

RE: Forbearance Extension Proposal Ballot | Caldwell Investments

Loans 4470, 4502, 4506, 4528, 4552, 4553

August 9, 2019

Dear Investor,

We are writing to provide an update on the above-referenced investment. As you may recall the investor majority approved granting a continued forbearance on foreclosure through August 6, 2019 to allow the borrower additional time to resolve the delinquencies on his loans with Ignite Funding and potentially avoid bankruptcy, which would result in significant delays to the foreclosure process.

Throughout the forbearance Carrie Cook, President of Ignite Funding, has continued to work closely with both the borrower and the outside lenders Mr. Caldwell is working with to refinance many of the properties. Throughout this time the borrower has continued to add value to the residential properties by completing necessary work at his own expense and remains active in the process of refinancing the commercial properties. Ms. Cook has been in constant contact with both the borrower and the lenders during the forbearance to ensure that all parties remain committed to the ultimate goal of resolving the delinquencies on the Ignite Funding loans.

As is common with any refinance, but particularly with the commercial properties we are describing here, it can take longer than expected to complete the process. This is the case with the pending commercial property refinances here. Although it is a long and frustrating process as we wait for resolution of the loans, it is important to remember that any foreclosure activity against the borrower will prohibit him from completing refinancing of any of the properties. If he is unable to complete the refinances of the properties, it is highly likely he will seek bankruptcy protection for these assets, which will ultimately serve to delay all foreclosure activity.

Although the borrower did previously agree to pass through rents received less expenses on any qualifying multi-family properties through the term of the forbearance, we have not been able to collect any payments. It is important to understand that these properties are Class C apartment buildings and the ability for the borrower to pass through any funds is contingent on multiple factors: ability to collect rent from the tenants, ability to keep the properties fully leased, ongoing expenses to maintain the properties to a legal standard, among other things. The borrower is not in a position to pass through rents received on these properties at this time due to the reasons described above. It is important to recognize that if the borrower is having these challenges, so would you as an investor owning these commercial properties.

As previously stated, the borrower has completed all rehab work on one (currently marketed for sale) and 80% of the work on the other residential property throughout the forbearance that has positively impacted the value of the properties as they were acquired in a distressed condition. Due to the rehab completed, we anticipate investors will receive 100% return of principal. Likewise, as we work with the borrower and his lenders, we are negotiating on behalf of investors to receive at least 100% return of principal on the commercial properties, as well. Investors on the commercial properties are balloted each time the lender and borrower come to terms with refinance numbers. To date, the investor

majority on two of the five commercial properties balloted have agreed to allow the refinance to go forward with a 100% return of principal, foregoing past due interest and late fees.

We are proposing by investor ballot vote to extend the forbearance until the end of December 2019 to allow the borrower to continue to refinance his loan obligations and resolve each of the loans to Ignite Funding. The alternative to forbearance is to proceed with foreclosure, forcing the borrower to stop work on properties, eliminate his ability to refinance the commercial properties and likely drive the borrower to file for bankruptcy to give himself more time to protect the assets. These actions, if they occur, would likely result in a loss of principal for investors on both the residential and commercial property loans, in addition to potentially extending the time involved in achieving a final resolution of the loans.

In addition to the negative implication above, investors would be responsible for identifying a property management company and maintaining the financial burden of the carrying costs of Class C apartment buildings.

Detailed property updates, including videos and photos, for the properties can be found on the Caldwell Investments portal at:

<https://ignitefunding.com/caldwell-investments-default-updates/>

The password to enter the page is: Caldwell

**YOUR BALLOT RESPONSE IS REQUIRED. Please return the attached ballot to Ignite Funding by end of day, Friday, August 16, 2019.** Executed ballots may be E-Signed, faxed to 702.739.7735 or emailed to [investors@ignitefunding.com](mailto:investors@ignitefunding.com).

We will continue to keep you informed regarding the status of the property, including ballot results, through additional correspondence. In addition, all updates are posted on the Caldwell Investments portal on Ignite's website, as shown above.

Please contact your Investment Representative should you have any questions.

Sincerely,

**Ignite Funding**

August 9, 2019

Re: Forbearance Extension Proposal Ballot | Caldwell Investments

Loans 4470, 4502, 4506, 4528, 4552, 4553

**Please return your ballot (postmarked, faxed, or emailed) by Friday, August 16, 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 Forbearance/Loan Modification proposal on the above-referenced property as described in the attached letter dated August 9, 2019, to grant the borrower additional time to complete pending refinances of his commercial properties and to sell the residential properties and payoff his loans to Ignite Funding through the end of December 2019.
  
- I/we wish to reject** the current Forbearance/Loan Modification proposal on the above-referenced property as described in the attached letter dated August 9, 2019, and proceed with foreclosure of the property without further delay.

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**