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TAX-EXEMPT COMPLIANCE

October 15, 2009

Mr. Hank Reveles  
Senior Accountant  
Finance Department  
City of Huntington Beach  
2000 Main Street  
Huntington Beach, CA 92648

Re: Rebate Computations for the \$2,155,000 City of Huntington Beach, Community Facilities  
District No. 1990-1, 2001 Special Tax Refunding Bonds

Dear Mr. Reveles:

Amtec is pleased to deliver two Rebate Reports for the above referenced City of Huntington Beach (the "City") Bond Issue. Our Report encompasses activity for the period commencing on November 14, 2001, the delivery date of the Bonds, through September 30, 2009. This activity is future valued to October 1, 2011, the end of the tenth Bond Year and Computation Date. Based upon our computations, no rebate liability exists and reporting to the IRS or any other regulatory authority is not required at this time. Once you have an opportunity to review and accept our findings, please forward one Report to US Bank for compliance with the Trust Indenture. The other Report is for the City's permanent records.

We have incorporated the bond and investment activity provided by the City and the prior rebate report into our Report. As a result, the City will only need the enclosed Report for the entire computation period since the closing date for the Issue.

The fixed rate bond yield for this Issue is 5.1411% and includes all payments of principal, interest and qualified guarantee fees through the maturity date of the Bonds. The yield on the entire investment portfolio is 2.6356%. Our computations compare this yield with the bond yield. Since the investment yield is below the bond yield, no rebate liability exists.

We have scheduled the next Rebate Report for this Issue as of September 30, 2010. Should the City require an interim update, one will be provided upon request for no additional fee. Thank you for this engagement and should you have any questions, please do not hesitate to contact us.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael J. Scarfo".

Michael J. Scarfo  
Vice President

A handwritten signature in black ink, appearing to read "Jeremy P. Hite".

Jeremy P. Hite  
Senior Rebate Analyst

CC: Ms. Shari Friedenrich, City Treasurer

# **REBATE REPORT**

**\$2,155,000**

**City of Huntington Beach**

**Community Facilities District No. 1990-1**

**2001 Special Tax Refunding Bonds**

**Dated: November 14, 2001**

**Delivered: November 14, 2001**

**Prepared By  
Amtec  
October 15, 2009**

## TABLE OF CONTENTS

Consultant's Report	3
Summary of Rebate Computations	4
Summary of Computational Information and Definitions	5
Methodology	7
Sources and Uses	8
Bond Yield Verification	9
Arbitrage Rebate Calculation Detail Report – Rebate Consolidation	11
Arbitrage Rebate Calculation Detail Report – Escrow Fund	12
Arbitrage Rebate Calculation Detail Report – Cost of Issuance Fund	13
Arbitrage Rebate Calculation Detail Report – Reserve Fund	14
Valuation of Rebate Credits	15

**ARBITRAGE REBATE REPORT**

\$2,155,000

City of Huntington Beach

Community Facilities District No. 1990-1

2001 Special Tax Refunding Bonds

Dated: November 14, 2001

Delivered: November 14, 2001

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Rebate Report to the Computation Date

October 1, 2011

Reflecting Activity To

September 30, 2009

We have prepared certain computations relating to the above captioned Bond Issue (the "Bonds") at the request of the City of Huntington Beach, California (the "City").

The scope of our engagement consisted of preparation of the computations shown in the attached schedules to determine the Rebatable Arbitrage as described in Section 103 of the Internal Revenue Code of 1954, Section 148(f) of the Internal Revenue Code of 1986, (the "Code"), as amended, and all applicable Regulations issued thereunder. The methodology used is consistent with current tax law and regulations and may be relied upon in determining the rebate liability. Certain computational methods used in the preparation of the schedules are described in the Summary of Computational Information and Definitions.

Our engagement was limited to the computation of Rebatable Arbitrage based upon the information furnished to us. In accordance with the terms of our engagement, we did not audit the information provided to us, and we express no opinion as to the completeness, accuracy or suitability of such information for purposes of calculating the Rebatable Arbitrage.

