

**MASTER PRODUCT AND SERVICES AGREEMENT
STATEMENT OF WORK A-1**

PROJECT	(“PROJECT SITE”) 400 S Foothill Dr. Yreka, CA 96097	EFFECTIVE DATE: Date Both Parties Have Signed
	CUSTOMER: County of Siskiyou, a(n) California municipality_	PALLET PBC (“PALLET”)
Contact Name	Maddelyn Bryan, Project Coordinator of Housing Programs	Elizabeth Rugg, Community Development Manager
Billing Address		1930 Merrill Creek Pkwy, Suite A Everett, WA 98203.
Email Address	mcbryan@co.siskiyou.ca.us	elizabeth@palletshelter.com
Telephone	(530) 841-2748	425-595-4544
UBI/Business License No.		603 622 031
Federal Tax I.D.		8 2 - 1 5 1 6 7 2 2

In Process

Product Purchase and Sale:																																																																			
Quantity and Type of Products Purchased:	<table border="1"> <thead> <tr> <th>Product</th> <th>Product Code</th> <th>Sales Price</th> <th>Quantity</th> <th>Discount (Percentage)</th> <th>Total Price</th> </tr> </thead> <tbody> <tr> <td>S2 70 SQFT Sleeper</td> <td>336125</td> <td>\$15,900.00</td> <td>15.00</td> <td>15.00%</td> <td>\$202,725.00</td> </tr> <tr> <td>S2 120 SQFT Sleeper</td> <td>336126</td> <td>\$20,600.00</td> <td>1.00</td> <td>15.00%</td> <td>\$17,510.00</td> </tr> <tr> <td>S2 120V 1500-2750 Watt Heater</td> <td>32059</td> <td>\$635.00</td> <td>16.00</td> <td>15.00%</td> <td>\$8,636.00</td> </tr> <tr> <td>A/C 8,000 BTU 120V with Install Kit</td> <td>20211</td> <td>\$600.00</td> <td>16.00</td> <td>15.00%</td> <td>\$8,160.00</td> </tr> <tr> <td>Twin XL Bed Frame</td> <td>11718</td> <td>\$150.00</td> <td>15.00</td> <td></td> <td>\$2,250.00</td> </tr> <tr> <td>Twin XL Mattress</td> <td>11702</td> <td>\$350.00</td> <td>15.00</td> <td></td> <td>\$5,250.00</td> </tr> <tr> <td>S2 Desk</td> <td>11742</td> <td>\$335.00</td> <td>2.00</td> <td></td> <td>\$670.00</td> </tr> <tr> <td>Heavy Load Accessible Bathroom Unit</td> <td>30503</td> <td>\$46,995.00</td> <td>1.00</td> <td></td> <td>\$46,995.00</td> </tr> <tr> <td>Heavy Load Standard Two-Stall Bathroom Unit</td> <td>30502</td> <td>\$46,995.00</td> <td>1.00</td> <td></td> <td>\$46,995.00</td> </tr> <tr> <td>Heavy Load 400sf Community Room</td> <td>30062</td> <td>\$43,999.00</td> <td>1.00</td> <td></td> <td>\$43,999.00</td> </tr> </tbody> </table>	Product	Product Code	Sales Price	Quantity	Discount (Percentage)	Total Price	S2 70 SQFT Sleeper	336125	\$15,900.00	15.00	15.00%	\$202,725.00	S2 120 SQFT Sleeper	336126	\$20,600.00	1.00	15.00%	\$17,510.00	S2 120V 1500-2750 Watt Heater	32059	\$635.00	16.00	15.00%	\$8,636.00	A/C 8,000 BTU 120V with Install Kit	20211	\$600.00	16.00	15.00%	\$8,160.00	Twin XL Bed Frame	11718	\$150.00	15.00		\$2,250.00	Twin XL Mattress	11702	\$350.00	15.00		\$5,250.00	S2 Desk	11742	\$335.00	2.00		\$670.00	Heavy Load Accessible Bathroom Unit	30503	\$46,995.00	1.00		\$46,995.00	Heavy Load Standard Two-Stall Bathroom Unit	30502	\$46,995.00	1.00		\$46,995.00	Heavy Load 400sf Community Room	30062	\$43,999.00	1.00		\$43,999.00
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Purchase Price for Products:	Total Purchase Price: \$383,190.00 (\$41,829.00 savings)																																																																		
Customer Designated Ship Date:	No later than January 31, 2025																																																																		
Description of Services:	<p>Pallet shall perform the following Services for the Project:</p> <p>Manufacturing Shelters and Shipping and onsite assembly of Shelters and accessories at Customer's Project Site.</p>																																																																		
Price for Services	Shipping: \$23,600.00* Assembly: \$26,600.00																																																																		
Tax:	\$31,526.27																																																																		
Total Cost:	\$464,916.27																																																																		
Payment Terms:	<p>50% total contract cost upon signing, remaining product and shipping cost upon shipping, and remaining cost for onsite assembly services upon completion of those services. Customer shall pay the Purchase Price via wire transfer in accordance with the instructions contained in Pallet's invoice. All prices are in U.S. dollars.</p> <p>*The parties agree that shipping fees are subject to change between date of contract and shipping dates. Actual fees and costs will be passed through to the customer at the time of shipping and could be higher or lower than this estimate. Pallet will not inflate or mark up the actual costs associated with shipping/customs/imports.</p>																																																																		
Funding Source:	CA State Behavioral Health Bridge Housing Program grant																																																																		

Terms and Conditions:	This Statement of Work is subject to the Terms and Conditions attached to Statement of Work A-1 executed by the parties, which are incorporated herein by reference. Any and all documents, notes, memoranda or attachments made pursuant hereto are incorporated herein and made a part of this Statement of Work.

