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STATE OF FLORIDA
FLORIDA HOUSING FINANCE CORPORATION

ROSEDALE HOLDINGS, LLC,
H&H DEVELOPMENT, LLC AND
BROOKESTONE I, LP, FHFC Case No. 2013-038BP

Petitioners,
vs.
FLORIDA HOUSING FINANCE CORPORATION,
Respondent
and
PARADISE POINT SENIOR HOUSING, LLC,
Intervenor,
ARBOURS AT TUMBLIN CREEK, LLC,
Intervenor,
ARBOURS AT CENTRAL PARKWAY, LLC,
Intervenor,

OCDC PALM VILLAGE, LP,
PRESTWICK DEVELOPMENT
COMPANY, LLC,
AND OKALOOSA COMMUNITY
DEVELOPMENT CORPORATION FHFC Case No. 2013-042BP

Petitioners,
vs.
FLORIDA HOUSING FINANCE CORPORATION,
Respondent,
and
KATIE MANOR, LTD.,
Intervenor.

FRENCHTOWN SQUARE, LLC, FHFC Case No. 2013-043BP
Petitioner,
vs.
FLORIDA HOUSING FINANCE CORPORATION,
Respondent,

DEPOSITION OF JADE GRUBBS

FEBRUARY 26, 2014

1 JPM WESTBROOK I LIMITED PARTNERSHIP,
Petitioners, FHFC Case No. 2013-044BP
2 vs.
3 FLORIDA HOUSING FINANCE CORPORATION,
Respondent,
4 and
KATIE MANOR, LTD.,
Intervenor.

5 _____/
6 SUMMERSET APARTMENTS LIMITED PARTNERSHIP,
7 Petitioners FHFC Case No. 2013-047BP
8 vs.
9 FLORIDA HOUSING FINANCE CORPORATION,
Respondent,
and
10 FOREST RIDGE AT BEVERLY HILLS, LTD. and
ARBOURS AT CENTRAL PARKWAY, LLC,
11 Intervenor,
12 _____/

13
14 DEPOSITION OF: JADE GRUBBS
15 DATE: FEBRUARY 26, 2014
16 TIME: COMMENCED: 11:37 A.M.
17 LOCATION: FLORIDA HOUSING FINANCE CORP
227 NORTH BRONOUGH STREET
18 TALLAHASSEE, FL
19 REPORTED BY: DEBRA R. KRICK
20 Court Reporter and
21 Notary Public in and for
State of Florida at Large

22
23 PREMIER REPORTING
114 W. 5TH AVENUE
24 TALLAHASSEE, FLORIDA
(850) 894-0828
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*Uh-uh is a negative response
*Uh-huh is a positive response

1 D E P O S I T I O N

2 Whereupon,

3 JADE GRUBBS

4 was called as a witness, having been first duly sworn to
5 speak the truth, the whole truth, and nothing but the
6 truth, was examined and testified as follows:

7 EXAMINATION

8 BY MR. WALKER:

9 Q Ms. Grubbs, I think I am designated to start
10 with the questions.

11 A All right.

12 Q So we will try to keep this as brief as
13 possible.

14 I am Karen Walker, and Larry Sellers is my law
15 partner, and we represent Rosedale Holdings, H&H
16 Development and Brookstone in this matter. And I just
17 have a couple of questions for you, particularly about
18 the Arbours at Tumblin Creek and the Paradise Point
19 applications, so we will kind of walk through those if
20 that's okay with you.

21 A Okay.

22 Q If I understand correctly from some of Mr.
23 Reecy's responses to questions this morning, you were
24 the person that scored the financing aspects of the
25 application, right?

1 A I did.

2 Q Was there anybody else from Florida Housing
3 staff involved in that or was it just you?

4 A Just me.

5 Q I want to show you what we will mark as
6 Deposition Exhibit 4.

7 (Whereupon, Exhibit No. 4 was marked for
8 identification.)

