

These Avalara for Beverage Alcohol Service-Specific Supplemental Terms ("**Beverage Alcohol Terms**") govern Customer's purchase and use of Avalara Licensing for Beverage Alcohol ("**Licensing for BA**"), Avalara Product Registration for Beverage Alcohol ("**Registration for BA**"), Avalara Returns for Beverage Alcohol ("**Returns for BA**"), Avalara Beverage Alcohol Compliance Management Software ("**Software for BA**"), and certain other Avalara for Beverage Alcohol Services. Avalara AvaTax for Beverage Alcohol is governed by the [AvaTax Service-Specific Supplemental Terms](#). These Beverage Alcohol Terms are in addition to, and incorporate by reference, the Avalara Terms and Conditions available at [www.avalara.com/terms](http://www.avalara.com/terms) (the "**Terms**"). Any capitalized terms used in these Beverage Alcohol Terms and not defined have the meanings given in the Terms.

1. **Power of Attorney; Trust Fund and Bank Account; License.** This Section 1 is inapplicable to Software for BA.
  - a. **Power of Attorney.** If requested by Avalara, Customer shall execute one or more limited powers of attorney in the form requested by Avalara authorizing Avalara to represent Customer in connection with the Services. Upon termination of Customer's last subscription with no balance due, Avalara will cease to use any power or authority granted by a power of attorney signed by Customer.
  - b. **Trust Fund.** Avalara will hold Customer funds in trust (the "**Trust Fund**") for the purpose of remitting fees to be paid by Customer (the "**Trust Fees**"), including (i) initial licensing, license modifications, initial product registration, product registration revisions, and Renewals (as defined in Section 4(c) below), and associated costs and expenses (including surety bond premiums, background check fees, and shipping) (ii) funds ("**Tax Funds**") to pay tax amounts due ("**Taxes**") for any applicable Returns (as defined in Section S(b)(i)) in accordance with the Filing Calendar (as defined in Section S(a)), including making any required prepayments, (iii) the trust fund administration fee (as described in Section 7(c)), and (iv) other fees and charges. Customer shall adequately fund the Trust Fund (including by making funds available in the Bank Account (as defined in Section I(c)) for withdrawal by Avalara) and not permit it to become overdrawn. When applicable, Avalara will draw upon the Trust Fund to pay Trust Fees due. Unused funding will remain in the Trust Fund. Avalara holds all license fees, registration fees, and Tax Funds in trust for the benefit of the applicable jurisdiction and shall not commingle the funds provided for the Trust Fees with its general funds (except the trust fund administration fee and other fees and charges, which is a payment to Avalara and will be transferred to Avalara's account) but may commingle the funds provided for the Trust Fees with funds held in trust on behalf of other Avalara customers. Any interest earned on funds held in the Trust Fund accrues for the benefit of and is the sole property of Avalara. Notwithstanding any other provision of the Agreement, (i) if Customer is more than 30 days past due on payment of Customer's Service fees or Expenses due to Avalara, Avalara may withdraw such fees and Expenses from the Trust Fund, and (ii) Customer shall defend, indemnify, and hold Avalara, its Affiliates, and their respective licensors, officers, directors, employees, agents, and representatives harmless from any Losses arising out of or related to Customer's failure to timely provide immediately available funding for the Trust Fund for Trust Fees due.
  - c. **Bank Account.** Customer shall provide bank account information for a bank account (the "**Bank Account**") from which, if permitted by Customer's power of attorney, Customer authorizes Avalara to withdraw by ACH to replenish the Trust Fund (after the initial deposit of estimated Trust Fees) to pay Trust Fees of any type and if Customer is more than 30 days past due on payment of Customer's Service fees or Expenses due to Avalara, to withdraw such fees and Expenses.
  - d. **Timing and Funding.** A Trust Fund statement and invoice covering Avalara's estimate of the Trust Fees required for the upcoming two months (the "**Trust Fund Statement**") will be provided by Avalara on or before the third of each month (except the first Trust Fund