IN WITNESS WHEREOF, County and Contractor have executed this agreement on the dates set forth below, each signatory represents that they have the authority to execute this agreement and to bind the Party on whose behalf their execution is made.

COUNTY OF SISKIYOU

Date: _____

MICHAEL N. KOBSEFF, CHAIR
Board of Supervisors
County of Siskiyou
State of California

ATTEST:
LAURA BYNUM
Clerk, Board of Supervisors

By: _____
Deputy

CONTRACTOR: PALLET PBC, a Delaware Public Benefit Corporation

Date: 8/6/2024

DocuSigned by:
Amy King

Amy King, President

Date: 8/6/2024

DocuSigned by:
Brian Henn

Brian Henn, CFO



License No.: 603 622 031
(Licensed in accordance with an act providing for the registration of contractors)

Note to Contractor: For corporations, the contract must be signed by two officers. The first signature must be that of the chairman of the board, president or vice-president; the second signature must be that of the secretary, assistant secretary, chief financial officer or assistant treasurer. (Civ. Code, Sec. 1189 & 1190 and Corps. Code, Sec. 313.)

TAXPAYER I.D. 82 - 1516722

ACCOUNTING:

Fund	Organization	Account	Activity Code (if applicable)
2176	401030	761000	3013

Encumbrance number (if applicable):

If not to exceed, include amount not to exceed: \$464,916.27

MASTER PRODUCT AND SERVICES AGREEMENT TERMS AND CONDITIONS

1. **Terms and Conditions; Change Order.**

(a) **Terms and Conditions.** As of the Effective Date set forth in an applicable Statement of Work (the “**SOW**”), of which these Terms and Conditions are attached and incorporated into by reference (these “**Terms**”), Pallet hereby agrees to: (i) manufacture and sell to Customer temporary emergency shelters commonly known as “Pallet Shelters™”(the “**Shelters**”) and supply related products, items and accessories (collectively with the Shelters, the “**Products**”) in accordance with the applicable SOW; and (ii) provide certain specialized installation and assembly services of the Products through its representatives or Subcontractors to and for the benefit of Customer (the “**Services**”), each as set forth in the applicable SOW for the project site described in the SOW (the “**Project Site**”), and Customer shall purchase the Products and Services in accordance with these Terms. For each SOW executed between Customer and Pallet, such SOW shall: (i) be numbered consecutively (e.g., A-1, A-2, A-3, etc.); (ii) expressly state that it is subject to the terms and conditions of these Terms; and (iii) be signed by both parties. As consideration for Products delivered and Services to be rendered by Pallet under these Terms, Customer shall pay to Pallet the “Purchase Price” for the Products and all “Fees” for the Services.

(b) **Change Order.** Subject to the terms and conditions of these Terms and the SOW, changes to any SOW can only be made by mutual written agreement of the Customer and Pallet (each, a “**Change Order**”). Any changes in the scope, timeframe, or any request for additional Services or Products that are not agreed to in the initial SOW may increase any estimated timeline for delivery of the Services or Products in such SOW. If Customer requests a Change Order, Pallet, in its sole and exclusive discretion, will determine whether it can comply with the requested changes and whether such changes would cause an increase in the price, Fees, and costs associated with the Services or Products, the time required to complete the Services or deliver the Products, or the effect on the performance of any part of the SOW. Descriptions and prices for Pallet’s Products and Services are subject to change at any time and from time to time, in its sole and exclusive discretion, without notice.

2. **Purchase Price; Fees.** Payment of the purchase price for the Products (the “**Purchase Price**”), and the fees, costs and expenses for Pallet’s Services (collectively, the “**Fees**”) will be made in accordance with the applicable SOW. All prices are in U.S. dollars. Pallet shall invoice the Customer for its Products delivered and Services performed on a periodic basis as set forth in the applicable SOW. With the exception of any deposit, which is due upon signing this Agreement, and unless otherwise stated herein or in an applicable SOW, Customer shall pay all amounts invoiced from Pallet to Customer within thirty (30) days of the Customer’s receipt of the invoice. Customer shall promptly pay to Pallet any and all Fees and prepaid expenses reasonably incurred by Pallet in connection with the performance of the Services, including, without limitation, transportation, tickets, travel change fees, hotel costs, or any other purchases (the “**Prepaid Expenses**”) in accordance with the applicable SOW. Pallet may, in its sole and exclusive discretion, charge a Customer interest on any overdue invoice amounts at the rate of 1.5% per month (or the highest rate permitted by applicable law) and may terminate, and/or suspend its Services for amounts remaining unpaid for greater than thirty (30) days from the date payment is due.

3. **Term; Termination.** The term of these Terms shall extend from the Effective Date through the completion of all Services as set forth in the applicable SOW (the “**Term**”), subject to the following termination provisions. Pallet may terminate any SOW and these Terms, in whole or in part, for “Cause” upon not less than ten (10) days prior written notice to Customer. For purposes of these Terms, “Cause” includes, but is not limited to, any of the following: (a) a material breach of these Terms or any SOW by Customer, including, without limitation, any non-payment of the Purchase Price, or any Fees when due; (b) any violation by Customer of any applicable federal, state and local laws, rules, orders, codes and regulations (collectively, “**Laws**”); or (c) if Customer is voluntarily or involuntarily dissolved, or is adjudged to be Bankrupt or is subject to a general assignment for the benefit of its creditors, or if a receiver should be appointed on account of Customer’s insolvency. For the purpose of this Section, “Bankrupt” shall mean the filing of a voluntary or involuntary petition of bankruptcy or similar relief from creditors, insolvency, the appointment of a trustee or receiver, or any similar occurrence reasonably indicating an imminent

inability to perform substantially all of the Customer's duties under these Terms or any SOW. Upon any early termination of these Terms or otherwise, Pallet shall submit to Customer a detailed invoice of any Purchase Price remaining unpaid, and all Fees incurred to date, and Customer shall promptly pay the unpaid balance of the Purchase Price and all Fees within ten days of receipt.

