

Please note that these updated Service-Specific Supplemental Terms will apply to your Avalara Service upon any upgrade, renewal, or Service purchase made on or after January 1, 2026.

These Avalara License Managed Services Service-Specific Supplemental Terms (“**License Managed Services Terms**”) govern Customer’s purchase and use of Avalara License Managed Services. These License Managed Services Terms are in addition to, and incorporate by reference, the Avalara Service Terms and Conditions available at www.avalara.com/terms (the “**Terms**”). Any capitalized terms used in these License Managed Services Terms and not defined have the meanings given in the Terms.

1. Definitions.

- a. “**Funding Account**” means the License funding account designated by Avalara to facilitate remittance of fees for License filings.
- b. “**Funding Request**” means a monthly report with a detail of the estimated fees and expenses for filing the Licenses.
- c. “**Licenses**” means, as applicable, the federal, state, county, and municipal business licenses, permits, tax registrations, professional licenses, vehicle registrations, contracts, leases, and other documents and licenses.

2. Avalara Obligations.

- a. **Account Setup.** After Avalara’s receipt of complete Customer Data pertaining to the fulfillment of the Avalara License Managed Services and full payment of fees, Avalara shall provide Customer with access to an Account, pre-configured using Customer Data.
- b. **Managed Services.** Subject to Customer’s timely compliance with Customer’s obligations set forth in Section 3 (*Customer Obligations*), Avalara will perform the following License management activities on Customer’s behalf:
 - i. Import of Customer’s Licenses;
 - ii. Maintenance of a License renewal calendar to monitor the schedule for renewal filings;
 - iii. Determination of Customer’s monthly License fees and delivery of a Funding Request;
 - iv. Preparation and filing of License renewal forms and remittance of fee payments to applicable jurisdictions;
 - v. Preparation and posting of monthly management reports;
 - vi. Procurement of physical License certificates, when available from applicable tax authorities, and distribution to business locations where such Licenses must be posted;
 - vii. Imaging and electronic storage of filings and Licenses, where applicable; and
 - viii. Management of notices and routine jurisdictional correspondence on Customer’s behalf related to Licenses under Avalara management.
- c. **Funding Request.** Avalara will send a Funding Request to Customer. The Funding Request may, in Avalara’s discretion, contain additional amounts for the purpose of providing reduced interruption in the event of unforeseen License fees, courier fees, or other direct expenses. Avalara may invoice Customer for any direct expenses not covered by the Funding Request.

d. **Funding.** Avalara will remit fee payments to applicable jurisdictions, provided Customer has timely and fully funded the Funding Account. Avalara will draw upon the Funding Account to make the fee payments.

e. **Exclusions.**

- i. The Avalara License Managed Services do not include research, License verification, or initial license filings, which must be purchased separately. Avalara does not validate or audit Customer Data and is not responsible for the accuracy or completeness of the Customer Data. Unless otherwise provided in an Order Document, an international entity not incorporated in a US state is excluded.
- ii. Except for Avalara's obligations under Section 5 (*Avalara License Managed Services Limited Guarantee*), Avalara is not responsible for handling, administering, or assisting with audits conducted by any jurisdiction or licensing authority, other than to timely provide documentation upon Customer's request, and to answer routine questions or provide information relating to the Avalara License Managed Services.

3. **Customer Obligations.**

a. **Customer Data.** Customer is solely responsible for the timeliness, completeness, accuracy, and clarity of the information it provides to Avalara. Upon request by Avalara, Customer must promptly supplement the Customer Data to facilitate requests from jurisdictions. Customer must promptly provide Customer Data requested by Avalara, formatted using the template provided by Avalara. Customer must deliver the requested Customer Data to Avalara no later than the earlier of the tenth business day following the request or fifth business day prior to the License filing due date.

b. **Business Change and Correspondence Notification.** Customer must promptly provide notice to Avalara of the following:

- i. Scheduled opening of a new business location. Customer must provide notice 90 days in advance of the earliest planned opening date;
- ii. Change of operating address for a business location. Customer must provide notice 90 days in advance of the effective date of the address change;
- iii. Changes in corporate structure, including acquisition, divestment, spin-off, material changes in ownership, or sale;
- iv. New legal name or changes to trade names, commonly referred to as a "DBA";
- v. New or altered business activity at any business location, as soon as Customer becomes aware of such change; and
- vi. Jurisdictional correspondence received by Customer. Customer must provide notice as soon as possible.

If Customer does not provide sufficient notice to Avalara, filings may not be timely.

c. **Funding.** Customer must fully fund the Funding Account in the amount specified by Avalara in the Funding Request and upon receipt of the Funding Request. Customer must provide funding by wire transfer, ACH credit, or other method specified in the Documentation. Avalara has no obligation to fund or file any License or License renewal that Customer has failed to timely and fully fund pursuant to a Funding Request. Failure to timely and fully fund is a material breach of the Agreement.

d. **Implementation Services.** Customer shall purchase Avalara License Managed Services implementation services.

