

Last updated May 1, 2023.

These Avalara for Communications Product-Specific Supplemental Terms ("**AFC Terms**") govern Customer's use of one or both of Avalara's transaction tax calculation and return services for telecommunications products and services, including AvaTax for Communications and Avalara Returns for Communications ("**AFC Services**"). These AFC Terms are in addition to, and incorporate by reference, the Avalara Service Terms and Conditions available at <https://www.avalara.com/terms> (the "**Terms**"). Any capitalized terms used in these AFC Terms and not defined have the meanings given in the Terms.

## 1. Definitions.

- a. "**Avalara Returns for Communications**" means the Service that uses the information from the tax calculation service used by Customer to produce and remit federal, state, and local AFC Returns.
- b. "**AvaTax for Communications**" means the Service for transaction taxes, surcharges, and fees calculated on telecommunications products and services.
- c. "**AFC Return**" means a standard tax compliance return or remittance prepared for one filing period for one Filing Entity.
- d. "**Billed Charges**" means the gross sum of fees and charges included in a Transaction.
- e. "**Taxes Calculated**" means the total of all taxes, surcharges, and fees in the compliance report (or a successor report that Avalara may designate by notifying Customer in writing) generated from Customer's usage of AvaTax for Communications (the "**Compliance Report**"). If no Compliance Report is generated, all taxes, surcharges, and fees calculated by the Service will be considered Taxes Calculated.
- f. "**Transaction**" means each transaction tax, surcharge, or fee calculation for a line item on an invoice, sales order, quote, or other document submitted electronically by Customer to AvaTax for Communications, irrespective of the calculation result, and, if applicable, each API call to Avalara requesting location information. A Transaction may be referred to on a Sales Order by the letter "T" when preceded by an amount.

2. **AvaTax for Communications Service Usage Calculations.** Fees for usage of AvaTax for Communications are based on one of three methods; the method applicable to Customer is based on Customer's Order Document. Avalara will calculate Customer's ratio of uncommitted Transactions to committed Transactions on a monthly basis by dividing the sum of uncommitted Transactions by the sum of committed Transactions during the month (the "**Monthly Commit Ratio**") which may be written as follows, "uncommitted Transactions: committed Transactions). If applicable, Avalara may perform any currency conversion to calculate usage on a monthly basis.

### a. Billed Charges.

- i. Customer's usage of the Service will be calculated based on the following:
  - A. If the Monthly Commit Ratio is less than 5:1, Customer's usage of the Service will be calculated based on Billed Charges for committed Transactions.
  - B. If the Monthly Commit Ratio is greater than or equal to 5:1 and less than 20:1 then Customer's usage of the Service for that month will

be calculated as the sum of Billed Charges for committed Transactions multiplied by the Monthly Commit Ratio divided by 5. For example, if Customer's Monthly Commit Ratio is 8:1, and the sum of the Billed Charges for committed Transactions is \$50,000, then the Billed Charges for that month will be revised to  $\$50,000 * 8 / 5 = \$80,000$ .

- c. If the Monthly Commit Ratio is greater than or equal to 20:1, then Customer's usage of the Service will be calculated based on the larger of either (A) Billed Charges for committed Transactions, or (B) Billed Charges for uncommitted Transactions.
  - ii. If Customer makes subsequent alterations or recalculations of Transactions, the full amount of the Transaction will count each time.
  - iii. In addition to the foregoing, Avalara will calculate Customer's average Billed Charge per Transaction ("**Average Billed Charge Per Transaction**") on a monthly basis by dividing Billed Charges calculated pursuant to Section 2(a)(i) by either (A) the sum of Customer's committed Transactions for that month or (B) the sum of uncommitted Transactions for that month in the event Billed Charges for the month are calculated based on uncommitted Transactions (i.e. the Monthly Commit Ratio for that month is greater than or equal to 20:1), and usage of the Service will be calculated as follows:
    - A. If the Average Billed Charge Per Transaction is \$10.00 USD or greater, Customer's usage for that month shall be based on Billed Charges as calculated in Section 2(a)(i).
    - B. If the Average Billed Charge Per Transaction is less than \$10.00 USD, then Customer's usage of the Service that month will be calculated by multiplying the Billed Charges calculated in Section 2(a)(i) by \$10.00 divided by Customer's Average Billed Charges Per Transaction for that month. For example, if Customer's Billed Charges that month are \$50,000 and Average Billed Charges are \$5.00 then the Billed Charges for that month will be revised to  $\$50,000 * \$10.00 / \$5.00 = \$100,000$ .
  - iv. If Customer's Billed Charges exceed Customer's subscription tier during a Subscription Term, Customer shall pay overages based on the Order Document.
- b. **Taxes Calculated.** Customer's usage of AvaTax for Communications is calculated based on a percentage of the Taxes Calculated by the Service.
- i. If the Monthly Commit Ratio is less than 5:1, Customer's usage of the Service will be calculated based on Taxes Calculated for committed Transactions.
  - ii. If the Monthly Commit Ratio is greater than or equal to 5:1 and less than 20:1 then Customer's usage of the Service for that month will be based on Taxes Calculated for committed Transactions multiplied by the Monthly Commit Ratio divided by 5. For example, if Customer's Monthly Commit Ratio is 8:1, and the Taxes Calculated for committed Transactions is \$50,000, then the Taxes Calculated for that month will be revised to  $\$50,000 * 8 / 5 = \$80,000$ .
  - iii. If the Ratio is greater than or equal to 20:1, then Customer's usage of the Service will be calculated based on the larger of either (a) Taxes Calculated

