

RE: TBH Series 4445, LLC (f/k/a Tailor Built Homes, LLC Loan 4445)

February 26, 2019

Dear Investor,

We are writing to provide an update on the above-referenced property. Since the completion of foreclosure in January, Ignite Funding, as Asset Manager, has been able to assess the current status of the property, as well as the marketability of the property “as is” versus completing the construction of the home and then marketing the home for sale. As communicated in August 2018 when the borrower initially defaulted on the loan, the construction of the home had begun. The drywall had been installed; however, upon taking the property back through foreclosure Ignite Funding discovered that vandalism had occurred inside the house resulting in significant damage to the drywall. The drywall must be completely redone.

ACTIONS TAKEN BY IGNITE FUNDING

Ignite Funding, on behalf of the Members, has filed an insurance claim for the loss associated with the vandalism. The claim is still pending, but once a final determination has been made by the insurance company an additional update communication will be sent to investors to provide a current assessment of the property condition and value.

In addition, upon taking ownership of this property, on behalf of investors, at foreclosure and reviewing the status of the property, it appears the borrower may have misappropriated some of the construction control funds released to complete work on this property, which may have impaired the value of the asset.

Ignite Funding, on behalf of investors, is in the process of exploring the possibility of an insurance claim against the general liability policy for the borrower for the above-described misappropriation of construction control funds. Once we receive a response from the insurance company, we will send an additional update to investors.

Additionally, Ignite Funding is in the process of filing a deficiency claim against the borrower through the courts. In the state of Utah when a lender forecloses on a property and the value assessed at the Trustee Sale is less than the original loan amount, the lender may file a claim of deficiency on the difference between the two. The deficiency claim must be filed within 90 days of the foreclosure. The estimated deficiency on this property is \$125,000. The claim allows Ignite Funding, on behalf of the investors, to document the anticipated loss and protect investor’s rights to file further legal action against the borrower on this deficiency, if desired.

ADDITIONAL REMEDIES TO BE CONSIDERED

In addition to the pending insurance claim, it may be possible to file a fraud lawsuit against the borrower. It is important to understand that there will be time and expense associated with a fraud lawsuit, which could harm the final return to investors if the lawsuit is denied or if the borrower is unable to pay any potential award through the courts. Once we receive a determination on the pending insurance claim, we will ballot investors on whether or not the majority want to proceed with a fraud lawsuit, and from there we will be able to provide more detailed information as to the process of such a lawsuit and the estimated expense to pursue the lawsuit.

All updates are posted on the Tailor Built Homes portal at:

<https://ignitefunding.com/tailor-built-homes-investments-default-updates/>

The password to enter the page is: **Tailor**

Please contact your Investment Representative should you have any questions.

Sincerely,

Ignite Funding