

01.19

PROMISSORY NOTE ENTERED INTO WITH RICK A. ARMSTRONG, SUZAN HESS-ARMSTRONG, ARMSTRONG, LLC, AND BARANOF ISLAND BREWING COMPANY, LLC, RELATING TO CITY AND BOROUGH OF SITKA SOUTHEAST ECONOMIC DEVELOPMENT FUND LOAN FOR BARANOF ISLAND BREWING COMPANY, LLC

\$345,796

October 2, 2012
Sitka, Alaska

FOR CONSIDERATION RECEIVED, **RICK A. ARMSTRONG and SUZAN HESS-ARMSTRONG**, individuals, P.O. Box 3144, Sitka, Alaska 99835, **ARMSTRONG, LLC**, a limited liability company, P.O. Box 3144, Sitka, Alaska 99835, and **Baranof Island Brewing Company, LLC**, a limited liability company, 212 Smith Street, P.O. Box 1647, Sitka, Alaska 99835 (collectively referred to as "Debtor"), individually and severally sign and are liable regarding this Promissory Note ("Note") relating to Assembly approval on September 26, 2012 of a City and Borough of Sitka Southeast Economic Development Fund ("SEDF") loan for Baranof Island Brewing Company, LLC. Debtor promises to repay the loan from the City and Borough of Sitka ("CBS") in the sum of **Three Hundred Forty Five Thousand Seven Hundred and Ninety Six and 00/100 Dollars (\$345,796)**, to be paid in full by October 1, 2032 at **three and one-half percent (3.5%)** per annum interest rate by that date, and in accordance with this Note and any conditions specified in the Deed of Trust Regarding Promissory Note, executed at the same time as this Note.

The loan shall only be used to refinance the balance of principal and accrued interest due on existing Promissory Notes, dated May 4, 2011 and April 6, 2012, from Debtor to CBS. Upon execution of this loan agreement by Debtor, existing Promissory Notes, dated May 4, 2011 and April 6, 2012, from Debtor to CBS shall be deemed paid in full. No additional proceeds shall be distributed to Debtor under the terms of this loan agreement.

Debtor agrees to use as collateral for this loan, to the fullest extent allowed by applicable laws, all Baranof Island Brewing Co., LLC accounts receivable, equipment, supplies, and finished goods and resale merchandise inventories. Debtor shall execute all necessary documents and pay any costs associated with the filing of a lien and/or other security interest documents relating to such collateral. In particular, the Debtor agrees to the filing and assisting with the preparation of any UCC filings regarding any equipment as listed in the above paragraph purchased with these loan proceeds, as well as regarding any current equipment of Baranof Island Brewing Co., LLC.

During the loan period, from the date of this Note until October 1, 2032, Debtor shall remain current with any payments owed the CBS, including but not limited to payments for loans, leases, sales taxes, property taxes, utility payments, and any other CBS accounts. Additionally during this same period, Debtor shall comply with all CBS laws, including any building code, building permits, zoning code provisions, etc.

CBS may cause additional parties to be added or release any party, either with or without notice to the undersigned, either as co-maker, endorsers, or guarantors, or may extend the time for making any payment, or may accept an installment or full payment in advance, without affecting the liability of the undersigned.

The Debtor may prepay without penalty.

Failure to make any required payment required by this note within in seven (14) calendar days of the due date; failure to remit any other payments for loans, land leases, sales taxes, property taxes, utility payments, and any other CBS accounts within seven (14) calendar days of the due date; failure to comply with any CBS laws, including any building code, building permits, or zoning code provision; or, breach of any other conditions of this Note shall constitute an Event of Default. Upon occurrence of an Event of Default, CBS may, at its sole discretion, concurrently undertake one or more of the following remedies:

- 1) Declare the entire amount unpaid balance of this Promissory Note, including all accrued interest, due and payable; and/or
- 2) Apply any payments currently due to Debtor by any organizational element of the CBS towards the unpaid balance of this Promissory Note; and/or
- 3) Seek a judgment against Debtors; and/or,
- 4) Issue a Demand to Debtors for Repossession of Secured Collateral, sell any repossessed collateral, and apply the net proceeds from sale of any repossessed collateral against the unpaid balance of this note.

Should CBS seek to undertake one or more remedies afforded to it upon Occurrence of Default by Debtor, CBS shall provide Debtor written notice of default, sent by United States certified mail. Debtor shall be afforded a Right to Cure any default within a seven (21) day period, commencing on the day written notice of default is received by Debtor. If any default is not cured by Debtor within a seven (21) day period, commencing on the day written notice of default is received by Debtor, CBS shall have the right to enforce any remedy without further written notice to debtor, this right being expressly waived by Debtor.

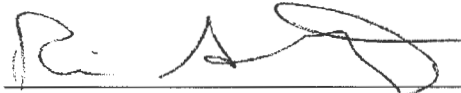
Should CBS take any action regarding default or to collect on this Note or any partial payment, or to protect its interest in this Note, Debtor agrees to pay all reasonable attorney fees, court costs (including fees and court costs in any appeal or bankruptcy proceeding and including on any matter this is specific to a bankruptcy proceeding), plus any actual expenditures incurred to secure the payment of or to collect on this Note.

Debtor is personally obligated and fully liable for the amount due under this Note. The CBS has the right to sue on this Note and obtain a personal judgment against Debtor for satisfaction for the amount due under this Note, in addition to, and either before or after, a judicial foreclosure of the deed of trust under AS 09.45.170-9.45.220.