for committed Transactions, or (b) Taxes Calculated for uncommitted Transactions.

- c. **Transactions.** Fees for usage of AvaTax for Communications are based on the number of Transactions used in AvaTax for Communications by Customer. Avalara calculates Customer's Transaction usage on a monthly or annual basis as indicated on Customer's Order Document. Customer shall pay overages on a per-Transaction basis for Transactions that exceed Customer's subscription tier in a Subscription Term.

The following Sections in this column apply to Customers of Avalara Returns for Communications using the portal at: <a href="https://complianceportal.eztax.com">https://complianceportal.eztax.com</a>	The following Sections in this column apply of Avalara Returns for Communications using the portal at: <a href="https://admin.avalara.com">https://admin.avalara.com</a>
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3. **Avalara Returns for Communications Service.**

- a. **Account Setup.** Customer shall provide Avalara with all information requested by Avalara to establish and set up Customer's Account for Avalara Returns for Communications and produce the AFC Returns (the "**Filing Information**"). Filing Information includes: (i) a list of taxing jurisdictions for Customer's AFC Return preparation (the "**Filing Jurisdictions**"); (ii) the filing frequency for AFC Returns in each of the Filing Jurisdictions (the "**Filing Calendar**"); (iii) the entities (e.g., Customer or its Affiliate) for which Avalara will be preparing AFC Returns (each, a "**Filing Entity**") and which Filing Jurisdictions apply to each Filing Entity; (iv) tax registration numbers and login information for each Filing Entity in each Filing Jurisdiction sufficient to allow Avalara to identify and access each Filing Entity's account in that Filing Jurisdiction (the "**Account Information**"); (v) copies of each Filing Entity's previous filings in the Filing Jurisdictions, as requested by Avalara; (vi) completed power(s) of attorney for each Filing Entity, including the power of attorney described in Section 3(e)(i) (*Avalara Funding Account*) below, and (vii) any other information necessary to properly configure Customer's Account and produce the AFC Returns. Customer is solely responsible for timely providing and maintaining accurate, complete, and current Filing Information, and Avalara has no obligation to audit, verify, correct, or maintain any Filing

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Information.

- b. **Changes to Filing Information.** Customer shall review its Filing Information periodically and shall promptly communicate any changes to Avalara. Avalara shall implement changes to the Filing Information no later than two months after Customer has submitted those changes to Avalara. If Customer requests to add a Filing Jurisdiction that is not supported by Avalara, Avalara will not implement a change to add filings in that Filing Jurisdiction.

- c. **Tax Data.**

- i. Customer is solely responsible for the accuracy and completeness of all the data necessary to properly complete AFC Returns (the "**Tax Data**") and all Filing Information. Avalara does not audit, validate, or verify Tax Data. Customer shall provide the Tax Data in the format specified by Avalara or in a format agreed to by the parties in writing.
- ii. If Customer uses AvaTax for Communications, Avalara will pull Customer's Tax Data directly from AvaTax for Communications.
- iii. If Customer uses a tax calculation system other than AvaTax for Communications:
  - A. Each month, Customer shall provide its Tax Data to Avalara in an electronic file supported by Avalara by the third calendar day of the month in which the AFC Return is due.
  - B. If Customer fails to provide the

accurate, complete, and Information, and Avalara obligation to audit, verify, maintain any Filing Inform

- b. **Changes to Filing Infor** Customer shall review its Information periodically a promptly communicate a to Avalara. Customer sha changes to the Filing Infc Avalara by the deadline s the Documentation. Any received after the deadlir in the Documentation will implemented and becom the subsequent month.

