

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

In re:

PITTSBURGH ATHLETIC ASSOCIATION, *et al*¹

Debtors,

PITTSBURGH ATHLETIC ASSOCIATION, *et al*,
Movant,

v.

PITT AA, LLC AS SUCCESSOR TO
ALLEGHENY VALLEY BANK OF
PITTSBURGH AND OAKLAND FIFTH
AVENUE HOTEL ASSOCIATES, LP,
Respondents.

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

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

Chapter 11

Related Doc. Nos.: 20, 89 and 109.

**DEBTORS' EXPEDITED SECOND MOTION FOR ENTRY OF AN ORDER
PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 364 AND 507, FED. R. BANKR. P.
2002, 4001 AND 9014 AND LOCAL RULE 4001-2 (I) AUTHORIZING
DEBTORS TO OBTAIN ADDITIONAL POST-PETITION FINANCING ON A
FIRST PRIORITY AND PRIMING BASES, (II) GRANTING LIENS AND
SUPER-PRIORITY CLAIMS AND (III) GRANTING RELATED RELIEF**

The Pittsburgh Athletic Association and the Pittsburgh Athletic Association Land Company (collectively the “**Debtors**”), file this Motion (the “**Second DIP Motion**”) pursuant to 11 U.S.C. §§105, 361, 362, 364 and 507 and Fed. R. Bankr. P. 2002, 4001 and 9014 and Local Rule 4001-2 for entry of an Order in the substantive form of the Proposed Order attached hereto as Exhibit “A” (I) authorizing Debtors to obtain additional post-petition financing on a first priority and priming bases, (II) granting liens and super-priority claims, and (III) granting such other related relief as agreed to by and among the Debtors and Rollover Fund, LLC (affiliate of JDI Loans, LLC)(collectively, the “**DIP Lender**”).

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

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Second DIP Motion under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue is proper under 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief requested herein are sections 105(a), 362(d), 363(b), 364 and 507 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (as amended; hereinafter the “**Bankruptcy Code**”), Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”).

BACKGROUND

3. On May 30, 2017 (the "Petition Date") the Debtors filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

4. The Debtors have continued in the management and operation of their business and properties as debtors-in-possession pursuant to 11 U.S.C. §1107(a), 1108.

5. No trustee or examiner has been appointed.

6. On June 5, 2016, the Court entered an Order approving the joint administration of the Debtors’ cases under Bankr. Case No. 17-22222-JAD. *See* Document No. 77.

7. On June 8, 2017, the Committee was appointed by the United States Trustee. *See* Document No. 91.

8. On July 12, 2017, the Court approved the employment of Leech Tishman Fuscaldo & Lampl, LLC as Counsel for the Committee. *See* Document No. 178.

PRE-PETITION OBLIGATIONS

9. Prior to the commencement of Debtors’ Chapter 11 cases, Allegheny Valley Bank of Pittsburgh (“**AVB**”) and Oakland Fifth Avenue Hotel Associates, LP (“**OFAHA**”) made loans and advances to Debtors as detailed herein below (hereinafter, and unless otherwise noted, from time to time AVB and OFAHA shall be collectively referred to as the “**Pre-Petition Secured Lenders**”).

A. Allegheny Valley Bank

10. AVB made loans and advances to the Debtors pursuant to the following agreements executed and delivered by Debtors with, to or in favor of AVB:

- (1) A Business Loan Agreement dated December 16, 2008, as amended by that certain First Modification to Second Mortgage Line of Credit Loan and other Loan Documents dated July 1, 2010 (together, “**AVB Loan Agreement**”);
- (2) An Open-End Mortgage Note dated December 16, 2008 in the original principal amount of \$2,625,000.00 (“**AVB Term Note**”); and
- (3) An Open-End Revolving Line of Credit Second Mortgage Note dated December 16, 2008 in the original principal amount of \$200,000.00, as amended by a certain First Modification to Second Mortgage Line of Credit Loan and Other Loan Documents dated July 1, 2010 and that certain Amended and Restated Revolving Line of Credit on Demand Mortgage Note dated July 1, 2010 whereby the line of credit was increased to \$400,000.00 (together, the “**AVB Line of Credit**”) (hereinafter, and unless individually noted, the AVB Loan Agreement, AVB Term Note and the AVB Line of Credit will collectively be referred to as the “**AVB Loans**”).

11. The AVB Loans are secured by, *inter alia*,

- (1) An Open-End Mortgage and Security Agreement dated December 16, 2008 and recorded on December 16, 2008 with the Department of Real Estate of Allegheny County, Pennsylvania at Instrument No. 2008-107801 (“**AVB Mortgage A**”) whereby PAALC granted AVB a first mortgage for PAALC’s real property and improvements thereon located at 4215 Fifth Avenue, Pittsburgh, Pennsylvania (the “**Property**”); and

- (2) An Assignment of Leases and Rents dated December 16, 2008, executed by PAALC in favor of AVB and recorded on December 17, 2008 with the Department of Real Estate for Allegheny County, Pennsylvania at Instrument No. 2008-35713 (“**AVB Assignment**”).
- (3) An Open-End Mortgage and Security Agreement dated December 16, 2008 and was recorded on December 16, 2008 with the Department of Real Estate for Allegheny County, Pennsylvania at Instrument No. 2008-107802 (the “**AVB Mortgage B**”); and

12. The Loans are further secured by, *inter alia*, a Commercial Security Agreement dated December 16, 2008 and executed by PAA in favor of AVB (“**AVB Security Agreement**”). To perfect the interests granted to it by PAA pursuant to the Security Agreement, AVB filed a UCC-1 financing statement with the Secretary of the Department of State of the Commonwealth of Pennsylvania on December 18, 2008 at File No. 2008121901078 (“**PAA Financing Statement**”).

13. To perfect the interests granted to it by PAALC pursuant to the AVB Mortgage A and the AVB Mortgage B, AVB filed a UCC-1 financing statement with the Secretary of the Department of State of the Commonwealth of Pennsylvania on December 18, 2008 at File No. 2008121804870 (the “**PAALC Financing Statement**”) (collectively, the PAA Financing Statement and the PAALC Financing Statements will be referred to as the “**AVB Financing Statements**”).

14. Additionally, AVB entered into a Subordination and Inter-Creditor Agreement dated July 3, 2014 with Oakland Fifth Avenue Hotel Associates, LP (“**OFAHA**”), which agreement subordinated OFAHA’s liens and interests (the “**AVB Subordination Agreement**”) to those of AVB.

15. The AVB Loan Agreement, AVB Term Note, AVB Line of Credit, AVB Mortgage A, AVB Mortgage B, AVB Assignment, AVB Security Agreement, AVB Financing Statements and the AVB Subordination Agreement shall be collectively referred to as the “**AVB Loan Documents**”. True

and correct copies of the AVB Loan Documents are too voluminous to file and will be made available to interested parties² upon request.

16. As of the Petition Date, the amount due under the AVB Loan Documents is approximately \$2,163,201.56 (the “**AVB Pre-Petition Debt**”). The AVB Pre-Petition Debt is valid, existing and legally enforceable and is secured and properly perfected as evidenced by the AVB Loan Documents.

17. Prior to the Petition Date, AVB exercised its rights under the AVB Assignment and is currently collecting rent from the Ground Lease between OFAHA and the Debtors.

18. On or about August 24, 2017, AVB assigned its rights under the AVB Loan Documents to PITT AA, LLC. Accordingly, PITT AA, LLC now stands in the shoes to AVB as to the AVB Pre-Petition Debt.

B. Oakland Fifth Avenue Hotel Associates, LP

(i) OFAHA Loan A

19. Prior to the commencement of Debtors’ Chapter 11 cases, OFAHA made loans and advances to PAALC pursuant to the following agreements executed and delivered by Debtors, PAALC, with, to or in favor of OFAHA (“**OFAHA Loan A**”): (i) A Loan Agreement dated May 20, 2014, to be effective June 3, 2014, as amended by that certain First Amendment to Loan Agreement and Release dated March 12, 2015 and that certain Subordination Agreement dated March 12, 2015 (“**OFAHA Loan Agreement A**”); and (ii) a Term Note dated May 20, 2014, to be effective June 3, 2014 in the original principal amount of \$575,000.00 (“**OFAHA Note A**”).

