

[Your Name/Company Name]  
[Your Address]  
[City, State, Zip Code]  
[Phone Number]  
[Email Address]

[Date]

[Recipient Name]  
[Recipient Title]  
[Recipient Company Name]  
[Recipient Address]  
[City, State, Zip Code]

**RE: SETTLEMENT DEMAND REGARDING CONSTRUCTION DEFECTS AND  
MECHANIC'S LIEN**

**Property:** [Address of Residential Development]

**Lien Recorded On:** [Date]

**Lien Instrument Number:** [Number]

Dear [Recipient Name],

This letter serves as a formal demand for settlement regarding the construction defects identified at the above-referenced property and the Mechanic's Lien currently encumbering the title. As previously documented, the following construction defects have been identified:

- [Description of Defect 1]
- [Description of Defect 2]
- [Description of Defect 3]

The estimated cost to remediate these defects is \$[Amount], based on the attached inspection reports and repair estimates. Furthermore, the Mechanic's Lien filed by [Lien Claimant Name] in the amount of \$[Lien Amount] remains unresolved and must be satisfied to clear the title.

In the interest of avoiding protracted litigation, we are prepared to settle all claims regarding these defects and the lien under the following terms:

1. Payment to [Name] in the total amount of \$[Settlement Amount].
2. Execution and recording of a full Release of Mechanic's Lien.
3. A signed Release and Settlement Agreement covering all known and unknown construction defects.

This offer is made for settlement purposes only and is subject to [State] Rule of Evidence [Rule Number] regarding compromises and offers to settle.

Please provide a written response to this demand by [Date]. If we do not reach an agreement by this date, we will proceed with all available legal remedies, including but not limited to, filing a formal lawsuit for breach of contract and negligence.

Sincerely,

[Your Signature]

[Your Printed Name]