

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

In re:

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

PITTSBURGH ATHLETIC ASSOCIATION,
et al.,

Movants,

v.

WALNUT PAA, L.P. assignee of the
NATIONAL RETIREMENT FUND and THE
OFFICIAL COMMITTEE OF UNSECURED
CREDITORS,

Respondents.

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

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

Chapter 11

Doc. No. _____

Hearing Date: August 7, 2018 at 10:00 a.m.

Response Deadline: July 25, 2018

**MOTION TO APPROVE SETTLEMENT PURSUANT TO
FEDERAL RULE OF BANKRUPTCY PROCEDURE 9019**

The Pittsburgh Athletic Association Land Company ("PAALC") and its affiliate, the Pittsburgh Athletic Association ("PAA" and together with the PAALC, collectively the "Debtors") file this Motion for Approval Settlement Agreement by and between the Debtors, the Official Committee of Unsecured Creditors (the "Committee"), Walnut PAA, L.P. assignee of the National Retirement Fund (the "Walnut PAA") and respectfully request that the Court grant the relief requested herein.

I. JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

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. Venue is appropriate pursuant to 28 U.S.C. §§ 1408 and 1409.
3. This matter constitutes a “core” proceeding pursuant to 28 U.S.C. §§ 157(b)(2).
4. The statutory predicates for relief are Fed. R. Bankr. P. 9019(a).

II. THE PARTIES

5. Pittsburgh Athletic Association Land Company (“PAALC” or “Debtor”) is a non-profit corporation organized and existing under the laws of the Commonwealth of Pennsylvania with a mailing address of 4215 Fifth Avenue, Pittsburgh, Pennsylvania 15213.

6. The Pittsburgh Athletic Association (“PAA” and, together with the PAALC, the “Debtors”) is a non-profit corporation organized and existing under the laws of the Commonwealth of Pennsylvania with a mailing address of 4215 Fifth Avenue, Pittsburgh, Pennsylvania 15213.

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

8. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

9. No trustee or examiner has been appointed in these chapter 11 cases.

10. The National Retirement Fund (“NRF”) was a creditor of the Debtors as set forth herein with an address of 6 Blackstone Valley Place, Suite 302, Lincoln, RI 02865.

11. On September 12, 2017, the NRF filed a proof of claim 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 a total claim amount of \$4,326,732.70.

12. Also on September 12, 2017, the NRF filed a proof of claim 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, both filed by the NRF, will collectively be referred to herein as the (the "NRF Claim").

13. On May 14, 2018, the NRF transferred the NRF Claim to Walnut PAA. On May 15, 2018, a Notice of Transfer of Claim was filed transferring Claim Nos. 7 and 25 in the PAA Case from the NRF to Walnut PAA, L.P. [Doc. No. 792 PAA][Doc. No. 82 PAALC].

14. On December 22, 2017, the Debtors filed a Joint Chapter 11 Plan of Reorganization of Pittsburgh Athletic Association & Pittsburgh Athletic Association Land Company dated December 22, 2017 at [Doc. No. 418] (the "Plan"), a Joint Disclosure Statement to Accompany Joint Plan of Reorganization dated December 22, 2017, at [Doc. No. 419] (the "D/S"), and a Joint Summary of Chapter 11 Plan of Reorganization. Plan dated December 22, 2017 [Doc. No. 420] (the "Plan Summary" and collectively with the Plan and D/S, the "Plan Documents").

15. On December 28, 2017, the Court entered an Order scheduling a hearing on approval of the D/S for February 6, 2018 (the "D/S" Hearing). [Doc. No. 429].

16. On March 13, 2018, the Debtors filed an Amended Joint Chapter 11 Plan of Reorganization of Pittsburgh Athletic Association & Pittsburgh Athletic Association Land Company dated March 13, 2018 (the "Amended Plan") [Doc. No. 587], an Amended Joint

Disclosure Statement to Accompany Joint Plan of Reorganization (the “Amended D/S”) [Doc. No. 588] and an Amended Joint Summary of Chapter 11 Plan of Reorganization (the “Amended Plan Summary,” collectively with the Amended Plan and the Amended D/S, the “Amended Plan Documents”)[Doc. No. 589].