If any part of this Promissory Note is found to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be affected or impaired.

This Promissory Note (and any other terms and conditions referenced herein) constitutes the entire agreement between Debtor and CBS and it supersedes all prior or contemporaneous communications and proposals, whether electronic, oral, or written, between CBS and Debtor.

Debtor, Individually and Severally



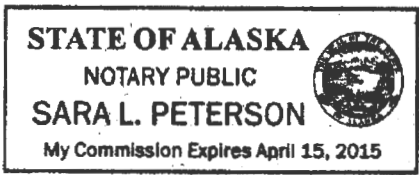
RICK A. ARMSTRONG,
Member Manager **BARANOF ISLAND
BREWING COMPANY, LLC**



SUZAN HESS-ARMSTRONG,
Member Manager **BARANOF ISLAND
BREWING COMPANY, LLC**

STATE OF ALASKA)
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FIRST JUDICIAL DISTRICT)

On this 3rd Day of October, 2012, personally appeared before me Rick A. Armstrong and SUZAN Hess-Armstrong, whose identities are personally known to me or proved to me on the basis of satisfactory evidence, and who by signing this document, swear or affirm that they individually and severally execute this document as individuals, and as member managers of Armstrong, LLC and Baranof Island Brewing Co., LLC, and are authorized to sign this document on behalf of themselves, Armstrong, LLC, and Baranof Island Brewing Co., LLC, and do so freely and voluntarily.



Sara L Peterson
Notary Public For Alaska
My Commission Expires 4-15-2015

**Payment Schedule
For Promissory Note
in the Amount of \$345,796
Between**

**Rick A. Armstrong, Suzan Hess-Armstrong, and Baranoff Island Brewing Company, LLC
October 2, 2012**

Terms:

Number of Payments: 240
Annual Interest Rate: 3.50%
Daily Interest Rate: 0.00959% (365/366 Day Basis)
Periodic Payment: \$ 2,005.25

<u>Payment Number</u>	<u>Payment Date</u>	<u>Beginning Principal Balance</u>	<u>Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Beginning Principal Balance</u>
1	11/1/2012	\$ 345,796.00	\$ 2,005.25	\$ 928.44	\$ 1,076.82	\$ 344,719.18
2	12/1/2012	\$ 344,719.18	\$ 2,005.25	\$ 991.66	\$ 1,013.60	\$ 343,705.59
3	1/1/2013	\$ 343,705.59	\$ 2,005.25	\$ 1,021.70	\$ 983.55	\$ 342,722.03
4	2/1/2013	\$ 342,722.03	\$ 2,005.25	\$ 1,018.78	\$ 986.48	\$ 341,735.56
5	3/1/2013	\$ 341,735.56	\$ 2,005.25	\$ 917.54	\$ 1,087.72	\$ 340,647.84
6	4/1/2013	\$ 340,647.84	\$ 2,005.25	\$ 1,012.61	\$ 992.64	\$ 339,655.19
7	5/1/2013	\$ 339,655.19	\$ 2,005.25	\$ 977.09	\$ 1,028.16	\$ 338,627.03
8	6/1/2013	\$ 338,627.03	\$ 2,005.25	\$ 1,006.60	\$ 998.65	\$ 337,628.38
9	7/1/2013	\$ 337,628.38	\$ 2,005.25	\$ 971.26	\$ 1,033.99	\$ 336,594.38
10	8/1/2013	\$ 336,594.38	\$ 2,005.25	\$ 1,000.56	\$ 1,004.69	\$ 335,589.69
11	9/1/2013	\$ 335,589.69	\$ 2,005.25	\$ 997.57	\$ 1,007.68	\$ 334,582.01
12	10/1/2013	\$ 334,582.01	\$ 2,005.25	\$ 962.50	\$ 1,042.76	\$ 333,539.25
