DEBT SERVICE SCHEDULE

The City of West Covina, Community Development Commission, and Public Financing Authority (PFA) have issued debt instruments to finance capital projects and equipment. The three governmental units, although related, are distinct legal entities.

The City and Community Development Commission have tax-based revenue from which to repay debt. The PFA has no ability to generate revenues, other than through charges for the use of money and property. Accordingly, projects funded through the PFA are secured by the issuer's leases or notes receivable from the City, Community Development Commission and project developers. Debt between related governments has not been budgeted, as doing so would result in double-counting the debt and related revenues.

Following is a summary of the debt issued and outstanding by the issuing entities.

DEBT ISSUED BY THE CITY OF WEST COVINA

Notes Payable:

Butler Note - $248,000
This note began January 24, 2002 with interest only payments for ten years and a balloon payment of principal on December 24, 2011. The proceeds of the Note were used to finance the purchase of real property. The interest rate for the first 36 months was fixed at 0.5% in excess of the 1-year treasury note on January 24, 2002. Thereafter, interest is adjusted every three years based on 1-year treasury constant maturity plus 0.5%.

Year-ending June 30	Principal	Interest
2007	-	6,744
2008	-	6,744
2009	-	6,744
2010	-	6,744
2011	-	6,744
2012	248,000	10,116
Total	248,000	43,836

Valencia Note - $ 1,215,000
This note for $1,215,000 began May 1, 2003 to be fully amortized and payable over 20 years with monthly installments of principal and interest.

The interest rate for the first 18 months was fixed at 5.31%. Every three years thereafter, interest is adjusted to the current 2-year treasury bill plus 0.5%. The latest adjustment date was December 1, 2007 for an interest rate of 4.318%.

Year-ending June 30	Principal	Interest
2007	41,611	57,431
2008	44,023	55,163
2009	46,565	52,764
2010	49,247	50,227
2011-2015	291,846	207,684
2016-2020	384,481	118,649
2021-2023	239,474	18,600
Total	1,136,571	620,092

California Energy Commission Note - $1,278,000
The City was the recipient of a $1,278,000 loan for heating, ventilation and air-conditioning from the California Energy Commission. It is amortized over 30-years with a 4.5% annual interest rate. The intent is to pay this debt obligation using energy savings resulting from the use of more efficient systems.

Year-ending June 30	Principal	Interest
2009	0	182,272
2010	56,538	68,619
2011	70,977	54,180
2012	74,070	51,087
2013	77,578	47,579
2014-2018	444,063	181,725
2019-2023	554,774	71,013
Total	1,278,000	656,475

Master Lease Agreement with Suntrust Equipment - $3,050,000
The City entered into a Master Lease Agreement with Suntrust Equipment for the acquisition of a new Public Safety Radio System. Financing is over a period of seven years at an annual interest rate of 3.92%.

Year-ending June 30	Principal	Interest
2009	386,647	115,808
2010	401,952	100,502
2011	417,863	84,592
2012	434,404	68,051
2013	451,599	50,855
2014-2015	957,535	47,374
Total	3,050,000	467,182

Other Leases Payable: The City is leasing computers, software, vehicles, portable classrooms and copiers under capitalized leases. The equipment acquired secures lease payments. The City is obligated for the following debt service payments under capitalized leases:

Year-ending June 30	Present value of future lease payments for capital leases
2009	196,716
2010	28,305
2011	0

DEBT ISSUED BY THE WEST COVINA COMMUNITY DEVELOPMENT COMMISSION AGENCY

Bonds Payable: The Community Development Commission Agency has several outstanding bond issues, as follows:

1996 Special Tax Refunding Bonds Community Facilities District No. 1989-1 (The Fashion Plaza Project) Original Issue - $51,220,000 - Special Tax and other revenues secure repayment. Final maturity is in September 2022.

Year-ending June 30	Principal	Interest
2009	1,295,000	2,358,456
2010	1,390,000	2,281,262
2011	1,485,000	2,196,750
2012	1,580,000	2,104,800
2013	1,770,000	2,004,300
2014-2018	12,750,000	7,989,900
2019-2023	19,770,000	3,201,900
Total	40,040,000	22,137,368

1988 Lease Revenue Refunding Bonds (The Lakes Public Parking Project) – Original Issue $7,750,000 -A facilities lease secures repayment. Final maturity is in August 2018. The bonds bear interest at a variable rate. Interest rates on the bonds are calculated weekly, based upon the prevailing market conditions, not to exceed 12% over the life of the bonds. The Community Development Commission and the Parking Authority jointly issued the bonds.