17. On March 15, 2018, this Court entered an Order conditionally approving the Amended D/S and setting certain deadlines [Doc. No. 593]. The Court also scheduled a Confirmation Hearing on the Amended Plan for April 17, 2018 at 10:00 a.m. (the “Confirmation Hearing”). *See* Doc. No. 593.

18. On March 16, 2018, the Debtors filed a revised Amended Plan to address a scrivener’s error. [Doc. No. 594].

19. On April 15, 2018, the Debtors filed a Second Amended Joint Chapter 11 Plan of Reorganization of Pittsburgh Athletic Association & Pittsburgh Athletic Association Land Company dated March 13, 2018, as Revised March 16, 2018 and April 15, 2018 (the “Second Amended Plan”) [Doc. No. 673] and an Amended Joint Disclosure Statement for Impaired Classes to Accompany Joint Plan of Reorganization (the “Amended D/S”, together with the Second Amended Plan the "Second Amended Plan Documents") [Doc. No. 674].

20. On April 22, 2018, the Debtors filed a Third Revised Amended Joint Chapter 11 Plan of Reorganization & Pittsburgh Athletic Association land Company dated March 13, 2018, as Revised April 22, 2018 (the “Third Amended Plan”) [Doc. No. 702] and a Revised Impaired Class Joint Amended Disclosure Statement to Accompany the Joint Plan of Reorganization dated March 13, 2018 (as Revised April 22, 2018) (the “Revised D/S”, together with the Second Amended Plan the "Third Amended Plan Documents") [Doc. No. 703].

21. On May 30, 2018, the Confirmation Hearing was held and on May 31, 2018, the Court entered an Order confirming the Third Amended Plan [Doc. No. 843].

22. The Third Amended Plan Documents identify that while the Debtors dispute the validity of the NRF Claims, the NRF has consented to its treatment pursuant to the Settlement Agreement (the “Agreement”) attached hereto as Exhibit “A”, which Agreement has been ratified by Walnut PAA.

23. The material terms of the Agreement are:

- i. The NRF, now Walnut PAA, shall have an allowed priority unsecured claim in the PAA Case of \$100,000.00 (the “Priority Claim”).
- ii. The NRF, now Walnut PAA shall have an allowed unsecured claim in the PAA Case in the amount of \$4,326,732.70 (the “Unsecured Claim”).
- iii. Claim No. 7 in the PAALC Case filed by the NRF on September 12, 2017 in the amount of \$4,326,732.70 (the “NRF PAALC Unsecured Claim”, together with the NRF PAA Unsecured Claim, the “NRF Unsecured Claims”) shall be disallowed in its entirety.
- iv. The NRF, now Walnut PAA, agrees to accept a maximum cash distribution on account of its Unsecured Claim equal to \$1,359,000.00 (the “Unsecured Claim Distribution Cap”). If the funds available to distribution to Allowed Unsecured Claims (as the term is defined in the Third Amended Plan Documents) result in less than 100% distribution to holders of Allowed Unsecured Claims, inclusive of the Unsecured Claim Distribution Cap, the NRF’s, now Walnut PAA, *pro rata* share of the available funds for holders of Allowed Unsecured Claims, inclusive of the Unsecured Claim Distribution Cap, shall be calculated using the Unsecured Claim Distribution Cap.
- v. The Debtors and the Committee will not take any action with respect to the Priority Claim or the 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 distribution.

V. RELIEF REQUESTED

24. The Debtors respectfully request that this Honorable Court enter an order approving the Agreement as summarized above, and as attached in its entirety hereto as “Exhibit A” pursuant to Bankruptcy Rule 9019.

25. Rule 9019 of the Federal Rules of Bankruptcy Procedure states in pertinent part that:

On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States Trustee, the debtor and indenture trustees as provided in Rule 2002 and to any other entity as the court may direct.

Fed. R. Bankr. P. 9019.

