA under the Plan on account of the NRF PAA Unsecured Claim. Specifically, the NRF will agree to accept a maximum cash distribution on account of its NRF PAA Unsecured Claim for withdrawal liability of equal to 47% of the proceeds available for distribution to general unsecured creditors (the “NRF Unsecured Claim Distribution Cap”). Currently, the Parties estimate that the amount to be allocated from the general unsecured claims pool on account of the NRF PAA Unsecured Claim is equal to \$1,359,000 (which is 47% of \$2,910,097.82). To be free of doubt, for purposes of calculating distribution and appropriate pro-rations, the amount to be allocated to the general unsecured claims pool on account of the NRF PAA Unsecured Claim is \$1,359,000. By way of example, if the funds available for distribution to the class of general unsecured creditors under the Plan result in less than 100% distribution, the NRF’s pro rata share of the available funds shall be calculated using the NRF Unsecured Claim Distribution Cap.

As the NRF has agreed to accept the aforementioned treatment of the NRF Claim in full and final satisfaction of the NRF Claim, the NRF is unimpaired and is not entitled to vote on the Plan.

The Plan contains one class of equity interest holders. PAA is the sole shareholder of PAALC and is the only holder of an Equity Interest under the Plan. PAA is a Pennsylvania non-

profit corporation organized as an uncertificated entity with no stockholders. PAA's Equity Interest in the PAALC is classified under Class 10 and is not impaired under the Plan.

The Debtors utilize the Clubhouse for the benefit of PAA's members. Pursuant to 15 Pa.C.S.A. § 5753 and in accordance with PAA's Bylaws, its members hold only a limited right to enjoy the benefits of their membership and do not hold any other interest in PAA or PAALC.

Based on the foregoing statements and provisions, there are no impaired classes of Claims or interests under the Debtors' Plan. Consequently, there will be no solicitation of acceptances with respect to the classes of Claims and interests under the Plan from the holders of said Claims and/or interests as each class of Claims and interests and each holder of a Claim and/or interest of such class are conclusively presumed to have accepted the Plan.

B. Purpose of the Disclosure Statement

The purpose of this Disclosure Statement is to set forth information that: (i) summarizes the Plan and alternatives to the Plan; (ii) advises holders of Claims and interests of their rights under the Plan; (iii) assists holders of Claims and interests in making informed decisions with respect to the Plan; and (iv) assists the Court in determining whether the Plan complies with the provisions of Chapter 11 of the Bankruptcy Code and should be confirmed. The Plan provides that the classes of Allowed Claims, and the holders of such Claims with respect to such class, will be paid in full and are not impaired. Additionally, the Plan provides that the Equity Interest of the PAA in PAALC is not impaired. Therefore, each class of Allowed Claims and interests, and holders of such Allowed Claims and interests are conclusively presumed to have accepted the Plan. All holders of Claims and interests and other parties in interest are encouraged to read the Plan carefully and thoroughly, and to review the Plan with their attorneys or other advisors to

ascertain its terms, provisions, and conditions and the effect of the Plan on any Claims or interests which such persons may hold and/or possess.

Pursuant to the Bankruptcy Code, this Disclosure Statement must be approved by the Court. Final approval of the Disclosure Statement may be considered by the Court at a hearing on the adequacy of the information contained in this Disclosure Statement. Approval of the Disclosure Statement is required by statute and does not constitute a determination by the Court as to the desirability of, or the value, adequacy, or suitability of any consideration offered under the Plan, but instead is a determination that the Disclosure Statement contains adequate information to permit holders of Claims and interests to make an informed judgment about the Plan.

The information set forth in this Disclosure Statement has been taken directly from the Debtors' books and records and other readily accessible instruments and documents. While the Debtors have made every effort to retain the meaning of any such instruments or documents or the portions thereof recited herein, you are advised that any reliance on the contents of such other instruments or documents should be predicated on a thorough review of the instruments or documents themselves, including the Plan.

Consummation of the Plan is subject to satisfaction of the conditions as set forth in Plan § 11.1: Conditions Precedent. No representations or assurances concerning the Plan are authorized by the Debtors other than as set forth in this Disclosure Statement. Any representations or inducements made by any person that are other than herein contained should not be relied upon, and such additional representations or inducements should be reported to Debtors' counsel, TAPC, who in turn will convey such information to the Court for such action as may be deemed appropriate.

II. OVERVIEW OF DEBTOR'S OPERATIONS AND CHAPTER 11 CASE

A. Debtors' Prepetition Activities

PAA is a Pennsylvania non-profit corporation chartered in 1908 that operates a private athletic and social club for the benefit and use of its members. PAA operates out of the Club Parcel and offers, *inter alia*, comprehensive athletic facilities, sports lessons, barber services, fine dining, banquet services, and overnight accommodations. PAALC is a Pennsylvania corporation chartered in 1909 that owns the Real Property Assets. PAA is the sole shareholder of PAALC's capital stock and therefore 100% owner of PAALC. PAALC is the title holder of record for the Club Parcel and Hotel Parcel, as described below.

The Club Parcel is located at 4215 Fifth Avenue, Pittsburgh, Pennsylvania 15213, bearing tax parcel identification number 27-R-138 and contains approximately 33,136 square feet of land. A historic clubhouse stands on the Club Parcel comprised of seven floors and approximately 123,000 square feet of gross building area, three dining areas, including a bar/lounge area, and boasts numerous athletic facilities, including a pool, fitness facilities, a basketball court, and two squash courts (the "Clubhouse"). PAA occupies the Clubhouse pursuant to a lease between PAA as Tenant and PAALC as Landlord initially in the form of an oral lease entered into in or about 1912 (the "Club Lease"). The Club Lease is "year to year" or perpetual until terminated by either party and is memorialized in writing by a Memorandum of Lease executed by PAALC and PAA on April 12, 1962. To date, neither party has terminated the Club Lease. Through the Plan, the Club Lease will be assumed by both parties and all parties agree that there are no damages to be cured. On or after the Closing Date, the Club Lease will be assigned to Walnut PAA.

The Hotel Parcel is located adjacent to the Club Parcel between Bigelow Boulevard and Lytton Avenue, Pittsburgh, Pennsylvania, bearing tax parcel identification number 27-R-110, and containing approximately 23,685 square feet of land. The Hotel Parcel is currently being developed by Oakland Fifth Avenue Hotel Associates, L.P. (“OFAHA”) into an approximately 160 room Marriott Autograph hotel. The Hotel Parcel is currently being leased to OFAHA through a 99-year ground lease (the “Ground Lease”) for \$200,000 per year through the construction period and increasing to \$290,000 per year upon the issuance of a temporary occupancy permit to OFAHA. The Ground Lease will be transferred to Walnut PAA on or after the Closing Date.

B. Debtors’ Prepetition Capital Structure

As of the Petition date, the Debtors’ capital structure consisted of outstanding secured obligations in the aggregate principal amount of approximately \$4,169,245.67 under loans to one or more of the Debtors from (i) PITT AA LLC as assignee of Allegheny Valley Bank (“AVB”) and (ii) OFAHA. PITT AA LLC holds an Open-End Mortgage Note dated December 16, 2008, in the original principal amount of \$2,625,000.00, and an Open-End Revolving Line of Credit Second Mortgage Note dated December 16, 2008, in the original principal amount of \$200,000.00, and later increased to \$400,000 (collectively, and together with any amendments thereto, the “PITT AA LLC Pre-petition Loans”). As of the Petition Date the alleged amount due under the PITT AA LLC Pre-petition Loans totals approximately \$2.2 million. OFAHA made loans and advances to PAALC pursuant to certain loan agreements including a Promissory Note dated June 3, 2014, in the original principal amount of \$575,000 and a Loan Agreement dated March 12, 2015, and a Delayed Draw Term Note dated March 12, 2015, in the original

principal amount of \$1,372,744.00 (collectively, and together with any amendments thereto, the “OFAHA Loans”).

Prior to the Petition Date, PAA executed and delivered to the Blanche Trust a Term Note and Security Agreement wherein PAA borrowed the sum of \$100,000.00 from the Blanche Trust and granted a junior lien to the Blanche Trust on and in certain artwork, sculptures and memorabilia owned by PAA (the “BT Loan” and together with the OFAHA Loans and the PITT AA LLC Pre-petition Loans, collectively the “Prepetition Loans”). The proceeds of the BT Loan were used to pay the fees and expenses of the Debtors’ pre-petition advisors, the Bankruptcy filing fees associated with these cases, insurance, payroll and other general operating expenses. In addition to the BT Loan, PAA is further indebted to the Blanche Trust for an additional pre-petition secured indebtedness in the original principal amount of \$335,388.36 which was secured by the same collateral encumbered in connection with the BT Loan. The Internal Revenue Service (the “IRS”) and Commonwealth of Pennsylvania have also filed liens resulting in secured tax claims against the Debtors.

The amounts alleged to be due and owing to each Secured Creditor as of the Petition Date are set forth in the schedule of claims (“Claims Schedule”) which is attached hereto as “**Exhibit B**”.

C. Circumstances Leading to Bankruptcy

PAA has experienced a substantial decline in membership in recent years due to a harsh economic climate, aging membership base, and allocation of funds by its potential membership base away from private social clubs towards other recreational activities. The declining membership, as well as many other internal and external stressors, have resulted in the Debtors’ inability to pay their debts as they become due, deterioration of the facilities, and termination of

utility services. The Debtors' creditors filed a multitude of collection actions, including a mortgage foreclosure action brought by AVB and sheriff sale actions brought by local taxing authorities and trade creditors. The IRS and the Commonwealth of Pennsylvania have also filed liens against the Debtors' Assets. All of these factors have impaired the Debtors' liquidity and their ability to continue as a going concern without instituting a comprehensive restructuring venture, ultimately leading to the filing of these chapter 11 cases. The Debtors have determined that it is in their best interests as well as the best interests of their estates and creditors, to restructure through these Chapter 11 cases.

The Debtors have filed a Joint Disclosure Statement because they have consistently operated as a single entity throughout their existence. Specifically, the Debtors have maintained their books and records on a combined basis and the assets and liabilities of PAALC have been reported on the federal tax returns of PAA. Since inception, PAA and PAALC have prepared consolidated financial statements and have had their financial statements reviewed on a consolidated basis. PAA is the sole owner of PAALC, and its assets and liabilities are substantially intertwined with PAALC's. PAA's Board of Directors directs the affairs of PAALC. In addition, the proceeds generated from the sale of assets will provide the Debtors with funds to pay all of the Allowed Claims in full. Moreover, the Plan classifies holders of Claims and interests by Class and is transparent on its face as to the timing of payment of all Classes of Claims and interests. Holders of Allowed Claims in both the PAA and PAALC bankruptcy cases will be paid in full. There are no impaired classes of Claims or interests under the Plan. Thus, each class of Allowed Claims and interests, and holders of such Allowed Claims and interests, are conclusively presumed to have accepted the Plan.

D. Debtors' Post-petition Activities/DIP Loans

The Debtors obtained authority to obtain post-petition financing from JDI Loans, LLC/Rollover Fund, LLC ("JDI") for debtor-in-possession financing, consisting of the DIP Loan in the original principal amount of \$750,000.00, and subsequently increased to \$1,500,000. JDI has advanced \$1,500,000 on the DIP Loan. The DIP Loan must be paid in full from the proceeds derived from the sale of the Sale Assets. Debtors reserve the right to seek additional debtor-in-possession funding if necessary to close the contemplated transaction with Walnut PAA.

Immediately upon filing their Chapter 11 petitions, the Debtors retained various professionals to analyze their prospects for reorganization, and concluded that the best course of action was a plan of reorganization through a sale and joint venture, as the Debtors lacked sufficient funds to maintain or restore their Assets. The Real Property Assets are the primary Assets of the Debtors. The Debtors' reorganization hinges on their ability to (i) partner with a developer through a tax-free sale of the Sale Assets; (ii) payoff all Allowed Claims in full; and (iii) reinvest the Sale Proceeds in replacement facilities to allow PAA to continue its tax exempt purpose.

E. The Developer Bid Process

On June 15, 2017, HFF sent a Request for Proposals (the "RFP") to real estate developers and investors throughout the country. More than 10,000 individuals and companies received copies of the RFP. Nearly 100 parties signed a non-disclosure agreement to review the RFP data room and from that group more than 20 requested to tour the Club and Hotel Parcels. On July 20, 2017, HFF sent a bid notice to all recipients of the RFP that set July 26, 2017 as the initial offer deadline. This process yielded ten (10) initial development proposals for the Sale Assets. Following a comprehensive review of the initial offers by the Board and its professionals, HFF

sent best and final letters to each interested developer with best and final offers due by August 15, 2017. Telephone interviews of each developer were conducted on August 17-18, 2017.

On August 20, 2017, pursuant to a Special Meeting Notice issued in accordance with the Debtors' Bylaws, the Board held a special meeting of members of PAA to present the results of the RFP process and request membership authorization to consummate a redevelopment plan for the Sale Assets. After presentations by the Board, HFF and TAPC regarding the redevelopment plan, a motion was made to authorize the Board to pursue the redevelopment plan and a vote was taken. A quorum of PAA's members overwhelmingly voted in favor of pursuing the redevelopment plan, which would focus on the sale of the Sale Assets and a partnership whereby PAA would retain an ownership interest in the Sale Assets.

During the RFP marketing and selection process, the Board met weekly and sometimes bi-weekly to discuss the progress of the proposed offers. There were several rounds of revisions to the proposed offers based on the negotiations between the Debtors, through HFF, and the proposed developers.

On August 23, 2017, HFF sent a Letter of Intent ("LOI") request to all developers who submitted an offer with the deadline for LOI's to be delivered by September 5, 2017. Through this process, initial offers and then LOI's came in around \$8+ million and eventually rose to above \$11 million. In total seven (7) LOI's were received. The Board narrowed the LOI group down from seven to two and after careful consideration of all of the offers submitted, the Board chose to partner with Walnut Capital and the proposed purchaser, Walnut PAA, as its redevelopment partner. Walnut PAA is affiliated with Walnut Capital, a leading developer of residential and commercial real estate projects in western Pennsylvania.

Subject to Court approval and confirmation of the Plan, Walnut PAA and the Debtors entered into the Agreement of Purchase and Sale on November 27, 2017 (the “PSA”). A true and correct copy of the PSA is attached hereto as “**Exhibit C**”. It is the intention of the Debtors to sell the Sale Assets to Walnut PAA under and in accordance with 11 U.S.C. §§1123(a)(5) and (b)(4). Pursuant to the PSA, Walnut agreed to pay the Debtors the purchase price of \$11,913,000 plus the \$325,000 success fee owed to HFF (the “Purchase Price”) through a private sale for the Sale Assets. As part of the proposed sale and redevelopment, Walnut will enter into a Limited Partnership Agreement with PAA as the Reorganized Debtor which will provide the Reorganized Debtor with a 5% ownership interest in Walnut PAA. In exchange for the Purchase Price, the Debtors will convey to Walnut PAA at closing the Sale Assets and will become a limited partner of Walnut PAA and the owner of two (2) condominium units in the redeveloped Clubhouse (the “PAA Condos”). Further, the Ground Lease will be assigned to Walnut PAA. Authorization for the Debtors to enter into the PSA and any and all rights and/or obligations of the Debtors and Walnut PAA under the PSA are conditioned upon Bankruptcy Court approval of the transaction and confirmation of the Plan.

The Reorganized Debtor will retain the Excluded Assets and any excess sales proceeds and operate out of the PAA Condos. On December 4, 2017, Walnut made a deposit of \$1,000,000, which is being held in escrow by the Title Company. The \$1,000,000 deposit is non-refundable except for certain terms and conditions as set forth in the PSA. The closing on the sale of the Sale Assets will occur within thirty (30) days from date that the Confirmation Order becomes a final and non-appealable Order.

III. OVERVIEW OF THE PLAN

The following is a brief summary of certain provisions of the Plan and should not be relied on in lieu of a thorough and comprehensive review of the actual Plan itself. This summary does not purport to be complete. Holders of Claims and/or interests are urged to read the Plan to ascertain the effect of the Plan on their Claims and interests and the other provisions of the Plan. Holders of Claims and/or interests are further urged to consult with their attorneys, tax advisors, financial consultants, or other professionals to understand more fully the Plan or the effect of the Plan as to their particular situation.

Under the Plan, and consistent with 11 U.S.C. §§ 1123(a)(5)(D) and (b)(4) and 11 U.S.C. §1141(c), the Sale Assets will be sold to Walnut PAA free and clear of all claims, liens, encumbrances or interests with said claims, liens, encumbrances or interests attaching to the proceeds of sale in order of priority as established under the Bankruptcy Code and distributed to holders of Allowed Claims and interests as set forth in the Plan. In accordance with 11 U.S.C. § 1146, the Real Property Assets are being sold pursuant to a confirmed plan of reorganization and therefore the transfer is exempt from realty transfer taxes.

The net sales proceeds generated from the sale of the Sale Assets will be used to pay 100% of Allowed Claims in both the PAA and PAALC cases pursuant to the terms and conditions of the Plan. The sale of the Sale Assets will provide the necessary funding to pay holders of Allowed Claims in the PAALC bankruptcy case 100% of their Allowed Claims. After payment of 100% of the Allowed Claims in the PAALC case, the remaining proceeds will be distributed to PAA on account of its Equity Interest in PAALC. PAA will use those funds to pay holders of Allowed Claims in the PAA bankruptcy case 100% of their Allowed Claims. PAA will reorganize through retention of its remaining Assets, the surplus proceeds from the

distribution it receives from the PAALC bankruptcy case (i.e. after payment of 100% of Allowed Claims in the PAA bankruptcy case), reinvestment of Sale Proceeds in the two (2) PAA Condos pursuant to the PSA and its 5% ownership interest in Walnut PAA. The Reorganized Debtor will operate out of the PAA Condos.

In general, a chapter 11 plan of reorganization (i) divides claims and equity interests into separate classes, (ii) specifies the property that each class is to receive under the plan, and (iii) contains other provisions necessary to implement the plan. Under section 1124 of the Bankruptcy Code, a class of claims is “impaired” under a plan unless the plan (a) leaves unaltered the legal, equitable and contractual rights of each holder of a claim in such class or (b) provides, among other things, for the cure of existing defaults and reinstatement of the maturity of claims in such class.

The Plan has one (1) class of Equity Interest holders, PAA as sole shareholder of PAALC. PAA is Pennsylvania non-profit corporation and in accordance 15 Pa.C.S.A. § 5753 there are no owners or Equity Interest holders of PAA. Members of PAA are not entitled to accept or reject the Debtors’ Plan.

Article 11.1 of the Plan sets forth the conditions precedent to the “effectiveness” of the Plan; the “Effective Date” of the Plan means the date on which each of the conditions precedent to the occurrence of the Effective Date of the Plan specified in section 11.1 of the Plan have been satisfied or waived in accordance with section 11.2 of the Plan.

IV. TREATMENT OF CLAIMS AND INTERESTS

For purposes of the Plan, Claims and interests are divided into the following classes and will receive the treatment summarized below and set forth in detail in the Plan. The Claims Schedule is attached hereto as Exhibit B.

The Claims Schedule was prepared prior to review or objection of the scheduled and filed claims, and the amounts shown are simply the amounts reflected in proofs of claim filed with the Court, or in the absence of a filed proof of claim by any particular holder of a Claim and/or interest, by the amount estimated by the Debtors in the initial schedules or as agreed upon by the parties.

Identification of a Claim and/or interest in the Claim Schedule does not constitute an admission, acknowledgement and/or agreement by the Debtors' as to the allowance of said Claim and/or interest. The Debtors reserve all rights to object, contest and/or otherwise dispute any and all Claims and/or interests other than those Claims and/or interests that are already the subject of an Order of the Court allowing said Claim and/or interest, or are the subject of an agreement by and between the holder of the Claim and/or interest and the Debtors, the terms and conditions of which are set forth in the Plan.

A. Secured Claims

- (i) Holders of Allowed Secured Claims in the PAALC bankruptcy case which constitute valid liens on the Real Property Assets will be paid in full on or before the later of: (a) the closing of the sale of the Real Property Assets to Walnut PAA; or (b) fifteen (15) days after the Secured Claim becomes an Allowed Claim.
- (ii) Holders of Allowed Secured Claims that do not constitute valid liens upon the Real Property Assets, but otherwise constitute valid liens on the personal property of the Debtors, will be paid in full on or before the later of: (a) thirty (30) days after the Effective Date; or (b) fifteen (15) days after the Secured Claim becomes an Allowed Claim.

No liens, security interests or other encumbrances are being retained by holders of Allowed Secured Claims under the Plan. Payment to holders of Allowed Secured Claims under the Plan shall constitute full and final satisfaction of said Allowed Claims and all liens, Claims, security interests and/or encumbrances held by holders of Allowed Secured Claims shall be released and satisfied.

B. Secured Real Estate Tax Claims.

Holders of Real Estate Tax Claims as set forth in the Claims Schedule attached hereto as Exhibit B, will be paid in full on or before the later of: (a) the closing of the sale of the Real Property Assets to Walnut PAA; or (b) fifteen (15) days after the Secured Claim becomes an Allowed Claim.

No liens, security interests or other encumbrances are being retained by holders of Allowed Real Estate Tax Claims under the Plan. Payment to holders of Allowed Real Estate Tax Claims under the Plan shall constitute full and final satisfaction of said Allowed Claims and all liens, Claims, security interests and/or encumbrances held by holders of Allowed Real Estate Tax Claims shall be released and satisfied.

C. Other Secured Tax Claims (IRS and PA Department of Revenue)

Holders of Allowed Secured Tax Claims will be paid or before the later of: (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Secured Tax Claim becomes an Allowed Claim.

No liens, security interests or other encumbrances are being retained by holders of Allowed Secured Tax Claims under the Plan. Payment to holders of Allowed Secured Tax Claims under the Plan shall constitute full and final satisfaction of said Allowed Claims and all

liens, Claims, security interests and/or encumbrances held by holders of Allowed Secured Tax Claims shall be released and satisfied.

D. Allowed Administrative Expense Claims and Professional Fee Claims

(i) Holders of Allowed Administrative Expense Claims will receive in full satisfaction of their Allowed Claim an amount in cash equal to the Allowed amount of such Administrative Expense Claim on or before the later of: (i) thirty (30) days after the Effective Date; or (ii) fifteen (15) days after the Administrative Expense Claim becomes an Allowed Claim.

(ii) The DIP Loan is also entitled to an administrative priority claim status and will be paid in full at the Closing of the sale of the Sale Assets to Walnut PAA as set forth above for Allowed Secured Claims that constitute valid liens on the Real Property Assets.

(iii) Holders of Professional Fee Claims will receive in full satisfaction of their Allowed Claim an amount in cash equal to the Allowed amount of such Professional Fee Claim on or before the later of: (i) thirty (30) days after the Effective Date; (ii) fifteen (15) days after the Professional Fee Claim becomes an Allowed Claim; or (iii) on such other terms as may be mutually agreed upon between the holder of such Allowed Professional Fee Claim and the Debtors. Notwithstanding the aforementioned provisions, holders of unpaid Professional Fee Claims that have been approved by previous Order of the Court (i.e. pursuant to the Order Approving Procedures for Interim Compensation) will be paid in full at the Closing. Holders of Professional Fee Claims shall file final applications for fees and expenses within thirty (30) days after the Effective Date.

(iv) Professionals are granted and conferred a lien and security interest in all of the Reorganized Debtor's Artwork, effective upon the date of the Effective Date and without the necessity of the Reorganized Debtor executing a security agreement, financing statement or other proof and perfection of security interest. The Professionals' Lien is granted by the Reorganized Debtor to secure the prompt repayment of any Allowed Professional Fee Claims and expenses which remain unpaid as of the Effective Date and any other Professional Fees and expenses incurred by the Reorganized Debtor following the Effective Date.

(v) The Internal Revenue Service and Pennsylvania Department of Revenue are not holders of Allowed Administrative Expense Claims.

No fee applications will be required for professional fees incurred after the Effective Date, except that payment on said fees and expenses shall not occur until all Allowed Claims under the Plan have been paid in full or the appropriate reserves have been funded in to pay said Claims in full pending their allowance.

The aggregate amount of Allowed Administrative Claims and Professional Fee Claims is difficult to predict, as the fees of Professionals will be directly related to the time and effort required in connection with confirmation of the Plan, liquidating the remaining Assets of the estate and reconciling Claims, which in turn will be related to the extent of the opposition and defenses raised by the parties involved. The fees and expenses of Professionals have been paid in part as and when allowed during the course of this case pursuant to the Order Approving Procedures for Interim Compensation. The Debtors estimate that the aggregate amount of Allowed and unpaid Administrative Expense Claims and Professional Fee Claims as of the Effective Date of the Plan will be \$700,000.00.

E. Allowed Priority Claims

Priority claims are those unsecured claims entitled to priority as set forth in § 507(a)(1) through (7) of the Bankruptcy Code.

Holders of Allowed Priority Claims will be paid in full on or before the later of: (i) thirty (30) days after the Effective Date; or (ii) fifteen (15) days after the Priority Claim becomes an Allowed Claim.

F. Allowed Priority Tax Claims

Priority tax claims are those unsecured claims entitled to priority as set forth in § 507(a)(8) of the Bankruptcy Code. Based upon the claims scheduled or filed to date, the Debtors estimate that the total amount of Priority Tax Claims are \$326,126.15.

Holders of Allowed Priority Tax Claims that are not Allowed Secured Tax Claims will be paid, with interest at the applicable statutory rate from the Confirmation Date, on or before the later of: (i) thirty (30) days after the Effective Date; or (ii) fifteen (15) days after the Priority Tax Claim becomes an Allowed Claim.