Statement, which will be presented during, and due as part of, the onboarding process). Customer shall ensure the Bank Account (or Trust Fund, if Avalara cannot withdraw from the Bank Account) has sufficient funds to pay the estimated Trust Fees no later than the sixth of the month. Funds are automatically withdrawn by ACH from the Bank Account no earlier than the seventh of each month to replenish the Trust Fund. Notwithstanding the foregoing, if Customer owes any pre-payments to Filing Jurisdictions or a Filing Jurisdiction mandates an earlier payment, the ACH withdrawal may occur earlier. Estimates contained in the Trust Fund Statement may not be adequate to cover the applicable month's Trust Fees, and Avalara may require Customer to immediately provide additional funds at any time. Avalara will notify Customer if additional funds are needed, and upon approval from Customer Avalara will withdraw such funds from the Bank Account. Avalara has no responsibility for late fees, penalties, or interest incurred as a result of late or missed filings because Customer did not timely (including, in certain instances, immediately) provide funding for the Trust Fund. Avalara may suspend or terminate Customer's subscription to Avalara for Beverage Alcohol or any part thereof immediately upon notice if Customer fails to timely and sufficiently fund the Bank Account (including if the ACH payment Avalara draws from the Bank Account is cancelled or returned other than by Avalara).

- e. **License.** 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 in connection with the specific license, product registration, or Return for which it was provided.
2. **Online Portal.** Except as otherwise expressly required by these Beverage Alcohol Terms, the Avalara for Beverage Alcohol online portal should be used for all requests and communications to Avalara for the Licensing for BA and Registration for BA Services. Avalara is not responsible for requests or communications submitted through any other method.
3. **Notice and Correction Management.** Customer may receive notices and corrections (each, a **"Notice"**) relating to Customer's new licenses, new registrations, Renewals, or Returns directly from jurisdictions. Some Notices are informational in nature (for example, changes to the Filing Calendar or tax rate changes) while others relate to filed Returns, licenses, or product registrations. During the Subscription Term, for any Notice relating to a license, registration, Renewal, or Return filed by Avalara or Taxes or fees remitted by Avalara, Customer shall send the Notice to Avalara in accordance with the Documentation no later than 10 business days after the date of the Notice. During the Subscription Term, Avalara will respond to such Notices. In the case of Notices received by Avalara more than 10 business days after the date of the Notice, Avalara may delay response or not respond or, if Customer asks Avalara to expedite the Notice response and Avalara agrees, charge an additional fee to expedite the Notice response. Customer is responsible for responding to or otherwise addressing all other Notices. Avalara shall have no responsibility for any further Notice management upon expiration or termination of the subscription for the applicable Service provided under these Beverage Alcohol Terms.
4. **Licensing for BA and Registration for BA.** The following provisions apply to Licensing for BA and Registration for BA:
  - a. **Account Setup.** Customer shall provide Avalara with all complete and accurate information to establish, set up, and maintain Customer's account including, without limitation, (i) responses to Avalara's questionnaires; provision of organizational documents; identification cards; annual production volume; license details; product data and details; federal label approvals; label images; authorization letters; identity, appointment, territories, and contacts of distributors; state registrations codes; wholesale pricing; and other information, (ii) a list of jurisdictions for which Customer requests Avalara prepare a license application or renewal (each a **"Licensing Jurisdiction"**) or prepare an application for a product registration or renewal (each a **"Product Registration Jurisdiction"**), and (iii) the license or product registration expiration date (and, if different, the renewal deadline) for licenses or registrations received prior to the

Effective Date in each of the Licensing Jurisdictions or Product Registration Jurisdictions, as applicable (collectively with expiration dates for licenses or registrations for which applications were filed by Avalara, the "**Licensing Calendar**" or "**Product Registration Calendar**"). Customer is solely responsible for timely providing and maintaining accurate, complete, and current information regarding the foregoing, and Avalara has no obligation to audit, verify, correct, or maintain any such information. Upon receipt from Avalara, Customer shall execute all necessary forms (including the limited power of attorney in accordance with Section I(a)).

