

**PROMISSORY NOTE ENTERED INTO WITH ARMSTRONG, LLC RELATING TO
CITY AND BOROUGH OF SITKA SOUTHEAST ECONOMIC DEVELOPMENT FUND
LOAN TO BARANOF ISLAND BREWING COMPANY, LLC**

\$282,080.00

**May 4, 2011
Sitka, Alaska**

FOR CONSIDERATION RECEIVED, **ARMSTRONG, LLC**, a limited liability company, PO Box 3144, Sitka, Alaska 99835 (“Debtor”), on behalf of **Baranof Island Brewing Company, LLC**, a limited liability company, 212 Smith Street, PO Box 1647, Sitka, Alaska 99835, signs this Promissory Note (“Note”) relating to Assembly approval on April 26, 2011 of a City and Borough of Sitka Southeast Economic Development Fund (“SEDF”) loan to Baranof Island Brewing Company, LLC. Debtor promises to pay the loan costs to City and Borough of Sitka (“CBS”) in the sum of **Two Hundred Eighty Two Thousand Eighty and 00/100 Dollars (\$282,080.00)**, with a fixed rate of interest at **three and one-half percent (3.5%)** per annum on the balance, to be paid as follows in accordance with attached payment schedule and the provision in this Note:

Monthly payments of **\$1,635.52** must be received by CBS on the 1st day of each month. The first payment is due on June 1, 2011. The length of this payment arrangement is for a period of twenty (20) years. The last payment of **\$1,634.80** is due on May 1, 2031. See attached payment schedule.

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 installment, or may accept an installment in advance, without affecting the liability of the undersigned.

The Debtor may prepay without penalty.

Should CBS take any action 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 waives demand, protest and notice of demand, protest and nonpayment, and expressly agrees that this Note or any provision on this Note may be extended from time to time and consents to the acceptance of further security, including other types of security, all without in any way affecting its liability.

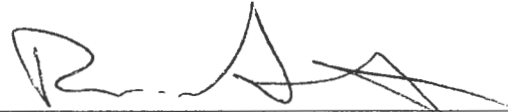
If default in the payment of any installment due under this Note occurs and such default is not cured within ten (10) days after the due date, then the entire principal sum and accrued interest due under this Note shall become at once due and payable at the written option of CBS regarding this Note. Failure to exercise this option shall not constitute a waiver of the right to exercise the same in the event of any subsequent default.

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 either before or after a judicial foreclosure of the deed of trust under AS 09.45.170-9.45.220.

Debtor agrees to pay the loan in full as set out in this Note and agrees to sign and record a Deed of Trust Regarding Promissory Note to be filed against the property it owns at 212 Smith Street.

Debtor

ARMSTRONG, LLC



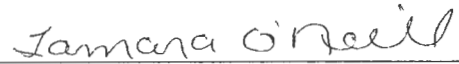
RICK A. ARMSTRONG
Member Manager



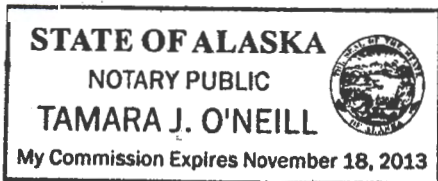
SUSAN HESS-ARMSTRONG
Member Manager

STATE OF ALASKA)
) ss.
FIRST JUDICIAL DISTRICT)

On this 4th day of May, 2011, personally appeared before me Rick A. Armstrong and Susan 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 are member managers of Armstrong, LLC and are authorized to sign this document on behalf of Armstrong, LLC, and do so freely and voluntarily.



