+------------------------------------------------+

| 2-of-2 multi-sig funding tx confirmed on-chain |

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\--| My version of the commitment transaction that I am holding off-chain in case I need to force close |

+----------------------------------------------------------------------------------------------------+

| | | |

| | | |

\* \* | | Output with your balance

| | | \--------------------------> You can spend it immediately upon me broadcasting this tx

| | | (P2WPKH)

\* \* |

| | |

| | |

\* \* |

| | | ,-> I can spend it one day after I broadcast this tx

| | | Output with my balance / (CSV relative timelock, expected outcome)

\* \* \---------------------------<

| | (P2WSH) \

| | `-> You can spend it if I broadcast this tx and you have the revocation key

\* \* (punish breach outcome)

| |

| |

\* \*

| |

| |

\* \* ,-- If the absolute timelock expires -> 2-of-2 multisig output for HTLC timeout tx

| | My payment to you / (CLTV, refund to me) (see below)

| \-------------------<

| (P2WSH, HTLC output)|

\* \

| `-- You can spend it if I broadcast this tx and you have the secret payment preimage

| | (expected outcome)

| \

\* `- You can spend it if I broadcast this tx and you have the revocation key

| (punish breach outcome)

|

\*

| ,-- If I have the secret payment preimage -> 2-of-2 multisig output for HTLC success tx

| Your payment to me / (see below)

\----------------------<

(P2WSH, HTLC output) |

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`--> You can spend it if the absolute timelock expires

| (refund outcome)

\

`--> You can spend it if I broadcast this tx and you have the revocation key

(punish breach outcome)

+------------------------------------------------------------------------------------------------------+

| My version of the HTLC timeout transaction that I am holding off-chain in case I need to force close |

+------------------------------------------------------------------------------------------------------+

input: expired absolute timelock

|

| ,-> I can spend it one day after I broadcast this tx

| / (CSV relative timelock, refund outcome)

\------<

\

`-> You can spend it if I broadcast this tx and you have the revocation key

(punish breach outcome)

+------------------------------------------------------------------------------------------------------+

| My version of the HTLC success transaction that I am holding off-chain in case I need to force close |

+------------------------------------------------------------------------------------------------------+

input: secret preimage

|

| ,-> I can spend it one day after I broadcast this tx

| / (CSV relative timelock, refund outcome)

\------<

\

`-> You can spend it if I broadcast this tx and you have the revocation key

(punish breach outcome)