- c. **Tax Data.**

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Tax Data by the third calendar day, Avalara may, in Avalara's sole discretion, charge Customer an additional fee to expedite Customer's AFC Return, file the AFC Return late, or decline to file Customer's AFC Return in that month.

c. Avalara, in its sole discretion, may require Data Transformation Services. "**Data Transformation Services**" are Services where Avalara converts Customer's transactional data to a form that meets Avalara's minimum transactional data requirements. Data Transformation Services are performed at Customer's direction and expense, pursuant to an Order Document, and the resulting data set is part of Customer's Tax Data.

d. **Tax Liability.** If Customer uses AvaTax for Communications, by the end of the second calendar day of each month Avalara shall provide

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Customer, based on Customer's Tax Data and Filing Information, an estimate of Customer's tax liabilities incurred in the just-ended filing period that will be contained in the AFC Returns due to each Filing Jurisdiction between the 16th of that month and the 15th of the following month (the "**Estimated Taxes**"). Customer is solely responsible for the accuracy and completeness of Customer's Estimated Taxes and may modify its Estimated Taxes up to the end of the fourth calendar day of the month for AFC Returns to be filed between the 16th of that month and the 15th of the following month ("**Estimated Taxes Approval Deadline**"). After the Estimated Taxes Approval Deadline, Customer's Estimated Taxes are locked and deemed approved by Customer, Customer may not submit additional Tax Data for that period, and any AFC Returns and tax amounts due (the "**Taxes**") will be submitted based on the Estimated Taxes and Filing Information.

- e. **Funding.** If the applicable AFC Return is due between the 1st and 15th of the month, then Customer shall make sufficient funds available to pay the Taxes ("**Tax Funds**") by or on the 20th of the prior month. If the applicable AFC Return is due between the 16th and the end of the month, then Customer shall make the Tax Funds available by or on the 5th of that month. Avalara will draw the Tax Funds from the Avalara Funding Account and/or the Customer Bank Account (as applicable) after the date the Customer is obligated to make Tax Funds available pursuant to this section (e). Avalara may make more than one draw in a month. Avalara will not provide any Tax Funds. Notwithstanding any other provision of this Agreement, Customer shall defend, indemnify, and hold Avalara, its Affiliates, and their respective officers, directors, employees, and representatives harmless from any Losses arising out of or related to Customer's failure to timely and adequately provide available Tax Funds for Taxes due. For timely

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- d. **Tax Liability.** Customer shall view and approve Customer's tax liabilities to Filing Jurisdiction. Customer's tax liabilities are based on the Tax Data and Filing Information. Customer is solely responsible for the accuracy and completeness of Customer's Tax Liability and may modify Customer's Tax Liability up to the deadline for the Documentation for Returns to be filed in that month ("**Tax Liability Approval Deadline**"). Customer's Tax Liability is updated daily to reflect new or edited data until the deadline for approval by Customer or the Tax Liability Approval Deadline, whichever is earlier of (i) Customer's Tax Liability Approval Deadline, or (ii) the Tax Liability Approval Deadline. Customer's Tax Liability is locked and deemed approved by Customer. Customer's Tax Liability will display any tax amounts due (the "**Taxes**") based on the Tax Data and Filing Information. Customer acknowledges that its failure to provide accurate, current, and complete Tax Data and Account Information (for example, registration numbers) may impair Avalara's ability to file Returns and remit Taxes.
- e. **Funding.** In accordance with Section 3(e), Customer shall make sufficient funds available to pay the Taxes for any applicable Filing Jurisdiction ("**Tax Funds**") prior to the deadline specified in the Documentation for Returns. Avalara will not provide any Tax Funds. Notwithstanding any other provision of this Agreement, Customer shall defend, indemnify, and hold Avalara, its Affiliates, and their respective officers, directors, employees, and representatives harmless from any Losses arising out of or related to Customer's failure to timely provide immediate and adequate remittance of the Tax Funds for Taxes due. For timely remittance of the Tax Funds for any applicable Filing Jurisdiction, Customer must do the following:
- i. **Avalara Fund Account.** Customer shall provide bank account information to Avalara to enable Avalara to draw Tax Funds from the Avalara Fund Account (as applicable) after the date the Customer is obligated to make Tax Funds available pursuant to this section (e). Avalara may make more than one draw in a month. Avalara will not provide any Tax Funds. Notwithstanding any other provision of this Agreement, Customer shall defend, indemnify, and hold Avalara, its Affiliates, and their respective officers, directors, employees, and representatives harmless from any Losses arising out of or related to Customer's failure to timely and adequately provide available Tax Funds for Taxes due. For timely