Notary Public for Alaska
My Commission Expires: 11/18/13



PAYMENT SCHEDULE

Baranof Island Brewing Company
20 years, 3.5% interest

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
					\$282,080.00
1	6/1/2011	\$1,635.62	\$757.37	\$878.25	\$281,201.75
2	7/1/2011	\$1,635.62	\$808.94	\$826.68	\$280,375.06
3	8/1/2011	\$1,635.62	\$833.44	\$802.18	\$279,572.89
4	9/1/2011	\$1,635.62	\$831.06	\$804.56	\$278,768.33
5	10/1/2011	\$1,635.62	\$801.94	\$833.68	\$277,934.65
6	11/1/2011	\$1,635.62	\$826.19	\$809.43	\$277,125.22
7	12/1/2011	\$1,635.62	\$797.21	\$838.41	\$276,286.81
8	1/1/2012	\$1,635.62	\$821.29	\$814.33	\$275,472.48
9	2/1/2012	\$1,635.62	\$818.87	\$816.75	\$274,655.74
10	3/1/2012	\$1,635.62	\$737.43	\$898.19	\$273,757.55
11	4/1/2012	\$1,635.62	\$813.77	\$821.85	\$272,935.71
12	5/1/2012	\$1,635.62	\$785.16	\$850.46	\$272,085.24
13	6/1/2012	\$1,635.62	\$808.80	\$826.82	\$271,258.42
14	7/1/2012	\$1,635.62	\$780.33	\$855.29	\$270,403.15
15	8/1/2012	\$1,635.62	\$803.80	\$831.82	\$269,571.33
16	9/1/2012	\$1,635.62	\$801.33	\$834.29	\$268,737.04
17	10/1/2012	\$1,635.62	\$773.08	\$862.54	\$267,874.50
18	11/1/2012	\$1,635.62	\$796.28	\$839.34	\$267,035.16
19	12/1/2012	\$1,635.62	\$768.18	\$867.44	\$266,167.72
20	1/1/2013	\$1,635.62	\$791.21	\$844.41	\$265,323.31
21	2/1/2013	\$1,635.62	\$788.70	\$846.92	\$264,476.40
22	3/1/2013	\$1,635.62	\$710.10	\$925.52	\$263,550.88
23	4/1/2013	\$1,635.62	\$783.43	\$852.19	\$262,698.69
24	5/1/2013	\$1,635.62	\$755.71	\$879.91	\$261,818.78
25	6/1/2013	\$1,635.62	\$778.28	\$857.34	\$260,961.44
26	7/1/2013	\$1,635.62	\$750.71	\$884.91	\$260,076.53
27	8/1/2013	\$1,635.62	\$773.10	\$862.52	\$259,214.01
28	9/1/2013	\$1,635.62	\$770.54	\$865.08	\$258,348.93
29	10/1/2013	\$1,635.62	\$743.20	\$892.42	\$257,456.50
30	11/1/2013	\$1,635.62	\$765.32	\$870.30	\$256,586.20
31	12/1/2013	\$1,635.62	\$738.12	\$897.50	\$255,688.70
32	1/1/2014	\$1,635.62	\$760.06	\$875.56	\$254,813.14
33	2/1/2014	\$1,635.62	\$757.46	\$878.16	\$253,934.97
34	3/1/2014	\$1,635.62	\$681.80	\$953.82	\$252,981.15
35	4/1/2014	\$1,635.62	\$752.01	\$883.61	\$252,097.54
36	5/1/2014	\$1,635.62	\$725.21	\$910.41	\$251,187.14
37	6/1/2014	\$1,635.62	\$746.68	\$888.94	\$250,298.20
38	7/1/2014	\$1,635.62	\$720.04	\$915.58	\$249,382.62

