

EXHIBIT "A"

PROMISSORY NOTE

Amount  
\$700,000

Lancaster, California  
June 24, 2008

1. Promise to Pay. The Lancaster Redevelopment Agency ("Agency"), a public body, corporate and politic, duly organized and existing under the laws of the State of California, for value received, hereby promises to pay to the order of the City of Lancaster, a public body, corporate and politic, duly organized and existing under the laws of the State of California ("City"), the principal due pursuant to the terms of this Note. This Note is being executed to evidence the monetary obligations of the Agency to the City arising from the adoption of the Fiscal Year 2008-09 budget relating to capital project expenses ("Revolving Fund") of the Agency. The principal balance hereof, from time to time outstanding, shall equal the amount advanced after presentation of evidence of expenses incurred by the Agency, but in no event shall the obligations of the Agency hereunder exceed the sum of Seven Hundred Thousand Dollars and no cents (\$700,000).

2. Interest Rate. Interest rate shall be charged by City for this Note equal to the amount of interest the City would have otherwise received by depositing these funds with the State of California Local Agency Investment Fund ("LAIF").

3. Principal and Interest Payments. Within thirty (30) days from expenditure, the Agency hereby pledges to advance any available tax increment monies from available tax increment sources until such time as the outstanding interest and principal are satisfied. The Principal amount due pursuant to this Note shall be due and paid in full by the Agency to the City prior to June 30, 2009; however, repayment of debt may be extended by action of the City Manager and Executive Director if sufficient funds are not available to the Agency.

4. Application of Payments. Both principal and interest hereof are payable in lawful money of the United States of America.

IN WITNESS WHEREOF, the parties hereto have executed this Promissory Note as of the date first set forth in this Promissory Note.

ATTEST: CITY OF LANCASTER

By: \_\_\_\_\_ By: \_\_\_\_\_  
City Clerk City Manager

ATTEST: LANCASTER REDEVELOPMENT AGENCY

By: \_\_\_\_\_ By: \_\_\_\_\_  
Agency Secretary Executive Director

**EXHIBIT "A"**

**Resolution No. 08-59**

**CALCULATIONS FOR DETERMINING THE CITY OF LANCASTER  
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2008-2009**

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Appropriations Limit Fiscal 2006-2007	\$ 118,858,653
Change in California Per-Capita Income	4.42%
Change in population for the City of Lancaster (*139,459/134,021)	4.06%
Calculation Factor (1.0442 X 1.0406)	<u>1.086569178</u>
<b>APPROPRIATIONS SUBJECT TO LIMIT FISCAL YEAR 2007-2008</b>	<b>\$ 129,148,149</b>

Appropriations Limit Fiscal 2007-2008 (population 139,459*)	\$ 129,148,149
Change in California Per-Capita Income	4.29%
Change in population for the City of Lancaster (*140,219/139,459)	0.54%
Calculation Factor (1.0429 X 1.0054)	<u>1.048583419</u>
<b>APPROPRIATIONS SUBJECT TO LIMIT FISCAL YEAR 2008-2009</b>	<b>\$ 135,422,608</b>

\* Annual Population Minus Exclusions

January 1, 2007 143,818 - 4,359 = 139,459 based on DOF estimate

January 1, 2008 145,243 - 5,024 = 140,219 based on DOF estimate

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ATTEST:

CITY OF LANCASTER

By: \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
City Manager

ATTEST:

LANCASTER REDEVELOPMENT AGENCY

By: \_\_\_\_\_  
Agency Secretary

By: \_\_\_\_\_  
Executive Director