

June 5, 2019

RE: TBH Series 4535, LLC

Dear Investor,

We are writing to provide an update on your investment in the above-referenced property. As you may recall from our previous communications, Ignite Funding, as Asset Manager, took ownership of this property on behalf of the investors at the foreclosure sale in January 2019. At that time, it was discovered that the borrower may have misappropriated some of the construction control funds received at the original loan closing. No work had ever begun on the construction of the home which resulted in an impairment of value to this property.

The investor majority (51% of the loan balance) voted to proceed with a deficiency claim and fraud lawsuit against Tailor Built Homes and the owners of the company. In April 2019, the claim and lawsuit were filed in Utah. Tailor Built Homes and one of the three owners **have not filed** for bankruptcy protection as of May 31, 2019, which is the last day to respond to the pleading. The remaining two owners **have filed** for bankruptcy protection and our attorney has filed an objection to the discharge of bankruptcy and the court granted an extension to file a complaint until July 12<sup>th</sup> for one owner and July 29<sup>th</sup> for the other owner.

The scenario above splits the court proceedings into state and federal court oversight, and as such requires Ignite Funding investors to be represented by a state and federal attorney given the unique circumstances surrounding the variances of state and federal law as we proceed in obtaining a judgement from Tailor Built Homes and its owners.

Ignite Funding has provided the attorneys with all support documentation to the deficiency claim and fraud allegations, which will be reviewed as they prepare their complaint to the courts. In addition, the attorneys will be conducting a Rule 2004 Examination for each owner of the company prior to the extension deadlines above. The following link defines the Rule 2004 Examination:

<https://www.federalrulesofbankruptcyprocedure.org/part-ii/rule-2004/>

As additional information is made available or any actions are taken in this matter, Ignite Funding will keep investors informed through additional correspondence.

As we previously communicated in February, the estimated current value of the property is \$200,000 based on the current market conditions. We have received an offer to purchase this property for \$260,000 with a 30-day close.

If the investor majority agree to accept this purchase offer, Ignite Funding will release all remaining construction control funds at the time the purchase is complete, returning an approximate total of 65%, which includes all remaining construction control funds, the upfront purchase price from the buyer less hard costs and asset management fees incurred to date by Ignite Funding to complete foreclosure of the property and market for sale.

It is important to note that acceptance of the purchase offer does not interfere with the outstanding deficiency and fraud claim against the borrower. The legal claims will continue through the courts regardless of whether or not investors sell the property before final judgment. Upon final sale of this property, Ignite Funding will continue to update investors on the status of the pending deficiency and fraud lawsuit on a regular basis.

**YOUR IMMEDIATE BALLOT RESPONSE IS REQUIRED. Please return the attached ballot to Ignite Funding at your earliest convenience and no later than 5:00 p.m. Wednesday, June 12, 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**

June 5, 2019

Re: TBH Series 4535, LLC

**Please return your ballot (postmarked, faxed, or emailed) by Wednesday, June 12, 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 purchase offer the property with a purchase price of \$260,000, as described in the communication dated June 5, 2019.
- I/we wish to reject** the current purchase offer as described in the June 5, 2019 communication and instead continue to market the property for sale.

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**