9 BY MR. WALKER:

10 Q Let me give you a copy, Ms. Grubbs, and hand a
11 copy over for the court reporter so she has a record.

12 A With this -- with saying it was just me, I did
13 consult with our legal staff on issues.

14 Q Is there someone in particular from legal
15 staff you consulted with?

16 A I spoke with -- I know -- well, on which ones?

17 Q Well, we can get to that.

18 Is there more than one lawyer on the legal
19 staff you consulted with from time to time?

20 A I know I spoke with Hugh Brown.

21 Q Ms. Grubbs, are you familiar with the document
22 I have handed you, which was marked as Deposition
23 Exhibit 4?

24 A Yes.

25 Q Is this a template for a score sheet that you

1 completed in reviewing the finance aspects of the
2 applications?

3 A It was.

4 Q Okay. Did you develop this form?

5 A Myself, no.

6 Q Do you know who did?

7 A From the beginning, no. I am not sure where
8 it originated from.

9 Q Do you have a copy of the RFA in front of you?

10 A I do.

11 Q Can you look at page 36 for me, please? Are
12 you there?

13 A Yes.

14 Q You see in the middle of the page, there is,
15 like, a subparagraph (2), equity proposal. Is this a
16 section in the RFA that describes what had to be
17 included an equity proposal to be acceptable?

18 A It is.

19 Q And does the kind of checklist that's on
20 Deposition Exhibit 4, does that track what begins on
21 page 36 of the RFA?

22 A Yes.

23 Q And if you flip over to the second page of
24 Exhibit 4. Do you see the language that says, if the
25 answer to any of the above questions that require a

1 response is a no, or a non-response, the affected
2 commitment/proposal/letter of interest or closing
3 documented cannot be considered a source of financing.

4 Do you see that?

5 A Yes.

6 Q And you didn't develop that language, someone
7 else did?

8 A Correct.

9 Q Do you know why that language was included on
10 this form?

11 A Those are -- you know, the requirements here
12 are to be met.

13 Q Okay. And are those mandatory requirements?

14 A Those are requirements that -- of equity
15 proposal letter.

16 Q Okay. So if -- and when you said here, you
17 are pointing to page 36 of the RFA, I just need for the
18 transcript?

19 A Correct.

20 Q So if an equity proposal doesn't meet the
21 requirements that are stated on page 36, then that
22 particular financing document shouldn't be considered a
23 source of financing, right?

24 A Correct.

25 Q Okay. And did you actually complete this

1 template as you were going through and scoring the
2 financial aspects of each application?

3 A I did.

4 Q Okay. Were there situations where you marked
5 any of these items no?

6 A Yes.

7 Q Okay. And were then -- that particular
8 financing documentation wasn't considered?

9 A That would have been the case.

10 Q All right. I want to show you now what we
11 will mark as Exhibit 5. And I am sorry, there is a
12 stray document on the back of this, I am going to pull
13 it off. It's just the RFA page.

14 (Whereupon, Exhibit No. 5 was marked for
15 identification.)

16 BY MS. WALKER:

17 Q Ms. Grubbs, are you familiar with what's been
18 marked deposition Exhibit No. 15?

19 A I am.

20 Q Okay. You would agree with me that that's an
21 equity proposal that was part of the Arbours at Tumblin
22 Creek application?

23 A Yes.

24 Q Okay. And this is Attachment 13 to that
25 application?

1 A (Witness nods head in the affirmative.)

2 Q Okay. And this is a letter from Raymond
3 James, right?

4 A Yes.

5 Q Okay. Do you know if the Raymond James letter
6 was not considered, would the Arbours Creek -- I mean, I
7 am sorry, the Tumblin Creek application been able to
8 show sources of equal infusion?

9 A I do not have my scoring form in front of me.

10 Q Okay.

11 A I would assume not.

12 Q Okay. And when you looked at the financing
13 documentation, did you go back and look at page 36 of
14 the RFA to make sure it met those requirements?

15 A I did.

16 Q Okay. And under subparagraph (2)(b)(i), there
17 is a list there that says, the housing credit equity
18 proposal must also meet the following criteria. Do you
19 see that?

20 A Uh-huh.

21 Q Did you look at that list there, at those
22 bullet points to make sure that that was met in an
23 equity proposal?

24 A I did.

25 Q Okay. And do you see where in the second to

1 the last bullet point, it says, state the anticipated
2 dollar amount of housing credit allocation to be
3 purchased?