G. General Unsecured Claims

The Plan provides that holders of Allowed General Unsecured Claims will be paid in full on or before the later of: (i) thirty (30) days after the Effective Date; or (ii) fifteen (15) days after the General Unsecured Claim becomes an Allowed Claim. To the extent that funds are insufficient to pay all Allowed General Unsecured Claims in full within the time stated in this Section G the balance will be paid within thirty (30) days after receipt of the proceeds of the sale of the Artwork.

H. PAA Equity Interest in PAALC

PAA is the sole holder of the Equity Interest of PAALC. PAA's Equity Interest in PAALC is not impaired under the Plan. As of the Effective Date, PAA's Equity Interest in PAALC will be extinguished and cancelled.

PAA will remain in existence as the Reorganized Debtor and will receive 5% equity in Walnut PAA through a Limited Partnership Agreement and will be the owner of the PAA Condos. In addition, PAA, as the Reorganized Debtor, will retain the Excluded Assets and any surplus funds after payment in full of all the Allowed Claims in the PAA bankruptcy case (collectively the "Retained Assets") to assist in the funding of its operations post-confirmation and reinvest in replacement facilities.

Subject to the terms and conditions of the Plan, including but not limited to payment in full to holders of Allowed Claims, to the fullest extent permitted by 11 U.S.C. §§ 1141(b) and (c), the Excluded Assets shall vest in PAA, as Reorganized Debtor, free and clear of Claims and interests.

V. CLASSIFICATION OF CLAIMS AND INTERESTS

Claims are classified for all purposes, including balloting (unless otherwise specified), confirmation, and distribution pursuant to the Plan, as follows:

Class Number and Description	Estimated Amount of Allowed Claim in Class	Will Liens Be Retained Under The Plan	Status and Treatment under the Plan
Class 1 - Secured Claims of PITT AA LLC	\$2,165,849.10	No	Not Impaired - Payment in full on or before the later of: (i) the Closing Date or (ii) fifteen (15) days after the Secured Claim becomes an Allowed Claim.

Class 2 - Secured Claim of OFAHA	\$2,223,832.10	No	Not Impaired - Payment in full on or before the later of: (i) the Closing Date or (ii) fifteen (15) days after the Secured Claim becomes an Allowed Claim.
Class 3 - Secured Claim of the Blanche Trust	\$435,388.36	No	Not Impaired— Payment in full on or before the later of: (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Secured Claim becomes an Allowed Claim.
Class 4 – Secured Tax Claims of the Internal Revenue Service	\$345,348.00	No	Not Impaired— Payment in full on or before the later of: (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Secured Claim becomes an Allowed Claim.
Class 5 – Secured Tax Claims of the Commonwealth of Pennsylvania	\$150,904.30	No	Not Impaired— Payment in full on or before the later of: (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Secured Claim becomes an Allowed Claim.
Class 6 – Secured Real Estate Tax Claims	\$0.00	No	Not Impaired - Payment in full on or before the later of: (i) the Closing Date or (ii) fifteen (15) days after the Secured Claim becomes an Allowed Claim.

Class 7 – Unsecured Priority Tax Claims	\$326,126.15	No	Not Impaired— Payment in full on or before the later of (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Claim becomes an Allowed Claim
Class 8 – Unsecured Priority Non-Tax Claims	\$176,394.86	No	Not Impaired— Payment in full on or before the later of: (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Claim becomes an Allowed Claim
Class 9 – General Unsecured Claims	\$3,498,435.51	No	Not Impaired— Payment in full on or before the later of: (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Claim becomes and Allowed Claim
Class 10 - Equity Interest of PAA in PAALC	N/A	N/A	Not impaired – The value of the PAA Equity Interest in the PAALC is equal to the amount that the PAA will receive from the sale of the Sale Assets.

VI. PROVISIONS GOVERNING DISTRIBUTIONS

A. Effective Date Payments.

The Effective Date shall be the first Business Day following the Closing Date. Upon the occurrence of the Effective Date, the Reorganized Debtor shall file a notice of Effective Date and serve the same upon all holders of Claims and interests, creditors and other interested parties.

On the Effective Date, the Debtors or Reorganized Debtor, as applicable, will remit to the Disbursing Agent the net proceeds from the sale of the Sale Assets (i.e. after payments made at Closing consistent with the Plan). It shall be the responsibility of the Disbursing Agent to ensure that all payments made at the Closing are consistent with the Plan. The Disbursing Agent shall be responsible to make all distributions pursuant to the Plan consistent with the terms and conditions under the Plan. Other than the Disbursing Agent's duties under the Plan, the Debtors and the Reorganized Debtor shall be and remain responsible and liable for all obligations under the Plan.

The Disbursing Agent shall be responsible for establishing the Disputed Claims Reserve, which amount shall be equal to 100% of the face amount of any and all Disputed Claims.

B. Subsequent Distributions.

Once all Allowed Claims have been paid in full and the Disputed Claims Reserve has been funded, all excess cash held by the Disbursing Agent will be returned to the Reorganized Debtor for use in its ongoing operations.

C. Distributions of Cash.

Any payment of cash made by the Disbursing Agent pursuant to the Plan may be made at the option of the Disbursing Agent either by check drawn on a domestic bank or by wire transfer from a domestic bank.

D. Delivery of Distributions and Undeliverable Distributions.

Distributions to holders of Allowed Claims will be made to the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court, unless superseded by a new address as set forth (a) on a proof of claim filed by a holder of an Allowed Claim or (b) in another writing notifying the Disbursing Agent (at the address set forth in the Plan) of a change

of address. If any holder's distribution is returned as undeliverable, within sixty (60) days thereafter, the Disbursing Agent must be notified of the holder's current address. If that notice is not timely provided, no further distributions to such holder will be required.

E. Compliance with Tax Requirements.

In connection with the Plan, to the extent applicable, the Disbursing Agent in making distributions under the Plan will comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan will be subject to such withholding and reporting requirements. The Disbursing Agent, may withhold the entire distribution due to any holder of an Allowed Claim until such time as such holder provides the necessary information to comply with any withholding requirements of any governmental unit. Any property withheld will then be paid by the Disbursing Agent to the appropriate authority. If the holder of an Allowed Claim fails to provide the information necessary to comply with any withholding requirements of any governmental unit within six (6) months from the date of first notification to the holder of the need for such information or for the cash necessary to comply with any applicable withholding requirements, then the holder's distribution will be treated as an undeliverable distribution.

F. Time Bar to Cash Payments.

Checks issued in accordance with the Plan by the Disbursing Agent to holders of Allowed Claims will be null and void if not negotiated within sixty (60) days after the date of issuance. Requests for reissuance of any check must be made to the Disbursing Agent by the holder of the Allowed Claim to whom such check was originally issued within sixty (60) days following the date of original issuance of the affected payment. Thereafter, the amount represented by such voided check will irrevocably revert to the Reorganized Debtor and the

Claim for which the non-negotiated payment was made will be discharged and the Claimant forever barred from asserting such Claim against the Debtors and/or the Reorganized Debtor.

G. Setoffs.

After notice and hearing, the Debtors may, in accordance with section 553 of the Bankruptcy Code and applicable non-bankruptcy law, set off against any Allowed Claim the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and causes of action of any nature that the Debtors may hold against the holder of such Allowed Claim. However, neither the failure to effect such a setoff nor the allowance of any Claim hereunder will constitute a waiver or release by the Debtors or Reorganized Debtor of any such claims, rights and causes of action that the Debtors or Reorganized Debtor may possess against such holder. The amount necessary to satisfy any Claim that may be subject to setoff shall be placed into the Disputed Claim Reserve pursuant to the Plan.

H. Professional Fees and Expenses.

Each Professional retained by order of the Bankruptcy Court requesting compensation in the Chapter 11 Case pursuant to sections 330 or 503(b) of the Bankruptcy Code will be required to file a final application for an allowance and payment of final compensation and reimbursement of expenses in the Chapter 11 Case incurred through the Effective Date no later than thirty (30) days after the Effective Date. Objections to any such application shall be filed on or before a date to be set by the Bankruptcy Court.

I. Transactions on Business Days.

If the Effective Date or any other date on which a transaction may occur under the Plan will occur on a day that is not a Business Day, the transactions contemplated by the Plan to occur on such day will instead occur on the next succeeding Business Day.

VII. MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

A. Sale of Assets. Pursuant to 11 U.S.C. §§ 1123(a)(5)(D) and (b)(4), within thirty (30) days after the date that the Confirmation Order is entered, the Debtors will sell the Sale Assets to Walnut PAA pursuant to the terms of the PSA.

Walnut PAA will convey the PAA Condos to the Reorganized Debtor at Closing. In addition, on or before the Closing Date, the Reorganized Debtor will execute Walnut PAA's Limited Partnership Agreement, as contemplated by the PSA, which will provide that the Reorganized Debtor will receive a five percent (5%) limited partnership interest in Walnut PAA. The Reorganized Debtor's interest will entitle the Reorganized Debtor to receive five percent (5%) of the net cash flow from the operations of the Sale Assets (after making provisions for appropriate capital reserves and expenses), and after a cumulative preferred return of nine percent (9%) to the partners contributing equity dollars to Walnut.

To the extent that the Sale Proceeds are insufficient to pay all Allowed General Unsecured Claims in full, Artwork and other personal property will be sold to satisfy any deficiency.

B. Tax Consequences of the Sale of Sale Assets.

With respect to the Pennsylvania Department of Revenue, since PAALC has always functioned as a part of PAA and PAA is a 501(c)(7) tax exempt entity, PAALC is exempt from Pennsylvania taxes (e.g., Corporate Net Income and Capital Stock and Franchise taxes).

The sale of the Sale Assets to Walnut PAA is not a taxable event under the Internal Revenue Code. The contemplated transaction is not a taxable event in accordance with the provisions of section 512(a)(3)(D) of the Internal Revenue Code regarding the exclusion of gains from the sale of assets. The Debtors were formed in 1908 and 1909, and since that time, have operated as a single tax exempt entity. PAALC's Real Property Assets have always been included in PAA's Assets in its Federal Form 990's. The internal financial statements and reviewed financial statements of the Debtors are presented on a consolidated basis. In all respects, Debtors are and operate as a single tax exempt entity. Moreover, the Internal Revenue Code excludes gains arising from sale transactions when the proceeds from the sale are reinvested in club facilities in furtherance of the tax exempt purpose of the 501(c)(7) entity. The PAA as the Reorganized Debtor will continue its tax exempt purpose and reinvest the proceeds in replacement club facilities (i.e., the PAA Condos).

As set forth herein, the Internal Revenue Service and Pennsylvania Department of Revenue are not, and will not become, holders of Allowed Administrative Expense Claims arising out of the sale of the Sale Assets.

In accordance with 11 U.S.C. § 1146, the Real Property Assets are being sold pursuant to a confirmed plan of reorganization and therefore the transfer is exempt from realty transfer taxes.

To confirm that the sale of the Sale Assets does not create a taxable event under the Internal Revenue Code, the Debtors will request the Court to so find in the Confirmation Order.

C. Funding. The holders of Allowed Secured Claims and Allowed Secured Tax Claims which constitute liens on the Real Estate Assets shall be paid at the closing of the sale of the Sale Assets. The Disbursing Agent will subsequently pay all classes of Claims and all Administrative Expenses and Professional Fees in cash on or before the later of (i) thirty (30)

days after the Effective Date or (ii) fifteen (15) days after the Claim or Administrative Expense can be determined and, if necessary, allowed by the Court. To the extent that funds are insufficient to pay all Allowed General Unsecured Claims in full as stated in Section 7.4 of the Plan the balance will be paid within thirty (30) days after receipt of the proceeds of the sale of the Artwork.

D. Distributions. The Disbursing Agent will make all distributions contemplated by the Plan that are not paid at Closing.

E. Post-Confirmation Responsibilities. After the Effective Date, the Disbursing Agent shall administer the Disputed Claims Reserve. On and after the Effective Date, the Reorganized Debtor shall be solely responsible for filing any tax returns for, and for all other tax matters relating to, the Debtors or Reorganized Debtor.

F. Documents and Further Transactions. Each of the officers or directors of the Debtors is authorized and directed to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, including without limitation, the Plan Documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

G. Causes of Action.

(i) On November 30, 2017, the Debtors filed an adversary complaint against OFAHA at adversary case no. 17-02238-JAD seeking to: (1) Avoid and Recover Pre-Petition Fraudulent Transfers pursuant to 11 U.S.C. §§548, 550 & 544 and the Pennsylvania Uniform Fraudulent Transfer Act; and, in the alternative, (2) Avoid and Recover a Preferential Pre-Petition Transfer pursuant To 11 U.S.C. §§547 & 550.

(ii) Before the later of the Effective Date or the expiration of any applicable statutes of limitations, the Debtors, or the Reorganized Debtor, as the case may be, may file and prosecute any or all Causes of Action of the Debtors, and the Debtors may settle any Causes of Action with Bankruptcy Court approval. On the Effective Date, all remaining Causes of Action, whether filed or unfiled, will be transferred to the Reorganized Debtor and may thereafter be prosecuted, settled, or abandoned without Bankruptcy Court approval by the Reorganized Debtor. Notwithstanding anything to the contrary herein, pending the Effective Date, the Debtors, and after the Effective Date, the Reorganized Debtor, in its sole discretion reserve the right to commence any Cause of Action or Avoidance Action and to defend any Cause of Action. Prosecution and settlement of such claims, rights, defenses, and Causes of Action will be the responsibility of the Debtors prior to the Effective Date and then to the Reorganized Debtor after the Effective Date, pursuant to the provisions of the Plan. The Reorganized Debtor will or will not pursue those claims, rights, defenses, and Causes of Action, as appropriate, in accordance with the Reorganized Debtor's commercially reasonable judgment.

(iii) The Debtors have claims against (i) Pittsburgh History & Landmarks Foundation, and (ii) Meyer Unkovic & Scott, LLP and preserve all rights with respect thereto. The entry of the Confirmation Order shall not bar any Causes of Action that may be brought by the Debtors or the Reorganized Debtor.

(iv) Any compromise or settlement of a Cause of Action by the Debtors before the Effective Date will be subject to approval of the Bankruptcy Court. After the

Effective Date, the Reorganized Debtor will not be required to (but may, in its sole discretion) seek approval of the Bankruptcy Court to commence, pursue, prosecute, settle, compromise, or abandon any Causes of Action.

Any and all claims, Causes of Action and/or Avoidance Actions, and any proceeds realized therefrom, are preserved for the benefit of the Debtors' bankruptcy estates and the holders of Allowed Claims and interests until such time as all Allowed Claims are paid in full under the Plan.

VIII. PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

A. No Distribution Pending Allowance. Notwithstanding any other provision of the Plan, no cash or other property will be distributed under the Plan on account of any Disputed Claim or Interest, unless and until such Claim or Interest becomes an Allowed Claim or Interest.

B. Resolution of Disputed Claims. Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Debtors and the Reorganized Debtors, as the case may be, will have the right to make and file objections to Claims and/or interests and will serve a copy of each objection upon the holder of the Claim to which the objection is made as soon as practicable, but in no event later than sixty (60) days after the Effective Date or any extension thereto. From and after the Effective Date, all objections will be litigated to a Final Order except to the extent the Reorganized Debtors elect to withdraw any such objection or the Reorganized Debtors and the claimant elect to compromise, settle or otherwise resolve any such objection, in which event they may settle, compromise or otherwise resolve any Disputed Claim without approval of the Bankruptcy Court.

C. Reserve Accounts for Disputed Claims. On and after the Effective Date, the Disbursing Agent shall establish the Disputed Claims Reserve and shall hold in the Disputed

Claims Reserve: (i) cash in an aggregate amount sufficient to pay to each holder of a Disputed Unsecured Claim the amount that such holder would have been entitled to receive under the Plan if such Claim had been an Allowed Claim on the Effective Date; and (ii) net earnings on such cash. All cash and earnings thereon shall be used to satisfy any expenses incurred in connection with the maintenance of the Disputed Claims Reserve, including taxes payable on such interest income, if any.

D. Investment of Disputed Claims Reserve. The Disbursing Agent will be permitted, from time to time, in its sole discretion, to invest all or a portion of the cash or cash equivalents in the Disputed Claims Reserve in United States Treasury Bills, interest-bearing certificates of deposit, tax exempt securities or investments permitted by section 345 of the Bankruptcy Code or otherwise authorized by the Bankruptcy Court, using prudent efforts to enhance the rates of interest earned on such cash without inordinate credit risk or interest rate risk.

E. Allowance of Disputed Claims. If, on or after the Effective Date, any Disputed Unsecured Claim becomes an Allowed Claim, the Disbursing Agent will, within fifteen (15) days after the Claim becomes an Allowed Claim, distribute from the Disputed Claims Reserve to the holder of such Allowed Claim (i) cash in an aggregate amount sufficient to pay to each holder of a Disputed Claim the amount that such holder would have been entitled to receive under the Plan if such Claim had been an Allowed Claim on the Effective Date; and (ii) net earnings on such cash.

F. Release of Funds from Disputed Claims Reserve. To the extent a Disputed Unsecured Claim is disallowed, the cash attributable to such Disallowed Claim will be distributed to the Reorganized Debtor; provided, however, that the Disbursing Agent will retain

at all times until closing of the Disputed Claims Reserve at least \$25,000 cash from which the Reorganized Debtor will pay the costs and fees, if any, of administering the Disputed Claims Reserve.

G. Closing of the Disputed Claims Reserve. After the last Disputed Claim is resolved, whether by Final Order of the Bankruptcy Court or by stipulation between the Reorganized Debtor and the holder of such Disputed Claim, the Disbursing Agent will (i) pay all remaining costs and fees, (ii) distribute all remaining cash to the Reorganized Debtor and (iii) close the Disputed Claims Reserve.

IX. TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

A. Club Lease. On the Closing Date, PAA and PAALC will each respectively assume the Club Lease. PAA and PAALC agree that there are no defaults and no amounts due and owing under the Club Lease. The Club Lease will be assigned to Walnut PAA for valuable consideration to be allocated and paid from the Purchase Price.

B. Collective Bargaining Agreements. On or about the Petition Date, PAA shut its doors and has no union employees other than a single engineer who was responsible for boiler system maintenance, and who will leave PAA's employment when the Clubhouse has been winterized. Thereafter, the Clubhouse will remain closed through and beyond the Closing Date.

PAA and the Pennsylvania Joint Board of UNITE HERE, Local 57 are parties to a collective bargaining agreement dated November 1, 2008 (the "UNITE HERE CBA"). The UNITE HERE CBA expired on February 28, 2011 and continues on a year to year basis until a party gives the other party notice of its intent to terminate the agreement within sixty (60) days prior to the expiration date. PAA has given notice of termination to UNITE HERE in accordance

with applicable law and provisions of the UNITE HERE CBA. Pursuant to its contractual terms, the UNITE HERE CBA terminates on February 28, 2018.

PAA and the International Union of Operating Engineers Local 95-95A, AFL-CIO (“OE”) are parties to a collective bargaining agreement dated February 1, 2012 (the “OE CBA”). The OE CBA expired on January 31, 2014 and continues on a year to year basis until a party gives the other party notice of its intent to terminate the agreement within sixty (60) days prior to the expiration date. PAA has given notice of termination to OE in accordance with applicable law and provisions of the OE CBA. Pursuant to its contractual terms, the OE CBA terminates on January 31, 2018.

C. **Ground Lease.** PAALC has filed the OFAHA Complaint challenging inter alia the validity and extent of the Ground Lease. To the extent that the Court determines that the Ground Lease is valid or the parties arrive at a consensual resolution, the Ground Lease will be assumed and assigned to Walnut PAA on the Closing Date.

D. **All Remaining Executory Contracts and Unexpired Leases.** On the Confirmation Date, all remaining executory contracts and unexpired leases that exist between the Debtors and any Person, whether or not previously listed by the Debtors on Schedule “G” of their Schedules, shall be deemed rejected as of the Confirmation Date, except for any executory contract or unexpired lease (a) that has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Confirmation Date, or (b) as to which a motion for approval of the assumption or rejection of such contract or lease is pending on the Confirmation Date including but not limited to, as part of the sale of the Sale Assets.

E. **Approval of Rejection of Executory Contracts and Unexpired Leases.** Entry of the Confirmation Order shall constitute the approval, pursuant to section 365 of the

Bankruptcy Code, of the rejection or assumption and assignment, as the case may be, of the executory contracts and unexpired leases rejected or assumed and assigned pursuant to the Plan.

X. EFFECT OF THE PLAN ON CLAIMS

A. Exculpation and Related Injunction.

(i) **Satisfaction of Claims in the Debtors.** The treatment to be provided for respective Allowed Claims against the Debtors pursuant to the Plan shall be in full satisfaction, settlement, and release of such respective Claims. Except as otherwise expressly provided for herein, any claims of the Debtors or the Estates against the holders of any Allowed Claims shall not be deemed compromised and are expressly preserved upon confirmation of the Plan.

(ii) Discharge and Injunction.

(1) As to PAA, except as otherwise provided in this Plan, the rights afforded in the Plan and the treatment of all Claims herein shall be in exchange for and in complete satisfaction and release of all Claims of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against PAA, or any of the Assets or any other assets of PAA in existence on or after the Petition Date. Except as otherwise provided in the Plan or the Confirmation Order: (i) on the Effective Date, PAA shall be deemed discharged and released to the fullest extent permitted by section 1141 of the Bankruptcy Code from all Claims, including, but not limited to, demands, liabilities, Claims, that arose before the Confirmation Date and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (a) a Proof a Claim or proof of interest based on such debt or Interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code, (b) a Claim or Interest based on such debt or interest is Allowed pursuant to section 502 of the Bankruptcy Code, or (c) the holder of a

Claim or interest based on such debt or interest has accepted the Plan; and (ii) all entities shall be precluded from asserting against the Disbursing Agent, his successors or its Assets or properties any other or further Claims based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Confirmation Date. Except as otherwise provided in the Plan or the Confirmation Order, the Confirmation Order shall act as a discharge of any and all Claims against any and all debts and liabilities of PAA, as provided in Sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment against PAA at any time obtained to the extent that it relates to a Claim discharged.

(2) As to PAALC there will be no discharge in accordance with Section 1141(d)(3) of the Bankruptcy Code.

(3) Except as otherwise provided in the Plan or the Confirmation Order, on and after the Effective Date, all entities who have held, currently hold or may hold a debt, Claim or Interest paid pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions on account of any such debt, Claim or Interest: (i) commencing or continuing in any manner any action or other proceeding against the Debtors and its successors or their respective Assets or properties; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Debtors and its successors or their respective Assets or properties; (iii) creating, perfecting, or enforcing any Lien or encumbrance against the Debtors and its successors or their respective Assets or properties; (iv) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due to the Debtors and their successors or their respective Assets or properties; and (v) commencing or continuing, any action, in

any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order. Any Entity injured by any willful violation of such injunction shall recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages from the willful violator.

(iii) **Indemnification.** Notwithstanding anything to the contrary in this Plan, the Debtors' obligations to indemnify Persons who served during the Chapter 11 Case as the Debtors' members, employees, directors, officers and Professionals existing under applicable non-bankruptcy law (whether arising under contract, bylaw, or articles of organization) with respect to all present and future actions, suits, and proceedings against any of such indemnified Persons, based upon any act or omission related to service with, for, or on behalf of the Debtors at any time during the period from the Petition Date through the Effective Date (including but not limited to acting as employee benefit plan fiduciaries or employee benefit administrative trustees), in all cases net of applicable insurance proceeds, other than for acts constituting willful misconduct or gross negligence, shall not be released.

(iv) **Exculpation.** As of the Effective Date, neither the Debtors, the Committee, the members of the Committee, the Debtors' Professionals, directors, officers nor the Committee's Professionals will have or incur any liability to any Person for any act taken or omission occurring on or after the Petition Date in connection with or related to the Case, including but not limited to: (i) the Debtors' consent to the entry of an order for bankruptcy relief under Chapter 11 of the Bankruptcy Code; (ii) the administration of the Chapter 11 Case; (iii) the operation of the Debtors' business during the pendency of the Chapter 11 Case; (iv) the formulating, preparing, disseminating, implementing, confirming, consummating, and administering of the Plan (including soliciting acceptances or rejections thereof); (v) the submission of and statements

made in, the Disclosure Statement or any contract, instrument, release, or other agreement or document entered into, or any action taken or omitted to be taken in connection with the Plan; and (vi) any distributions made pursuant to the Plan, except for acts constituting willful misconduct or gross negligence, and in all respects such parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. The entry of the Confirmation Order shall constitute a determination by the Bankruptcy Court that Persons or Entities covered under this section of the Plan have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code, pursuant to, among other provisions of law, Sections 1125(e) and 1129(a)(3) of the Bankruptcy Code, with respect to the foregoing.

XI. EFFECTIVENESS OF THE PLAN

A. Conditions Precedent to the Effective Date. The following are conditions precedent to the Effective Date of the Plan:

(i) The Bankruptcy Court shall have entered the Confirmation Order, in form and substance satisfactory to the Debtors and the Committee;

(ii) No stay of the Confirmation Order shall then be in effect and the Confirmation Order is a Final Order;

(iii) The Closing on sale of the Sale Assets shall have occurred and the Debtors shall have sufficient cash to pay in full all Allowed Claims as provided under the Plan; and

(iv) All agreements and instruments contemplated by, or to be entered into pursuant to, the Plan and its provisions, including without limitation, the Plan Documents necessary for the effectuation of the Plan, shall have been duly and validly executed and delivered by the parties thereto and all conditions to their effectiveness shall have been satisfied or waived.