26. The Third Circuit Court of Appeals recognizes a general policy in favor of settlements and compromises. *Myers v. Martin (In re Martin)*, 91 F.3d 389, 394 (3d Cir. 1996). Thus, a bankruptcy court reviewing a proposed settlement should approve it when it is fair and equitable and in the best interests of the debtor's estate and creditors. *Protective Committee for Independent Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968); *In re Marvel Entertainment Grp., Inc.*, 222 B.R. 243, 249 (D.Del. 1998); *In re Louise's Inc.*, 211 B.R. 798, 801 (D.Del. 1997).

27. In considering whether a proposed settlement is appropriate given the merits of the underlying dispute, a court should approve a settlement unless it "fall[s] below the lowest point in the range of reasonableness." *Cosoff v. Rodman (In re W.T. Grant Co.)*, 699 F.2d 599, 608 (2d Cir. 1983) (citation omitted); *American Reserve Corp.*, 841 F.2d 159, 161 (7th Cir. 1987).

28. Courts within the Third Circuit often consider the following four factors in determining whether a settlement is within the range of reasonableness and fair and equitable:

- a. The probability of success in the litigation;
- b. The difficulties to be encountered in collection;
- c. The complexity of the litigation and the expense and inconvenience and delay necessarily attending it; and
- d. The paramount interest of the creditors.

Marvel Entertainment, 222 B.R. at 249; *Fry's Metals, Inc. v. Gibbons (In re RFE Industries, Inc.)*, 283 F.3d 159, 165 (3d Cir. 2002); *Official Unsecured Creditors' Committee of Pennsylvania Truck Lines, Inv. v. Pennsylvania Truck Lines, Inc. (In re Pennsylvania Truck Lines, Inc.)*, 150 B.R. 595, 598 (E.D. Pa. 1992), *aff'd*, 8 F.3d 812 (3d Cir. 1993); *In re Grant Broadcasting of Philadelphia, Inc.*, 71 B.R. 390, 395 (Bankr. E.D. Pa. 1987).

A. The Settlement Agreement Should Be Approved Because All Four Factors in the *Marvel Entertainment* Decision Are Satisfied

29. The Debtors believe that settling the NRF Claim rather than disputing the validity of the NRF Claim in the best interest of the Debtors and their creditors. The Debtors also believe that the terms of the Agreement are fair and reasonable.

30. The *Marvel Entertainment* factors described above also favor approval of the Settlement Agreement.

31. **The Probability of Success in the Litigation.** The parties agree that the likelihood of success in any litigation would be unpredictable, especially given the fact that the Third Amended Plan has been confirmed and any and all feasibility analysis prepared in support of the Third Amended Plan's confirmation were based upon the Agreement.

32. **Difficulty of Collection.** In the event the Debtors are successful in litigating the validity of the NRF Claim to conclusion against the NRF, the possibility of recovering damages for the delays incurred is remote in light of the Third Amended Plan's confirmation and would involve additional litigation expenses and could potentially result in a decreased overall distribution to creditors.

33. **Complexity of Litigation & Probability of Success.** Without resolution, the uncertainty of the NRF Claim would interfere with implementation of the Third Amended Plan and, ultimately, final resolution of the entire Bankruptcy Case.

34. **Paramount Interests of Creditors.** The uncertainty as to the NRF Claim is an ongoing concern for the Debtors' creditors. Resolving the NRF Claim is in the Debtors' creditors' best interest to prevent further delay, expense and uncertainty moving forward.

35. For the foregoing reasons, the Debtors submit that the Agreement is in the best interest of the Debtors' estates and their creditors and respectfully request that this Court approve the Agreement. The Motion is a summary of the Agreement and to the extent of any inconsistency the Agreement controls.

WHEREFORE the Debtor respectfully requests that this Honorable Court enter an order approving the Settlement Agreement.

Dated: July 9, 2018

Respectfully Submitted,

TUCKER ARENSBERG, P.C.