American Municipal Tax-Exempt Compliance Corporation

By



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William M. Pascucci, President

## SUMMARY OF REBATE COMPUTATIONS

Our computations, contained in the attached schedules, are summarized as follows:

For the October 1, 2011 Computation Date  
Reflecting Activity from November 14, 2001 through September 30, 2009

<b>Bond Yield</b>	5.141068%
<b>* Taxable Investment Yield</b>	2.635644%
<b>Rebatable Arbitrage</b>	\$(76,076.97)
<b>Valuation of Rebate Credits</b>	(12,181.24)
<b>Net Rebatable Arbitrage</b>	<b>\$(88,158.21)</b>

\* The yield is based on the investment of unspent bond proceeds for the period commencing November 14, 2001, the delivery date of the Bonds, through September 30, 2009.

**Based upon our computations, no rebate liability exists.**

## SUMMARY OF COMPUTATIONAL INFORMATION AND DEFINITIONS

### COMPUTATIONAL INFORMATION

1. For the purpose of computing Rebatale Arbitrage, investment activity is reflected from November 14, 2001, the delivery date of the Bonds, through September 30, 2009, the Computation Period. All nonpurpose payments and receipts are future valued to October 1, 2011, the Computation Date.
2. Computations of yield are based on a 360-day year and semiannual compounding on the last day of each compounding interval. Compounding intervals end on a day in the calendar year corresponding to Bond maturity dates or six months prior.
3. For purposes of computing arbitrage, interest earnings and yield, the value of the investments, subject to rebate and outstanding at the end of the Computation Period, was as follows:

Reserve Fund	Value	Accrued Interest	Totals
-Money Market	\$173,868.99	\$0.93	\$173,869.92
<b>Totals</b>	<b>\$173,868.99</b>	<b>\$0.93</b>	<b>\$173,869.92</b>

4. For investment cash flow, debt service and yield computation purposes, all payments and receipts are assumed to be paid or received respectively, as shown on the attached schedules.
5. Purchase prices on investments are assumed to be at fair market value, representing an arm's length transaction.
6. The Interest and Principal Accounts have been established and henceforth maintained to function as bona fide debt service funds, as defined under the Code, and therefore, are not subject to yield restriction.

## **DEFINITIONS**

### **7. Computation Date**

October 1, 2011.

### **8. Computation Period**

The period beginning on November 14, 2001, the delivery date of the Bonds, and ending on September 30, 2009.

### **9. Bond Year**

Each one-year period (or shorter period from the date of issue) that ends at the close of business on October 1<sup>st</sup>, the day in the calendar year that was selected by the Issuer.

### **10. Bond Yield**

The discount rate that, when used in computing the present value of all the unconditionally payable payments of principal and interest with respect to the Bonds, produces an amount equal to the present value of the issue price of the Bonds. Present value is computed as of the date of issue of the Bonds.

### **11. Taxable Investment Yield**

The discount rate that, when used in computing the present value of all receipts of principal and interest to be received on an investment during the Computation Period, produces an amount equal to the fair market value of the investment at the time it became a nonpurpose investment.

### **12. Issue Price**

The price determined on the basis of the initial offering price to the public at which price a substantial amount of the Bonds were sold.

### **13. Rebtable Arbitrage**

The Code defines the required rebate as the excess of the amount earned on all nonpurpose investments over the amount that would have been earned if such nonpurpose investments were invested at the Bond Yield, plus any income attributable to the excess. Accordingly, the Regulations require that this amount be computed as the excess of the future value of all the nonpurpose receipts over the future value of all the nonpurpose payments. The future value is computed as of October 1, 2011 using the Bond Yield.

#### 14. Funds and Accounts

The Funds and Accounts activity used in the compilation of this Report was received from the prior report dated November 7, 2006, the City of Huntington Beach, California, and US Bank, Trustee for the Issue, as follows:

Account Name	Account Number
Bond	94431230
Reserve	94431231

## METHODOLOGY

### Bond Yield

The methodology used to calculate the bond yield was to determine the discount rate that produces the present value of all payments of principal and interest through the maturity date of the Bonds.

