

[Your Name/Company Name]

[Your Address]

[City, State, Zip Code]

[Phone Number]

[Email Address]

[Date]

[Recipient Name]

[Recipient Company Name]

[Recipient Address]

[City, State, Zip Code]

RE: NOTICE OF INTENT TO FORECLOSE / SETTLEMENT DEMAND

Project Name: [Project Name]

Project Address: [Project Address]

Lien Recording Date: [Date Lien was Filed]

Lien Instrument/Document Number: [Number]

Dear [Recipient Name],

This letter serves as a formal demand for settlement regarding the Mechanic's Lien filed by [Your Company Name] against the property located at [Property Address] in the amount of \$[Total Amount Owed].

It is our understanding that payment has been withheld due to alleged construction defects regarding [Briefly Describe Disputed Work]. While we dispute the validity/extent of these defect claims, we are interested in reaching a prompt resolution to avoid the costs of litigation and foreclosure proceedings.

Settlement Offer:

Without prejudice and for the purposes of settlement only, [Your Company Name] proposes the following terms:

- [Your Company Name] will accept a reduced payment of \$[Settlement Amount] as full and final satisfaction of the debt.
- [Optional: Your Company Name will perform the following specific repairs: (List repairs)].
- Upon receipt of cleared funds, [Your Company Name] will execute and file a formal Release of Mechanic's Lien and a Mutual Release of Claims.

This offer remains valid until [Expiration Date/Time]. If an agreement is not reached by this date, we are prepared to proceed with a lawsuit to foreclose on the Mechanic's Lien to recover the full principal amount, plus accrued interest, attorney fees, and legal costs as permitted by state law.

Please contact [Name] at [Phone/Email] to discuss this proposal or to arrange for payment.

Sincerely,

[Signature]

[Your Printed Name]

[Your Title]