/s/Jordan S. Blask

Jordan S. Blask, Esq. (Pa. I.D. 308511)
Sloane B. O'Donnell, Esq. (Pa. I.D. 321295)
1500 One PPG Place
Pittsburgh, PA 15222
Phone: (412) 566-1212
Fax: (412) 594-5619
jblask@tuckerlaw.com

NRF SETTLEMENT AGREEMENT

This settlement agreement, dated as of May 2, 2018 (as may be amended, supplemented, or otherwise modified from time to time, this "Agreement"), is by and among: (i) Pittsburgh Athletic Association ("PAA") and Pittsburgh Athletic Association Land Company ("PAALC," and, together with PAA, the "Debtors") in their jointly administered chapter 11 cases (the "Chapter 11 Cases") pending in the United States Bankruptcy Court for the Western District of Pennsylvania (the "Bankruptcy Court") under lead case number 17-22222 (JAD); (ii) the Official Committee of Unsecured Creditors in the Chapter 11 Cases (the "Committee"); and (iii) the National Retirement Fund (the "NRF"). PAA, PAALC, the Committee and the NRF are each referred to as a "Party," and collectively are referred to as the "Parties." All capitalized terms not defined in this Agreement shall have the meanings ascribed to them in the Motion to Approve Settlement Pursuant to Federal Rule of Bankruptcy Procedure 9019 (the "Motion").

1. Allowance of NRF Priority Claim. The NRF shall have an allowed priority unsecured claim in the PAA case of \$100,000 (the "NRF PAA Priority Claim").

2. Allowance of NRF Unsecured Claim. The NRF shall have an allowed unsecured claim in the PAA case of \$4,326,732.70 (the "NRF PAA Unsecured Claim"). Claim No. 7 filed by the NRF in the PAALC case in the amount of \$4,326,732.70 (the "NRF PAALC Unsecured Claim") shall be disallowed in its entirety. The NRF PAALC Unsecured Claim and the NRF PAA Unsecured Claim shall be referred to in this Agreement as the "NRF Unsecured Claims."

3. Distributions to the NRF. The NRF agrees to accept a maximum cash distribution on account of its NRF PAA Unsecured Claim equal to \$1,359,000 (the "NRF Unsecured Claim Distribution Cap"). If the funds available for distribution to holders of

Allowed Unsecured Claims (as those terms are defined in the Plan (defined below)) under the [Revised] Amended Joint Plan of Reorganization dated March 13, 2018 (as revised on April 22, 2018) [Docket No. 594] (the "Plan") result in less than 100% distribution to holders of Allowed Unsecured Claims, inclusive of the NRF Unsecured Claim Distribution Cap, the NRF's *pro rata* share of the available funds for holders of Allowed Unsecured Claims, inclusive of the NRF Unsecured Claim Distribution Cap, shall be calculated using the NRF Unsecured Claim Distribution Cap.

4. No Action With Respect to NRF Unsecured Claims. Unless and until this Agreement is terminated pursuant to paragraph 5 or 7 below, the Debtors and the Committee will not take any action with respect to the NRF Unsecured Claims, including, without limitation, contesting the merits of the NRF Unsecured Claims or otherwise objecting to the NRF Unsecured Claims in the Bankruptcy Court or any other court of competent jurisdiction.

5. Termination Events. This Agreement shall become null and void, and all Parties' rights shall be fully restored, if:

(a) This Agreement is not approved by the Bankruptcy Court on or before July 1, 2018;

(b) The Debtors at any time file, support, amend or modify the Plan in a way that adversely impacts the treatment of the NRF PAA Unsecured Claim, or materially impairs the Debtors' ability to perform their respective obligations under the Plan with respect to the payments to be made to the NRF pursuant to this Agreement and the Plan;

(c) The Plan or any other definitive documentation filed with the Bankruptcy Court contains terms and conditions that are not materially consistent with this Agreement and such material inconsistency remains uncured for a period of 5 consecutive Business Days (as that term is defined in the Plan);

(d) The Effective Date (as that term is defined in the Plan) does not occur by June 30, 2018;

(e) The Debtors enter into any proposed settlement of any Claim, litigation, dispute, controversy, cause of action, proceeding, appeal, determination, investigation,

matter or otherwise that will materially impair the Debtors' or Committee's respective ability to consummate this Agreement;