20. OFAHA Loan A is secured by, *inter alia*, the following documents executed by PAALC in favor of OFAHA: (i) an Open-End Mortgage and Security Agreement dated May 20, 2014, to be effective June 3, 2014, and recorded on June 4, 2014 with the Department of Real Estate of Allegheny County, Pennsylvania at Instrument No. 2014-36193 (“**OFAHA Mortgage A**”); and (ii) Assignment of Leases and Rents dated May 20, 2014, to be effective June 3, 2014 and recorded on June 4, 2014, with the

² Copies of all Loan Documents will be provided to the Court.

Department of Real Estate of Allegheny County, Pennsylvania at Instrument No. 2014-14161 (“**OFAHA Assignment A**”).

21. OFAHA Loan A is further secured by a Security Agreement dated May 20, 2014, to be effective June 3, 2014, from PAALC in favor of OFAHA (“**OFAHA Security Agreement A**”). To perfect its security interests granted under the Oakland Security Agreement A, OFAHA filed a UCC-1 financing statement on June 4, 2014, with the Department of Real Estate of Allegheny County, Pennsylvania at Instrument No. 2014-77988 and with the Secretary of the Department of State for the Commonwealth of Pennsylvania on June 9, 2014, at File No. 2014061106337 (collectively referred to as the “**OFAHA Financing Statements A**”).

22. As additional security for the repayment of OFAHA Loan A, PAA, executed and delivered in favor of OFAHA a Guaranty and Suretyship Agreement, dated May 20, 2014, to be effective June 3, 2014, whereby PAA absolutely and unconditionally guaranteed the repayment of all of the PAALC’s current and future financial obligations to OFAHA (“**PAA Guaranty**”).

23. PAA was released from its obligations under the OFAHA Loan A Documents under the terms and conditions of the First Amendment to the Loan Agreement and Release dated May 12, 2015, and executed by and between PAALC and OFAHA (“**OFAHA Release Agreement**”).

24. The following documents shall be collectively referred to from time to time as the “**OFAHA Loan A Documents**”: (1) OFAHA Loan Agreement A; (2) OFAHA Note A; (3) OFAHA Mortgage A; (4) OFAHA Assignment A; (5) OFAHA Security Agreement A; (6) OFAHA Financing Statements A; (7) PAA Guaranty; and (8) OFAHA Release Agreement.

(ii) OFAHA Loan B

25. Prior to the commencement of Debtors’ Chapter 11 cases, OFAHA made additional loans and advances to PAALC pursuant to the following agreements executed and delivered by Debtors, PAALC, with, to or in favor of OFAHA (“**OFAHA Loan B**”): a Loan Agreement dated March 10, 2015, to be effective March 12, 2015 (“**OFAHA Loan Agreement B**”); and a Delayed Draw Term Note dated

March 10, 2015, to be effective March 12, 2015, in the original principal amount of \$1,372,744.00 (**"OFAHA Note B"**).

26. OFAHA Note B is secured by, *inter alia*, the following: (1) an Open-End Mortgage and Security Agreement dated March 10, 2015, to be effective March 12, 2015, whereby PAALC granted OFAHA a mortgage on the Property, subject to the AVB Subordination Agreement, and recorded on March 13, 2015 with the Department of Real Estate of Allegheny County, Pennsylvania at Instrument No. 2015-16689 (the **"OFAHA Mortgage B"**); and an Assignment of Leases and Rents dated March 10, 2015, to be effective March 12, 2015 and recorded with the Department of Real Estate of Allegheny County, Pennsylvania at Instrument No. 2015-6331 (**"OFAHA Assignment B"**).

27. OFAHA Note B is additionally secured by, *inter alia*, a Security Agreement dated March 10, 2015, to be effective March 12, 2015 (**"OFAHA Security Agreement B"**). To perfect the interests granted to it by PAALC pursuant to the OFAHA Mortgage B and the OFAHA Security Agreement B, OFAHA filed a UCC-1 Financing Statement on March 13, 2015 with the Department of Real Estate of Allegheny County, Pennsylvania at Instrument No. 2015-78988 and with the Secretary of the Department of State of the Commonwealth of Pennsylvania on March 16, 2015 at File No. 2015031804193 (collectively referred to as the **"OFAHA Financing Statements B"**).

28. Additionally, OFAHA executed a Subordination Agreement dated March 10, 2015, to be effective March 12, 2015 and recorded on March 13, 2015 with the Department of Real Estate of Allegheny County at Instrument No. 2015-16690, whereby OFAHA agreed that any of its liens and security interests under the OFAHA Loan A Documents would be subordinated to any of its liens and security interests under the OFAHA Loan B Documents (**"OFAHA Subordination Agreement"**).

29. The following shall be collectively referred to as the **"OFAHA Loan B Documents"**: (1) **OFAHA** Loan Agreement B; (2) **OFAHA** Note B; (3) **OFAHA** Mortgage B; (4) **OFAHA** Assignment B; (5) **OFAHA** Financing Statements B; and (6) **OFAHA** Subordination Agreement. (hereinafter, and unless otherwise noted, from time to time the **OFAHA** Loan A Documents and the **OFAHA** Loan B Documents shall be collectively referred to as the **"OFAHA Loan Documents"**).

30. As of the Petition Date, the amount allegedly due under the **OFAHA** Loan Documents is approximately \$2,034,763.68 (the “**OFAHA Pre-Petition Debt**”) (hereinafter, from time to time, the AVB Pre-Petition Debt and the **OFAHA** Pre-Petition Debt may be collectively referred to as the “**Pre-Petition Debt**”).

C. Initial DIP Financing

31. On the Petition Date, the Debtors filed an Expedited Motion (the “**Initial DIP Motion**”) seeking approval of Interim DIP financing in the amount of \$200,000 (the “**Interim DIP Loan**”). *See* Document No. 20.

32. On June 7, 2017, after notice and an interim hearing, the Court approved the Interim DIP Loan granting a priming lien to the DIP Lender with certain reservations to OFAHA and AVB, and setting a final hearing on the Initial DIP Motion for July 11, 2017 (the “**Interim DIP Order**”). *See* Document No. 89.

33. On June 22, 2017, Court approved the Joint Stipulation and Consent Order by and Between the Official Committee of Unsecured Creditors of Pittsburgh Athletic Association and Pittsburgh Athletic Association Land Company, Allegheny Valley Bank of Pittsburgh Pennsylvania and Oakland Fifth Avenue Hotel Associates, LP regarding the Interim DIP Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 364 and 507, Fed. R. Bankr. P. 2002, 4001 and 9014 and Local Rule 4001-2: (I) Authorizing Debtors and Debtors-in-Possession to Obtain First Priority and Priming Post-Petition Financing; (II) Granting Liens and Super-Priority Claims; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief as filed by Debtors on May 31, 2017 *See* Document No. 109 (the “**Joint Stipulation**”).

34. On August 3, 2017, after conclusion of the final hearing on the Initial DIP Motion, the Court entered Order (the “**Final DIP Order**”) approving DIP financing in the amount for \$750,000 (the “**Final DIP Loan**” and together with the Interim DIP Loan, the “**Initial DIP Loan**”). *See* Document No. 218.

35. The Final DIP Order, provides that:

10. Further Requests for DIP Financing. The Debtors shall be permitted to request under Section 364 of the Bankruptcy Code, and/or other applicable provisions of the Bankruptcy Code and Bankruptcy Rules, that this Court approve additional debtor-in-possession financing/credit with all parties' rights reserved, including the DIP Lender's, regarding such request. Any request by the Debtors for additional debtor-in-possession financing/credit shall not constitute a default under the DIP Loan Documents. DIP Lender shall have the right of first offer to provide terms and conditions for additional financing to the Debtors in the event that the Debtors require same. Upon receipt of DIP Lender's offer to provide additional financing, any party may provide an alternate offer for terms of additional financing to be considered by the Debtors. Any additional financing remains subject to Bankruptcy Court approval.

See Document No. 218 at ¶ 10.

