



## Reimbursement Agreement

**Document 1416A**

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## REIMBURSEMENT AGREEMENT

This REIMBURSEMENT AGREEMENT, made and entered into this \_\_\_ day of \_\_\_\_\_, 20\_\_ (this “Agreement”) by and between [COMPANY NAME] a \_\_\_\_\_ corporation, with its principal address located at [PRINCIPAL ADDRESS] (the “**Company**”), and [COMPANY NAME], a \_\_\_\_\_ [corporation], with its principal address located at [PRINCIPAL ADDRESS] (“**Company 2**”).

### WITNESSETH:

WHEREAS, [COMPANY 2] has caused a letter of credit to be issued in the amount of \$\_\_\_\_\_ (the “**Letter of Credit**”) to allow the Company to secure a bond in connection with its bid for a certain business contract with the [LIST OTHER PARTY] (the “**Contract**”); and

WHEREAS, in connection therewith, the Company has agreed to enter into this Agreement with [COMPANY 2], whereby the Company agrees to reimburse [COMPANY 2] for payments, if any, by [COMPANY 2] under the Letter of Credit;

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto hereby agree as follows:

- 1. Reimbursement of Drawings under Letter of Credit.** The Company hereby agrees to pay to [COMPANY 2] a sum equal to any amount drawn and paid under the Letter of Credit, and the amount of any fees required to be paid by [COMPANY 2] to maintain the effectiveness of the Letter of Credit, within ten (10) business days after receipt of written notice by the Company from [COMPANY 2] of such draw down or payment.
- 2. Obligations Absolute.** The obligations of the Company under this Agreement shall be absolute, and shall be performed irrespective of the existence of any claim, setoff, defense or other rights which the Company may otherwise have against [COMPANY 2]; provided, however, that nothing contained herein shall act as a waiver of any rights or claims the Company may have against [COMPANY 2].
- 3. Miscellaneous.** No waiver by any party of any right on any occasion shall be construed as a bar to or waiver of any right or remedy on any future occasion. This Agreement constitutes the entire understanding between the parties hereto with respect to the subject matter hereof, and it may be amended only by a written instrument signed by the parties. It shall take effect as a contract executed under seal, and be construed in accordance with the laws of the State of Delaware. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, personal representatives, assigns, successors in interest and transferees. If any provision of this Agreement is found to be unenforceable or in violation of public policy, the remainder of the Agreement shall continue in full force and effect. Except as otherwise specifically provided, none of the provisions of this Agreement shall be for the benefit of or enforceable by a third party. Where a noun or pronoun is used in the Agreement, said noun or pronoun shall be

regarded as referring to the appropriate person or persons, even though it be incorrect as to gender or as to being in the singular or plural.

**4. Waiver.** No waiver by any party of any right on any occasion shall be construed as a bar to or waiver of any right or remedy on any future occasion.

**5. Severability.** If any provision of this Agreement shall be held or deemed to be invalid, inoperative or unenforceable, the remaining provisions herein contained shall nonetheless continue to be valid, operative and enforceable as though the invalid, inoperative or unenforceable provision had not been included in this Agreement.

**6. Notices.** All notices and other communications hereunder shall be in writing and shall be deemed to have been given when delivered or mailed by registered or certified mail, postage prepaid, addressed to the addresses set forth above.

**7. Agreement Binding.** This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

**8. Counterparts.** This Agreement may be executed in counterparts, all of which taken together shall be deemed one original.

**9. Governing Law.** This Agreement shall be governed by and construed and enforced in accordance with the laws of the [STATE].

IN WITNESS WHEREOF, the parties have executed this Agreement as a sealed instrument effective as of the day and year first written above.

[COMPANY NAME]

By: \_\_\_\_\_

Its:

[COMPANY 2]

By: \_\_\_\_\_

Its: