

SENT VIA CERTIFIED MAIL / RETURN RECEIPT REQUESTED

Date: [Insert Date]

To: [Name of Junior Creditor/Officer]
[Company Name]
[Address]
[City, State, Zip Code]

RE: FINAL DEMAND FOR COMPLIANCE - Breach of Subordination Agreement

Dear [Name of Contact Person],

This letter serves as a formal final demand regarding your ongoing breach of the Subordination Agreement dated [Date of Agreement] (the "Agreement"), by and between [Senior Lender Name] (the "Senior Lender") and [Junior Creditor Name] (the "Junior Creditor"), in relation to the indebtedness of [Borrower Name] (the "Borrower").

It has come to our attention that the Junior Creditor has violated its subordination obligations by: [Insert specific description of breach, e.g., accepting prohibited interest payments, filing a lien in a priority position, or attempting to accelerate debt before Senior Lender is paid in full].

Under Section [Number] of the Agreement, the Junior Creditor is expressly prohibited from [Reference specific clause breached]. Your actions constitute a material default under the terms of the Agreement and threaten the collateral position of the Senior Lender.

DEMAND IS HEREBY MADE that you immediately:

- Cease and desist from any further violations of the Agreement;
- Remit to the Senior Lender any and all prohibited payments received from the Borrower in the amount of \$[Amount] within [Number] business days;
- Release any unauthorized liens or security interests filed in violation of the Agreement; and
- Provide written confirmation of your compliance with these demands no later than [Deadline Date].

Failure to cure this breach and comply with this demand by the deadline stated above will leave the Senior Lender with no alternative but to pursue all available legal and equitable remedies. This may include, but is not limited to, the initiation of litigation to seek injunctive relief, specific performance, and the recovery of damages, including reasonable attorney's fees and costs as provided for in the Agreement.

The Senior Lender reserves all rights, claims, and remedies under the Agreement and applicable law. No delay or failure to exercise any right shall constitute a waiver of that or any other right.

Govern yourself accordingly.

Sincerely,

[Signature]

[Name of Authorized Representative]

[Title]

[Senior Lender Name]

CC: [Borrower Name]