MERCHANT TERMS AND CONDITIONS AGREEMENT

Version 2.0 | Effective September 2, 2026 | Supersedes the June 12, 2025 version

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This Merchant Terms and Conditions Agreement (the "Agreement") is entered into between Bodega AI, LLC (the "Company") and the merchant accepting these terms (the "Merchant"). The Company provides retailers with an AI point of sale solution, and the Merchant wishes to install and use that solution. By logging in to the point of sale, the Merchant accepts this Agreement.

1. Definitions

Distributor. The independent sales organization or reseller, authorized by the Company, that introduced the Merchant to the Company and that provides the Merchant's first line of support.

Hardware. The point of sale equipment described in Section 2 and any other equipment provided to the Merchant under this Agreement.

Hardware Purchaser. Whoever paid the Company for the Hardware. Where the Distributor purchased the Hardware and provided it to the Merchant at no charge, the Distributor is the Hardware Purchaser and owns the Hardware.

Software. The Company's point of sale software, merchant portal, and related services made available on or through the Hardware.

Installation Date. The date the Hardware is installed at the Merchant's location, as recorded in the Company's systems.

Return and Warranty Policy. The Company's Return and Warranty Policy published at warranty.bodegaai.com, as in effect on the Installation Date.

Written notice. Notice delivered by email in accordance with Section 17.

2. Hardware

The Company's point of sale solution includes the following Hardware:

- One all-in-one touch screen Android point of sale with dual, back-to-back screens
- One barcode reader
- One cash drawer
- One 80mm external printer (optional)
- One dual network cellular router (optional)

Ownership. All Hardware remains the sole property of the Hardware Purchaser at all times. The Hardware is held at the sole risk of the Merchant for injury, loss, or destruction while in the Merchant's possession.

Warranty. The Hardware carries the one (1) year limited warranty described in the Return and Warranty Policy. The version of that policy in effect on the Installation Date governs the Hardware for its full warranty term, and later revisions to the policy do not reduce that coverage. Warranty claims are submitted through the Distributor. Hardware manufactured by Volcora carries a Volcora lifetime warranty handled directly with Volcora, as described in the policy.

Where the Merchant is not the Hardware Purchaser, the Merchant will:

(a) Keep the Hardware in good condition and, when this Agreement ends, return the Hardware to the Hardware Purchaser in good working order, reasonable wear and tear excepted. The Hardware is returned to the Hardware Purchaser, not to the Company, unless the Company is the Hardware Purchaser.

(b) Pay the Hardware Purchaser the purchase price of the Hardware if the Hardware is damaged, destroyed, lost, or not returned.

(c) Not allow anyone other than the Hardware Purchaser, the Company, or their employees or agents to repair, adjust, move, or reinstall the Hardware.

(d) Allow the Hardware Purchaser to remove or reclaim the Hardware at any time on one (1) day's notice if the Merchant is in breach of this Agreement.

3. Software, Term, and Cancellation

Monthly term. Where a software fee applies, the mutually agreed software fee is charged each month. This Agreement runs month to month and renews automatically each month unless cancelled.

Cancellation by either party. Either party may cancel this Agreement for any reason, or for no reason, by giving thirty (30) days' written notice. The Merchant's notice is sent under Section 17.

No termination fees. There is no minimum term, no early termination fee, and no termination fee of any kind under this Agreement. On cancellation, the Merchant owes only the software fees accrued through the effective date of cancellation and any amounts owed to the Hardware Purchaser under Section 2.

Effect of cancellation. On the effective date of cancellation, the Company deactivates the Software, the Merchant stops using the Software and the Company's trademarks, and the Merchant returns the Hardware to the Hardware Purchaser under Section 2 within ten (10) days unless the Merchant is the Hardware Purchaser.

4. Exclusivity

The Merchant acknowledges that the Company has invested substantial resources in developing the Software and platform used by the Hardware, and that the Hardware has been provided at a discounted cost or at no charge.

For as long as this Agreement is in effect, the Merchant will:

(a) Use the Software only on Hardware provided under this Agreement, and

(b) Not install or operate any other point of sale software on the Hardware.

Exclusivity ends when this Agreement ends. This Section 4 lasts exactly as long as the month to month term in Section 3 and no longer. It creates no separate term, no minimum commitment, no multi-year obligation, no automatic renewal beyond the monthly renewal in Section 3, and no fee or penalty. When the Merchant cancels under Section 3, this Section 4 ends on the same date. Nothing in this Section 4 restricts the Merchant's right to cancel.

5. Termination for Default

If the Merchant fails to make any payment required by this Agreement, or otherwise defaults on or violates this Agreement, and does not cure the default within thirty (30) days after written notice from the Company, the Company may terminate this Agreement on written notice.

On termination for default, the Merchant owes the amounts accrued through the termination date and any amounts owed to the Hardware Purchaser under Section 2. No separate termination fee applies. The Merchant also agrees to pay:

(a) Reasonable collection costs, including attorney's fees and court costs, incurred by the Company to collect past-due amounts or enforce this Agreement;

(b) Reasonable Hardware recovery and storage costs incurred by the Company or the Hardware Purchaser; and

(c) Default interest at twelve percent (12%) per year, or the maximum rate permitted by law if lower, on any balance more than sixty (60) days past due.

On termination, the Merchant stops all use of the Company's trademarks, logos, and other intellectual property. Provisions that by their nature are intended to survive, including confidentiality, limitation of liability, release and indemnification, and payment obligations, survive termination.