### Investment Yield and Rebate Amount

The methodology used to calculate the rebatable arbitrage, as of September 30, 2009, was to calculate the future value of the disbursements from all funds, subject to rebate, and the value of the remaining bond proceeds, at the yield on the Bonds, to October 1, 2011. This figure was then compared to the future value of the deposit of bond proceeds into the various investment accounts at the same yield. The difference between the future values of the two cash flows, on October 1, 2011, is the rebatable arbitrage.

**\$2,155,000**  
**City of Huntington Beach**  
**Special Tax Refunding Bonds**  
**Series 2001**  
**Delivered: November 14, 2001**

<b>Sources of Funds</b>	
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<b>Par Amount</b>	<b>\$2,155,000.00</b>
<b>Underwriters Discount</b>	<b>-23,705.00</b>
<b>Total</b>	<b>\$2,131,295.00</b>

<b>Uses of Funds</b>	
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<b>Escrow Fund</b>	<b>\$1,881,470.00</b>
<b>Costs of Issuance Fund</b>	<b>77,425.00</b>
<b>Reserve Fund</b>	<b>172,400.00</b>
<b>Total</b>	<b>\$2,131,295.00</b>

\$2,155,000  
City of Huntington Beach  
Special Tax Refunding Bonds  
Series 2001  
Bond Yield Verification

Dated Date	11/14/2001
Delivery Date	11/14/2001
Last Maturity	10/01/2020
Arbitrage Yield	5.141068%
True Interest Cost (TIC)	5.141068%
Net Interest Cost (NIC)	5.177692%
All-In TIC	5.141068%
Average Coupon	5.177692%
Average Life (years)	11.233
Duration of Issue (years)	8.278
Par Amount	2,155,000.00
Bond Proceeds	2,155,000.00
Total Interest	1,253,394.82
Net Interest	1,253,394.82
Total Debt Service	3,408,394.82
Maximum Annual Debt Service	182,280.00
Average Annual Debt Service	180,524.07
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	
Total Underwriter's Discount	
Bid Price	100.000000

Bond Component	Par Value	Price	Average Coupon	Average Life
Term Bond	500,000.00	100.000	4.000%	3.441
Term Bond #1	510,000.00	100.000	4.750%	8.969
Term Bond #2	1,145,000.00	100.000	5.400%	15.645
	2,155,000.00			11.233

	TIC	All-In TIC	Arbitrage Yield
Par Value	2,155,000.00	2,155,000.00	2,155,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount			
- Cost of Issuance Expense			
- Other Amounts			
Target Value	2,155,000.00	2,155,000.00	2,155,000.00
Target Date	11/14/2001	11/14/2001	11/14/2001
Yield	5.141068%	5.141068%	5.141068%

\$2,155,000  
City of Huntington Beach  
Special Tax Refunding Bonds  
Series 2001  
Debt Service Requirements

