

RESOLUTION NO. ____ OF 2009

Authorizing the Pittsburgh Water and Sewer Authority To Direct The
Executive Director And Solicitor To Pursue Any And All Legal Remedies
Against Iron City Brewing, LLC

WHEREAS, on or about December 13, 2004, the Pittsburgh Water and Sewer Authority (the "Authority") and Pittsburgh Brewing Company ("PBC") entered into an Amended and Restated Forbearance Agreement and Release pursuant to which PBC was required to pay to the Authority: \$1,740,873.98 plus accrued interest and finance charges for overdue water usage charges; \$2,324,264.00 for overdue sewer usage charges; \$45,078.05 in other delinquent charges; and all current charges for water and sewer usage as they were incurred and billed; and

WHEREAS, PBC paid the \$1,740,873.98 due for overdue water usage charges and the \$45,078.05 in other delinquent charges, but defaulted on the payment of overdue sewer usage charges and otherwise failed to pay charges for water and sewer usage as they were billed; and

WHEREAS, on December 5, 2005, PBC and Keystone Brewers Holding Co. ("Keystone") (together, the "Debtors") filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code; and

WHEREAS, the Authority filed a Proof of Claim reflecting secured claims of \$2,678,069.63 ("Authority Secured Claim") and asserted certain administrative claims ("Authority Administrative Claims") (together, the "Authority Claims"); and

WHEREAS, on May 1, 2007, the Debtors and Pittsburgh Brewing Acquisition, LLC ("PBA") filed with the bankruptcy court a Second Amended Joint Plan of Reorganization (the "Plan"); and

WHEREAS, pursuant to the Plan, Keystone was merged into PBC, and PBC merged into Iron City Brewing, LLC ("Iron City") as of the Plan's effective date ("Effective Date"); and

WHEREAS, pursuant to the Plan, the Authority was to receive \$1,500,000.00 for the Authority Secured Claim.

WHEREAS, in order to fulfill the intent of the Plan, Iron City entered into a Term Note of \$500,000.00 and a Contingent Note of \$1,000,000.00; and

WHEREAS, Iron City paid the \$500,000.00 Term Note; and

WHEREAS, Iron City has not met the conditions of the Contingent Note; and

WHEREAS, the Authority's Board has not acted to reduce or subordinate its security interest or the allowed \$1,000,000.00 secured claim.

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NOW, THEREFORE, BE IT RESOLVED that the Executive Director and Solicitor, on behalf of the Authority, are hereby authorized and directed to pursue any and all legal means to collect payment from Iron City on the Contingent Note and/or any related agreements.

DULY ADOPTED AT A REGULAR
MEETING OF THE PITTSBURGH
WATER AND SEWER AUTHORITY
HELD ON JULY 31, 2009

Secretary