

November 13, 2023

RE: Loan 5247 – Thunder Mountain by Bakerson, LLC

Dear Investor,

We are writing to provide a final update on the above-referenced loan. As you may recall, the borrower had two loans against this property, one was a first lien position loan and the other, which you invested in, was in a subordinate position to the first loan. The borrower went into default on both loans when they ceased making interest payments on the loans in October 2022.

A Notice of Default was filed against the property on behalf of the first lien position loan, which as we previously communicated put your investment at risk of elimination should foreclosure occur. Ignite Funding attempted to work with the borrower to explore all possible resolution strategies to avoid completing foreclosure on the property; however, as the loan servicer we could only do what the borrower was willing to allow Ignite Funding to do since we did not have the legal right to market the property for sale or seek resolution on behalf of the borrower before foreclosing on the property. Unfortunately, Ignite Funding was not able to find a resolution to the borrower's default on the loans and foreclosure was necessary.

During the default process, you may recall, that Ignite Funding balloted you and the other investors on this loan to determine if the investors were interested and willing to complete a capital call and buy out the investors on the first lien loan. The investor majority elected not to employ this "buy-out" option, with the understanding that if the borrower was unable to satisfy the default of the loan obligation to the first lien position investors foreclosure of the property would be completed and investors on this loan would be eliminated, resulting in a 100% principal loss to all investors on Loan 5247.

We regret to inform you that foreclosure on the property was completed on behalf of the first position loan on November 2, 2023, and as such your principal investment has been eliminated. You will see this loss reflected on your November 2023 statement as a Write Off. Your statement, along with this communication and the attached copy of the Deed of Foreclosure on the property serves as documentation of the loss and may be provided to your tax preparer as you determine.

If you have any questions, please contact our Chief Compliance Officer at 702.921.5148 or by email at mbethany@ignitefunding.com

Sincerely,

Ignite Funding