Dated Date           11/14/2001  
Delivery Date       11/14/2001

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
04/01/2002			40,359.82	40,359.82	
10/01/2002	85,000	4.000%	53,027.50	138,027.50	178,387.32
04/01/2003			51,327.50	51,327.50	
10/01/2003	75,000	4.000%	51,327.50	126,327.50	177,655.00
04/01/2004			49,827.50	49,827.50	
10/01/2004	80,000	4.000%	49,827.50	129,827.50	179,655.00
04/01/2005			48,227.50	48,227.50	
10/01/2005	85,000	4.000%	48,227.50	133,227.50	181,455.00
04/01/2006			46,527.50	46,527.50	
10/01/2006	85,000	4.000%	46,527.50	131,527.50	178,055.00
04/01/2007			44,827.50	44,827.50	
10/01/2007	90,000	4.000%	44,827.50	134,827.50	179,655.00
04/01/2008			43,027.50	43,027.50	
10/01/2008	95,000	4.750%	43,027.50	138,027.50	181,055.00
04/01/2009			40,771.25	40,771.25	
10/01/2009	95,000	4.750%	40,771.25	135,771.25	176,542.50
04/01/2010			38,515.00	38,515.00	
10/01/2010	100,000	4.750%	38,515.00	138,515.00	177,030.00
04/01/2011			36,140.00	36,140.00	
10/01/2011	110,000	4.750%	36,140.00	146,140.00	182,280.00
04/01/2012			33,527.50	33,527.50	
10/01/2012	110,000	4.750%	33,527.50	143,527.50	177,055.00
04/01/2013			30,915.00	30,915.00	
10/01/2013	120,000	5.400%	30,915.00	150,915.00	181,830.00
04/01/2014			27,675.00	27,675.00	
10/01/2014	125,000	5.400%	27,675.00	152,675.00	180,350.00
04/01/2015			24,300.00	24,300.00	
10/01/2015	130,000	5.400%	24,300.00	154,300.00	178,600.00
04/01/2016			20,790.00	20,790.00	
10/01/2016	140,000	5.400%	20,790.00	160,790.00	181,580.00
04/01/2017			17,010.00	17,010.00	
10/01/2017	145,000	5.400%	17,010.00	162,010.00	179,020.00
04/01/2018			13,095.00	13,095.00	
10/01/2018	155,000	5.400%	13,095.00	168,095.00	181,190.00
04/01/2019			8,910.00	8,910.00	
10/01/2019	160,000	5.400%	8,910.00	168,910.00	177,820.00
04/01/2020			4,590.00	4,590.00	
10/01/2020	170,000	5.400%	4,590.00	174,590.00	179,180.00
	2,155,000		1,253,394.82	3,408,394.82	3,408,394.82

\$2,155,000  
City of Huntington Beach  
Special Tax Refunding Bonds  
Series 2001  
Rebate Consolidation

ARBITRAGE REBATE CALCULATION  
DETAIL REPORT

DATE	DESCRIPTION	RECEIPTS (PAYMENTS)	FUTURE VALUE AT BOND YIELD (OF 5.141068%)	FUTURE VALUE AT BOND YIELD (OF 5.141068%)
11-14-01	STARTING BALANCE:			2,131,294.13
11-14-01		57,630.00	95,162.92	2,131,294.13
01-10-02		7,000.00	11,468.01	2,148,189.79
01-11-02		8,592.00	14,074.17	2,148,492.71
03-29-02		780.00	1,263.71	2,172,252.73
03-29-02		1,886.00	3,055.58	2,172,252.73
04-01-02		1,896,478.61	3,071,691.97	2,172,865.40
08-06-02		2,400.90	3,820.76	2,211,502.42
10-01-02		404.60	638.90	2,228,719.65
10-01-02		2,443.13	3,857.92	2,228,719.65
04-02-03		1,763.51	2,714.57	2,286,332.00
10-01-03		1,609.54	2,415.81	2,344,772.30
04-01-04		1,390.39	2,034.59	2,405,045.47
10-01-04		1,018.55	1,453.11	2,466,867.98
04-01-05		1,839.64	2,558.74	2,530,279.66
10-03-05		2,250.55	3,050.97	2,596,053.35
04-03-06		2,986.49	3,947.18	2,662,785.79
10-02-06		3,706.60	4,776.84	2,730,848.52
04-02-07		4,427.03	5,562.30	2,801,045.91
10-01-07		4,523.30	5,541.61	2,872,642.67
04-01-08		4,495.18	5,369.15	2,946,484.92
10-01-08		3,172.21	3,694.01	3,022,225.32
04-01-09		2,329.80	2,645.04	3,099,912.65
09-30-09	MMkt Bal	173,868.99	192,474.78	3,179,148.66
09-30-09	MMkt Acc	0.93	1.03	3,179,148.66
10-01-11	TOTAL:	2,186,997.95	3,443,273.67	3,519,350.64
10-01-11	REBATABLE ARBITRAGE (AT INVSMT YIELD OF 2.635644%)			-76,076.97

\$2,155,000  
 City of Huntington Beach  
 Special Tax Refunding Bonds  
 Series 2001  
 Escrow Fund