remittance of the Tax Funds to the applicable Filing Jurisdiction, Customer must do the following:

- i. **Avalara Funding Account.** With Avalara's approval, Customer may use Avalara's account (the "**Avalara Funding Account**") for tax remittance. In order to use the Avalara Funding Account, Customer must provide a bank account for Avalara to draw the Tax Funds and any applicable Avalara Returns for Communications fees by ACH or wire transfer, at Avalara's sole discretion (the "**Customer Bank Account**"). Any interest earned on the Tax Funds accrues for the benefit and is the sole property of Avalara. Customer shall execute a limited power of attorney in the form requested by Avalara by the 25th day of the month prior to the first month in which the Taxes are to be paid. For example, for Taxes and AFC Returns for December to be filed in January, the limited power of attorney is due by December 25th. Customer shall ensure the Customer Bank Account is adequately funded to pay Tax Funds and, if applicable, Customer's Avalara Returns for Communications fees and Expenses, by the deadlines provided by Avalara. If Customer fails to timely and adequately fund the Customer Bank Account, Avalara may require Customer to remit payment for the Taxes directly to the applicable Filing Jurisdiction, and Customer will be responsible for payment of any interest or penalties

information for account (the "**Account**") from Customer until Avalara to draw pay Customer any applicable Returns fees & Expenses, by specified in the Documentation interest earned Funds accrues benefit and is property of Avalara. Customer shall limited power the form requested by Avalara. Customer ensure the Bank Account is adequately funded to pay Tax Funds and, if applicable, Customer's Avalara Returns for Communications fees and Expenses, by the deadlines specified in the Documentation. If Customer fails to timely and adequately fund the Customer Bank Account, Avalara shall require Customer to remit payment for the Taxes plus any penalties that are due directly to the applicable Filing Jurisdiction. Avalara may draw from the Customer Bank Account if the Account is cashed or returned other than to Avalara, that will be considered a failure to timely fund the Account. Avalara may suspend or terminate Customer's subscription to Avalara Returns for Communications immediately upon termination of the Account if Customer fails to maintain a sufficient balance in the Customer Bank Account. Upon termination of the subscription to Returns for Communications, Customer shall be responsible for the balance due, /

that may accrue. If the ACH payment Avalara draws from the Customer Bank Account is cancelled or returned other than by Avalara, that will be considered a failure to timely fund the Customer Bank Account. Avalara may suspend or terminate Customer's subscription to Avalara Returns for Communications immediately upon notice if Customer fails to timely and sufficiently fund the Customer Bank Account, as applicable. Upon termination of Customer's subscription to Avalara Returns for Communications with no balance due, Avalara shall cease to use any power or authority granted by a power of attorney signed by Customer.

- ii. **Bank Authorization.** Customer authorizes Avalara to (1) withdraw the Tax Funds from Customer Bank Account to pay the Taxes in accordance with the Filing Calendar, including making any required prepayments; and (2) if applicable, withdraw Customer's Avalara Returns for Communications fees and Expenses.

- f. **Avalara Responsibilities.** For those Filing Jurisdictions and for those Filing Entities for which Avalara and Customer have agreed Avalara will file, if Customer timely provides Avalara all Filing Information and Tax Data, Avalara will (i) remit the applicable AFC Returns; (ii) if applicable, remit Taxes; (iii) correspond with the Filing Jurisdictions; and (iv) provide to Customer a monthly tax filing report. Avalara is not responsible for any of Customer's Taxes under any circumstances. During the

cease to use a authority granted by power of attorney signed by Customer.