13	11/1/2013	\$ 333,539.25	\$ 2,005.25	\$ 991.48	\$ 1,013.77	\$ 332,525.48
14	12/1/2013	\$ 332,525.48	\$ 2,005.25	\$ 956.58	\$ 1,048.67	\$ 331,476.80
15	1/1/2014	\$ 331,476.80	\$ 2,005.25	\$ 985.35	\$ 1,019.91	\$ 330,456.90
16	2/1/2014	\$ 330,456.90	\$ 2,005.25	\$ 982.32	\$ 1,022.94	\$ 329,433.96
17	3/1/2014	\$ 329,433.96	\$ 2,005.25	\$ 884.51	\$ 1,120.75	\$ 328,313.21
18	4/1/2014	\$ 328,313.21	\$ 2,005.25	\$ 975.94	\$ 1,029.31	\$ 327,283.90
19	5/1/2014	\$ 327,283.90	\$ 2,005.25	\$ 941.50	\$ 1,063.75	\$ 326,220.15
20	6/1/2014	\$ 326,220.15	\$ 2,005.25	\$ 969.72	\$ 1,035.53	\$ 325,184.62
21	7/1/2014	\$ 325,184.62	\$ 2,005.25	\$ 935.46	\$ 1,069.79	\$ 324,114.83
22	8/1/2014	\$ 324,114.83	\$ 2,005.25	\$ 963.46	\$ 1,041.79	\$ 323,073.04
23	9/1/2014	\$ 323,073.04	\$ 2,005.25	\$ 960.37	\$ 1,044.89	\$ 322,028.15
24	10/1/2014	\$ 322,028.15	\$ 2,005.25	\$ 926.38	\$ 1,078.87	\$ 320,949.28
25	11/1/2014	\$ 320,949.28	\$ 2,005.25	\$ 954.05	\$ 1,051.20	\$ 319,898.08
26	12/1/2014	\$ 319,898.08	\$ 2,005.25	\$ 920.25	\$ 1,085.00	\$ 318,813.08
27	1/1/2015	\$ 318,813.08	\$ 2,005.25	\$ 947.70	\$ 1,057.55	\$ 317,755.53
28	2/1/2015	\$ 317,755.53	\$ 2,005.25	\$ 944.56	\$ 1,060.69	\$ 316,694.84
29	3/1/2015	\$ 316,694.84	\$ 2,005.25	\$ 850.30	\$ 1,154.95	\$ 315,539.89
30	4/1/2015	\$ 315,539.89	\$ 2,005.25	\$ 937.97	\$ 1,067.28	\$ 314,472.61
31	5/1/2015	\$ 314,472.61	\$ 2,005.25	\$ 904.65	\$ 1,100.61	\$ 313,372.00
32	6/1/2015	\$ 313,372.00	\$ 2,005.25	\$ 931.53	\$ 1,073.72	\$ 312,298.28
33	7/1/2015	\$ 312,298.28	\$ 2,005.25	\$ 898.39	\$ 1,106.86	\$ 311,191.41
34	8/1/2015	\$ 311,191.41	\$ 2,005.25	\$ 925.05	\$ 1,080.21	\$ 310,111.21
35	9/1/2015	\$ 310,111.21	\$ 2,005.25	\$ 921.84	\$ 1,083.42	\$ 309,027.79
36	10/1/2015	\$ 309,027.79	\$ 2,005.25	\$ 888.98	\$ 1,116.27	\$ 307,911.52
37	11/1/2015	\$ 307,911.52	\$ 2,005.25	\$ 915.30	\$ 1,089.96	\$ 306,821.56
38	12/1/2015	\$ 306,821.56	\$ 2,005.25	\$ 882.64	\$ 1,122.62	\$ 305,698.95
39	1/1/2016	\$ 305,698.95	\$ 2,005.25	\$ 908.72	\$ 1,096.53	\$ 304,602.41
40	2/1/2016	\$ 304,602.41	\$ 2,005.25	\$ 905.46	\$ 1,099.79	\$ 303,502.62
41	3/1/2016	\$ 303,502.62	\$ 2,005.25	\$ 843.99	\$ 1,161.27	\$ 302,341.35
42	4/1/2016	\$ 302,341.35	\$ 2,005.25	\$ 898.74	\$ 1,106.51	\$ 301,234.84
43	5/1/2016	\$ 301,234.84	\$ 2,005.25	\$ 866.57	\$ 1,138.69	\$ 300,096.15
44	6/1/2016	\$ 300,096.15	\$ 2,005.25	\$ 892.07	\$ 1,113.19	\$ 298,982.96
45	7/1/2016	\$ 298,982.96	\$ 2,005.25	\$ 860.09	\$ 1,145.17	\$ 297,837.80
46	8/1/2016	\$ 297,837.80	\$ 2,005.25	\$ 885.35	\$ 1,119.90	\$ 296,717.90
47	9/1/2016	\$ 296,717.90	\$ 2,005.25	\$ 882.02	\$ 1,123.23	\$ 295,594.67
48	10/1/2016	\$ 295,594.67	\$ 2,005.25	\$ 850.34	\$ 1,154.91	\$ 294,439.75