Year-ending June 30	Principal	Interest
2009	310,000	Variable
2010	335,000	Variable
2011	365,000	Variable
2012	390,000	Variable
2013	425,000	Variable
2014-2018	2,690,000	Variable
2019-2023	670,000	Variable
Total	5,185,000	Variable

2002 Tax Allocation Revenue Refunding Bonds, Series 2002, Original Issue - $ 12,200,000 - The CDC executed long-term agreements with the West Covina Public Financing Authority to prepay all the outstanding balance of the West Covina Public Financing Authority Tax Allocation Bonds. The Bonds are payable from tax revenues of the Agency. Interest rates range from 1.75% to 5.10%. The Bonds mature in September 2025.

Year-ending June 30	Principal	Interest
2009	485,000	502,538
2010	500,000	485,293
2011	520,000	466,413
2012	540,000	446,003
2013	560,000	424,273
2014-2018	3,165,000	1,731,896
2019-2023	3,385,000	877,329
2024-2028	1,860,000	145,350
Total	11,015,000	5,079,095

Advances from City to the West Covina Community Development Commission (CDC) - The City has advanced funds to the CDC for operations since the Agency was first formed. As of June 30, 2007, the outstanding balance on the note was $17,754,279. Principal and interest are payable as funds become available. On June 17, 2008, the repayment schedule was restructured extending the term of the loan from 2018 to 2025. Principal payments will drop from $3.3 million per year to $3 Million in 2009 and 2010, then $2.3 million per year with a final

principal payment of $1,812,309 in 2025. This adjustment has the effect of reducing the annual debt service burden on the CDC while increasing the City's interest income over this period.

Year-ending June 30	Principal	Interest
2009	777,789	2,222,211
2010	816,132	2,183,868
2011	394,290	1,905,710
2012	415,771	1,884,229
2013	477,445	1,822,555
2014-2018	4,099,898	7,400,101
2019-2023	7,207,253	4,292,747
2024-2025	3,565,700	546,609
Total	17,754,278	22,258,030

Sales and Use Tax Reimbursement Agreement - CDC will reimburse the City for sales tax revenues used to secure CFD bonds. Under the agreement, all previously foregone sales tax through FY 05-06 totaling $9.6 million will be repaid starting FY 05-06, spread over 20 years at 4% interest. These repayments will be combined with the annual reimbursement of future sales tax amounts. The total annual payments would range from $1.5 million in 2005-06 to a high of $2.9 million in 2021-22 with final payments totaling $1.2 million in 2024-25. Should CDC not have sufficient revenues to make the scheduled payments, the amount will carry forward with no default on the agreement. Said agreement may be amended so long as owners of obligations payable from the tax increment are not harmed.

Line of Credit with the City - The City provided the CDC with a line of credit in the amount of $5.6 million. Any amounts drawn down accrue interest at a rate equal to the State of California Local Agency Investment Fund (LAIF) plus two percent. As of June 30, 2005, the entire amount had been drawn down. The CDC has been making interest only payments on this note.

Short Term Loans - The CDC also has short term operating loans from the City to provide liquidity due to the timing of tax increment payments. Total balances of these loans are $2.5 million with a 6% interest rate. Total principal and interest will be paid before the completion of 2008-09.

DEBT ISSUED BY CITY OF WEST COVINA
PUBLIC FINANCING AUTHORITY

Bonds Payable: The Public Financing Authority has several outstanding bond issues, as follows:

1998 Housing Set-aside Tax Allocation Bonds (Executive Lodge Project) Tax-exempt and Taxable Series) Original Issue - $6,145,000 - Repayment is secured by the 20% of future tax increment that must be set-aside for low and moderate-income housing projects. Final maturity is in September 2025.

Series A (Tax Exempt)

Year-ending June 30	Principal	Interest
2009	140,000	199,622
2010	145,000	192,995
2011	155,000	185,868
2012	160,000	178,228
2013	170,000	170,058
2014-2018	975,000	710,199
2019-2023	1,260,000	420,319
2024-2028	930,000	75,526
Total	3,935,000	2,132,815

Series B (Taxable)

Year-ending June 30	Principal	Interest
2009	30,000	67,625
2010	30,000	65,675
2011	35,000	63,562
2012	35,000	61,288
2013	40,000	58,850
2014-2018	235,000	249,975
2019-2023	330,000	151,550
2024-2028	260,000	28,350
Total	995,000	746,875

1999 West Covina Public Financing Authority Taxable Variable Rate Demand Tax Allocation Bonds $3,945,000 - Repayment is secured by tax increment of the Project Area. Final maturity is in November 2029.

Year-ending June 30	Principal	Interest
2009	5,000	Variable
2010	115,000	Variable
2011	125,000	Variable
2012	130,000	Variable
2013	135,000	Variable
2014-2018	775,000	Variable
2019-2023	935,000	Variable
2024-2028	1,170,000	Variable
2029-2023	530,000	Variable
Total	3,920,000	Variable

2001 Housing Set-aside Tax Allocation Bonds Original Issue - $11,275,000 - Repayment is secured by the 20% of future tax increment that must be set-aside for low and moderate-income housing projects. Final maturity is in September 2031.