4 A I do.

5 Q Okay. And can you show me where that is on
6 the Raymond James letter?

7 A I can calculate it for you.

8 Q Okay. Is the amount of housing credit
9 allocation to be purchased on the face of the Raymond
10 James letter?

11 A There is the information contained within to
12 get there.

13 Q Okay. So you performed a calculation?

14 A Uh-huh.

15 Q Okay. What information did you use to perform
16 the calculation?

17 A The annual housing request amount of 1,042,127
18 times 10 years, times the percentage they are buying of
19 99.99 percent.

20 Q And that tells you the amount of housing
21 allocation credit to be purchased?

22 A It does.

23 Q Okay. But would you agree with me that the
24 amount of allocation -- there isn't a number that on
25 this Raymond James letter to show the amount of housing

1 allocation to be purchased?

2 A It's not specifically stated.

3 Q Okay. So the only way you got to that number
4 is by you doing your own calculation?

5 A Yep. They stated the information that I
6 needed.

7 Q Okay. And so was it your -- is it your
8 position that as long as you could do that calculation
9 and come up with a number that you thought was the
10 correct amount of housing credit allocation to be
11 purchased, that they did not need to state it
12 separately?

13 A Yes.

14 Q Okay. Did you -- do you consider it an
15 irregularity that the equity proposal did not state the
16 dollar amount of housing credit allocation to be
17 purchased?

18 A Yes.

19 Q And did you make a determination that that
20 should be waived?

21 A Yes.

22 Q And what did you use to make that
23 determination?

24 A They stated the information I needed to
25 calculate the number. I know the number.

1 Q Okay. And so that was your -- did you use
2 anything else to determine that this was a minor
3 irregularity that should be waived?

4 A All the numbers matched up, the numbers in
5 their pro forma that they used.

6 Q Did you look at rule 67-60.008 in determine
7 weathering to waive this as a minor irregularity?

8 A I have reviewed that, yes.

9 Q Okay. Did you look at that rule and make a
10 determination with respect to the Tumblin Creek
11 application?

12 A Yes.

13 Q Okay. Did you use anything else in
14 determining whether to waive the irregularity in the
15 Tumblin Creek equity proposal?

16 A I do not believe so.

17 Q I just want to make sure I understand your
18 calculations. So you took the 1,042,127 in low income
19 housing tax credits and you multiplied that by 10 years;
20 correct?

21 A Correct.

22 Q And then you applied .9999?

23 A Correct.

24 Q Why did you multiply by .9999?

25 A Because their exhibit of ownership states

1 that's how much the limited partner owns.

2 Q And the exhibit of ownership is something
3 other than what's contained in Attachment 13?

4 A It is.

5 Q And is that part of the equity proposal?

6 A What's your question?

7 Q Is the exhibit of ownership part of the equity
8 proposal?

9 A It is not.

10 Q And would you agree with me that on page 36 of
11 the RFA, it says that the housing credit allocation to
12 be purchased has to be in the housing credit equity
13 proposal?

14 A I do.

15 Q So you used information outside of the housing
16 credit equity proposal to perform your calculation?

17 A The answer was found within their application.

18 Q Right, but the answer wasn't entirely within
19 the equity proposal, right?

20 A The information I have -- or I needed was
21 there.

22 Q There, meaning in the application over all?

23 A Uh-huh.

24 Q Not the equity proposal?

25 A The information I had -- or the information I

1 needed to find out the anticipated amount of housing
2 credit allocation to be purchased was stated within the
3 application.

4 **Q Is there any information in the application**
5 **that would show that Raymond James knows the amount, the**
6 **.9999 figure?**

7 A For their calculation to work out correctly
8 for the numbers that they showed me, I would assume that
9 they knew that was the percentage to be purchased.

10 **Q When you say, for the numbers they showed me.**
11 **The numbers Raymond James showed you?**

12 A Yes.

13 **Q Okay. What number on this October 7th letter**
14 **caused you to believe that Raymond James knew that there**
15 **was a 99.99 percent ownership interest?**

16 A Because if you do the full calculation, the
17 request amount times 10 years times their percent of
18 credits to be purchased and the credit rate will give
19 you their total equity amount.

