

# TAX INDEMNITY AND HOLD HARMLESS AGREEMENT

This Tax Indemnity and Hold Harmless Agreement (the "Agreement") is entered into as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between:

**Indemnitor:** \_\_\_\_\_, residing at/having its principal place of business at \_\_\_\_\_ (hereinafter referred to as the "Indemnitor"),  
and

**Indemnitee:** \_\_\_\_\_, residing at/having its principal place of business at \_\_\_\_\_ (hereinafter referred to as the "Indemnitee").

## RECITALS

WHEREAS, the Indemnitor and the Indemnitee have entered into that certain \_\_\_\_\_ dated \_\_\_\_\_, 20\_\_\_\_ (the "Underlying Agreement"); and

WHEREAS, in connection with the transactions contemplated under the Underlying Agreement, potential tax liabilities may arise; and

WHEREAS, the Indemnitor has agreed to indemnify, defend, and hold harmless the Indemnitee from and against any and all such tax liabilities under the terms and conditions 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. INDEMNIFICATION

A. **Scope of Indemnity:** The Indemnitor hereby agrees to indemnify, defend, and hold harmless the Indemnitee, its affiliates, officers, directors, employees, and agents from and against any and all taxes, levies, imposts, duties, charges, assessments, or withholdings of any nature (including, without limitation, income, franchise, sales, use, transfer, excise, and property taxes), together with any interest, penalties, additions to tax, and reasonable legal and accounting fees (collectively, "Tax Liabilities") imposed by any federal, state, local, or foreign taxing authority, arising out of, relating to, or resulting from:

B. **Limitations:** The indemnification obligations under this Section 1 shall not apply to any Tax Liabilities to the extent they are determined to have resulted directly from the gross negligence, willful misconduct, or bad faith of the Indemnitee.

## 2. NOTICE OF TAX CLAIMS

If the Indemnitee receives notice of any audit, assessment, demand, or other claim by a taxing authority that could give rise to a claim for indemnification under this Agreement (a "Tax Claim"), the Indemnitee shall promptly notify the Indemnitor in writing of such Tax Claim. Failure to provide prompt notice shall not relieve the Indemnitor of its obligations hereunder, except to the extent that the Indemnitor's defense of such claim is materially prejudiced thereby.

## 3. DEFENSE OF CLAIMS

The Indemnitor shall have the right, at its own expense, to participate in or assume the defense, control, and settlement of any Tax Claim with counsel of its choosing, provided such counsel is reasonably acceptable to the Indemnitee. The Indemnitee shall cooperate fully with the Indemnitor in the defense of any such Tax Claim, including providing access to relevant books and records. The Indemnitor shall not settle or compromise any Tax Claim without the prior written consent of the Indemnitee, which consent shall not be unreasonably withheld, conditioned, or delayed.

**4. PAYMENT OF INDEMNITY**

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All payments due from the Indemnitor to the Indemnitee under this Agreement shall be made in immediately available funds within \_\_\_\_\_ business days following written demand by the Indemnitee, accompanied by reasonable documentation verifying the amount of the Tax Liabilities incurred or to be incurred.

**5. TERM AND SURVIVAL**

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The obligations of the Indemnitor under this Agreement shall survive the termination of the Underlying Agreement and shall remain in full force and effect until the expiration of the applicable statute of limitations for the assessment of the relevant Tax Liabilities, plus a period of \_\_\_\_\_ days.

**6. GOVERNING LAW AND JURISDICTION**

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This Agreement shall be governed by, and construed in accordance with, the laws of the State of \_\_\_\_\_, without regard to its conflict of laws principles. Any legal action or proceeding arising under this Agreement shall be brought exclusively in the courts located in \_\_\_\_\_.

**7. MISCELLANEOUS**

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- A. **Entire Agreement:** This Agreement constitutes the entire understanding between the parties regarding the subject matter hereof and supersedes all prior discussions, negotiations, and agreements.
- B. **Amendments:** This Agreement may not be amended, modified, or supplemented except by a written instrument executed by both parties.
- C. **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 Tax Indemnity and Hold Harmless Agreement as of the date first written above.

**INDEMNITOR:**

**INDEMNITEE:**

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

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

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_