"Waterfall" of Payments

Charter School Revenues are deposited with Trustee monthly Repair and Replacement Reserve Debt Service Reserve Fund Replenishment **Bond Principal Payments Bond Interest Payments** If fund balance drops below \$250,000, \$15,000 (or shortfall amount) Amounts necessary to restore the balance of the Debt Service \$50,000 until find balance reaches \$250,000 1/6 of next semi-annual interest payment Trustee distributes as follows: 1/12 of next annual principal Reserve Fund

Disbursement to Schools

Remaining funds are disbursed to the Schools as long as there is no default under the lease for payment of operating expenses, including management fees. Currently the City receives these funds to provide obligations according to the lease.