

NOTICE OF DEFAULT AND ACCELERATION

Date: [Insert Date]

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

RE: Construction Loan Number: [Insert Loan Number]

Dear [Borrower Name],

This letter serves as formal notice that you are in default of the Construction Loan Agreement dated [Insert Date of Agreement] (the "Agreement") for the project located at [Insert Project Address].

Specifically, you have failed to comply with the following Draw Conditions as specified in Section [Insert Section Number] of the Agreement:

- [Description of failed condition, e.g., Failure to provide lien waivers]
- [Description of failed condition, e.g., Failure to maintain project timeline/milestones]
- [Description of failed condition, e.g., Unapproved deviation from construction plans]

Pursuant to the terms of the Agreement and the Promissory Note, the Lender hereby exercises its right to accelerate the maturity of the Loan. As a result of this acceleration, the entire unpaid principal balance, plus all accrued and unpaid interest, fees, and costs, is now immediately due and payable in full.

Total Amount Due: \$[Insert Total Amount]

Payment must be received by [Insert Deadline Date/Time] via [Insert Payment Method, e.g., Wire Transfer]. Failure to remit the full amount will result in the Lender pursuing all available legal remedies, including but not limited to, the initiation of foreclosure proceedings against the property and any collateral securing this loan.

Further, please be advised that all future disbursements and draws under this Loan are hereby suspended indefinitely.

Please govern yourself accordingly.

Sincerely,

[Signature]
[Name of Authorized Representative]
[Title]
[Lending Institution Name]