

SENT VIA [INSERT METHOD: E.G., CERTIFIED MAIL / EMAIL]

[Date]

[Junior Lender Name]
[Junior Lender Address]
[City, State, Zip Code]

RE: NOTICE OF BREACH OF SUBORDINATION AGREEMENT

Borrower: [Name of Borrower]

Agreement Date: [Date of Intercreditor/Subordination Agreement]

To [Contact Name or Office of Junior Lender],

This letter serves as formal notice that [Senior Lender Name] ("Senior Lender") has identified a material breach by [Junior Lender Name] ("Junior Lender") regarding the terms of the Subordination Agreement dated [Date].

Specifically, the Junior Lender has violated the following provisions:

- [Description of Breach 1, e.g., Acceptance of prohibited principal payment]
- [Description of Breach 2, e.g., Failure to turn over proceeds held in trust]
- [Description of Breach 3, e.g., Improper filing of a lien in priority of Senior Lender]

Pursuant to Section [Number] of the Subordination Agreement, the Junior Lender is required to [Action required, e.g., immediately remit all prohibited payments to Senior Lender / cease all collection actions].

DEMAND IS HEREBY MADE that you cure this breach by performing the following actions no later than [Number] business days from the date of this letter:

1. [Specific demand, e.g., Transfer the sum of \$XX,XXX.XX to Senior Lender's account].
2. [Specific demand, e.g., Withdraw the legal action filed in XYZ Court].
3. Provide written confirmation that all future payments from the Borrower will be subordinated in accordance with the Agreement.

Failure to cure this breach within the specified timeframe will result in Senior Lender pursuing all available legal and equitable remedies, including but not limited to, a claim for damages and specific performance. All rights and remedies of the Senior Lender are hereby expressly reserved.

Please direct all correspondence regarding this matter to the undersigned.

Sincerely,

[Signature]

[Name of Representative]

[Title]

[Senior Lender Name]

[Phone Number]

[Email Address]

CC: [Borrower Name]