**Payment Schedule
For Promissory Note
in the Amount of \$345,796**

**Between
Rick A. Armstrong, Suzan Hess-Armstrong, and Baranoff Island Brewing Company, LLC
October 2, 2012**

Terms:

Number of Payments: 240
Annual Interest Rate: 3.50%
Daily Interest Rate: 0.00959% (365/366 Day Basis)
Periodic Payment: \$ 2,005.25

<u>Payment Number</u>	<u>Payment Date</u>	<u>Beginning Principal Balance</u>	<u>Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Beginning Principal Balance</u>
49	11/1/2016	\$ 294,439.75	\$ 2,005.25	\$ 875.25	\$ 1,130.00	\$ 293,309.75
50	12/1/2016	\$ 293,309.75	\$ 2,005.25	\$ 843.77	\$ 1,161.49	\$ 292,148.26
51	1/1/2017	\$ 292,148.26	\$ 2,005.25	\$ 868.44	\$ 1,136.81	\$ 291,011.45
52	2/1/2017	\$ 291,011.45	\$ 2,005.25	\$ 865.06	\$ 1,140.19	\$ 289,871.26
53	3/1/2017	\$ 289,871.26	\$ 2,005.25	\$ 778.28	\$ 1,226.97	\$ 288,644.29
54	4/1/2017	\$ 288,644.29	\$ 2,005.25	\$ 858.02	\$ 1,147.23	\$ 287,497.06
55	5/1/2017	\$ 287,497.06	\$ 2,005.25	\$ 827.05	\$ 1,178.21	\$ 286,318.85
56	6/1/2017	\$ 286,318.85	\$ 2,005.25	\$ 851.11	\$ 1,154.14	\$ 285,164.71
57	7/1/2017	\$ 285,164.71	\$ 2,005.25	\$ 820.34	\$ 1,184.92	\$ 283,979.79
58	8/1/2017	\$ 283,979.79	\$ 2,005.25	\$ 844.16	\$ 1,161.10	\$ 282,818.69
59	9/1/2017	\$ 282,818.69	\$ 2,005.25	\$ 840.71	\$ 1,164.55	\$ 281,654.15
60	10/1/2017	\$ 281,654.15	\$ 2,005.25	\$ 810.24	\$ 1,195.02	\$ 280,459.13
61	11/1/2017	\$ 280,459.13	\$ 2,005.25	\$ 833.69	\$ 1,171.56	\$ 279,287.57
62	12/1/2017	\$ 279,287.57	\$ 2,005.25	\$ 803.43	\$ 1,201.82	\$ 278,085.75
63	1/1/2018	\$ 278,085.75	\$ 2,005.25	\$ 826.64	\$ 1,178.62	\$ 276,907.13
64	2/1/2018	\$ 276,907.13	\$ 2,005.25	\$ 823.13	\$ 1,182.12	\$ 275,725.01
65	3/1/2018	\$ 275,725.01	\$ 2,005.25	\$ 740.30	\$ 1,264.95	\$ 274,460.06
66	4/1/2018	\$ 274,460.06	\$ 2,005.25	\$ 815.86	\$ 1,189.39	\$ 273,270.66
67	5/1/2018	\$ 273,270.66	\$ 2,005.25	\$ 786.12	\$ 1,219.13	\$ 272,051.53
68	6/1/2018	\$ 272,051.53	\$ 2,005.25	\$ 808.70	\$ 1,196.55	\$ 270,854.98
69	7/1/2018	\$ 270,854.98	\$ 2,005.25	\$ 779.17	\$ 1,226.08	\$ 269,628.90
70	8/1/2018	\$ 269,628.90	\$ 2,005.25	\$ 801.50	\$ 1,203.75	\$ 268,425.14
71	9/1/2018	\$ 268,425.14	\$ 2,005.25	\$ 797.92	\$ 1,207.33	\$ 267,217.81
72	10/1/2018	\$ 267,217.81	\$ 2,005.25	\$ 768.71	\$ 1,236.55	\$ 265,981.26
73	11/1/2018	\$ 265,981.26	\$ 2,005.25	\$ 790.66	\$ 1,214.60	\$ 264,766.66
74	12/1/2018	\$ 264,766.66	\$ 2,005.25	\$ 761.66	\$ 1,243.60	\$ 263,523.07
75	1/1/2019	\$ 263,523.07	\$ 2,005.25	\$ 783.35	\$ 1,221.91	\$ 262,301.16
76	2/1/2019	\$ 262,301.16	\$ 2,005.25	\$ 779.72	\$ 1,225.54	\$ 261,075.62
77	3/1/2019	\$ 261,075.62	\$ 2,005.25	\$ 700.97	\$ 1,304.28	\$ 259,771.34
78	4/1/2019	\$ 259,771.34	\$ 2,005.25	\$ 772.20	\$ 1,233.06	\$ 258,538.28
79	5/1/2019	\$ 258,538.28	\$ 2,005.25	\$ 743.74	\$ 1,261.51	\$ 257,276.77
80	6/1/2019	\$ 257,276.77	\$ 2,005.25	\$ 764.78	\$ 1,240.47	\$ 256,036.30
81	7/1/2019	\$ 256,036.30	\$ 2,005.25	\$ 736.54	\$ 1,268.71	\$ 254,767.58
82	8/1/2019	\$ 254,767.58	\$ 2,005.25	\$ 757.32	\$ 1,247.93	\$ 253,519.65
83	9/1/2019	\$ 253,519.65	\$ 2,005.25	\$ 753.61	\$ 1,251.64	\$ 252,268.01
84	10/1/2019	\$ 252,268.01	\$ 2,005.25	\$ 725.70	\$ 1,279.55	\$ 250,988.46
85	11/1/2019	\$ 250,988.46	\$ 2,005.25	\$ 746.09	\$ 1,259.17	\$ 249,729.29
86	12/1/2019	\$ 249,729.29	\$ 2,005.25	\$ 718.40	\$ 1,286.86	\$ 248,442.44
87	1/1/2020	\$ 248,442.44	\$ 2,005.25	\$ 738.52	\$ 1,266.73	\$ 247,175.70
88	2/1/2020	\$ 247,175.70	\$ 2,005.25	\$ 734.76	\$ 1,270.50	\$ 245,905.21
89	3/1/2020	\$ 245,905.21	\$ 2,005.25	\$ 683.82	\$ 1,321.44	\$ 244,583.77
90	4/1/2020	\$ 244,583.77	\$ 2,005.25	\$ 727.05	\$ 1,278.20	\$ 243,305.57
91	5/1/2020	\$ 243,305.57	\$ 2,005.25	\$ 699.92	\$ 1,305.33	\$ 242,000.23
92	6/1/2020	\$ 242,000.23	\$ 2,005.25	\$ 719.37	\$ 1,285.88	\$ 240,714.35
93	7/1/2020	\$ 240,714.35	\$ 2,005.25	\$ 692.47	\$ 1,312.79	\$ 239,401.56
94	8/1/2020	\$ 239,401.56	\$ 2,005.25	\$ 711.65	\$ 1,293.61	\$ 238,107.95
95	9/1/2020	\$ 238,107.95	\$ 2,005.25	\$ 707.80	\$ 1,297.45	\$ 236,810.50
96	10/1/2020	\$ 236,810.50	\$ 2,005.25	\$ 681.24	\$ 1,324.02	\$ 235,486.48

**Payment Schedule
For Promissory Note
in the Amount of \$345,796**

**Between
Rick A. Armstrong, Suzan Hess-Armstrong, and Baranoff Island Brewing Company, LLC
October 2, 2012**

Terms:

