

NON-RECOURSE AGREEMENT AND RELEASE

WHEREAS, on the ____ day of _____, _____, there was executed by _____ *[name of company]*, a [State] Corporation, (“Company”) to _____ *[name of beneficiary]*, (“Beneficiary”) as beneficiary, a certain Deed of Trust which is recorded in the office of the Chancery Clerk of _____ County at _____, [State], in Book ____ at Page ____ thereof, of the Records of Mortgages and Deeds of Trust on Land, which secured the Promissory Note described therein; and

WHEREAS, Beneficiary has agreed to release _____ *[name of Shareholder]* (“Shareholder”) from personal liability on the Note, the Deed of Trust and every other loan document described therein upon payment by Shareholder to Beneficiary a lump sum payment in the amount of _____ DOLLARS (\$ _____); and

WHEREAS, the remaining shareholders in said Company have consented to this release and agreement as evidence by their signatures hereon;

NOW, THEREFORE, for and in consideration of the payment of \$_____ to Beneficiary, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned hereby agree as follows:

1. If a default in the Note or Deed of Trust occurs, Beneficiary shall have all rights reserved in the Note, the Deed of Trust and every other loan document and shall have full recourse to the mortgaged property provided, however, that at no time shall Beneficiary seek or obtain any judgment against Shareholder personally, as Beneficiary is specifically releasing Shareholder from all further personal liability, including any liability as a general partner of the Company with regard to the Note, the Deed of Trust and every other loan document referred to therein.
2. Notwithstanding the foregoing, Beneficiary shall not in any way be prohibited from naming Shareholder, or any of Shareholder’s successors or assigns or any person holding under or through Shareholder, as a party to any action, suit or other proceeding initiated by Beneficiary to enforce its rights to foreclose its lien pursuant to said Deed of Trust to secure the payment of the indebtedness secured by said Deed of Trust, however, Beneficiary agrees that at no time shall Beneficiary name Shareholder in any other suit on the Note or seek to collect any part of the indebtedness from Shareholder individually and/or personally.
3. Beneficiary shall apply the \$_____ payment to the indebtedness secured by said Deed of Trust as follows:
 - (a) \$_____ to Beneficiary's attorneys for services rendered and expenses incurred including, but not limited to \$_____ for a Certificate of Title and \$_____ for a UCC Lien Search *[fill in current fees for these services]*;
 - (b) \$_____ to reimburse Beneficiary for paying the hazard insurance covering the premises;

THIS IS A 3-PAGE FORM.