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September 10, 2021

Mr. Ralph Stone  
Executive Director  
Broward County Housing Finance and  
Community Development Division  
110 NE 3<sup>rd</sup> Street, Suite 201  
Ft. Lauderdale, FL 33301

**RE: Pinnacle Transfers; Avery Glean and The Lofts at Tarpon River**

Dear Mr. Stone:

We are writing to you with reference to the loans made by Broward County to each of the following entities ("Entities"):

1. Avery Glen, LLC. Mortgage dated June 6, 2011 in favor of the County. Section 21 of the Mortgage requires the County's consent to the transfer of any beneficial interest in the Property, or any transfer of any beneficial ownership in Mortgagor.
2. The Lofts in Tarpon River, LLC. Mortgage dated July 16, 2014 in favor of the County. Same provisions in Section 21 of the Mortgage requiring County consent as contained in Avery Glen.

In each of the above-referenced transactions, a wholly-owned subsidiary of PHG GP Holdings, LLC acts as Authorized Member in each of the above Entities. The current ownership of PHG GP Holdings, LLC (the "Holding Company") is as reflected on the attached diagram entitled "Current Ownership Structure." Currently, Messrs. Wolfson, Wohl, Friedman and Deutch ("Principals") own all of the interests in the Holding Company.

Some or all of the Principals plan to transfer (for family planning purposes) a portion of their non-voting, non-majority interests in the Holding Company. There will be no change in the management or control of any of the above-referenced Entities or of Holding Company. What is happening is that some of the ultimate economic interest in the above-referenced Entities currently owned by the Principals is being transferred to either family trusts (of which family members will be the beneficiaries) or entities (in which family members will have ownership interest) as reflected in the attached diagram entitled "Proposed Structure."

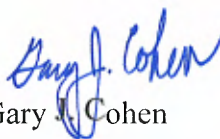
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At such time as each of the Principals determines the specific details of his family planning (that is, whether the transfer will be to a trust or to an entity) we will advise you of same, and also as to all the details of the recipient trust or entity, including all governing documents (trust agreements or operating agreements), and identify of all trust beneficiaries or owners of the transferee entity for each of the Principals. Each of the Principals will be governed by the limits on the attached diagram entitled "Proposed Structure"; that is, no voting interest in Holding Company will be transferred and each Principal will not transfer more than 122 of the 249 non-voting units it currently holds in the Holding Company. These limitations are imposed as a result of the limits contained in mortgage documents for many of the transactions in which Holding Company has an interest, wherein transfers of 49% or less do not require Lender consent.

As referenced above, we would like the County's approval to the above-described transfers. Please do not hesitate to contact me if you have any questions, or if you would like more information.