- b. **Initial and Revised Applications.** Customer's subscription to Licensing for BA may include one or more out of state bonds, permit applications, certificates of authority, sales and excise tax permits, and other similar documentation required for an out of state license. Provided Customer has provided all necessary complete and accurate information, Avalara shall prepare each initial application or revision of a license or product registration (where a "product" is any item that may need to be registered based on COLAs, vintages, or sizes) and, if necessary, send it to Customer for execution. Upon receipt from Customer of an executed application and provided the Trust Fund is sufficiently funded, Avalara shall file it with, and remit payment to, the jurisdiction. Avalara shall not provide Tax Fees. Avalara shall use commercially reasonable efforts to prepare and file initial applications and revisions in a timely manner.
- c. **Renewals.** Customer must notify Avalara in accordance with the Documentation if it does not want a license or product registration renewed (each such renewal prepared by Avalara, a "**Renewal**") that is on the Licensing Calendar or Product Registration Calendar at least 90 days prior to the expiration date of the license or product registration, as applicable. Avalara shall prepare and file the Renewal (including Customer's out of state "Non-Resident Dealer," Direct to Consumer," and/or "Direct to Trade" renewals for Customer's Licensing Jurisdictions or Product Registration Jurisdictions, as applicable) and remit the payment in accordance with the Licensing Calendar and Product Registration Calendar, provided Customer has (i) provided all necessary complete and accurate information pursuant to Section S(a), (ii) provided all other information requested by Avalara, (iii) not timely notified Avalara it does not want a license or product registration renewed, (iv) provided a signed license or product registration renewal form, if necessary, in a timely manner, and (v) adequately funded the Trust Fund. Avalara shall not provide Trust Fees. As the exclusive remedy for Avalara's failure to prepare a Renewal in a timely manner, Avalara will prepare and file, at Avalara's sole cost and expense, a license or product registration application to re-license or re-register the person, location, entity, or product for which the license or registration has lapsed. Some jurisdictions may send hard copy renewal forms directly to Customer. Customer shall forward these forms to Avalara (executed by Customer, if required) within five calendar days of receipt. Notwithstanding anything to the contrary in the Agreement, Avalara shall have no responsibility for missed renewal deadlines if Customer did not timely forward the renewal forms. Customer shall timely provide Avalara any additional post-filing information requested by the jurisdiction. Registration for BA also includes any price posting required when renewing any active products.
- d. **Background Check.** Some jurisdictions may require a background check on Customer or certain individuals associated with Customer. Customer shall cooperate with Avalara to provide the necessary information and documentation.
- e. **Notification of Changes.** Customer shall notify Avalara prior to (if possible) any change in the following: legal name, operating name, tax identification number, officer, director, LLC manager, LP general partner, direct or indirect owner, other relevant personnel, ownership structure, entity structure, licensed premises address, mailing address, business or location closure, and any other change that may trigger the need for a modification or revision of a license or product registration. Customer shall provide all necessary documentation to Avalara. Avalara has no responsibility for Customer's non-compliance due to Customer's changed circumstances.