4. **Products; Shipment of Products.**

(a) Purchase of Products. As consideration for the sale of the Products, the Customer shall pay to Pallet the total Purchase Price as set forth on the SOW. The Purchase Price is exclusive of any sales, use or privilege tax, personal property taxes, excise tax or any similar tax or charge that might be levied as a result of the production, sale or shipment of any Products, the use of the Products by Customer or the provision of Services (the "**Taxes**"). Customer agrees to pay and shall be solely responsible for any and all such Taxes (excluding taxes based on Pallet's net income). Pallet shall have the option, but not the obligation, to pay any such Taxes directly, in which event Customer shall promptly reimburse Pallet in the amount thereof upon presentation by Pallet to Customer of evidence of payment.

(b) Shipment of Products. Pallet will use its commercially reasonable efforts to deliver the Products to the Customer at the Project Site on the date of delivery as set forth in the SOW. Notwithstanding the foregoing, Pallet will notify the Customer of any delays that may affect the estimated delivery date of the Products. If Pallet notifies Customer in accordance with these Terms, Pallet shall be afforded at least ten (10) additional days to deliver the Products. Unless otherwise set forth in an SOW, Pallet shall be responsible for arranging for and coordinating the shipment of the Products to the Customer. Shipping dates, if any, set forth in the applicable SOW are approximate only and merely represent Pallet's best estimate of the time required to make shipment of the Products.

(c) Delivery; Risk of Loss. Delivery of the Products to Customer will be F.O.B. Pallet's factory, as set forth in the SOW. All Products will be prefabricated at Pallet's factory headquarters and shipped flat-packed in individual panels to the designated Project Site. Pallet will not "drop ship" to any other location other than Project Site. Unless otherwise instructed in writing by Customer, Pallet will have the sole and exclusive right to select the carrier for the shipment and delivery of the Products. Title and risk of loss to the Products purchased under these Terms shall pass to Customer upon delivery thereof to the carrier. Pallet shall not be liable for any loss or expense incurred by Customer as a result of any delay in delivery for any reason other than arbitrary refusal of Pallet to perform. Pallet may deliver the Products in installments.

(d) Delay of Product Delivery. If any shipment or delivery of Products to the Customer is delayed at Customer's request or due to the Customer's inability to take possession of the Products (for any reason other than Pallet's arbitrary decision not to perform), risk of loss to such Products shall pass to Customer on the date Pallet is prepared to ship the Products to the Customer. In addition to the foregoing, Pallet shall have the right, in its sole and exclusive discretion, to: (i) invoice the Customer for the Purchase Price of such Products, and such invoice shall be due upon receipt; (ii) unilaterally increase the Purchase Price and Fees due from Customer to Pallet due to any changes or increases in the same since the execution of the initial SOW, and Customer shall be responsible and liable to pay such increase; (iii) store the Products at a location acceptable to Pallet, and charge the Customer all costs and expenses associated with such storage and with transport to such storage site, F.O.B. Pallet's factory, which Customer shall promptly reimburse to Pallet upon receipt of an invoice for the same; and/or (iv) require the Customer to arrange for and cover all costs and expenses related to the shipment of the Products from the applicable storage location to the Project Site, all transport F.O.B. Pallet's factory.

(e) Inspection; No Refunds. Upon delivery of the Products, Customer shall promptly inspect all Products. Unless a written claim from Customer to Pallet rejecting one or more Products (a "**Rejection Notice**") is made and delivered to Pallet within seven (7) days from the date of delivery of the Products, the Customer agrees that it shall have knowingly, irrevocably and unconditionally accepted all Products as-delivered, as-is and with all faults and defects, subject to Customer's rights under the Limited Warranty. Such Rejection Notice must specify in detail: (i) the total amount of Products that the Customer is rejecting; (ii) the specific details of the reason for

rejection, including specific defective parts and pictures, videos, and reports of the alleged defect in the Products; and (iii) whether the alleged defects breach any express warranty of Pallet. Pallet must be provided a reasonable opportunity to inspect, examine and investigate the alleged defective Products and an opportunity to cure. Pallet may also require the Customer to send back the alleged defective Product before it determines whether any replacement Product or repair service will be provided. In the case of any Products manufactured or supplied by any other person, entity or business (“**Third-Party Products**”) covered by the warranty of another supplier or manufacturer, Pallet will submit the existing supplier’s or manufacturer’s warranty to the Customer to the extent reasonably possible, but shall have no liability or responsibility to repair or replace such Third-Party Product. As promptly as possible after receipt by Pallet of the Rejection Notice, Pallet shall report its findings of its investigation of the alleged Defect to the Customer. Provided Pallet determines the alleged defect is covered by Pallet’s Warranty, Pallet shall notify Customer of its election to repair or replace said properly rejected Products and shall prepay transportation charges for any shipment of replacement Products back to Customer; provided, however, no refunds shall be given for any defective Products unless otherwise determined by Pallet in its sole and exclusive discretion.

5. **Limited Warranty of Pallet.** Seller agrees to warrant select Products in accordance with the terms of its standard limited warranty (the “**Limited Warranty**”), as modified by Pallet from time-to-time in Pallet’s sole and exclusive discretion. Pallet’s current form of Limited Warranty can be found here: www.palletshelter.com/warranty. In the event the Products that are warranted under the terms of the Limited Warranty fail to comply with Pallet’s Limited Warranty and Customer timely reports such failure in accordance with these Terms, Pallet’s sole obligation to Customer shall be limited to the repair or replacement, at Pallet’s sole and exclusive option, in accordance with the Limited Warranty. Customer acknowledges and agrees that this Limited Warranty extends only to Customer, and does not extend to any subsequent owner, transferee, assignee or user/resident of the Products; provided, however, this Limited Warranty may be assigned to a subsequent owner, transferee or assignee of the Products, subject to Customer’s compliance with Section 12(c), below.

