**Settlement Agreement Template**

Prepared for:  
﻿  
[Client.FirstName] [Client.LastName]  
​[Client.Company]

Created by:  
﻿  
​[Sender.FirstName] [Sender.LastName]  
[Sender.Company]

This Settlement Agreement (the “Agreement”) states the terms and conditions that govern the contractual agreement between [Plaintiff] (the “Plaintiff”), and [Defendant] (the “Defendant”) who agrees to be bound by this Agreement.

WHEREAS, INSERT RELEVANT DETAILS (the “Incident”); and

PandaTip: Here, you would insert all the relevant alleged details, any charges that were filed, etc. By way of example: “The Defendant allegedly ran through a red light without stopping, resulting in an estimated $2,000 damage to the Plaintiff’s vehicle (the “Incident”) and the Plaintiff has filed an action in San Diego County Small Claims Court to recover such damages.”

WHEREAS, the Plaintiff and the Defendant agree to settle the matter and avoid any further litigation.

PandaTip: You also want to label the incident that led to the damage as is illustrated in the example as the “Incident” to make it easy to reference throughout the document.

NOW, THEREFORE, In consideration of the mutual covenants and promises made by the parties hereto, the Plaintiff and the Defendant (individually, each a “Party” and collectively, the “Parties”) covenant and agree as follows:

PandaTip: If there is no claim that has been filed, you may delete all that has been written starting with “including…”

1. **DISMISSAL OF PENDING LITIGATION**. Within [Time] from the date of this Agreement, the Plaintiff agrees to dismiss or effect dismissal of any claims existing or pending in any jurisdiction relating to the Incident, including the claim filed on [Date] in [Jurisdiction] (the “Pending Litigation”).
2. **RELEASE OF FUTURE CLAIMS**.
   1. The Plaintiff hereby irrevocably releases and forever discharges the Defendant from any future claims arising from the Incident.
   2. The Plaintiff hereby irrevocably and forever waives all rights it may have arising under the law with respect to the Pending Litigation and the above release.
   3. The Parties agree and acknowledge that A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MAY HAVE MATERIALLY AFFECTED HIS DECISION TO SETTLE.
3. **SETTLEMENT AMOUNT.** In consideration for this settlement and release, the Defendant agrees to pay the Plaintiff the amount of [Amount] Dollars ($NUMBER) as full payment, subject to the terms and conditions of this Agreement. Payments shall be made according to the schedule attached hereto as Exhibit A (the “Settlement Payments”).
4. **TIME IS OF THE ESSENCE.** The Parties agree and acknowledge that time is of the essence with regard to the Settlement Payments.

PandaTip: This section results in the Plaintiff agreeing not to sue the Defendant in the future regarding the Incident. However, subsection (c) carves out an exception that allows the Plaintiff to sue if something else comes to light. Continuing the car example, if the Plaintiff subsequently learns that he was significantly harmed internally from the accident, then he may sue the defendant based on that, but not for the damage done to the vehicle.

PandaTip: Stating that “time is of the essence” ensures that the deadlines will be viewed as material terms of the contract and missing such deadlines will be deemed a material breach of the Agreement.

5. **NO MODIFICATION UNLESS IN WRITING.** No modification of this Agreement shall be valid unless in writing and agreed upon by both Parties.

6. **FULL INTEGRATION.** This Settlement Agreement supersedes any prior agreements, understandings, or negotiations, whether written or oral.

PandaTip: In other words, this agreement is now the controlling agreement with regard to the Debt and in any event the terms of this agreement conflict with any others signed previously, the terms of this agreement win out.

7. **FURTHER ASSURANCES.** The Parties shall make any further assurances as may be necessary to implement and carry out the intent of this Agreement.

PandaTip: In other words, if needed, the parties will take additional actions in order to ensure that the debt will be settled so long as the terms of this agreement are followed.

**8**. **VENUE.** This Settlement Agreement and the interpretation of the terms herein shall be governed by and construed in accordance with the laws of the State of [State]. The Parties irrevocably submit to the exclusive jurisdiction of the federal and state courts located in [County] County, [State].

IN WITNESS WHEREOF, each of the Parties has executed this Debt Settlement Agreement, both Parties by its duly authorized officer, as of the day and year set forth below.

[Sender.Company]

Signature

MM/DD/YYYY

[Sender.FirstName] [Sender.LastName]

[Client.Company]

Signature

MM/DD/YYYY

[Client.FirstName] [Client.LastName]

**EXHIBIT A**

PAYMENT SCHEDULE

| **DUE DATE** | **AMOUNT** |
| --- | --- |
| ﻿ | ﻿ |