

March 6, 2019

RE: KD Commerce, LLC | Loan 4402

Dear Investor,

We are writing to provide an update on the above-referenced investment. As previously communicated on January 17, 2019, the borrower had filed for mediation with the State of Nevada Office of the Ombudsman at the Department of Business and Industry for help in resolving the ongoing dispute between the borrower, potential buyers and the Home Owner's Association. The Homeowner's Association has been unwilling to approve any of the proposed building plans submitted by contracted buyers. As a result, the contracted buyers have not been able to complete their due diligence on the property and have subsequently fallen out of contract to purchase the property.

We have been advised that the State of Nevada has appointed a mediator to review the Alternative Dispute Resolution Claim Form (ADR) that was submitted by the borrower in January. As updates are available in regard to the status of the mediation between the borrower and the homeowner's association, we will provide additional updates. However, until the dispute is resolved the borrower is unable to proceed with the sale of the property.

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

Sincerely,

Ignite Funding