20 **Q Where is that on the Raymond James letter?**

21 A I am -- I am sorry, I don't understand your
22 question. Where is what?

23 **Q I am trying to understand where in the Raymond**
24 **James letter there is a number that they would have to**
25 **use the 99.99 percent number to reach?**

1 A Because the calculation would not work out
2 correctly if it was not 99.99.

3 **Q What calculation?**

4 A The total equity amount -- to get the total
5 equity amount, their total equity amount of 9,586,614.

6 **Q Okay. What calculation do you believe they
7 did to reach that number?**

8 A You can do it a couple ways. They -- to get
9 their amount, you take the 1,042,127 times 10 years
10 times 0.99 -- or .9999 times their credit rate of \$0.92,
11 and you will get 9,586,614 for their total equity that
12 they are providing.

13 **Q Okay. You said they could do it several other
14 ways. What other way could they do it?**

15 A They could also divide. They could take the
16 9,586,614 divided by their annual request amount times
17 10 years divided by 99.99, and they will arrive at their
18 \$0.92 credit rate.

19 **Q So of those calculations, the 1,042,127 is in
20 the Raymond James letter, right?**

21 A It is.

22 **Q Okay. And the \$0.92 is in the Raymond James
23 letter, right?**

24 A It is.

25 **Q But the .9999 is not?**

1 A It's not stated.

2 Q And tell me again why you use the 10-year
3 **number?**

4 A They asked for credits in an annual amount and
5 they receive those credits for 10 years.

6 Q Would that be true of any applicant?

7 A Yes.

8 Q But the 10-year number doesn't appear in the
9 **letter either, right?**

10 A Housing credits allocations are always for 10
11 years.

12 Q Okay. Let's switch gears for a second and
13 **let's talk about the Paradise Point application. Did**
14 **you score the financing on that?**

15 A I did.

16 Q And first let's look at page 36 of the RFA
17 **again.**

18 A Okay.

19 Q That same language, subparagraph (2)
20 **subparagraph (a), and do you see where it says there if**
21 **the eligible housing credit request amount is less than**
22 **anticipated amount of credit allocations stated in the**
23 **equity proposal, the equity proposal will not be**
24 **considered a source of financing?**

25 A I do.

1 Q Okay. And is that something you looked at in
2 scoring the Paradise Point application?

3 A It is.

4 Q Okay. I am going to show you what we are
5 going to mark as Exhibit 6.

6 (Whereupon, Exhibit No. 6 was marked for
7 identification.)

8 BY MR. WALKER:

9 Q Ms. Grubbs, are you familiar with Exhibit 6?

10 A I am.

11 Q Okay. And when you -- did you look at Exhibit
12 6 when you were scoring the Paradise Point financing?

13 A I did.

14 Q And this would be Paradise Point's equity
15 proposal?

16 A Yes.

17 Q And I think we just talked about the fact that
18 the RFA required that the housing credit request amount
19 be less than the -- I am sorry, if the housing credit
20 request amount is less than the anticipated amount of
21 credit allocation that's stated in the equity proposal,
22 that the equity proposal will not be considered a source
23 of financing. Did you look at the amount of the housing
24 credit request amount as compared to the amount of
25 credit allocation that was stated in the Paradise Point

1 equity proposal?

2 A I did.

3 Q Okay. And did you make a determination that
4 the housing credit request amount was more than the
5 anticipated amount of credit allocation?

6 A Say that again. I didn't follow.

7 Q Did you make a determination that -- well, let
8 me back up.

9 Under the RFA, it's kind of written in the
10 negative, but would you agree with me that in order for
11 the source of financing to be considered, that the
12 housing credit request amount has to be more than the
13 credit allocation to be purchased?

14 A The housing credit request amount has to be
15 more or equal to.

16 Q More or equal to, okay. So did you look at
17 whether the housing credit request amount in the
18 Paradise Point equity proposal was more or equal to the
19 housing credit allocation to be purchased?

