

AGREEMENT

between

CATALYST

and

**UNITED FOOD & COMMERCIAL
WORKERS UNION**

Locals 5, 8, 324, 770, 1167, and 1428

September 1, 2023 – December 31, 2024

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THIS AGREEMENT (the “Agreement” or “Collective Bargaining Agreement”) made and entered into effective this 1st day of September 2023 (“Agreement Effective Date”), by and between (i) 562 Discount Med, Inc., a California corporation, d.b.a. Catalyst - Belmont Shore, at 5227 2nd Street, Long Beach, CA 90803; (ii) Alternative Therapeutic Solutions, Inc., a California corporation, d.b.a. Catalyst - Cherry, at 3170 Cherry Avenue, Long Beach, CA 90807; (iii) EEL Holdings LLC, a California limited liability company, d.b.a. Catalyst - Bellflower, at 9032 Artesia Boulevard, Bellflower, CA 90706; (iv) HNHPC, Inc., a California corporation, d.b.a. Catalyst - Santa Ana, at 2400 Pullman Street, Santa Ana, CA 92705; (v) Ryan Cameron Rayburn Collective, Inc., a California corporation, d.b.a. Catalyst - Eastside, at 2115 E. 10th Street, Long Beach, CA 90804; (vi) Casey Crow Collective, a California corporation, d.b.a. Catalyst - Downtown Long Beach, at 433 Pine Avenue, Unit 500, Long Beach, CA 90802; (vii) 316 Florence Holdings LLC, a California limited liability company, d.b.a. Catalyst - Florence, at 316 W. Florence Avenue, Los Angeles, CA 90003; (viii) EEL - El Monte, LLC, a California limited liability company, d.b.a. Catalyst - El Monte, at 12154 Valley Boulevard, El Monte, CA 91732; (ix) Pacific Roots Marina, LLC, a California limited liability company, d.b.a. Catalyst - Marina, at 3100 Del Monte Boulevard, Marina, CA 93933; (x) F2-Palm Desert LLC, a California limited liability company, d.b.a. Catalyst - Palm Desert, at 39420 Berkey Drive, Palm Desert, CA 92211; (xi) Catalyst Hemet LLC, a California limited liability company, d.b.a. Catalyst - Hemet, at 41007 CA-74, Hemet, CA 92544; (xii) 1539 Manchester Holdings LLC, a California limited liability company, d.b.a. Catalyst - Normandie, at 8300 S. Normandie Avenue, Los Angeles, CA 90044; (xiii) Central Valley - Sierra Associates, a California corporation, d.b.a. Catalyst - Patterson, at 100 W. Las Palmas Avenue, Patterson, CA 95363; (xiv) Puradora LLC, a California limited liability company, d.b.a. Catalyst - Silverlake, at 2334 Fletcher Drive, Los Angeles, CA 90039; (xv) 4158 Pico Holdings LLC, a California limited liability company, d.b.a. Catalyst - Mid City, at 1600 4th Avenue, Los Angeles, CA 90019, (xvi) Catalyst - Bellflower LLC, a California limited liability company, d.b.a. Catalyst - Bellflower, at 9032 Artesia Boulevard, Bellflower, CA 90706; (xvii) 11500 Vermont Holdings LLC, a California limited liability company, d.b.a. Catalyst - South Figueroa, at 10020 Figueroa Street, Los Angeles, CA 90003; and (xviii) EEL - Pomona LLC, a California limited liability company, d.b.a. Catalyst - Pomona, at 456 E. Holt Avenue, Pomona, CA 91767, hereinafter collectively referred to as the “EMPLOYER”, and UFCW LOCALS 5, 8, 324, 770, 1167, and 1428 of the United Food and Commercial Workers International Union, hereinafter referred to as the “UNION”.

ARTICLE 1 – RECOGNITION

A. The Employer hereby recognizes the Union as the sole collective bargaining agent with respect to rates of pay, wages, hours of employment, and other conditions of employment for an appropriate unit consisting of all regular full-time and part-time employees working at the Employer’s cannabis facilities (“Cannabis Business”) within the respective jurisdictions of the Union’s Locals (the “BARGAINING UNIT”).

B. Excluded from the Bargaining Unit are shareholders, unit holders, equity holders of the Employer (“OWNERS”) and four (4) managers (one (1) General Manager and three (3) dispensary managers) per facility. Vendors are excluded from the Bargaining Unit and cannot perform Bargaining Unit work. When a facility has twenty (20) or more employees, one (1) more exemption is added for a total of five (5). For every fifteen (15) additional employees, the

Employer shall be allowed one (1) additional exempt position. The Employer and the Union acknowledge and agree that the employee classification “Inventory Manager” falls within the bargaining unit under this Agreement.

