

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Insert Date]

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

Re: FINAL NOTICE OF DEFAULT AND BREACH OF LOAN COVENANT

Dear [Name of Borrower Representative],

This letter serves as formal and final legal notice regarding the commercial loan agreement dated [Date of Agreement] (the "Agreement") between [Lender Name] (the "Lender") and [Borrower Name] (the "Borrower") in the original principal amount of \$[Amount].

As previously communicated to you on [Dates of Previous Notices], the Borrower is in material breach of the following covenant(s) as set forth in Section [Section Number] of the Agreement:

[Describe specific covenant breached, e.g., Debt Service Coverage Ratio, Submission of Audited Financials, etc.]

Despite prior notifications, the Borrower has failed to cure this default within the required cure period which expired on [Expiration Date]. Consequently, an Event of Default has occurred and is currently continuing.

DEMAND FOR IMMEDIATE ACTION:

The Lender hereby demands that the Borrower take the following actions by no later than [Deadline Date]:

1. [Action item 1: e.g., Remit full payment of outstanding arrears]
2. [Action item 2: e.g., Provide certified financial statements]
3. [Action item 3: e.g., Restore collateral value to required levels]

Failure to satisfy these requirements by the aforementioned date will result in the Lender exercising its rights and remedies under the Agreement and applicable law. These actions may include, but are not limited to:

- Acceleration of the entire unpaid principal balance and accrued interest, making the full amount immediately due and payable.
- Imposition of the default interest rate as specified in the Agreement.
- Commencement of legal proceedings to recover the debt.
- Foreclosure or seizure of any collateral securing the loan.
- Reporting the default to commercial credit reporting agencies.

The Lender reserves all rights, powers, and remedies available under the Agreement and the law. No delay or omission on the part of the Lender in exercising any right shall operate as a waiver of such right.

Please direct all inquiries and proof of cure to [Contact Name/Department] at [Phone Number] or [Email Address].

Sincerely,

[Signature]

[Printed Name]

[Title]

[Lender Name]

cc: [Guarantor Name, if applicable]

[Legal Counsel Name]