5. **Returns for BA.** If Customer subscribes to Returns for BA, this Section 5 and all other sections pertaining to Returns (including, without limitation, the Returns funding provisions in Section 1, the Returns notice management provision in Section 3, the Returns for BA Guarantee in Section 6, and the fees provisions in Section 7) will apply only until Avalara provides 30-days' notice to Customer that Returns for BA will be governed by the Avalara Returns Service-Specific Supplemental Terms located at <https://www.avalara.com/avalara-returns-terms-of-use>.
- a. **Account Setup.** Customer shall provide Avalara with all complete and accurate information requested by Avalara to establish and set up Customer's account including, without limitation: (i) a list of taxing jurisdictions for which Customer requests Avalara prepare Returns (each a "**Filing Jurisdiction**"), (ii) the dates and frequencies for filing 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 Returns (the "**Filing Entities**") 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, access, and use 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 in accordance with Section 1(a) above, and (vii) other information necessary to properly configure Customer's Account and prepare the Returns. Customer authorizes Avalara to access Customer's accounts using Customer's Account Information. Customer is solely responsible for timely providing and maintaining accurate, complete, and current information regarding the Filing Jurisdictions, the Filing Calendar, the Filing Entities, and the Account Information (collectively, the "**Filing Information**"), and Avalara has no obligation to audit, verify, correct, or maintain any Filing Information.
  - b. **Filing and Remittance.**
    - i. **Returns Preparation and Filing.** Avalara will prepare and file Returns for the Filing Entities and in the Filing Jurisdictions agreed by Avalara and Customer (including out of state "Non-Resident Dealer" and/or "Direct to Consumer" sales, excise, shipment, and markup reports/returns). Avalara may begin filing a Return on the eighth of the month (or an earlier date as necessary to facilitate compliance with Filing Jurisdiction requirements). Each (i) standard beverage alcohol return filing (ii) Non-Standard Form (defined below) or (iii) prepayment or periodic payment mandated by a Filing Jurisdiction and submitted without (i) or (ii) above prepared for one Filing Jurisdiction for one filing period is a "**Return.**"
    - ii. **Remittance.** Avalara will remit Taxes for the agreed-upon Filing Entities in agreed-upon Filing Jurisdictions, provided Customer has timely made Tax Funds available. Avalara shall not provide Tax Funds. The exclusive remedy for Avalara's failure to timely file Returns as provided in this section is the Returns for BA Guarantee (as defined in Section 6). Avalara will provide details of remittance amounts per Filing Jurisdiction after submission to the Filing Jurisdictions. If there is a discrepancy between Customer's internal records and amounts remitted on behalf of Customer, Customer must report the error to Avalara by the method and deadline described in the Documentation.
  - c. **Changes to Filing Information.** Customer shall review its Filing Information periodically and shall promptly communicate any changes to Avalara in accordance with the Documentation. Customer shall submit any changes to the Filing Information to Avalara no later than the twentieth of the month before the month to which the change is relevant. Any changes received after the twentieth of the month will be implemented and become

effective the month after the subsequent month.

- d. **Tax Data.** Customer is solely responsible for the accuracy and completeness of all the data necessary to properly complete Returns (the "**Tax Data**") and all Filing Information. Avalara does not audit, validate, or verify Tax Data. Customer shall transmit to Avalara via the method and in the format designated by Avalara all Tax Data by the fifth of the month in which the Tax Data is to be reported to the Filing Jurisdictions.
  - e. **Inadequate Funding.** If the Trust Fund is not adequately funded, Avalara may elect in its sole discretion to withhold filing the Return or file the Return without remitting payment. Customer will be responsible for all penalties and interest and additional Avalara fees resulting from inadequate funding (including if filing is withheld), and Customer shall immediately make funds available to Avalara for the Taxes and any interest or penalties that may have accrued. Upon provision of such funds, Avalara will file the Return (if applicable) and remit the necessary funds to the applicable Filing Jurisdiction.
6. **Returns for BA Guarantee.** Avalara provides a guarantee of the timeliness of Returns prepared and filed by Avalara (the "**Returns for BA Guarantee**") under the following terms:
- a. If Customer receives a notice of late filing, failure to file, or a failure to remit Taxes or fees that results in liability for penalties or interest due solely to Avalara's failure to timely prepare and file a Return it was obligated to file or to timely remit Taxes or fees it was obligated to remit (an "**Avalara Error**"), Avalara will pay Customer the lesser of (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 the Returns for BA paid by Customer during the 365 days preceding the final assessment of penalties or interest for the Ava Error (calculated as described in Section 6(c) below).
  - b. The following conditions apply to the Returns for BA Guarantee:
    - i. Customer must have met all of its obligations under the Terms and these Beverage Alcohol Terms, including timely providing and maintaining accurate, complete, and current information and Tax Data; timely providing all Trust Fees; and timely paying Avalara for Beverage Alcohol fees. To the extent the Avalara Error was caused by Customer's failure to perform any of the obligations in the applicable sections of these Beverage Alcohol Terms or the Terms, the Returns for BA Guarantee will not apply.
    - ii. Customer must promptly forward any notices and relevant information from the jurisdiction within 10 days of the date of the notice.
    - iii. Customer must assist Avalara in challenging the jurisdiction's findings if Avalara deems it appropriate in Avalara's sole discretion.
    - iv. Customer must assist Avalara's efforts to abate or reduce the amount of penalties or interest imposed by the Filing Jurisdiction.
  - c. For purposes of calculating the amount of the Avalara for Beverage Alcohol fees paid that are eligible for the Returns for BA Guarantee payment, the amount will be the fees actually paid by Customer to Avalara for Returns for BA, and the time period will be the 365 days preceding the final assessment of penalties or interest after all appeals and abatement options have been exhausted (*e.g., in the case of a final assessment issued by a taxing authority on March 31, 2020, the period used in the calculation will be from April 1, 2019, to March 31, 2020*). For clarity, the parties acknowledge that fees paid for Avalara for Beverage Alcohol do not include any activation fees, fees for ancillary Professional Services, or any other one-time fees.
  - d. If the audit implicates other issues in addition to the alleged Avalara Error, the amount to