C. The Union agrees to use every reasonable effort to promote the welfare of the Employer.

D. The Union agrees to issue Union Shop Cards or window decals to the Employer under the rules governing Union Shop Cards as set forth by the United Food and Commercial Workers International Union. Such Union Shop Cards and decals are, and shall remain, the property of the United Food and Commercial Workers International Union; and the Employer agrees to surrender said Union Shop Cards or decals to an authorized representative of the Union on demand in the event of failure by the Employer to observe the terms of this Agreement or the conditions under which said Union cards or decals are issued.

E. Whenever the Employer or an entity under the Ownership or Managerial Control of South Cord Management LLC, a California limited liability company, South Cord Holdings LLC, a California limited liability company, d.b.a. Catalyst Cannabis Co., Elliot Lewis, an individual, Damian Martin, an individual, and/or Timothy Lewis, an individual, hereinafter collectively with the Employer referred to as “Catalyst Employer”, establishes a new Cannabis Business (“New Catalyst Location”) within the State of California, the Union and Catalyst Employer will sign a “Labor Peace Agreement” (defined in Section 26001 of the California Business & Professions Code) and all rights as to this Labor Peace Agreement shall apply to employees in the New Catalyst Location. Upon (i) execution of the Labor Peace Agreement and (ii) recognition of the Union by employees at the New Catalyst Location, the Catalyst Employer shall become covered by this Collective Bargaining Agreement as the Employer under this Agreement. For employees who have worked at a facility already covered by this Collective Bargaining Agreement, all rights as to Seniority and other provisions of this Agreement shall then be recognized. So long as it does not deter the Catalyst Employer’s ability to meet local hiring or social equity requirements or opportunity to propose binding local hiring or social equity business objectives, the Catalyst Employer shall first offer positions of employment at the New Catalyst Location to Bargaining Units covered by this Agreement. For purposes of this Section E, “Ownership or Managerial Control” with respect to an entity shall mean the ownership of at least fifty-one percent (51%) of the units, shares, or other capital stock, in either vote or value, of the Employer or entity owning the Cannabis Business.

F. The Employer and the Union have agreed to establish a Joint Labor-Management Committee (the “Committee”). The purpose of this Committee will be to discuss issues facing the Union and the Employer, such as, communication and coordination at the local, State and federal level, and to collaborate on cannabis policy to improve the industry. The Committee shall not be a place to air grievances, but to communicate and coordinate on best practices. The Committee should meet quarterly or as issues arise. The Employer and the Union also have a right to call for a meeting if there are pending issues. For workplace issues and grievances, a separate quarterly meeting should be established to talk about specific workplace issues.

ARTICLE 2 – UNION SHOP AND CHECK-OFF

A. It shall be a condition of employment that all employees of the Employer covered by this Agreement who are members of the Union in good standing on the date of execution of this Agreement shall remain members in good standing and those who are not members on the date of execution of this Agreement, shall on the thirty-first (31st) day following the date of execution of this Agreement, become and remain members in good standing in the Union. It shall also be a condition of employment that all employees covered by this Agreement and hired on or after the execution shall, on the thirty-first (31st) day following the beginning of such employment, become and remain members in good standing in the Union.

B. Upon written notice from the Union that an employee is not in good standing, the Employer shall notify the employee to that effect. If, within five (5) days of such notice, the employee fails to re-establish such good standing, the Employer will terminate said employee.

C. So long as it does not deter Catalyst's ability to meet local hiring or social equity requirements or opportunity to propose binding local hiring or social equity business objectives, CATALYST shall first offer positions of employment at a New Catalyst Location to employees at locations that are already under covered by this Agreement as the Employer under this Agreement. The Employer retains the exclusive right to determine the competence and qualifications of the applicants and shall be free to select the applicant of their choice so long as Catalyst does not discriminate.

D. The Employer will deduct from the wages of each regular employee and submit to the Union, the Union membership dues, initiation fees and voluntary political action contributions of each employee who individually and voluntarily authorized the Employer, in writing to make such deduction.

E. The Employer shall notify the Union of all new hires and terminations within fifteen (15) days of the hire or termination. The notice of new hires shall include the employee's name, hire date, home address, social security number, classification, work location, and starting rate of pay.

ARTICLE 3 – MANAGEMENT RIGHTS

A. Except as specifically abridged by an express provision of this Agreement, the management of the business is the sole and exclusive prerogative of the Employer and the Employer shall have all the rights and prerogatives which it would have in the absence of this Agreement, including, but not limited to, the right to hire, direct and schedule the work force; establish, eliminate, change or introduce new equipment, processes or improved production methods; assign work to employees; subcontract work to outside contractors; transfer work to any of its other facilities; discipline, suspend or discharge for just cause; determine staffing and composition of the work force; determine the extent to which operations shall be expanded or curtailed; promote, demote, transfer or lay-off employees because of lack of work for other operational reasons.

