

**Please note that these updated Service-Specific Supplemental Terms will apply to your Avalara Service upon any renewal, upgrade, or Service purchase made on or after January 1, 2025.**

These DAVO by Avalara Service-Specific Supplemental Terms ("**DAVO Terms**") govern Customer's purchase and use of DAVO by Avalara. These DAVO Terms are in addition to, and incorporate by reference, the Avalara Service Terms and Conditions available at [www.avalara.com/terms](http://www.avalara.com/terms) (the "**Terms**"). Any capitalized terms used in these DAVO Terms and not defined have the meanings given in the Terms.

#### **1. Use of the Services.**

- a. **Account Setup.** Customer shall provide Avalara with all information requested by Avalara to establish and set up Customer's account for DAVO by Avalara. Such information includes: (i) a list of taxing jurisdictions for which Customer requests Avalara prepare Returns (as defined in Section 3(a) below) (each, a "**Filing Jurisdiction**"); (ii) the dates for filing Returns in each of the Filing Jurisdictions (the "**Scheduled Returns**"); (iii) tax registration numbers and login information for Customer in each Filing Jurisdiction sufficient to allow Avalara to identify and access Customer's account in that Filing Jurisdiction (the "**Account Information**"); and (iv) other information necessary to properly configure Customer's Account and prepare the Returns (all such information in (i)-(iv) collectively, the "**Filing Information**"). 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 Filing Information, and Avalara has no obligation to audit, verify, correct, or maintain any Filing Information. Customer acknowledges and agrees that its failure to provide accurate, current, and complete Filing Information (for example, tax registration numbers) may limit Avalara's ability to file Returns and remit any tax amounts due (the "**Taxes**").
- b. **Changes to Filing Information.** Customer shall review its Filing Information periodically and shall promptly communicate any changes to Avalara. Customer shall submit any changes to the Filing Information to Avalara by the deadline specified in the Documentation. Any changes received after the deadline specified in the Documentation will be implemented and become effective in the subsequent month.
- c. **License.** Avalara grants Customer a limited, nonexclusive, nontransferable, non-assignable, 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 Return for which it was received.

#### **2. Customer Obligations.**

- a. **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 designated by Avalara all Tax Data for Customer's Return(s) before the deadline specified in the Documentation.
- b. **Funding.** Unless otherwise agreed in writing, Customer shall make sufficient funds available to pay the Taxes ("**Tax Funds**") on a daily basis. Avalara will not provide any Tax Funds. Notwithstanding any other provision of the 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 immediately available Tax Funds for Taxes due. In order for the Tax Funds to be remitted timely to the applicable Filing Jurisdiction, provided all Tax Data and Filing Information is accurate and complete, Customer must do the following:
  - i. Customer shall provide bank account information for a bank account (the "**Bank Account**") from which Customer authorizes Avalara to draw by ACH to pay Customer's Taxes and any

applicable DAVO by Avalara fees and Expenses.

- ii. Customer shall ensure the Bank Account has sufficient Tax Funds to pay the Taxes on a daily basis and any applicable DAVO by Avalara fees and Expenses by the deadlines specified in the Documentation. If Customer fails to timely and sufficiently fund the Bank Account, Customer shall remit all remaining payment due for the Taxes plus any interest or penalties that may accrue directly to the applicable Filing Jurisdiction. If the ACH payment Avalara draws from the Bank Account is cancelled or returned other than by Avalara, that will be considered a failure to timely fund the Bank Account. Avalara may suspend or terminate Customer's subscription to DAVO by Avalara immediately upon notice if Customer fails to timely and sufficiently fund the Bank Account.
- iii. Customer authorizes Avalara to (i) withdraw the Tax Funds to pay the Taxes in accordance with the Scheduled Returns, including making any required prepayments; and (ii) if applicable, withdraw Customer's DAVO by Avalara fees and Expenses.

### 3. **Avalara Obligations.**

- a. **Returns Preparation and Filing.** Avalara will prepare and file Returns for the Filing Entities and in the Filing Jurisdictions agreed by Avalara and Customer. Each tax return filing or prepayment mandated by a Filing without a tax return filing, prepared for one Filing Jurisdiction for one filing period, will count as one "**Return.**"
  - b. **Funding.** Avalara will remit Taxes for the agreed-upon Filing Entities in agreed-upon Filing Jurisdictions, provided Customer has timely made Tax Funds available.
    - i. Each day, Avalara will draw upon the Bank Account to pay the Taxes.
    - ii. Each month, if applicable, Avalara will draw upon the Bank Account to pay DAVO by Avalara fees and Expenses due.
    - iii. Unless otherwise agreed in writing, Avalara shall hold the Tax Funds in a trust account prior to disbursement to the applicable Filing Jurisdiction. Avalara holds all Tax Funds in trust for the benefit of the applicable Filing Jurisdiction and shall not commingle the Tax Funds with its general funds but may commingle the Tax Funds with funds held in trust on behalf of other Avalara customers. Any interest earned on the Tax Funds accrues for the benefit of and is the sole property of Avalara.
    - iv. Avalara shall not provide funds to pay Taxes. If Tax Funds are not timely available to Avalara for remitting in full, Avalara will file the Return(s) without payment or with partial payment from the Tax Funds available where the Filing Jurisdiction permits filing a return without tax remittance.
    - v. If Avalara is unable to remit Taxes for Customer for six consecutive months after Avalara has begun holding Tax Funds, Avalara will stop collecting Tax Funds from Customer and return to Customer any Tax Funds that were collected but not remitted.
4. **Notice Management.** Customer will receive all notices relating to Customer's Returns directly from Filing Jurisdictions. During the Subscription Term, for any (i) error notice relating to a Return filed or Taxes remitted by Avalara or (ii) notice relating to changes to the Scheduled Returns, Customer shall immediately, and not later than 10 business days after the date of such notice, deliver such notice to Avalara. Such notice must be submitted in accordance with the instructions in the Documentation. During the Subscription Term, Avalara will respond to error notices for Returns filed and Taxes remitted by Avalara. In the case of error 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 notice management upon expiration or termination of the Subscription Term.

5. **DAVO Guarantee.** Avalara provides a guarantee of the timeliness of Returns prepared and filed through DAVO by Avalara and that it will draw upon the Bank Account daily to pay the Taxes (the “**DAVO 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 a Return it was obligated to file, to timely remit Taxes it was obligated to remit, or to draw upon the Bank Account daily to pay the Taxes (an “**Avalara Error**”), Avalara will pay the Filing Jurisdiction 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 the DAVO by Avalara fees paid by Customer during the 365 days preceding the final assessment of penalties or interest for the Avalara Error (calculated as described in subsection (c) below). If there are any remaining penalties or interest due, Customer shall remit payment to the applicable Filing Jurisdiction.
  - b. The following conditions apply to the DAVO Guarantee:
    - i. Customer must have met all of its obligations under the Terms and these DAVO Terms, including by providing and maintaining accurate, complete, and current Filing Information and Tax Data; timely providing all Tax Funds; and timely paying DAVO by Avalara fees. To the extent the Avalara Error was caused by Customer’s failure to perform any of the obligations in these DAVO Terms or the Terms, the DAVO Guarantee will not apply.
    - ii. Customer must promptly forward any notices and relevant information from the Filing Jurisdiction within 10 days of the date of the notice.
    - iii. Customer must assist Avalara in challenging the Filing 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 DAVO by Avalara fees paid that are eligible for the DAVO Guarantee payment, the amount will be the fees actually paid by Customer to Avalara for DAVO by Avalara, 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 DAVO by Avalara 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 DAVO 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 DAVO Guarantee payment 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 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 DAVO by Avalara subscription in good standing when the claim is submitted to Avalara to be eligible to receive payment under this DAVO Guarantee.
6. **Fees.** Customer agrees to pay fees for DAVO by Avalara based on Customer’s subscription plan and usage of DAVO by Avalara. Unless otherwise agreed in writing, Customer shall participate in Avalara’s automatic payment option for DAVO by Avalara and authorizes Avalara to draw from the Bank Account by ACH transfer to pay DAVO by Avalara fees and

Expenses.

