

April 3, 2024

RE: Update | Future Legends, LLC (Loan 5952) and Future Legends 6, LLC (Master Loan 5742)

Dear Investor,

We are writing to provide an update on the above-referenced loans. As you may recall, the borrower is in default on his loan obligations because of his failure to pay interest on these loans since November 2023. The investor majority of each loan referenced above voted to approve starting the foreclosure process by filing a Notice of Default on each.

Upon receiving majority investor approval to begin the foreclosure process in late January 2024, Ignite Funding immediately engaged legal counsel to file the Notice of Default, at which time it was discovered that there was an issue with the legal description on the title policies that would prohibit Ignite Funding from receiving a Trustee Sale Guarantee on the properties, or in other words a foreclosure guarantee to ensure that Ignite Funding, on behalf of the investors has the legal right to foreclose and take ownership of the asset. Legal counsel discovered that there had been a new plat map recorded on the property just before these loans closed, which changed the legal description. The change was not identified by the title company and therefore our title policy and recorded deed did not reflect the most recent legal description.

To resolve the discrepancy, the borrower needed to sign off on an Amendment to the Deed of Trust, which would then allow Ignite Funding to obtain the foreclosure guarantee and proceed with the Notice of Default filing against the borrower. It is important to mention that from the first missed interest payment to the present, Ignite Funding has remained in active and ongoing communication with the borrower to identify the best possible resolution for our investors. As a result of the open communication, Ignite Funding has been able to work with the borrower to get his sign-off on the amendment to the Deed to thereby give Ignite the ability to proceed with the default filing. The amendment also opens the door for the borrower to refinance the property, potentially benefiting both the borrower and Ignite Funding investors, as a refinance is a viable resolution that is important to consider.

The amendment to the Deed of Trust was recorded at the end of March and our legal counsel believes that we will be able to proceed with the Notice of Default filings as soon as next week, once the title company confirms that the foreclosure guarantee will be provided. Although we expect to have the ability to file the Notice of Default in the next week or two, there are reasons that Ignite Funding believes it may not be beneficial for investors to proceed with the filing right now. As mentioned above, Ignite Funding has remained in active and regular communication with the borrower since the onset of the default and are aware of multiple current refinance options and global project takeout options that the borrower is actively pursuing which would allow our investors to be paid off. A Notice of Default filing would likely eliminate many, if not all, of these options for the borrower which could compel him to file a bankruptcy action to delay or stall foreclosure.

Typically, when a borrower files bankruptcy to protect an asset from foreclosure, Ignite Funding files a Lift Stay motion with the court to have the asset removed from the borrower's bankruptcy filing, to clear the way to completing the foreclosure. It is important with these loans to consider the size and scope of the project, as well as the fact that there is another lender (a government lender) involved in other aspects of the project which have far more reaching consequences on the property collateralizing these loans. As such a bankruptcy filing by the borrower would likely result in a lengthy legal review and delay resolution on these loans for a substantial period of time.

So, although Ignite Funding has the power to file the Notice of Default and obtain the necessary foreclosure guarantee, it may not be the most prudent option at this time. Ignite Funding does not take these actions lightly, as our top concern is always protecting investor capital and achieving the timeliest resolution possible. Ignite Funding believes that the only viable option at this time is a refinance by the borrower that would result in the payoff of the loans to Ignite Funding.

As we remain in active communication with the borrower and continue to review and verify the take-out and refinance offers on the table, we believe that it would be detrimental to investor's principal to proceed with the Notice of Default filing at this time. Ignite Funding will continue to keep the door to communication open and reassess the situation monthly, at minimum, and when all viable refinance or resolution options are exhausted, we will proceed with the Notice of Default filing.

If you have any questions or concerns, please do not hesitate to contact our Chief Compliance Officer at 702.921.5148 or by email at [mbethany@ignitefunding.com](mailto:mbethany@ignitefunding.com)

Sincerely,

**Ignite Funding**