

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

In re:

PITTSBURGH ATHLETIC ASSOCIATION,
*et al.*¹,
Debtors.

PITTSBURGH ATHLETIC ASSOCIATION,
et al,
Movants,
v.
NO RESPONDENTS.

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

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

Chapter 11

Related Doc. Nos. 418 and 419

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

This summary is provided to you by Pittsburgh Athletic Association (“PAA”) and Pittsburgh Athletic Association Land Company (“PAALC” and together with the PAA collectively, the “Debtors”) for informational purposes only. The terms of the Plan control any inconsistencies between this summary and the Plan. The Plan proposes a private sale of the Sale Assets² to Walnut PAA. The Sale Assets will be sold free and clear of all liens, claims, encumbrances and interests to Walnut PAA with the liens attaching to the net sales proceeds in order of priority. 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 all transfer taxes.

As part of the proposed sale, Walnut PAA will enter into a Limited Partnership 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 the Sale Assets to Walnut PAA at Closing and will become a limited partner of Walnut PAA and the owner of two (2) condominium units in the redeveloped Clubhouse. Further, the Ground Lease will be assigned to Walnut PAA. The Reorganized Debtor will retain the Excluded Assets and any excess sales proceeds and operate out of the PAA Condos. 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.

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.

² All capitalized terms not defined herein shall have the same meaning as set forth in the Plan.

The Plan contains one equity class: PAA is the sole owner of PAALC and is the only Equity Interest holder in the Plan. The PAA Equity Interest is unimpaired and will not vote. There are no impaired creditor classes. Therefore there are no voting classes.

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

The Plan provides that upon 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 Bankruptcy 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.

The Plan does not provide for the avoidance of any liens. However, 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, and (2) Avoid and Recover A Preferential Pre-Petition Transfer Pursuant To 11 U.S.C. §§547 & 550.

Dated: December 22, 2017

TUCKER ARENSBERG, P.C.

/s/Jordan S. Blask

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