

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Insert Date]

[Borrower Name]

[Borrower Address]

[City, State, Zip Code]

**RE: NOTICE OF DEFAULT AND DEMAND TO CURE - VIOLATION OF
SUBORDINATION CLAUSE**

Loan Account Number: [Insert Loan Number]

Property/Collateral Address: [Insert Address if Applicable]

Dear [Insert Borrower Name],

This letter serves as formal notice by [Insert Bank Name] ("the Bank") that you are in default of the Loan Agreement dated [Insert Original Loan Date]. Specifically, you have violated the Subordination Clause set forth in Section [Insert Section Number] of said agreement.

The Bank has become aware that you have entered into a subsequent lien or financing arrangement with [Insert Name of Junior Creditor] in the amount of [Insert Amount]. This action was taken without the prior written consent of the Bank and fails to maintain the Bank's required first-priority security position.

DEMAND IS HEREBY MADE that you cure this default within [Insert Number of Days, e.g., 10] business days from the date of this letter by performing one of the following actions:

- Provide a fully executed Subordination Agreement, in a form acceptable to the Bank, from the junior lienholder;
- Provide evidence that the unauthorized lien or encumbrance has been formally released and discharged; or
- Pay the Bank's loan in full, including all principal, accrued interest, and applicable fees.

Failure to cure this violation within the timeframe specified above will result in the Bank exercising its contractual rights and remedies. These may include, but are not limited to, the acceleration of the entire loan balance, the commencement of foreclosure proceedings, or legal action to enforce the terms of the Loan Agreement.

Please contact the undersigned at [Insert Phone Number] or [Insert Email Address] immediately to confirm your intent to comply.

Sincerely,

[Signature]

[Name of Bank Officer]

[Title]

[Insert Bank Name]

cc: [Insert Name of Legal Counsel, if applicable]