

Indemnification Agreement

To: _____ Date: _____

To induce you to honor checks ((included in such checks are those which were erroneously encoded as to Transit Routing Symbol Numbers or improper depositor's account numbers)...or other orders (all hereinafter referred to as "items") drawn against the account of _____, the _____ hereby agrees that:

It will indemnify and hold you harmless:

From any and all claims, liabilities, court costs and reasonable counsel fees (liabilities) which you may incur or be required to pay to anyone whatsoever, arising out of the payment by you of checks drawn by _____ on the above named account of your depositors, whether or not the balances in the accounts were sufficient at the time the checks were paid, whether or not _____ had authority from the respective depositors recorded with _____ to draw the same and whether or not by notice from the depositors, the authority of _____ was therefore terminated .

In addition, if by reason of your paying any items drawn by _____, the depositor's account is insufficient to meet items or orders thereafter drawn by the depositor, _____ will indemnify and save you harmless from all liabilities resulting from your dishonoring any such subsequent items or orders by reason of insufficiency of funds; provided that such subsequent items or orders drawn by depositors shall have been presented to you for payment within one year after you paid the item drawn by _____ which resulted in the insufficiency of funds.

This agreement will be legally binding upon the undersigned, its successors and assigns, and will apply to each and all transactions, acts or occurrences referred to. You will not be required to give notice of acceptance hereof.

IN WITNESS WHEREOF, the undersigned has caused this agreement to be executed under its corporate seal by its officers thereunto authorized this _____ day of _____, 20____.

Bank _____

By: _____

(Officer)

(Seal)

Attest: _____

The above is a sample Indemnification Agreement that has been used by financial institutions. It is recommended that you have your own counsel review the indemnification agreement. Bankers' Hotline accepts no responsibility for any use of sample