4. Fees.

- a. **License Usage.** Fees for usage are based on the number of Licenses managed by Avalara in the Account at any given time during the Subscription Term. The minimum subscription is 150 Licenses.
- b. **Authorized Users.** Purchase of Avalara License Managed Services includes 25 Authorized Users, five of which have read-write access and 20 of which have read-only access. Customer may purchase additional Authorized Users in increments of five during a Subscription Term at Avalara's then-current pricing.
- c. **Overages.** If during the current Subscription Term, Customer exceeds the number of Licenses purchased, Avalara may (i) invoice Customer for the additional Licenses at Avalara's then-current pricing, and (ii) with at least 30 days' notice prior to the next Renewal Subscription Term, increase Customer's subscription renewal to the number of Licenses that includes the overages and invoice Customer at then-current pricing at renewal.

5. Avalara License Managed Services Limited Guarantee.

- a. If Customer receives a notice of late filing, failure to renew, or a failure to remit License fees that results in a liability for penalties or interest due solely to Avalara's failure to timely prepare and file a License it was obligated to file (an "**Avalara Error**"), Avalara will pay Customer the lesser of either: (i) the amount of penalties and interest that directly resulted from the Avalara Error, as specified in the final assessment notice received from the applicable jurisdiction after all administrative appeals and abatement options are exhausted, or (ii) the amount of the Avalara License Managed Services fees paid by Customer during the year in which the Avalara Error occurred (as determined by subsection (c) below).
- b. The following limitations apply to the Avalara Managed Services Limited Guarantee:
 - i. Customer must have met all of its obligations under the Terms and these License Managed Services Terms, including by properly setting up, configuring, and maintaining its profile and Customer Data, and have correctly determined the applicability of a License to its business operations. To the extent that the incorrect result was caused by Customer's failure to perform any obligations under the Terms or these License Managed Services Terms, or failure to determine the applicability of a License to its business operations, Avalara will not be responsible for the error.
 - ii. Avalara will not be responsible for the incorrect result to the extent that it was caused by the failure of the applicable jurisdiction to timely and accurately provide or update correct License filing rules or procedures.
 - iii. Customer must provide notice to Avalara no later than the earlier of either (1) 10 days after the licensing authority's finding of a negative License finding, or (2) 45 days after the date that Customer identifies, or the applicable jurisdiction initially identifies to Customer, an issue that relates to the alleged error. Customer shall provide notice to Avalara by opening a support case in Customer's Account.
 - iv. Customer must provide full and timely assistance to Avalara in confirming the nature and occurrence of the alleged error, including providing Avalara with access to its relevant business records, transaction logs, reports, and all other relevant information reasonably related to the alleged error.
 - v. Customer must provide full and timely assistance to Avalara in challenging the jurisdiction's findings if Avalara, in its sole discretion, determines them to be incorrect. To the extent that a matter involves other issues in addition to the alleged Avalara Error, Customer, its Representatives, and Avalara will work together to ensure a collaborative response.

- vi. Upon first becoming aware of a potential error related to a License filing, Customer must take reasonable steps to mitigate its losses.
- c. For purposes of calculating the amount of the Avalara License Managed Services fees paid that are eligible for this limited guarantee, the amount will be the fees actually paid by Customer to Avalara for Avalara License Managed Services 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 License Managed Services do not include any fees paid for ancillary Professional Services or any other one-time fees.
- d. If the applicable jurisdiction alleges other errors in addition to the alleged Avalara Error, the amount to be paid by Avalara under this Avalara License Managed Services Guarantee will be the percentage of the final assessment amount allocable to the alleged Avalara Error.
- e. Avalara will make the Avalara License Managed Services Limited Guarantee payment within 30 days after the date that Avalara receives the final assessment notice from the applicable 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 Avalara License Managed Services subscription in good standing when the claim is submitted to Avalara to be eligible to receive payment under this Avalara License Managed Services Limited Guarantee.

6. Customer Authorization for ACH Transactions.

- a. **Compliance with the NACHA Operating Rules.** The funding process described herein is subject to the then-current version of the *NACHA Operating Rules & Guidelines* (the "**NACHA Operating Rules**") published by the National Automated Clearing House Association ("**NACHA**"). As it relates to the ACH transactions initiated by Avalara, Customer specifically agrees to the following NACHA requirements: (i) Customer will comply with all applicable requirements under the NACHA Operating Rules; (ii) Customer authorizes Avalara to originate the ACH transactions for the amounts, and at the times described, in Section 2 of these License Managed Services Terms; and (iii) Customer will comply with the laws of the United States in its use of the Service, including through the origination of any ACH transactions by Avalara from the Bank Account on behalf of Customer.
- b. **Termination.** 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 ten (10) days of Avalara first notifying Customer of its non-compliance.
- c. **Audit Rights.** Avalara has the right to audit Customer's use of the Service, at a time and location mutually agreeable to both Customer and Avalara, to ensure compliance with the NACHA Operating Rules and the Terms.
- d. **Avalara Not a Bank or Other Financial Institution.** Customer acknowledges and agrees that Avalara is not a bank, depository institution, or other financial institution and does not open, maintain, or hold an account or receive funds for, from, or on behalf of Customer. Any funds not immediately distributed to intended recipients as part of the Service will be maintained in bank accounts held by the Avalara Client Trust for ultimate distribution to the intended recipients.

7. Deviations from the Terms.

- a. **Status Updates.** Avalara may elect not to provide status updates.

