

SENT VIA CERTIFIED MAIL - RETURN RECEIPT REQUESTED

Date: [Date]

To: [General Contractor Name/Company]

[Address]

[City, State, Zip Code]

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

Property Address: [Address of Property where work was performed]

Dear [Name of Principal or Contractor],

This letter serves as a formal demand for settlement regarding the construction defects identified at the above-referenced property and the Mechanic's Lien recorded by your company on [Date] in the amount of \$[Amount] (Instrument No. [Number]).

As previously documented, your scope of work failed to meet the standards of the contract and local building codes. Specifically, the following defects remain uncorrected:

- [Defect 1: Describe briefly]
- [Defect 2: Describe briefly]
- [Defect 3: Describe briefly]

The estimated cost to remediate these defects is \$[Amount], which exceeds the remaining balance of the original contract. Consequently, the Mechanic's Lien you have placed on the property is improper and overstated.

SETTLEMENT OFFER:

To avoid the significant expense of litigation, [Property Owner Name] proposes the following settlement terms:

1. You shall immediately release and discharge the Mechanic's Lien recorded against the property.
2. [Optional: You shall pay the sum of \$_____ to cover repair costs / OR / Both parties agree to a mutual release of all claims with no further payment].
3. Both parties will execute a mutual release of all liability and waive further claims arising from the contract dated [Date].

This offer is made for settlement purposes only. If we do not receive a written acceptance of this offer and a recorded Release of Lien by [Date], we will proceed with legal action to vacate the lien and seek damages for construction defects, including recovery of attorney's fees and costs as permitted by law.

Please govern yourself accordingly.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title/Capacity]