

January 17, 2024

RE: Foreclosure Proposal | Future Legends, LLC – Loan 5952

Dear Investor,

We are writing to provide an update on the above-referenced loan. As you may recall the borrower did not make the interest payment for November that was due December 1, 2023. Subsequently they did not make the December interest payment that was due January 1, 2024. The borrower is in default of this loan obligation and as previously communicated Ignite Funding has been in multiple meetings with the borrower and other related parties since the initial missed payment to determine the status of the overall sports facility, as well as determine all possible resolution strategies in an effort to get this loan resolved as quickly as possible.

As you may recall, this loan is collateralized by approximately 100 acres of land intended for 12 soccer fields and 10 baseball diamonds. This is one phase of a larger 122-acre facility dedicated to youth and professional sports. In total the project consists of the construction of an indoor sports dome, outside stadium, sixty-four team dormitory, twelve soccer fields, ten baseball diamonds, hotels, and a retail complex. Ignite Funding holds the loans for the fields (Future Legends, LLC – Loan 5952) and the retail loan (Future Legends 6, LLC – Master Loan 5742). This communication is solely for the fields component. There is another lender for the dome, dormitory, and stadium who is a government back (USDA) lender.

The borrower's success for this development hinges on the completion of the dome, dormitory, and stadium which upon completion is anticipated to generate daily revenue of approximately \$50,000. These three structures have been adversely impacted by a general contractor dispute and overrun of costs to be paid by equity investors and as such work ceased on the entire sports complex in October 2023. The delay in completing the dome, dormitory, and stadium has resulted in a cash shortage for the borrower and subsequently his inability to continue making interest payments on the loans to Ignite Funding, which was anticipated to come from the revenue generation.

Ignite Funding has been in multiple meetings with the borrower, the USDA lender, the general contractor, and an independent recovery plan strategist hired by the borrower as a requirement of the USDA lender. The impetus for all these meetings has been to ascertain the possibility for resolution by the borrower and to determine the best course of action for Ignite Funding investors to achieve a timely resolution on this loan.

We believe that the only viable path to resolution is to get the nearly completed dome and dormitory completed, and the stadium to a usable facility to generate the necessary cashflow and visitor count, at which point the borrower would potentially be able to resume interest payments on his loans to Ignite Funding. Based on recent meetings attended by Ignite Funding, the recovery plan only goes as far as to define the dome, dormitory, and a sustainable stadium, but stops short of the fields and retail projects. Due to there being no clearly defined recovery plan in place to get this project back on course, this leaves Ignite Funding investors with two options; sit on the sidelines and wait for the dome, dorm, and stadium to be completed until the revenue and visitor count justifies completing the retail and sports

fields components or start the foreclosure process to apply pressure to the USDA lender and borrower to get the revenue and visitor count up to resume the remaining phases of the project. Although some of the fields have been completed and are in a usable status, the success of the overall project is contingent on getting the visitor traffic up to produce cash flow and that cannot be done without completing the dome and dormitory. In the event that foreclosure is required, Ignite Funding believes that the fields could ultimately be marketed to residential developers, especially the land on the east side of the complex.

If investors elect to apply pressure through proceeding with a Notice of Default the foreclosure process which takes a minimum of 125 days in the state of Colorado would begin. During this time, the borrower will still be able to proceed on the project and bring the loan current; however, if the borrower is unable to bring the loan current during this time, Ignite Funding on behalf of the investors, could take ownership of the property and market the property for sale.

The alternative to foreclosure is to wait and see when and if the borrower will make an interest payment to Ignite or pay off this loan, but without the pressure of foreclosure the borrower may not be as compelled to resolve the delinquency which may result in a longer period in which investors would wait to achieve resolution.

YOUR IMMEDIATE BALLOT RESPONSE IS REQUIRED. Please return the attached ballot to Ignite Funding by Friday, January 19, 2024. Executed ballots may be returned by e-sign, fax to 702.739.7735, texted to 702.630.1313, or emailed to loanprocessing@ignitefunding.com.

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

Please contact your Client Services or Investment Representative should you have any questions.

Sincerely,

Ignite Funding

Re: Foreclosure Proposal | Future Legends, LLC (Loan 5952)

Please return your ballot (e-signed, texted, faxed, or emailed) by January 19, 2024.

Executed ballots may be mailed to Ignite Funding, may be e-signed, may be faxed to 702.739.7735, may be texted to 702.630.1313 or may be emailed to loanprocessing@ignitefunding.com.

- I/we agree to proceed** with foreclosure of this property by filing a Notice of Default as described in the attached letter dated January 17, 2024.

- I/we wish to reject** the current foreclosure proposal on the above-referenced property as described in the attached letter dated January 17, 2024. I understand that not taking any action at this time will delay the time in which any resolution may be attained on this property, and a foreclosure action may still be necessary to achieve a resolution of this loan.

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.

| | | |
|----------------------------------|-----------|-------|
| Investor Acknowledgement: | | |
| _____ | _____ | _____ |
| Print Name | Signature | Date |

| | | |
|----------------------------------|-----------|-------|
| Investor Acknowledgement: | | |
| _____ | _____ | _____ |
| Print Name | Signature | Date |

Thank you,

Ignite Funding