B. Waiver of Conditions. Notwithstanding the foregoing, the Debtors, only after obtaining the consent of the Committee, may waive the occurrence of any of the foregoing conditions precedent. Any such waiver of a condition precedent hereof may be affected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action. If the Debtors decide that one of the foregoing conditions cannot be satisfied and the occurrence of such condition is not waived, then the Debtors shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

XII. EFFECTS OF CONFIRMATION

A. Vesting of Assets in Reorganized Debtor. As of the Effective Date, and upon payment in full of Allowed Claims and funding of the Disputed Claim Reserve, the property of the Estate shall vest in the Reorganized Debtor, free and clear of all Claims and interests.

B. Binding Effect. Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against the Debtors and its successors and assigns, whether or not the Claim is impaired under the Plan and whether or not such holder has accepted the Plan.

C. Term of Injunctions or Stays. Unless otherwise provided, all injunctions or stays provided for in these Chapter 11 Cases pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the closing of these Chapter 11 Cases.

D. Rights of Action. Except as otherwise provided in the Plan, on and after the Effective Date, the Reorganized Debtor will have the exclusive right to enforce any and all present or future rights, claims or causes of action against any Person. The Reorganized Debtor may pursue, abandon, settle or release any or all such rights of action, as it deems appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court. The Debtors and/or the Reorganized Debtor may, in their sole discretion, offset any such claim held against a person against any payment due such person under the Plan; provided, however, that any claims of the Debtors arising before the Petition Date shall first be offset against Claims against the Debtors arising before the Petition Date.

E. Injunction. On and after the Confirmation Date, all Persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtors for which the Debtors or the Reorganized Debtor retain sole and exclusive authority to pursue in accordance with the Plan. The Debtors intend that the Plan will operate as a discharge of all debts to the fullest extent permitted by 11 U.S.C. §1141(d).

F. Retention of Jurisdiction. The Bankruptcy Court shall retain jurisdiction of all matters arising under, arising out of, or related to, the Chapter 11 Case and the Plan pursuant to, and for the purposes of, sections 105(a) and 1142 of the Bankruptcy Code and for, among other things, the following purposes:

(i) To hear and determine any motions for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases, and the allowance of any Claims resulting therefrom;

(ii) To determine any and all pending adversary proceedings, applications, and contested matters;

(iii) To hear and determine any objection to any Claims;

(iv) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified or vacated;

(v) To issue such orders in aid of execution of the Plan to the extent authorized by section 1142 of the Bankruptcy Code;

(vi) To consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(vii) To hear and determine all applications for compensation and reimbursement of expenses of professionals under sections 330, 331, and 503(b) of the Bankruptcy Code;

(viii) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan;

(ix) To determine and recover all Assets of the Debtors and property of the Estates, wherever located;

(x) To hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code (including any requests for expedited determinations under section 505 of the Bankruptcy Code filed, or to be filed, with respect to tax returns for any and all taxable periods ending after the Commencement Date through the closing of the Chapter 11 Case);

(xi) To hear and determine all matters concerning the sale of the Sale Assets;

(xii) To hear any other matter consistent with the provisions of the Bankruptcy Code; and

(xiii) To enter a final decree closing these Chapter 11 cases.

G. Modification of Plan. The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Reorganized Debtor may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A holder of an Allowed Claim that is deemed to have accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such holder.

XIII. ALTERNATIVES TO THE PROPOSED PLAN

The Plan reflects the efforts of the Board to market, sell and redevelop the Debtors' assets. The Debtors have determined that the Plan is the most practical means of providing maximum recoveries to creditors. Alternatives to the Plan that have been considered and evaluated by the Debtors during the course of these Chapter 11 Cases include (a) liquidation of the Debtors' assets under chapter 7 of the Bankruptcy Code, and (b) an alternative chapter 11 plan. The Debtors' thorough consideration of these alternatives to the Plan has led the Debtors to conclude that the Plan, in comparison, provides a more certain and expeditious recovery to creditors on a more efficient timetable, and in a manner that minimizes certain inherent risks including but not limited to, delay in executing a transaction, possibility of additional broker's

commissions, administrative expenses, and/or the permanent cessation of the social and charitable activities of PAA.

A. Liquidation Under Chapter 7 of the Bankruptcy Code. If the Plan or any other chapter 11 plan for the Debtors cannot be confirmed under section 1129(a) of the Bankruptcy Code, the Chapter 11 Case of PAALC may be converted to a case under chapter 7 of the Bankruptcy Code, in which case, a trustee would be elected or appointed to liquidate any remaining assets of PAALC for distribution to creditors pursuant to chapter 7 of the Bankruptcy Code. If a trustee is appointed and the remaining assets of PAALC are liquidated under chapter 7 of the Bankruptcy Code, there will be an additional layer of administrative costs and commissions that will negatively affect distributions. Furthermore, under a liquidation scenario, PAA may not receive any distribution on account of its Equity Interest in PAALC and therefore the creditors of PAA may not recover any money on account of their claims.

PAA is the sole owner of the PAALC and must approve the sale of the Sale Assets and the payment to all creditors with Allowed Claims. Due to the substantially intertwined relationship between the Debtors, one could not have operated independently without the other. PAALC has few creditors but substantial secured claims to pay. A review the Debtors' claims registry evidences that the vast majority of the unsecured claims were filed against PAA. For the claims against PAA to be satisfied, the Sale Assets of PAALC must be sold for the benefit of all of the Debtors' creditors. The Debtors believe that conversion of these Chapter 11 Cases to Chapter 7 cases would result in (i) significant delay in distributions to all creditors who would have received a distribution under the Joint Plan; and (ii) diminished recoveries for creditors.

B. Case Dismissal. If the Debtors' cases are dismissed, creditors would be free to pursue non-bankruptcy remedies in their attempts to satisfy claims. The Secured Creditors will

most certainly foreclose on the Real Property Assets, with the Real Property Assets likely being sold at a sheriff's sale for the amounts due to satisfy the secured creditors' liens. It would be unlikely that any excess proceeds from a Sheriff sale would be returned to the PAA which would eliminate any recovery to other creditors.

XIV. CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF THE PLAN

The following discussion summarizes certain material federal income tax consequences of the implementation of the Plan to the Debtors and to certain holders of Unsecured Claims. Accordingly, the following summary of certain material federal income tax consequences has been provided for informational purposes only and is not a substitute for careful tax planning and advice based upon the individual circumstances pertaining to a holder of an Unsecured Claim. Each holder of an Unsecured Claim is urged to consult its own tax advisors for the federal, state, local and foreign income and other tax consequences applicable under the Plan.

A. Gain or Loss. In general, each holder of an Allowed Unsecured Claim may recognize gain or loss in an amount equal to the difference between (i) the "amount realized" by such holder in satisfaction of its Claim (other than any Claim representing accrued but unpaid interest) and (ii) such holder's adjusted tax basis in such Claim other than any Claim representing accrued but unpaid interest. The "amount realized" by a holder of an Unsecured Claim will equal the sum of the cash, less any amount required to be treated as imputed interest in respect of any distributions received after the Effective Date.

B. Information Reporting and Withholding. All distributions to holders of Allowed Claims under the Plan are subject to any applicable withholding (including employment tax withholding). The foregoing summary of certain material federal income tax consequences has been provided for informational purposes only and is not a substitute for careful tax planning

and advice based upon the individual circumstances pertaining to a holder of a Claim. Each holder of a Claim is urged to consult its own tax advisors for the federal, state, local and foreign income and other tax consequences applicable under the Plan.

XV. CONFIRMATION OF THE PLAN

The Bankruptcy Court will confirm the Plan only if all of the requirements of section 1129(a) of the Bankruptcy Code are met. The Debtors submit that all applicable provisions of section 1129 have been met by the Plan.

A. Best Interests Test. There are no creditors who are impaired under the Plan and no creditor will vote. Therefore, Section 1129(b) does not apply.

B. Feasibility of the Plan. Section 1129(a)(11) of the Bankruptcy Code provides that a Chapter 11 plan may be confirmed only if the Bankruptcy Court finds that such plan is feasible. A feasible plan is one that will not lead to a need for further reorganization or liquidation of the debtor. As of the closing of any sale as contemplated under the Plan, the Debtors will have the funds necessary to satisfy their obligations under the Plan. Therefore, the Plan is financially feasible as required by the Bankruptcy Code. The Debtors' feasibility analysis is attached hereto as "**Exhibit D**".

C. Classification of Claims and Equity Interests Under the Plan. The Debtors believe that the Plan meets the classification requirements of the Bankruptcy Code which provide that a Chapter 11 plan place each claim or equity interest into a class with other claims or equity interests that are "substantially similar." The Plan establishes classes of Claims and Equity Interests as required by the Bankruptcy Code and summarized above. Administrative Expense Claims and Priority Tax Claims are not classified.

XVI. CONCLUSION

The Debtors submit that the Disclosure Statement and the Plan comply in all respects with sections 1125 and 1129 of the Bankruptcy Code and that the Disclosure Statement should be approved and the Plan confirmed.

Dated: December 22, 2017

Respectfully Submitted,

TUCKER ARENSBERG, P.C.

/s/Jordan S. Blask

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Counsel for the Debtors

“Exhibit A”

(Joint Plan of Reorganization Dated December 22, 2017)

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA**

<p>In re:</p> <p>PITTSBURGH ATHLETIC ASSOCIATION, <i>et al.</i>,¹</p> <p style="text-align: center;"><i>Debtors.</i></p>	<p>Jointly Administered at: Bankruptcy No. 17-22222-JAD</p> <p>Bankruptcy Nos: 17-22222-JAD, and 17-22223-JAD</p>
<hr/> <p>PITTSBURGH ATHLETIC ASSOCIATION, et al,</p> <p style="text-align: center;"><i>Movants,</i></p> <p>v.</p> <p>NO RESPONDENTS.</p>	<p>Chapter 11</p> <p>Doc. No. _____</p>

JOINT PLAN OF REORGANIZATION DATED DECEMBER 22, 2017

TUCKER ARENSBERG, P.C.

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Counsel for the Debtors

¹ The Debtors have the following cases pending Pittsburgh Athletic Association, Bankruptcy No. 17-22222-JAD and the Pittsburgh Athletic Association Land Company, Bankruptcy No. 17-22223-JAD, both cases are being jointly administered under Case No. 17-22222-JAD.

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INTRODUCTION

Pittsburgh Athletic Association (“PAA”) and Pittsburgh Athletic Association Land Company (“PAALC” and together with PAA collectively, the “Debtors”) propose the following Joint Plan of Reorganization (the “Plan”) pursuant to section 1121(a) of the Bankruptcy Code. Reference is made to the Joint Disclosure Statement to Accompany the Joint Plan of Reorganization dated December 22, 2017 (the “Disclosure Statement”) for (i) a discussion of the Debtors’ history, business and post-bankruptcy reorganization efforts, and (ii) a summary and analysis of this Plan. TO THE EXTENT THAT THIS PLAN IS INCONSISTENT WITH THE DISCLOSURE STATEMENT, THIS PLAN WILL GOVERN. Debtors file this joint Plan because (i) PAA is the sole shareholder of PAALC’s capital stock and therefore 100% owner of PAALC; (ii) the Debtors’ Assets and liabilities are substantially intertwined; (iii) the Debtors have maintained their books and records on a combined basis; (iv) the Debtors prepare consolidated financial statements, which have been reviewed on a consolidated basis throughout their existence; and (v) have operated as a single entity since the Clubhouse opened. The Plan is predicated upon the closing of the sale of the Sale Assets, as that term is defined below, and to the extent necessary the sale of the Artwork and other personal property, which will provide the Debtors with funding to pay their creditors in accordance with the priorities established by the Bankruptcy Code and the terms of this Plan. Unless otherwise agreed, creditors of the Debtors with Allowed Claims will receive a 100% distribution on their Allowed Claims.

ARTICLE I. **DEFINITIONS AND INTERPRETATION**

Definitions. As used in the Plan, the following terms shall have the respective meanings specified below, unless the context otherwise requires:

1.1 “Administrative Expense Claim” means a Claim for the costs and expenses of administration arising during the period commencing on the Petition Date and ending on the

Effective Date under Sections 503(b), 503(c), 507(a) or 507(b) of the Bankruptcy Code, including, but not limited to, (i) any actual and necessary costs or expenses of preserving the Estates or conducting the business of the Debtors, (ii) administrative expenses previously allowed by the Bankruptcy Court, (iii) compensation for legal, financial advisory, accounting and other services and reimbursement of expenses awarded or allowed under Sections 330(a) or 331 of the Bankruptcy Code, including Professional Fee Claims, (iv) Claims, pursuant to Section 503(b)(9) of the Bankruptcy Code, for the value of goods received by the Debtors in the 20 days immediately prior to the Petition Date and sold to the Debtors in the ordinary course of the Debtor's businesses, and (v) all fees and charges assessed against the Debtors pursuant to 28 U.S.C. § 1930.

1.2 "Allowed" means, with respect to a Claim, any Claim, proof of which was timely and properly filed or, if no proof of Claim or proof of interest was filed, which has been or hereafter is listed by the Debtors on their Schedules as liquidated in amount and not disputed or contingent and, in either case, as to which no objection to allowance has been interposed on or before the expiration of the time within which to object to such Claim as set forth in the Plan or such other applicable period of limitation fixed by the Bankruptcy Code, the Bankruptcy Rules, or the Bankruptcy Court, or as to which any objection has been determined by a Final Order to the extent such objection is determined in favor of the respective holder. Unless otherwise specified in the Plan or by order of the Bankruptcy Court, "Allowed Claim" shall not, for purposes of computation of distributions under the Plan, include interest on such Claim from and after the Effective Date.

1.3 "Artwork" means all of the artwork, paintings, sculptures and memorabilia owned by PAA.

1.4 "Assets" means all real and personal property assets of the Debtors.

1.5 "AVB" means Allegheny Valley Bank.

1.6 "Avoidance Actions" means any and all actions arising under or actionable by the Estate pursuant to Sections 544, 545, 547, 548, 549, 550, and/or 551 of the Bankruptcy Code, and expressly includes such actions against any and all persons and entities listed on the Debtor's Statement of Financial Affairs, Number 3, filed in the Bankruptcy Case.

1.7 "Bankruptcy Code" means title 11 of the United States Code, as amended from time to time.

1.8 "Bankruptcy Court" means the United States Bankruptcy Court for the Western District of Pennsylvania or, if such court ceases to have jurisdiction over the Chapter 11 Cases, the court or adjunct thereof that exercises jurisdiction over the Chapter 11 Cases.

1.9 "Bankruptcy Rules" means the Federal Rules of Bankruptcy Procedure, as amended from time to time, as applicable to the Chapter 11 Cases, including the Local Rules of the Bankruptcy Court.

1.10 “Bar Date” means, as applicable: (i) November 20, 2017, for the filing of any prepetition Claim against the Debtors, and (ii) November 27, 2017 for the filing of any prepetition Claim against the Debtors by Governmental Units. The Plan does not extend any Bar Date established by the Bankruptcy Court, the Bankruptcy Code, the Bankruptcy Rules, and the earliest date applicable to the filing of a Claim shall govern.

1.11 “Board” means collectively the Board of Directors for the Debtors, Pittsburgh Athletic Association and the Board of Directors for Pittsburgh Athletic Association Land Company.

1.12 “BT Loan” means certain pre-petition notes executed by PAA and delivered to the Blanche Trust.

1.13 “Business Day” means any day other than a Saturday, a Sunday, and any other day on which commercial banks in Pittsburgh, Pennsylvania are required or authorized to close by law or executive order.

1.14 “Causes of Action” shall means any and all claims, actions, adversary proceedings (other than Avoidance Actions), causes of action, liabilities, obligations, rights, suits, debts, sums of money, damages, judgments and demands whatsoever, whether pending or not pending, known or unknown, whether or not scheduled as an asset of the Debtors, disputed or undisputed, legal or equitable, absolute or contingent, that are already pending or that have accrued or are accruing to the Debtors or their respective successors and/or assignees, or that may be pursued derivatively by or on behalf of the Debtors or the Estates.

1.15 “Chapter 11 Case(s)” means the case under Chapter 11 of the Bankruptcy Code commenced by Pittsburgh Athletic Association under the caption *In re Pittsburgh Athletic Association*, Chapter 11 Case No. 17-22222-JAD and the case commenced by Pittsburgh Athletic Association Land Company under the caption *In re Pittsburgh Athletic Association Land Company*, Chapter 11 Case No. 17-22223-JAD, and jointly administered under Case No. 17-22222-JAD which cases are currently pending in the Bankruptcy Court.

1.16 “Claim” means any right to payment from the Debtors, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured, known or unknown; or any right to an equitable remedy for breach of performance if such breach gives rise to a right of payment from the Debtors, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured, known or unknown.

1.17 “Class” means any group of substantially similar Claims classified by the Plan pursuant to section 1123(a)(1) of the Bankruptcy Code.

1.18 “Closing” means the final step in transferring the Sale Assets to Walnut PAA, LP and the Purchase Price to the Debtors.

1.19 “Closing Date” means the day that the Sale Assets are sold to Walnut PAA which shall occur no earlier than March 1, 2018.

1.20 “Club Lease” means the oral lease from 1912 between PAA and PAALC as memorialized in writing by a Memorandum of Lease executed by PAALC and PAA on April 3, 1962.

1.21 “Club Parcel” means the real property owned by PAALC located at 4215 Fifth Avenue, Pittsburgh, Pennsylvania 15213, bearing tax parcel identification number 27-R-138 and containing approximately 33,136 square feet of land.

1.22 “Collateral” means any property or interest in property of the Estates of the Debtors subject to a lien to secure the payment or performance of a Claim, which lien is valid, perfected and enforceable under applicable law, and is not subject to avoidance under the Bankruptcy Code or otherwise invalid under the Bankruptcy Code or applicable state law.

1.23 “Committee” means the Official Committee of Unsecured Creditors of the Pittsburgh Athletic Association as appointed by the United States Trustee.

1.24 “Confirmation Date” means the first date after which the Bankruptcy Court enters an order confirming the Plan pursuant to section 1129 of the Bankruptcy Code and upon which all of the condition set forth in section 11.1 are satisfied.

1.25 “Confirmation Hearing” means the hearing held by the Bankruptcy Court to consider confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

1.26 “Confirmation Order” means the order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code.

1.27 “Confirmation Scheduling Order” means the order of the Bankruptcy Court (i) approving the Disclosure Statement and fixing the date for the hearing on confirmation of the Plan; and (ii) fixing the date for filing and serving objections to confirmation of the Plan

1.28 “Debtors” means Pittsburgh Athletic Association and Pittsburgh Athletic Association Land Company as debtors and debtors in possession under Chapter 11 of the Bankruptcy Code.

1.29 “DIP Lender” means JDI Loan, LLC/Rollover Fund, LLC.

1.30 “DIP Loan” means the post-petition Note executed by PAA and given to JDI for debtor-in-possession financing, consisting of a Loan in the original principal amount of \$750,000.00, which was subsequently increased to \$1,500,000.

1.31 “Disbursing Agent” means Gleason and Associates, P.C., the Debtors’ financial advisors with a principal place of business at 420 Fort Duquesne Blvd., Suite 525, Pittsburgh, Pennsylvania 15522.

1.32 “Disclosure Statement” means the disclosure statement relating to the Plan, including, without limitation, all exhibits and schedules thereto, as approved by the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code.

1.33 “Disputed Claim” means any Claim, proof of which was timely and properly filed, and (a) which has been or hereafter is listed on the Schedules as unliquidated, disputed, or contingent, and which has not been resolved by written agreement of the parties or by an order of the Bankruptcy Court, or (b) as to which the Debtor or any other party in interest has interposed a timely objection or request for estimation in accordance with the Bankruptcy Code and the Bankruptcy Rules, which objection or request for estimation has not been withdrawn or determined by a Final Order. Prior to (i) the filing of an objection to a Claim or (ii) the expiration of the time within which to object to such Claim set forth in the Plan or otherwise established by order of the Bankruptcy Court, for purposes of the Plan, a Claim shall be considered a Disputed Claim if (i) the amount of the Claim specified in the proof of Claim exceeds the amount of the Claim scheduled by the Debtor as other than disputed, contingent or unliquidated, or (ii) the Claim is not listed on the Schedules.

1.34 “Disputed Claims Reserve” means, in the event there exists any Disputed Claims on the Effective Date, the reserve established in accordance with Article VIII of the Plan, to hold cash that would be distributable to the holders of such Claims if such Claims are subsequently Allowed, as set forth more fully in Article VIII of the Plan.

1.35 “Effective Date” means the date on which the Plan shall become effective, which date shall be as soon as reasonably practicable after the date on which the conditions specified in Article 11.1 of the Plan have been satisfied or waived.

1.36 “Equity Interest” means the ownership interest of PAA in PAALC.

1.37 “Estates” means the estates of the Debtors created pursuant to section 541 of the Bankruptcy Code upon the commencement of the Chapter 11 Case.

1.38 “Excluded Assets” means the assets which are being retained by the Reorganized Debtor: (a) the Reorganized Debtor’s Artwork, all china, dishware, furniture, linens, silver, and/or any other equipment, furnishings, memorabilia, and/or tangible assets located at the Club Parcel; (b) all intellectual property owned by the Debtors including, branded materials, copyrights, trademarks, and service marks; (c) Pennsylvania liquor license known as Liquor License CC-1/LID No. 2815; (d) all claims and actions arising under the United States Bankruptcy Code Chapter 5; (e) any contracts, including employment and/or labor agreements, entered into by the Debtors; and (f) all legal claims or causes of action accrued prior to the Debtors’ filing the Bankruptcy Case including, but not limited to, any professional malpractice claims.

1.39 “Final Order” means an order of the Bankruptcy Court as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or motion for reargument or rehearing is then pending or as to which any right to appeal, petition for certiorari, or move to reargue or rehear shall have been waived in writing in form and substance satisfactory to the Debtor or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court shall have been upheld by the highest court to which such order was appealed, or from which certiorari, reargument or rehearing was sought and the time to take any further appeal, petition for certiorari or move for reargument or rehearing shall have expired.

1.40 “Gleason” means Gleason and Associates, P.C., the Debtors’ financial advisors.

1.41 “Ground Lease” means the 99-year ground lease between PAALC and OFAHA for the development of the Marriott Autograph hotel dated January 30, 2015, as amended.

1.42 “HFF” means Holiday Fenoglio Fowler, L.P., the Debtors’ real estate and capital advisors.

1.43 “Hotel Parcel” means the real property owned by PAALC located adjacent to the Club Parcel between Bigelow Boulevard and Lytton Avenue, Pittsburgh, Pennsylvania, bearing tax parcel identification number 27-R-110, and containing approximately 23,685 square feet of land

1.44 “Impaired” means any holder of a Claim for which its legal, contractual or equitable rights are altered, modified or changed by the proposed treatment under the Plan.

1.45 “JDI” means JDI Loans, LLC/Rollover Fund, LLC.

1.46 “Limited Partnership Agreement” means that certain agreement, as set in more detail in the PSA, whereby the Reorganized Debtor will receive new equity in Walnut PAA.

1.47 “Members” means the Members of Pittsburgh Athletic Association.

1.48 “Membership Interests” means the membership interests held by the individual members of PAA.

1.49 “NRF” means the National Retirement Fund

1.50 “NRF Claim” means the allowed claim of the National Retirement Fund.

1.51 “OFAHA” means Oakland Fifth Avenue Hotel Associated, L.P.

1.52 “OFAHA Loans” means certain loan agreements including a Promissory Note dated June 3, 2014, in the original principal amount of \$575,000.00, and a Loan Agreement dated March 12, 2015, and a Delayed Draw Term Note dated March 12, 2015, in the original principal amount of \$1,372,744.00

1.53 “PAA” means the Debtor, Pittsburgh Athletic Association.

1.54 “PAA Board” means the Board of Directors for the Debtor, Pittsburgh Athletic Association.

1.55 “PAA Condos” means those condominium units consisting of a Fitness Facility, Squash Courts and the Grille Room, as those terms are defined in the PSA.

1.56 “PAALC” means the Debtor, Pittsburgh Athletic Association Land Company.

1.57 “PAALC Board” means the Board of Directors for the Debtor, Pittsburgh Athletic Association Land Company.

1.58 “Person” means an individual, partnership, corporation, Limited Liability Company, business trust, joint stock company trust, unincorporated association, joint venture, governmental authority, governmental unit or other entity of whatever nature.

1.59 “Petition Date” means May 30, 2017, the date on which the Debtors filed voluntary petitions for relief under Chapter 11.

1.60 “Plan” means this Chapter 11 plan of reorganization, including all exhibits and schedules annexed hereto, either in its present form or as it may be altered, amended or modified from time to time.

1.61 “Plan Documents” means the forms of documents effectuating the transactions contemplated by this Plan, which documents shall be in form and content reasonably acceptable to the Debtors.

1.62 “PITT AA, LLC” means the successor in interest to AVB.

1.63 “Prepetition Lenders” means PITT AA LLC, as assignee of AVB, OFAHA, and the Blanche Trust.

1.64 “Prepetition Loans” means collectively the BT Loan, the OFAHA Loans and the PIT AA LLC Loans.

1.65 “Priority Claim” means a Priority Tax Claim or Priority Non-Tax Claim.

1.66 “Priority Non-Tax Claim” means any Claim, other than an Administrative Expense Claim or a Priority Tax Claim, entitled to priority in payment under section 507(a) of the Bankruptcy Code.

1.67 “Priority Tax Claim” means any Claim of a governmental unit of the kind entitled to priority in payment as specified in section 507(a)(8) of the Bankruptcy Code.

1.68 “Professional” means any Person employed by the Debtors or any Committee pursuant to a Final Order in accordance with § 327 and/or § 1103 of the Bankruptcy Code.

1.69 “Professional Fee Claim” means any Claims against the Debtors for fees and expenses incurred from the Petition Date through the Effective Date by any Professional that is filed on or before any applicable Bar Date for such Claims under Sections 328, 330(a), 331, 503 or 1103 of the Bankruptcy Code.