36. In accordance with the terms of the Interim DIP Order, the Debtors executed a Note, an Open-End Mortgage and Security Agreement (the “**DIP Mortgage**”) against Debtors' real property and improvements thereon located at 4215 Fifth Avenue, Pittsburgh, Pennsylvania and 5126 – 5130 Bigelow Boulevard, Pittsburgh, Pennsylvania (the “**DIP Collateral**”), an Assignment of Rents and Leases on the DIP Collateral (the “**DIP Assignment**”), and an Environmental Indemnity Agreement each dated and effective as of June 16, 2017 (collectively, the “**Interim DIP Loan Documents**”) The DIP Mortgage is an open ended mortgage up to the aggregate amount of \$1,500,000, and will secure subsequent DIP loans. The DIP Mortgage and the DIP Assignment were each recorded on June 20, 2017.

37. Upon entry of the Final DIP Order, the Debtors executed an Affirmation of and Amendment to Loan Documents, amending the Interim DIP Loan Documents (the “**First DIP Loan Amendment**” and together with the Interim DIP Loan Documents, the “**Initial DIP Loan Documents**”). The First DIP Loan Amendment was recorded on August 9, 2017.

D. Debtors' Need for Additional DIP Financing

38. As part of the Debtors' submissions when seeking to obtain the Final DIP Order, the Debtors submitted a three (3) month budget through October, 2017, to demonstrate how the proceeds of the Initial DIP Loan would be used. *See* Document No. 217, Exhibit "B".

39. Due primarily to unforeseen litigation expenses incurred by the Debtors, including the Motion to Appoint Chapter 11 Trustee, which was ultimately withdrawn after several preliminary hearings and responsive filings, and other circumstances of the sale/redevelopment process, the Debtors were forced to accelerate use of amounts initially projected to be available through the period of the proposed three-month budget.

40. These unanticipated expenses have placed the Debtor in need of additional DIP financing prior to the expiration of the three-month budgeted period.

41. Accordingly, the Debtors are in need of additional DIP financing to carry them through the Chapter 11 plan confirmation process and initial stages of the redevelopment of the Debtors' real property.

42. Debtors' have developed a four (4) month budget for the period from October 1, 2017 through January 31, 2018, to demonstrate how the proceeds of the Second DIP Loan would be used. *See*, Exhibit "B" attached to the Proposed Second DIP Order.

E. Debtors' efforts to obtain DIP financing without a Priming Lien

43. Pursuant to the terms of the Final DIP Order, the DIP Lender has a right of first offer regarding requests for additional DIP financing. However, the Debtors were not able to obtain this financing on an unsecured basis or without agreeing to grant additional priority liens on assets.

RELIEF REQUESTED

44. Debtors move for entry of an Order, substantially in the same form as the proposed order attached hereto (the "**Second DIP Order**") containing the following relief:

(a) under sections 105, 361, 362 and 364(c), (d) and (e) of the Bankruptcy Code, approving the Affirmation of and Second Amendment to Loan Documents attached as Exhibit “A” to the Second DIP Order (the “**Second DIP Loan Amendment**”) and authorizing the Debtors to obtain post-petition financing in the form of a term loan in the amount of \$750,000, and approving the Additional Interest and Fee Advance, as set forth in the Second DIP Loan Amendment, (the “**Second DIP Loan**”), by and between the Debtors and the DIP Lender, of which Debtors shall pay the DIP Lender’s Fees as identified in the Second DIP Loan Amendment;

(b) granting of a priming lien on the DIP Collateral pursuant to section 364(d)(1) of the Bankruptcy Code and falling under the lien created by the DIP Mortgage and Assignment;

(c) granting the Second DIP Loan super-priority administrative expense status (pursuant to sections 364(c)(1), 503(b) and 507(b) of the Bankruptcy Code);

(d) authorizing the Debtors to execute and deliver the Second DIP Loan Amendment and any additional documentation consistent with the terms of, or as may be required by, the Second DIP Loan Amendment, which documentation shall be prepared, executed and delivered within 72 hours of entry of the Second DIP Order (the “**Second DIP Loan Documents**”);

(e) vacating and modifying the automatic stay imposed by section 362 of the Bankruptcy Code to the extent necessary to implement and effectuate the terms and provisions of the Second DIP Order;

(f) Finding that the Pre-Petition Secured Lenders are adequately protected by virtue of the equity in the DIP Collateral;

(g) Waiving any stay pending appeal period under Fed. R. Bankr. P. 4001 or otherwise applicable.

DISCUSSION

45. Sections 364 of the Bankruptcy Code in relevant part, provides:

(c) If the trustee is unable to obtain unsecured credit allowable under Section 503(b)(1) of this title as an administrative expense, the court, after notice and a hearing, may authorize the obtaining of credit or the incurring of debt-

(1) with priority over any and all administrative expenses of the kind specified in section 503(b) or 507(b) of this title;

(2) secured by a lien on property of the estate that is not otherwise subject to a lien; or

(3) secured by a junior lien on property of the estate that is subject to a lien.

(d)(1) The court, after notice and a hearing may authorize the obtaining of credit or the incurring of debt secured by a senior or equal lien on property of the estate subject to a lien only if-

(A) the trustee is unable to obtain such credit otherwise; and

(B) there is adequate protection of the interest of the holder of the lien on the property of the estate on which such senior or equal lien is proposed to be granted.

11 U.S.C. §§ 364(c) and (d).

46. Section 361 of the Bankruptcy Code provides in relevant part that when adequate protection is required under section 364 of this title, such adequate protection can be provided by “requiring the trustee to make a cash payment or periodic cash payments to such entity, to the extent...any grant of a lien under Section 364 of this Title results in a decrease in the value of such entity’s interest”. Adequate protection may also take the form of a sufficient equity cushion in the collateral where the post-petition financing will allow the debtor to continue operating. *See In re Timber Products, Inc.*, 125 B.R. 433 (Bankr. W.D.Pa. 1990)(citing *In re Southerton Corp.*, 46 B.R. 391, 398-400 (M.D. Pa. 1982)).

47. Leading up to Debtors’ filing the Chapter 11 cases, Debtors unsuccessfully explored alternatives and engaged in negotiations in order to obtain additional financing and liquidity. Considering the immediacy of Debtors’ financing needs, as well as the Pre-Petition Debt, Debtors and their professionals determined that additional unsecured financing was not available.

48. Furthermore, notwithstanding the thorough vetting process conducted by the Debtors in obtaining the Initial DIP Loans, in which the Pre-Petition Lenders, the Committee, and the UST actively participated, no alternative additional financing on better terms has become available to the Debtors. Therefore, Debtors were unable to obtain alternative additional post-petition financing through credit allowable as an administrative expense or secured by liens on assets junior to those of the Pre-Petition Secured Lenders, one of which is now the DIP Lender by way of assignment.

49. Debtors engaged in good faith, arm's-length negotiations with the DIP Lender, to which the Committee also participated, with the result of these negotiations being the Second DIP Loan, the Second DIP Loan Amendment and the form of the proposed Second DIP Order.

50. The DIP Lender is willing to extend to Debtors a loan in the amount of \$750,000.00, pursuant to terms identified in the Second DIP Order and the Second DIP Loan Amendment. Pursuant to Local Rule 4001-2, a summary of the essential terms are included below:

Parties	DIP Lender- Rollover Fund, LLC (affiliate of JDI Loans, LLC) Borrowers/Debtors- Pittsburgh Athletic Association and Pittsburgh Athletic Association Land Company
Loan Amount	\$750,000.00, plus an additional \$80,000, if needed for interest reserve and fees, subject to the conditions in the Second DIP Loan Amendment.
Purpose of Financing	Loan proceeds shall be allocated pursuant to a disbursement schedule agreed upon by both the DIP Lender and Borrower. With the exception of reserves and fees to be set aside, the loan proceeds will be utilized for Borrower's ordinary business expenses in accordance with the budget attached to the Proposed Second DIP Financing Order as Schedule "B".
Security	The Second DIP Loan will be secured by a recorded, super-priority lien on the DIP Collateral pursuant to the Initial DIP Loan Documents and the Second DIP Loan Amendment.
Term	The Term of the Second DIP Loan shall run concurrently with the term of the Initial DIP Loan and will mature on June 1, 2018 and during the Initial Term, Borrower will be allowed to prepay the Loan Amount. Borrower shall have the opportunity to extend the term of the loan for up to six (6) months, subject to additional conditions outlined in the Second DIP Loan Amendment and Initial DIP Loan Documents.
Interest	The Second DIP Loan shall bear interest at an annualized rate of payment equal to the greater of the following: (1) the Prime Rate as quoted in the Money Rates section of the Wall Street Journal plus eight hundred (800) basis points; or (2) 12%.
Loan Amendment Fee	The Debtors shall pay a Loan Amendment Fee in the amount \$25,000.