6. **Customer’s Duties.**

(a) Customer shall fully cooperate with Pallet in its delivery of the Products and performance of the Services, and provide to Pallet true, complete and correct copies of all reasonably requested documentation or information reasonably necessary, desirable or required by Pallet in connection with the delivery of the Products and performance of the Services. Customer shall cooperate in good faith with Pallet to provide Pallet with reasonable access to any Customer facilities, officers, directors, employees, contractors, officials, or affiliates as reasonably necessary or desired by Pallet in connection with the performance of the Services. Customer represents and warrants that all documents, disclosures, information and other materials provided by the Customer to Pallet in connection with the Services, including, without limitation, all third-party documents, disclosures, and/or information, are true, complete, correct, non-infringing and not materially misleading in any way. Customer represents and warrants that the individual executing the SOW on its behalf has all necessary, legal and requisite power and authority to execute, deliver the SOW and perform these Terms on behalf of the Customer, and all other agreements and instruments to be executed and delivered in connection with these Terms.

(b) While Pallet will provide the Products and Services set forth herein, Customer shall be solely and exclusively responsible and liable for: (i) ensuring that all transactions, documents and operations in connection with these Terms, including, without limitation, all operations at the Project Site, are in compliance with all applicable Laws; (ii) procuring and maintaining all applicable permits, certifications, licenses and approvals necessary under all applicable Laws for the delivery and use of all Products and performance of all Services, including but not limited to, consultation with, inspections, and approvals from local building officials and fire authorities regarding site layout and shelter spacing; (iii) cleaning and maintaining the Products, including, without limitation, by following all user manuals, cleaning instructions and Product manuals provided by Pallet to Customer; (iv) ensuring the safety of the Products (including, without limitation, protecting, monitoring and maintaining all fire extinguishers, smoke detectors, electrical panels, keys, door locks, door handles and entrances to the Shelters), the Product’s end users and residents and the Project Site after the completion of the applicable Services; and (v) to the extent Customer uses its

own Representatives to perform any assembly or installation of any Products, the acts, errors, omissions, negligence or misconduct of Customer and its Representatives in connection herewith.

(c) Pallet will assemble the Products into shelters; however, it shall have no responsibility for any Services not expressly set forth herein, including site grading, shelter leveling, certain electrical work or electrical or plumbing connections, or staking units to the ground. Customer shall have the responsibility to provide: (i) site grading or platforms with all sleeping shelter installation surfaces within 1 1/2" of level; (ii) a site map clearly indicating the location and placement of each shelter, including the direction the shelter should be facing; (iii) a telehandler forklift with lifting capacity of at least 6,000 pounds and 8-foot forks for all structures, including all sleeping units and community rooms; (iv) a secure worksite with onsite security for the duration of the assembly and appropriate warnings for any non-obvious dangers, e.g., unmarked open trenches; (v) access to an appropriate dumpster for refuse; (vi) access to an onsite bathroom compliant with OSHA; (vii) Customer shall provide licensed contractors to perform electrical and plumbing connections; and, (viii) for purchase of hygiene or laundry units, Customer shall be responsible to unload these units from the delivery trucks, to install toilets, sinks, heater/ac in hygiene units, and to procure and install washer/dryers in the laundry units. Further, Customer shall communicate to Pallet a date upon which its site is prepared and ready for shelter assembly ("Assembly Date"). Customer acknowledges and agrees that Pallet will incur expenses and allocate resources in reliance on and in preparation for the Assembly Date that Customer provides. Customer shall not change the Assembly Date with less than 14 days' notice to Pallet. In the event Customer cancels or postpones the Assembly Date with less than 14 days' notice, Customer shall be responsible for any fees, penalties, or other non-refundable charges, plus an administrative surcharge equal to 10% of the assembly fees to compensate Pallet for the misallocation of resources and for opportunities lost in reliance on Customer's Assembly Date. Any failure by Customer to perform any of sub-parts (i) – (vii) prior to Pallet's arrival to assemble shelters may result in a Change Order reflecting lost time for the period of delay at a rate of \$85 per hour per Pallet employee on site, if it is commercially reasonable for Pallet to wait for the site to be adequately prepared, or, if it is not commercially reasonable for Pallet to wait for the site to be adequately prepared, Customer shall pay the costs associated with return travel for Pallet employees. At the conclusion of the project, Customer shall make available on site a duly authorized representative to participate in a walk through and inspection of the assembled units and sign off on a document denoting satisfactory completion or identifying items to be completed prior to satisfactory completion. Customer acknowledges and agrees that any failure to provide an authorized party to participate in the final walk through and inspection may render Pallet's warranty null and void, at Pallet's sole and absolute discretion, and shall waive any future right to claim any defect in the work performed or goods provided.

(d) Customer acknowledges and agrees that it has received and reviewed Pallet's Village Dignity Standards in the form attached hereto as Exhibit 1 (the "**Dignity Standards**"). Customer agrees that it shall use its reasonable best efforts acting in good faith to comply with, and cause its employees, agents, contractors, volunteers, Project Site managers and service providers (collectively, "**Representatives**") to comply with, the Dignity Standards for the Project Site and in connection with its use, maintenance and safety of the Products. Customer shall be primarily responsible and liable for any of its Representatives' adherence to the Dignity Standards in accordance with the terms herein. Customer represents and warrants that it has sufficient resources to comply with and adhere to the Dignity Standards and shall maintain sufficient resources at all times while it owns or licenses the Products to comply with the Dignity Standards. Customer acknowledges that its duties and obligations within this Section 6(d) are a material inducement for Pallet to enter into these Terms and for Pallet to execute the SOW, and that any failure by Customer or its Representatives to adhere to the provisions in this Section 6(d) shall constitute a material breach of these Terms. In the event of a material breach of this Section 6(c), and Pallet's receipt of notice or knowledge of the same, Pallet may send written notice to Customer detailing the terms of the material breach and the actions that Pallet requires Customer to take in order to cure such material breach. Customer shall take such corrective actions as proscribed by Pallet within ten (10) days of its receipt of Pallet's notice to cure. If Customer fails to take corrective action to Pallet's reasonable satisfaction, Customer acknowledges and agrees that Pallet shall have all rights and remedies under these Terms, and at law and in equity. The terms and conditions of this Section 6 shall survive the delivery of the Products or any earlier termination or expiration of these Terms or any SOW.