6. Advertising

The Company retains one hundred percent (100%) of the revenue generated from third-party advertising and promotional content displayed on or through the Hardware, in any form. Time allocated to Merchant-generated advertisements may not exceed ten percent (10%) of the Hardware's daily run time. All screens must remain unobstructed and clearly visible at all times. The Company may change the terms of this Section 6 under Section 16.

7. Data

The Merchant owns all right, title, and interest in the Merchant's own transaction and business data ("Merchant Data"). The Company owns all right, title, and interest in any data that is based on or derived from Merchant Data, including aggregated, anonymized, and benchmark data. The Company owns and retains all right, title, and interest in (a) the Software and all improvements, enhancements, and modifications to it, (b) any software, applications, inventions, or other technology developed in connection with the Software, and (c) all intellectual property rights in the foregoing.

8. Release and Indemnification

The Merchant releases, waives, discharges, and agrees not to sue the Company and its successors, assigns, directors, officers, employees, agents, and subcontractors (the "Releasees") from any liability for personal injury, accident, or illness (including death) or property loss, however caused, arising from or related to the Hardware, except where caused by the gross negligence or willful misconduct of the Company. The Merchant will indemnify, defend, and hold the Releasees harmless from all claims, actions, suits, costs, expenses, damages, and liabilities, including attorney's fees, arising from or related to the Hardware, except those arising from the gross negligence or willful misconduct of the Company.

9. Limitation of Liability

Notwithstanding anything in this Agreement to the contrary, the Company's liability under this Agreement is limited to the repair or replacement of defective Hardware or parts as provided in the Return and Warranty Policy. In no event is the Company liable for any indirect, special, incidental, or consequential damages arising out of the use of the Hardware, Software, products, or services supplied under this Agreement.

10. Warranty and Disclaimer

The Company provides the one (1) year limited warranty described in the Return and Warranty Policy and in Section 2. Hardware manufactured by third parties, including Volcora, also carries the applicable manufacturer warranty. On written request, the Company will provide the Merchant a copy of the applicable warranty terms. Except for the specific warranties stated in this Agreement and the Return and Warranty Policy, the Company makes no representations or warranties, express or implied, and disclaims all other warranties, including any warranty of merchantability or fitness for a particular purpose. The Company is not bound by any oral promises or statements.

11. Excusable Delays

The Company is not liable for failure to provide products, Hardware, or services if the failure is due to any cause beyond its reasonable control, including acts of God, government action, terrorism, fire, flood, severe weather, epidemic, labor strikes, the refusal or inability of a common carrier to provide communications or transportation, power shortage, freight embargo, or inability to access the Merchant's location (each a "Force Majeure Event"). A Force Majeure Event does not by itself terminate this Agreement or excuse payment for services already delivered. Nothing in this Section 11 limits the Merchant's right to cancel under Section 3. The Merchant agrees to submit complaints about quality of service to the Company in writing and to give the Company a reasonable opportunity to cure.

12. Governing Law and Arbitration

This Agreement is governed by and construed under the laws of the State of New York. Any dispute, controversy, or claim arising out of or relating to this Agreement or its breach is resolved exclusively in New York by a single arbitrator under the rules of the American Arbitration Association. Arbitration proceeds solely on an individual basis, without the right to arbitrate on a class action basis or in a representative capacity on behalf of others. The arbitrator's authority is limited to disputes between the Company and the Merchant alone. Claims may not be joined or consolidated unless all parties agree in writing. No award has preclusive effect as to any dispute with anyone who is not a named party. Both parties consent to this jurisdiction and venue and waive any objection to them.

13. Assignment

The Company may assign this Agreement without the Merchant's consent. This Agreement binds and benefits the parties and their respective successors and permitted assigns.

14. Partial Invalidity and No Waiver

If any provision of this Agreement is held invalid, void, or unenforceable by a court of competent jurisdiction, the remaining provisions continue in full force. A party's failure to exercise any right or to insist on full performance is not a waiver of that right or of any later breach, and does not create any custom contrary to this Agreement.

15. Independent Contractor and Authority

The Company is an independent contractor. This Agreement does not create any agency, partnership, or joint venture. Neither party may contract obligations in the name of the other or represent itself as the other. The person accepting this Agreement on behalf of the Merchant represents that they have authority to do so.

16. Amendment

The Company may amend this Agreement by giving the Merchant at least thirty (30) days' written notice of the amended terms. Amendments take effect on the date stated in the notice and apply prospectively from that date. If the Merchant does not agree to an amendment, the Merchant may cancel this Agreement under Section 3 before the amendment takes effect, and no termination fee applies. Continued use of the Software after the effective date is acceptance of the amended terms. Amendments do not reduce the warranty coverage on Hardware already installed, which is governed by the Return and Warranty Policy in effect on the Installation Date. No other waiver or modification of this Agreement is valid unless made in writing and signed by both the Company and the Merchant.

17. Notices

Written notice under this Agreement is given by email. Notice to the Company is sent to Hello@BodegaAI.com. Notice to the Merchant is sent to the email address on file for the Merchant's account, or delivered through the Distributor. Notice is effective on the date it is sent, provided no delivery failure is received. The Merchant is responsible for keeping its contact information current.

18. Entire Agreement

This Agreement, together with the Return and Warranty Policy and any schedules, agreements, or Hardware installation agreement between the Company and the Merchant, is the entire agreement between the parties and supersedes all prior oral or written agreements on its subject matter. Where this Agreement and the Return and Warranty Policy differ on a warranty or return matter, the Return and Warranty Policy controls.

Version 2.0, effective September 2, 2026. Bodega AI, LLC. Questions: Hello@BodegaAI.com