

[Date]

[Lender Name]

[Department/Attention]

[Address]

[City, State, Zip Code]

Re: Comfort Letter Regarding Collateral Substitution for [Loan/Facility Reference Number]

Dear [Contact Person Name],

This letter is issued in connection with the ongoing debt restructuring negotiations between [Borrower Name] ("the Borrower") and [Lender Name] ("the Lender") regarding the credit facility referenced above.

The Borrower hereby proposes the substitution of the current collateral, specifically [Description of Existing Collateral], with the following substitute asset: [Description of Proposed New Collateral].

We wish to provide the Lender with the following assurances regarding this substitution:

- The proposed substitute collateral possesses an appraised market value of [Amount], which meets or exceeds the required loan-to-value ratios agreed upon in the restructuring terms.
- The Borrower maintains full legal title to the substitute asset, free and clear of any prior liens, encumbrances, or legal disputes.
- All necessary documentation, including updated appraisals, insurance certificates, and perfection of security interest filings, will be completed at the Borrower's expense.
- The substitution is intended to improve the Borrower's operational liquidity while maintaining the Lender's secured position.

This letter is a statement of intent to support the formal amendment of the security agreements and does not supersede the final legal documentation to be executed by both parties. We remain committed to fulfilling our obligations under the restructured debt agreement.

We look forward to your formal approval of this substitution.

Sincerely,

[Signature]

[Name of Authorized Signatory]

[Title/Position]

[Borrower Company Name]