REQUEST FOR EXPEDITED RELIEF

51. In order to obtain a hearing on an expedited basis a movant must show: (1) just cause to request consideration of the underlying matter on an expedited basis; (2) the specific harm the movant shall incur if a hearing is not granted on an expedited basis; an (3) the need for an expedited hearing has not been caused by any lack of due diligence on the part of the attorney or the attorney's client but has been brought about solely by circumstances beyond their control. See W.D.Pa. LBR 9013-2(a).

52. In the instant case, just cause exists for the Court to hold an expedited hearing on this matter as a obtaining a determination on the Second DIP Motion under the normal notice period would cause the Debtors to incur harm as the Debtors are close to exhausting the Initial DIP Loan proceeds due to the unforeseen litigation expenses incurred by way of, *inter alia*, the Motion to Appoint Trustee, and unexpected circumstances arising in the sale/redevelopment process.

53. Specifically, the Pre-Petition Secured Lenders and the Debtors, and potentially the entire creditor body, will incur harm if a hearing and relief sought herein is not granted on an expedited basis, because the Debtors will be unable to meet ongoing ordinary expenses necessary to preserve and maintain the Property and the forthcoming Plan confirmation. There is significant equity in the Property and expenditures are required in order to preserve the value of the Property and to realize the fruits of the sale/redevelopment process, which has been the hallmark of this case since even before the Petition Date.

54. As discussed above, the Debtors have an immediate need for the Second DIP Loan, which is critical to the Debtors' continued day-to-day operations and the ultimate success of this case as a whole.

55. The Second DIP Loan will enhance the value of the property of the estate and avoid a loss of value that would result if operations and the sale/redevelopment process were interrupted.

56. The need for expedited hearing was not caused by lack of due diligence because the instant Motion and substantive relief was precipitated by unforeseen litigation expenses which drained the estate of valuable assets and other contingencies not predicted in the sale/redevelopment process.

57. Accordingly, the Debtors respectfully request the Court schedule the Second DIP Motion for hearing on an expedited basis.

RESERVATION OF RIGHTS

58. Nothing stated herein shall be deemed as an admission by the Debtors as to the validity, amounts, or secured status of the claims and/or debts to PITT AA LLC and/or Oakland Fifth Avenue Hotel Associates, LP. The Debtors expressly reserve the rights to object to any claim, seek to avoid any lien purportedly created under the applicable loan documents and/or take any other action to dispute the aforementioned claims. The Debtors also reserve the rights to seek approval for additional DIP financing subject to the requirements of the Bankruptcy Code and Bankruptcy Procedural Rules.

WHEREFORE, the Debtors respectfully request entry of the Proposed Second DIP Order granting the relief requested herein and such other relief that is just and proper.

Respectfully Submitted,
TUCKER ARENSBERG, P.C.

DATED: October 2, 2017

/s/ Jordan S. Blask
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UNITED STATES BANKRUPTCY COURT
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**ORDER PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 364 AND 507, FED. R.
BANKR. P. 2002, 4001 AND 9014 AND LOCAL RULE 4001-2 (I)
AUTHORIZING DEBTOR AND DEBTOR IN POSSESSION TO OBTAIN
ADDITIONAL POST-PETITION FINANCING ON FIRST PRIORITY AND
PRIMING BASIS, (II) GRANTING LIENS AND SUPER-PRIORITY CLAIMS,
AND (III) GRANTING RELATED RELIEF**

THIS MATTER came before the Court upon the above captioned Debtors' Expedited Motion pursuant to 11 U.S.C. §§105, 361, 362, 364 and 507 and Fed. R. Bankr. P. 2002, 4001 and 9014 and Local Rule 4001-2 for entry of an Order (I) authorizing Debtors to obtain additional post-petition financing on a first priority and priming basis, (II) granting liens and super-priority claims, and (III) granting such other related relief as agreed to by and among the Debtors and Rollover Fund, LLC, affiliate of JDI Loans, LLC (the "Second DIP Motion")².

WHEREAS, on the Petition Date, the Debtors filed a Expedited Motion (the "Initial DIP Motion") seeking approval of Interim DIP Financing in the amount of \$200,000 (the "Interim DIP Loan"). See Document No. 20.

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

² Capitalized terms not otherwise defined in this Order shall have the meaning given to them in the Motion.

WHEREAS, this Court held a hearing on June 2, 2017 to consider interim approval of the Debtors' Initial DIP Financing Motion (the "Interim DIP Hearing").

WHEREAS, on June 7, 2017, this Court entered an Interim Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 364 and 507, Fed. R. Bankr. P. 2002, 4001 and 9014 and Local Rule 4001-2: (I) Authorizing Debtors and Debtors-in-Possession to Obtain First Priority and Priming Post-Petition Financing; (II) Granting Liens and Super-Priority Claims; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief as filed by Debtors on May 31, 2017 [Document No. 89] (the "Interim DIP Order").

WHEREAS, pursuant to the Interim DIP Order this Court scheduled a hearing to consider final approval of the Motion for July 11, 2017 (the "Final Hearing").

WHEREAS, on June 22, 2017, this Court approved the Joint Stipulation and Consent Order by and Between the Official Committee of Unsecured Creditors of Pittsburgh Athletic Association and Pittsburgh Athletic Association Land Company, Allegheny Valley Bank of Pittsburgh Pennsylvania and Oakland Fifth Avenue Hotel Associates, LP regarding the Interim DIP Order Pursuant to 11 U.S.C. §§ 105, 361, 362, 364 and 507, Fed. R. Bankr. P. 2002, 4001 and 9014 and Local Rule 4001-2: (I) Authorizing Debtors and Debtors-in-Possession to Obtain First Priority and Priming Post-Petition Financing; (II) Granting Liens and Super-Priority Claims; (III) Scheduling a Final Hearing; and (IV) Granting Related Relief as filed by Debtors on May 31, 2017 Document No. 109] (the "Joint Stipulation").

WHEREAS, on July 11, 2017, this Court held the Final Hearing to consider the Initial DIP Motion.

WHEREAS, on August 3, 2017, after conclusion of the Final Hearing, the Court entered an Order granting the Initial DIP Motion (the "Final DIP Order") [Document No. 218], authorizing the Debtor to obtain DIP financing in the amount of \$750,000 (the "Initial DIP Loan").

WHEREAS, the Final DIP Order, provided, *inter alia*, that

10. Further Requests for DIP Financing. The Debtors shall be permitted to request under Section 364 of the Bankruptcy Code, and/or other applicable provisions of the Bankruptcy Code and Bankruptcy Rules, that this Court approve additional debtor-in-possession financing/credit with all parties' rights reserved, including the DIP Lender's, regarding such request. Any request by the Debtors for additional debtor-in-possession financing/credit shall not constitute a default under the DIP Loan Documents. DIP Lender shall have the right of first offer to provide terms and conditions for additional financing to the Debtors in the event that the Debtors require same. Upon receipt of DIP Lender's offer to provide additional financing, any party may provide an alternate offer for terms of additional financing to be considered by the Debtors. Any additional financing remains subject to Bankruptcy Court approval.

See Document No. 218 at ¶ 10.

WHEREAS, In accordance with the terms of the Interim DIP Order, the Debtors executed a Note, an Open-End Mortgage and Security Agreement (the "**DIP Mortgage**") against Debtors' real property and improvements thereon located at 4215 Fifth Avenue, Pittsburgh, Pennsylvania and 5126 5130 Bigelow Boulevard, Pittsburgh Pennsylvania (the "**DIP Collateral**"), an Assignment of Rents and Leases on the DIP Collateral (the "**DIP Assignment**"), and an Environmental Indemnity Agreement each dated and effective as of June 16, 2017 (collectively, the "**Interim DIP Loan Documents**"). The DIP Mortgage is an open ended mortgage up to the aggregate amount of \$1,500,000, and will secure subsequent DIP loans. The DIP Mortgage and the DIP Assignment were each recorded on June 20, 2017.