ARBITRAGE REBATE CALCULATION  
 DETAIL REPORT

DATE	DESCRIPTION	RECEIPTS (PAYMENTS)	FUTURE VALUE AT BOND YIELD (OF 5.141068%)	FUTURE VALUE AT BOND YIELD (OF 5.141068%)
11-14-01	STARTING BALANCE:			1,881,469.13
04-01-02		1,896,478.61	3,071,691.97	1,918,167.52
10-01-11	TOTAL:	1,896,478.61	3,071,691.97	3,106,821.11
10-01-11	REBATEABLE ARBITRAGE (AT INVSTMT YIELD OF 2.098905%)			-35,129.14

\$2,155,000  
City of Huntington Beach  
Special Tax Refunding Bonds  
Series 2001  
Cost of Issuance Fund

ARBITRAGE REBATE CALCULATION  
DETAIL REPORT

DATE	DESCRIPTION	RECEIPTS (PAYMENTS)	FUTURE VALUE AT BOND YIELD (OF 5.141068%)	FUTURE VALUE AT BOND YIELD (OF 5.141068%)
11-14-01	STARTING BALANCE:			77,425.00
11-14-01		57,630.00	95,162.92	77,425.00
01-10-02		7,000.00	11,468.01	78,038.78
01-11-02		8,592.00	14,074.17	78,049.78
03-29-02		1,886.00	3,055.58	78,912.93
08-06-02		2,400.90	3,820.76	80,338.78
10-01-11	TOTAL:	77,508.90	127,581.44	127,849.89
10-01-11	REBATEABLE ARBITRAGE (AT INVSTMT YIELD OF 1.724048%)			-268.45

\$2,155,000  
City of Huntington Beach  
Special Tax Refunding Bonds  
Series 2001  
Reserve Fund

ARBITRAGE REBATE CALCULATION  
DETAIL REPORT

DATE	DESCRIPTION	RECEIPTS (PAYMENTS)	FUTURE VALUE AT BOND YIELD (OF 5.141068%)	FUTURE VALUE AT BOND YIELD (OF 5.141068%)
11-14-01	STARTING BALANCE:			172,400.00
03-29-02		780.00	1,263.71	175,713.13
10-01-02		404.60	638.90	180,280.73
10-01-02		2,443.13	3,857.92	180,280.73
04-02-03		1,763.51	2,714.57	184,940.99
10-01-03		1,609.54	2,415.81	189,668.21
04-01-04		1,390.39	2,034.59	194,543.70
10-01-04		1,018.55	1,453.11	199,544.51
04-01-05		1,839.64	2,558.74	204,673.87
10-03-05		2,250.55	3,050.97	209,994.29
04-03-06		2,986.49	3,947.18	215,392.27
10-02-06		3,706.60	4,776.84	220,897.85
04-02-07		4,427.03	5,562.30	226,576.10
10-01-07		4,523.30	5,541.61	232,367.55
04-01-08		4,495.18	5,369.15	238,340.64
10-01-08		3,172.21	3,694.01	244,467.26
04-01-09		2,329.80	2,645.04	250,751.38
09-30-09	MMkt Bal	173,868.99	192,474.78	257,160.76
09-30-09	MMkt Acc	0.93	1.03	257,160.76
10-01-11	TOTAL:	213,010.44	244,000.26	284,679.64
10-01-11	REBATABLE ARBITRAGE (AT INVSTMT YIELD OF 2.945740%)			-40,679.38

\$2,155,000  
City of Huntington Beach  
Special Tax Refunding Bonds  
Series 2001  
Valuation of Rebate Credits

Date	Cashflow	Present Value to 10/01/2011 @ 5.1410680%
10/01/2002	-1,000.00	-1,579.09
10/01/2003	-1,000.00	-1,500.93
10/01/2004	-1,000.00	-1,426.65
10/01/2005	-1,000.00	-1,356.04
10/01/2006	-1,000.00	-1,288.92
10/01/2007	-1,400.00	-1,715.18
10/01/2008	-1,430.00	-1,665.22
10/01/2009	-1,490.00	-1,649.21
	-9,320.00	-12,181.24

Summary

Valuation date	10/01/2011
Amount	-12,181.24
Target for yield calculation	-12,181.24