1.70 “Professionals’ Lien” means the lien granted to the Professionals in Reorganized Debtor’s Artwork pursuant to the terms and conditions of the Plan.

1.71 “PSA” means that certain Agreement of Purchase and Sale dated November 27, 2017 by and between the Debtors and Walnut as the same may be amended from time to time.

1.72 “Purchase Price” means the agreed amount of \$11,913,000.00 plus the \$325,000 success fee owed to HFF as set forth in the PSA.

1.73 “Real Property Assets” means collectively the Club Parcel and Hotel Parcel.

1.74 “Reorganized Debtor” means the PAA on and after the Effective Date.

1.75 “Reorganized Debtor’s Artwork” means (i) the Artwork not sold at auction, and (ii) the excess proceeds of the Artwork sold at auction that is not used to the pay Allowed Claims other than Professional Fees.

1.76 “Sale Assets” means the Real Property Assets and any personal property assets of the Debtors incidental to the Real Property Assets which are not part of the Excluded Assets and the Ground Lease which is are being sold pursuant to the terms of the PSA.

1.77 “Sale Proceeds” the amount of funds that the Debtors will receive from the sale of the Sale Assets.

1.78 “Schedules” means the schedules of assets and liabilities and the statements of financial affairs filed by the Debtors as required by section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, including any supplements or amendments thereto through the Confirmation Date.

1.79 “Secured Claim” means a Claim held by any Person against the Debtors secured by Collateral, but only to the extent of the value, as set forth in the Plan, as agreed to by the holder of such Claim and the Debtors, or as determined by a Final Order of the Bankruptcy Court pursuant to section 506(a) of the Bankruptcy Code, of such Person’s interest in the Estate’s interest in such Collateral; provided, however, that a Secured Claim shall not include any portion of the Claim to the extent that the value of such Person’s interest in the Collateral is less than the amount of such Claim.

1.80 “Secured Tax Claims” means the Allowed Secured Claims of the Internal Revenue Service and the Commonwealth of Pennsylvania.

1.81 “Setoff Claim” means any Secured Claim secured by a right to offset a mutual debt owing by such creditor to the Debtors that arose before the Commencement Date against the claim of such creditor against the Debtors that arose before the Commencement Date.

1.82 “TAPC” means Tucker Arensberg, P.C., counsel for the Debtors and Reorganized Debtor.

1.83 “Title Company” means Chicago Title Insurance Company.

1.84 “Unimpaired” means any holder of a claim whose legal contractual or equitable rights are not altered, modified or damaged by the proposed treatment under the Plan.

1.85 “Unsecured Claim” means any Claim other than a Secured Claim, an Administrative Expense Claim or a Priority Claim.

1.86 “Walnut” means Walnut Capital Acquisitions, LLC.

1.87 “Walnut PAA” means Walnut PAA, LP, or any successors and or assignees thereof.

Other Terms. A term used in the Plan that is not defined shall have the meaning ascribed to that term, if any, in the Bankruptcy Code.

Construction of Certain Terms. The words “herein,” “hereof,” “hereto,” “hereunder,” and others of similar import refer to the Plan as a whole and not to any particular section, subsection, or clause contained in the Plan. Wherever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural and pronouns stated in the masculine, feminine or neuter gender shall include the masculine, the feminine and the neuter.

ARTICLE II.

TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS, PROFESSIONAL FEE CLAIMS AND PRIORITY TAX CLAIMS

2.1 Administrative Expense Claims.

Holders of Allowed Administrative Expense Claims of the Debtors will receive in full satisfaction thereof an amount in cash equal to the Allowed amount of such Claim on or before the later of: (i) thirty (30) days after the Effective Date; or (ii) fifteen (15) days after the Administrative Expense Claim becomes an Allowed Claim.

The Internal Revenue Service and Pennsylvania Department of Revenue are not holders of Allowed Administrative Expense Claims.

The DIP Loan is an Allowed Administrative Expense Claim and will be paid in full at the Closing.

Claims under this Section 2.1 shall not include Professional Fee Claims. Treatment of Professional Fee Claims is set forth in Section 2.2 below.

2.2 Professional Fee Claims.

(a) Holders of Professional Fee Claims will receive in full satisfaction of their Allowed Claim an amount in cash equal to the Allowed amount of such Professional Fee Claim on or before the later of: (i) thirty (30) days after the Effective Date; (ii) fifteen (15) days after the Professional Fee Claim becomes an Allowed Claim; or (iii) on such other terms as may be mutually agreed upon between the holder of such Allowed Professional Fee Claim and the Debtors; except that, notwithstanding the aforementioned provisions, holders of unpaid Professional Fee Claims that have been approved by previous Order of the Court (i.e. pursuant to the Order Approving Procedures for Interim Compensation) will be paid in full at the Closing. Holders of Professional Fee Claims shall file final applications for fees and expenses within thirty (30) days after the Effective Date.

(b) Professionals are hereby granted and conferred a lien and security interest in all of the Reorganized Debtor's Artwork, effective upon the date of the Effective Date and without the necessity of the Reorganized Debtor executing a security agreement, financing statement or other proof and perfection of security interest. The Professionals' Lien is granted by the Reorganized Debtor to secure the prompt repayment of any Allowed Professional Fee Claims and expenses which remain unpaid as of the Effective Date and any other Professional fees and expenses incurred by the Reorganized Debtor following the Effective Date.

(c) No fee applications will be required for professional fees incurred after the Effective Date, except that payment on said fees and expenses shall not occur until all Allowed Claims under the Plan have been paid in full or the appropriate reserves have been funded to pay said Claims in full pending their allowance.

(d) An Administrative Expense Claim that is a Professional Fee Claim, and for which a fee application has been properly filed pursuant to Section 2.2 of the Plan, shall become an Allowed Professional Fee Claim only to the extent allowed by a Final Order.

(e) Unless the Holder of a Professional Fee Claim agrees to a different treatment of such Claim in writing, any unpaid Professional Fee Claim shall be paid the full amount thereof thirty (30) days after such Professional Fee Claim becomes an Allowed Claim pursuant to entry of an order of the Bankruptcy Court. Allowed unpaid Professional Fee claims will be paid at closing in full.

2.3 Priority Tax Claims. Holders of Allowed Priority Tax Claims of the Debtors shall receive in full satisfaction thereof an amount in cash equal to the Allowed amount of such Claim on or before the later of (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Allowed Priority Tax Claim can be determined and, if necessary, allowed by the Court together with interest thereon (if and only to the extent required) at the applicable statutory rate required for such Claim if such is a real property tax. Otherwise, interest shall be paid at the rate of three percent (3%) per annum for all other Priority Tax Claims in this Chapter 11 Case. Holders of Allowed Priority Tax Claims will not be entitled to receive any payment on account of any penalty arising with respect to, or in connection with, such Claims. Any Claim for any such penalty, or demand for any such penalty, will be deemed disallowed by confirmation of this Plan. Priority Tax Claims do not include Administrative Expense Claims.

ARTICLE III.

CLASSIFICATION OF CLAIMS AND GENERAL PROVISIONS

3.1 In accordance with Section 1123(a)(1) of the Bankruptcy Code, Administrative Expense Claims, Professional Fee Claims, and Priority Tax Claims, as described in Article II, have not been classified and, thus, are excluded from the Classes that follow. Claims are classified for all purposes, including voting, confirmation, and distribution pursuant to the Plan, as follows:

CLASS	TREATMENT	ENTITLED TO VOTE	ESTIMATED AMOUNTS	ESTIMATED RECOVERY
Class 1 - Allowed Secured Claims of PITT AA LLC	Not impaired	No	\$2,165,849.10	100%
Class 2 - Allowed Secured Claim of OFAHA	Not impaired	No	\$2,223,832.10	100%
Class 3 - Allowed Secured Claim of the Blanche Trust	Not impaired	No	\$435,388.36	100%
Class 4 – Allowed Secured Claim of the Internal Revenue Service	Not impaired	No	\$345,348.00	100%
Class 5 – Allowed Secured Claim of the Commonwealth of Pennsylvania	Not impaired	No	\$150,904.30	100%
Class 6 - Allowed Secured Real Estate Tax Claims	Not impaired	No	\$0.00	100%
Class 7 - Allowed Unsecured Priority Tax Claims	Not impaired	No	\$326,126.15	100%

Class 8 - Allowed Unsecured Priority Non-Tax Claims	Not impaired	No	\$176,394.86	100%
Class 9 - Allowed General Unsecured Claims	Not impaired	No	\$3,498,435.51	100%
Class 10 - Equity Interest of PAA in PAALC	Not Impaired	No	Not Applicable	The value of the PAA Equity Interest in PAALC is equal to the amount that PAA will receive from the sale of the Sale Assets.

3.2 General Rules of Classification. Generally, a Claim or interest is classified in a particular Class for voting and distribution purposes only to the extent the Claim or interest qualifies within the description of that Class, and is classified in another Class or Classes to the extent the Claim or interest qualifies within the description of such other Class or Classes.

3.3 Membership Interests. PAA is an uncertificated Pennsylvania not-profit corporation and in accordance with 15 Pa.C.S.A. § 5753 there are no owners or equity holders. Membership in PAA provides Members with access to the social and athletic services offered in compliance with PAA's tax exempt purpose. The Members of PAA are not entitled to accept or reject the Debtors' Plan.

3.4 Administrative Expense Claims. Administrative Expense Claims have not been classified and are excluded from the Classes of Claims in accordance with section 1123(a)(1) of the Bankruptcy Code. For information purposes only and not to be construed as a definitive analysis of the Administrative Claims, the following represents the Debtors' estimate of Administrative Expense Claims:

<u>Administrative Expense Claim Holder</u>	<u>Basis of Claim</u>	<u>Estimated Amount</u>
Tucker Arensberg, P.C.	Professional Fees	\$366,000.00
Gleason & Associates, P.C.	Professional Fees	\$188,000.00
Leech Tishman Fuscaldo & Lampl, LLC	Professional Fees	\$121,000.00
Babst Calland Clements & Zomnir, PC	Professional Fees	\$25,000.00
JDI	DIP Loan	\$1,500,000.00
PA Department of Revenue	Tax Claim	\$0.00
Internal Revenue Service	Tax Claim	\$0.00

3.5 Satisfaction of Claims. The treatment to be provided for Allowed Claims pursuant to this Plan and the consideration provided for herein shall be in full satisfaction, settlement, release and discharge of such respective Claims, pursuant to the Plan.

3.6 Bar Dates for Administrative Expense Claims. PROOFS OF ADMINISTRATIVE EXPENSE CLAIMS AND APPLICATIONS FOR PAYMENT OF ADMINISTRATIVE EXPENSE CLAIMS WHICH HAVE ARISEN ON OR AFTER THE COMMENCEMENT DATE MUST BE FILED AND SERVED PURSUANT TO THE PROCEDURES SET FORTH IN THE CONFIRMATION ORDER. The bar date for Administrative Expense Claims and Professional Fee Claims does not apply to Administrative Expense Claims incurred in the ordinary course of the Debtor's business which will be paid in the ordinary course of the Debtor's business.

ARTICLE IV. TREATMENT OF CLAIMS

4.1 Class 1 - Secured Claims of PITT AA LLC

(a) Impairment and Voting. Class 1 Claims are not impaired by the Plan. Holders of Allowed Claims in Class 1 are not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. On the later of (i) the Closing Date or (ii) fifteen (15) days after the Class 1 Claim can be determined and, if necessary, allowed by order of the Bankruptcy Court, each holder of an Allowed Class 1 Claim shall receive in full satisfaction of its claim in an amount in cash equal to the Allowed amount of its Claim with interest, or such holder may be treated on such less favorable terms as may be agreed to by such holder.

4.2 Class 2 - Secured Claims of OFAHA

(a) Impairment and Voting. Class 2 Claims are not impaired by the Plan. Holders of Allowed Claims in Class 2 are not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. On the later of (i) the Closing Date or (ii) fifteen (15) days after the Class 2 Claim can be determined and, if necessary, allowed by order of the Bankruptcy Court, each holder of an Allowed Class 2 Claim shall receive in full satisfaction of its claim in an amount in cash equal to the Allowed amount of its Claim with interest, or such holder may be treated on such less favorable terms as may be agreed to by such holder.

4.3 Class 3 - Secured Claims of the Blanche Trust

(a) Impairment and Voting. Class 3 Claims are not impaired by the Plan. Holders of Allowed Claims in Class 3 are not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. On the later of (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Class 3 Claim can be determined and, if necessary, allowed by order of the Bankruptcy Court, each holder of an Allowed Class 3 Claim shall receive in full

satisfaction of its claim in an amount in cash equal to the Allowed amount of its Claim with interest, or such holder may be treated on such less favorable terms as may be agreed to by such holder.

4.4 Class 4 - Secured Claims of the Internal Revenue Service

(a) Impairment and Voting. Class 4 Claims are not impaired by the Plan. Holders of Allowed Claims in Class 4 are not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. On the later of (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Class 4 Claim can be determined and, if necessary, allowed by order of the Bankruptcy Court, each holder of an Allowed Class 4 Claim shall receive in full satisfaction of its claim in an amount in cash equal to the Allowed amount of its Claim with interest, or such holder may be treated on such less favorable terms as may be agreed to by such holder.

4.5 Class 5 - Secured Claims of the Commonwealth of Pennsylvania

(a) Impairment and Voting. Class 5 Claims are not impaired by the Plan. Holders of Allowed Claims in Class 5 are not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. On the later of (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Class 5 Claim can be determined and, if necessary, allowed by order of the Bankruptcy Court, each holder of an Allowed Class 5 Claim shall receive in full satisfaction of its claim in an amount in cash equal to the Allowed amount of its Claim with interest, or such holder may be treated on such less favorable terms as may be agreed to by such holder.

4.6 Class 6 - Secured Real Estate Claims

(a) Impairment and Voting. Class 6 Claims are not impaired by the Plan. Holders of Allowed Claims in Class 6 are not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. On the later of (i) the Closing Date or (ii) fifteen (15) days after the Class 6 Claim can be determined and, if necessary, allowed by order of the Bankruptcy Court, each holder of an Allowed Class 6 Claim shall receive in full satisfaction of its claim in an amount in cash equal to the Allowed amount of its Claim with interest, or such holder may be treated on such less favorable terms as may be agreed to by such holder.

4.7 Class 7 - Unsecured Priority Tax Claims

(a) Impairment and Voting. Class 7 Claims are not impaired by the Plan. Holders of Allowed Claims in Class 7 are not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. On the later of (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Class 7 Claim can be determined and, if necessary, allowed by order of the Bankruptcy Court, each holder of an Allowed Class 7 Claim shall receive in full satisfaction of its claim in an amount in cash equal to the Allowed amount of its Claim, or such holder may be treated on such less favorable terms as may be agreed to by such holder.

4.8 Class 8 - Unsecured Priority Non-Tax Claims

(a) Impairment and Voting. Class 8 Claims are not impaired by the Plan. Holders of Allowed Claims in Class 8 are not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. On the later of (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Class 8 Claim can be determined and, if necessary, allowed by order of the Bankruptcy Court, each holder of an Allowed Class 8 Claim shall receive in full satisfaction of its claim in an amount in cash equal to the Allowed amount of its Claim, or such holder may be treated on such less favorable terms as may be agreed to by such holder.

4.9 Class 9 - General Unsecured Claims

(a) Impairment and Voting. Class 9 Claims are not impaired by the Plan. Holders of Allowed Claims in Class 9 are not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. On the later of (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Class 9 Claim can be determined and, if necessary, allowed by order of the Court, each holder of an Allowed Class 9 Claim shall receive in full satisfaction of its claim in an amount in cash equal to the Allowed amount of its Claim, or such holder may be treated on such less favorable terms as may be agreed to by such holder. To the extent that funds are insufficient to pay all Allowed General Unsecured Claims in full the balance will be paid within thirty (30) days after receipt of the proceeds of the sale of the Artwork.

4.10 Class 10 - Equity Interest of PAA in PAALC

(a) Impairment and Voting. The Class 10 Claim is not impaired by the Plan. PAA is not entitled to vote to accept or reject the Plan and shall conclusively be deemed to have accepted the Plan.

(b) Distributions. PAA is the holder of an unimpaired interest. Under the Plan the Sale Assets of the Debtors will be sold to Walnut PAA and PAALC will no longer possess

any assets of value. Once all Allowed Claims have been paid, all excess cash will be returned to PAA for future use in its ongoing operations as the Reorganized Debtor. PAA as the Reorganized Debtor will receive new equity in Walnut PAA through the Limited Partnership Agreement and will be the owner of the PAA Condos. The Reorganized Debtor will retain the Excluded Assets.

ARTICLE V.

ACCEPTANCE OR REJECTION OF THE PLAN

5.1 Voting of Claims. Only holders of an Allowed Claim in an Impaired Class of Claims are entitled to vote to accept or reject the Plan. There are no Impaired Classes under the Debtors' Plan entitled to vote on the Plan.

5.2 Acceptance by a Class of Creditors or Interest Holders. Consistent with section 1126(c) of the Bankruptcy Code and except as provided for in section 1126(e) of the Bankruptcy Code, a Class of creditors shall have accepted the Plan if it is accepted by at least two-thirds in dollar amount and more than one-half in number of the holders of Allowed Claims of such Class that have timely and properly voted to accept or reject the Plan. There are no Impaired Classes under the Debtors' Plan entitled to vote on the Plan.

ARTICLE VI.

PROVISIONS GOVERNING DISTRIBUTIONS

6.1 Distributions Under the Plan.

(a) Effective Date Payments. Within thirty (30) days of the Effective Date the Disbursing Agent will (i) remit to holders of Allowed Administrative Expense Claims and Allowed Priority Claims an amount in cash equal to the Allowed amount of such Claims, or such lesser amounts as agreed to by such holders; (ii) pay to Allowed Unsecured Claims the Allowed amount of such Claim; and (iii) remit to the Disputed Claims Reserve in respect of Disputed Unsecured Claims cash equal to the amount of such Disputed Unsecured Claims. All distributions made to holders of Claims under the Plan shall be in full and final satisfaction of all Claims.

(b) Subsequent Distributions. After the Effective Date, to the extent cash is available from (i) the Disputed Claims Reserve following the disallowance or reduction of Disputed Claims, or (ii) undeliverable, time barred or unclaimed distributions to holders of Allowed Claims, such cash shall be returned to the Reorganized Debtor for the ultimate benefit of its Members. After the Effective Date, the Disbursing Agent shall distribute to the holders of Claims Allowed by a Final Order of the Bankruptcy Court after the Effective Date cash equal to the Allowed portion of such holder's Allowed Claim and shall distribute to the Disbursing Agent for subsequent distribution cash equal to that portion of such holder's Claim that is disallowed by a Final Order of the Bankruptcy Court. *Once all Allowed Claims have been paid, all excess cash will be returned to PAA for use in its ongoing operations as the Reorganized Debtor.*

(c) **Distributions of Cash.** Any payment of cash made by the Disbursing Agent pursuant to the Plan may be made at the option of the Disbursing Agent either by check drawn on a domestic bank or by wire transfer from a domestic bank.

(d) **Delivery of Distributions.** Distributions to holders of Allowed Claims will be made to the address of each such holder as set forth on the Schedules filed with the Bankruptcy Court, unless superseded by a new address as set forth (a) on a proof of claim filed by a holder of an Allowed Claim or (b) in another writing notifying the Disbursing Agent (at the address set forth in the Plan) of a change of address. If any holder's distribution is returned as undeliverable, within sixty (60) days thereafter, the Disbursing Agent must be notified of the holder's current address. If that notice is not timely provided, no further distributions will be made to such holder.

6.2 Unclaimed Distributions. Checks issued in accordance with the Plan by the Disbursing Agent to holders of Allowed Claims will be null and void if not negotiated within sixty (60) days after the date of issuance. Requests for reissuance of any check must be made to the Disbursing Agent by the holder of the Allowed Claim to whom such check was originally issued within 120 days following the date of original issuance of the affected payment. Thereafter, the amount represented by such voided check will irrevocably revert to the Reorganized Debtor and the Claim for which the non-negotiated payment was made will be discharged and forever barred from asserting such Claim against the Debtors and/or the Reorganized Debtor.

6.3 Compliance with Tax Requirements. To the extent applicable, the Disbursing Agent in making distributions under the Plan shall comply with all tax withholding and reporting requirements imposed on it by any governmental unit, and all distributions pursuant to the Plan shall be subject to such withholding and reporting requirements. The Disbursing Agent may withhold the entire distribution due to any holder of an Allowed Claim or interest until such time as such holder provides the necessary information to comply with any withholding requirements of any governmental unit. Any property withheld will then be paid by the Disbursing Agent to the appropriate authority. If the holder of an Allowed Claim or interest fails to provide the information necessary to comply with any withholding requirements of any governmental unit within six (6) months from the date of first notification to the holder of the need for such information or for the cash necessary to comply with any applicable withholding requirements, then the holder's distribution shall be treated as an undeliverable distribution in accordance with this Article.

6.4 Setoffs. After notice and hearing, the Debtors may, in accordance with section 553 of the Bankruptcy Code and applicable non-bankruptcy law, set off against any Allowed Claim the distributions to be made pursuant to the Plan on account of such Claim (before any distribution is made on account of such Claim), the claims, rights and causes of action of any nature that the Debtors may hold against the holder of such Allowed Claim. However, neither the failure to affect such a setoff nor the allowance of any Claim hereunder will constitute a waiver or release by the Debtors or Reorganized Debtor of any such claims, rights and causes of action that the Debtors or Reorganized Debtor may possess against such holder. The amount necessary

to satisfy any Claim that may be subject to setoff shall be placed into the Disputed Claim Reserve pursuant to the Plan.

6.5 Professional Fees and Expenses. Each Professional retained by order of the Bankruptcy Court requesting compensation in these Chapter 11 Cases pursuant to sections 330 or 503(b) of the Bankruptcy Code will be required to file a final application for an allowance and payment of final compensation and reimbursement of expenses in these Chapter 11 Cases incurred through the Effective Date no later than thirty (30) days after the Effective Date. Objections to any such application shall be filed on or before a date to be set by the Bankruptcy Court.

6.6 Transactions on Business Days. If the Effective Date or any other date on which a transaction may occur under the Plan shall occur on a day that is not a Business Day, the transactions contemplated by the Plan to occur on such day shall instead occur on the next succeeding Business Day.

ARTICLE VII.

MEANS FOR IMPLEMENTATION AND EXECUTION OF THE PLAN

7.1 Sale of the Sale Assets. Within thirty (30) days after the Confirmation Order is entered, the Debtors will sell the Sale Assets to Walnut PAA pursuant to the PSA for the Purchase Price. Walnut PAA will convey the PAA Condos to the Reorganized Debtor at closing. On or before the Closing Date, the Reorganized Debtor will execute Walnut PAA's Limited Partnership Agreement, as contemplated by the PSA, which will provide that the Reorganized Debtor will receive a five percent (5%) limited partnership interest in Walnut PAA. The Reorganized Debtor's interest will entitle the Reorganized Debtor to receive five percent (5%) of the net cash flow from the operations of the Sale Assets (after making provisions for appropriate capital reserves and expenses), and after a cumulative preferred return of nine percent (9%) to the partners contributing equity dollars to Walnut.

7.2 Tax Consequences of the Sale of Sale Assets. With respect to the Pennsylvania Department of Revenue, since PAALC has always functioned as a part of PAA and PAA is a 501(c)(7) tax exempt entity, PAALC is exempt from Pennsylvania taxes (e.g., Corporate Net Income and Capital Stock and Franchise taxes).

The sale of the Sale Assets to Walnut PAA is not a taxable event under the Internal Revenue Code. The contemplated transaction is not a taxable event in accordance with the provisions of Section 512(a)(3)(D) of the Internal Revenue Code regarding the exclusion of gains from the sale of assets. The Debtors were formed in 1908 and 1909, and have operated as a single tax exempt entity. PAALC's Real Property Assets have always been included in PAA's Assets in its Form 990's. The internal financial statements and reviewed financial statements of the Debtors are presented on a consolidated basis. In all respects, Debtors are and operate as a single tax exempt entity. Moreover, the Internal Revenue Code excludes gains arising from sale transactions when the proceeds from the sale are reinvested in club facilities in furtherance of the tax exempt purpose of the 501(c)(7) entity. The Debtors will use the Sale Proceeds to pay their

creditors. The PAA as the Reorganized Debtor will continue its tax exempt purpose and reinvest the remaining proceeds in replacement club facilities (i.e. the PAA Condos).

As set forth herein, the Internal Revenue Service and Pennsylvania Department of Revenue are not and will not become holders of Allowed Administrative Expense Claims arising out of the sale of the Sale Assets.

In accordance with 11 U.S.C. § 1146, the Real Property Assets are being sold pursuant to a confirmed plan of reorganization and therefore the transfer is exempt from realty transfer taxes.

To confirm that the sale of the Sale Assets does not create a taxable event under the Internal Revenue Code, the Debtors will request the Court to so find in the Confirmation Order.

7.3 Sale of Artwork. PAA shall sell so much of its Artwork as is necessary to pay all Allowed General Unsecured Claims. To the extent taxes are owed on the sale of the Artwork, PAA will pay those taxes out of the sale proceeds.

7.4 Funding. The holders of Allowed Secured Claims and Allowed Secured Tax Claims which constitute liens on the Real Estate Assets shall be paid at the closing of the sale of the Sale Assets. The Disbursing Agent will subsequently pay all Classes of Claims and all Administrative Expense Claims and Professional Fee Claims in cash on or before the later of (i) thirty (30) days after the Effective Date or (ii) fifteen (15) days after the Claim or Administrative Expense can be determined and, if necessary, allowed by the Court. To the extent that funds are insufficient to pay all Allowed General Unsecured Claims in full as stated in this Section 7.4 the balance will be paid within thirty (30) days after receipt of the proceeds of the sale of the Artwork.