Year-ending June 30	Principal	Interest
2009	345,000	427,430
2010	355,000	414,039
2011	370,000	399,716
2012	385,000	384,376
2013	400,000	367,935
2014-2018	2,285,000	1,547,814
2019-2023	2,635,000	943,812
2024-2028	1,075,000	528,875
2029-2033	1,355,000	115,500
Total	9,205,000	5,129,497

2002 Lease Revenue Refunding Bonds, Series B (Public Facilities Project) $19,205,000
2005 Lease Variable Rate Lease Revenue Refunding Bonds 2005 - Series C $2,725,000

This was composed of Series A $2,690,000 Taxable Variable Lease Revenue Refunding Bonds and Series B $19,205,000 Variable Rate Lease Revenue Refunding Bonds (Series B). Series A bonds were subject to mandatory redemption on September 1, 2005. It was refunded and to that end the Authority issued the Variable Rate Lease Revenue Refunding Bonds (Series C) for $2,725,000

Principal on Series B bonds are due annually beginning September 1, 2006; the bond matures on September 30, 2035. Series C bonds are subject to mandatory redemption in part of September 1 of years indicated below.

Series B

Year-ending June 30	Principal	Interest
2009	430,000	Variable
2010	440,000	Variable
2011	455,000	Variable
2012	470,000	Variable
2013	480,000	Variable
2014-2018	2,635,000	Variable
2019-2023	3,060,000	Variable
2024-2028	3,540,000	Variable
2029-2033	4,105,000	Variable
2034-2036	2,770,000	Variable
Total	18,385,000	Variable

Series C

Year-ending June 30	Principal	Interest
2009	50,000	Variable
2010	60,000	Variable
2011	60,000	Variable
2012	65,000	Variable
2013	65,000	Variable
2014-2018	375,000	Variable
2019-2023	460,000	Variable
2024-2028	540,000	Variable
2029-2033	670,000	Variable
2034-2036	305,000	Variable
Total	2,650,000	Variable

2003 West Covina Public Financing Authority Lease Revenue Bonds, Series A (Community Center Project) $3,625,000 - Bonds are payable from the revenues consisting primarily of lease payments to be made by the City of West Covina to the WC Public Financing Authority. Interest ranges from 1.6% to 5.45%. Maturity is in August 2023.

Year-ending June 30	Principal	Interest
2009	140,000	147,100
2010	140,000	142,235
2011	150,000	136,535
2012	155,000	130,128
2013	160,000	123,195
2014-2018	920,000	492,833
2019-2023	1,170,000	232,410
2024-2028	270,000	7,256
Total	3,105,000	1,411,692

2004 West Covina Public Finance Authority Lease Revenue Bonds, Series A and B (Golf Course Project) $13,500,000 - Series A bond proceeds of $8,165,000 and Series B bond proceeds of $5,335,000 with interest rate of 2.5% for the year ended August 1, 2006 and 3.3% thereafter through maturity date of May 1, 2034.

Year-ending June 30	Principal	Interest
2009	90,000	506,898
2010	200,000	499,338
2011	315,000	487,431
2012	330,000	474,957
2013	340,000	462,105
2014-2018	1,960,000	2,095,254
2019-2023	2,450,000	1,670,571
2024-2028	3,075,000	1,138,914
2029-2033	3,855,000	472,122
2034-2036	885,000	0
Total	13,500,000	7,807,590

Big League Dreams Project, $10,710,000 Lease Revenue Bonds, 2006 Series A, $7,295,000 Lease Revenue Bonds, 2006 Series B (Taxable) - Issued to provide funds for the construction and equipping of the West Covina Big League Dreams Sports Park. Series A Bonds are payable from base rental payments from Series A Site (six replica stadiums, a multi-sport pavilion, restaurants, batting cages, playgrounds and administration and maintenance facilities). Series B Bonds are payable from rental payments for Series B Site (comprised of the North Parking Structure located at the West Covina Civic Center Complex).

Year-ending June 30	Series A Principal	Series A Interest	Series B Principal	Series B Interest
2009	0	524,483	0	438,437
2010	0	524,483	0	438,437
2011	20,000	524,483	60,000	438,437
2012	45,000	523,683	80,000	435,203
2013	65,000	521,882	100,000	430,875
2014-2018	595,000	2,557,048	775,000	2,051,755
2019-2023	1,490,000	2,363,525	1,135,000	1,774,817
2024-2028	2,345,000	1,900,750	1,530,000	1,386,946
2029-2033	2,985,000	1,254,000	2,055,000	862,241
2034-2036	3,165,000	345,500	1,560,000	193,027
Total	10,710,000	11,039,837	7,295,000	8,450,175