

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

[Date]

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

**RE: NOTICE OF EXERCISE OF RIGHT TO CURE - BREACH OF FINANCIAL COVENANT**

Dear [Contact Person Name or Loan Officer],

This letter refers to the [Name of Loan Agreement], dated [Date of Agreement] (the "Agreement"), between [Borrower Name] (the "Borrower") and [Lender Name] (the "Lender").

Pursuant to Section [Section Number] of the Agreement, the Borrower hereby acknowledges that a breach of the following financial covenant occurred for the period ending [Date]:

- **Covenant Description:** [e.g., Debt Service Coverage Ratio / Minimum Net Worth]
- **Required Level:** [Required Value]
- **Actual Level:** [Actual Value]

In accordance with the "Right to Cure" provisions set forth in Section [Section Number] of the Agreement, the Borrower is hereby exercising its right to remedy this non-compliance. The breach will be cured through the following action:

[Describe cure action, e.g., an equity contribution or subordinated debt injection in the amount of \$\_\_\_\_\_].

The funds for this cure will be deposited into the designated account no later than [Date], which is within the [Number of Days]-day cure period permitted under the Agreement.

Upon completion of this action, the Borrower shall be deemed to be in compliance with the financial covenants as of the end of the specified fiscal period, and any Event of Default resulting from this breach shall be considered waived or extinguished as per the terms of the Agreement.

Please contact the undersigned if you require additional documentation regarding the source or transfer of these funds.

Sincerely,

[Signature]

[Printed Name]

[Title]

[Company Name]