PAYMENT SCHEDULE

Baranof Island Brewing Company
20 years, 3.5% interest

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
39	8/1/2014	\$1,635.62	\$741.32	\$894.30	\$248,488.31
40	9/1/2014	\$1,635.62	\$738.66	\$896.96	\$247,591.34
41	10/1/2014	\$1,635.62	\$712.25	\$923.37	\$246,667.97
42	11/1/2014	\$1,635.62	\$733.25	\$902.37	\$245,765.60
43	12/1/2014	\$1,635.62	\$707.00	\$928.62	\$244,836.97
44	1/1/2015	\$1,635.62	\$727.80	\$907.82	\$243,929.15
45	2/1/2015	\$1,635.62	\$725.10	\$910.52	\$243,018.63
46	3/1/2015	\$1,635.62	\$652.49	\$983.13	\$242,035.50
47	4/1/2015	\$1,635.62	\$719.48	\$916.14	\$241,119.35
48	5/1/2015	\$1,635.62	\$693.63	\$941.99	\$240,177.37
49	6/1/2015	\$1,635.62	\$713.95	\$921.67	\$239,255.70
50	7/1/2015	\$1,635.62	\$688.27	\$947.35	\$238,308.35
51	8/1/2015	\$1,635.62	\$708.40	\$927.22	\$237,381.11
52	9/1/2015	\$1,635.62	\$705.64	\$929.98	\$236,451.13
53	10/1/2015	\$1,635.62	\$680.20	\$955.42	\$235,495.71
54	11/1/2015	\$1,635.62	\$700.04	\$935.58	\$234,560.13
55	12/1/2015	\$1,635.62	\$674.76	\$960.86	\$233,599.27
56	1/1/2016	\$1,635.62	\$694.40	\$941.22	\$232,658.05
57	2/1/2016	\$1,635.62	\$691.60	\$944.02	\$231,714.03
58	3/1/2016	\$1,635.62	\$622.14	\$1,013.48	\$230,700.55
59	4/1/2016	\$1,635.62	\$685.78	\$949.84	\$229,750.71
60	5/1/2016	\$1,635.62	\$660.93	\$974.69	\$228,776.01
61	6/1/2016	\$1,635.62	\$680.06	\$955.56	\$227,820.45
62	7/1/2016	\$1,635.62	\$655.37	\$980.25	\$226,840.20
63	8/1/2016	\$1,635.62	\$674.31	\$961.31	\$225,878.88
64	9/1/2016	\$1,635.62	\$671.45	\$964.17	\$224,914.71
65	10/1/2016	\$1,635.62	\$647.01	\$988.61	\$223,926.11
66	11/1/2016	\$1,635.62	\$665.64	\$969.98	\$222,956.13
67	12/1/2016	\$1,635.62	\$641.38	\$994.24	\$221,961.89
68	1/1/2017	\$1,635.62	\$659.80	\$975.82	\$220,986.07
69	2/1/2017	\$1,635.62	\$656.90	\$978.72	\$220,007.36
70	3/1/2017	\$1,635.62	\$590.70	\$1,044.92	\$218,962.44
71	4/1/2017	\$1,635.62	\$650.89	\$984.73	\$217,977.71
72	5/1/2017	\$1,635.62	\$627.06	\$1,008.56	\$216,969.15
73	6/1/2017	\$1,635.62	\$644.96	\$990.66	\$215,978.49
74	7/1/2017	\$1,635.62	\$621.31	\$1,014.31	\$214,964.18
75	8/1/2017	\$1,635.62	\$639.00	\$996.62	\$213,967.56
76	9/1/2017	\$1,635.62	\$636.04	\$999.58	\$212,967.98
77	10/1/2017	\$1,635.62	\$612.65	\$1,022.97	\$211,945.00

