

URGENT DEMAND LETTER: NOTICE TO CEASE SUBORDINATE PAYMENTS

Date: [Insert Date]

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

CC: [Subordinate Lender Name]
[Subordinate Lender Address]

RE: Notice of Default and Restriction of Subordinate Debt Payments

Dear [Borrower Name],

Pursuant to the [Title of Loan Agreement/Intercreditor Agreement] dated [Date of Agreement] by and between [Senior Lender Name] ("Senior Lender") and [Borrower Name] ("Borrower"), this letter serves as formal notice of an Event of Default.

The Borrower is currently in default under the following terms of the Senior Loan Agreement: [Briefly describe default, e.g., failure to make payment due on Date].

Under the terms of the [Intercreditor/Subordination Agreement], specifically Section [Insert Section Number], during the continuance of an Event of Default, the Borrower is expressly prohibited from making, and the Subordinate Lender is prohibited from receiving, any payments of principal, interest, or other fees related to the subordinate debt.

DEMAND IS HEREBY MADE that the Borrower immediately cease all payments to [Subordinate Lender Name] until such time as the Senior Loan is satisfied in full or the Event of Default has been cured to the Senior Lender's satisfaction.

Any payments made in violation of this notice will be considered a further breach of the Senior Loan Agreement. Senior Lender reserves all rights and remedies available under the loan documents and applicable law, including but not limited to the acceleration of the Senior Debt and the initiation of foreclosure proceedings.

Please acknowledge receipt of this letter and confirm in writing within [Number] business days that all subordinate payments have been suspended.

Sincerely,

[Signature]
[Name of Senior Lender Representative]
[Title]
[Senior Lender Company Name]