Number of Payments: 240
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Daily Interest Rate: 0.00959% (365/366 Day Basis)
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<u>Payment Number</u>	<u>Payment Date</u>	<u>Beginning Principal Balance</u>	<u>Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Beginning Principal Balance</u>
97	11/1/2020	\$ 235,486.48	\$ 2,005.25	\$ 700.01	\$ 1,305.25	\$ 234,181.23
98	12/1/2020	\$ 234,181.23	\$ 2,005.25	\$ 673.67	\$ 1,331.58	\$ 232,849.65
99	1/1/2021	\$ 232,849.65	\$ 2,005.25	\$ 692.17	\$ 1,313.08	\$ 231,536.56
100	2/1/2021	\$ 231,536.56	\$ 2,005.25	\$ 688.27	\$ 1,316.99	\$ 230,219.57
101	3/1/2021	\$ 230,219.57	\$ 2,005.25	\$ 618.12	\$ 1,387.13	\$ 228,832.44
102	4/1/2021	\$ 228,832.44	\$ 2,005.25	\$ 680.23	\$ 1,325.03	\$ 227,507.42
103	5/1/2021	\$ 227,507.42	\$ 2,005.25	\$ 654.47	\$ 1,350.78	\$ 226,156.64
104	6/1/2021	\$ 226,156.64	\$ 2,005.25	\$ 672.27	\$ 1,332.98	\$ 224,823.66
105	7/1/2021	\$ 224,823.66	\$ 2,005.25	\$ 646.75	\$ 1,358.50	\$ 223,465.15
106	8/1/2021	\$ 223,465.15	\$ 2,005.25	\$ 664.27	\$ 1,340.98	\$ 222,124.17
107	9/1/2021	\$ 222,124.17	\$ 2,005.25	\$ 660.29	\$ 1,344.97	\$ 220,779.21
108	10/1/2021	\$ 220,779.21	\$ 2,005.25	\$ 635.12	\$ 1,370.14	\$ 219,409.07
109	11/1/2021	\$ 219,409.07	\$ 2,005.25	\$ 652.22	\$ 1,353.04	\$ 218,056.03
110	12/1/2021	\$ 218,056.03	\$ 2,005.25	\$ 627.28	\$ 1,377.97	\$ 216,678.06
111	1/1/2022	\$ 216,678.06	\$ 2,005.25	\$ 644.10	\$ 1,361.16	\$ 215,316.90
112	2/1/2022	\$ 215,316.90	\$ 2,005.25	\$ 640.05	\$ 1,365.20	\$ 213,951.70
113	3/1/2022	\$ 213,951.70	\$ 2,005.25	\$ 574.45	\$ 1,430.81	\$ 212,520.89
114	4/1/2022	\$ 212,520.89	\$ 2,005.25	\$ 631.74	\$ 1,373.51	\$ 211,147.38
115	5/1/2022	\$ 211,147.38	\$ 2,005.25	\$ 607.41	\$ 1,397.84	\$ 209,749.53
116	6/1/2022	\$ 209,749.53	\$ 2,005.25	\$ 623.50	\$ 1,381.75	\$ 208,367.78
117	7/1/2022	\$ 208,367.78	\$ 2,005.25	\$ 599.41	\$ 1,405.84	\$ 206,961.94
118	8/1/2022	\$ 206,961.94	\$ 2,005.25	\$ 615.22	\$ 1,390.04	\$ 205,571.90
119	9/1/2022	\$ 205,571.90	\$ 2,005.25	\$ 611.08	\$ 1,394.17	\$ 204,177.73
120	10/1/2022	\$ 204,177.73	\$ 2,005.25	\$ 587.36	\$ 1,417.89	\$ 202,759.84
121	11/1/2022	\$ 202,759.84	\$ 2,005.25	\$ 602.72	\$ 1,402.53	\$ 201,357.31
122	12/1/2022	\$ 201,357.31	\$ 2,005.25	\$ 579.25	\$ 1,426.01	\$ 199,931.30
123	1/1/2023	\$ 199,931.30	\$ 2,005.25	\$ 594.32	\$ 1,410.94	\$ 198,520.36
124	2/1/2023	\$ 198,520.36	\$ 2,005.25	\$ 590.12	\$ 1,415.13	\$ 197,105.23
125	3/1/2023	\$ 197,105.23	\$ 2,005.25	\$ 529.21	\$ 1,476.04	\$ 195,629.19
126	4/1/2023	\$ 195,629.19	\$ 2,005.25	\$ 581.53	\$ 1,423.73	\$ 194,205.46
127	5/1/2023	\$ 194,205.46	\$ 2,005.25	\$ 558.67	\$ 1,446.58	\$ 192,758.88
128	6/1/2023	\$ 192,758.88	\$ 2,005.25	\$ 573.00	\$ 1,432.26	\$ 191,326.62
129	7/1/2023	\$ 191,326.62	\$ 2,005.25	\$ 550.39	\$ 1,454.86	\$ 189,871.76
130	8/1/2023	\$ 189,871.76	\$ 2,005.25	\$ 564.41	\$ 1,440.84	\$ 188,430.92
131	9/1/2023	\$ 188,430.92	\$ 2,005.25	\$ 560.13	\$ 1,445.12	\$ 186,985.80
132	10/1/2023	\$ 186,985.80	\$ 2,005.25	\$ 537.90	\$ 1,467.35	\$ 185,518.44
133	11/1/2023	\$ 185,518.44	\$ 2,005.25	\$ 551.47	\$ 1,453.78	\$ 184,064.66
134	12/1/2023	\$ 184,064.66	\$ 2,005.25	\$ 529.50	\$ 1,475.75	\$ 182,588.91
135	1/1/2024	\$ 182,588.91	\$ 2,005.25	\$ 542.76	\$ 1,462.49	\$ 181,126.42
136	2/1/2024	\$ 181,126.42	\$ 2,005.25	\$ 538.42	\$ 1,466.84	\$ 179,659.58
137	3/1/2024	\$ 179,659.58	\$ 2,005.25	\$ 499.60	\$ 1,505.65	\$ 178,153.93
138	4/1/2024	\$ 178,153.93	\$ 2,005.25	\$ 529.58	\$ 1,475.67	\$ 176,678.26
139	5/1/2024	\$ 176,678.26	\$ 2,005.25	\$ 508.25	\$ 1,497.00	\$ 175,181.25
140	6/1/2024	\$ 175,181.25	\$ 2,005.25	\$ 520.74	\$ 1,484.51	\$ 173,696.74
141	7/1/2024	\$ 173,696.74	\$ 2,005.25	\$ 499.68	\$ 1,505.58	\$ 172,191.16
142	8/1/2024	\$ 172,191.16	\$ 2,005.25	\$ 511.86	\$ 1,493.40	\$ 170,697.77
143	9/1/2024	\$ 170,697.77	\$ 2,005.25	\$ 507.42	\$ 1,497.84	\$ 169,199.93
144	10/1/2024	\$ 169,199.93	\$ 2,005.25	\$ 486.74	\$ 1,518.51	\$ 167,681.41