WHEREAS, upon entry of the Final DIP Order, the Debtors executed an Affirmation of an Amendment to Loan Documents, amending the DIP Loan Documents (the "**First DIP Loan Amendment**") and together with the Interim DIP Loan Documents, the "**Initial DIP Loan Documents**"). The First DIP Loan Amendment was recorded on August 9, 2017.

WHEREAS, on October 2, 2017, the Debtors filed the Second DIP Motion seeking approval of the Affirmation of and Second Amendment to Loan Documents attached as Exhibit "A" hereto (the

“**Second DIP Loan Amendment**”) and authorizing the Debtors to obtain post-petition financing in the form of a term loan in the amount of \$750,000, and approving the Additional Interest and Fee Advance, as set forth in the Second DIP Loan Amendment (the “**Second DIP Loan**”) , by and between the Debtors and the DIP Lender, of which Debtors shall pay the DIP Lender’s Fees as identified in the Second DIP Loan Amendment;.

AND NOW, this ____ day of _____, 2017, this Honorable Court, having jurisdiction to consider the Second DIP Motion and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that adequate and sufficient notice of the Second DIP Motion having been given, and that no other or further notice need be given; and the Court having reviewed the Initial DIP Motion; the Declaration of James A. Sheehan filed with the Initial DIP Motion, and the Second DIP Motion and the record of the hearings on the Initial DIP Motion and the Second DIP Motion; and the Court having determined that the legal and factual bases set forth in the Second DIP Motion establish just cause for the relief granted therein; and it appearing that the relief requested in the Second DIP Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates, and after due deliberation appearing therefore this Court enters this order (the “**Second DIP Order**”) and makes the following Findings of Fact and Conclusions of Law, relative to the Second DIP Motion:

A. Petition Date. On May 30, 2017 (the “Petition Date”), each of the Debtors filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of Pennsylvania (the “Court”).

B. Debtors in Possession. The Debtors have continued in the management and operation of their businesses and properties as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

C. Jurisdiction and Venue. This Court has jurisdiction over the Cases, the Motion, the parties and property affected hereby pursuant to 28 U.S.C. §§157 and 1334. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

D. Notice. Proper, timely and adequate notice of the Second DIP Motion has been provided in accordance with all applicable Bankruptcy Code sections, the Bankruptcy Rules and the Local Rules.

E. Pre-Petition Obligations. Subject to the provisions of Paragraph 12 below:

(i) PITT AA, LLC, as successor to Allegheny Valley Bank of Pennsylvania (“AVB”): the Debtors are indebted to PITT AA, LLC, pursuant to the August 24, 2017 assignment of rights under the AVB Loan Documents from AVB to PITT AA, LLC, in the amount of \$2,163,201.56, as of the Petition Date.

(ii) Oakland Fifth Avenue Hotel Associates, LP (“OFAHA”): the Debtors are indebted to Oakland Fifth pursuant to the OFAHA Loan Documents in the amount of \$2,034,763.68, as of the Petition Date.

F. Alternatives to DIP Financing Unavailable. The Debtors were unable to obtain unsecured financing, alternative post-petition financing through credit allowable as an administrative expense or secured by liens on assets junior to or *pari-passu* to those of the Pre-Petition Secured Lenders.

G. Second DIP Financing. The Second DIP Loan, as outlined in the Second DIP Motion, is critical to the Debtors’ maintaining and preserving their businesses and properties. Debtors engaged in good faith, arms-length negotiations with Rollover Fund, LLC, an affiliate of JDI Loans, LLC, (the “DIP Lender”) to negotiate the Second DIP Loan. The Second DIP Loan is being made in good faith as that term is used in 11 U.S.C. § 364(e).

Based upon the foregoing Findings of Fact and Conclusions of Law, the Motion and the record before the court and after due consideration and good and sufficient cause,

IT IS HEREBY ORDERED, ADJUDGED and DECREED that:

1. Second DIP Financing Approved. The Second DIP Motion is granted and the Second DIP Loan as set forth in the Second DIP Motion is authorized and approved, , subject to the terms and

conditions set forth in the Second DIP Loan Amendment, the Interim DIP Order, the Joint Stipulation and the Final DIP Order.

2. All objections to the Second DIP Motion to the extent not withdrawn, waived, settled or resolved are hereby denied and overruled.

3. DIP Obligations. The Initial DIP Loan Documents, the Second DIP Loan Amendment, the Interim DIP Order, the Joint Stipulation, the Final DIP Order, and this Second DIP Order shall constitute and evidence of the validity and binding effect of the Debtors' DIP Obligations, which shall be enforceable against the Debtors, their estates and any successors thereto.

4. DIP Lien. Effective immediately upon entry of this Second DIP Order, pursuant to sections 361, 362, 364(c) and 364(d) of the Bankruptcy Code, the DIP Lender shall have a first position priority lien (the "DIP Lien") on certain real estate and improvements thereon owned by Pittsburgh Athletic Association Land Company located at 4215 Fifth Avenue, Pittsburgh, Pennsylvania and 5126 - 5130 Bigelow Boulevard, Pittsburgh, Pennsylvania all leases and rents as to any leases executed by the Debtors after the Petition Date and as more fully described in the Initial DIP Loan Documents and the Second DIP Loan Amendment (the "**DIP Collateral**"). The Debtors are authorized to execute any and all documents to effectuate the DIP Lien in and upon the DIP Collateral.

5. DIP Lien Priority. Subject to Paragraph 7 below, the DIP Lien is valid, non-avoidable, senior in priority and superior to any security, mortgage, collateral interest, lien or claim held on or against the DIP Collateral. *The rights of the Debtors, the DIP Lender and OFAHA with respect to the Ground Lease are reserved and preserved. Nothing the Interim DIP Order, the Final DIP Order and/or the Second DIP Order shall constitute a determination of any issue with respect to such rights of the Debtors, the DIP Lender and OFAHA with respect to the Ground Lease; provided however, the DIP Lender acknowledges and agrees that the DIP Lien shall not be superior or prior to the Ground Lease, the Parking Lot Easement, and any recorded amendments thereto, or other property interests conveyed of record prior to the Petition Date related to the Pittsburgh Athletic Association Land Company's real property located at 4215 Fifth Avenue and 5130 Bigelow Boulevard, Pittsburgh, Pennsylvania (i.e.*

leasehold interests, easements, etc.). However, the DIP Lender does not contest issues related to the right to receive rents under the Ground Lease at this time for the purposes of the relief granted by way of this Second DIP Order, and the DIP Lender has consented to proceed to have the within Second DIP Order entered and to fund the Second DIP Loan.

6. Super-priority Claim. Subject to Paragraph 7 below, upon entry of this Second DIP Order, the DIP Lender is hereby granted, pursuant to section 364(c)(1) of the Bankruptcy Code, an allowed super-priority administrative expense claim in each of the Cases for all unpaid DIP Obligations owed under the Initial DIP Loan and the Second DIP Loan (the “Super-Priority Administrative Claim”).

7. Chapter 5 Actions Excluded. Any and all claims and/or causes of action arising under Chapter 5 of the Bankruptcy Code in each of the Cases and any and all proceeds and/or recovery thereunder (the “Chapter 5 Actions”), are excluded from the DIP Lien and the DIP Lien shall not attach to and/or otherwise encumber the Chapter 5 Actions. Further, the Super-Priority Administrative Claim of the DIP Lender shall not be paid from, attach to and/or otherwise encumber Chapter 5 Actions.

8. Use of Proceeds of Second DIP Loan. From and after the Petition Date, the Debtors shall use the proceeds of the Second DIP Loan in accordance with the Budget attached hereto as Exhibit B.

9. Modification of the Automatic Stay. The automatic stay imposed under section 362(a)(2) of the Bankruptcy Code is hereby modified as necessary to effectuate all of the terms and provisions of the Interim DIP Order, the Final DIP Order, and this Second DIP Order. Notwithstanding anything in the Initial DIP Loan Documents or Second DIP Loan Amendment to the contrary, upon any default of the Interim DIP Order, the Final DIP Order, the Second DIP Order and/or the Initial DIP Loan Documents or the Second DIP Loan Amendment, the DIP Lender shall be entitled to file an expedited motion for relief from the automatic stay seeking relief from stay to enforce its rights under the Interim DIP Order, the Final DIP Order, the Second DIP Order, the Initial DIP Loan Documents, and/or the Second DIP Loan Amendment. All parties’ rights are reserved in respect of any defense, challenge, contest and/or objection relative to said motion for relief from stay as applicable under the Bankruptcy Code and Bankruptcy Rules, including contest, objection, and/or challenge as to whether a default has occurred.