Customer acknowledges and agrees that Pallet shall not be liable for any failure by Customer to comply with the Dignity Standards in whole or in part.

(e) Customer hereby agrees to: (i) utilize its reasonable best efforts in performing and fulfilling its obligations hereunder; (ii) treat all end users or residents of the Products equitably, with respect, and shall not discriminate unlawfully among them in any manner; (iii) ensure that all Products reach applicable Representatives with any literature, warranties, standards/guidelines (including Dignity Standards), disclaimers and applicable licenses provided by Pallet intact; and (iv) conduct its business in a manner that will reflect favorably on Pallet and its image, credibility, good name, goodwill and reputation. Customer recognizes the great and material value of the goodwill associated with the Pallet trademarks, service marks, logos and brands (collectively, the “**Pallet Marks**”) associated with the Products, and acknowledges that such goodwill belongs and inures solely to Pallet and that such Pallet Marks have secondary meaning in the minds of the public. Customer recognizes that the nature of the business of Pallet requires public respect for and trust in the reputation and integrity of Pallet and its Products.

7. **Subcontractors.** Subject to the terms and conditions of these Terms, Customer hereby grants to Pallet the right to assign its rights, duties or obligations under these Terms to its partners, joint venturers, contractors, agents and subcontractors (collectively, “**Subcontractors**”) with respect to the performance of Services only, on a per Project basis, subject to the limitation set forth in these Terms and any SOW. In the event of the termination or expiration of these Terms, all subcontract rights will terminate effective as of the termination or expiration of these Terms.

8. **Relationship of the Parties; Independent Contractor.** These Terms are intended to create an independent contractor relationship between the Parties. Nothing contained herein shall be construed to: (i) give either Party the power to direct or control the day-to-day activities of the other; (ii) constitute the Parties as partners, joint venturers, co-owners or otherwise as participants in a joint or common undertaking; or (iii) allow either Party to create or assume any obligation on behalf of the other Party for any purpose whatsoever, including, without limitation, representations, contractual obligations, or obligations based on warranties or guarantees. Pallet shall have and retain sole and exclusive control over the time, place and manner in which it performs the Services.

9. **Indemnification; Indemnification Procedure.**

(a) **Indemnification:** The Parties shall indemnify and hold each other harmless against any and all liability imposed or claimed, including attorney’s fees and other legal expenses, arising directly or indirectly from any act or failure of the Parties, their employees, or agents, including all claims relating to the injury or death of any person or damage to any property arising out of the performance of this Agreement. It is understood that the duty of either Party to indemnify and hold harmless includes the duty to defend as set forth in Section 2778 of the California Civil Code. This indemnification and hold harmless clause shall apply to any damages or claims for damages whether any applicable insurance policies shall have been determined to apply. By execution of this Agreement, the Parties acknowledge and agree to the provisions of this Section and that it is a material element of consideration of this Agreement.

(b) **Indemnification Procedure.** The Party seeking indemnification (the “**Indemnified Party**”) shall promptly notify the other Party (the “**Indemnifying Party**”) in writing of any Action and cooperate with the Indemnified Party at the Indemnifying Party’s sole cost and expense. The Indemnifying Party shall immediately take control of the defense and investigation of the Action and shall employ counsel reasonably acceptable to the Indemnified Party to handle and defend the Action, at the Indemnifying Party’s sole cost and expense. The Indemnifying Party shall not settle any Action in a manner that adversely affects the rights of the Indemnified Party without the Indemnified Party’s prior written consent, which consent may not be unreasonably withheld or delayed. The Indemnified Party’s failure to perform any obligations under this Section 9(b) will not relieve the Indemnifying Party of its obligation under this Section except to the extent the Indemnifying Party can demonstrate that it has been materially prejudiced as a result of the failure. The Indemnified Party may participate in and observe the proceedings at its own cost and expense with counsel of its own choosing.

10. Insurance.

(a) General Liability and Automobile Insurance: During the term of this Contract, Contractor shall obtain and keep in full force and effect a commercial, general liability and automobile policy or policies of at least (\$1,000,000) One Million Dollars, combined limit for bodily injury and property damage; the County, its officers, employees, and agents are to be named additional insured under the policies, and the policies shall stipulate that this insurance will operate as primary insurance for work performed by Contractor and its sub-contractors, but only to the extent that loss was caused by the negligent acts or omissions of the Contractor or its sub-contractors. All insurance required herein shall be provided by a company authorized to do business in the State of California and possess at least a Best A:VII rating or as may otherwise be acceptable to County. The General Liability insurance shall be provided by an ISO Commercial General Liability policy, with edition dates of 1985, 1988, or 1990 or other form satisfactory to County. The County will be named as an additional insured using ISO form CG 2010 1185 or the same form with an edition date no later than 1990, or in other form satisfactory to County.