PAYMENT SCHEDULE

Baranof Island Brewing Company
20 years, 3.5% interest

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
78	11/1/2017	\$1,635.62	\$630.03	\$1,005.59	\$210,939.41
79	12/1/2017	\$1,635.62	\$606.81	\$1,028.81	\$209,910.60
80	1/1/2018	\$1,635.62	\$623.98	\$1,011.64	\$208,898.95
81	2/1/2018	\$1,635.62	\$620.97	\$1,014.65	\$207,884.31
82	3/1/2018	\$1,635.62	\$558.16	\$1,077.46	\$206,806.84
83	4/1/2018	\$1,635.62	\$614.75	\$1,020.87	\$205,785.98
84	5/1/2018	\$1,635.62	\$591.99	\$1,043.63	\$204,742.35
85	6/1/2018	\$1,635.62	\$608.62	\$1,027.00	\$203,715.35
86	7/1/2018	\$1,635.62	\$586.03	\$1,049.59	\$202,665.76
87	8/1/2018	\$1,635.62	\$602.44	\$1,033.18	\$201,632.59
88	9/1/2018	\$1,635.62	\$599.37	\$1,036.25	\$200,596.33
89	10/1/2018	\$1,635.62	\$577.06	\$1,058.56	\$199,537.77
90	11/1/2018	\$1,635.62	\$593.15	\$1,042.47	\$198,495.31
91	12/1/2018	\$1,635.62	\$571.01	\$1,064.61	\$197,430.70
92	1/1/2019	\$1,635.62	\$586.88	\$1,048.74	\$196,381.96
93	2/1/2019	\$1,635.62	\$583.77	\$1,051.85	\$195,330.11
94	3/1/2019	\$1,635.62	\$524.45	\$1,111.17	\$194,218.94
95	4/1/2019	\$1,635.62	\$577.34	\$1,058.28	\$193,160.66
96	5/1/2019	\$1,635.62	\$555.67	\$1,079.95	\$192,080.71
97	6/1/2019	\$1,635.62	\$570.98	\$1,064.64	\$191,016.06
98	7/1/2019	\$1,635.62	\$549.50	\$1,086.12	\$189,929.95
99	8/1/2019	\$1,635.62	\$564.59	\$1,071.03	\$188,858.91
100	9/1/2019	\$1,635.62	\$561.40	\$1,074.22	\$187,784.70
101	10/1/2019	\$1,635.62	\$540.20	\$1,095.42	\$186,689.29
102	11/1/2019	\$1,635.62	\$554.95	\$1,080.67	\$185,608.62
103	12/1/2019	\$1,635.62	\$533.94	\$1,101.68	\$184,506.95
104	1/1/2020	\$1,635.62	\$548.47	\$1,087.15	\$183,419.79
105	2/1/2020	\$1,635.62	\$545.23	\$1,090.39	\$182,329.41
106	3/1/2020	\$1,635.62	\$489.54	\$1,146.08	\$181,183.34
107	4/1/2020	\$1,635.62	\$538.59	\$1,097.03	\$180,086.29
108	5/1/2020	\$1,635.62	\$518.06	\$1,117.56	\$178,968.73
109	6/1/2020	\$1,635.62	\$532.00	\$1,103.62	\$177,865.11
110	7/1/2020	\$1,635.62	\$511.67	\$1,123.95	\$176,741.16
111	8/1/2020	\$1,635.62	\$525.38	\$1,110.24	\$175,630.92
112	9/1/2020	\$1,635.62	\$522.08	\$1,113.54	\$174,517.38
113	10/1/2020	\$1,635.62	\$502.04	\$1,133.58	\$173,383.79
114	11/1/2020	\$1,635.62	\$515.40	\$1,120.22	\$172,263.58
115	12/1/2020	\$1,635.62	\$495.55	\$1,140.07	\$171,123.51
116	1/1/2021	\$1,635.62	\$508.68	\$1,126.94	\$169,996.57