20 A The housing credit allocation to be purchased?
21 That is two different numbers.

22 Q Okay. What -- then the amount of credit
23 allocation, is that a different number?

24 A The request amount?

25 Q Well, let me back up.

1 The RFA says that the housing credit request
2 amount has to be more or equal to the anticipated amount
3 of credit allocation, right?

4 A Yes.

5 Q Okay. So let's talk about -- let's look at
6 the Paradise Point equity proposal that's Exhibit 6.
7 The housing credit request amount that's stated on
8 Exhibit 6, would you agree with me that that's
9 1,175,000?

10 A Yes.

11 Q Okay. And that's a yearly amount, right?

12 A That is a yearly amount.

13 Q So then you would multiply that by 10 based on
14 your prior answer?

15 A I would.

16 Q So that would be 11,750,000, right?

17 A That would be 11 million, I believe 50,000.

18 Q 11,050,000 if you multiply one million --

19 A Okay. Yes.

20 Q 11,750,000, right?

21 A Yes.

22 Q And then the RFA refers to the anticipated
23 amount of credit allocations stated in the equity
24 proposal. Where is that number on Exhibit 6?

25 A Exhibit -- 11,778,825 is what's stated.

1 Q Okay. So would you agree with me that what's
2 stated on Exhibit 6, that the housing credit request
3 amount is not -- does not equal or exceed the amount of
4 credit allocation that's stated in the equity proposal?

5 A I do not agree with that.

6 Q You don't. Why not?

7 A The -- this letter states they are -- the
8 anticipated eligible amount of credits they are
9 requesting is 1,175 -- or 175,000. 10 years times .9999
10 nine is 11,748,825.

11 Q And does that number appear anywhere or
12 Exhibit 6, 11,748,825?

13 A Did does not. That is a typo. They do have a
14 typo.

15 Q Where is the type?

16 A The typo is in the 11,778,825.

17 Q And how do you know that's a typo?

18 A By doing the full calculation, you can only
19 derive, and they -- their seven should have been a four.

20 Q Okay. But they actually do the calculation
21 there on Exhibit 6, do they not?

22 A They do.

23 Q Okay. And so did you use a calculation other
24 than the calculation that was stated by RBC Capital
25 Markets?

1 A Yes. In addition to, I always calculate them
2 myself.

3 Q And so did you make an assumption that their
4 calculation was wrong and yours was right?

5 A I made the assumption that they have a typo.

6 Q Okay. But it would be more than one typo,
7 right?

8 A They have a typo.

9 Q Where is the typo?

10 A The 11,778,825, the second seven is a typo and
11 it should be a four.

12 Q Okay. What about in their calculation, is
13 that the same calculation you performed?

14 A That is the same calculation.

15 Q You performed 11,775,000 times 99.99 percent?

16 A Times, yes.

17 Q That doesn't equal 11,748,825. Did you look
18 at that?

19 A The one million, one-seventy-five --

20 Q No, that's not the calculation I am talking
21 about. I am talking about the calculation under
22 anticipated housing credit allocation to be purchased,
23 they have an allocation there in the RBC Capital
24 Markets?

25 A Uh-huh.

1 Q You see that calculation, 11,775,000 times
2 **99.99 percent?**

3 A I do.

4 Q That's not the same calculation you performed,
5 **right?**

6 A Well, I calculate my own 10-year allocation.

7 Q Okay. Did you multiply 11,775,000 times 99.99
8 **percent?**

9 A To be honest, I do not recall specifically if
10 I calculated two calculations there. I know I start at
11 the beginning with the 1,175,000 request amount, and I
12 times that myself by 10 years times the 99.99 percent to
13 get the anticipated housing credit allocation to be
14 purchased.

