

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

[Date]

[Recipient Name]
[Recipient Company Name, if applicable]
[Address]
[City, State, Zip Code]

RE: NOTICE OF INTENT TO FORECLOSE / SETTLEMENT DEMAND

Project Name: [Project Name]
Property Address: [Project Address]
Lien Recorded Date: [Date]
Lien Instrument Number: [Number]

Dear [Recipient Name],

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

It is our understanding that payment has been withheld due to alleged construction defects related to the materials supplied. While we maintain that all materials provided met the specifications and industry standards outlined in our contract, we wish to resolve this dispute amicably to avoid the time and expense of litigation.

Settlement Offer:

Without prejudice or admission of liability, [Your Company Name] proposes to settle this matter for the reduced sum of \$[Settlement Amount]. This offer is contingent upon payment being received no later than [Deadline Date].

Upon receipt and clearing of the settlement funds, [Your Company Name] will:

- Execute a full Release of Lien and file it with the County Recorder's Office.
- Provide a Waiver and Release of Liability regarding the materials supplied for this project.

Consequences of Non-Payment:

If we do not receive payment or a formal written response by [Deadline Date], we will be forced to proceed with a foreclosure action to enforce the Mechanic's Lien. This action will include claims for the full original amount, accrued interest, attorney fees, and court costs.

Please contact [Name] at [Phone Number] to coordinate payment or to discuss this matter further.

Sincerely,

[Signature]

[Your Name]

[Your Title]