

[Date]

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

RE: NOTICE OF DEFAULT - BREACH OF MAXIMUM LEVERAGE RATIO COVENANT

Dear [Contact Person Name],

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

Pursuant to Section [Section Number] of the Agreement, the Borrower is required to maintain a Maximum Leverage Ratio not to exceed [Ratio Percentage/Number] for the fiscal period ending [Date].

Based on the financial statements and compliance certificate submitted for the period ending [Date], the Borrower's actual Leverage Ratio was [Actual Ratio]. This constitutes a breach of the Maximum Leverage Ratio covenant and represents an Event of Default under Section [Section Number] of the Agreement.

As a result of this breach, the Lender hereby notifies the Borrower of the following:

- The occurrence and continuance of this Event of Default.
- The Lender's right to exercise any and all remedies available under the Agreement, including but not limited to, acceleration of the debt and termination of further funding.
- [Optional: The imposition of the Default Rate of interest effective as of [Date]].

The Lender's failure to exercise its rights at this time does not constitute a waiver of the current default or any future defaults. All rights and remedies are expressly reserved.

Please contact [Lender Representative Name] at [Phone/Email] by [Deadline Date] to discuss the Borrower's plan to remedy this breach.

Sincerely,

[Authorized Signature]
[Printed Name]
[Title]
[Lender Name]