15 Q So based on your calculation, you assumed that
16 it was a typo, and the correct number should be
17 **11,748,825?**

18 A Correct.

19 Q Okay. And if it wasn't a typo, then would you
20 **have accepted the equity proposal?**

21 A If it was not a typo?

22 Q **Yes.**

23 A You can only derive that it is a typo.

24 Q Okay. But if the -- from the face of it, the
25 **amount of credit allocation to be purchased is greater**

1 **than the eligible housing credit request amount, right?**

2 A Their typo, yes. Their typo.

3 **Q Did you contact RBC Capital Markets to**
4 **determine whether it was a typo?**

5 A No. And if you keep doing the full
6 calculation, you can arrive at their total equity to be
7 provided.

8 **Q Okay. How would you do that?**

9 A The 1,175,000 request amount times 10 years
10 times the .9999 times their credit rate of \$0.93, you
11 will get 10,926,407, which shows up in their pro forma
12 as well.

13 **Q Did you make a determination that there was a**
14 **minor irregularity with respect to the Paradise Point**
15 **equity proposal?**

16 A Yes, with a typo.

17 **Q And did you make a determination that that**
18 **should be waived?**

19 A Yes.

20 **Q What information did you use to make that**
21 **determination?**

22 A The full calculation and speaking with legal.

23 **Q Did you use any other information?**

24 A I don't believe so.

25 **Q When you reviewed this, was the only number on**

1 Exhibit 6, that you determined how had a typo in it, the
2 11,778,825?

3 A I believe so.

4 Q And how do you know that none of the other
5 numbers on Exhibit 6 were typos and that the real number
6 was 11,778,825?

7 A Well, you would not derive at the anticipated
8 total equity to be provided, the pay-in schedule adds up
9 to the total equity to be provided.

10 Q Do you know, is it possible that the
11 syndication rate could have been something other than
12 \$0.93, that could have been a typo, which would have
13 changed the calculation?

14 A I do not believe so.

15 Q Okay. And that's based on just your
16 calculations?

17 A Yes, from what's stated in this equity
18 proposal.

19 Q Is the number under the category that says the
20 anticipated housing credit allocation to be purchased,
21 the number there in the calculation, 11,775,000, is that
22 a typo?

23 A Offhand, I am not sure.

24 Q And how would you know if that was a typo or
25 not a typo?

1 A I would calculate it.

2 **Q And what type of calculation would you do?**

3 A Their request amount of 1,175,000 times 10
4 years.

5 **Q And how do you know that the request amount**
6 **isn't a typo and that the real number is 11,775,000?**

7 A That their request amount?

8 **Q Yes.**

9 A The request amount matches what's in their
10 application for request amount.

11 MR. WALKER: I don't have anything else.

12 EXAMINATION

13 BY MR. DONALDSON:

14 **Q Ms. Grubbs, I am Michael Donaldson. I**
15 **represent a couple of petitioners here, challengers**
16 **here, parties here. But I want to ask you some**
17 **questions about the Palm Village application.**

18 A Okay.

19 **Q And I have actually done something somewhat**
20 **different because I thought it would be easier for you.**
21 **I am going to give you two documents. And I will**
22 **represent to you that I think those are your scoring --**
23 **that's your scoring summary. You tell me if it is or**
24 **isn't.**

25 A That does look to be mine.

1 Q And then I also put in a full copy of the
2 application for Palm Village, just so you will have
3 everything you need to look at.

4 A Okay.

5 MR. DONALDSON: Well, if I was showing off, I
6 should have made copies for everybody.

7 MR. MENTON: Yeah, talking about how he is
8 making it easier for everybody.

9 BY MR. DONALDSON:

10 Q And I want to ask you just a couple of
11 questions about that, and specifically the equity
12 commitment letter there.

13 A Okay. Let me look at that.

14 Q I think that's Attachment 13.

15 A Okay.

16 Q Now, can -- and this kind of goes with the
17 questions that were already asked, but what was the
18 process you went through in reviewing these equity
19 commitment letters?

20 A I reviewed the equity commitment letters and I
21 compare them to our requirements.

22 Q Okay. Was there any guidance that you got
23 from Florida Housing staff, either review committee
24 members or otherwise, as to how Florida Housing was
25 going to process equity commitment letters this year?

1 A Our legal department.

2 Q What was the guidance that you were given?

3 And I don't want any attorney-client things. But were
4 you -- for example, were you told, you know, if there is
5 typos in these things and you can figure it out, go
6 ahead and figure it out, we are not going to ding people
7 for that?