(f) Approval by the Bankruptcy Court of a disclosure statement for a chapter 11 plan proposed by any Person other than the Debtors;

(g) Upon the appointment of a trustee under section 1104 of the Bankruptcy Code or an examiner (with expanded powers beyond those set forth in section 1106(a)(3) and (4) of the Bankruptcy Code) in the Chapter 11 Cases;

(h) The Chapter 11 Cases shall have been converted to cases under chapter 7 of the Bankruptcy Code or dismissed, in each case, by order of the Bankruptcy Court, which order has not otherwise been stayed; or

(i) Walnut PAA (as that term is defined in the Plan) decides not to purchase the Sale Assets (as that term is defined in the Plan); provided, that, if another bidder replaces Walnut PAA within thirty (30) days of Walnut PAA informing the Debtors that it will not purchase the Sale Assets and such new bidder agrees to purchase the Sale Assets for the same price offered by Walnut PAA, then this Agreement shall not become null and void. If a new bidder pays less or more for the Sale Assets, then the Parties shall consult in good faith concerning the modification of the terms of this Agreement and the Plan, as appropriate, based upon the new purchase price. If either Party determines in its sole discretion that no resolution has been reached regarding the modification of the terms of this Agreement and/or the Plan within ten (10) days after the new bidder provides the Debtors with its new purchase price for the Sale Assets, then this Agreement shall become null and void.

6. Effect of Termination. Upon the termination of this Agreement, all Parties shall be released from their commitments, undertakings and agreements under or related to this Agreement, and there shall be no liability or obligation on the part of any Party arising out of this Agreement and all Parties rights are restored.

7. Mutual Termination Event. Except as set forth in paragraph 5 above, this Agreement may be terminated only by the mutual agreement of and among (a) the Debtors, (b) the Committee, and (c) the NRF.

8. Specific Performance. This Settlement Agreement shall be enforceable by specific performance.

9. Severability. If any provision of this Agreement or this Agreement is held invalid, illegal or unenforceable, the Parties shall negotiate in good faith so as to replace each

invalid, illegal or unenforceable provision with a valid, legal and enforceable provision which will, in effect, from an economic viewpoint, most nearly and fairly approach the effect of the invalid, illegal or unenforceable provision and the intent of the Parties in entering into the Agreement or this Agreement.

10. Waiver and Amendment. No provision of or rights under this Agreement may be waived or modified unless in writing and signed by all Parties. Waiver of any one provision herein shall not be deemed to be a waiver of any other provision herein (whether similar or not), nor shall such waiver constitute a continuing waiver unless otherwise expressly so provided. This Agreement may not be amended except through an instrument in writing signed by all the Parties hereto.

11. Effectiveness. This Agreement shall be effective and binding upon the Parties upon entry of an order of the Bankruptcy Court approving this Agreement (the "Settlement Order").

12. Entire Agreement. This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement, and supersedes all other prior negotiations, agreements and understandings, whether written or oral, among the Parties with respect to the subject matter of this Agreement. Each Party acknowledges and represents that it has not executed this Agreement in reliance upon any promise, representation or warranty whatsoever that is not expressly set forth in this Agreement.

13. Settlement Order. The Debtors shall within five (5) Business Days of the execution of this Agreement, file the Motion (in form and substance reasonably acceptable to the Parties) seeking the entry of the Settlement Order, and use their reasonable best efforts, at their own expense, to obtain Bankruptcy Court approval of the Settlement Order.

14. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York without regard to the choice of law rules thereof (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law which shall govern).

15. Venue. Each of the NRF, the Committee and the Debtors irrevocably and unconditionally consent to submit to the sole and exclusive jurisdiction of the Bankruptcy Court for any litigation arising out of or relating to this Agreement.

16. Settlement Discussions. In the event that this Agreement is terminated, this Agreement will be deemed part of a proposed settlement of matters that is and could otherwise be the subject of litigation among the Parties. Nothing in this Agreement shall be deemed an admission of any kind. Pursuant to Federal Rule of Evidence 408 and any applicable state rules of evidence, this Agreement shall not, and no negotiations relating to this Agreement shall be, admissible into evidence in any proceeding other than to prove the existence of this Agreement or in a proceeding to enforce the terms of this Agreement.