PAYMENT SCHEDULE

Baranof Island Brewing Company
20 years, 3.5% interest

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
117	2/1/2021	\$1,635.62	\$505.33	\$1,130.29	\$168,866.29
118	3/1/2021	\$1,635.62	\$453.39	\$1,182.23	\$167,684.06
119	4/1/2021	\$1,635.62	\$498.46	\$1,137.16	\$166,546.90
120	5/1/2021	\$1,635.62	\$479.11	\$1,156.51	\$165,390.39
121	6/1/2021	\$1,635.62	\$491.64	\$1,143.98	\$164,246.41
122	7/1/2021	\$1,635.62	\$472.49	\$1,163.13	\$163,083.28
123	8/1/2021	\$1,635.62	\$484.78	\$1,150.84	\$161,932.44
124	9/1/2021	\$1,635.62	\$481.36	\$1,154.26	\$160,778.18
125	10/1/2021	\$1,635.62	\$462.51	\$1,173.11	\$159,605.07
126	11/1/2021	\$1,635.62	\$474.44	\$1,161.18	\$158,443.90
127	12/1/2021	\$1,635.62	\$455.80	\$1,179.82	\$157,264.08
128	1/1/2022	\$1,635.62	\$467.48	\$1,168.14	\$156,095.93
129	2/1/2022	\$1,635.62	\$464.01	\$1,171.61	\$154,924.34
130	3/1/2022	\$1,635.62	\$415.96	\$1,219.66	\$153,704.68
131	4/1/2022	\$1,635.62	\$456.90	\$1,178.72	\$152,525.96
132	5/1/2022	\$1,635.62	\$438.77	\$1,196.85	\$151,329.10
133	6/1/2022	\$1,635.62	\$449.84	\$1,185.78	\$150,143.32
134	7/1/2022	\$1,635.62	\$431.92	\$1,203.70	\$148,939.63
135	8/1/2022	\$1,635.62	\$442.74	\$1,192.88	\$147,746.75
136	9/1/2022	\$1,635.62	\$439.19	\$1,196.43	\$146,550.32
137	10/1/2022	\$1,635.62	\$421.58	\$1,214.04	\$145,336.29
138	11/1/2022	\$1,635.62	\$432.03	\$1,203.59	\$144,132.69
139	12/1/2022	\$1,635.62	\$414.63	\$1,220.99	\$142,911.71
140	1/1/2023	\$1,635.62	\$424.82	\$1,210.80	\$141,700.91
141	2/1/2023	\$1,635.62	\$421.22	\$1,214.40	\$140,486.51
142	3/1/2023	\$1,635.62	\$377.20	\$1,258.42	\$139,228.09
143	4/1/2023	\$1,635.62	\$413.87	\$1,221.75	\$138,006.33
144	5/1/2023	\$1,635.62	\$397.00	\$1,238.62	\$136,767.71
145	6/1/2023	\$1,635.62	\$406.56	\$1,229.06	\$135,538.65
146	7/1/2023	\$1,635.62	\$389.91	\$1,245.71	\$134,292.94
147	8/1/2023	\$1,635.62	\$399.20	\$1,236.42	\$133,056.53
148	9/1/2023	\$1,635.62	\$395.52	\$1,240.10	\$131,816.43
149	10/1/2023	\$1,635.62	\$379.20	\$1,256.42	\$130,560.01
150	11/1/2023	\$1,635.62	\$388.10	\$1,247.52	\$129,312.48
151	12/1/2023	\$1,635.62	\$371.99	\$1,263.63	\$128,048.86
152	1/1/2024	\$1,635.62	\$380.64	\$1,254.98	\$126,793.87
153	2/1/2024	\$1,635.62	\$376.91	\$1,258.71	\$125,535.17
154	3/1/2024	\$1,635.62	\$337.05	\$1,298.57	\$124,236.61
155	4/1/2024	\$1,635.62	\$369.31	\$1,266.31	\$122,970.29

