

RE: TBH Series 4466, LLC (f/k/a Tailor Built Homes, LLC Loan 4466) Ballot Results

March 7, 2019

Dear Investor,

We are writing to provide an update on the ballot results for the above-referenced property. The investor majority (51% of the loan balance) voted to approve the current offer to purchase the property "as is", understanding and acknowledging that the estimated loss of principal could be as much as 36%.

As discussed in the previous communication, acceptance of a purchase offer does not prohibit investor's ability to pursue additional remedies against the borrower, such as the pending insurance claim, deficiency claim and potential fraud claim. Ignite Funding will continue to update you through additional correspondence in regard to the pending insurance and deficiency claims, as well as when the sale of the property is complete.

If you have any questions, please contact your Investment Representative.

Sincerely,

**Ignite Funding**

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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 you may recall the \$700,000 loan on this property was intended for the purchase of the lot and construction of a 6 bedroom, 4.5 bath home in Draper, Utah. The borrower received \$253,134 cash at the close of the loan to begin the construction of the home, leaving an additional \$209,409 in a construction control account to be accessed as construction continued to completion.

Upon taking ownership of this property, on behalf of investors, at foreclosure and reviewing the status of the property, it appears that the borrower may have misappropriated the initial construction funds received at closing. No work has begun on the construction of the home, which has resulted in an impaired value of the asset.

**CURRENT PURCHASE OFFER AND INVESTOR OPTIONS**

It is estimated that the current value of this property is \$260,000, based on current market conditions. There is a current offer on the property to purchase for \$259,000. If the offer were to be accepted the return to investors would include the purchase price plus the remaining construction control funds, which Ignite Funding has taken possession of, on behalf of investors, less the hard costs to take ownership of the property and accrued asset management fees from the date the property was taken back through foreclosure and the final sale date. The resulting loss of principal to investors is anticipated to be approximately 36% of the original investment amount.

As always, our top priority is your investment. We are presenting for investor ballot vote the current offer on the property to sell for \$259,000. The alternative to accepting the current offer would be to continue to hold the property in anticipation of a higher offer in the future. There is no guarantee that a better offer will be received and there will be ongoing carrying costs and asset management fees until the final disposition of the property, which could erode any additional amount offered.

#### **ACTIONS TAKEN BY IGNITE FUNDING**

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 \$230,000. 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.

#### **YOUR IMMEDIATE BALLOT RESPONSE IS REQUIRED.**

**Please return the enclosed ballot to Ignite Funding at your earliest convenience and no later than 5:00 p.m. Friday, March 1, 2019.**

Executed ballots may be e-Signed, faxed to 702.739.7735, emailed to [investors@ignitefunding.com](mailto:investors@ignitefunding.com), or may be mailed to:

Ignite Funding, LLC  
2140 E Pebble Rd #160  
Las Vegas, NV 89123

We will continue to keep you informed regarding the status of the property, including ballot results, through additional correspondence.

Additionally, 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**

February 26, 2019

Re: TBH Series 4466, LLC

**Please return your ballot (postmarked, faxed, or emailed) by Friday, March 01, 2019.**

Executed ballots may be mailed to Ignite Funding, may be E-Signed, faxed to 702.739.7735, or may be emailed to [investors@ignitefunding.com](mailto:investors@ignitefunding.com).

**I/we agree to accept** the current offer to purchase the property “as is. I understand it is anticipated that there will be a significant loss to my principal investment, but this proposal would allow for the quickest resolution of the property. Acceptance of this offer will not prohibit my ability to proceed with an insurance or fraud claim against the borrower.

**I/we wish to reject** the current proposal to sale the property “as is”. Instead I want to continue to market the property in anticipation of a more attractive offer in the future. I understand that there is no guarantee that a more attractive offer will be received, and I also understand that there is ongoing costs to maintain and manage the asset until the final disposition of the property, that may erode any additional value gained by waiting for a higher purchase offer.

By my/our signature(s) below I/we do hereby acknowledge my/our understanding of this proposal and my/our decision of acceptance or refusal as marked above. I/we do further agree and acknowledge that Ignite Funding, LLC hereby provides no guarantees regarding the performance and outcome of the proposed action.

<b>Investor Acknowledgement:</b>		
_____	_____	_____
Print Name	Signature	Date

<b>Investor Acknowledgement:</b>		
_____	_____	_____
Print Name	Signature	Date

Thank you,

**Ignite Funding**