

SENT VIA CERTIFIED MAIL / RETURN RECEIPT REQUESTED

[Date]

[Recipient Name]

[Recipient Company Name]

[Recipient Address]

[City, State, Zip Code]

RE: NOTICE OF INTENT TO FILE MECHANIC'S LIEN / SETTLEMENT DEMAND

Project Name: [Project Name/Reference Number]

Property Address: [Full Property Address]

Contract Date: [Date of Original Contract]

Dear [Recipient Name],

This letter serves as a formal demand for settlement regarding the outstanding balance due for labor, materials, and services provided at the above-referenced property. As of the date of this letter, the total delinquent amount owed is **[\$Amount Owed]**.

To date, payment has been withheld due to alleged construction defects. While [Your Company Name] remains committed to quality workmanship, we contend that the withholding of the full contract balance is disproportionate to the scope of the disputed items. In the interest of avoiding costly litigation and the formal recording of a Mechanic's Lien, we propose the following settlement terms:

- **Remediation:** [Your Company Name] will address the following specific defects: [List specific items to be fixed].
- **Settlement Payment:** Upon completion of the aforementioned items, [Recipient Name/Company] shall pay the reduced sum of **[\$Settlement Amount]** as full and final satisfaction of the contract.
- **Release:** Upon receipt of cleared funds, [Your Company Name] will issue a full Waiver and Release of Lien Rights for the project.

Please be advised that if a settlement agreement is not reached or payment is not received by [Deadline Date], we are prepared to proceed with the formal filing of a Mechanic's Lien against the property title in accordance with [State] law. This action may affect your credit rating and the ability to sell or refinance the property.

We prefer to resolve this matter amicably. Please contact [Contact Name] at [Phone Number] or [Email Address] by [Time/Date] to discuss this proposal.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title]

[Your Company Name]