

RELEASE PROMISSORY NOTE

Effective Date: Governing State: [STATE] **Original Note Date: Original Principal: Payoff Date: Payoff Amount Received: Scope of Release:** Full Satisfaction and Discharge

This **RELEASE OF PROMISSORY NOTE** (this "Release") is executed and delivered as of **** by [LENDER NAME], a Individual with an address of [LENDER ADDRESS] ("**Lender**" or "**Holder**"), in favor of [BORROWER NAME], a Individual with an address of [BORROWER ADDRESS] ("**Borrower**").

Recitals

A. On ****, Borrower executed and delivered to Lender that certain promissory note in the original principal amount of **** (the "**Original Note**"), evidencing a loan from Lender to Borrower in such amount, together with interest and related charges.

B. Borrower has tendered, and Lender has received on ****, the sum of **** (the "**Payoff Amount**") in full and final satisfaction of all principal, accrued interest, late charges, default interest, collection costs, attorneys' fees, and all other amounts due or owing under the Original Note.

C. Lender desires to evidence, and Borrower desires to obtain written evidence of, such satisfaction and discharge on the terms set forth below.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender agrees as follows:

1. Acknowledgment of Payment

Lender acknowledges and confirms receipt, on ****, of the Payoff Amount of **** from Borrower. Lender represents that such Payoff Amount constitutes payment in full of all outstanding principal, accrued interest, late charges, default interest, collection costs, attorneys' fees, and any other amounts whatsoever due or owing under the Original Note.

2. Full Release and Discharge

(a) **Cancellation of the Original Note.** Lender hereby irrevocably and unconditionally **releases, discharges, cancels, satisfies, and extinguishes** the Original Note in its entirety. The Original Note is hereby declared paid in full, fully satisfied, and of **no further force or legal effect**.

(b) **Release of Borrower.** Lender, for itself and its heirs, successors, assigns, officers, directors, members, managers, employees, agents, attorneys, and representatives, hereby **releases, acquits, and forever discharges** Borrower (together with Borrower's heirs, successors, assigns, officers, directors, members,

managers, employees, agents, attorneys, and representatives) from any and all obligations, liabilities, indebtedness, claims, demands, actions, causes of action, damages, costs, expenses, and attorneys' fees arising out of, based upon, or in any way relating to the Original Note, the loan evidenced thereby, or any collateral, guaranty, or security thereof, whether known or unknown, liquidated or unliquidated, fixed or contingent, matured or unmatured, accrued or unaccrued.

(c) Return of Original Note. Lender shall promptly deliver to Borrower the originally executed Original Note marked "**PAID IN FULL**" and "**CANCELLED**." If the original instrument cannot be located, Lender shall execute and deliver a lost-note affidavit and indemnity in form reasonably satisfactory to Borrower.

(d) Covenant Not to Sue. Lender covenants and agrees that Lender will not commence, maintain, prosecute, assert, or participate in any action, suit, arbitration, claim, counterclaim, or proceeding of any kind against Borrower based on or arising out of the Original Note.

3. Release of Security Interests and Collateral

(a) UCC-3 Termination Statement. Lender agrees that, pursuant to UCC §9-513, Lender shall, within twenty (20) days after the date hereof (or sooner as required by law), execute, authorize, and file a UCC-3 Termination Statement terminating any and all UCC-1 financing statements previously filed by Lender naming Borrower as debtor in connection with the Original Note, and shall promptly deliver a file-stamped copy to Borrower. Lender acknowledges that failure to timely terminate may subject Lender to \$500 statutory damages under UCC §9-625(e) and any actual damages.

(b) Deed of Trust / Mortgage Release. To the extent the Original Note was secured by real property, Lender shall promptly execute, acknowledge, and deliver (or directly record) a **Full Reconveyance, Release of Deed of Trust, Satisfaction of Mortgage**, or equivalent instrument in recordable form in the county where the security instrument was recorded, together with any original recorded Deed of Trust or Mortgage marked "CANCELLED," at Lender's cost.

(d) Certificate-of-Title Releases. To the extent any motor-vehicle title notation was made in favor of Lender, Lender shall promptly release such title lien with the appropriate state department of motor vehicles and deliver the released title or required release documentation to Borrower.

(e) Further Assurances. Lender shall execute and deliver, at Borrower's reasonable request and cost, such additional releases, terminations, reconveyances, satisfactions, endorsements, affidavits, and other documents, and take such further actions, as may be reasonably necessary or appropriate to evidence the release of all liens, security interests, and encumbrances on Borrower's property granted to secure the Original Note.

4. Mutual General Release and Waiver of California Civil Code §1542

(a) Mutual Release. In consideration of the foregoing and the Payoff Amount, **each party** (the "**Releasing Party**"), on behalf of itself and its heirs, successors, assigns, officers, directors, members, managers, employees, agents, attorneys, and representatives, hereby **irrevocably and unconditionally releases, acquits, and forever discharges** the other party (the "**Released Party**") and its heirs, successors, assigns, officers, directors, members, managers, employees, agents, attorneys, and representatives, from any and all claims, demands, actions, causes of action, suits, liabilities, debts, sums of money, damages, judgments, and obligations of every kind and nature whatsoever, whether at law or in equity, whether known or unknown, suspected or unsuspected, liquidated or unliquidated, fixed or contingent, matured or unmatured, arising out of, based upon, or in any way connected with the Original Note, the loan evidenced thereby, any collateral, guaranty, or security, or any conduct, act, or omission by either party in connection therewith, from the beginning of time through the date of this Release.

(b) Waiver of Code §1542 and Similar Statutes. The parties expressly and knowingly waive the benefits of **California Civil Code §1542**, and any similar statute or common-law rule of any other jurisdiction, which provides:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

The parties represent that they understand the significance and consequences of this waiver and assume the full risk of any claims hereby released that are unknown or unsuspected as of the date hereof.

(c) Carve-Out. Notwithstanding the foregoing, this mutual release does not release either party from obligations created by, or to be performed under, this Release itself.

5. Representations and Warranties of Lender

Lender represents and warrants to Borrower that: (a) Lender is the **sole owner and holder** of the Original Note and all rights thereunder; (b) Lender has not sold, assigned, transferred, pledged, hypothecated, encumbered, or otherwise conveyed the Original Note or any interest, claim, or right therein to any third party; (c) Lender has full power, right, and authority to execute and deliver this Release and to grant the releases set forth herein; and (d) the person signing this Release on behalf of Lender is duly authorized to do so.

6. No Admission

This Release is not, and shall not be deemed to be, an admission of liability by any party. It is executed for the sole purpose of evidencing the full and final satisfaction of the Original Note and, if applicable, the mutual general release described above.

7. General Provisions

Governing Law. This Release shall be governed by and construed under the laws of the State of [STATE], without regard to conflict-of-laws principles. Any action or proceeding arising out of or relating to this Release shall be brought exclusively in the state or federal courts sitting in [VENUE CITY FOR ANY DISPUTE], [STATE].

Successors and Assigns. This Release shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns.

Severability. If any provision of this Release is held invalid or unenforceable, the remainder shall continue in effect, and the invalid provision shall be reformed to the minimum extent necessary.

Entire Agreement; Amendment. This Release, together with any instruments delivered concurrently herewith (including any UCC-3 Termination, Reconveyance, or cancelled Original Note), constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, whether written or oral. This Release may be amended only by a writing signed by both parties.

Counterparts; Electronic Signatures. This Release may be executed in counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. Electronic signatures are valid and binding under the federal ESIGN Act (15 U.S.C. §7001 et seq.) and applicable state law.

Attorney's Fees. In any action to enforce this Release, the prevailing party shall be entitled to recover its reasonable attorneys' fees and costs.

Signatures

IN WITNESS WHEREOF, the parties have executed this Release of Promissory Note as of the Effective Date.

LENDER / HOLDER:

Lender

PRINTED NAME

SIGNATURE

DATE

BORROWER (acknowledging receipt of this Release and agreeing to the mutual release set forth in Section 4):

Borrower

_____ PRINTED NAME

_____ SIGNATURE

_____ DATE