be paid by Avalara under this Returns for BA 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 will make the Returns for BA Guarantee payment within 30 days after the date that Avalara receives the final assessment notice from the 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 obligations to continue to assist Avalara in contesting the Avalara Error will cease on the date of the payment.
  - f. Customer must have a current Returns for BA subscription in good standing to be eligible to receive payment under this Returns for BA Guarantee.
7. **Fees.** Customer agrees to pay fees based on Customer's subscription plan and usage of the applicable Avalara for Beverage Alcohol Service.
- a. **Subscription Fee.** Subscription fees for periods not paid upon execution of the Order Document will be invoiced monthly, quarterly, or annually (the "**Billing Period**") in advance. Reasonable incurred Expenses (such as shipping charges), which may not be preapproved, may also appear on the invoice and will be due as described above.
  - b. **One-Time Services.** Customer may elect to purchase one-time Avalara for Beverage Alcohol services (which are "Services" under the Terms), in accordance with Avalara's then-current pricing. Unused One Time Services expire a year after purchase.
  - c. **Trust Fund Administration Fee.** Avalara may charge a monthly trust fund administration fee, which may be included on the Trust Fund Statement and due as described in Section I(d) or on an invoice and due as described in Section 7(a) above.
  - d. **Background Checks.** Coordination of background checks will be charged at Avalara's then-current hourly rates in quarter-hour increments.
  - e. **Expedite Fee.** Customer may request expedited performance for certain Services. If the request for expedited performance is accepted by Avalara, additional charges may apply.
  - f. **Non-Standard Forms.** If Customer requests (i) a form that is not offered by Avalara as a standard beverage alcohol return; or (ii) a standard beverage alcohol tax return that requires non-standard modifications to the standard beverage alcohol tax return form (each a "**Non-Standard Form**"), Customer shall pay Avalara's then-current per-hour rate in quarter-hour increments for preparation and filing of the Non-Standard Form.
  - g. **Additional Fees.** If Customer fails to timely and completely provide accurate information required by these Beverage Alcohol Terms or Tax Funds, or otherwise fails to fulfill any obligations under these Beverage Alcohol Terms, or if Customer requires a change to the standard process described in these Beverage Alcohol Terms, Avalara may charge Customer additional fees. For example, Avalara may charge a fee: (i) if Customer does not provide Tax Funds prior to the deadline; (ii) for Avalara to change the funding process because the Bank Account or Trust Fund is not adequately funded; (iii) for Avalara to make a change to Customer's Returns, Tax Data, Tax Funds to be remitted, or any other standard process; (iv) if Customer does not timely provide the Tax Data in the format required by Avalara, or in a form requiring manual transformation, (v) if Customer comingles payment of Trust Fees and Avalara's Service fees, (vi) if any Notice management is necessary due to Customer's noncompliance with these Beverage Alcohol Terms or (vii) if Customer remits funds by check or other non-approved payment method.
8. **Non-Solicitation.** During the Subscription Term and for a period of six months after, Customer shall not solicit for employment any employee or contractor of Avalara who worked directly on the Services provided under these Beverage Alcohol Terms. This restriction does not prohibit Customer from hiring employees who respond to job advertisements directed to the general public.

9. **Deviations from the Terms.**

- a. **No Automatic Upgrade.** Customer's Avalara for Beverage Alcohol subscription will not be automatically upgraded to the next highest subscription tier.

10. **Compliance with NACHA Operating Rules.** The funding process described herein 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 I(b) (*Trust Fund*) above; 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.