

SENT VIA CERTIFIED MAIL / RETURN RECEIPT REQUESTED

Date: [Date]

[Recipient Name]

[Recipient Company Name]

[Recipient Address]

[City, State, Zip]

RE: NOTICE OF INTENT TO FORECLOSE / SETTLEMENT DEMAND

Project Name: [Project Name/Address]

Lien Recorded Date: [Date of Lien Recording]

Lien Recording Number: [Instrument Number/Book/Page]

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].

As previously documented, the total outstanding balance for labor and materials provided is \$[Amount]. To date, we have received notice of your allegations regarding construction defects involving [Briefly Describe Alleged Defects, e.g., HVAC installation/roofing].

While we dispute the extent and cause of the alleged defects, [Your Company Name] is interested in resolving this matter to avoid the significant costs of litigation. Without prejudice to our rights, we propose the following settlement terms:

- **Proposed Settlement Payment:** [Your Company Name] will accept a reduced payment of \$[Settlement Amount] as full and final satisfaction of the debt.
- **Release of Lien:** Upon receipt of cleared funds, we will file a formal Release of Lien with the County Recorder.
- **Mutual Release:** Both parties shall execute a mutual release of all claims, including any claims related to the alleged construction defects.

Please be advised that if a settlement agreement is not reached by [Deadline Date], we are prepared to initiate a foreclosure action on the Mechanic's Lien and pursue a breach of contract claim to the full extent of the law. This may include seeking interest, attorney fees, and court costs.

We await your response or that of your legal counsel by the date specified above.

Sincerely,

[Your Signature]

[Your Printed Name]

[Your Title]
[Your Company Name]
[Your Phone Number]