Sincerely,

Shutts & Bowen LLP

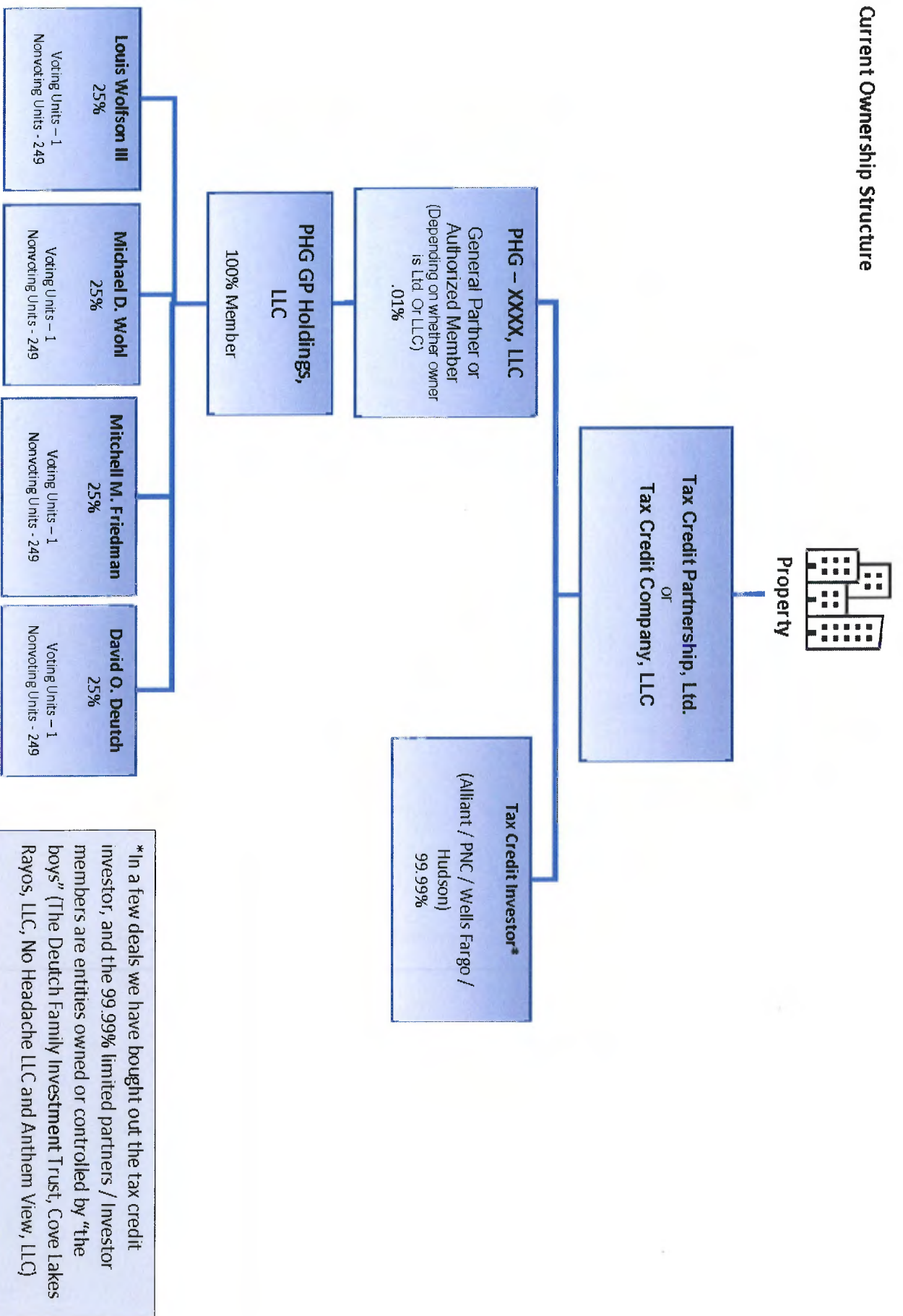


Gary J. Cohen

cc: Alicia Lobeiras,  
Assistant County Attorney  
David O. Deutch

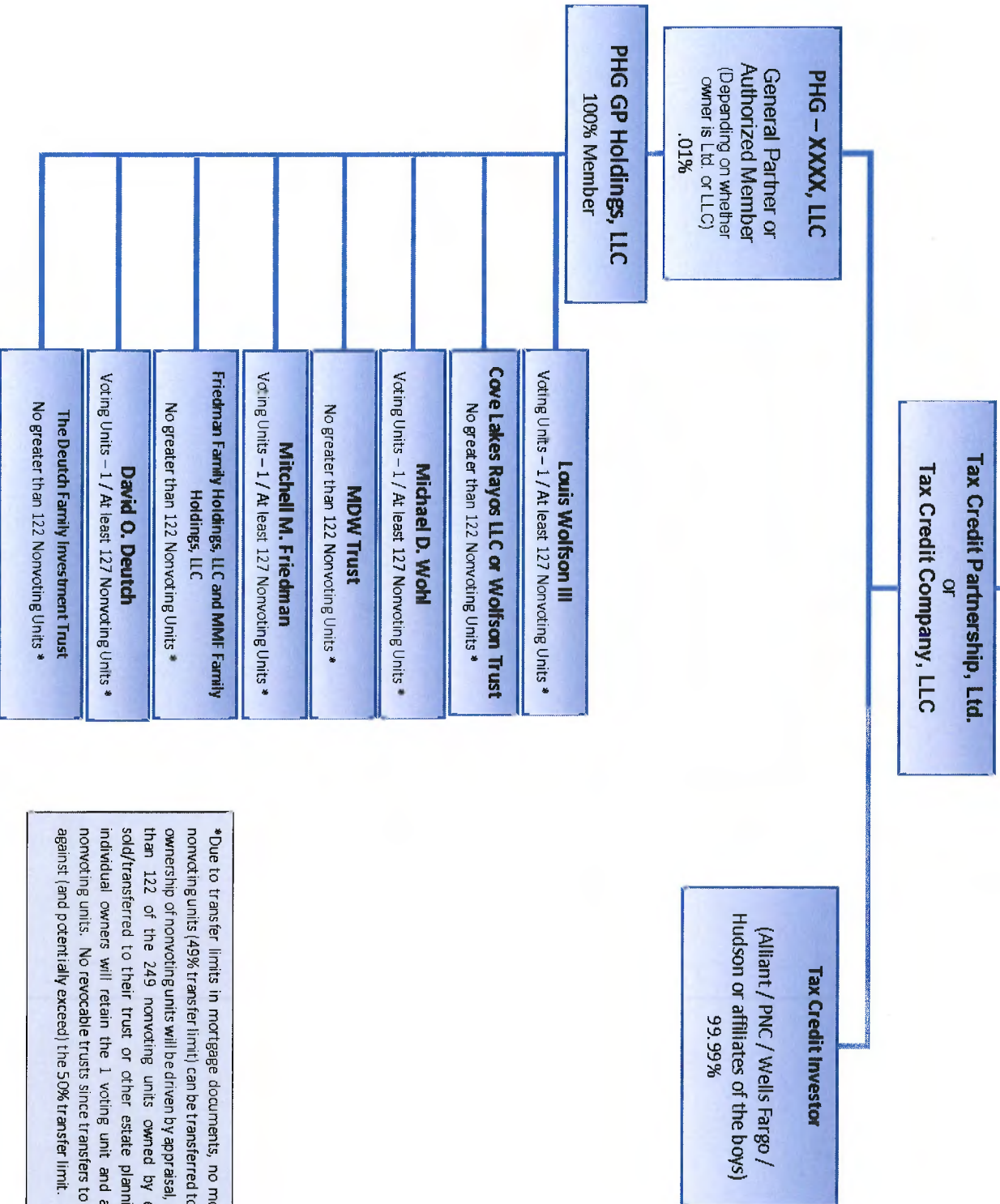
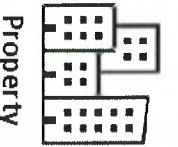
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Current Ownership Structure



\*In a few deals we have bought out the tax credit investor, and the 99.99% limited partners / investor members are entities owned or controlled by "the boys" (The Deutch Family Investment Trust, Cove Lakes Rayos, LLC, No Headache LLC and Anthem View, LLC)

Proposed Structure  
(After Estate Planning Transfers)



\* Due to transfer limits in mortgage documents, no more than 122 of the 249 nonvoting units (49% transfer limit) can be transferred to the trusts. The "split" of ownership of nonvoting units will be driven by appraisal, but in each case no more than 122 of the 249 nonvoting units owned by each individual will be sold/transferred to their trust or other estate planning vehicle; the current individual owners will retain the 1 voting unit and at least 127 of the 249 nonvoting units. No revocable trusts since transfers to such trusts would count against (and potentially exceed) the 50% transfer limit.