- ii. **Bank Authority.** Customer authorizes Avalara to (1) withdraw the Tax Funds from Customer Bank Account to pay the Taxes in accordance with the Filing Calendar, including making any required prepayments; and (2) if applicable, withdraw Customer's Avalara Returns for Communications fees and Expenses.

f. **Avalara Responsibilities**

- i. **Returns Preparation and Filing.** Avalara shall prepare and file Return for Filing Entities in each Filing Jurisdiction by Avalara and Customer. Avalara may file Return as soon as possible after Customer applicable related Tax Liabilities (i) standard telecommunication sales and use tax filing, (ii) Non-Form (as defined in Section 4(c)(ii)) prepayment by a Filing Jurisdiction submitted with prepared for a Filing Jurisdiction for a period will constitute a "Return."

- ii. **Funding.** Avalara shall provide funds for the payment of Taxes for the Filing Entities upon Filing Jurisdiction provided Customer timely made Taxes available. Avalara shall provide funds for Taxes. If Tax Funds are not timely available for remitting, Avalara shall file the Return payment.



Subscription Term, if Customer (or its Affiliate, if applicable) receives any notice from a Filing Jurisdiction, Customer shall immediately, and no later than 10 business days after the date of such notice, electronically deliver such notice to Avalara. Such notice must be submitted by following the instructions in the Documentation. During the Subscription Term, Avalara will respond to notices for AFC Returns and Taxes remitted by Avalara. In the case of notices received by Avalara more than 10 business days after the date of the notice, Avalara reserves the right to delay response or not to respond or, if Customer asks Avalara to expedite the notice response and Avalara agrees, to charge an additional fee. Avalara shall have no responsibility for any notice management upon expiration or termination of the Subscription Term.

- g. **Termination.** If the financial institution providing the Customer Bank Account instructs Avalara that Avalara must terminate this Agreement (for example, because Customer is conducting its business in violation of Applicable Law), Avalara may immediately terminate this Agreement upon written notice to Customer. In the event of such termination, Avalara will not refund any amounts to Customer.

4. **Pricing.** The pricing for AvaTax for Communications and Avalara Returns for Communications includes an annual subscription fee ("**Subscription Fee**") and usage-based fees for each Service.

- a. **Subscription Fee.** Avalara will invoice Customer for the Subscription Fee at the beginning of the Initial Subscription Term and each Renewal Subscription Term.
- b. **Usage Fees.** Avalara will invoice Customer for usage-based fees as set forth in the Order Document.
- c. **Other Fees.**
  - i. **Registrations/De-Registrations.** If Customer requests to be registered or to have its registration

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cancelled in a tax jurisdiction, Customer shall pay a fee per registration or de-registration performed.

- ii. **Non-Standard Forms.** If Customer requests (1) a form that is not offered by Avalara as a standard form; or (2) a standard form that requires non-standard modifications to the standard form (each a “**Non-Standard Form**”), Customer shall pay Avalara’s then-current per-hour rate, in 1/10 hour increments, for preparation and filing of the Non-Standard Form (one hour minimum per Non-Standard Form).
- iii. **Back Filings.** If Customer requests an AFC Return or Non-Standard Form be filed that is past due, Customer shall pay the per-AFC Return fee in addition to Avalara’s then-current per-hour rate, in 1/10 hour increments, for preparation and filing of the AFC Return or Non-Standard Form (one hour minimum per back filing).
- iv. **Multiple Remittances.** If a taxing authority requires Avalara to remit Customer’s AFC Return multiple times, each remittance will count as one AFC Return.
- v. **Additional Fees.** If Customer fails to timely and completely provide accurate Filing Information, Tax Data, or Tax Funds, as applicable, or otherwise fails to fulfill any obligations under these AFC Terms, or if Customer requires a change to the standard process described in these AFC Terms, Avalara may charge Customer

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- iii. **Carry-over Credit.** Filing Entity has liability credit in records (a “**Carry-over Credit**”) due to invoice corresponding to particular Filing Jurisdiction, Avalara will apply the Carry-over Credit to the next Re Filing Entity in Jurisdiction with equal to or in excess of the Carry-over Credit that if it cannot be applied within the time period in the Document, the Carry-over Credit will expire and Customer must file an amended return with the Filing Entity if it wishes to receive liability associated with the credit invoice.

- g. **Termination.** If the financial institution providing the Customer EFT instructions instructs Avalara that Avalara should terminate this Agreement, for example, because Customer is not conducting its business in the applicable Applicable Law, Avalara will immediately terminate this Agreement upon written notice to Customer. In the event of such termination, Avalara will not refund any amount to the Customer.