**Payment Schedule
For Promissory Note
in the Amount of \$345,796**

**Between
Rick A. Armstrong, Suzan Hess-Armstrong, and Baranoff Island Brewing Company, LLC
October 2, 2012**

Terms:

Number of Payments: 240
Annual Interest Rate: 3.50%
Daily Interest Rate: 0.00959% (365/366 Day Basis)
Periodic Payment: \$ 2,005.25

<u>Payment Number</u>	<u>Payment Date</u>	<u>Beginning Principal Balance</u>	<u>Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Beginning Principal Balance</u>
145	11/1/2024	\$ 167,681.41	\$ 2,005.25	\$ 498.45	\$ 1,506.80	\$ 166,174.61
146	12/1/2024	\$ 166,174.61	\$ 2,005.25	\$ 478.04	\$ 1,527.22	\$ 164,647.39
147	1/1/2025	\$ 164,647.39	\$ 2,005.25	\$ 489.43	\$ 1,515.82	\$ 163,131.57
148	2/1/2025	\$ 163,131.57	\$ 2,005.25	\$ 484.93	\$ 1,520.33	\$ 161,611.24
149	3/1/2025	\$ 161,611.24	\$ 2,005.25	\$ 433.92	\$ 1,571.34	\$ 160,039.90
150	4/1/2025	\$ 160,039.90	\$ 2,005.25	\$ 475.74	\$ 1,529.52	\$ 158,510.38
151	5/1/2025	\$ 158,510.38	\$ 2,005.25	\$ 455.99	\$ 1,549.27	\$ 156,961.11
152	6/1/2025	\$ 156,961.11	\$ 2,005.25	\$ 466.58	\$ 1,538.67	\$ 155,422.44
153	7/1/2025	\$ 155,422.44	\$ 2,005.25	\$ 447.11	\$ 1,558.15	\$ 153,864.29
154	8/1/2025	\$ 153,864.29	\$ 2,005.25	\$ 457.38	\$ 1,547.88	\$ 152,316.42
155	9/1/2025	\$ 152,316.42	\$ 2,005.25	\$ 452.78	\$ 1,552.48	\$ 150,763.94
156	10/1/2025	\$ 150,763.94	\$ 2,005.25	\$ 433.70	\$ 1,571.55	\$ 149,192.39
157	11/1/2025	\$ 149,192.39	\$ 2,005.25	\$ 443.49	\$ 1,561.76	\$ 147,630.62
158	12/1/2025	\$ 147,630.62	\$ 2,005.25	\$ 424.69	\$ 1,580.56	\$ 146,050.06
159	1/1/2026	\$ 146,050.06	\$ 2,005.25	\$ 434.15	\$ 1,571.11	\$ 144,478.95
160	2/1/2026	\$ 144,478.95	\$ 2,005.25	\$ 429.48	\$ 1,575.78	\$ 142,903.18
161	3/1/2026	\$ 142,903.18	\$ 2,005.25	\$ 383.69	\$ 1,621.57	\$ 141,281.61
162	4/1/2026	\$ 141,281.61	\$ 2,005.25	\$ 419.97	\$ 1,585.28	\$ 139,696.33
163	5/1/2026	\$ 139,696.33	\$ 2,005.25	\$ 401.87	\$ 1,603.39	\$ 138,092.94
164	6/1/2026	\$ 138,092.94	\$ 2,005.25	\$ 410.50	\$ 1,594.76	\$ 136,498.18
165	7/1/2026	\$ 136,498.18	\$ 2,005.25	\$ 392.67	\$ 1,612.59	\$ 134,885.59
166	8/1/2026	\$ 134,885.59	\$ 2,005.25	\$ 400.96	\$ 1,604.29	\$ 133,281.30
167	9/1/2026	\$ 133,281.30	\$ 2,005.25	\$ 396.19	\$ 1,609.06	\$ 131,672.24
