

INTEREST RATE SWAPS

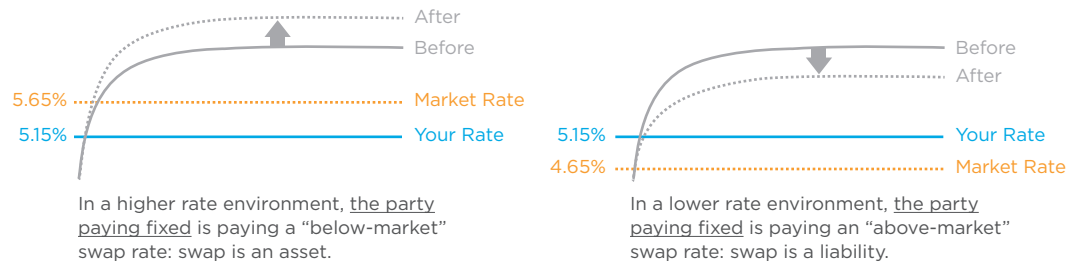
Valuation & Prepayment

INTEREST RATE SWAP (“SWAP”) VALUATION

The valuation of your swap at any point in time could be an asset, a liability, or have no value to you.

You will only pay or receive breakage costs if the swap is terminated or amended prior to maturity.

Swap breakage is the difference between the original swap rate and the current market replacement swap rate.



PREPAYMENT ECONOMICS

As market rates change, the swap will begin to take on or lose value.

WHEN RATES RISE | Replacement swap rate > Actual swap rate, swap is an asset to you. You will receive payment from the Bank for the value of the swap if the swap is terminated early.

WHEN RATES FALL | Replacement swap rate < Actual swap rate, swap is a liability to you. You will make a payment to the Bank for the value of the swap if the swap is terminated early.

Example	Replacement Rate	Change	Time Remaining on Contract			
			4 Years	3 Years	2 Years	1 Year
Notional: \$3,000,000	8.15%	3.0%	308,612	235,045	159,028	87,214
Term: Five (5) years	7.65%	2.5%	259,603	197,275	133,195	72,861
Amortization: 25 years	7.15%	2.0%	209,657	158,957	107,096	58,435
Base rate: 2.40% ⁽¹⁾	6.65%	1.5%	158,749	120,082	80,729	43,936
+Spread: 2.75%	6.15%	1.0%	106,855	80,637	54,091	29,363
All-in Rate: 5.15%⁽²⁾	5.65%	0.5%	53,951	40,611	27,177	14,716
	5.15%	0.0%	-	-	-	-
	4.65%	-0.5%	(54,982)	(41,249)	(27,563)	(14,860)
	4.15%	-1.0%	(111,093)	(83,073)	(55,247)	(29,677)
	3.65%	-1.5%	(168,311)	(125,545)	(83,294)	(44,627)
	3.15%	-2.0%	(226,678)	(168,662)	(111,634)	(59,653)
	2.75%	-2.4%	(274,156)	(203,582)	(134,480)	(71,721)

Indicative rate as of 3/21/22