

MUTUAL TAX INDEMNIFICATION AGREEMENT

This Mutual Tax Indemnification Agreement (the "Agreement") is entered into as of _____, by and between:

Party A: _____, a _____ organized and existing under the laws of _____, with its principal place of business at _____

and

Party B: _____, a _____ organized and existing under the laws of _____, with its principal place of business at _____.

Party A and Party B are hereinafter collectively referred to as the "Parties" and individually as a "Party."

RECITALS

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

WHEREAS, the Parties desire to allocate responsibility for certain tax liabilities that may arise in connection with, resulting from, or attributable to the transactions contemplated under the Underlying Agreement, and to indemnify each other against such liabilities on the terms and conditions hereinafter set forth;

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

1. DEFINITIONS

1. **"Indemnified Party"** means the Party receiving indemnification under this Agreement.
2. **"Indemnifying Party"** means the Party providing indemnification under this Agreement.
3. **"Tax" or "Taxes"** means any and all federal, state, local, or foreign income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, sales, use, transfer, registration, value-added, alternative or add-on minimum, estimated, or other tax of any kind whatsoever, including any interest, penalty, or addition thereto, whether disputed or not.
4. **"Tax Claim"** means any assessment, audit, dispute, litigation, or other proceeding by any governmental or regulatory authority with respect to Taxes.

2. MUTUAL INDEMNIFICATION

1. **Indemnification by Party A.** Party A shall indemnify, defend, and hold harmless Party B and its affiliates, directors, officers, employees, and agents from and against any and all Taxes, losses, liabilities, costs, and expenses (including reasonable attorneys' and accountants' fees) arising out of or resulting from:
 - a. Any breach of any representation, warranty, or covenant made by Party A regarding tax matters in this Agreement or the Underlying Agreement.
 - b. Any Taxes allocated to Party A under the terms of this Agreement or the Underlying Agreement.
 - c. Taxes arising from the operations or income of Party A for any taxable period ending on or before _____.
2. **Indemnification by Party B.** Party B shall indemnify, defend, and hold harmless Party A and its affiliates, directors, officers,

employees, and agents from and against any and all Taxes, losses, liabilities, costs, and expenses (including reasonable attorneys' and accountants' fees) arising out of or resulting from:

- a. Any breach of any representation, warranty, or covenant made by Party B regarding tax matters in this Agreement or the Underlying Agreement.
- b. Any Taxes allocated to Party B under the terms of this Agreement or the Underlying Agreement.
- c. Taxes arising from the operations or income of Party B for any taxable period ending on or before _____.

3. PROCEDURES FOR TAX CLAIMS

1. **Notice.** If any Indemnified Party receives notice of a Tax Claim that could give rise to a claim for indemnification under this Agreement, such Indemnified Party shall promptly notify the Indemnifying Party in writing. Such notice shall be sent within _____ days of receipt of the Tax Claim. Failure to give timely notice shall not relieve the Indemnifying Party of its obligations, except to the extent the Indemnifying Party is actually prejudiced by such failure.
2. **Defense of Claims.** The Indemnifying Party shall have the right, at its own expense, to participate in or assume the defense of any Tax Claim. If the Indemnifying Party elects to assume the defense, it shall employ counsel reasonably satisfactory to the Indemnified Party. The Indemnified Party shall have the right to employ separate counsel and participate in the defense, but the fees and expenses of such counsel shall be at the Indemnified Party's expense unless the Indemnifying Party has failed to assume the defense in a timely manner.
3. **Settlement.** The Indemnifying Party shall not settle any Tax Claim without the prior written consent of the Indemnified Party (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 the Indemnified Party for any period not covered by this Agreement.

4. COOPERATION AND INFORMATION SHARING

The Parties agree to cooperate fully with each other in connection with the preparation and filing of any tax returns, and any audit, litigation, or other proceeding with respect to Taxes. Each Party shall make available to the other, during normal business hours, all books, records, and other information reasonably requested in connection with any Tax matter covered by this Agreement.

5. TERM AND TERMINATION

This Agreement shall remain in full force and effect until the expiration of the applicable statute of limitations for the assessment of the Taxes to which the indemnification obligations herein relate, 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 principles of conflicts of law. Any legal action or proceeding arising under this Agreement shall be brought exclusively in the courts located in _____.

7. MISCELLANEOUS

1. **Entire Agreement.** This Agreement, together with the Underlying Agreement, constitutes the entire understanding of the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, or negotiations.
2. **Amendments.** This Agreement may not be amended, modified, or supplemented except by a written instrument executed by both Parties.
3. **Severability.** If any provision of this Agreement is held to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

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

PARTY A:

By: _____

Title: _____

Date: _____

PARTY B:

By: _____

Title: _____

Date: _____