(b) Certificate of Insurance and Endorsements: Contractor shall obtain and file with the County prior to engaging in any operation or activity set forth in this Contract, certificates of insurance evidencing additional insured coverage as set forth in paragraphs 5.04 and 5.10 and which shall provide that no cancellation, reduction in coverage or expiration by the insurance company will be made during the term of this Contract, without thirty (30) days written notice to County prior to the effective date of such cancellation. Naming the County as a "Certificate Holder" or other similar language is NOT sufficient satisfaction of the requirement. Prior to commencement of performance of services by Contractor and prior to any obligations of County, contractor shall file certificates of insurance with County showing that Contractor has in effect the insurance required by this Contract. Contractor shall file a new or amended certificate on the certificate then on file. If changes are made during the term of this Contract, no work shall be performed under this agreement, and no payment may be made until such certificate of insurance evidencing the coverage in paragraphs, 5.05, the general liability policy set forth in 5.06 and 5.10 are provided to County.

11. No Warranties; Limitation of Liability; Assumption of Risk.

(a) No Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THESE TERMS, TO THE FURTHEST EXTENT PERMITTED BY APPLICABLE LAW, PALLET HEREBY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, WHETHER WRITTEN, ORAL, EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, EITHER IN FACT OR BY OPERATION OF LAW, INCLUDING: (I) ANY WARRANTIES REGARDING ANY PRODUCT OR ANY SERVICES PROVIDED BY PALLET AND ANY OTHER TECHNICAL INFORMATION, TECHNIQUES, MATERIALS, METHODS, PRODUCTS, PROCESSES, OR PRACTICES MADE AVAILABLE BY PALLET; (II) ALL IMPLIED WARRANTIES OF MERCHANTABILITY, QUALITY, FITNESS FOR A PARTICULAR PURPOSE, OR NON-INFRINGEMENT; (III) WARRANTIES ARISING FROM A COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE, OR TRADE PRACTICE; AND (IV) ANY WARRANTIES REGARDING ANY PRODUCT'S COMPLIANCE WITH ANY APPLICABLE LAWS, INCLUDING, WITHOUT LIMITATION, ANY APPLICABLE BUILDING CODES. WITHOUT LIMITATION TO THE FOREGOING, PALLET WILL HAVE NO LIABILITY WHATSOEVER TO CUSTOMER OR ANY OTHER PERSON FOR OR ON ACCOUNT OF ANY INJURY, LOSS, OR DAMAGE, OF ANY KIND OR NATURE, SUSTAINED BY, OR ANY DAMAGE ASSESSED OR ASSERTED AGAINST, OR ANY OTHER LIABILITY INCURRED BY OR IMPOSED ON CUSTOMER OR ANY OTHER PERSON, ARISING OUT OF OR IN CONNECTION WITH OR RESULTING FROM ANY INJURY CAUSED TO ANY PERSON OR PROPERTY BY CUSTOMER OR ANY CUSTOMER PARTY. NO EMPLOYEE, SUBCONTRACTOR OR REPRESENTATIVE OF PALLET IS AUTHORIZED TO MODIFY ANY PALLET WARRANTY WITHOUT THE EXPRESS WRITTEN CONSENT OF PALLET'S PRESIDENT.

(b) Limitation of Liability. TO THE FULLEST EXTENT PERMITTED BY LAW, PALLET WILL NOT BE LIABLE TO CUSTOMER, OR ANY CUSTOMER PARTY OR ANY OTHER PERSON FOR ANY INJURY TO OR LOSS OF GOODWILL, BUSINESS, OR OPPORTUNITIES (REGARDLESS OF HOW THESE

ARE CLASSIFIED AS DAMAGES), OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, PUNITIVE, OR ENHANCED DAMAGES, WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PRODUCT LIABILITY, OR OTHERWISE (INCLUDING THE ENTRY INTO, PERFORMANCE, OR BREACH OF THESE TERMS), REGARDLESS OF WHETHER SUCH LOSS OR DAMAGE WAS FORESEEABLE OR THE PARTY AGAINST WHOM SUCH LIABILITY IS CLAIMED HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE. IN NO EVENT SHALL PALLET'S AGGREGATE LIABILITY EXCEED THE AMOUNT ACTUALLY PAID BY OR DUE FROM CUSTOMER UNDER THE APPLICABLE SOW (WHICHEVER IS LESS) IN THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO SUCH CLAIM.

(c) Assumption of Risk; Waiver and Release. Subject to the terms and conditions of the applicable SOW, should Customer choose to use its own services to assemble and/or install some or all of the Products, including, without limitation, the applicable Shelters manufactured by Pallet, then Customer hereby knowingly and voluntarily acknowledges and agrees that its election to assemble and/or install its own Products involves serious risks, including, without limitation, and by way of example only: dangers encountered when assembling or installing the Products, risks arising out of failing to wear proper safety equipment, failure to follow and adhere to applicable installation or assembly instructions, risks associated with the applicable Project, property loss or damage, bodily injury, paralysis, death, theft, as well as the conduct, actions, inactions or omissions of any third parties. Where Customer chooses to use its own services to assemble and/or install some or all of the Products, then, acknowledging the above, CUSTOMER HEREBY VOLUNTARILY ACKNOWLEDGES AND ASSUMES ALL RISKS BOTH KNOWN AND UNKNOWN TO CUSTOMER AND ANY CUSTOMER PARTY, RELATING IN ANY WAY TO CUSTOMER'S OR ANY CUSTOMER PARTY'S KNOWING AND VOLUNTARY ASSEMBLY OR INSTALLATION OF THE PRODUCTS. Where Customer chooses to use its own services to assemble and/or install some or all of the Products, then, to the maximum extent permitted by applicable law, Customer HEREBY FOREVER, KNOWINGLY AND IRREVOCABLY WAIVES, RELEASES, DISCHARGES, AND RELINQUISHES any and all rights, claims, liability, losses, costs, damages, or causes of action of any and every kind whatsoever which Customer may have, had or could have against Pallet or any Pallet Party arising out of, or related in any way, directly or indirectly, to Customer's assembly or installation of the Products, or any negligent conduct, actions, inactions or omissions of any Pallet Party related thereto (collectively, the "Released Claims"). Such Released Claims include, but are not limited to, any and all injury, loss, death, bodily harm or other damages to Customer or any Customer Party.

