



STATE OF CALIFORNIA

**CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE**

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SEAN L. SPEAR  
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*State Controller*

July 20, 2010

Michael Chin  
Program Manager  
California Statewide Communities Development Authority  
2033 North Main Street, Suite 700  
Walnut Creek, CA 94596

**RE: WAIVER OF FORFEITURE OF PERFORMANCE DEPOSIT  
(Lincoln Walk Apartments, Application #10-015)**

Dear Mr. Chin,

The purpose of this letter is to approve a waiver of the forfeited performance deposit.

On March 24, 2010, the California Debt Limit Allocation Committee ('the Committee') awarded \$21,100,000 in private activity bond allocation to the California Statewide Communities Development Authority for the Lincoln Walk Apartments Project as specified in Resolution No. 10-14.

The full amount of bonds were not issued for the Lincoln Walk Apartments Project. On June 22, 2010, it was the Committee's position that a Forfeiture of Performance Deposit was warranted. As such, a Forfeiture of Performance Deposit and Waiver of Negative Points letter was drafted. In light of further correspondence describing the circumstances that resulted in the bonds not being completely or partially issued, the \$100,000 performance deposit that would normally be forfeited in such circumstances has instead been authorized for release by the Committee pursuant to Section 7 of the Committee's Procedures.

Sincerely,

SEAN L. SPEAR  
Executive Director

cc: Michael LaPierre, California Statewide Communities Development Authority  
Justin Cooper, Esq., Orrick, Herrington & Sutcliffe LLP  
Lauro Garcia, Hutchinson, Shockey, Erley & Co  
Jim Andersen, Lincoln Studios, LLC