

SENT VIA CERTIFIED MAIL / RETURN RECEIPT REQUESTED

Date: [Date]
To: [Guarantor Name]
Address: [Guarantor Address]
City, State, Zip: [City, State, Zip]

RE: NOTICE OF DEMAND FOR INDEMNIFICATION

Loan Agreement Date: [Date of Original Loan]
Borrower: [Name of Borrower Entity]
Project Name: [Name of Construction Project]
Guaranty Agreement Date: [Date of Guaranty]

Dear [Guarantor Name],

This letter serves as formal demand for indemnification pursuant to the terms of the Construction Loan Guaranty (the "Guaranty") executed by you in favor of [Lender Name] (the "Lender") on [Date of Guaranty].

Pursuant to the terms of the Construction Loan Agreement, a default has occurred as follows: [Briefly describe default, e.g., failure to complete construction by the completion date or failure to make scheduled payments].

Under Section [Section Number] of the Guaranty, you have unconditionally guaranteed the full and prompt payment and performance of all obligations of the Borrower, including but not limited to [Specific costs, e.g., construction cost overruns, interest, legal fees, or principal balance].

Accordingly, Lender hereby demands payment in the amount of **[\$Amount]**. This amount represents the following:

- Principal Balance: **[\$Amount]**
- Accrued Interest: **[\$Amount]**
- Unpaid Construction Costs: **[\$Amount]**
- Legal/Administrative Fees: **[\$Amount]**

Please remit the total amount of **[\$Total Amount]** to the following account no later than [Due Date]:

Bank Name: [Bank Name]
Account Name: [Account Name]
Account Number: [Number]
Routing Number: [Number]

Failure to satisfy this demand within the timeframe specified will result in the Lender pursuing all available legal remedies under the Guaranty and applicable law to recover the full amount owed, including additional interest and collection costs.

This letter is sent without prejudice to any other rights or remedies available to the Lender.

Sincerely,

[Signature]

[Name of Authorized Representative]

[Title]

[Lender Name]