12. **Miscellaneous.**

(a) Entire Agreement; Conflicts. These Terms and the applicable SOWs, collectively represent the full, final and comprehensive agreement and understanding of the Parties and any modification thereof shall not be effective unless contained in writing and signed by both Parties. Any prior or contemporaneous agreements, whether oral or written, relating to the subject matter discussed herein have been merged into these Terms. In the event of any conflict between the terms and provisions of these Terms and those of any SOW or other document, the following order of precedence will govern: (i) the most recent Change Order shall control over any other Change Order, SOW or these Terms; and (ii) the most recent SOW shall control over any prior SOW or these Terms.

(b) Severability. Each provision of these Terms shall be considered severable such that if any one provision or clause conflicts with existing or future applicable law, or may not be given full effect because of such law, this shall not affect any other provision of these Terms that can be given effect without the conflicting provision of clause; provided however, that such provision shall be modified, to the minimum extent possible and necessary, to be enforceable to the fullest extent and in compliance with any such applicable laws, prior to it being severed from these Terms in its entirety.

(c) Assignment; Third-Party Beneficiaries. Customer may assign an applicable SOW and these Terms (and the Limited Warranty associated herewith) to a subsequent owner, transferee or assignee of the Products herein, provided that the Customer: (i) provides prior written notice of the proposed assignment to Pallet; and (ii) receives the prior written consent of Pallet to the proposed assignment, which may be withheld in Pallet's sole and exclusive discretion. As a condition to Pallet's approval, if given, any potential assignee otherwise approved by Pallet shall assume all obligations of Customer under these Terms (including the Limited Warranty) and each applicable SOW, and shall be jointly and severally liable with the initial Customer, if required by Pallet, for the payment of all Fees and performance of all obligations of Customer under these Terms and any applicable SOW. In connection with any proposed assignment, Customer shall provide Pallet with copies of all assignment and assumption instruments, and any other documentation reasonably requested by Pallet. Any attempted assignment of these Terms or any SOW that does not comply with this Section 12(c) shall be null, void and of no force or effect whatsoever. These Terms are for the sole benefit of the Parties and their respective successors and permitted Assigns and nothing herein, express or implied, including specifically the duties and obligations set forth in Section 6(c), is intended to or will confer upon any other person, governmental entity, business or entity, any legal or equitable right, benefit, or remedy of any nature whatsoever, under or by reason of these Terms.

(d) Governing Law; Venue; Arbitration; Equitable Relief.

(i) Governing Law; Venue. Subject to Section 12(d)(ii), below, these Terms, any SOW and any Change Order shall be governed by and construed in accordance with the domestic laws of the state of California without giving effect to any choice of law or conflict of laws provision or rule (whether of the state of California or any other jurisdiction) that would cause the application of the laws of any jurisdiction other than the state of California. The Parties hereto agree that the exclusive jurisdiction and venue for any action brought between the Parties under these Terms shall be the Superior Court of Siskiyou County, California, and the Eastern District of California, and each of the Parties hereby agrees and submits itself to the exclusive jurisdiction and venue of such courts for such purpose. In the event of any litigation between the Parties hereto arising out of these Terms, the prevailing Party shall be allowed all reasonable attorneys' fees, court costs and expenses incurred in such litigation, including all such expenses incurred on appeal, together with all reasonable costs and disbursements necessary to enforce these Terms.

(ii) Arbitration. The parties will first make a good faith effort to settle by negotiation any dispute regarding these Terms. If a settlement has not been reached within fifteen (15) days of commencing that negotiation, then either party may submit the dispute to arbitration administered by the Judicial Arbitration Mediation Service ("JAMS"). There will be one arbitrator selected by the parties within ten (10) days of the notice of the arbitration demand or, if not, by JAMS, from its list of approved arbitrators with experience in hearing related cases. JAMS' "Streamlined Arbitration Rules & Procedures" shall apply to all other claims involving less than \$250,000. All other claims shall be determined in accordance with JAMS Comprehensive Arbitration Rules and Procedures. The award rendered by the arbitrator shall be final and binding on the parties and may be entered and enforced in any court having jurisdiction, and any court where a party or its assets is located (to whose jurisdiction the parties' consent for the purpose of enforcing the award). However, this Section will not apply to (A) actions for equitable relief, or (B) actions to enforce or appeal any arbitration award. Any arbitration under this Section will be conducted in Siskiyou County, California. In any action under the preceding clause (A) or (B), each party waives any right to a jury trial. The arbitrator shall apply substantive law and may award reasonable attorneys' fees and costs to the substantially prevailing party consistent with these Terms. The award rendered by the arbitrator shall be final and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction.

(iii) Equitable Relief. Each Party acknowledges that a material breach by the other Party of these Terms may cause the non-breaching Party irreparable harm, for which an award of damages would not be adequate compensation and, in the event of such a material breach or threatened breach, the non-breaching Party will be entitled to seek equitable relief, including in the form of a restraining order, orders for preliminary or permanent injunction, specific performance, and any other relief that may be available from any court, and the Parties hereby waive any requirement for the securing or posting of any bond or the showing of actual monetary damages in

connection with such relief. These remedies are not exclusive but are in addition to all other remedies available under these Terms at law or in equity, subject to any express exclusions or limitations in these Terms to the contrary.

(e) Survival. The provisions of Sections 2, 3, 4(d), 5, 6, 8, 9, 11 and 12 shall survive the termination or expiration of these Terms.

(f) Notices. Any notice required or permitted by these Terms shall be in writing and delivered in person, sent by documented overnight delivery service, mailed by certified or registered mail, postage prepaid, or sent via email to the appropriate designated address of the intended recipient, transmission verification required, to the appropriate Party or Parties at the addresses referenced in the applicable SOW, or to such other address as the Parties may hereafter designate to the other in writing.