168	10/1/2026	\$ 131,672.24	\$ 2,005.25	\$ 378.78	\$ 1,626.47	\$ 130,045.77
169	11/1/2026	\$ 130,045.77	\$ 2,005.25	\$ 386.57	\$ 1,618.68	\$ 128,427.09
170	12/1/2026	\$ 128,427.09	\$ 2,005.25	\$ 369.45	\$ 1,635.81	\$ 126,791.28
171	1/1/2027	\$ 126,791.28	\$ 2,005.25	\$ 376.90	\$ 1,628.35	\$ 125,162.93
172	2/1/2027	\$ 125,162.93	\$ 2,005.25	\$ 372.06	\$ 1,633.19	\$ 123,529.73
173	3/1/2027	\$ 123,529.73	\$ 2,005.25	\$ 331.67	\$ 1,673.59	\$ 121,856.15
174	4/1/2027	\$ 121,856.15	\$ 2,005.25	\$ 362.23	\$ 1,643.02	\$ 120,213.12
175	5/1/2027	\$ 120,213.12	\$ 2,005.25	\$ 345.82	\$ 1,659.44	\$ 118,553.68
176	6/1/2027	\$ 118,553.68	\$ 2,005.25	\$ 352.41	\$ 1,652.84	\$ 116,900.84
177	7/1/2027	\$ 116,900.84	\$ 2,005.25	\$ 336.29	\$ 1,668.96	\$ 115,231.88
178	8/1/2027	\$ 115,231.88	\$ 2,005.25	\$ 342.54	\$ 1,662.72	\$ 113,569.16
179	9/1/2027	\$ 113,569.16	\$ 2,005.25	\$ 337.60	\$ 1,667.66	\$ 111,901.50
180	10/1/2027	\$ 111,901.50	\$ 2,005.25	\$ 321.91	\$ 1,683.35	\$ 110,218.16
181	11/1/2027	\$ 110,218.16	\$ 2,005.25	\$ 327.63	\$ 1,677.62	\$ 108,540.54
182	12/1/2027	\$ 108,540.54	\$ 2,005.25	\$ 312.24	\$ 1,693.01	\$ 106,847.52
183	1/1/2028	\$ 106,847.52	\$ 2,005.25	\$ 317.62	\$ 1,687.64	\$ 105,159.89
184	2/1/2028	\$ 105,159.89	\$ 2,005.25	\$ 312.60	\$ 1,692.66	\$ 103,467.23
185	3/1/2028	\$ 103,467.23	\$ 2,005.25	\$ 287.72	\$ 1,717.53	\$ 101,749.70
186	4/1/2028	\$ 101,749.70	\$ 2,005.25	\$ 302.46	\$ 1,702.79	\$ 100,046.91
187	5/1/2028	\$ 100,046.91	\$ 2,005.25	\$ 287.81	\$ 1,717.45	\$ 98,329.46
188	6/1/2028	\$ 98,329.46	\$ 2,005.25	\$ 292.29	\$ 1,712.96	\$ 96,616.50
189	7/1/2028	\$ 96,616.50	\$ 2,005.25	\$ 277.94	\$ 1,727.32	\$ 94,889.18
190	8/1/2028	\$ 94,889.18	\$ 2,005.25	\$ 282.07	\$ 1,723.19	\$ 93,165.99
191	9/1/2028	\$ 93,165.99	\$ 2,005.25	\$ 276.95	\$ 1,728.31	\$ 91,437.69
192	10/1/2028	\$ 91,437.69	\$ 2,005.25	\$ 263.04	\$ 1,742.21	\$ 89,695.47

**Payment Schedule
For Promissory Note
in the Amount of \$345,796**

**Between
Rick A. Armstrong, Suzan Hess-Armstrong, and Baranoff Island Brewing Company, LLC
October 2, 2012**

Terms:

Number of Payments: 240
Annual Interest Rate: 3.50%
Daily Interest Rate: 0.00959% (365/366 Day Basis)
Periodic Payment: \$ 2,005.25

