

These SMB State Bundle and SMB SST State Bundle Service-Specific Supplemental Terms (“**State Bundle Terms**”) govern Customer’s use of the applicable Services bundle. These State Bundle Terms are in addition to and incorporate by reference the Avalara Service Terms and Conditions located at <https://www.avalara.com/terms> (the “**Terms**”). Use of Managed Returns is additionally governed by the Returns Service-Specific Supplemental Terms located at <https://legal.avalara.com/product-terms.html#returns> (the “**Returns Terms**”). Use of SST is additionally governed by the Streamlined Sales Tax & Certified Service Provider Program Service-Specific Supplemental Terms located at <https://legal.avalara.com/product-terms.html#sst> (the “**SST Terms**”). Any capitalized terms used in these State Bundle Terms and not defined have the meaning given in the Terms, or the applicable Service-Specific Supplemental Terms.

1. Definitions.

- a. “**Document**” means each invoice, order, or similar document that is entered, uploaded, or otherwise recorded in AvaTax daily (and each subsequent alteration thereto), including, for example, committed sales invoices, purchase invoices, inventory transfer invoices, return invoices, and committed ecommerce shopping carts.
- b. “**Filing Entity**” means a unique Affiliate company set up in Customer’s Account.
- c. “**SMB State Bundle**” means the Services bundle including AvaTax and Managed Returns.
- d. “**SMB SST State Bundle**” means the Services bundle including AvaTax, Managed Returns, and SST.
- e. “**SST**” means the Service where Customer has registered under an SST Initiative or an individual state’s CSP Program and has selected Avalara as its Certified Service Provider.
- f. “**State**” means a U.S. state or other applicable jurisdiction for which a Filing Entity records Transactions or prepares Returns in the Services, counted separately for each Filing Entity.
- g. “**State Bundle**” means either the SMB State Bundle or SMB SST State Bundle, as applicable.
- h. “**Transactions**” means the number of Documents for which tax is calculated due to Customer’s nexus settings in AvaTax.

2. Eligibility and Scope.

- a. **Bundle Restrictions.** Customer’s initial purchase of the State Bundle must include at least three States and a qualifying connector.
- b. **AvaTax Usage Limits.** The State Bundle includes a maximum of 200,000 Transactions in any Subscription Term regardless of the number of States purchased (the “**Transaction Maximum**”). Any AvaTax usage exceeding the Transaction Maximum will be billed at the overage rate set forth in the Order Document.

3. Bundle Pricing.

- a. **Per-State Pricing.** Customer’s initial subscription fees are determined according to the number of States set forth in the Order Document. If Customer sets up more than one Filing Entity in its Account, every state in which Customer records Transactions or prepares Returns for each Filing Entity is a State for billing purposes. For example, if Customer sets up three companies (Filing Entities) in its Account with nexus turned on in Florida, Customer will be billed for three States in its subscription (one per Filing Entity).
- b. **Automatic Upgrade.** If Customer exceeds the number of States included in Customer’s subscription, Customer’s subscription will automatically upgrade based on the maximum number of States for which

Customer enables nexus, establishes a filing calendar, or activates a Return filing obligation during a given Subscription Term. Customer's subscription will renew at that upgraded usage level.

- c. **SST Pricing.** Lower subscription fees may be available for Customers who opt to purchase the SMB SST State Bundle ("**SST Pricing**"). To access SST Pricing, Customer must register in all Streamlined States or CSP States where they are eligible to pursue registration.
- d. **Returns Pricing.** Per-Return pricing described in the Returns Terms and/or SST Terms is inapplicable to the State Bundle.