7.5 Post-Confirmation Responsibilities. After the Effective Date, the Disbursing Agent shall administer the Disputed Claims Reserve. On and after the Effective Date, the Reorganized Debtor shall be solely responsible for filing any tax returns for, and for all other tax matters relating to, the Debtors or Reorganized Debtor.

7.6 Corporate Action. As of the Effective Date, (i) PAA's Equity Interest in PAALC will be extinguished and cancelled and (ii) the Reorganized Debtor shall perform each of the actions required by the terms of the Plan, in the time period set forth in the Plan.

7.7 Documents and Further Transactions. Each of the officers or directors of the Debtors are authorized and directed to execute, deliver, file, or record such contracts, instruments, releases, indentures, and other agreements or documents, including without limitation, the Plan Documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

7.8 Causes of Action.

(a) On November 30, 2017, the Debtors filed an adversary complaint against OFAHA at adversary case no. 17-02238-JAD seeking to: (1) Avoid and Recover Pre-Petition Fraudulent Transfers Pursuant to 11 U.S.C. §§548, 550 & 544 and the Pennsylvania Uniform Fraudulent

Transfer Act; and, in the alternative, (2) Avoid and Recover A Preferential Pre-Petition Transfer Pursuant To 11 U.S.C. §§547 & 550.

(b) Before the later of the Effective Date or the expiration of any applicable statutes of limitations, the Debtors may file and prosecute any or all Causes of Action of the Debtors, and the Debtors may settle any Causes of Action with Bankruptcy Court approval. On the Effective Date, all remaining Causes of Action, whether filed or unfiled, will be transferred to the Reorganized Debtor and may thereafter be prosecuted, settled, or abandoned without Bankruptcy Court approval by the Reorganized Debtor. Notwithstanding anything to the contrary herein, pending the Effective Date, the Debtors, and after the Effective Date, the Reorganized Debtor, in its sole discretion reserves the right to commence any Cause of Action or Avoidance Action and to defend any Cause of Action. No distribution will be made to the holder of any Claim, including by way of setoff or recoupment by such Claimant, if the Debtors or the Reorganized Debtor has commenced any such action until it is resolved by final order or settlement or given notice to the applicable party of intent to commence such action. Notwithstanding anything to the contrary, on a Cause of Action or Avoidance Action against the holder of such Claim (or the direct or indirect transferor to, or transferee of, such holder), until such Cause of Action is resolved by Final Order or otherwise in accordance with the Plan. Prosecution and settlement of such claims, rights, defenses, and Causes of Action will be the responsibility of the Reorganized Debtor exclusively, pursuant to the provisions of the Plan. The Reorganized Debtor will or will not pursue those claims, rights, defenses, and Causes of Action, as appropriate, in accordance with the Reorganized Debtor's commercially reasonable judgment.

(c) The Debtors have claims against (i) Pittsburgh History & Landmarks Foundation, and (ii) Meyer Unkovic & Scott, LLP and preserve all rights with respect thereto. The entry of the Confirmation Order shall not bar any Causes of Action that may be brought by the Debtors or the Reorganized Debtor.

(d) Any compromise or settlement of a Cause of Action by the Debtors before the Effective Date will be subject to approval of the Bankruptcy Court. After the Effective Date, the Reorganized Debtor will not be required to (but may, in its sole discretion) seek approval of the Bankruptcy Court to commence, pursue, prosecute, settle, compromise, or abandon any Causes of Action.

ARTICLE VIII.

PROCEDURES FOR RESOLVING AND TREATING DISPUTED CLAIMS

8.1 No Distribution Pending Allowance. Notwithstanding any other provision of the Plan, no cash or other property shall be distributed under the Plan on account of any Disputed Claim, unless and until such Claim becomes an Allowed Claim or Interest.

8.2 Resolution of Disputed Claims. Unless otherwise ordered by the Bankruptcy Court after notice and a hearing, the Debtors and the Reorganized Debtor shall have the right to the exclusion of all others (except as to applications for allowances of compensation and reimbursement of expenses under sections 330 and 503 of the Bankruptcy Code) to make and file objections to Claims and shall serve a copy of each objection upon the holder of the Claim to

which the objection is made as soon as practicable, but in no event later than sixty (60) days after the Effective Date (the “Objections Bar Date”) or any extension thereto. From and after the Effective Date, all objections shall be litigated to a Final Order except to the extent the Debtors elect to withdraw any such objection or the Debtors and the claimant elect to compromise, settle or otherwise resolve any such objection, in which event they may settle, compromise or otherwise resolve any Disputed Claim without approval of the Bankruptcy Court. A Disputed Claim as to which no objection is filed by the Objections Bar Date shall become an Allowed Claim.

8.3 Reserve Account for Disputed Claims. On and after the Effective Date, the Disbursing Agent shall establish the Disputed Claims Reserve and shall hold in the Disputed Claims Reserve: (i) cash in an aggregate amount sufficient to pay to each holder of a Disputed Unsecured Claim the amount that such holder would have been entitled to receive under the Plan if such Claim had been an Allowed Claim on the Effective Date and (ii) net earnings on such cash. All cash and earnings thereon shall be used to satisfy any expenses incurred in connection with the maintenance of the Disputed Claims Reserve, including taxes payable on such interest income, if any.

8.4 Investment of Disputed Claims Reserve. The Disbursing Agent shall be permitted, from time to time, in its sole discretion, to invest all or a portion of the cash in the Disputed Claims Reserve in United States Treasury Bills, interest-bearing certificates of deposit, tax exempt securities or investments permitted by section 345 of the Bankruptcy Code or otherwise authorized by the Bankruptcy Court, using prudent efforts to enhance the rates of interest earned on such cash without inordinate credit risk or interest rate risk.

8.5 Allowance of Disputed Claims. If, on or after the Effective Date, any Disputed Unsecured Claim becomes an Allowed Claim, the Disbursing Agent will, within fourteen (14) days after the Claim becomes an Allowed Claim, distribute from the Disputed Claims Reserve to the holder of such Allowed Claim (i) cash in an aggregate amount sufficient to pay to each holder of a Disputed Claim the amount that such holder would have been entitled to receive under the Plan if such Claim had been an Allowed Claim on the Effective Date and (ii) net earnings on such cash.

8.6 Release of Funds from Disputed Claims Reserve. To the extent a Disputed Claim is disallowed, the cash attributable to such Disallowed Claim will be distributed to the Debtors or the Reorganized Debtor; provided, however, that the Disbursing Agent shall retain at all times until closing of the Disputed Claims Reserve at least \$25,000 cash from which the Disbursing Agent shall pay the costs and fees, if any, of administering the Disputed Claims Reserve.

8.7 Closing of the Disputed Claims Reserve. After the last Disputed Claim is resolved, whether by Final Order of the Bankruptcy Court or by stipulation between the Debtors or the Reorganized Debtor and the holder of such Disputed Claim, the Disbursing Agent shall (i) distribute to the holder of Claims cash as provided for in Article 8.5 hereof, (ii) pay all remaining costs and fees of the Disputed Claims Reserve (iii) distribute all remaining cash to the Reorganized Debtor and (iv) close the Disputed Claims Reserve.

ARTICLE IX.
TREATMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES

9.1 Club Lease. On the Closing Date, PAA and PAALC will each respectively assume the Club Lease. PAA and PAALC agree that there are no defaults and no amounts due and owing under the Club Lease. The Club Lease will be assigned to Walnut PAA for valuable consideration to be allocated and paid from the Purchase Price.

9.2 Collective Bargaining Agreements. On or about the Petition Date, PAA shut its doors and has no union employees other than a single engineer who was responsible for boiler system maintenance, and who will leave PAA's employment when the Clubhouse has been winterized. Thereafter, the Clubhouse will remain closed through and beyond the Closing Date.

PAA and the Pennsylvania Joint Board of UNITE HERE, Local 57 are parties to a collective bargaining agreement dated November 1, 2008 (the "UNITE HERE CBA"). The UNITE HERE CBA expired on February 28, 2011 and continues on a year to year basis until a party gives the other party notice of its intent to terminate the agreement within sixty (60) days prior to the expiration date. PAA has given notice of termination to UNITE HERE in accordance with applicable law and provisions of the UNITE HERE CBA. Pursuant to its contractual terms, the UNITE HERE CBA terminates on February 28, 2018.

PAA and the International Union of Operating Engineers Local 95-95A, AFL-CIO ("OE") are parties to a collective bargaining agreement dated February 1, 2012 (the "OE CBA"). The OE CBA expired on January 31, 2014 and continues on a year to year basis until a party gives the other party notice of its intent to terminate the agreement within sixty (60) days prior to the expiration date. PAA has given notice of termination to OE in accordance with applicable law and provisions of the OE CBA. Pursuant to its contractual terms, the OE CBA terminates on January 31, 2018.

9.3 Ground Lease. PAALC has filed an adversary complaint challenging, *inter alia*, the validity and extent of the Ground Lease. To the extent that the Court determines that the Ground Lease is valid or the parties arrive at a consensual resolution, the Ground Lease will be assumed and assigned to Walnut PAA at Closing.

9.4 All Remaining Executory Contracts and Unexpired Leases. On the Confirmation Date, all executory contracts and unexpired leases that exist between the Debtors and any Person, whether or not previously listed by the Debtors on Schedule "G" of its Schedules, shall be deemed rejected as of the Confirmation Date, except for any executory contract or unexpired lease (a) that has been assumed or rejected pursuant to an order of the Bankruptcy Court entered prior to the Confirmation Date, or (b) as to which a motion for approval of the assumption or rejection of such contract or lease is pending on the Confirmation Date including but not limited to, as part of the Sale of the Sale Assets.

9.5 Approval of Rejection of Executory Contracts and Unexpired Leases. Entry of the Confirmation Order shall constitute the approval, pursuant to section 365(a) of the Bankruptcy Code, of the rejection of the executory contracts and unexpired leases rejected pursuant to the Plan.

ARTICLE X.

EFFECT OF THE PLAN ON CLAIMS

10.1 Exculpation and Related Injunction

(a) **Satisfaction of Claims against the Debtors.** The treatment to be provided for respective Allowed Claims against the Debtors pursuant to the Plan shall be in full satisfaction, settlement, and release of such respective Claims. Except as otherwise expressly provided for herein, any claims of the Debtors or the Estates against the Holders of any Allowed Claims shall not be deemed compromised and are expressly preserved upon confirmation of the Plan.

(b) Discharge and Injunction.

(1) As to PAA, except as otherwise provided in this Plan, the rights afforded in the Plan and the treatment of all Claims herein shall be in exchange for and in complete satisfaction and release of all Claims of any nature whatsoever, including any interest accrued on such Claims from and after the Petition Date, against PAA, or any of the Assets or any other assets of PAA in existence on or after the Petition Date. Except as otherwise provided in the Plan or the Confirmation Order: (i) on the Effective Date, PAA shall be deemed discharged and released to the fullest extent permitted by section 1141 of the Bankruptcy Code from all Claims, including, but not limited to, demands, liabilities, Claims, that arose before the Confirmation Date and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (a) a Proof of Claim or proof of interest based on such debt or interest is filed or deemed filed pursuant to section 501 of the Bankruptcy Code, (b) a Claim or interest based on such debt or interest is Allowed pursuant to section 502 of the Bankruptcy Code, or (c) the Holder of a Claim or interest based on such debt or interest has accepted the Plan; and (ii) all Entities shall be precluded from asserting against the Disbursing Agent, his successors or its Assets or properties any other or further Claims based upon any act or omission, transaction, or other activity of any kind or nature that occurred prior to the Confirmation Date. Except as otherwise provided in the Plan or the Confirmation Order, the Confirmation Order shall act as a discharge of any and all Claims against any and all debts and liabilities of PAA, as provided in sections 524 and 1141 of the Bankruptcy Code, and such discharge shall void any judgment against PAA at any time obtained to the extent that it relates to a Claim discharged.

(2) As to PAALC there will be no discharge in accordance with Section 1141(d)(3) of the Bankruptcy Code.

(3) Except as otherwise provided in the Plan or the Confirmation Order, on and after the Effective Date, all Entities who have held, currently hold or may hold a debt, Claim or Interest paid pursuant to the terms of the Plan are permanently enjoined from taking any of the following actions on account of any such debt, Claim or interest: (i) commencing or continuing

in any manner any action or other proceeding against the Debtors and its successors or their respective Assets or properties; (ii) enforcing, attaching, collecting or recovering in any manner any judgment, award, decree, or order against the Debtors and its successors or their respective Assets or properties; (iii) creating, perfecting, or enforcing any Lien or encumbrance against the Debtors and its successors or their respective Assets or properties; (iv) asserting any setoff, right of subrogation, or recoupment of any kind against any obligation due to the Debtors and their successors or their respective Assets or properties; and (v) commencing or continuing, any action, in any manner, in any place that does not comply with or is inconsistent with the provisions of the Plan or the Confirmation Order. Any Entity injured by any willful violation of such injunction shall recover actual damages, including costs and attorneys' fees, and, in appropriate circumstances, may recover punitive damages from the willful violator.

(c) **Indemnification.** Notwithstanding anything to the contrary in this Plan, the Debtors' obligations to indemnify Persons who served during the Chapter 11 Case as the Debtors' members, employees, and Professionals existing under applicable non-bankruptcy law (whether arising under contract, bylaw, or articles of organization) with respect to all present and future actions, suits, and proceedings against any of such indemnified Persons, based upon any act or omission related to service with, for, or on behalf of the Debtors at any time during the period from the Petition Date through the Effective Date (including but not limited to acting as employee benefit plan fiduciaries or employee benefit administrative trustees), in all cases net of applicable insurance proceeds, other than for acts constituting willful misconduct or gross negligence, shall not be released.

(d) **Exculpation.** As of the Effective Date, neither the Debtors, the Committee, the members of the Committee, the Debtors' Professionals nor the Committee's Professionals will have or incur any liability to any Person for any act taken or omission occurring on or after the Petition Date in connection with or related to the Case, including but not limited to: (i) the Debtors' consent to the entry of an order for bankruptcy relief under Chapter 11 of the Bankruptcy Code, (ii) the administration of the Chapter 11 Case, (iii) the operation of the Debtors' business during the pendency of the Chapter 11 Case, (iv) the formulating, preparing, disseminating, implementing, confirming, consummating, and administering of the Plan (including soliciting acceptances or rejections thereof), (v) the submission of and statements made in, the Disclosure Statement or any contract, instrument, release, or other agreement or document entered into, or any action taken or omitted to be taken in connection with the Plan, and (vi) any distributions made pursuant to the Plan, except for acts constituting willful misconduct or gross negligence, and in all respects such parties shall be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan. The entry of the Confirmation Order shall constitute a determination by the Bankruptcy Court that Persons or Entities covered under this section of the Plan have acted in good faith and in compliance with the applicable provisions of the Bankruptcy Code, pursuant to, among other provisions of law, Sections 1125(e) and 1129(a)(3) of the Bankruptcy Code, with respect to the foregoing.

ARTICLE XI.
EFFECTIVENESS OF THE PLAN

11.1 Conditions Precedent to the Effective Date. The following are conditions precedent to the Effective Date of the Plan:

(a) The Bankruptcy Court shall have entered the Confirmation Order confirming the Plan, in form and substance satisfactory to the Debtors and the Committee;

(b) No stay of the Confirmation Order shall then be in effect and the Confirmation Order is a Final Order;

(c) The Closing on sale of the Sale Assets (and if necessary the sale of the Artwork) shall have occurred and the Debtors shall have sufficient cash to pay in full all Allowed Claims as provided under the Plan; and

(d) All agreements and instruments contemplated by, or to be entered into pursuant to, the Plan and its provisions, including without limitation, each of the other Plan Documents necessary for the effectuation of the Plan, shall have been duly and validly executed and delivered by the parties thereto and all conditions to their effectiveness shall have been satisfied or waived;

11.2 Waiver of Conditions. Notwithstanding the foregoing, the Debtors, only after obtaining the consent of the Committee, may waive the occurrence of any of the foregoing conditions precedent. Any such waiver of a condition precedent hereof may be affected at any time, without notice, without leave or order of the Bankruptcy Court, and without any formal action other than proceeding to consummate the Plan. Any actions required to be taken on the Effective Date shall take place and shall be deemed to have occurred simultaneously, and no such action shall be deemed to have occurred prior to the taking of any other such action. If the Debtors decide that one of the foregoing conditions cannot be satisfied and the occurrence of such condition is not waived, then the Debtors shall file a notice of the failure of the Effective Date with the Bankruptcy Court.

11.3 Effect of Non-Occurrence of the Conditions Precedent. After entry of the Confirmation Order, if one or more of the conditions to consummation has not been satisfied and the Debtors and the Committee jointly determine that it is not possible or not likely that such condition(s) will be satisfied, the Confirmation Order may be vacated by the Bankruptcy Court. If the Confirmation Order is vacated, the Plan shall be null and void in all respects, and nothing contained in the Plan shall constitute a waiver or release of any Claims by or against the Debtors.

ARTICLE XII.
EFFECTS OF CONFIRMATION

12.1 Vesting of Assets in Reorganized Debtor. As of the Effective Date, pursuant to the provisions of sections 1141(b) and (c) of the Bankruptcy Code, all property, Assets and claims owned by the Debtors shall vest in the Reorganized Debtor for purposes of

Distribution under the Plan, free and clear of all Claims, except as otherwise expressly provided and subject to the provisions of the Plan, the Confirmation Order or the Bankruptcy Code.

12.2 Binding Effect. On and after the Confirmation Date, the provisions of the Plan shall bind any holder of a Claim against PAA and their successors and assigns, whether or not the Claim is impaired under the Plan and whether or not such holder has accepted the Plan.

12.3 Term of Injunctions or Stays. All injunctions or stays provided for in the Chapter 11 Case pursuant to sections 105 or 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date, shall remain in full force and effect until the closing of the Chapter 11 Case.

12.4 Rights of Action. On and after the Effective Date, the Reorganized Debtor will have the exclusive right to enforce any and all present or future rights, claims or causes of action against any Person. The Reorganized Debtor may pursue, abandon, settle or release any or all such rights of action, as it deems appropriate, without the need to obtain approval or any other or further relief from the Bankruptcy Court. The Reorganized Debtor may, in their sole discretion, offset any such claim held against a person against any payment due such person under the Plan; provided, however, that any claims of the Debtors arising before the Petition Date shall first be offset against Claims against the Debtors arising before the Petition Date.

12.5 Injunction. On and after the Confirmation Date, all Persons are permanently enjoined from commencing or continuing in any manner any action or proceeding (whether directly, indirectly, derivatively or otherwise) on account of or respecting any claim, debt, right or cause of action of the Debtors for which the Debtors or the Reorganized Debtor retain sole and exclusive authority to pursue in accordance with the Plan. PAA intends that the Plan will operate as a discharge of all debts of PAA to the fullest extent permitted by 11 U.S.C. §1141(d).

ARTICLE XIII. **RETENTION OF JURISDICTION**

13.1 Jurisdiction of Bankruptcy Court. The Bankruptcy Court shall retain jurisdiction of all matters arising under, arising in, or related to, the Chapter 11 Case and the Plan for, among other things, the following purposes:

(a) To hear and determine any motions for the assumption, assumption and assignment or rejection of executory contracts or unexpired leases, and the allowance of any Claims resulting there from;

(b) To determine any and all pending adversary proceedings, applications, and contested matters;

(c) To hear and determine any objection to any Claims;

(d) To enter and implement such orders as may be appropriate in the event the Confirmation Order is for any reason stayed, revoked, modified, or vacated;

(e) To issue such orders in aid of execution of the Plan to the extent authorized by section 1142 of the Bankruptcy Code;

(f) To consider any modifications of the Plan, to cure any defect or omission, or reconcile any inconsistency in any order of the Bankruptcy Court, including, without limitation, the Confirmation Order;

(g) To hear and determine all applications for compensation and reimbursement of expenses of professionals under sections 330, 331, and 503(b) of the Bankruptcy Code;

(h) To hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan;

(i) To determine and recover all Assets of the Debtors and property of the Estates, wherever located;

(j) To hear and determine matters concerning state, local, and federal taxes in matters filed or to be filed accordance with *inter alia* sections 105, 346, 505, and 1146 of the Bankruptcy Code;

(k) To hear and determine all matters concerning the sale of the Sale Assets;

(l) To hear any other matter consistent with the provisions of the Bankruptcy Code; and

(m) To enter a final decree closing these Chapter 11 cases.

ARTICLE XIV. **MISCELLANEOUS PROVISIONS**

14.1 Payment of Statutory Fees. All fees payable pursuant to Chapter 123 of Title 28, United States Code, as determined by the Bankruptcy Court on the Confirmation Date, shall be paid on the Effective Date. Any statutory fees accruing after the Confirmation Date shall constitute Administrative Expense Claims and be paid by the Debtor in accordance with section 2.1 of the Plan.

14.2 Modification of Plan. The Debtors reserve the right, in accordance with the Bankruptcy Code and the Bankruptcy Rules, to amend or modify the Plan at any time prior to the entry of the Confirmation Order. After the entry of the Confirmation Order, the Debtors may, upon order of the Bankruptcy Court, amend or modify the Plan, in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. A holder of an Allowed Claim that is deemed to have accepted the Plan shall be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such holder.

14.3 Withdrawal or Revocation. The Debtors may withdraw or revoke the Plan at any time prior to the Effective Date. If the Debtors revoke or withdraw the Plan prior to the Confirmation Date, or if the Confirmation Date does not occur, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any Claim by or against the Debtors or any other person or to prejudice in any manner the rights of the Debtors or any other person in any further proceedings involving the Debtors.

14.4 Courts of Competent Jurisdiction. If the Bankruptcy Court abstains from exercising, or declines to exercise, jurisdiction or is otherwise without jurisdiction over any matter arising out of the Plan, such abstention, refusal or failure of jurisdiction shall have no effect upon and shall not control, prohibit or limit the exercise of jurisdiction by any other court having competent jurisdiction with respect to such matter.

14.5 Notices. Any notices to or requests of the Debtors or the Reorganized Debtor by parties in interest under or in connection with the Plan shall be in writing and served either by (a) certified mail, return receipt requested, postage prepaid, (b) hand delivery, or (c) national overnight delivery service, all charges prepaid, and shall be deemed to have been given when received by the following parties:

Pittsburgh Athletic Association
c/o James Sheehan, President
4215 5th Avenue
Pittsburgh, PA 15213

Tucker Arensberg, P.C.
c/o Jordan S. Blask, Esq.
1500 One PPG Place
Pittsburgh, PA 15222

Gleason & Associates, P.C.
c/o William Krieger
420 Fort Duquesne Blvd # 525
Pittsburgh, PA 15222

14.6 Severability. In the event that the Bankruptcy Court determines, prior to the Confirmation Date, that any provision of the Plan is invalid, void or unenforceable, the Bankruptcy Court shall have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted. Notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order shall constitute a judicial determination and shall provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

14.7 Governing Law. Except to the extent the Bankruptcy Code or Bankruptcy Rules are applicable, the rights and obligations arising under the Plan shall be governed by, and construed and enforced in accordance with, the laws of the Commonwealth of Pennsylvania, without giving effect to the principles of conflicts of law thereof.

14.8 Headings. Headings are used in the Plan for convenience and reference only, and shall not constitute a part of the Plan for any other purpose.

14.9 Final Decree. Once the Estate has been fully administered pursuant to Bankruptcy Rule 3022, the Debtors shall file a motion with the Bankruptcy Court to obtain a Final Decree to close the case.

14.10 No Admissions. Notwithstanding anything herein to the contrary, nothing contained in the Plan shall be deemed an admission by the Debtor with respect to any matter set forth herein, including but not limited to liability on any Claim or the propriety of a Claim's classification.

14.11 Confirmation Order and Plan Control. To the extent the Confirmation Order and/or this Plan is inconsistent with the Disclosure Statement and any other agreement entered into between or among the Debtor and any third party, the Plan controls the Disclosure Statement and any such agreements, and the Confirmation Order (and any later order of the Bankruptcy Court) controls the Plan.

Dated: December 22, 2017

Respectfully Submitted,

TUCKER ARENSBERG, P.C.