Notwithstanding anything to the contrary in the Terms, the Subscription Term for Customer’s Avalara Returns for Compliance will terminate on the first calendar day of the month following the end of the Subscription Term, unless the Customer has otherwise have terminated the Subscription Term in the Terms. Customer may instruct Avalara not to file Returns in that

additional fees. For example, Avalara may charge a fee: (i) for Avalara to unlock Customer's Estimated Taxes after the Estimated Taxes are approved; (ii) for Avalara to change or reconcile requests received after the Estimated Taxes Approval Deadline; or (iii) for Avalara to make a change to Customer's Estimated Taxes, Filing Information, AFC Return(s), Tax Data, Tax Funds to be remitted, or any other standard process.

month by revising its Sch Returns.

h. **Notice Management.** Customer shall receive all notices relating to Customer's Returns directly from the Filing Jurisdictions. Some notices are informational in nature (for example, changes to the Schedule tax rate changes) while others are error notices relating to Filing Information, the Documentation, Avalara's recommended actions for Customer to resolve informational notices. During the Subscription Term, if Customer receives an error notice relating to a Filing Information or Taxes remitted by Avalara, Customer shall immediately respond, no later than 10 business days after the date of such notice, electing to either deliver such notice to Avalara or not. All notices must be submitted to Avalara in accordance with the instructions in the Documentation. During the Subscription Term, Customer will respond to notices for informational notices, Returns and Taxes remitted by Avalara. In the case of an error notice that Avalara determines is the result of the Customer's actions, if Customer attempts to resolve the error notice, Avalara may charge an additional fee. In the case of notices received from Avalara more than 10 business days after the date of the notice, Avalara reserves the right to delay its response or not to respond or, if Customer requests Avalara to expedite the response, Avalara may charge an additional fee. Customer is responsible for responding to notices and otherwise addressing all notices. Avalara shall have no responsibility for any notices received or management upon expiration or termination of the Subscription Term.

4. **Pricing.** The pricing for AvaTax for Communications and Avalara Return Communications includes an annual fee ("**Subscription Fee**") and usage fees for each Service.

a. **Subscription Fee.** Avalara shall invoice Customer for the Subscription Fee at the beginning of the Subscription Term and at the end of the Subscription Term.

b. **Usage Fees.** Avalara will bill the Customer for usage-based fees set forth in the Order Document.

c. **Other Fees.**

i. **Registrations.** If the Customer requests to be added to or to have its registration cancelled in a jurisdiction, the Customer shall pay a fee per jurisdiction or de-registration performed.

ii. **Non-Standard Filings.** If the Customer requests a non-standard filing form that is not a standard form; or (2) a non-standard form that requires standard modifications to the standard form, the Customer shall pay the fee for the "Non-Standard Filing" as set forth in the Non-Standard Filing Fee Schedule.

iii. **Back Filings.** If the Customer requests an AFC Return for a Non-Standard Filing that is past the AFC Return deadline, the Customer shall pay the fee for the AFC Return per-AFC Return in addition to the fee for the preparation and filing of the AFC Return on a Standard Form.

iv. **Multiple Remittances.** If the Customer requests Avalara to remit the Customer's AFC Return remittance multiple times, the Customer shall pay one AFC Return fee for each remittance.

v. **Additional Fees.** If the Customer fails to provide accurate Filing Tax Data, or Tax Data, or fails to fulfill any other obligations under these AFC Return Terms, or if the Customer changes the process described in the AFC Return Terms, the Customer shall pay the fee for the AFC Return.

AFC Terms, A charge Customer additional fees example, Aval charge a fee: Customer doe Tax Funds price deadline; (ii) fo unlock Custom Liability after i approved by C for Avalara to reconcile requ received after Liability Appro (iv) for Avalara the funding pr because Cust timely funded Account; or (v to make a cha Customer's Tax Filing Informat Return(s), Tax Funds to be re any other stan process.

