

STATE AND LOCAL TAX INDEMNIFICATION AGREEMENT

This State and Local Tax Indemnification Agreement (this "Agreement") is entered into as of _____, by and between _____ ("Indemnitor"), and _____ ("Indemnitee"). Indemnitor and Indemnitee may collectively be referred to herein as the "Parties" or individually as a "Party."

RECITALS

WHEREAS, the Parties have entered into that certain _____ dated as of _____ (the "Underlying Agreement"); and

WHEREAS, in connection with the transactions contemplated by the Underlying Agreement, certain state and local tax liabilities may arise or be asserted against Indemnitee; and

WHEREAS, as a material inducement for Indemnitee to enter into the Underlying Agreement, Indemnitor has agreed to indemnify and hold harmless Indemnitee from and against certain state and local tax liabilities as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. TAX INDEMNIFICATION

Subject to the terms of this Agreement, Indemnitor hereby agrees to defend, indemnify, and hold harmless Indemnitee, its affiliates, officers, directors, employees, and agents from and against any and all losses, liabilities, claims, damages, deficiencies, interest, penalties, costs, and expenses (including reasonable attorneys' and tax professionals' fees and expenses) arising out of, resulting from, or relating to:

- a. Any and all state, local, municipal, or regional taxes, including but not limited to income, franchise, gross receipts, sales, use, excise, property, transfer, or payroll taxes (collectively, "State and Local Taxes") imposed upon or assessed against Indemnitee, the business, or the assets purchased under the Underlying Agreement, for any taxable period ending on or before _____ (the "Pre-Closing Period");
- b. The portion of any State and Local Taxes for any taxable period that includes but does not end on the date specified above (the "Straddle Period") which is allocable to the portion of the Straddle Period ending on or before such date; and
- c. Any inaccuracy in or breach of any representation, warranty, or covenant of Indemnitor regarding tax matters contained in the Underlying Agreement or this Agreement.

2. CONTROL OF TAX AUDITS AND PROCEEDINGS

- a. **Notice:** Indemnitee shall promptly notify Indemnitor in writing of the receipt of any notice of audit, assessment, pending inquiry, or proceeding by any state or local taxing authority (a "Tax Claim") that could give rise to a claim for indemnification under this Agreement. Failure to provide such notice shall not relieve Indemnitor of its obligations under this Agreement, except to the extent that Indemnitor is materially prejudiced by such failure.
- b. **Defense:** Indemnitor shall have the right, at its own expense, to control the defense, compromise, or settlement of any Tax Claim, provided that Indemnitor acknowledges in writing its obligation to indemnify Indemnitee in respect of such Tax Claim. Indemnitor shall keep Indemnitee fully informed of the progress of any such Tax Claim.
- c. **Consent:** Indemnitor shall not settle, compromise, or resolve any Tax Claim without the prior written consent of Indemnitee, which consent shall not be unreasonably withheld, conditioned, or delayed, if such settlement would have a material adverse effect on the tax liability or business operations of Indemnitee for any period after the Pre-Closing Period.

3. COOPERATION AND ACCESS TO INFORMATION

The Parties shall cooperate fully, as and to the extent reasonably requested by the other Party, in connection with the filing of any tax returns, any audit, litigation, or other proceeding with respect to State and Local Taxes. Such cooperation shall include the retention and (upon the other Party's request) the provision of records and information reasonably relevant to any such audit, litigation, or other proceeding, and making employees available on a mutually convenient basis to provide additional explanation of any material provided hereunder.

4. PAYMENT OF INDEMNITY CLAIMS

Indemnitor shall pay to Indemnitee any amount due under this Agreement within _____ days after written demand for payment is made by Indemnitee, accompanied by reasonable documentation setting forth the basis for the indemnification claim and the calculation of the amount due.

5. TERM AND SURVIVAL

This Agreement and the indemnification obligations hereunder shall survive the closing of the transactions contemplated by the Underlying Agreement until the expiration of the applicable statute of limitations for the assessment of the State and Local Taxes in question, plus a period of _____ days.

6. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by, and construed in accordance with, the laws of the State of _____, without giving effect to any choice of law or conflict of law provisions. Any legal action or proceeding arising under this Agreement shall be brought exclusively in the courts located in _____.

7. MISCELLANEOUS

This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof and supersedes all prior agreements, written or oral. No amendment, modification, or waiver of any provision of this Agreement shall be valid unless in writing and signed by both Parties. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the Parties hereto have executed this State and Local Tax Indemnification Agreement as of the date first written above.

INDEMNITOR:

INDEMNITEE:

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____