/s/Jordan S. Blask

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Jillian Nolan Snider, Esq. (Pa. I.D. 202253)
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Fax: (412) 594-5619
jblask@tuckerlaw.com
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Counsel for the Debtors

"Exhibit B"

(Claims Schedule)

Pittsburgh Athletic Association Land Company
Analysis of Claims for Plan Feasibility

Creditor	Entity	Docket Reference	Secured as Reflected on POC	Secured as Reflected on Bankruptcy Schedules	Secured (Greater of POC or Bankruptcy Schedules)	Secured as Determined by Financial Advisors
<u>Secured Claims</u>						
A.J. Demors & Sons, Inc.	PAALC	1-1	\$ 8,812.00	\$ 8,812.00	\$ 8,812.00	\$ 8,812.00
City and School District of Pittsburgh	PAALC	5-1	85,137.14	85,137.14	-	-
Coca-Cola Refreshments	PAALC		-	6,655.10	-	-
Commonwealth of PA - UCTS	PAALC	6-1	322,388.49	322,388.49	-	-
Oakland Fifth Avenue Hotel Associates LP	PAALC	11-1	660,151.26	637,551.08	660,151.26	660,151.26
Oakland Fifth Avenue Hotel Associates LP	PAALC	12-1	1,563,680.84	1,517,827.86	1,563,680.84	1,563,680.84
Pitt AA, LLC (AVB/JDI)	PAALC	9-1	2,165,849.10	2,124,416.14	2,165,849.10	2,165,849.10
Pittsburgh Water and Sewer Authority	PAALC	4-1	198,475.58	198,475.58	-	-
Unite Here Health	PAALC	8-1	30,246.75	141,048.92	-	-
Total			\$ 5,034,741.16	\$ 5,042,312.31	\$ 4,398,493.20	\$ 4,398,493.20

Creditor	Entity	Docket Reference	Priority as Reflected on POC	Priority as Reflected on Bankruptcy Schedules	Priority (Greater of POC or Bankruptcy Schedules)	Priority as Determined by Financial Advisors
<u>Priority Unsecured Claims</u>						
County of Allegheny	PAALC	10-1	\$ 10,396.21	\$ -	\$ -	\$ -
City of Pittsburgh	PAALC	13-1	2,112.67	-	-	-
City of Pittsburgh	PAALC	14-1	8,278.05	-	-	-
Commonwealth of PA - UCTS	PAALC	6-1	37,251.13	37,251.13	-	-
Department of Treasury - IRS	PAALC	3-1	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Total			\$ 58,338.06	\$ 37,551.13	\$ 300.00	\$ 300.00

Creditor	Entity	Docket Reference	Unsecured as Reflected on POC	Unsecured as Reflected on Bankruptcy Schedules	Unsecured (Greater of POC or Bankruptcy Schedules)	Unsecured as Determined by Financial Advisors
<u>Unsecured Claims</u>						
Allegheny County Health Department	PAALC	2-1	\$ 7,000.00	\$ 7,000.00	\$ -	\$ -
Department of Treasury - IRS	PAALC	3-1	300.00	300.00	300.00	300.00
National Retirement Fund	PAALC	7-1	4,098,642.00	4,098,642.00	-	-
Total			\$ 4,105,942.00	\$ 4,105,942.00	\$ 300.00	\$ 300.00

Pittsburgh Athletic Association
Analysis of Claims for Plan Feasibility

Creditor	Entity	Docket Reference	Secured as Reflected on POC	Secured as Reflected on Bankruptcy Schedules	Secured (Greater of POC, Bankruptcy Schedules or Amount Determined by Financial Advisors)	Secured as Determined by Financial Advisors
<u>Pittsburgh Athletic Association</u>						
<u>Secured Claims</u>						
A.J. Demor & Sons, Inc.	PAA	1-1	\$ -	\$ 8,812.00	\$ -	\$ -
Allegheny County Health Department	PAA	9-2	-	7,000.00	-	-
American Geosciences, Inc.	PAA	N/A	-	3,186.35	3,186.35	3,186.35
City and School District of Pittsburgh	PAA	21-1	85,137.14	85,137.14	-	-
Commonwealth of PA - UCTS	PAA	12-1	322,388.49	322,388.49	322,388.49	322,388.49
Department of Treasury - IRS	PAA	17-2	345,348.00	345,348.07	345,348.00	345,348.00
Duquesne Light Company	PAA	N/A	-	159,045.75	-	-
Francis J. Nowalk Artwork	PAA	N/A	-	1,747.00	-	-
Pennsylvania Department of Revenue	PAA	2-1	150,904.03	150,904.03	150,904.03	150,904.03
Pitt AA, LLC (AVB/JDI)	PAA	40-1	2,165,849.10	2,124,416.14	-	-
Pittsburgh Water and Sewer Authority	PAA	20-1	198,475.58	198,475.58	198,475.58	29,823.28
Steffan Industries	PAA	16-1	34,640.00	34,640.00	34,640.00	34,640.00
The Blanche Trust	PAA	47-1	335,388.36	390,000.00	435,388.36	435,388.36
TRIB Total Media	PAA	N/A	-	3,502.82	-	-
Unite Here Health Local 57	PAA	N/A	-	203,460.43	-	-
US Foods, Inc.	PAA	52-1	44,847.02	59,374.48	44,847.02	44,847.02
Total			\$ 3,682,977.72	\$ 4,097,438.28	\$ 1,535,177.83	\$ 1,366,525.53

Creditor	Entity	Docket Reference	Priority as Reflected on POC	Priority as Reflected on Bankruptcy Schedules	Priority (Greater of POC or Bankruptcy Schedules)	Priority as Determined by Financial Advisors
<u>Priority Unsecured Claims</u>						
Allegheny County Tax Collection	PAA	19-1	\$ 94,893.88	\$ 94,893.88	\$ 94,893.88	\$ 94,893.88
B&R Pools Management (Dream Pools)	PAA	13-1	2,773.04	-	2,773.04	2,773.04
Central Pension Fund of the International Union of Operating Engineers	PAA	45-1	8,279.57	Unknown	8,279.57	8,279.57
City of Pittsburgh	PAA	58-1	2,112.67	-	2,112.67	2,112.67
City of Pittsburgh	PAA	59-1	8,278.05	-	8,278.05	8,278.05
Commonwealth of PA - UCTS	PAA	12-1	37,251.13	37,251.13	37,251.13	37,251.13
County of Allegheny	PAA	43-1	10,396.21	-	10,396.21	10,396.21
Department of Treasury - IRS	PAA	17-2	136,955.91	136,955.91	136,955.91	136,955.91
Mary Helen and David Zimmick	PAA	29-2	2,850.00	-	-	-
National Retirement Fund	PAA	25-1	228,090.70	228,090.70	100,000.00	100,000.00
PBOWF	PAA	41-1	34,003.00	-	34,003.00	34,003.00
Pennsylvania Department of Revenue	PAA	2-1	35,938.30	35,938.30	35,938.30	35,938.30
Unite Here Health	PAA	32-1	30,246.75	-	30,246.75	30,246.75
USDWage and Hour Division	PAA	54-1	1,092.50	-	1,092.50	1,092.50
Total			\$ 633,161.71	\$ 533,129.92	\$ 502,221.01	\$ 502,221.01

Creditor	Entity	Docket Reference	Unsecured as Reflected on POC	Unsecured as Reflected on Bankruptcy Schedules	Unsecured (Greater of POC or Bankruptcy Schedules)	Unsecured as Determined by Financial Advisors
Unsecured						
Ace Cash Express	PAA	N/A	\$ -	\$ 957.78	\$ 957.78	\$ 957.78
Albert Zangrilli, Jr.	PAA	53-1	2,500.00	2,500.00	2,500.00	2,500.00
Alex Richter	PAA	N/A	-	460.00	460.00	460.00
Allegheny County Sheriff's Office	PAA	N/A	-	1,389.00	1,389.00	1,389.00
Allegheny County Health Department	PAA	9-2	7,000.00	-	7,000.00	7,000.00
Allegheny Refrigeration Service Co.	PAA	N/A	-	5,356.00	5,356.00	5,356.00
American Arbitration Association	PAA	N/A	-	250.00	250.00	250.00
Amy Dugan	PAA	N/A	-	6,413.26	6,413.26	6,413.26
Anthony Pyle	PAA	N/A	-	2,500.00	-	-
A.J. Demor & Sons, Inc.	PAA	1-1	8,812.00	-	-	-
ASCAP	PAA	N/A	-	121.02	121.02	121.02
Balfurd	PAA	61-1	182,929.62	-	182,929.62	182,929.62
Brentwood Distributing Co.	PAA	N/A	-	999.00	999.00	999.00
Carl/Frank Industries, Inc.	PAA	55-1	4,300.00	-	4,300.00	4,300.00
Central Pension Fund of the International Union of Operating Engineers	PAA	45-1	323,174.77	Unknown	323,174.77	323,174.77
Charles Felix	PAA	N/A	-	40,631.12	40,631.12	40,631.12
Christian Griffin	PAA	N/A	-	460.00	460.00	460.00
Clare S. Donahue	PAA	8-1	2,500.00	2,500.00	2,500.00	2,500.00
Coca-Cola Refreshments USA, Inc.	PAA	7-1	6,655.10	6,655.10	6,655.10	6,655.10
Comcast	PAA	N/A	-	11,538.27	11,538.27	11,538.27
Connor Van Pevenage	PAA	N/A	-	460.00	460.00	460.00
CTR Systems	PAA	N/A	-	1,142.46	1,142.46	1,142.46
CyberSource Corporation	PAA	N/A	-	172.88	172.88	172.88
Department of Treasury - IRS	PAA	17-2	15,430.89	15,430.89	15,430.89	15,430.89
Davevic Benefit Consultants, Inc.	PAA	N/A	-	1,120.00	1,120.00	1,120.00
David Wandrisko	PAA	5-1	2,500.00	2,500.00	2,500.00	2,500.00
Dernar & Associates, LLC	PAA	N/A	-	4,000.00	4,000.00	4,000.00
Direct Energy Business Marketing, LLC	PAA	44-1	106,154.59	106,648.17	106,154.59	106,648.17
Duquesne Light Company	PAA	42-1	7,977.49	15,379.75	7,977.49	7,977.49
Eckert Seamans	PAA	4-1	4,095.00	4,095.00	4,095.00	4,095.00
Eckman & Danovitz Attorneys at Law	PAA	N/A	-	25,510.00	25,510.00	25,510.00
Ecomm Networks, LLC	PAA	N/A	-	355.78	355.78	355.78
Emmanuel Kambouriglos	PAA	N/A	-	460.00	460.00	460.00
Fidelity & Guaranty Life	PAA	N/A	-	145.62	145.62	145.62
G&G Fitness	PAA	N/A	-	1,408.95	1,408.95	1,408.95
Goehing Rutter & Boehm	PAA	N/A	-	661.50	661.50	661.50
Gordon Food Service	PAA	27-1	5,336.99	5,409.34	5,336.99	5,336.99
Gray Group, Inc.	PAA	57-1	5,000.00	5,024.10	5,000.00	5,000.00
HD Supply Maintenance	PAA	N/A	-	2,343.09	2,343.09	2,343.09
Industrial Pump & Motor Repair, LTD.	PAA	N/A	-	3,675.98	3,675.98	3,675.98
Jackson Welding Supply Co.	PAA	N/A	-	754.25	754.25	754.25
James Huber	PAA	PAA	-	460.00	460.00	460.00
Janice Miller	PAA	36-1	14,401.53	9,651.75	14,401.53	11,847.25
Jeffrey E. Borello	PAA	38-1	11,031.97	11,032.00	11,032.00	11,032.00
Jennifer Stoner	PAA	PAA	-	3,000.00	3,000.00	3,000.00
Joe Marshall	PAA	N/A	-	460.00	460.00	460.00
Jo-Mar Provisions, Inc.	PAA	31-1	63,120.56	63,120.56	63,120.56	63,120.56

John K. Weinstein, Treasurer	PAA	N/A	-	7,838.96	7,838.96	7,838.96
Johnstone Supply	PAA	N/A	-	107.00	107.00	107.00
John V. Heineman Company	PAA	N/A	-	8,524.69	8,524.69	8,524.69
Joyce McCoy	PAA	N/A	-	630.00	630.00	630.00
Koonse Food Equipment Service, Inc.	PAA	N/A	-	2,417.80	2,417.80	2,417.80
Kristy Buczynski and Michael Weaver	PAA	N/A	-	3,000.00	3,000.00	3,000.00
Leo Dorman	PAA	N/A	-	460.00	460.00	460.00
Logan Frey	PAA	N/A	-	460.00	460.00	460.00
Louis Cherry	PAA	N/A	-	460.00	460.00	460.00
Mancini's Bakery	PAA	N/A	-	3,825.05	3,825.05	3,825.05
Matthews International Corporation	PAA	N/A	-	267.50	267.50	267.50
Marie Gray	PAA	N/A	-	1,000.00	1,000.00	1,000.00
Mark Littlefield	PAA	N/A	-	460.00	460.00	460.00
Martin S Samuels and Johanna S Samuels	PAA	24-1	3,000.00	3,000.00	3,000.00	3,000.00
Mary Helen and David Zimmick	PAA	29-2	150.00	3,000.00	3,000.00	3,000.00
Mitel	PAA	N/A	-	3,040.01	3,040.01	3,040.01
Monteverde's Inc.	PAA	28-1	20,788.27	20,788.27	20,788.27	20,788.27
Montour Heights Country Club	PAA	N/A	-	22.50	22.50	22.50
Movin' On Up Laundry Services, LLC d/b/a Affordable Linens	PAA	50-1	7,353.77	7,354.00	7,354.00	7,353.77
National Labor Relations Board	PAA	34-1	4,975.87	4,975.87	4,975.87	4,975.87
National Labor Relations Board	PAA	35-1	6,184.20	6,184.20	6,184.20	6,184.20
National Retirement Fund	PAA	25-1	4,098,642.00	4,098,642.00	1,359,000.00	1,359,000.00
Nicholas Keddie	PAA	N/A	-	460.00	460.00	460.00
Nick Logan	PAA	N/A	-	460.00	460.00	460.00
Nick Taglianetti	PAA	N/A	-	460.00	460.00	460.00
Noah Dorman	PAA	N/A	-	460.00	460.00	460.00
Northstar Technologies, Inc.	PAA	N/A	-	615.25	615.25	615.25
Ogletree, Deakins, Nash, Smoak & Stewart, P.C	PAA	26-1	80,487.75	80,487.75	80,487.75	80,487.75
Overall Supply Inc.	PAA	N/A	-	182.35	182.35	182.35
USDOL - PAA Group Health Plan	PAA	14-1	3,016.52		3,016.52	3,016.52
USDOL - PAA Group Health Plan	PAA	15-1	74,632.95		74,632.95	74,632.95
Patrick McDunn	PAA	N/A	-	460.00	460.00	460.00
PBOWF	PAA	41-1	722,276.33	380,276.95	722,276.33	722,276.33
Pennsylvania Department of Revenue	PAA	2-1	7,865.34	7,865.34	7,865.34	7,865.34
Peoples Natural Gas Company	PAA	3-1	76,474.69	76,474.69	76,474.69	76,474.69
Phoenix Funding Group	PAA	N/A	-	17,802.40	-	-
Pittsburgh Field Club	PAA	N/A	-	462.11	462.11	462.11
Pittsburgh Laundry Systems	PAA	N/A	-	633.64	633.64	633.64
Pitney Bowes	PAA	22-1	11,928.00	11,298.00	11,928.00	11,298.00
Pitney Bowes	PAA	23-1	5,148.56	5,148.56	5,148.56	5,148.56
PSF Acquisition Company, LLC	PAA	51-1	20,817.87	-	20,817.87	20,817.87
Pure Force	PAA	N/A	-	1,173.47	1,173.47	1,173.47
R.D. Hoag and Associates, P.C.	PAA	18-1	9,139.94	9,139.94	9,139.94	9,139.94
Renaissance 3 Architects, P.C.	PAA	N/A	-	3,817.64	3,817.64	3,817.64
RH Management Resources	PAA	11-1	3,712.96	3,712.96	3,712.96	3,712.96
Richard S. Hamilton	PAA	37-1	2,500.00	2,500.00	2,500.00	2,500.00
Road Runner	PAA	N/A	-	4,995.70	4,995.70	4,995.70
Robert J. Battiston	PAA	30-1	2,500.00	-	2,500.00	2,500.00
Robbins, Salomon & Pratt, LTD.	PAA	N/A	-	9,181.50	9,181.50	9,181.50
Ryan Le Grand	PAA	N/A	-	460.00	460.00	460.00
Ryan Salisbury	PAA	N/A	-	460.00	460.00	460.00
Schindler Elevator Corporation	PAA	39-1	26,027.77	23,399.25	26,027.77	26,027.77

Shannopin Country Club	PAA	N/A	-	151.45	151.45	151.45
SimplexGrinnell	PAA	46-1	794.70	794.70	794.70	794.70
St. Clair Country Club	PAA	N/A	-	2,888.81	2,888.81	2,888.81
Stephen and Amy Dunn	PAA	N/A	-	3,000.00	3,000.00	3,000.00
Sysco Pittsburgh, LLC	PAA	6-1	6,781.01	6,781.01	6,781.01	6,781.01
The Bagel Company	PAA	N/A	-	544.74	544.74	544.74
The Blanche Trust	PAA	N/A	-	30,000.00	30,000.00	30,000.00
The Club at Nevillewood	PAA	N/A	-	189.84	189.84	189.84
The Engineers' Society of Western PA	PAA	N/A	-	464.89	464.89	464.89
The Gray Group, Inc.	PAA	56-1	1,000.00	1,000.00	1,000.00	1,000.00
The Guardian Life Insurance Co. of America	PAA	60-1	242.90	2,028.14	242.90	242.90
Thomas A. Trimbur	PAA	33-1	20,655.89		20,655.89	20,655.89
Thomas P. Trimbur	PAA	N/A	-	16,871.14	16,871.14	16,871.14
Trimbur Insurance Agency	PAA	N/A	-	1,081.00	1,081.00	1,081.00
Under Armour, Inc.	PAA	N/A	-	2,081.78	2,081.78	2,081.78
US Bank Equipment Finance	PAA	10-1	10,864.78	10,864.78	10,864.78	10,864.78
Walmart Stores c/o FMS	PAA	N/A	-	343.56	343.56	343.56
Waugaman Awning Co, Inc.	PAA	N/A	-	450.00	450.00	450.00
Westfield Insurance	PAA	48-1	11,948.00	7,560.00	11,948.00	7,560.00
Witt Pest Control	PAA	N/A	-	1,340.33	1,340.33	1,340.33
Yvonne Rose	PAA	49-1	35,000.00	-	-	-
Total			\$ 6,047,830.58	\$ 5,274,434.14	\$ 3,498,135.51	\$ 3,491,056.58

"Exhibit C"

(Purchase and Sale Agreement)

AGREEMENT OF PURCHASE AND SALE

THIS AGREEMENT OF PURCHASE AND SALE ("Agreement") is made and entered into this 27 day of November, 2017 (the "Execution Date") by and between Pittsburgh Athletic Association Land Company (the "PAALC"), a Pennsylvania corporation, and Pittsburgh Athletic Association (the "PAA"), a Pennsylvania non-profit corporation (collectively referred to as "Seller"), having an address of 4215 Fifth Avenue, Pittsburgh, PA 15213, and WALNUT PAA, LP, a Pennsylvania limited partnership and WALNUT CAPITAL ACQUISITIONS, INC., a Pennsylvania corporation (collectively, the "Purchaser"), having an address of 5500 Walnut Street, Suite 300, Pittsburgh, PA 15232.

RECITALS:

PAALC owns those certain parcels of real estate located in 4th Ward of the City of Pittsburgh, Allegheny County, Commonwealth of Pennsylvania, more particularly described on Exhibit A, known as the "Hotel Parcel" (Allegheny County Block and Lot No. 27-R-110) better known as 5126 Bigelow Boulevard, Pittsburgh, Pennsylvania 15213 and the "Club Parcel" (Allegheny County Block and Lot No. 27-R-138) better known as 4215 Fifth Avenue, Pittsburgh, Pennsylvania 15213 (the Hotel Parcel and the Club Parcel together with all rights, easements, and appurtenances thereto are collectively referred to as the "Real Property Assets").

Subject to the terms and provisions hereof, and for the considerations set forth in this Agreement, Seller has agreed to sell the Assets (as hereinafter defined) to Purchaser, and Purchaser has agreed to buy the Assets from Seller.

NOW, THEREFORE, the parties hereto, with the intent to be legally bound, hereby agree as follows:

1. **Definitions.** As used in this Agreement, the following terms have the following meanings:

Assets. The Real Property Assets, the Ground Lease and any personal property assets of the Debtors incidental to the Real Property Assets which are not part of the Excluded Assets.

Bankruptcy Case. The proceedings before the Bankruptcy Court at Case Nos. 17-22222-JAD and 17-22223-JAD as Jointly Administered.

Bankruptcy Court. The United States Bankruptcy Court for the Western District of Pennsylvania.

Closing. The closing of the transaction contemplated herein.

Closing Date. The Closing Date shall occur within thirty (30) days after the entry of an Order Confirming the Plan (as hereinafter defined) has become final and non-appealable.

Escrow Company. The Title Company as defined below.

Excluded Assets. The following assets which are being retained by the Seller: (a) all of the art, china, dishware, furniture, linens, silver, and/or any other equipment, furnishings, memorabilia, and/or tangible assets located in the Real Property Assets; (b) all intellectual property owned by the Seller including, branded materials, copyrights, trademarks, and service marks; (c) Pennsylvania liquor license known as Liquor License CC-1/LID No. 2815; (d) all claims and actions arising under the United States Bankruptcy Code Chapter 5; (e) any contracts, including employment and/or labor agreements, entered into by the Seller; and (f) all legal claims or causes of action accrued prior to the Seller filing the Bankruptcy Case including, but not limited to, any professional malpractice claims. Notwithstanding the foregoing, the Seller shall grant the Purchaser an irrevocable license at Closing to utilize the "PAA" name associated with the Building, and an irrevocable license to utilize the "PAA" logo associated with the Building as well as the decorative engravings and claddings on the exterior façade.

Ground Lease. The Lease between the Seller and Oakland Fifth Avenue Hotel Associates, L.P. dated January 30, 2015, as amended.

Plan. The Disclosure Statement and Bankruptcy Plan of Reorganization prepared jointly by the Seller and Purchaser for Confirmation by the Bankruptcy Court inclusive of any amendments filed in connection therewith.

Title Company. Chicago Title Insurance Company.

2. Sale: Purchase Price.

2.1 Subject to (a) the terms and provisions hereof and (b) the entry of a final and non-appealable Order Confirming the Plan by the Bankruptcy Court, Seller agrees to sell and convey the Assets to Purchaser, and Purchaser agrees to purchase the Assets from Seller.

2.2 Purchaser shall pay the sum of Eleven Million Nine-Hundred and Thirteen Thousand and 00/100 Dollars (\$11,913,000.00) (hereinafter called the "**Purchase Price**") to Seller for the Assets. The Parties agree that the Purchase Price has been allocated as follows: (a) Two-Million and 00/100 Dollars (\$2,000,000.00) has been allocated to the Hotel Parcel; and (b) Nine-Million Nine-Hundred Thirteen Thousand and 00/100 Dollars (\$9,913,000.00) has been allocated to the Club Parcel. The Purchase Price shall be payable in the following manner:

(a) Purchaser shall deposit with the Escrow Company the amount of One-Million and 00/100 Dollars (\$1,000,000.00) (together with all interest earned thereon, the "**Earnest Money Deposit**") on the Execution Date. The Earnest Money Deposit shall be in the form of a wire transfer of immediately available funds. The Earnest Money Deposit shall remain with the Escrow Company until the entry of a final non-appealable Order Confirming the Plan. Subject to the Seller's fulfillment and satisfaction of the Conditions Precedent To Closing as set forth in Section 4 below, the Earnest Money Deposit shall be nonrefundable to Purchaser. In the event that Seller has not satisfied the Conditions Precedent To Closing as set forth in Section 4 below, and Purchaser has not waived the same, Purchaser shall be entitled to a refund of its

Earnest Money Deposit. Specifically, in the event that the Plan is not confirmed by the Bankruptcy Court for any reason, the Earnest Money Deposit shall be refunded to the Purchaser and, upon such return, this Agreement and all rights and obligations of the respective parties hereunder shall be null and void except for such matters which are stated to specifically survive Closing and delivery of the Deed (the "Surviving Obligations"). At the Closing, the Earnest Money Deposit shall be applied to the Purchase Price to be paid by Purchaser at the Closing. In the event of a default hereunder by Purchaser or Seller, the Earnest Money Deposit shall be tendered as provided herein.

(b) Purchaser shall pay the balance of the Purchase Price at the Closing, subject to the prorations described in Section 5 below, in cash (the "Cash Balance") by wire transfer of immediately available funds to the Title Company in accordance with the terms and conditions of this Agreement.

3. Seller Deliverables, Inspections, and Diligence.

3.1 Seller Deliverables. Within seven (7) days following the Execution Date, Seller shall deliver, or make electronically available, to Purchaser complete copies of the following items pertaining to the Assets (collectively the "Seller Deliverables"), to the extent in Seller's actual possession: (a) all leases, occupancy agreements, and amendments, modifications, and supplements thereto related to the Assets; (b) all service contracts, equipment leases, and other agreements related to the operation of the Assets; (c) all architectural plans, building files, building plans, CAD drawings, environmental studies, surveys, and/or reports pertaining to the Assets, and (d) list of any pending or threatened litigation except for the Bankruptcy Case.

3.2 Inspections. From the Execution Date, Purchaser shall have the right to conduct various investigations, studies and reviews of the Assets, including architectural, environmental, engineering, and feasibility studies of the property, at such reasonable times and on terms and conditions to be mutually acceptable to Purchaser and Seller. Purchaser agrees to indemnify, defend and hold the Seller harmless from any and all liability and/or damages arising from such access and studies of the Assets and activities associated therewith. Prior to commencement of any and all activities on the Real Property Assets, Purchaser shall obtain, or cause its consultants to obtain, at Purchaser's sole cost and expense, a policy of commercial general liability insurance covering any and all liability of the parties with respect to or arising out of any investigative activities upon the Real Property Assets. Such policy of insurance shall (x) be kept and maintained in force during the term of this Agreement and so long thereafter as necessary to cover any claims of damages suffered by persons or property resulting from any acts or omissions of Purchaser, Purchaser's employees, agents, contractors, suppliers, consultants or other related parties, (y) have liability limits of not less than Two Million Dollars (\$2,000,000.00) combined single limit per occurrence for bodily injury, personal injury and property damage liability, and (z) designate the Seller as an "Additional Insured". In the event that Purchaser damages the Real Property Assets in any manner, Purchaser shall promptly repair the same to its previous condition at Purchaser's sole expense. The indemnification and repair obligations of Purchaser herein shall survive Closing.

3.3 Title and Survey. Purchaser shall, at Purchaser's sole cost and expense, obtain a commitment for an ALTA owner's policy of title insurance, along with a copy of each

instrument listed as an exception thereon (the "Title Commitment"), on the Real Property Assets issued by the Title Company. Purchaser shall have the right to obtain, at its sole cost and expense, any desired endorsements to the Title Commitment that are available. Purchaser may obtain, at Purchaser's sole cost and expense, a current survey of the Real Property Assets (the "Survey") and shall deliver the same to Seller as soon as reasonably practicable after the same has been completed. The Purchaser shall, within thirty (30) days of the Execution Date (the "Title Review Period"), make an examination of the Title Commitment and Survey and the make any objections thereto (the "Title Objections"), said objections to be made in writing (the "Title Objection Notice") and delivered to Seller, along with copies of appropriate exception documents, on or before the expiration of the Title Review Period. If Purchaser fails to timely deliver the Title Objection Notice on or before the expiration of the Title Review Period, Purchaser shall be deemed to have accepted all exceptions to the Title Commitment and the form and substance of the Survey and all matters shown thereon. The Ground Lease and any exceptions and matters on the Title Commitment and/or the Survey not objected to by Purchaser pursuant to the Title Objection Notice and any exceptions or matters caused by or through Purchaser shall be included in the term "Permitted Exceptions" as used herein. Seller shall, within five (5) days of receipt by Seller of the Title Objection Notice, give notice to Purchaser as to which, if any, of the Title Objections set forth in the Title Objection Notice, that Seller will not commit to cure at or before the Closing (the "Seller's Statement") subject to the Bankruptcy Court's approval of the Plan. Failure to timely deliver the Seller's Statement shall conclusively be deemed to mean that Seller will not cure at or before the Closing all Title Objections set forth in the Title Objection Notice. If Seller timely delivers a Seller's Statement advising that it will not cure all of the Title Objections listed in the Title Objection Notice, then Purchaser's sole right shall be to either (i) waive such Title Objections and proceed to Closing without reduction of the Purchase Price, or (ii) terminate this Agreement by giving notice thereof to Seller within three (3) days of Purchaser's receipt of the Seller's Statement. If Purchaser elects to terminate this Agreement, the Earnest Money Deposit shall be returned to Purchaser, and upon such return, except for the Surviving Obligations, this Agreement and all rights and obligations of the respective parties hereunder shall be null and void. If Purchaser does not notify Seller of its election to terminate this Agreement, Purchaser shall conclusively be deemed to have waived its right of termination on account of such Title Objections and will proceed to Closing without adjustment to the Purchase Price. Notwithstanding anything set forth to the contrary herein, subject to the approval of the Bankruptcy Court, Seller shall, as a condition to settlement, be required to satisfy, discharge and/or remove as title exceptions all mortgages, liens, and judgments not caused by or through Purchaser and encumbering the Real Property Assets that can be removed solely upon payment of a sum certain and such items shall in no event be deemed Permitted Exceptions. The parties agree that, subject to the approval of the Bankruptcy Court, the result of the Plan will be that the PAALC will acquire marketable title to the Real Property Assets free and clear of any encumbrances except Permitted Exceptions.

4. Closing: Conditions: Deliveries.

4.1 Place of Closing. The Closing shall be held on the Closing Date in the offices of the Title Company or at any other location mutually acceptable to the parties.

4.2 Condition to Parties' Obligation to Close.

(a) The obligation of the Purchaser to close on the sale of the Assets shall be expressly subject to the satisfaction of the following conditions:

(i) The Bankruptcy Court shall have entered a final and non-appealable Order Confirming the Plan.

(ii) The Title Company shall have provided a Title Commitment to the Purchaser which confirms, after the payment of the creditors and allowed claims as part of the Plan, that the title to the Real Property Assets shall be marketable (other than the Ground Lease), and that the title to the Real Property Assets will be insured at standard market rates subject only to the Permitted Exceptions.

(iii) The Seller, and anyone claiming occupancy rights through the Seller (with the exception of the Ground Lease), shall have vacated the Real Property Assets.

(iv) Intentionally Omitted.

(v) The Seller shall have terminated all service contracts, equipment leases, and other agreements related to the operation of the Real Property Assets. It is the express intent of the parties that the Purchaser shall not be obligated to assume any contracts of Seller.

(vi) The Seller shall have terminated, or shall have expressly assumed responsibility of any employment agreements or union contracts related to the Seller's operations of the Hotel Parcel and/or the Club Parcel. It is the express intent of the parties that the Purchaser shall not be obligated to assume any of the employment agreements or union contracts entered into by the Seller, and that such agreements remain solely the obligation of the Seller.

(vii) The Seller shall have provided an Estoppel Certificate from Oakland Fifth Avenue Hotel Associates, L.P., dated no more than twenty (20) days prior to the Closing Date, which confirms that the Ground Lease is in full force and effect, that there are no defaults, and further certifying such other commercially reasonable terms as may be required by the Purchaser or its lender.

(viii) The Parties shall have agreed upon the final form of the Declaration of Condominium and LP Agreement (as both are defined below).

The Purchaser may waive, in its sole and absolute discretion, any of the conditions set forth in Paragraph 4.2(a)(ii)-(viii) above.

(b) The obligation of the Seller to close on the Assets shall be expressly subject to the satisfaction of the following conditions:

(i) The Bankruptcy Court shall have entered a final and non-appealable Order Confirming the Plan.

(ii) The Parties shall have agreed upon the final form of the Declaration of Condominium and LP Agreement (as both are defined below).

4.3 Deliveries. At Closing each party shall execute and deliver to the other and/or the Escrow Company the following documents:

(a) Seller shall deliver to Purchaser and/or the Title Company: (i) a special warranty deed to the Real Property Assets (the "Deed") conveying title to the Hotel Parcel and the Club Parcel, subject only to the Permitted Exceptions; (ii) a Bill of Sale conveying title to the Purchaser to any personal property or intangible property specifically included pursuant to this Agreement; (iii) an assignment and assumption of the Ground Lease; (iv) a fully executed original Declaration of Condominium consenting to the creation of the "PAA Condominium" as more particularly described in Section 6 below; (v) a fully executed limited partnership agreement as more particularly described in Section 6 below; (vi) a non-foreign transferor certification pursuant to Section 1445 of the Internal Revenue Code and any similar provisions of applicable state law; (vii) a certified resolution of Seller certifying that Seller has the legal power, right and authority to consummate the sale of the Property; (viii) the original Ground Lease, if in possession of Seller; (ix) keys to the Club Parcel; (x), possession of the Club Parcel and free and clear of the Excluded Assets (which shall be removed at the sole cost and expense of the Seller), and (xi) such other documents as may be reasonably and customarily required by the Title Company to consummate the Closing. All documents required to be delivered by Seller shall be in form and substance as satisfactory to Seller in its commercially reasonable discretion.

(b) Purchaser shall deliver to Seller or the Title Company: (i) the Cash Balance, (ii) Purchaser's counterparty signature, as may be required, to the documents set forth in Section 4.3(a) above; (iii) a certified resolution of Purchaser certifying that Purchaser has the legal power, right and authority to consummate the purchase of the Assets, (iv) the Declaration of Condominium (as defined below); and (v) the Condo Deed (as defined below).

(c) Seller and Purchaser shall jointly deliver to the Title Company: (i) a closing statement; (ii) all transfer declarations or similar documentation as required by law; and (iii) such other documents as may be reasonably and customarily required by the Title Company to consummate the Closing.

5. Closing Costs and Prorations.

5.1 Closing Costs. The parties agree to the following with regard to Closing Costs:

(a) Seller shall pay Seller's legal fees and expenses, including costs associated with the Bankruptcy Case, preparation of the conveyance documents and Deed; the cost of recording any instruments required to discharge any liens or encumbrances against the Assets that Seller is obligated hereunder to discharge; the cost of municipal lien and zoning letters; and fifty percent (50%) of all reasonable settlement fees not to exceed \$300.00.

(b) Purchaser shall pay the costs of the Survey (if any); the costs for any endorsements to the title policy; the cost of the title policy and related searches; fifty percent (50%) of all reasonable closing escrow fees; the fee for the recording of the Deed and the Condo Deed; all costs and expenses incurred in connection with the transfer of any transferable permits, warranties or licenses in connection with the ownership or operation of the Assets; all costs and expenses associated with Purchaser's financing, if any; Purchaser's legal fees and expenses; fifty percent (50%) of all reasonable closing escrow fees; and fifty percent (50%) of all reasonable settlement fees.

(c) The parties agree to equally split the real estate transfer taxes and stamps associated with the conveyance of Real Property Assets via recording of the Deeds. However, the parties expressly agree that they will expressly provide in the Plan that such conveyance of Real Property Assets shall be exempt from the imposition and assessment of real estate transfer taxes pursuant to 11 U.S.C. §1146(a) for the real estate transfers contemplated herein.

5.2 Prorations. All real estate taxes for the applicable tax year shall be prorated as of the Closing Date based on the applicable fiscal year of each taxing body. It is the express intent of the parties that the Seller shall be responsible for all real estate taxes accrued for tax years prior to the applicable tax year of the Closing, and that the Purchaser be responsible for all real estate taxes accrued for tax years after the applicable tax year of the Closing.

6. Operating Covenants.

6.1 The Parties agree to the following operational covenants prior to the Closing:

(a) Building Operations. The Seller will (i) maintain insurance on the Real Property Assets; (ii) maintain temporary heat in the Club Parcel; and (iii) keep the Real Property Assets secured.

(b) Creation of Declaration of Condominium. The parties will jointly work in good faith and with best efforts to develop a form of Declaration of Condominium which will create the following:

(i) Dedicated Fitness Facilities. The parties will design a space within the Club Parcel to develop a first class fitness facility (the "Fitness Facility"). The Fitness Facility will comprise approximately 12,000 square feet of space on the lower levels and will include fitness machines, weights, yoga studios, showers, locker rooms (male and female) and similar amenities for the exclusive use of the PAA's members (the "FF Condominium Unit"). The PAA's members shall have the exclusive right to use the Fitness Facility, provided however that the PAA shall make either discounted memberships and/or special memberships available to the other tenants of the Club Parcel and/or their employees with such fees being jointly established by the Seller and Purchaser. The Seller shall not be required to contribute any capital dollars for the initial construction of the Fitness Facility or the initial amenities located therein. Purchaser also intends to install a lap pool as part of the fitness facilities which may be used by the PAA's members. The Seller and/or PAA shall not be required to contribute any capital dollars for the construction of the lap pool.

(ii) Squash Courts. The parties shall leave in place the existing doubles squash court, and Purchaser shall construct a regulation singles squash court for the use of the PAA's Members. The existing doubles court shall be delivered "as is", and shall be maintained, repaired and/or replaced by the Seller after redevelopment by Purchaser is complete. If Purchaser relocates the doubles squash court, the relocated doubles squash court shall be regulation size and shall not be included in the square footage of the fitness facility as set forth in Section 6.1(b)(i) above. The squash courts wherever located shall be part of the FF Condominium Unit.

(iii) Social Facilities. The parties will design the Building so that the PAA's Members shall have the exclusive right to use the "Grille Room" for their membership's activities and gatherings which shall be a separate condominium unit (the "Grille Condominium Unit" and together with the FF Condominium Unit, the "Condominium Units"). The Purchaser shall provide the Grille Room with access to the Building's updated mechanical and utility systems at Purchaser's exclusive cost. If Purchaser replaces the Building's exterior windows, Purchaser will also replace any exterior windows in the Grille Room, so long as the same is structurally feasible, with the same exterior replacement windows at Purchaser's exclusive cost. The Seller shall be responsible for the cleaning, janitorial, maintenance, and operational costs of the Grille Room after completion of the redevelopment by Purchaser and delivery of possession of the Condominium Units to PAA. The Seller will also be responsible for providing furniture, fixtures, and equipment for the same.

(c) In the event that the parties are unable to agree on the form of the Declaration of Condominium, then the Purchaser shall provide the Seller with a written "Notice of Intent to Terminate". The Parties shall have thirty (30) days from the delivery of the Notice of Intent to Terminate to work cooperatively to resolve any issues between them. If the Parties cannot resolve their issues within such thirty (30) day period, then the Purchaser shall have the right to either (1) delay the Closing until such time as the parties can agree on the form of such Declaration of Condominium, or (b) to terminate this Agreement and receive a refund of its Earnest Money Deposit, and upon the issuance of such refund, neither party shall have any further obligation to the other, except for the Surviving Obligations, if any.

6.2 The Parties agree to the following operational covenants post Closing:

(a) Building Operations. The Purchaser shall be responsible to (i) maintain insurance on the Real Property Assets; (ii) maintain utilities to the Club Parcel; and (iii) keep the Real Property Assets secured.

(b) Temporary Facilities. Purchaser agrees to use good faith and commercially reasonable efforts to work with the Seller to find temporary fitness and social facilities for the PAA's members during the construction and renovation of the Building. PAA's members shall be responsible for any fees assessed by such facilities for the usage. Purchaser agrees to use good faith and commercially reasonable efforts to locate these temporary facilities as close to the Building as possible.

(c) Office Space. Upon the completion of the Purchaser's renovations of the Building, the PAA shall have the right via an exclusive and irrevocable license, at no cost to the Seller, to occupy a dedicated office space in the Building of approximately 800 square feet.

which is to be used for membership services and operations. The Seller shall be responsible for the costs of the furniture, fixtures and equipment for the same. The Seller shall also be responsible for any janitorial service for the same after Purchaser's redevelopment and delivery of possession of the Office Space to the PAA. The Parties acknowledge that the Purchaser shall have the right to relocate the Office Space from time to time, at Purchaser's expense, in order to accommodate the Purchaser's space needs or needs of other tenants so long as the Seller maintains the same size and character of Office Space. The Seller reserves the right to configure its office space as it sees fit in cooperation with the Purchaser during the Redevelopment.

(d) Parking. Purchaser shall use good faith, but commercially reasonable efforts, to provide parking for the PAA's members in the adjacent hotel garage for use by the PAA's Members while they are located in the Building. Such parking will be available at market rates established by the garage from time to time.

(e) Excluded Assets. The Seller, at its sole cost and expense, shall be responsible for the removal of any Excluded Assets which it desires to keep. The Purchaser will not be liable for any damages to any Excluded Assets, property, and/or valuables left by the Seller and/or PAA on or in the Property after the Closing Date.

6.3 Joint Venture \ Profit Sharing. The parties agree that the Seller shall not be required to contribute any capital to the renovation and/or operation of the Club Parcel except as provided in this Section 6 of this Agreement, and/or as further set forth in the Declaration of Condominium Documents. In addition, the Seller and/or PAA shall not be required to guaranty any debt associated with Purchaser's redevelopment of the Club Parcel. At the Closing, the Purchaser and PAA will execute a limited partnership agreement (the "LP Agreement") which will provide that PAA shall be given a five percent (5%) limited partnership interest in the Purchaser, or the Purchaser entity acquiring the Assets. The Seller's interest will entitle the Seller to receive five percent (5%) of the net cash flow from the Assets' operations (after making provisions for appropriate capital reserves and expenses), and after a cumulative preferred return of nine percent (9%) to the partners contributing equity dollars to the Purchaser.

6.4 Conveyance of Condominium. At the Closing, the Purchaser shall either (a) convey the Condominium Units to the PAA or (b) provide the Condo Deed to the Title Company for the Title Company to hold in escrow pending the issuance of the Certificate of Occupancy for the FF Condominium Unit and the Grille Condominium Unit. In all events, the condominiums shall be conveyed for \$1.00 via a special warranty deed (the "Condo Deed"), subject to the covenants and restrictions contained in the Declaration of Condominium and title matters of record as of the Execution Date, but otherwise free and clear of all encumbrances.

6.5 Survival. The terms, conditions and obligations set forth in this Section 6 shall survive Closing.

7. "AS IS" "WHERE IS" PURCHASE. By Closing the transaction contemplated by this Agreement, Purchaser acknowledges that it had the opportunity to investigate all physical and economic aspects of the Assets and to make all inspections and investigations which Purchaser deemed necessary or desirable to protect its interests in acquiring the Assets including a review

of the Seller Deliverables; the condition of title; engineering and structural tests, soils reports, and other tests or investigations which Purchaser may choose to make. Furthermore, Buyer acknowledges that, except as otherwise expressly set forth in this Agreement, (i) neither Seller, PAA, nor anyone acting for or on behalf of Seller or PAA, has made any representation, warranty, promise or statement, express or implied, to Purchaser, or to anyone acting for or on behalf of Purchaser, concerning the Assets, (ii) in entering into and Closing this Agreement, Buyer has not relied on any representation, warranty, promise or statement, express or implied, of Seller, PAA or anyone acting for or on behalf of Seller or PAA and (iii) AS A MATERIAL INDUCEMENT TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT BY SELLER, EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES CONTAINED IN THIS AGREEMENT, PURCHASER IS PURCHASING THE ASSETS IN AN "AS IS" PHYSICAL CONDITION AND IN AN "AS IS" STATE OF REPAIR, WITH ALL FAULTS.

8. Commissions. Purchaser agrees to be responsible to pay a brokerage \ advisory fee of \$325,000.00 to HFF, LP at the Closing. Seller and Purchaser each warrant and represent to the other that other than HFF, neither has had any dealings with any broker, agent, or finder relating to the sale of the Assets or the transactions contemplated hereby. Each party agrees to indemnify and hold the other harmless against any claim for brokerage commissions, compensation or fees by any broker, agent, or finder in connection the sale of the Assets or the transactions contemplated hereby resulting from the acts of the indemnifying party. The provisions of this Section shall survive Closing or any termination of this Agreement.

9. New York Style Closing. It is contemplated that the transaction shall be closed by means of a so-called New York Style Closing, with the concurrent delivery of the documents of title, transfer of interest, delivery of the pro forma title policy or marked-up title commitment and the payment of the Purchase Price. Seller and Purchaser also agree that disbursement of the Purchase Price, as adjusted by the prorations, shall not be conditioned upon the recording of the Deed, but rather, upon the agreement by the Title Company to issue the title policy. Seller and Purchaser shall each provide any undertaking to the Title Company reasonably necessary to accommodate the New York Style Closing.

10. Attorneys' Fees and Costs. In the event suit or action is instituted to interpret or enforce the terms of this Agreement, or related to the transaction described herein or any documents pertaining thereto, or in connection with any arbitration or mediation of any dispute, the prevailing party shall be entitled to recover from the other party such sum as the court may adjudge reasonable as such party's costs and attorney's fees, including such costs and fees as are incurred in any trial, on any appeal, in any bankruptcy proceeding (including the adjudication of issues peculiar to bankruptcy law) and in any petition for review. The provisions of this Section shall survive Closing or any termination of this Agreement.

11. Notice. All notices, demands, deliveries and communications (a "Notice") under this Agreement shall be delivered or sent by: (a) registered or certified mail, postage prepaid, return receipt requested, (b) nationally recognized overnight carrier, or (c) facsimile or email with original Notice sent via overnight delivery addressed to the address of the party in question set

forth in the first paragraph of this Agreement and copies to the parties designated below or to such other address as either party may designate by Notice pursuant to this Section 11.

Notices to Seller: Pittsburgh Athletic Association Land Company
c/o of the Pittsburgh Athletic Association
4215 Fifth Avenue
Pittsburgh, Pennsylvania 15213
Attn: James A. Sheehan, President

With copy to: Pittsburgh Athletic Association Land Company
4215 Fifth Avenue
Pittsburgh, Pennsylvania 15213
Attn: James A. Sheehan, President

AND

Jordan S. Blask, Esquire
Tucker Arensberg, P.C.
1500 One PPG Place
Pittsburgh, Pennsylvania 15222

Notices to Purchaser: Todd E. Reidbord, President
PAA Walnut, LP
C/O Walnut Capital Acquisitions, Inc.
5500 Walnut Street, Suite 300
Pittsburgh, PA 15232.

With copy to: Jonathan M. Kamin, Esquire
Goldberg, Kamin & Garvin, LLP
1806 Frick Building, 437 Grant Street
Pittsburgh, PA 15219

David K. Rudov, Esquire
Rudovlaw
1806 Frick Building, 437 Grant Street
Pittsburgh, PA 15219

12. Fire or Other Casualty; Condemnation.

12.1 If the Assets are damaged by fire or other casualty prior to the Closing Date and such damage would cost in excess of \$250,000.00 to repair (as determined by an insurance adjuster selected by the insurance carriers), Purchaser may terminate this Agreement by written notice to Seller given on or before the earlier of (a) twenty (20) days following such casualty or (b) the Closing Date. In the event of such termination, this Agreement shall be of no further force and effect and, except for the Surviving Obligations, neither party shall thereafter

have any further obligation under this Agreement, and Seller shall direct the Escrow Company to promptly return all Earnest Money to Purchaser. If Purchaser does not elect to terminate this Agreement or the cost of repair is determined by said adjuster to be less than \$100,000.00, then the Closing shall take place as herein provided without abatement of the Purchase Price, and Seller shall assign and transfer to Purchaser on the Closing Date, without warranty or recourse, all of Seller's right, title and interest to the balance of insurance proceeds paid or payable to Seller on account of such fire or casualty remaining after reimbursement to Seller for the total amount of all costs and expenses incurred by Seller in connection therewith, including, but not limited to, making emergency repairs, securing the Assets and complying with applicable governmental requirements. Seller shall credit to Purchaser at Closing the amount of the deductible of any of Seller's applicable insurance policies.

12.2 If any portion of the Real Property Assets which makes the Building unusable is taken in eminent domain proceedings prior to Closing, Purchaser may terminate this Agreement by notice to Seller given on or before the earlier of (a) twenty (20) days after such taking or (b) the Closing Date, and, in the event of such termination, this Agreement shall be of no further force and effect and, except for the Surviving Obligations, neither party shall thereafter have any further obligation under this Agreement, and Seller shall direct the Escrow Company to promptly return all Earnest Money to Purchaser. If Purchaser does not so elect to terminate or if the taking is not material, then the Closing shall take place as herein provided without abatement of the Purchase Price, and Seller shall deliver or assign to Purchaser on the Closing Date, without warranty or recourse, all of Seller's right, title and interest in and to all condemnation awards paid or payable to Seller.

13. Sewage Facility. The Pennsylvania Sewage Facilities Act of January 24, 1966, No. 537 P.L. 1535, as amended, requires that there be a statement regarding the availability of a community sewage system. Seller represents that the Club Parcel is serviced by a community sewage system.

14. Assignment. Purchaser may assign this Agreement to an affiliate of Purchaser without Seller's consent so long as Purchaser remains fully liable for the performance of all of the obligations set forth herein. Any other assignment shall require the Seller's consent which Seller may withhold in Seller's sole discretion. Purchaser shall be solely responsible for and indemnify and hold harmless Seller from and against any and all realty transfer taxes assessed due to any such assignment or transfer of interest in this Agreement. Notwithstanding anything to the contrary, upon any assignment by Purchaser, Purchaser shall not be relieved of any obligations hereunder.

15. Default and Remedies.

15.1 Seller Default. Subject to the approval of the Bankruptcy Court, in the event that Seller shall fail to consummate any of its obligations under this Agreement and fails to cure the same within thirty (30) days of written notice, then Purchaser may elect (a) to bring an action against Seller for specific performance under this Agreement, or (b) terminate this agreement and receive a refund of the Earnest Money Deposit paid by Purchaser plus Purchaser's out of pocket expenses not to exceed One Hundred Thousand and 00/100 Dollars (\$100,000.00).

15.2 Purchaser's Default. In the event of a default by Purchaser, which remains uncured after thirty (30) days written notice, Seller, as its sole and exclusive remedy, may terminate this agreement and receive the Earnest Money Deposit, and upon the payment of such Earnest Money Deposit, neither party shall have any further obligation to the other except for the Surviving Obligations.

16. Miscellaneous.

16.1 Entire Agreement. This Agreement, including the attached exhibit, constitutes the entire understanding of the parties. All prior agreements, understandings, representations and statements, oral or written, are hereby merged herein. In the event of a conflict between the terms of this Agreement and any prior written agreements, the terms of this Agreement shall prevail. This Agreement may only be amended or modified by an instrument in writing, signed by the parties.

16.2 Time. If the time for performance of any obligation hereunder shall fall on a Saturday, Sunday or holiday (National or in the Commonwealth of Pennsylvania) such that the obligation cannot be performed, the time for performance shall be extended to the next such succeeding day where performance is possible.

16.3 Counterpart Execution. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original. The Parties agree to recognize electronic (ie PDF) signatures as being binding upon them

16.4 Governing Law. THIS AGREEMENT SHALL BE DEEMED TO BE A CONTRACT MADE UNDER, GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA. AFTER THE ENTRY OF AN ORDER BY THE BANKRUPTCY COURT CLOSING THE BANKRUPTCY CASE, THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA SHALL HAVE EXCLUSIVE JURISDICTION OVER ANY DISPUTES THAT ARISE HEREUNDER OR AFTER THE CLOSING.

16.5 Recordation. Purchaser shall not record this Agreement or a memorandum or other notice thereof in any public office without the express written consent of Seller. A breach by Purchaser of this covenant shall constitute a material default by Purchaser under this Agreement.

16.6 Section Headings. The Section headings contained in this Agreement are for convenience only and shall in no way enlarge or limit the scope or meaning of the various and several Sections hereof.

16.7 Further Assurances. Purchaser and Seller agree to execute all documents and instruments reasonably required in order to consummate the purchase and sale herein contemplated.

16.8 Severability. If any portion of this Agreement is held to be unenforceable by a court of competent jurisdiction, the court shall replace such unenforceable provision with a new

provision which shall be as close to the original unenforceable provision as possible. Nevertheless, the remainder of this Agreement shall remain in full force and effect.

