

RESOLUTION MAINTAINING AND REASSERTING THE PITTSBURGH WATER AND SEWER AUTHORITY'S \$1 MILLION PRIORITY CLAIM AGAINST IRON CITY BREWING, FOMERLY KNOWN AS PITTSBURGH BREWING CO., AND CALLING FOR A RENEGOTIATED SCHEDULE OF PAYMENTS

WHEREAS, the Pittsburgh Water and Sewer Authority is experiencing significant financial stress as a result of increased debt service payments, lower-than-expected interest income and declining water consumption; and,

WHEREAS, the Pittsburgh Water and Sewer Authority has raised rates in eight of the last eleven years; and,

WHEREAS, the management of the Pittsburgh Water and Sewer Authority may soon ask the Board to approve a rate increase for 2010; and,

WHEREAS, according to court documents filed in April 2007 Iron City Brewing owed the Pittsburgh Water and Sewer Authority \$2.7 million for water and sewer charges; and,

WHEREAS, according to a September 2007 agreement the Pittsburgh Water and Sewer Authority agreed to reduce contingently \$1 million of that claim if Iron City Brewing met specific conditions; and,

WHEREAS, Iron City Brewing did not meet the conditions of that agreement and has provided no evidence to the Board supporting the claim to the contrary; and,

WHEREAS, the Board has never acted to reduce or subordinate the \$1 million claim,

NOW, THEREFORE, BE IT RESOLVED that the Board of the Pittsburgh Water and Sewer Authority does hereby maintain and assert its priority claim of \$1 million against Iron City Brewing; and,

NOW, THEREFORE, BE IT FINALLY RESOLVED that the Board of the Pittsburgh Water and Sewer Authority directs the Executive Director and Solicitor to negotiate with Iron City Brewing to determine a payment schedule present said schedule for Board approval within 60 days.