


Mutual Release

- 🔊 You have been engaged in a dispute, you have reached an agreement to resolve it... here is a sample contract to use to release each other according to the terms of your mutual agreement.
- 🔊 The first part of the Memorandum should be completed and distributed along with a copy of the Mutual Release.

Date: **[Date]**

To: **[Releasee]**

From:  **[Owner/Founder]**
[Company]

Subject: **Mutual Release**

- 🔊 While expressing some honest feeling to acknowledge your pain felt during the dispute, you want to avoid using the word “apologize” because it implies that you are admitting guilt or responsibility. Instead, we recommend that you use the word, “regret” since it connotes a somewhat similar emotion, yet it does not admit guilt.

I regret that we have engaged in this dispute as long as we have and I am delighted that we have come to a resolution that works for both of us.

Attached is a “Mutual Release” to discharge both of the parties to this Agreement from its obligations to the other regarding [Describe the exact obligation].

In addition to agreeing to a mutual release, [Releasee] agrees to pay \$[x] to [x] [Releasor].

I believe that it embodies everything we discussed.

Please read the agreement carefully.

We recommend that you also have it reviewed by your own qualified legal counsel.

Time is of the essence.

Please sign and return it to me asap.

Thank you very much!


From JIAN

NOTICE:

We wish we could provide an agreement that was tailored *exactly* to your business. While this is not always possible, we feel that we've come very close and that this document provides you with the head-start that you need to get your deal moving. Nevertheless, we must make this disclaimer:

- 🔊 **Do Not Use This Agreement 'As-Is.'**
- 🔊 **This Agreement Is Not Legal Advice.**
- 🔊 **Read it Thoroughly and Make All Appropriate Changes to Fit Your Requirements.**
- 🔊 **You Should Have this Agreement Reviewed and Approved by a Qualified Attorney at Law Before Using It.**
- 🔊 **JIAN Accepts No Liability for the Effectiveness of This Document For Your Purposes.**

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We're building a network of  business experts who are eager to help you when you need it. They can review your work, make suggestions, handle unique situations and introduce you to influential people. On our website you can search by expertise and location, then e-mail or jump straight to their website. Although they are professionals and charge for their services, most offer an initial consultation free of charge. They're in your area and you can contact them directly.


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Things change, laws change, the world changes... new ideas come along all the time. When you register, you can access our website to get updates and changes... like new and improved spreadsheets and documents. They can be downloaded directly to your computer.

- Please visit our website under [Updates](#).
- Remember to bookmark our website: www.JIAN.com

Editing Your Sample Contract

Since this entire agreement is formatted in Word, you can edit it like any other Word document. You can jump from variable to variable by clicking the above  green arrows (JIAN Menu) which will take you forward / backward and highlight the entire sample text identified within the “[]” brackets – simply edit / type-over with your information.

To make sure you have filled in all the variables, use Word's 'FIND' function to locate any “[]” which may contain an unedited variable.

- Click the  icon in the JIAN menu above to turn the expert comments on/off.
- Upon completion, delete any unnecessary blank lines that remain.
- You may format this document any way you like.
- Delete this page.

Mutual Release

- ☞ You need to enter the date you are executing the Release and the names and address of both parties. Since both parties are both Releasors and Releasees, we will refer to them as Releasor 1 and Releasor 2. (Note that generally the Releasor is the party who has the claim or is owed the obligation, and the Releasee is the party paying the Releasor some form of consideration so that it is no longer obligated or indebted.)

Effective Date **[Date]**
between **[Company Legal Name]**, (“[Company]”)
located at [Address]
 [City]. [State] [Zip Code]
and **[Other]**, (“[Other]”)
residing at [Address].

1. Agreement

- ☞ The two parties agree to eliminate the liabilities and / or obligations described.

We voluntarily and knowingly execute this Mutual Release with the express intention of eliminating the liabilities and obligations described below.

2. Dispute Resolution

- ☞ This paragraph sets forth the matter that is being settled.
- ☞ You should describe in as much detail as possible the specific matter(s) that the two parties are releasing the other from.

Disputes and differences that we mutually desire to settle have arisen between us with respect to the following:

- Xxx
- Xxx
- xxx.