17. Due Authorization. Subject to the approval of the Bankruptcy Court with respect to the Debtors and the Committee, each of the Parties represents and warrants to the others that the person executing this Agreement on its behalf is duly authorized to execute and deliver the Agreement and that it has taken all necessary action to authorize such execution, delivery and performance of this Agreement.

18. Successors and Assigns. This Agreement and all of its terms shall be binding upon and shall inure to the benefit of the Parties and their respective successors and assigns.

19. Good-Faith Cooperation; Further Assurances. The Parties shall cooperate with each other in good faith in respect of matters concerning the implementation and consummation of this Agreement, and execution and delivery of documents to confirm or implement the terms of this Agreement.

20. Counterparts. This Agreement may be executed in any number of counterparts and by original or facsimile signature, each of which shall be deemed to be an original instrument and all of which together shall be deemed one and the same instrument.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

PITTSBURGH ATHLETIC ASSOCIATION:

By: 

Name: JAMES A. SHEEHAN

Title: PRES. BOARD OF DIRECTORS

PITTSBURGH ATHLETIC ASSOCIATION
LAND COMPANY:

By: 

Name: JAMES A. SHEEHAN

Title: PRES. BOARD OF DIRECTORS

NATIONAL RETIREMENT FUND:

By: 

Name: RICHARD RUST

Title: FUND MANAGER

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

<p>In re:</p> <p>PITTSBURGH ATHLETIC ASSOCIATION, <i>et al.</i>¹, <i>Debtors.</i></p> <hr/> <p>PITTSBURGH ATHLETIC ASSOCIATION, <i>et al.</i>, <i>Movants,</i></p> <p>v.</p> <p>WALNUT PAA, L.P. assignee of the NATIONAL RETIREMENT FUND and THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, <i>Respondents.</i></p>	<p>Jointly Administered at: Bankruptcy No. 17-22222-JAD</p> <p>Bankruptcy Nos: 17-22222-JAD, and 17-22223-JAD</p> <p>Chapter 11</p> <p>Doc. No. _____</p>
---	---

ORDER OF COURT

AND NOW, this ____ day of _____, 2018, upon consideration of the Motion to Approve Settlement (the “Motion”), it is hereby **ORDERED, ADJUDGED and DECREED** that the Motion is **GRANTED** and that the Settlement Agreement (the “Agreement”) attached to the Motion as Exhibit “A” is **APPROVED**.

In accordance with the Agreement:

- i. Walnut PAA shall have an allowed priority unsecured claim in the PAA Case of \$100,000.00 (the “Priority Claim”).
- ii. Walnut PAA shall have an allowed unsecured claim in the PAA Case in the amount of \$4,326,732.70 (the “Unsecured Claim”).
- iii. Claim No. 7 in the PAALC Case filed by the NRF on September 12, 2017 in the amount of \$4,326,732.70 (the “NRF PAALC Unsecured Claim”, together with the NRF PAA Unsecured Claim, the “NRF Unsecured Claims”) shall be disallowed in its entirety.

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.

- iv. Walnut PAA agrees to accept a maximum cash distribution on account of its Unsecured Claim equal to \$1,359,000.00 (the “Unsecured Claim Distribution Cap”). If the funds available to distribution to Allowed Unsecured Claims (as the term is defined in the Third Amended Plan Documents) result in less than 100% distribution to holders of Allowed Unsecured Claims, inclusive of the Unsecured Claim Distribution Cap, Walnut PAA’s *pro rata* share of the available funds for holders of Allowed Unsecured Claims, inclusive of the Unsecured Claim Distribution Cap, shall be calculated using the Unsecured Claim Distribution Cap.
- v. The Debtors and the Committee will not take any action with respect to the Priority Claim or the 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 distribution.

Chief Judge Jeffery A. Deller
United States Bankruptcy Court