PAYMENT SCHEDULE

Baranof Island Brewing Company
20 years, 3.5% interest

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
156	5/1/2024	\$1,635.62	\$353.75	\$1,281.87	\$121,688.42
157	6/1/2024	\$1,635.62	\$361.73	\$1,273.89	\$120,414.53
158	7/1/2024	\$1,635.62	\$346.40	\$1,289.22	\$119,125.32
159	8/1/2024	\$1,635.62	\$354.11	\$1,281.51	\$117,843.80
160	9/1/2024	\$1,635.62	\$350.30	\$1,285.32	\$116,558.49
161	10/1/2024	\$1,635.62	\$335.31	\$1,300.31	\$115,258.18
162	11/1/2024	\$1,635.62	\$342.62	\$1,293.00	\$113,965.17
163	12/1/2024	\$1,635.62	\$327.85	\$1,307.77	\$112,657.40
164	1/1/2025	\$1,635.62	\$334.89	\$1,300.73	\$111,356.66
165	2/1/2025	\$1,635.62	\$331.02	\$1,304.60	\$110,052.07
166	3/1/2025	\$1,635.62	\$295.48	\$1,340.14	\$108,711.93
167	4/1/2025	\$1,635.62	\$323.16	\$1,312.46	\$107,399.46
168	5/1/2025	\$1,635.62	\$308.96	\$1,326.66	\$106,072.79
169	6/1/2025	\$1,635.62	\$315.31	\$1,320.31	\$104,752.50
170	7/1/2025	\$1,635.62	\$301.34	\$1,334.28	\$103,418.21
171	8/1/2025	\$1,635.62	\$307.42	\$1,328.20	\$102,090.01
172	9/1/2025	\$1,635.62	\$303.47	\$1,332.15	\$100,757.86
173	10/1/2025	\$1,635.62	\$289.85	\$1,345.77	\$99,412.10
174	11/1/2025	\$1,635.62	\$295.51	\$1,340.11	\$98,071.99
175	12/1/2025	\$1,635.62	\$282.12	\$1,353.50	\$96,718.50
176	1/1/2026	\$1,635.62	\$287.51	\$1,348.11	\$95,370.38
177	2/1/2026	\$1,635.62	\$283.50	\$1,352.12	\$94,018.26
178	3/1/2026	\$1,635.62	\$252.43	\$1,383.19	\$92,635.07
179	4/1/2026	\$1,635.62	\$275.37	\$1,360.25	\$91,274.82
180	5/1/2026	\$1,635.62	\$262.57	\$1,373.05	\$89,901.76
181	6/1/2026	\$1,635.62	\$267.24	\$1,368.38	\$88,533.39
182	7/1/2026	\$1,635.62	\$254.69	\$1,380.93	\$87,152.46
183	8/1/2026	\$1,635.62	\$259.07	\$1,376.55	\$85,775.90
184	9/1/2026	\$1,635.62	\$254.98	\$1,380.64	\$84,395.26
185	10/1/2026	\$1,635.62	\$242.78	\$1,392.84	\$83,002.43
186	11/1/2026	\$1,635.62	\$246.73	\$1,388.89	\$81,613.55
187	12/1/2026	\$1,635.62	\$234.78	\$1,400.84	\$80,212.71
188	1/1/2027	\$1,635.62	\$238.44	\$1,397.18	\$78,815.53
189	2/1/2027	\$1,635.62	\$234.29	\$1,401.33	\$77,414.19
190	3/1/2027	\$1,635.62	\$207.85	\$1,427.77	\$75,986.43
191	4/1/2027	\$1,635.62	\$225.88	\$1,409.74	\$74,576.68
192	5/1/2027	\$1,635.62	\$214.54	\$1,421.08	\$73,155.61
193	6/1/2027	\$1,635.62	\$217.46	\$1,418.16	\$71,737.44
194	7/1/2027	\$1,635.62	\$206.37	\$1,429.25	\$70,308.19

