

Avalara provides the DAVO Guarantee in accordance with the below conditions and limitations which are set forth in Section 5 (*DAVO Guarantee*) of the [DAVO Terms](#).

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 terms below.

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.