3. Consideration

- ☞ Section 4 states what each of the Releasors will be getting for his or her release. Generally, with a Mutual Release, each party will be released from something. Sometimes, in addition to the release itself, money or other considerations might be transferred.

The consideration for this Mutual Release is as follows:

- ☞ The is the first part of the consideration, the mutual release.

3.1 Mutual relinquishment of our respective legal rights with reference to the disputes and differences

described above; and

☞ This is the other part of the consideration. If there is nothing more than a mutual exchange of releases, then delete 4.2.

☞ Describe the other consideration and indicate who is giving what to whom.

3.2 Other valuable consideration is as follows:

- A one time payment by [Company to [Other] in the amount of \$[xxx]
- [Describe other consideration].

☞ Not only do the Releasors grant releases on their own behalf, but they bind any other individuals or entities that might claim under them. Each Releasor also warrants or promises that it has not assigned any of its claims to other parties.

4. Mutual Release

In exchange for this consideration, each of us expressly releases the other, and his heirs, insurers, and legal representatives from all claims known or unknown to us that have arisen or may arise from the transaction described in Section 3. In executing this Release we intend to bind our spouses, heirs, legal representatives, assigns, and one else claiming under us, in addition to ourselves. Neither of us has assigned a claim arising from the transaction described in Section 3 to another party.

5. General Provisions

☞ The General Provisions that follow are fairly standard. These provisions enhance the balance of the Agreement by explaining issues such as notice, assignment, legal remedies, waiver, and attorney fees.

5.1 **Independent [Company]s.** The relationship between both parties established by this Agreement is that of independent [Company]s, and nothing contained in this Agreement shall be construed to give either party the power to direct and control the day-to-day activities of the other. Neither party is an agent, representative or partner of the other party. Neither party shall have any right, power or authority to enter into any agreement for, or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other party. This Agreement shall not be interpreted or construed to create an association, agency, joint venture or partnership between the parties or to impose any liability attributable to such relationship upon either party.

☞ You must decide which state governs this Agreement and where any legal action would be taken. Generally, it is your (company's) state of residence.

5.2 **Governing Law & Jurisdiction.** This agreement and the parties' actions under this Agreement shall be governed by and construed under the laws of the state of [State], without reference to conflict of law principles. The parties hereby expressly consent to the jurisdiction and venue of the federal and state courts within the state of [State]. Each party hereby irrevocably consents to the service of process in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to such party at its address set forth in the preamble of this Agreement, such service to become effective thirty (30) days after such mailing.

☞ This Agreement is intended to be the only Agreement, and that no other documents or communications are binding. Therefore, it is very important to make sure that everything [Company] and [Client] have agreed to is included in this Agreement. Otherwise, it is as if it was not agreed to.

5.3 **Entire Agreement.** This Agreement, including the attached exhibits, constitutes the entire Agreement between both parties concerning this transaction, and replaces all previous communications, representations, understandings, and Agreements, whether verbal or written between the parties to this Agreement or their representatives. No representations or statements of any kind made by either party,

which are not expressly stated in this Agreement, shall be binding on such parties.

☞ Any changes to this Agreement must be in writing and signed by the party against whom that writing is to be used.

5.4 All Amendments in Writing. No waiver, amendment or modification of any provisions of this Agreement shall be effective unless in writing and signed by a duly authorized representative of the party against whom such waiver, amendment or modification is sought to be enforced. Furthermore, no provisions in either party's purchase orders, or in any other business forms employed by either party will supersede the terms and conditions of this Agreement.

☞ All notices between the parties must be in writing and either delivered in person or by certified or registered mail, return receipt requested.

5.5 Notices. Any notice required or permitted by this Agreement shall be deemed given if sent by registered mail, postage prepaid with return receipt requested, addressed to the other party at the address set forth in the preamble of this Agreement or at such other address for which such party gives notice hereunder. Delivery shall be deemed effective three (3) days after deposit with postal authorities.

☞ In the event of a lawsuit or any legal proceeding involving this Agreement, the losing party will have to pay the winning party his or her costs and expenses, including reasonable attorney fees.

5.6 Costs of Legal Action. In the event any action is brought to enforce this Agreement, the prevailing party shall be entitled to recover its costs of enforcement including, without limitation, attorneys' fees and court costs.