5. **AFC Returns Guarantee.** Avalara provides a guarantee of the timeliness of AFC Returns prepared and filed through Avalara Returns for Communications (the "**AFC Returns Guarantee**") under the following terms:

- a. If Customer receives a notice of late filing, failure to file, or a failure to remit Taxes that results in liability for penalties or interest due solely to Avalara's failure to timely prepare and file an AFC Return it was obligated to file or timely remit Taxes it was obligated to remit (an "**Avalara Error**"), Avalara will pay Customer the lesser of either: (i) the amount of the penalties and interest that directly result from the Avalara Error, as specified in the final assessment notice received from the applicable Filing Jurisdiction after all administrative appeals and abatement options are exhausted, or (ii) the amount of AFC Return fees paid by Customer during the month in which the Avalara Error occurred (as calculated in accordance with subsection (c) below).
- b. The following limitations apply to the AFC Returns Guarantee:
  - i. Customer must have met its obligations under the Terms and these AFC Terms, including providing and maintaining accurate, complete, and current Filing Information and Tax Data; timely and sufficiently providing all Tax Data and Tax Funds; and timely paying AFC Returns fees. To the extent the Avalara Error was caused by Customer's failure to perform any of its obligations in these AFC Terms or the Terms, the AFC Returns Guarantee will not apply.
  - ii. Customer must not have requested changes to Customer's Tax Liability after the Tax Liability Approval Deadline.
  - iii. Customer must promptly forward any notices and relevant information from the Filing Jurisdiction within 10 days of the date of the notice.

- iv. Customer must assist Avalara in challenging the Filing Jurisdiction's findings if Avalara deems it appropriate in Avalara's sole discretion.
      - v. Customer must assist Avalara's efforts to abate or reduce the amount of penalties and/or interest imposed by the Filing Jurisdiction.
    - c. For purposes of calculating the amount of the AFC Returns fees paid that are eligible for the AFC Returns Guarantee payment, the amount will be the fees actually paid by Customer to Avalara for AFC Returns during the month in which the Avalara Error occurred. For clarity, the parties acknowledge that fees paid for AFC Returns do not include any fees paid for ancillary Professional Services or any other one-time fees.
    - d. If the audit implicated other issues in addition to the alleged Avalara Error, the amount to be paid by Avalara under this AFC Returns Guarantee will be the percentage of the final assessment amount equal to the percentage of the final assessment related to the alleged Avalara Error.
    - e. Avalara shall make the AFC Returns Guarantee payment to Customer within 30 days after the date that Avalara receives the final assessment notice from the applicable Filing Jurisdiction, after all administrative appeals and abatement options are exhausted. Avalara may also, in its sole discretion, make the payment at an earlier date, in which case Customer's obligation to continue to assist Avalara in contesting the Avalara Error will cease on the date of the payment.
    - f. Customer must have a current AFC Returns subscription in good standing when the claim is submitted to Avalara to be eligible to receive payment under this AFC Returns Guarantee.
- 6. **Trial Period.** During the Initial Subscription Term only, Customer may immediately terminate Customer's subscription to its AFC Service by submitting a notice to Avalara in accordance with the instructions provided in the Documentation within 60 days of the Effective Date. If Customer exercises Customer's termination rights under this Section 6 (*Trial Period*), then Avalara shall refund Customer the fees Customer paid to Avalara for the terminated Service.

## 7. License.

- a. For AvaTax for Communications, Avalara grants Customer a limited, nonexclusive, nontransferable, nonassignable, worldwide license to use and retain the Content that is returned by the Services to Customer solely for its internal compliance purposes (i) in connection with the specific Transaction for which it was provided or (ii) aggregated with other content to produce a tax return or similar filing for Customer.
  - b. For Avalara Returns for Communications, Avalara grants Customer a limited, nonexclusive, nontransferable, nonassignable, worldwide license to use and retain the Content that is returned by the Services to Customer solely for its internal business purposes in connection with the specific AFC Return for which it was provided.
- 8. **Compliance with NACHA Operating Rules.** The funding process described in Section 3(e) (*Funding*) of these AFC Terms may be subject to the Operating Rules of NACHA, the organization that regulates the ACH network in the United States.
  - a. To the extent that Customer's funding is governed by the NACHA Operating Rules, Customer specifically agrees to the following NACHA requirements:
    - i. Customer will comply with all applicable requirements under the then-current version of the NACHA Operating Rules;
    - ii. Customer authorizes Avalara to originate the funding requests described in Section 3(e) (*Funding*); and

- iii. Customer will comply with the laws of the United States in providing such funding.
- b. In addition to any other applicable termination rights, Avalara may terminate the Agreement for Customer's non-compliance with the NACHA Operating Rules if such breach or non-compliance is not cured within 10 days of Avalara first notifying Customer of its non-compliance.
- c. Avalara has the right to audit Customer's funding process, at a time and location mutually agreeable to both Customer and Avalara, to ensure compliance with the NACHA Operating Rules and the Agreement.