<u>Payment Number</u>	<u>Payment Date</u>	<u>Beginning Principal Balance</u>	<u>Payment</u>	<u>Interest Portion</u>	<u>Principal Portion</u>	<u>Beginning Principal Balance</u>
193	11/1/2028	\$ 89,695.47	\$ 2,005.25	\$ 266.63	\$ 1,738.63	\$ 87,956.85
194	12/1/2028	\$ 87,956.85	\$ 2,005.25	\$ 253.03	\$ 1,752.23	\$ 86,204.62
195	1/1/2029	\$ 86,204.62	\$ 2,005.25	\$ 256.25	\$ 1,749.00	\$ 84,455.62
196	2/1/2029	\$ 84,455.62	\$ 2,005.25	\$ 251.05	\$ 1,754.20	\$ 82,701.41
197	3/1/2029	\$ 82,701.41	\$ 2,005.25	\$ 222.05	\$ 1,783.21	\$ 80,918.21
198	4/1/2029	\$ 80,918.21	\$ 2,005.25	\$ 240.54	\$ 1,764.72	\$ 79,153.49
199	5/1/2029	\$ 79,153.49	\$ 2,005.25	\$ 227.70	\$ 1,777.55	\$ 77,375.94
200	6/1/2029	\$ 77,375.94	\$ 2,005.25	\$ 230.01	\$ 1,775.25	\$ 75,600.69
201	7/1/2029	\$ 75,600.69	\$ 2,005.25	\$ 217.48	\$ 1,787.77	\$ 73,812.92
202	8/1/2029	\$ 73,812.92	\$ 2,005.25	\$ 219.42	\$ 1,785.84	\$ 72,027.08
203	9/1/2029	\$ 72,027.08	\$ 2,005.25	\$ 214.11	\$ 1,791.15	\$ 70,235.93
204	10/1/2029	\$ 70,235.93	\$ 2,005.25	\$ 202.05	\$ 1,803.21	\$ 68,432.73
205	11/1/2029	\$ 68,432.73	\$ 2,005.25	\$ 203.42	\$ 1,801.83	\$ 66,630.90
206	12/1/2029	\$ 66,630.90	\$ 2,005.25	\$ 191.68	\$ 1,813.58	\$ 64,817.32
207	1/1/2030	\$ 64,817.32	\$ 2,005.25	\$ 192.68	\$ 1,812.58	\$ 63,004.74
208	2/1/2030	\$ 63,004.74	\$ 2,005.25	\$ 187.29	\$ 1,817.97	\$ 61,186.78
209	3/1/2030	\$ 61,186.78	\$ 2,005.25	\$ 164.28	\$ 1,840.97	\$ 59,345.80
210	4/1/2030	\$ 59,345.80	\$ 2,005.25	\$ 176.41	\$ 1,828.84	\$ 57,516.96
211	5/1/2030	\$ 57,516.96	\$ 2,005.25	\$ 165.46	\$ 1,839.79	\$ 55,677.17
212	6/1/2030	\$ 55,677.17	\$ 2,005.25	\$ 165.51	\$ 1,839.75	\$ 53,837.42
213	7/1/2030	\$ 53,837.42	\$ 2,005.25	\$ 154.87	\$ 1,850.38	\$ 51,987.04
214	8/1/2030	\$ 51,987.04	\$ 2,005.25	\$ 154.54	\$ 1,850.72	\$ 50,136.32
215	9/1/2030	\$ 50,136.32	\$ 2,005.25	\$ 149.04	\$ 1,856.22	\$ 48,280.10
216	10/1/2030	\$ 48,280.10	\$ 2,005.25	\$ 138.89	\$ 1,866.37	\$ 46,413.73
217	11/1/2030	\$ 46,413.73	\$ 2,005.25	\$ 137.97	\$ 1,867.28	\$ 44,546.45
218	12/1/2030	\$ 44,546.45	\$ 2,005.25	\$ 128.15	\$ 1,877.11	\$ 42,669.34
219	1/1/2031	\$ 42,669.34	\$ 2,005.25	\$ 126.84	\$ 1,878.42	\$ 40,790.93
220	2/1/2031	\$ 40,790.93	\$ 2,005.25	\$ 121.26	\$ 1,884.00	\$ 38,906.93
221	3/1/2031	\$ 38,906.93	\$ 2,005.25	\$ 104.46	\$ 1,900.79	\$ 37,006.14
222	4/1/2031	\$ 37,006.14	\$ 2,005.25	\$ 110.00	\$ 1,895.25	\$ 35,110.89
223	5/1/2031	\$ 35,110.89	\$ 2,005.25	\$ 101.00	\$ 1,904.25	\$ 33,206.63
224	6/1/2031	\$ 33,206.63	\$ 2,005.25	\$ 98.71	\$ 1,906.54	\$ 31,300.09
225	7/1/2031	\$ 31,300.09	\$ 2,005.25	\$ 90.04	\$ 1,915.21	\$ 29,384.88
226	8/1/2031	\$ 29,384.88	\$ 2,005.25	\$ 87.35	\$ 1,917.90	\$ 27,466.97
227	9/1/2031	\$ 27,466.97	\$ 2,005.25	\$ 81.65	\$ 1,923.61	\$ 25,543.37
228	10/1/2031	\$ 25,543.37	\$ 2,005.25	\$ 73.48	\$ 1,931.77	\$ 23,611.59
229	11/1/2031	\$ 23,611.59	\$ 2,005.25	\$ 70.19	\$ 1,935.07	\$ 21,676.53
230	12/1/2031	\$ 21,676.53	\$ 2,005.25	\$ 62.36	\$ 1,942.90	\$ 19,733.63
231	1/1/2032	\$ 19,733.63	\$ 2,005.25	\$ 58.66	\$ 1,946.59	\$ 17,787.03
232	2/1/2032	\$ 17,787.03	\$ 2,005.25	\$ 52.87	\$ 1,952.38	\$ 15,834.65
233	3/1/2032	\$ 15,834.65	\$ 2,005.25	\$ 44.03	\$ 1,961.22	\$ 13,873.43
234	4/1/2032	\$ 13,873.43	\$ 2,005.25	\$ 41.24	\$ 1,964.01	\$ 11,909.42
235	5/1/2032	\$ 11,909.42	\$ 2,005.25	\$ 34.26	\$ 1,970.99	\$ 9,938.42
236	6/1/2032	\$ 9,938.42	\$ 2,005.25	\$ 29.54	\$ 1,975.71	\$ 7,962.71
237	7/1/2032	\$ 7,962.71	\$ 2,005.25	\$ 22.91	\$ 1,982.35	\$ 5,980.36
238	8/1/2032	\$ 5,980.36	\$ 2,005.25	\$ 17.78	\$ 1,987.48	\$ 3,992.89
239	9/1/2032	\$ 3,992.89	\$ 2,005.25	\$ 11.87	\$ 1,993.39	\$ 1,999.50
240	10/1/2032	\$ 1,999.50	\$ 2,005.25	\$ 5.75	\$ 1,999.50	\$ 0.00