☞ Legal remedies, i.e., money damages, may not be sufficient; therefore, both parties agree to equitable remedies such as an injunction where the breaching party would be required to do or not to do something.

5.7 Inadequate Legal Remedy. Both parties understand and acknowledge that violation of their respective covenants and Agreements may cause the other irreparable harm and damage, that may not be recovered at law, and each agrees that the other's remedies for breach may be in equity by way of injunctive relief, as well as for damages and any other relief available to the non-breaching party, whether in law or in equity.

☞ Assuming the parties wish to use Arbitration in the event of a dispute, the following section should be included. You take your chances with an arbitrator, but it keeps legal costs down and keeps you out of a drawn out legal process.

5.8. Arbitration. Any dispute relating to the interpretation or performance of this Agreement shall be resolved at the request of either party through binding arbitration. Arbitration shall be conducted in [County], [State] in accordance with the then-existing rules of the American Arbitration Association. Judgment upon any award by the arbitrators may be entered by any state or federal court having jurisdiction. [Company] and [Client] intend that this Agreement to arbitrate be irrevocable.

☞ Merely delaying to bring an action that one party has a right to bring does not cause that party to lose or waive his right to pursue that action.

5.8 Delay is Not a Waiver. No failure or delay by either party in exercising any right, power or remedy under this Agreement, except as specifically provided in this Agreement, shall operate as a waiver of any such right, power or remedy.

☞ Neither party will be blamed if there is a problem resulting from something beyond its control, such as an earthquake, flood, war.

5.9 Force Majeure. In the event that either party is unable to perform any of its obligations under this Agreement or to enjoy any of its benefits because of any Act of God, strike, fire, flood, governmental acts, orders or restrictions, Internet system unavailability, system malfunctions or any other reason where

failure to perform is beyond the reasonable control and not caused by the negligence of the non-performing party (a “Force Majeure Event”), the party who has been so affected shall give notice immediately to the other party and shall use its reasonable best efforts to resume performance. Failure to meet due dates resulting from a Force Majeure Event shall extend such due dates for a reasonable period. However, if the period of nonperformance exceeds sixty (60) days from the receipt of notice of the Force Majeure Event, the party whose ability to perform has not been affected may, by giving written notice, terminate this Agreement effective immediately upon such notice or at such later date as is therein specified.

🔊 You want to make sure that you can sell your business along with all of the relationships you have developed along the way. (Often these relationships can add tremendous value to your business and you want to make sure that all of your agreements can be transferred to the new owners.) I wouldn't want to seek (let alone pay for) permission to sell my company.

5.10 Assignability & Binding Effect. Subject to the foregoing, this Agreement shall be binding upon and inure to the benefit of the parties hereto, their successors and assigns.

🔊 If any part of this Agreement is unenforceable or invalid, the balance of the Agreement should still be enforced. Basically, ignore any sections that are invalid.

5.11 Certain Sections Invalid. If any provisions of this Agreement are held by a court of competent jurisdiction to be invalid under any applicable statute or rule of law, they are to that extent to be deemed omitted and the remaining provisions of this Agreement shall remain in full force and effect.

🔊 The headings of the various sections are meant to explain or otherwise give meaning to those sections; they are for convenience only.

5.13 Headings. The titles and headings of the various sections and sections in this Agreement are intended solely for convenience of reference and are not intended for any other purpose whatsoever, or to explain, modify or place any construction upon or on any of the provisions of this Agreement.

🔊 Even after the termination of the Agreement, the parties may still have certain responsibilities such as keeping information confidential.

5.14 Survival of Certain Provisions. The warranties and the indemnification and confidentiality obligations set forth in the Agreement shall survive the termination of the Agreement by either party for any reason.

Understood, Agreed & Approved

We have carefully reviewed this contract and agree to and accept all of its terms and conditions. We are executing this Agreement as of the Effective Date above.

🔊 Both parties and their spouses, if any, should sign below, along with two witnesses.

[Owner/Founder]

[Releasor's Spouse]

[Releasee]

[Releasee's Spouse's Name]

Witnesses:

[Name]

Address

[Name]

Address

