

SCHEDULE 2

LAW FIRM LETTERHEAD

[Date]

VIA OVERNIGHT DELIVERY

[Borrower Notice Address]

Attn: _____

Re: Mortgage Loan (the "Loan") from _____ ("Lender") to _____ ("Borrower") evidenced by Promissory Note in the amount of \$ _____, dated _____ (the "Note"), Deed of Trust and Security Agreement and Fixture Filing, dated _____ (the "Deed of Trust"), and other loan documents related thereto (the "Loan Documents") encumbering property described therein located in _____ (the "Property").

Dear _____:

As you know, we represent Lender in connection with the referenced Loan. All accrued interest and the entire outstanding principal balance was due and payable in full as of _____ (the "Maturity Date"). Borrower failed to pay the amount due on the Maturity Date and an Event of Default occurred under the Deed of Trust. In accordance with the Note, default interest is accruing from and after the Maturity Date in the amount of ___% per annum [INSERT DEFAULT INTEREST RATE]. In addition to principal and interest, the exit fee of \$ _____ is due under the Note. On behalf of Lender, demand is hereby made for payment in full of all accrued interest, default interest, principal, the exit fee and all other sums due under the Note and Deed of Trust.

_____, _____, and _____ ("Guarantors") executed and delivered to Lender that certain Recourse Liabilities Guaranty, dated _____ (the "Guaranty"). Pursuant to the Guaranty, Guarantors jointly and severally guaranteed payment of certain recourse liabilities of Borrower under the Note, including, without limitation, the amount of any assessments and taxes (accrued and/or payable) with respect to the Property and following a default under the Loan Documents, all reasonable attorneys' fees and other expenses incurred by Lender enforcing the Loan Documents if Borrower contexts, delays or otherwise hinders or opposes Lender's enforcement actions (including, without limitation, filing bankruptcy). Lender reserves its rights to any other sums that might be due or become due under the Guaranty.

Lender reserves all rights and remedies available to it under the terms of the Loan Documents or under applicable law, and this notice shall not be deemed an action, exercise or

election of remedies nor shall it constitute a waiver of any rights or remedies otherwise available to Lender.

Sincerely,

[Lawyer Name]

cc:

(by overnight delivery)

[Guarantor's Notice Address]

[Borrower's Attorney Address]