10. Further Requests for DIP Financing. Notwithstanding anything in the Second DIP Loan Amendment to the contrary, the Debtor shall be permitted to request under Section 364 of the Bankruptcy Code, and/or other applicable provisions of the Bankruptcy Code and Bankruptcy Rules, that this Court approve additional debtor-in-possession financing/credit outside of the ordinary course of business, with all parties' rights reserved, including the DIP Lender's, regarding such request. Any request by the Debtors for additional debtor-in-possession financing/credit shall not constitute a default under the Initial DIP Loan Documents or the Second DIP Loan Amendment.

11. Default. Notwithstanding anything in the Initial DIP Loan Documents or the Second DIP Loan Amendment to the contrary, the Debtors': (i) actions in marketing themselves and/or their assets, including the DIP Collateral, for sale, investment, joint venture and/or other similar transaction; and/or (ii) efforts in regard to, and the actual filing of, a restructuring and/or liquidation plan in these Cases, shall not constitute a default under the Initial DIP Loan Documents or the Second DIP Loan Amendment, and all parties rights are reserved relative to any sale, restructuring and/or liquidation plan.

12. Rights of Creditors and Interested Parties, Including the Committee. The Findings of Fact and Conclusions of Law set forth above in Paragraph (E)(i) and (ii), or any agreement by and between the Debtors, PITT AA, LLC, as successor to AVB, and/or OFAHA, shall be without prejudice to the rights of the Debtors, creditors and/or parties-in interest, including the Official Committee of Unsecured Creditors of Pittsburgh Athletic Association and Pittsburgh Athletic Association Land Company (the "Committee"), to investigate, file and to prosecute, if necessary: (i) any contest, dispute, claim, cause of action (including Chapter 5 Actions), objection and/or similar proceeding relating to the validity, priority, amount and/or extent of any claims and/or liens of AVB and/or PITT AA, LLC, as successor to AVB, and OFAHA against the Debtors and/or its assets (the "Claim Challenge"). The Debtors, creditors and/or parties-in-interest, including the Committee, shall commence any such action against AVB, PITT AA, LLC, as successor to AVB, and/or OFAHA under this paragraph 12 on or before ninety (90) days from the date of entry of the Final DIP Order (the "Claim Challenge Period"). By entry of the Final DIP Order and this Second DIP Order, and after discussion on the record held during the

Final Hearing, the Committee is hereby granted standing, when applicable and in the event that the Debtors chose not to pursue such Claim Challenge, to pursue any Claim Challenge on behalf of the Debtors and their bankruptcy estates. If no Claim Challenge is brought within the Claim Challenge Period, the Findings of Fact and Conclusion of Law contained in Paragraph (E)(i) and (ii) above shall become binding upon the Debtors, creditors and/or parties-in-interest, including the Committee. The Debtors and/or the Committee may seek to extend the Claim Challenge Period by the filing of a motion with this Court on or before the Claim Challenge Period deadline (the “Motion to Extend Claim Challenge Period”). Upon the filing of the Motion to Extend Claim Challenge Period, the Claim Challenge Period is extended until such time as the Motion to Extend Claim Challenge Period has been heard and resolved by this Court.

13. Inconsistencies. To the extent there are any inconsistencies by and between this Second DIP Order, the Second DIP Loan Amendment, the Initial DIP Loan Documents, the Interim DIP Order and/or the Final DIP Order, this Second DIP Order shall control in all respects.

14. Retention of Jurisdiction. The Court has and will retain jurisdiction to enforce the terms of, any and all matters arising from or related to the Second DIP Order and/or the Interim DIP Order and/or the Final DIP Order.

15. Prepetition Assignment of Leases and Rents. Nothing in the Interim DIP Order, the Final DIP Order, or this Second DIP Order, the Initial DIP Loan Documents, the Second DIP Loan Amendment, the Initial DIP Motion, or Second DIP Motion shall effect the rights of AVB, or PITT AA, LLC, as successor to AVB, under its Assignment of Leases and Rents, or its pre-petition exercise thereof. OFAHA shall continue to pay PITT AA, LLC rent as due according to the terms of the Ground Lease and AVB’s Assignment of Leases and Rents, and any assignment thereof to PITT AA, LLC.

SO ORDERED by the Court on this ____, day of ____, 2017.

JEFFERY A. DELLER
Chief U.S. Bankruptcy Judge

Schedule “A”
(Second DIP Loan Amendment)

AFFIRMATION OF AND SECOND AMENDMENT TO LOAN DOCUMENTS

THIS AFFIRMATION AND SECOND AMENDMENT TO LOAN DOCUMENTS (this “**Second Amendment**”) is made as of _____, 2017 by and between **PITTSBURGH ATHLETIC ASSOCIATION**, a Pennsylvania not-for-profit corporation (“**PAA**”), with a mailing address at 4215 Fifth Avenue, Pittsburgh, Pennsylvania 15231 and **PITTSBURGH ATHLETIC ASSOCIATION LAND COMPANY**, a Pennsylvania corporation (“**Land Company**” or “**Mortgagor**”), with a mailing address at 4215 Fifth Avenue, Pittsburgh, Pennsylvania 15213 (PAA and Land Company are herein individually and collectively referred to as “**Maker**”) and **ROLLOVER FUND LLC**, an Illinois limited liability company (“**Lender**” or “**Mortgagee**”), having an address at 853 North Elston, Chicago, Illinois 60642.

WITNESSETH:

WHEREAS, PAA and Land Company are the “Debtors” in that certain jointly administered bankruptcy case (Case No. 17-22222-JAD) (the “**Bankruptcy Case**”) currently pending in the United States Bankruptcy Court for the Western District of Pennsylvania (the “**Court**”); and

WHEREAS, on or around May 30, 2017, Maker filed a motion for entry of an interim order (i) authorizing Maker to incur post-petition debt from Lender (“**DIP Financing**”) on a super priority basis pursuant to 11 U.S.C. §§105, 361, 362, 364 and 507 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (the “**Bankruptcy Code**”), Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) 2002, 4001 and 9014, and Local Rule 4000-2; and (ii) providing other relief; and (iii) scheduling a final hearing to consider entry of a final order authorizing the DIP Financing.; and

WHEREAS, on or around June 8, 2017, the Court, having found that the DIP Financing is critical in order to maintain the Maker’s business and the real property located at 4215 Fifth Avenue and 5126-5130 Bigelow Boulevard, Pittsburgh, Pennsylvania (collectively, the “**Real Property**”), approved such motion and entered such interim order (the “**Interim Order**”); and

WHEREAS, Maker executed that certain Mortgage Note in favor of Lender dated and effective as of June 16, 2017 (together with all amendments, modifications, supplements and extensions thereto or thereof, hereinafter referred to as the “**Note**”); and

WHEREAS, pursuant to the Note, Maker promised to pay to Lender the principal sum of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) on or before July 1, 2018,

together with interest from the date of each disbursement on the balance of the principal remaining from time to time unpaid at the Interest Rate (as defined in the Note); and

WHEREAS, Land Company, as “Mortgagor”, executed that certain Open-End Mortgage and Security Agreement, dated and effective as of June 16, 2017 and recorded June 20, 2017 as Document No. 2017-43165 (together with all amendments, modifications, supplements and extensions thereto or thereof, hereinafter referred to as the “**Mortgage**”), in favor of Lender with respect to the Real Property (which is legally described in Exhibit A attached hereto); and

WHEREAS, Land Company, as “Assignor”, executed that certain Assignment of Rents and Leases, dated and effective as of June 16, 2017 and recorded June 20, 2017 as Document No. 2017-18056 (the “**Assignment of Rents**”), in favor of Lender; and

WHEREAS, Maker, as “Indemnitor”, executed that certain Environmental Indemnity Agreement dated and effective as of June 16, 2017 (the “**Environmental Indemnity**”) in favor of Lender (the Note, the Mortgage, the Assignment of Rents, and the Environmental Indemnity, together with all other documents evidencing or securing the Loan (as defined in the Note), are sometimes collectively referred to herein as the “**Loan Documents**”); and

WHEREAS, on August 3, 2017, the Court entered a final an order approving the DIP Financing (the “**Final DIP Order**”); and

WHEREAS, on August 4, 2017, Maker and Lender entered into that certain Affirmation of and Amendment to Loan Documents, which amended the Note and the Mortgage (the “**First Amendment**”; and where reference is made herein to the “Loan Documents,” such reference shall include the First Amendment), which First Amendment was recorded on August 9, 2017 as Document No. 2017-56615; and

WHEREAS, the current principal balance due and owing under the Note is Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00); and

WHEREAS, Maker has requested Lender to increase the principal amount of the Note to reflect an additional advance of Seven Hundred Fifty Thousand and No/100 Dollars (\$750,000.00) (the “**Additional Advance**”); and

WHEREAS, Lender is willing to make the Additional Advance on the terms and conditions hereinafter set forth, including without limitation, the condition that certain amounts and fees be paid in connection with the Additional Advance as more particularly described in this Second Amendment.