16.9 Waiver of Trial by Jury. Seller and Purchaser, to the extent they may legally do so, hereby expressly waive any right to trial by jury of any claim, demand, action, cause of action, or proceeding arising under or with respect to this Agreement, or in any way connected with, or related to, or incidental to, the dealings of the parties hereto with respect to this Agreement or the transactions related hereto or thereto, in each case whether now existing or hereafter arising, and irrespective of whether sounding in contract, tort, or otherwise. To the extent they may legally do so, Seller and Purchaser hereby agree that any such claim, demand, action, cause of action, or proceeding shall be decided by a court trial without a jury and that any party hereto may file an original counterpart or a copy of this Section with any court as written evidence of the consent of the other party or parties hereto to waiver of its or their right to trial by jury.

16.10 Independent Counsel. Purchaser and Seller each acknowledge that: (a) they have been represented by independent counsel in connection with this Agreement; (b) they have executed this Agreement with the advice of such counsel; and (c) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel.

16.11 Governmental Approvals. Subject to the approval of the Bankruptcy Court, Purchaser shall have the right to make such applications as Purchaser deems necessary to the applicable governmental bodies for approvals consistent with the provisions of this Agreement.

16.12 No Waiver. No covenant, term or condition of this Agreement other than as expressly set forth herein shall be deemed to have been waived by Seller or Purchaser unless such waiver is in writing and executed by Seller or Purchaser, as the case may be.

16.13 Mutual Cooperation. The parties acknowledge that the Seller has filed the Bankruptcy Case and that the various actions to be taken by the Seller herein are ultimately subject to the approval of the Bankruptcy Court. The parties agree to jointly cooperate in the preparation of the Plan and other matters in the Bankruptcy Case in order to facilitate the transactions as contemplated by this Agreement.

16.14 COAL NOTICE. THIS DOCUMENT MAY NOT SELL, CONVEY, TRANSFER, INCLUDE OR INSURE THE TITLE TO THE COAL AND RIGHTS OF SUPPORT UNDERNEATH THE SURFACE LAND DESCRIBED OR REFERRED TO HEREIN, AND THE OWNER OR OWNERS OF SUCH COAL MAY HAVE THE COMPLETE LEGAL RIGHT TO REMOVE ALL SUCH COAL AND IN THAT CONNECTION, DAMAGE MAY RESULT TO THE SURFACE OF THE LAND AND ANY HOUSE, BUILDING OR OTHER STRUCTURE ON OR IN SUCH LAND. (This notice is set forth in the manner provided in Section 1 of the Act of July 17, 1957, P.L. 984.).

16.15 OFAC Compliance. Purchaser hereby represents and warrants that Purchaser is in compliance with the requirements of Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 23, 2001) (the "Order") and other similar requirements contained in the rules and regulations of the Office of Foreign Assets Control, Department of the Treasury ("OFAC"), and in any enabling

legislation or other Executive Orders or regulations in respect thereof (the Order and such other rules, regulations, legislation, or orders are collectively called the "Orders"). Further, Purchaser covenants and agrees to make its policies, procedures and practices regarding compliance with the Orders, if any, available to Seller for its review and inspection during normal business hours and upon reasonable prior notice.

16.16 Confidentiality. The terms contained in this Agreement shall be kept strictly confidential by the parties, except (i) for consultation with either party's respective legal counsel, accountants and/or consultants, or (ii) as required by applicable law or any governmental authority in connection with the transaction referenced herein. Any disclosure to permitted third parties as listed in subparagraph (i) hereinabove shall indicate that the information is confidential and should be so treated by the third party.

16.17 Publicity and Public Statements. No press release or other public communications may be made by either party unless and until both parties have consented in writing to the same.

16.18 Fully Integrated Document. This Agreement, and the Exhibits attached hereto, represent a fully integrated document. This Agreement may not be modified orally, but may only be modified by a writing signed by both the Seller and the Purchaser.

16.19 Not a Successor. Purchaser is not, and shall not be deemed to be, a successor to Seller and shall not have any "successor liability" under any federal, state or common law or any other theory, and the Seller shall request that the Court so find in the Order Confirming the Plan for the following: (i) any liability arising out of or relating to any employee benefit plan for which Seller is liable, if any, or otherwise relating to the employment or engagement of any past or present employee or consultant of Seller; (ii) any liability arising out of or relating to any proceeding (including, without limitation, all proceedings relating to tax liabilities) involving Seller or the Assets (whether or not such proceeding is pending, threatened or asserted before, on or after the Closing Date); (iii) any liability of Seller or related to the Assets, for any debt secured by a lien or any other interest in the Assets, whether accrued now or hereafter, whether fixed or contingent, whether known or unknown; or (iv) any liability arising under or relating to any contract, agreement, commitment or any other obligation of Seller to any third party, whether oral or in writing upon which a third party asserts a claim against Purchaser under a theory of successor liability (the "Excluded Liabilities"). Seller shall indemnify, defend and hold Purchaser, its affiliates, successors and assigns harmless from and against any loss, cost, expense liability or damages arising out of or related to the Excluded Liabilities. The terms, conditions and obligations set forth in this Section 16.19 shall survive Closing. Anything to the contrary notwithstanding, the terms of this Section 16.19 shall not and shall not be interpreted to in any way modify, limit, reduce or waive the provisions of Section 7 above.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be made as of
the Execution Date.

SELLER:

PITTSBURGH ATHLETIC ASSOCIATION, a
Pennsylvania non-profit corporation.

By: 

Name: JAMES A. SHEEHAN

Its: PRESIDENT - PAA

PITTSBURGH ATHLETIC ASSOCIATION
LAND COMPANY, a Pennsylvania corporation.

By: 

Name: JAMES A. SHEEHAN

Its: PRESIDENT - PAA.

PURCHASER:

WALNUT PAA, LP, a Pennsylvania limited
partnership.

By: 

Name: Todd E. Revick

Its: President of CA

EXHIBIT A

LEGAL DESCRIPTION

ALL THAT CERTAIN property located in the 4th Ward of the City of Pittsburgh, designated in the Allegheny County Office of Deed Registry as Block and Lot. 27-R-110, also known as 5126 – 5130 Bigelow Boulevard, Pittsburgh, PA 15213.

ALL THAT CERTAIN property located in the 4th Ward of the City of Pittsburgh, designated in the Allegheny County Office of Deed Registry as Block and Lot. 27-R-138, also known as 4215 Fifth Avenue, Pittsburgh, PA 15213.

"Exhibit D"

(Feasibility Analysis)

**Pittsburgh Athletic Association Land Company and Pittsburgh Athletic Association
Plan Feasibility Analysis**

	<u>PAALC</u>	<u>PAA</u>	<u>Notes:</u>
Proceeds from Land/Building Sale	\$ 12,238,000		a)
Less: Transaction Costs	(325,000)		b)
Net Sale Proceeds	<u>\$ 11,913,000</u>		
Less Administrative Claims:			
Repayment of DIP Loan	\$ (1,500,000)		c)
Unpaid Professional Fees	(700,000)		d)
Unpaid US Trustee Fees	(975)		
Administrative Tax Claims	-		
Less Payments to PAALC Creditors:			
Secured - PAALC	\$ (4,398,493)		e)
Priority Unsecured - PAALC	(300)		e)
Unsecured - PAALC	<u>(300)</u>		e)
Total Payments to PAALC Creditors (including Disputed Claims)	<u>\$ (4,399,093)</u>		
Funds Available after Payment of PAALC Creditors	\$ 5,312,932		
Equity Distribution to PAA	\$ (5,312,932)	\$ 5,312,932	
Less Payments to PAACreditors:			
Secured - PAA		\$ (1,535,178)	f)
Priority Unsecured - PAA		(502,221)	f)
Unsecured - PAA		<u>(3,498,136)</u>	f)
Total Payments to PAALC Creditors (including Disputed Claims)		<u>\$ (5,535,534)</u>	
Funds Available from Sales Proceeds after Payments to Creditors and Disputed Claims		<u>\$ (222,603)</u>	
Funds Available from Other PAA Assets:			
PAA Artwork		\$ 800,000	g)
Proceeds from PAA Personal Property Auction		100,000	h)
Return of Utility Deposits		53,000	
Collection of Outstanding Accounts Receivable		100,000	i)
Cash Proceeds from Avoidance Actions Retained by Reorganized Debtor		<u>TBD</u>	
Total Funds from Other PAA Assets		<u>\$ 1,053,000</u>	
Funds Available to Reorganized Debtor for Future Reinvestment in PAA	<u>\$ -</u>	<u>\$ 830,397</u>	

Notes:

- a) Letter of Intent ("LOI") from Walnut Capital dated September 18, 2017.
- b) Includes \$325,000 fee for HFF.
- c) This amount assumes that the interest reserve held by lender will be adequate to cover outstanding balances.
- d) Professional fees include actual billings through November 2017 and estimated billings through January 2018. This amount has also been deducted for amounts that will be paid for professional fees using operating funds of the PAA.
- e) See tab entitled PAALC Summary.
- f) See tab entitled PAA Summary.
- g) Based upon Christies/Sotheby's appraisal of artwork.
- h) Estimated based on current assets held, net of sale expenses.
- i) Based on approximately 50 percent recovery of balances currently recorded in the PAA MOR

Pittsburgh Athletic Association Land Company
Analysis of Claims for Plan Feasibility

Creditor	Entity	Docket Reference	Secured as Reflected on POC	Secured as Reflected on Bankruptcy Schedules	Secured (Greater of POC or Bankruptcy Schedules)	Secured as Determined by Financial Advisors
<u>Secured Claims</u>						
A.J. Demors & Sons, Inc.	PAALC	1-1	\$ 8,812.00	\$ 8,812.00	\$ 8,812.00	\$ 8,812.00
City and School District of Pittsburgh	PAALC	5-1	85,137.14	85,137.14	-	-
Coca-Cola Refreshments	PAALC		-	6,655.10	-	-
Commonwealth of PA - UCTS	PAALC	6-1	322,388.49	322,388.49	-	-
Oakland Fifth Avenue Hotel Associates LP	PAALC	11-1	660,151.26	637,551.08	660,151.26	660,151.26
Oakland Fifth Avenue Hotel Associates LP	PAALC	12-1	1,563,680.84	1,517,827.86	1,563,680.84	1,563,680.84
Pitt AA, LLC (AVB/JDI)	PAALC	9-1	2,165,849.10	2,124,416.14	2,165,849.10	2,165,849.10
Pittsburgh Water and Sewer Authority	PAALC	4-1	198,475.58	198,475.58	-	-
Unite Here Health	PAALC	8-1	30,246.75	141,048.92	-	-
Total			\$ 5,034,741.16	\$ 5,042,312.31	\$ 4,398,493.20	\$ 4,398,493.20

Creditor	Entity	Docket Reference	Priority as Reflected on POC	Priority as Reflected on Bankruptcy Schedules	Priority (Greater of POC or Bankruptcy Schedules)	Priority as Determined by Financial Advisors
<u>Priority Unsecured Claims</u>						
County of Allegheny	PAALC	10-1	\$ 10,396.21	\$ -	\$ -	\$ -
City of Pittsburgh	PAALC	13-1	2,112.67	-	-	-
City of Pittsburgh	PAALC	14-1	8,278.05	-	-	-
Commonwealth of PA - UCTS	PAALC	6-1	37,251.13	37,251.13	-	-
Department of Treasury - IRS	PAALC	3-1	\$ 300.00	\$ 300.00	\$ 300.00	\$ 300.00
Total			\$ 58,338.06	\$ 37,551.13	\$ 300.00	\$ 300.00

Creditor	Entity	Docket Reference	Unsecured as Reflected on POC	Unsecured as Reflected on Bankruptcy Schedules	Unsecured (Greater of POC or Bankruptcy Schedules)	Unsecured as Determined by Financial Advisors
<u>Unsecured Claims</u>						
Allegheny County Health Department	PAALC	2-1	\$ 7,000.00	\$ 7,000.00	\$ -	\$ -
Department of Treasury - IRS	PAALC	3-1	300.00	300.00	300.00	300.00
National Retirement Fund	PAALC	7-1	4,098,642.00	4,098,642.00	-	-
Total			\$ 4,105,942.00	\$ 4,105,942.00	\$ 300.00	\$ 300.00

Pittsburgh Athletic Association
Analysis of Claims for Plan Feasibility

Creditor	Entity	Docket Reference	Secured as Reflected on POC	Secured as Reflected on Bankruptcy Schedules	Secured (Greater of POC, Bankruptcy Schedules or Amount Determined by Financial Advisors)	Secured as Determined by Financial Advisors
<u>Pittsburgh Athletic Association</u>						
<u>Secured Claims</u>						
A.J. Demor & Sons, Inc.	PAA	1-1	\$ -	\$ 8,812.00	\$ -	\$ -
Allegheny County Health Department	PAA	9-2	-	7,000.00	-	-
American Geosciences, Inc.	PAA	N/A	-	3,186.35	3,186.35	3,186.35
City and School District of Pittsburgh	PAA	21-1	85,137.14	85,137.14	-	-
Commonwealth of PA - UCTS	PAA	12-1	322,388.49	322,388.49	322,388.49	322,388.49
Department of Treasury - IRS	PAA	17-2	345,348.00	345,348.07	345,348.00	345,348.00
Duquesne Light Company	PAA	N/A	-	159,045.75	-	-
Francis J. Nowalk Artwork	PAA	N/A	-	1,747.00	-	-
Pennsylvania Department of Revenue	PAA	2-1	150,904.03	150,904.03	150,904.03	150,904.03
Pitt AA, LLC (AVB/JDI)	PAA	40-1	2,165,849.10	2,124,416.14	-	-
Pittsburgh Water and Sewer Authority	PAA	20-1	198,475.58	198,475.58	198,475.58	29,823.28
Steffan Industries	PAA	16-1	34,640.00	34,640.00	34,640.00	34,640.00
The Blanche Trust	PAA	47-1	335,388.36	390,000.00	435,388.36	435,388.36
TRIB Total Media	PAA	N/A	-	3,502.82	-	-
Unite Here Health Local 57	PAA	N/A	-	203,460.43	-	-
US Foods, Inc.	PAA	52-1	44,847.02	59,374.48	44,847.02	44,847.02
Total			\$ 3,682,977.72	\$ 4,097,438.28	\$ 1,535,177.83	\$ 1,366,525.53

Creditor	Entity	Docket Reference	Priority as Reflected on POC	Priority as Reflected on Bankruptcy Schedules	Priority (Greater of POC or Bankruptcy Schedules)	Priority as Determined by Financial Advisors
<u>Priority Unsecured Claims</u>						
Allegheny County Tax Collection	PAA	19-1	\$ 94,893.88	\$ 94,893.88	\$ 94,893.88	\$ 94,893.88
B&R Pools Management (Dream Pools)	PAA	13-1	2,773.04	-	2,773.04	2,773.04
Central Pension Fund of the International Union of Operating Engineers	PAA	45-1	8,279.57	Unknown	8,279.57	8,279.57
City of Pittsburgh	PAA	58-1	2,112.67	-	2,112.67	2,112.67
City of Pittsburgh	PAA	59-1	8,278.05	-	8,278.05	8,278.05
Commonwealth of PA - UCTS	PAA	12-1	37,251.13	37,251.13	37,251.13	37,251.13
County of Allegheny	PAA	43-1	10,396.21	-	10,396.21	10,396.21
Department of Treasury - IRS	PAA	17-2	136,955.91	136,955.91	136,955.91	136,955.91
Mary Helen and David Zimmick	PAA	29-2	2,850.00	-	-	-
National Retirement Fund	PAA	25-1	228,090.70	228,090.70	100,000.00	100,000.00
PBOWF	PAA	41-1	34,003.00	-	34,003.00	34,003.00
Pennsylvania Department of Revenue	PAA	2-1	35,938.30	35,938.30	35,938.30	35,938.30
Unite Here Health	PAA	32-1	30,246.75	-	30,246.75	30,246.75
USDLWage and Hour Division	PAA	54-1	1,092.50	-	1,092.50	1,092.50
Total			\$ 633,161.71	\$ 533,129.92	\$ 502,221.01	\$ 502,221.01

Creditor	Entity	Docket Reference	Unsecured as Reflected on POC	Unsecured as Reflected on Bankruptcy Schedules	Unsecured (Greater of POC or Bankruptcy Schedules)	Unsecured as Determined by Financial Advisors
Unsecured						
Ace Cash Express	PAA	N/A	\$ -	\$ 957.78	\$ 957.78	\$ 957.78
Albert Zangrilli, Jr.	PAA	53-1	2,500.00	2,500.00	2,500.00	2,500.00
Alex Richter	PAA	N/A	-	460.00	460.00	460.00
Allegheny County Sheriff's Office	PAA	N/A	-	1,389.00	1,389.00	1,389.00
Allegheny County Health Department	PAA	9-2	7,000.00	-	7,000.00	7,000.00
Allegheny Refrigeration Service Co.	PAA	N/A	-	5,356.00	5,356.00	5,356.00
American Arbitration Association	PAA	N/A	-	250.00	250.00	250.00
Amy Dugan	PAA	N/A	-	6,413.26	6,413.26	6,413.26
Anthony Pyle	PAA	N/A	-	2,500.00	-	-
A.J. Demor & Sons, Inc.	PAA	1-1	8,812.00	-	-	-
ASCAP	PAA	N/A	-	121.02	121.02	121.02
Balfurd	PAA	61-1	182,929.62	-	182,929.62	182,929.62
Brentwood Distributing Co.	PAA	N/A	-	999.00	999.00	999.00
Carl/Frank Industries, Inc.	PAA	55-1	4,300.00	-	4,300.00	4,300.00
Central Pension Fund of the International Union of Operating Engineers	PAA	45-1	323,174.77	Unknown	323,174.77	323,174.77
Charles Felix	PAA	N/A	-	40,631.12	40,631.12	40,631.12
Christian Griffin	PAA	N/A	-	460.00	460.00	460.00
Clare S. Donahue	PAA	8-1	2,500.00	2,500.00	2,500.00	2,500.00
Coca-Cola Refreshments USA, Inc.	PAA	7-1	6,655.10	6,655.10	6,655.10	6,655.10
Comcast	PAA	N/A	-	11,538.27	11,538.27	11,538.27
Connor Van Pevenage	PAA	N/A	-	460.00	460.00	460.00
CTR Systems	PAA	N/A	-	1,142.46	1,142.46	1,142.46
CyberSource Corporation	PAA	N/A	-	172.88	172.88	172.88
Department of Treasury - IRS	PAA	17-2	15,430.89	15,430.89	15,430.89	15,430.89
Davevic Benefit Consultants, Inc.	PAA	N/A	-	1,120.00	1,120.00	1,120.00
David Wandrisco	PAA	5-1	2,500.00	2,500.00	2,500.00	2,500.00
Dernar & Associates, LLC	PAA	N/A	-	4,000.00	4,000.00	4,000.00
Direct Energy Business Marketing, LLC	PAA	44-1	106,154.59	106,648.17	106,154.59	106,648.17
Duquesne Light Company	PAA	42-1	7,977.49	15,379.75	7,977.49	7,977.49
Eckert Seamans	PAA	4-1	4,095.00	4,095.00	4,095.00	4,095.00
Eckman & Danovitz Attorneys at Law	PAA	N/A	-	25,510.00	25,510.00	25,510.00
Ecomm Networks, LLC	PAA	N/A	-	355.78	355.78	355.78
Emmanuel Kambouriglos	PAA	N/A	-	460.00	460.00	460.00
Fidelity & Guaranty Life	PAA	N/A	-	145.62	145.62	145.62
G&G Fitness	PAA	N/A	-	1,408.95	1,408.95	1,408.95
Goehing Rutter & Boehm	PAA	N/A	-	661.50	661.50	661.50
Gordon Food Service	PAA	27-1	5,336.99	5,409.34	5,336.99	5,336.99
Gray Group, Inc.	PAA	57-1	5,000.00	5,024.10	5,000.00	5,000.00
HD Supply Maintenance	PAA	N/A	-	2,343.09	2,343.09	2,343.09
Industrial Pump & Motor Repair, LTD.	PAA	N/A	-	3,675.98	3,675.98	3,675.98
Jackson Welding Supply Co.	PAA	N/A	-	754.25	754.25	754.25
James Huber	PAA	PAA	-	460.00	460.00	460.00
Janice Miller	PAA	36-1	14,401.53	9,651.75	14,401.53	11,847.25
Jeffrey E. Borello	PAA	38-1	11,031.97	11,032.00	11,032.00	11,032.00
Jennifer Stoner	PAA	PAA	-	3,000.00	3,000.00	3,000.00
Joe Marshall	PAA	N/A	-	460.00	460.00	460.00
Jo-Mar Provisions, Inc.	PAA	31-1	63,120.56	63,120.56	63,120.56	63,120.56

John K. Weinstein, Treasurer	PAA	N/A	-	7,838.96	7,838.96	7,838.96
Johnstone Supply	PAA	N/A	-	107.00	107.00	107.00
John V. Heineman Company	PAA	N/A	-	8,524.69	8,524.69	8,524.69
Joyce McCoy	PAA	N/A	-	630.00	630.00	630.00
Koonse Food Equipment Service, Inc.	PAA	N/A	-	2,417.80	2,417.80	2,417.80
Kristy Buczynski and Michael Weaver	PAA	N/A	-	3,000.00	3,000.00	3,000.00
Leo Dorman	PAA	N/A	-	460.00	460.00	460.00
Logan Frey	PAA	N/A	-	460.00	460.00	460.00
Louis Cherry	PAA	N/A	-	460.00	460.00	460.00
Mancini's Bakery	PAA	N/A	-	3,825.05	3,825.05	3,825.05
Matthews International Corporation	PAA	N/A	-	267.50	267.50	267.50
Marie Gray	PAA	N/A	-	1,000.00	1,000.00	1,000.00
Mark Littlefield	PAA	N/A	-	460.00	460.00	460.00
Martin S Samuels and Johanna S Samuels	PAA	24-1	3,000.00	3,000.00	3,000.00	3,000.00
Mary Helen and David Zimmick	PAA	29-2	150.00	3,000.00	3,000.00	3,000.00
Mitel	PAA	N/A	-	3,040.01	3,040.01	3,040.01
Monteverde's Inc.	PAA	28-1	20,788.27	20,788.27	20,788.27	20,788.27
Montour Heights Country Club	PAA	N/A	-	22.50	22.50	22.50
Movin' On Up Laundry Services, LLC d/b/a Affordable Linens	PAA	50-1	7,353.77	7,354.00	7,354.00	7,353.77
National Labor Relations Board	PAA	34-1	4,975.87	4,975.87	4,975.87	4,975.87
National Labor Relations Board	PAA	35-1	6,184.20	6,184.20	6,184.20	6,184.20
National Retirement Fund	PAA	25-1	4,098,642.00	4,098,642.00	1,359,000.00	1,359,000.00
Nicholas Keddie	PAA	N/A	-	460.00	460.00	460.00
Nick Logan	PAA	N/A	-	460.00	460.00	460.00
Nick Taglianetti	PAA	N/A	-	460.00	460.00	460.00
Noah Dorman	PAA	N/A	-	460.00	460.00	460.00
Northstar Technologies, Inc.	PAA	N/A	-	615.25	615.25	615.25
Ogletree, Deakins, Nash, Smoak & Stewart, P.C	PAA	26-1	80,487.75	80,487.75	80,487.75	80,487.75
Overall Supply Inc.	PAA	N/A	-	182.35	182.35	182.35
USDOL - PAA Group Health Plan	PAA	14-1	3,016.52		3,016.52	3,016.52
USDOL - PAA Group Health Plan	PAA	15-1	74,632.95		74,632.95	74,632.95
Patrick McDunn	PAA	N/A	-	460.00	460.00	460.00
PBOWF	PAA	41-1	722,276.33	380,276.95	722,276.33	722,276.33
Pennsylvania Department of Revenue	PAA	2-1	7,865.34	7,865.34	7,865.34	7,865.34
Peoples Natural Gas Company	PAA	3-1	76,474.69	76,474.69	76,474.69	76,474.69
Phoenix Funding Group	PAA	N/A	-	17,802.40	-	-
Pittsburgh Field Club	PAA	N/A	-	462.11	462.11	462.11
Pittsburgh Laundry Systems	PAA	N/A	-	633.64	633.64	633.64
Pitney Bowes	PAA	22-1	11,928.00	11,298.00	11,928.00	11,298.00
Pitney Bowes	PAA	23-1	5,148.56	5,148.56	5,148.56	5,148.56
PSF Acquisition Company, LLC	PAA	51-1	20,817.87	-	20,817.87	20,817.87
Pure Force	PAA	N/A	-	1,173.47	1,173.47	1,173.47
R.D. Hoag and Associates, P.C.	PAA	18-1	9,139.94	9,139.94	9,139.94	9,139.94
Renaissance 3 Architects, P.C.	PAA	N/A	-	3,817.64	3,817.64	3,817.64
RH Management Resources	PAA	11-1	3,712.96	3,712.96	3,712.96	3,712.96
Richard S. Hamilton	PAA	37-1	2,500.00	2,500.00	2,500.00	2,500.00
Road Runner	PAA	N/A	-	4,995.70	4,995.70	4,995.70
Robert J. Battiston	PAA	30-1	2,500.00	-	2,500.00	2,500.00
Robbins, Salomon & Pratt, LTD.	PAA	N/A	-	9,181.50	9,181.50	9,181.50
Ryan Le Grand	PAA	N/A	-	460.00	460.00	460.00
Ryan Salisbury	PAA	N/A	-	460.00	460.00	460.00
Schindler Elevator Corporation	PAA	39-1	26,027.77	23,399.25	26,027.77	26,027.77

Total	\$ 6,047,830.58	\$ 5,274,434.14	\$ 3,498,135.51	\$ 3,491,056.58
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