

## Settlement Agreement

This Agreement ("Agreement") is made and effective this \_\_\_\_\_ (Date), by and between ("Second Party") \_\_\_\_\_ (name & address) and ("First Party"), and \_\_\_\_\_ (name & address).

First Party and Second Party are parties to an earlier Agreement dated \_\_\_\_\_,

The First Party has alleged that the Second Party is in default of its obligations under the Disputed Agreement (the "First Party's Claims");

The Second Party has alleged that the First Party is in default of its obligations in the Disputed Agreement (the "Second Party's Claims"); and

The First Party and the Second Party wish to resolve their differences and responsibilities pursuant to the Disputed Agreement, the First Party's Claims and the Second Party's Claims.

Therefore, in consideration of the foregoing and the covenants, releases, and agreements set forth herein and for other good and valuable consideration, First Party and Second Party agree as follows:

### 1. General Release.

A. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, First Party does hereby release, acquit, and forever discharge Second Party and does hereby covenant and agree never to institute or cause to be instituted any suit or other form of action or proceeding of any kind or nature whatsoever against Second Party based upon the First Party's Claims and any and all other claims, demands, indebtedness, agreements, promises, causes of action, obligations, damages, or liabilities of any nature whatsoever, in law or in equity, whether known or unknown, suspected, or claimed, that First Party ever had, has claimed to have, now has, or may hereafter have or claim to have against Second Party related in any way to or arising out of or by reason of any matter, cause, thing, or act of Second Party, or any of Second Party's employees, or any omission of Second Party, or any of Second Party's employees related in any way to or arising out of any claims asserted or that could have been asserted, or related in any way to or arising out of the Disputed Agreement.

B. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and with the intent to be legally bound hereby, Second Party does hereby release, acquit, and forever discharge First Party from; and does hereby covenant and agree never to institute or cause to be instituted any suit or other form of action or proceeding of any kind or nature whatsoever against First Party based upon the Second Party's Claims and any and all other claims, demands, indebtedness, agreements, promises, causes of action, obligations, damages, or liabilities of any kind whatsoever, in law or in equity, whether known or unknown, suspected, or claimed that Second Party ever had, has claimed to have, now has, or may hereafter have or claim to have against First Party related in any way to or arising out of or by reason of any matter, cause, thing, or act of First Party, or any of First Party's employees, or any omission of First Party, or any of First Party's employees related in any way to or arising out of any claims asserted or that could have been asserted, or related in any way to or arising out of the

Disputed Agreement.

2. Payment.

In partial consideration of the releases provided herein, the parties agree to the following payment or payments: \_\_\_\_\_.

3. Termination.

The Disputed Agreement shall terminate in all respects effective as of the signing of this Agreement.

4. Satisfaction and Accord.

It is understood and agreed that the above-recited consideration is provided to and accepted by the parties in complete settlement and compromise and as full satisfaction of disputed claims, the validity of which are expressly denied by the parties, and such consideration is not to be construed as an admission of liability on the part of any of the parties, but rather, is for the purpose of terminating all disputes among the parties related to or arising out of the Disputed Agreement, the First Party's Claims and the Second Party's Claims.

5. Costs.

Each Party agrees to pay its own costs, including but not limited to its own legal fees.

6. Successors and Assigns.

This Agreement and the release and covenants contained herein shall be binding upon and shall inure to the benefit of each party, and each of their respective predecessors, successors and assigns and each of their respective past and present, direct and indirect, subsidiary, parent, and affiliated entities, and to each of their respective past and present employees, agents, attorney's in fact, attorney's at law, representatives, officers, directors, shareholders, partners and joint ventures.

7. Entirety of Agreement.

The terms and conditions set forth herein constitute the entire agreement between the parties and supersede any communications or previous agreements with respect to the subject matter of this Agreement. There are no written or oral understandings directly or indirectly related to this Agreement that are not set forth herein. No change can be made to this Agreement other than in writing and signed by both parties.

8. Governing Law.

This Agreement shall be construed and enforced according to the laws of the State of \_\_\_\_\_ and any dispute under this Agreement must be brought in this venue and no other.

9. Headings in this Agreement

The headings in this Agreement are for convenience only, confirm no rights or obligations in

either party, and do not alter any terms of this Agreement.

10. Severability.

If any term of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, then this Agreement, including all of the remaining terms, will remain in full force and effect as if such invalid or unenforceable term had never been included.

In Witness whereof, the parties have executed this Agreement as of the date first written above.

\_\_\_\_\_  
First Party

\_\_\_\_\_  
Second Party

## Settlement Agreement

### Review List

This review list is provided to inform you about the document in question and to assist you in completing it.

1. Signing this agreement discharges all claims between the parties, not just the one specific claim. If there is a possibility that you wish to pursue other claims against the other party, modify the Agreement accordingly and consider consulting an attorney for their advice prior to signing this Agreement.
2. Note also that certain state and federal statutes do not let the parties bargain away certain rights such as many employment claims. Having said this, it is always better to attempt to settle these claims in this manner to demonstrate to a Court, should it become involved at a later date, that this was the intention of the parties.
3. Laws do vary somewhat state to state and are modified both by statute and legal precedent over time. This is always a good reason to have a lawyer review any agreement, including this one, for hidden problems.
4. As a practical matter, print at least two copies and have them signed in the original so both parties have an original for their records.
5. Once signed, consider using this Settlement Agreement as a standard for future disputes you may become a party to. It is our experience, that new disputants can be influenced in favor of settlement if they see that you have done so before. Presenting them with a signed Agreement can also move the matter forward more expeditiously and under similar payment terms and conditions. You may also want to consider using the other side as a reference about how the Settlement Agreement worked out and why it was a worthy enterprise, assuming they believe it to be so.