(g) Force Majeure. A Party (referred to in this Section as a “**Force Majeure Party**”) shall be excused from the performance of its applicable obligation(s) under these Terms (other than the payment of any monies owed to the other Party, including, without limitation, any Purchase Price or Fees) to the extent that such performance is made commercially impracticable, illegal, or impossible by an event of Force Majeure that is beyond the Force Majeure Party’s reasonable control, and the Force Majeure Party provides written notice of the prevention within ten (10) business days of the occurrence of the Force Majeure event to the other Party (including details of the Force Majeure event, its anticipated duration and any action being taken to avoid or minimize its effect) and uses commercially reasonable efforts to avoid the effects of such Force Majeure and to perform the affected obligation(s) to the extent reasonably possible. Such excuse of performance shall be continued for so long as the condition constituting Force Majeure continues and the Force Majeure Party takes reasonable efforts to remove the condition or otherwise perform the affected obligation(s). For purposes of these Terms, “**Force Majeure**” shall mean only acts of God, strikes, civil disturbances, fires, earthquakes, governmental order or proclamation, outbreak or pandemic, supply chain interruption (to the extent such interruption is not caused by the gross negligence of such Party), acts of terrorism, floods, explosions, riots, war, rebellion, sabotage or failure or default of public utilities or common carriers. For clarity, notwithstanding the existence of a Force Majeure impacting a Party’s performance hereunder, such Force Majeure Party shall continue performing all of its other obligations hereunder, and the other Party shall be excused from performing such of its obligations under these Terms that it cannot reasonably perform due to the non-performance by the Force Majeure Party due to such Force Majeure, until such Force Majeure Party completes performance of such obligations that are prevented by such Force Majeure.

(h) No Public Statements. Except as required by applicable law, neither Party may issue or release any announcement, statement, press release, or other publicity or marketing materials relating to these Terms or, unless expressly permitted under these Terms, otherwise use the other party’s trademarks, service marks, trade names, logos, domain names, or other indicia of source, association, or sponsorship, in each case, without the prior written consent of the other party, which may not be unreasonably withheld, conditioned or delayed.

(i) Construction. The Parties hereby reaffirm that each has read the foregoing Terms and that each Party has had the opportunity to review, negotiate and participate in the creation of these Terms through independent counsel. The provisions contained herein shall not be construed or interpreted for or against any Party hereto because that Party drafted or caused that Party’s legal representative to draft any of its provisions.

Exhibit 1

PALLET VILLAGE DIGNITY STANDARDS

INHERENT & ABSOLUTE

Pallet's mission is to end unsheltered homelessness. Pallet villages are operated by community partners who collaborate with village residents to end their unhoused status, while transitioning into stable housing as quickly as possible. Villages provide life-sustaining services in a manner that fosters a safe, affirming, and dignified atmosphere for all residents. Discrimination or disparate treatment toward village residents on the basis of race, religion, national origin, immigration status, gender or non-gender conforming, sexual orientation, or any other protected class is strictly prohibited.

At Pallet, we believe in all people's inherent and absolute dignity. Guided by feedback from village operators and Pallet team members with lived-experience, we have created a set of dignity standards intended as universal and irreducible requirements for the purchase and use of Pallet shelters. These are organic principles intended to evolve and refine as we learn more about what works best.

HYGIENE FACILITIES

Everyone is entitled to hygiene and sanitation that is clean, safe, secure, and that provides privacy and ensures dignity. Well-maintained toilets are mandatory at all Villages and must be available at all times. Flush toilets are strongly preferred, especially as the number of residents increases. Well-maintained hand-washing facilities are mandatory and must be available at all times. Residents must have access to showers. Showers on site are preferred. An alternative shower plan is acceptable assuming reasonable distance and safety. Residents must be able to wash their clothes as needed. Laundry on site is preferred. An alternative laundry plan is acceptable assuming reasonable distance and safety.

MEALS

All people should live free of hunger, food insecurity, and malnutrition and Villages are required to confront and solve for these issues. Clean, safe drinking water must be available to all residents at all times. The provision of two-to-three nutritious meals daily and a place to prepare meals is strongly preferred. Operators should ensure that all areas used for food storage or preparation are kept sanitary and comply with local health codes. When needed, residents should be aided in signing up for food-based government benefits upon moving in.

TRANSPORTATION

Access to essential services is a basic human right. Villages must not be more than one mile from an active public transportation hub allowing access to essential services such as food, healthcare, public benefits, and employment. Where not possible, shuttle services or other alternative transportation must be provided.

Accommodations should be made for disabled persons who are unable to access general means of transportation.



SAFETY

We all want to feel safe in our neighborhoods. Residents, staff, and the surrounding communities should be afforded every available measure of safety and security. Site infrastructure must include exterior fencing, locking gate/monitored entrances, and operable lighting. Cabin spacing must be approved by the local fire authority, addressing the risk of fire and its potential to spread. Village operators must maintain and ensure clear pathways between and in each cabin. Operators must enforce a strict policy against smoking or open flames inside cabins. Operators must have sufficient staff on duty at all times and enforce established safety measures. Staff with de-escalation and trauma-informed training is strongly preferred. A zero-tolerance policy toward violence, abuse of power, threats/intimidation, sexual harassment/assault, or discrimination of any kind is mandatory for all persons at the village.

SUPPORTIVE SERVICES

The primary function of villages is to provide a supportive, safe community for residents to access services needed to permanently end their unhoused status. Village operators must engage residents in supportive services/case management. Supportive services must be client-centric with an emphasis on attaining stable housing, publicly available benefits, holistic health care, vital documents, and employment. Case management should be frequent, consistent, and transparent. It must be offered by trained staff.

In Process