8 A Correct.

9 Q Okay. That's the guidance you were given for
10 reviewing these equity commitment letters?

11 A Right.

12 Q Okay. Now, you said that that's your scoring
13 sheet for the Palm Village application?

14 A It is.

15 Q Okay. And as I read those scoring -- your
16 reviewed scoring sheet, there was a problem with the
17 Palm Village application in terms of a financing
18 shortfall. Do you see that?

19 A I do.

20 Q What was the financing shortfall, if you could
21 explain it to me?

22 A The applicant had a construction shortfall in
23 the amount of \$685,360.

24 Q Okay. Now, how did you get at that? And
25 hopefully your scoring sheets will help you.

1 A The equity commitment provided did not cover
2 construction financing.

3 Q Okay. Let's go to the SunTrust letter, which
4 is Exhibit 13.

5 A Okay.

6 Q And the second page of that letter. And I
7 will just tell you what I think the issue was here, and
8 you tell me if I'm right or wrong.

9 A Okay.

10 Q I think the issue here is, at the bottom of
11 page where you will see STCC Pay In Schedule, you will
12 see capital contribution number one, and then you will
13 see capital contribution number two; is that correct?

14 A That is correct.

15 Q Now, was your problem the language in the
16 capital contribution item number two?

17 A Yes.

18 Q And what was the problem that you saw there?

19 A Well, there is no problem with that.

20 Q Okay.

21 A Capital contribution number one states it is,
22 you know, during construction financing. Capital
23 contribution number two states it is upon receipt of
24 final certificate of occupancy, and so forth.

25 Q Okay. So that 966,872 was not used, is that

1 correct?

2 A It was not used during construction financing.

3 Q Okay. Now, let me ask you, the bold sentence
4 right underneath capital contribution number two says,
5 the proposed amount of equity to be paid prior to
6 construction completion is \$2,127,118. Do you see that?

7 A I do.

8 Q Now, if you actually had used the 2,127,118,
9 would there have been a funding -- would there have been
10 a financing shortfall?

11 A I do not believe so.

12 Q Okay. So your problem was with the 966,872 in
13 that paragraph there, you say some of those funds
14 wouldn't have been available prior to construction
15 completion; correct?

16 A Correct.

17 Q What's the definition of construction
18 completion, or is there a definition of construction
19 completion?

20 A Well, construction completion is prior to
21 certificates of final occupancy. That's -- clearly the
22 property has been completed.

23 Q Okay. So the sentence that says in bold, the
24 proposed amount of equity to be paid prior to
25 construction completion is, and it gives an amount, you

1 **didn't consider that; correct?**

2 A That is an incorrect statement.

3 **Q Okay. What did you do with that?**

4 A I did not use it.

5 **Q Okay. And why didn't you use it?**

6 A Because it's an incorrect statement.

7 **Q Why is that an incorrect statement?**

8 A Because they provided additional information
9 regarding the contributions as to when they will be
10 provided. That tells me that the 966,872 is after
11 construction completion.

12 **Q So again we are back to capital contribution**
13 **number two?**

14 A Correct.

15 **Q Okay. Did you consult with legal about this?**

16 A I do believe I brought it to them.

17 **Q Okay. And you didn't change your mind, so I**
18 **am assuming they agreed with your conclusion?**

19 A They did.

20 **Q Okay. That's all I have for that one.**

21 **All right. I am going to give you the same**
22 **setup for 2014-009C and I am going to ask you some**
23 **questions about --**

24 MR. MEFFERT: Did you put the last one in?

25 MR. DONALDSON: I don't know if I should or

1 shouldn't. Should I? Yeah, let's put it in.

2 (Whereupon, Exhibit No. 7 was marked for
3 identification.)

4 MR. DONALDSON: It's her scoring summary for
5 Palm Village, and it's the Palm Village
6 application.

7 (Whereupon, Exhibit No. 8 was marked for
8 identification.)

