

**Date:** [Insert Date]

**TO:**

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

**FROM:**

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

**RE: NOTICE OF COVENANT BREACH AND DEFAULT STATUS**

Dear [Insert Debtor Name],

This letter serves as formal notification that you are in breach of the terms and conditions set forth in the [Insert Name of Agreement, e.g., Loan Agreement or Lease] dated [Insert Date of Agreement].

Specifically, you have failed to comply with the following covenant(s):

- **Section [Insert Section Number]:** [Insert description of the covenant, e.g., Maintenance of Debt-to-Equity Ratio or Timely Submission of Financial Statements].

As a result of this breach, you are hereby declared to be in **Default** under the terms of the Agreement effective [Insert Date].

To cure this default, you are required to take the following actions by no later than [Insert Deadline Date]:

[Insert specific actions required to remedy the breach]

Failure to cure this breach within the specified timeframe will result in the exercise of all rights and remedies available to us under the Agreement and applicable law, which may include, but are not limited to, the acceleration of the full balance due, termination of the agreement, and legal action.

Please contact [Insert Contact Person Name] at [Insert Phone Number/Email] immediately to confirm receipt of this notice and to discuss your plan for rectification.

Sincerely,

[Signature]

[Printed Name]

[Title]

[Company Name]