

SHAREHOLDER JOINT AND SEVERAL TAX INDEMNITY AGREEMENT

This Shareholder Joint and Several Tax Indemnity Agreement (the "Agreement") is entered into as of this _____ day of _____, 20_____, by and among:

THE INDEMNITORS:

1. _____, residing at _____;
2. _____, residing at _____; and
3. _____, residing at _____

(each individually an "Indemnitee" and collectively the "Indemnitors"),

AND THE INDEMNITEE:

_____, a corporation organized and existing under the laws of _____, with its principal place of business located at _____ (the "Company").

Recitals

WHEREAS, the Indemnitors are shareholders of the Company, holding in the aggregate _____% of the outstanding shares of capital stock of the Company;

WHEREAS, the Company has incurred, or may incur, certain tax liabilities arising from or relating to _____ for the taxable periods ending _____ (the "Tax Liabilities"); and

WHEREAS, as a condition to _____, the Indemnitors have agreed to jointly and severally indemnify and hold harmless the Company from and against any and all such Tax Liabilities in accordance with the terms 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 hereto agree as follows:

1. Indemnification.

- a. The Indemnitors hereby agree, jointly and severally, to defend, indemnify, and hold harmless the Company, its successors, and permitted assigns, from and against any and all liabilities, losses, damages, deficiencies, claims, assessments, interest, penalties, costs, and expenses (including, without limitation, reasonable attorneys' and accountants' fees and disbursements) arising out of, resulting from, or relating to any Tax Liabilities.
- b. The joint and several liability of the Indemnitors hereunder shall be absolute, unconditional, and irrevocable, and shall not be released, discharged, or affected by any circumstance or occurrence that might otherwise constitute a legal or equitable discharge of a guarantor or surety.

2. **Notice of Tax Claims.** If the Company receives notice of any audit, assessment, claim, or demand by any taxing authority with respect to which it intends to seek indemnification under this Agreement (a "Tax Claim"), the Company shall promptly notify the Indemnitors in writing of such Tax Claim. The failure to provide prompt notice shall not relieve the Indemnitors of their obligations hereunder, except to the extent that the Indemnitors are materially and adversely prejudiced by such failure.

3. Control of Defense and Settlement.

- a. The Indemnitors, acting jointly, shall have the right to assume and control the defense of any Tax Claim at their own expense, using counsel of their choice reasonably acceptable to the Company; provided, however, that the Company

shall have the right to participate in such defense at its own expense.

- b. The Indemnitors shall not settle or compromise any Tax Claim without the prior written consent of the Company, which consent shall not be unreasonably withheld, conditioned, or delayed.
- 4. **Payment of Indemnity.** Any payment required to be made by the Indemnitors to the Company pursuant to this Agreement shall be made in immediately available funds within _____ business days following written demand by the Company, accompanied by reasonable documentation setting forth the basis for and calculation of the amount claimed.
- 5. **Subrogation.** Upon making any payment under this Agreement, the Indemnitors shall be subrogated to all rights of the Company against any third party in respect of the Tax Liabilities to which the payment related, and the Company shall execute all instruments and take all actions reasonably requested by the Indemnitors to secure such rights.
- 6. **Term and Survival.** This Agreement and the obligations of the Indemnitors hereunder shall survive the transfer of any shares of the Company by any Indemnitor, and shall remain in full force and effect until the expiration of the applicable statute of limitations for the assessment of the Tax Liabilities, plus a period of _____ days.
- 7. **Governing Law; 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 of _____.
- 8. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.
- 9. **Entire Agreement.** This Agreement constitutes the entire agreement among the parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Shareholder Joint and Several Tax Indemnity Agreement as of the date first written above.

THE COMPANY:

By: _____
Name: _____
Title: _____

INDEMNITOR 1:

Signature: _____
Name: _____

INDEMNITOR 2:

Signature: _____
Name: _____

INDEMNITOR 3:

Signature: _____
Name: _____