9 BY MR. DONALDSON:

10 Q **Ms. Grubbs, Exhibit 8 is the scoring sheet for**
11 **Summerset Apartments, which is 2014-008C. And I notice**
12 **that you also -- let me make sure of this -- did you**
13 **review the local government verification of loan**
14 **contribution forms?**

15 A Yes.

16 Q **Oh, okay. I thought I saw that someplace but**
17 **I don't have any my glasses on so I can't read this**
18 **doggone form.**

19 **Let me ask you to look at -- I will tell you**
20 **what exhibit it is.**

21 MR. MEFFERT: Eight.

22 MR. DONALDSON: I thought it was eight but it
23 doesn't look like it.

24 MR. MEFFERT: 13.

25 MR. DONALDSON: No, it's not the equity

1 commitment letter. It's the local government
2 contribution form.

3 THE WITNESS: Nine.

4 MR. DONALDSON: I should have asked you.

5 MR. VARN: Are you doing Summerset or Katie
6 Manor?

7 THE WITNESS: This is Katie.

8 MR. DONALDSON: Oh, I got the wrong one then,
9 Katie Manor.

10 MR. MENTON: Where is this coming from?

11 THE WITNESS: I heard you say Summerset and I
12 was like --

13 MR. DONALDSON: She's looking at Katie Manor.
14 My bad.

15 MR. MEFFERT: It is the application and
16 scoring stuff for Katie Manor. That's Exhibit 8,
17 right? Deposition Exhibit 8 is Katie Manor.

18 BY MR. DONALDSON:

19 **Q If you could look at that exhibit -- is it**
20 **nine?**

21 A Yes.

22 MR. MENTON: Wellington is trying to close my
23 petition and he is trying to bring in new issues.

24 BY MR. DONALDSON:

25 **Q And it's signed by Eric Davis as the planning**

1 **official?**

2 A Yes.

3 **Q Now, is that somebody who is authorized under**
4 **the listed persons who can sign that type of form? Is**
5 **that person authorized?**

6 A Yes.

7 **Q Why is that person authorized?**

8 A Chief appointed official staff responsible.

9 **Q So you concluded that the planning official**
10 **was staff basically? So they are not the mayor, they**
11 **are not on the Board of Directors planning, but you**
12 **considered planning official to be a proper person to**
13 **sign?**

14 A As far as I know, for Crestview he can sign.

15 **Q Did you, like, do any investigation to see who**
16 **was authorized to sign for the City of Crestview?**

17 A I did not.

18 **Q Okay. You just basically took the applicant's**
19 **word for it?**

20 A Yes.

21 MR. DONALDSON: That's all I have.

22 THE WITNESS: Okay.

23 MR. DONALDSON: Thank you.

24 MR. VARN: I am good.

25 MR. MENTON: I have no questions. I am going

1 to make it even easier than Mike did. I have no
2 questions.

3 MR. VARN: Are you sure you don't want to
4 address his Summerset questions?

5 MR. DONALDSON: Yeah, ignore Summerset.
6 Strike it.

7 MR. MEFFERT: Gary.

8 MR. COHEN: Yes, I am here.

9 MR. MEFFERT: Any questions?

10 MR. COHEN: No, I am good. Thank you.

11 MR. MEFFERT: Okay. Thanks, Jade.

12 (Whereupon, the deposition was concluded at
13 12:20 p.m.)

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CERTIFICATE OF OATH

STATE OF FLORIDA)
COUNTY OF LEON)

I, the undersigned authority, certify that the above-named witness personally appeared before me and was duly sworn.

WITNESS my hand and official seal this 3rd day of March, 2014.



DEBRA R. KRICK
COMMISSION #EE212307
EXPIRES JULY 13, 2016
PROFESSIONAL COURT REPORTER
(850) 894-0828

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CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, DEBRA R. KRICK, Professional Court Reporter, certify that the foregoing proceedings were taken before me at the time and place therein designated; that my shorthand notes were thereafter translated under my supervision; and the foregoing pages, numbered 6 through 36, are a true and correct record of the aforesaid proceedings.

I further certify that I am not a relative, employee, attorney or counsel of any of the parties, nor am I a relative or employee of any of the parties' attorney or counsel connected with the action, nor am I financially interested in the action.

DATED this 3rd day of March, 2014.



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