

**CoBank #5**  
**\$5,000,000 Note**  
**Due June 30, 2007**

- CoBank #5
  - Principal amount of note was \$15,000,000.
  - Current principal amount of note is \$5,000,000
  - Interest rate is currently 6.62% (variable rate).
  - Issued in 1997.
  - Three bullets of \$5,000,000 each.
  - Two bullets paid off earlier.
- Debt Management Plan - plan was to refinance at a lower interest rate and with amortizing debt for a term of 5 years.
- Refinance options: 5- year fixed rate is \_\_\_\_% or variable rate is currently 6.62%.
- Term 60 months amortizing debt. Principal payments of \$166,666/month.
- Recommend evaluating fixed vs. variable interest rates at the June 30, 2007 refinancing date. Select interest rate option based on then quoted rates and interest rate forecasts.
- Recommendation: Refinance to a five-year amortizing note at June 30, 2007. Interest rate to be determined at closing.
- Fixed Rate/ Variable Rate debt ratio within Debt Management Plan guidelines of less than 30% variable rate debt. Depending on whether this note carries a fixed or variable rate, Chugach will have 23% in variable debt.