

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

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

Dear [Recipient's Name],

I hope this message finds you well. I am writing to formally notify you of the unexpected cancellation of our contract dated [Contract Date]. This decision has not been made lightly, and I assure you that it follows careful consideration of our current circumstances.

Due to [brief explanation of reasons, e.g., unforeseen financial constraints, changes in company direction], we are unable to continue with the contracted terms. We value the relationship we have built and regret any inconvenience this may cause.

As per our agreement, I understand that we may need to discuss the implications of this cancellation, including any necessary settlements or return of materials. I am open to coordinating a meeting or call at your earliest convenience to ensure a smooth transition.

Thank you for your understanding in this matter. I appreciate your cooperation, and I hope we can maintain a positive relationship moving forward.

Sincerely,  
[Your Name]  
[Your Position, if applicable]  
[Your Company Name, if applicable]