- a. **Return Fees.** Customer's monthly subscription fee includes three Returns per Subscription Term. Avalara will charge Customer the subscription fee each time Customer exceeds the three Returns included in the subscription fee (e.g., if Customer files seven Returns in a Subscription Term, Avalara will charge Customer an amount equal to three subscription fees).
- b. **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 DAVO Terms, or if Customer requires a change to the standard process described in these Return Terms, Avalara may charge Customer additional fees. For example, Avalara may charge a fee for Avalara to file an amended Return.
- c. **Rejected Transaction Fee.** If the ACH payment Avalara draws from the Bank Account is cancelled or returned other than by Avalara, Avalara will charge Customer \$3.00 per rejected transaction.

## 7. Term and Termination.

- a. **Initial Subscription Term.** The Initial Subscription Term begins on the Effective Date and ends on the last calendar day of the same month in which the Effective Date occurs.
- b. **Automatic Renewal.** At the end of the then-current Subscription Term, each subscription to a Service will automatically renew for an additional one-month period (a "**Renewal Subscription Term**") unless (1) Customer terminates the Service on or before the expiration date of the then-current Subscription Term, or (2) Avalara provides written notice of non-renewal to Customer at least 30 days before such expiration date.
- c. **Termination for Convenience.** Customer may terminate the Service for convenience, without cause. If Customer terminates the Service before the expiration date of the then-current Subscription Term, (i) Avalara will return to Customer any Tax Funds that were collected in the final Subscription Term, and (ii) Customer is still obligated to pay subscription fees for the final Subscription Term.
- d. **End of Subscription Term.** The last Returns filing and Taxes remittance for Customer's subscription will occur after the final Subscription Term ends if (i) the final Subscription Term ends on the last calendar day of the month, or (ii) the final Subscription Term ends before the last calendar day of the month and Avalara has not yet filed the Returns and remitted the Taxes for the preceding month. This Section 7(d) (*End of Subscription Term*) shall not apply if Customer has instructed Avalara to not file the Returns and remit the Taxes, or Customer has not met its obligations under the Terms and these DAVO Terms.
- e. **Termination for Cause.** 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.
- f. **Failure to Provide Account Information.** In addition to any other applicable termination rights, if Customer does not provide Avalara with accurate and complete Account Information within three months following the Effective Date, Avalara may terminate the Agreement or the DAVO by Avalara Service and return to Customer the Tax Funds it collected.

8. **Compliance with NACHA Operating Rules.** The funding process described in Section 3(b) (*Funding*) of these Returns 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(b) (*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.

#### 9. Deviations from the Terms.

- a. **Status Updates.** Avalara may elect not to provide status updates at [status.avalara.com](https://status.avalara.com) or an equivalent replacement site.
- b. **Planned Downtime.** Avalara may elect not to provide notice of planned downtime.
- c. **Customer Affiliates.** Customer may not enable its Affiliates to use DAVO by Avalara.
- d. **Privacy Policy.** Avalara's use of Personal Information relating to an employee or other authorized Representative of Customer that is collected or received by Avalara in connection with the procurement or use of, or payment for, DAVO by Avalara is governed by the DAVO by Avalara Privacy Policy available at <https://www.davosalestax.com/privacy-policy-davo-technologies/>.
- e. **Material Reduction.** Avalara may materially reduce a Service or its features or functionality with at least 30 days' written notice to Customer.
- f. **Account Notices.** Customer should send account notices (for example, name or address changes) in accordance with the instructions in the Documentation.
- g. **Entire Agreement.** For avoidance of doubt, the Agreement supersedes and replaces the DAVO by Avalara End User License Agreement previously available at <https://www.davosalestax.com/terms-of-use-davo-technologies/> and <https://www.davosalestax.com/terms>, as well as any DAVO by Avalara End User License Agreement provided by a Distributor to Customer.