PAYMENT SCHEDULE

Baranof Island Brewing Company
20 years, 3.5% interest

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
195	8/1/2027	\$1,635.62	\$209.00	\$1,426.62	\$68,881.58
196	9/1/2027	\$1,635.62	\$204.76	\$1,430.86	\$67,450.71
197	10/1/2027	\$1,635.62	\$194.04	\$1,441.58	\$66,009.13
198	11/1/2027	\$1,635.62	\$196.22	\$1,439.40	\$64,569.73
199	12/1/2027	\$1,635.62	\$185.75	\$1,449.87	\$63,119.86
200	1/1/2028	\$1,635.62	\$187.63	\$1,447.99	\$61,671.88
201	2/1/2028	\$1,635.62	\$183.33	\$1,452.29	\$60,219.57
202	3/1/2028	\$1,635.62	\$161.69	\$1,473.93	\$58,745.64
203	4/1/2028	\$1,635.62	\$174.63	\$1,460.99	\$57,284.66
204	5/1/2028	\$1,635.62	\$164.79	\$1,470.83	\$55,813.83
205	6/1/2028	\$1,635.62	\$165.91	\$1,469.71	\$54,344.12
206	7/1/2028	\$1,635.62	\$156.33	\$1,479.29	\$52,864.83
207	8/1/2028	\$1,635.62	\$157.15	\$1,478.47	\$51,386.35
208	9/1/2028	\$1,635.62	\$152.75	\$1,482.87	\$49,903.49
209	10/1/2028	\$1,635.62	\$143.56	\$1,492.06	\$48,411.43
210	11/1/2028	\$1,635.62	\$143.91	\$1,491.71	\$46,919.72
211	12/1/2028	\$1,635.62	\$134.97	\$1,500.65	\$45,419.08
212	1/1/2029	\$1,635.62	\$135.01	\$1,500.61	\$43,918.46
213	2/1/2029	\$1,635.62	\$130.55	\$1,505.07	\$42,413.40
214	3/1/2029	\$1,635.62	\$113.88	\$1,521.74	\$40,891.65
215	4/1/2029	\$1,635.62	\$121.55	\$1,514.07	\$39,377.59
216	5/1/2029	\$1,635.62	\$113.28	\$1,522.34	\$37,855.25
217	6/1/2029	\$1,635.62	\$112.53	\$1,523.09	\$36,332.15
218	7/1/2029	\$1,635.62	\$104.52	\$1,531.10	\$34,801.06
219	8/1/2029	\$1,635.62	\$103.45	\$1,532.17	\$33,268.89
220	9/1/2029	\$1,635.62	\$98.90	\$1,536.72	\$31,732.17
221	10/1/2029	\$1,635.62	\$91.28	\$1,544.34	\$30,187.84
222	11/1/2029	\$1,635.62	\$89.74	\$1,545.88	\$28,641.96
223	12/1/2029	\$1,635.62	\$82.39	\$1,553.23	\$27,088.73
224	1/1/2030	\$1,635.62	\$80.52	\$1,555.10	\$25,533.64
225	2/1/2030	\$1,635.62	\$75.90	\$1,559.72	\$23,973.92
226	3/1/2030	\$1,635.62	\$64.37	\$1,571.25	\$22,402.68
227	4/1/2030	\$1,635.62	\$66.59	\$1,569.03	\$20,833.64
228	5/1/2030	\$1,635.62	\$59.93	\$1,575.69	\$19,257.95
229	6/1/2030	\$1,635.62	\$57.25	\$1,578.37	\$17,679.58
230	7/1/2030	\$1,635.62	\$50.86	\$1,584.76	\$16,094.81
231	8/1/2030	\$1,635.62	\$47.84	\$1,587.78	\$14,507.03
232	9/1/2030	\$1,635.62	\$43.12	\$1,592.50	\$12,914.54
233	10/1/2030	\$1,635.62	\$37.15	\$1,598.47	\$11,316.07

PAYMENT SCHEDULE

Baranof Island Brewing Company
 20 years, 3.5% interest

Pmt	Due Date	Total Payment	Payment applied to		Principal Balance
			Interest	Principal	
234	11/1/2030	\$1,635.62	\$33.64	\$1,601.98	\$9,714.08
235	12/1/2030	\$1,635.62	\$27.94	\$1,607.68	\$8,106.41
236	1/1/2031	\$1,635.62	\$24.10	\$1,611.52	\$6,494.89
237	2/1/2031	\$1,635.62	\$19.31	\$1,616.31	\$4,878.57
238	3/1/2031	\$1,635.62	\$13.10	\$1,622.52	\$3,256.05
239	4/1/2031	\$1,635.62	\$9.68	\$1,625.94	\$1,630.11
240	5/1/2031	\$1,634.80	\$4.69	\$1,630.11	\$0.00

NOTE: Interest begins calculating as of 05/04/11.