SENT VIA CERTIFIED MAIL / RETURN RECEIPT REQUESTED

Date: [Insert Date]

[Borrower Name]
[Borrower Address]
[City, State, Zip Code]

Re: NOTICE OF DEFAULT AND DEMAND FOR CURE

Dear [Borrower Contact Name],

Reference is made to that certain [Title of Loan Agreement], dated [Date of Agreement] (the "Agreement"), by and between [Lender Name] ("Lender") and [Borrower Name] ("Borrower").

Pursuant to Section [Section Number] of the Agreement, Borrower is required to maintain a minimum Debt Service Coverage Ratio (DSCR) of [Required Ratio, e.g., 1.25:1].

Based on the financial statements provided for the period ending [Date], Borrower's DSCR has been calculated at [Actual Ratio], which falls below the required threshold. This constitutes a formal Event of Default under the terms of the Agreement.

NOTICE IS HEREBY GIVEN that as a result of this breach, Lender hereby demands that Borrower take the following actions:

- Provide a written plan to cure the DSCR breach within [Number] days.
- [Optional: Deposit $_______ into a restricted reserve account.]
- [Optional: Immediate payment of a default fee or principal pay-down.]

Failure to cure this default or comply with the terms of the Agreement within [Number] days of this notice may result in Lender exercising its rights and remedies, which may include the acceleration of the full loan balance, imposition of default interest rates, or legal action to recover the debt.

Nothing contained in this letter shall be construed as a waiver of any rights, powers, or remedies available to Lender under the Agreement or applicable law.

Please contact [Name] at [Phone/Email] to discuss this matter immediately.

Sincerely,

[Authorized Signature]
[Name and Title]
[Lender Name]

cc: [Guarantor Name, if applicable]