NOW THEREFORE, in consideration of the foregoing recitals (each of which are incorporated herein by reference and made a material part hereof) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, Maker and the Lender hereby agree as follows:

1. **Defined Terms.** Initially capitalized terms not otherwise defined herein shall have the meaning given such terms in the Loan Documents. The Loan Documents are hereby

modified so that the initially capitalized terms which are defined and used herein, and which are also defined and used in the Loan Documents, shall have the meaning given such terms in this Second Amendment. All references in any of the Loan Documents to other individual Loan Documents shall refer to such Loan Documents as modified by the First Amendment, and as further modified by this Second Amendment.

2. **Principal Amount.** The Note and the other Loan Documents are hereby modified to provide that the principal sum of the Note and the Loan are increased by the amount of the Additional Advance, so that the total principal sum of the Note and the amount secured by the Mortgage and the other applicable Loan Documents is hereby modified to One Million Five Hundred Thousand and No/100 Dollars (\$1,500,000.00). The Additional Advance shall be advanced by Lender to Maker, less those amounts and fees payable to Lender (or for which Maker is responsible) pursuant to this Second Amendment, either directly by Lender or (at Lender's election) through an escrow established First American Title Insurance Company (the "**Title Company**"). Nothing herein shall be deemed to extend or otherwise affect the Maturity Date of the Loan, which Maker agrees and acknowledges is, and shall continue to be, July 1, 2018 (unless extended by Maker in accordance with Paragraph 4 of the Note).

3. **Extension Fee.** In consideration for Lender's agreement to provide the Additional Advance, Maker shall pay to Lender or Lender (at Lender's election) shall withhold from the Additional Advance the sum of Twenty Five Thousand and No/100 Dollars (\$25,000.00) (the "**Additional Advance Fee**"). The Additional Advance Fee shall be deemed to be earned in full as of the date of this Second Amendment and non-refundable.

4. **Interest Reserve.** Maker hereby agrees and acknowledges, that as a result of the increase in the principal amount of the Loan as set forth in this Second Amendment, the sums currently held by Lender in the Interest Reserve will be insufficient to pay interest through the Maturity Date. Accordingly, notwithstanding anything contained in the Loan Documents to the contrary, in the event the entire unpaid principal amount of the Loan, together with any accrued and unpaid interest thereon and any other amounts then due hereunder or under the Loan Documents, is not paid on or before February 1, 2018, then on or before such date Maker may request to borrow an additional amount of up to Eighty Thousand and No/100 Dollars (\$80,000.00) (the "**Additional Interest and Fee Advance**"). If Lender approves such request in Lender's sole and absolute discretion, the principal sum of the Note and the Loan (and the amount secured by the Mortgage and the other applicable Loan Documents) shall be increased by the amount of the Additional Interest and Fee Advance. The Additional Interest and Fee Advance shall be applied as follows: (i) up to Seventy Five Thousand and No/100 Dollars (\$75,000.00) shall be used to reestablish the Interest Reserve and shall be drawn upon monthly by Lender to pay interest due under the Note through the Maturity Date, and (ii) up to Five Thousand and No/100 Dollars (\$5,000.00) of the Additional Interest and Fee Advance may be retained by Lender as payment for a loan fee in connection with Lender's increase in the principal sum of the Note, legal fees and other costs and expenses of Lender incurred in connection with the Additional Interest and Fee Advance. If Maker does not request the Additional Interest and Fee Advance, or if the same is not approved by Lender, then Maker shall

make an additional Interest Reserve payment in accordance with the Note. The foregoing shall not limit Maker's obligations set forth Paragraph 4 of the Note in the event Maker elects to extend the Maturity Date pursuant to said Paragraph 4 (including, without limitation, delivery of the Additional Reserve Payment). In obtaining the approval of the Court in connection with this Second Amendment, Maker shall ensure that such approval includes approval of the Additional Interest and Fee Advance so that no further approval is required in connection therewith.

5. **Debt Secured and Open-End Mortgage.** Notwithstanding anything contained in Paragraph 25 of the Mortgage to the contrary, Maker and Lender hereby agree and acknowledge that the maximum principal amount of unpaid Debt in respect of the loan evidenced by the Note, exclusive of interest thereof, which may be outstanding at any time, is Three Million and No/100 Dollars (\$3,000,000.00).

6. **Representations and Warranties.** Maker hereby confirms that all of its representations and warranties set forth in the Loan Documents are correct in every material respect as of the date of this Second Amendment. Additionally, Maker hereby represents and warrants to Lender that Maker has obtained all applicable approvals in order to enter into and perform under the terms of this Second Amendment (including, without limitation, approval of the Court, which approval shall confirm the DIP Lien with respect to the increased principal sum of the Note and the amount secured by the Mortgage and the other applicable Loan Documents).

7. **Costs.** Without limiting anything contained in any of the Loan Documents, Maker shall pay all costs and expenses of Lender and Lender's counsel incurred in connection with this Second Amendment and the transaction contemplated hereby, including, without limitation, all recording costs, title costs (including search and exam fees), and all reasonable costs and expenses of Lender's counsel.

8. **Waiver of Claims.** Maker warrants and represents to Lender that the Loan Documents are not subject to any credits, charges, claims, or rights of offset or deduction of any kind or character whatsoever; and Maker expressly releases and discharges Lender from any and all claims and causes of action, whether known or unknown and whether now existing or hereafter arising, including without limitation, any usury claims, that have at any time been owned, or that are hereafter owned, in tort or in contract by Maker and that arise out of any one or more circumstances or events that occurred prior to the date of this Agreement. Moreover, Maker, waives any and all claims now or hereafter arising from or related to any delay by Lender in exercising any rights or remedies under the Loan Documents.

9. **Counterparts.** This Second Amendment may be executed in counterparts, any of which may be delivered by facsimile transmission, and any such facsimile shall serve as an original unless and until replaced by an original.

AND NOW, Except as amended hereby, the terms and provisions of the Loan Documents remain unchanged, are and shall remain in full force and effect unless and until modified or amended in writing in accordance with their terms, and are hereby ratified and confirmed. Except as expressly provided herein, this Second Amendment shall not constitute an

amendment, waiver, consent or release with respect to any provision of the Loan Documents, a waiver of any default or Event of Default under the Loan Documents, or a waiver or release of any of the rights and remedies (all of which are hereby reserved).

IN WITNESS WHEREOF, the parties hereto, with the intent to be legally bound hereby have caused this Second Amendment to be duly executed by their proper and duly authorized officers as of the day and year first above written.

**REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
(SIGNATURES ON FOLLOWING PAGES)**

BY:

**PITTSBURGH ATHLETIC ASSOCIATION, a
Pennsylvania not-for-profit corporation**

By: _____

Name:

Title:

ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA)

)

COUNTY OF ALLEGHENY)

SS:

On this the ____ day of _____ 2017, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be a _____ of Pittsburgh Athletic Association and that as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Pittsburgh Athletic Association by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

(SIGNATURES CONTINUED ON FOLLOWING PAGES)

**PITTSBURGH ATHLETIC ASSOCIATION
LAND COMPANY, a Pennsylvania corporation**

By: _____

Name:

Title:

ACKNOWLEDGEMENT

COMMONWEALTH OF PENNSYLVANIA)
)
) SS:
COUNTY OF ALLEGHENY)

On this the ____ day of _____ 2017, before me, the undersigned officer, personally appeared _____, who acknowledged himself to be a _____ of Pittsburgh Athletic Association Land Company and that as such officer, being authorized to do so, executed the foregoing instrument for the purposes therein contained by signing the name of Pittsburgh Athletic Association Land Company by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

(SIGNATURES CONTINUED ON FOLLOWING PAGES)

**ROLLOVER FUND LLC, an Illinois limited
liability company**

By: _____

Name:

Title:

ACKNOWLEDGEMENT

STATE OF ILLINOIS)
) **SS:**
COUNTY OF COOK)

On this the ____ day of _____ 2017, before me, the undersigned officer,
personally appeared _____, who acknowledged himself to be a
_____ of Rollover Fund LLC and that as such officer, being authorized
to do so, executed the foregoing instrument for the purposes therein contained by signing the
name of Rollover Fund LLC by himself as such officer.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.

Notary Public

My Commission Expires:

EXHIBIT "A"

ALL THOSE CERTAIN lots or pieces of ground situate in the 4th Ward of the City of Pittsburgh, County of Allegheny and Commonwealth of Pennsylvania, and being designated as Lot 1R and Lot 2R in the Revised Pittsburgh Athletic Association Plan of Lots, as the same was recorded with the Department of Real Estate of Allegheny County, Pennsylvania on September 7, 2016, at Plan Book Volume 289 Page 138.

BEING TAX PARCEL 27-R-138, 27-R-110

Schedule “B”
(Four Month Budget)

Pittsburgh Athletic Association

Cash Flow Projections

For the Four Month Period October 1, 2017 through January 31, 2018

	October	November	December	January	Total
Cash Beginning of Month	\$ 43,256	\$ 276,321	\$ 173,500	\$ 90,680	\$ 43,256
Receipts					
Cash Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Member Dues and Assessments	20,000	20,000	20,000	20,000	80,000
Loans and Advances	-	-	-	-	-
Sale of Assets	-	-	-	-	-
Other (Attach List)	-	-	-	-	-
Total Receipts	\$ 20,000	\$ 20,000	\$ 20,000	\$ 20,000	\$ 80,000
Disbursements					
Net Payroll	\$ 9,000	\$ 2,600	\$ 2,600	\$ 2,600	\$ 16,800
Payroll Taxes and Withholding	3,600	1,040	1,040	1,040	6,720
Sales, Use, And Other Taxes	-	-	-	-	-
Inventory Purchases	-	-	-	-	-
Secured/Rental/Leases (Blanche Trust)	8,885	8,885	8,885	8,885	35,540
Insurance	-	-	-	-	-
Administrative & Selling	14,295	7,796	7,796	7,796	37,683
Other (Attach List)	-	-	-	-	-
Estimated Professional Fees (A)					
Gleason	141,172	25,000	20,000	17,500	203,672
Tucker	249,971	62,500	50,000	37,500	399,971
UCC Counsel	75,812	15,000	12,500	12,500	115,812
U.S. Trustee Fees	5,200	-	-	5,200	10,400
Court Costs	-	-	-	-	-
Total Disbursements	\$ 507,935	\$ 122,821	\$ 102,821	\$ 93,021	\$ 826,598
Net Cash Flow (Receipts Less Disbursements)	\$ (487,935)	\$ (102,821)	\$ (82,821)	\$ (73,021)	\$ (746,598)
DIP Draw	\$ 721,000	\$ -	\$ -	\$ -	\$ 721,000
Cash End of Month	\$ 276,321	\$ 173,500	\$ 90,680	\$ 17,659	\$ 17,659

DIP Analysis					
Beginning Balance (B)	\$ 750,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 750,000
Additional Funding (Tranche 2)	721,000	-	-	-	721,000
Additional Loan Fee	25,000				25,000
Additional Interest Reserve	-	-	-	-	-
Additional Lender Fees and Costs	4,000				4,000
Additional Title Fees	-	-	-	-	-
Repayments	-	-	-	-	-
Ending Balance	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000

Notes:

A. Estimated professional fees assume 100 percent accrual/payment of estimated professional fees on a two month lag (i.e., July invoices are issued in August and paid in October). The estimates and budget for professional fees and expenses is not to be interpreted or treated as a limitation or cap on the allowance for, and ultimate payment of, professional fees and expenses. Assumes that 20 percent of fees paid will be held in reserve until final approval of payment by the Court.

B. Second DIP Loan Funding Payment and Fees:

Net Loan Proceeds	\$ 721,000
Loan Fee	25,000
Interest Reserve	-
Estimated Lender Fees and Costs	4,000
Title Fees	-
Beginning DIP Balance	\$ 750,000

C. Detail of Administrative Expenses:

	October	November	December	January	Total
Duquesne Light	\$ 3,650	\$ 3,650	\$ 3,650	\$ 3,650	\$ 14,600
Peoples Gas (D)	500	500	500	500	2,000
Mitel Computer/Phone	1,500	1,500	1,500	1,500	6,000
PWSA	646	646	646	646	2,583
Northstar Computer	615	615	615	615	2,461
Plumbing	6,500	-	-	-	6,500
CTR Fees	684	685	685	685	2,739
DIP Interest (E)	-	-	-	-	-
Supplies	200	200	200	200	800
Total	\$ 14,295	\$ 7,796	\$ 7,796	\$ 7,796	\$ 37,683

D. Budget does not assume additional staffing and utility costs to heat / winterize the building

E. DIP Interest assumed to be paid from existing interest reserve of \$90,000.

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

In re:

PITTSBURGH ATHLETIC ASSOCIATION, *et al*³

Debtors,

PITTSBURGH ATHLETIC ASSOCIATION, *et al*,
Movant,

v.

PITT AA, LLC AS SUCCESSOR TO
ALLEGHENY VALLEY BANK OF
PITTSBURGH AND OAKLAND FIFTH
AVENUE HOTEL ASSOCIATES, LP,
Respondents.

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

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

Chapter 11

Related Doc. Nos.: _____.

Hearing: _____, 2017 at ____:____ AM/PM

NOTICE AND ORDER SETTING HEARING

AND NOW, this ____ day of _____, 2017, **NOTICE IS HEREBY GIVEN THAT** a ***Request for an Expedited Hearing on the Debtors' Expedited Second Motion for Entry of an Order pursuant to 11 U.S.C. §§ 105, 361, 362, 364 and 507, Fed. R. Bankr. P. 2002, 4001 and 9014 and Local Rule 4001-2 (I) Authorizing Debtors to obtain Additional Post-Petition Financing on a First Priority and Priming Basis, (II) Granting Liens and Super-Priority Claims and (III) Granting Related Relief*** ("Second DIP Motion") has been filed in the above-referenced case by **Jordan S. Blask, Tucker Arensberg, P.C.**, Counsel for the Debtor.

On _____, ***20*** at _____ ***M.*** a hearing has been scheduled in Courtroom "____", United States Bankruptcy Court, U.S. Steel Building, 54th Floor, 600 Grant Street, Pittsburgh, Pennsylvania.

On or before _____, ***Responses*** to the *Motion* shall be filed with the Clerk of the Bankruptcy Court and served on the parties in interest.

³ The Debtors have the following case pending Pittsburgh Athletic Association, Case No. 17-22222-JAD and the Pittsburgh Athletic Association Land Company, Case No. 17-22223-JAD, both cases are being jointly administered under Case No. 17-22222-JAD (the "Cases").

Movant shall serve a copy of this completed Scheduling Order and the Motion by U.S. Mail **and**, (1) hand delivery **or** (2) facsimile **or** (3) email (separate from CM/ECF) on the Respondent(s), Trustee, Debtor, Debtor's Counsel, all secured creditors whose interests may be affected by the relief requested, U.S. Trustee and counsel for any committee. In the absence of a committee, the Movant shall serve the 20 largest unsecured creditors. Movant shall immediately file a certificate of service indicating such service.

JEFFERY A. DELLER
Chief U.S. Bankruptcy Judge