B. Employer shall have the sole right to decide all work methods, techniques, and processes, as well as the methods of selling, distributing, and providing all products and services. Employer

also retains the right to close part, or all of the facility covered by this Agreement or to sell, relocate, transfer work from, or in any other way dispose of or alter such facility and the work performed therein.

C. The above-mentioned rights are not all-inclusive, but merely indicate the types of rights that are reserved to management. It is understood that the rights, power, and authority held by Employer prior to the signing of this Agreement, whether exercised or not, are retained by and remain exclusively with Employer, except as specifically limited or modified by the express provisions of this Agreement.

ARTICLE 4 – PROBATIONARY PERIOD

A. All employees shall be regarded as probationary employees for the first one-hundred and twenty (120) days of employment (“Probationary Employees”). For the avoidance of doubt, Probationary Employees are made part of the Bargaining Unit, unless such employee is excluded pursuant to Section B of Article 1.

B. Upon successful completion of the probationary period, the employee’s Seniority will be recognized as their hire date, which will be defined as first day worked.

ARTICLE 5 – UNION REPRESENTATION

A. The representative of the Union shall have the right to contact the employees at work with respect to this Agreement. Such activity by representatives of the Union shall not interfere with the normal operation of the Employer.

B. The Employer shall recognize the shop steward and shall permit them to perform during working hours such of her Union duties as cannot be performed at other times. The Union agrees that such duties shall be performed as expeditiously as possible, and the Employer agrees to allow a reasonable amount of time for such duties. Upon the union providing two (2) weeks’ notice to the Employer, one Steward per facility will be scheduled off to attend one (1) one-day stewards’ training seminar percalendar year.

C. Upon request, the Employer agrees to provide the Union with a complete list of all Bargaining Unit employees, their work location, classification, and rates of pay, phone number, and mailing address.

D. Upon hiring, new employees will be allowed a one-time twenty (20) minutes of paid time to meet with their Union representative and/or a Union shop steward for Union orientation.

E. Union stewards shall be released from duties with no loss of pay for no more than two hours each quarter in order to speak with or meet with a Union representative for purposes of training and contract administration. Scheduling of such release time will be subject to management approval. The Union shall provide shop managers with at least thirty (30) days of written notice in advance.

ARTICLE 6 – WORK RULES

- A. The Employer shall have the right to promulgate reasonable work rules, to include, but not be limited to, employee performance standards. Prior to any new work rules becoming effective, a copy shall be provided to the Union and each employee. The Employer can implement the new rule; however, upon the Union’s receipt of the new rule, the Union shall have five (5) working days to grieve it.

- B. The Employer will electronically post unionized promotional positions when they open. The posting shall include job descriptions and requirements.

ARTICLE 7 – SAFETY AND HEALTH

- A. The Employer agrees to make all reasonable provisions for the safety and health of employees during the hours of their employment.

- B. The Employer agrees to abide by all laws of the State of California pertaining to health and sanitation. The Employer agrees to send one management personnel and one bargaining unit member per store through the CalOSHA 30 training to meet the requirements of California law.

- C. In the event of a natural disaster, pandemic, or act of God (earthquake, flood, etc.), the Employer may remain open and determines in its discretion to remain open, the Employer will discuss with the Union precautionary measures and potential hazard pay for employees.

- D. Full-time employees will receive five (5) shirts and part-time employees will receive three (3) shirts at the start of employment. Employees may wear shirts, sweaters, or jackets from other Cannabis companies so long as Catalyst currently carries products from that brand. Employees may also wear any solid-colored t-shirt, hoodie, sweater, or other outerwear.

- E. Each worksite will develop a written safety plan that is prominently posted in writing in the break room as well as available electronically. This plan shall be consistent with the Injury and Illness Prevention (“IIP”) standards in CalOSHA Title 8, Section 3203 and 1509. This plan shall include radio-based security codes that are consistent across all CATALYST locations. New hires shall receive training on safety protocols as part of their orientation process that includes reviewing radio codes and time to read the IIP plan.

ARTICLE 8 – HOURS OF EMPLOYMENT

- A. Work Week. The regular workweek shall be defined as five (5) eight (8) hour days to be worked Saturday through Friday. Part-time employees may be hired based on the needs of the Employer but part-time work shall not be utilized to undermine full-time positions. For employees at the Distribution Center or employed at a facility whose primary purpose is manufacturing, the work week shall be defined as Monday through Sunday.
 - 1. The employer will schedule all Bargaining Unit employees for twenty-one (21) or

more hours per week.

2. Full-time / Part-time. A full-time employee is defined as an employee who is guaranteed thirty-two (32) hours per week, and the Employer shall make the best effort to provide thirty-four (34) hours per week, pending business needs. A part-time employee is defined as one who is guaranteed at least twenty-one (21) hours or more scheduled per week. (This does not apply to the employees that voluntarily work less).
 3. The aforementioned weekly guarantees for hours scheduled shall not apply if one or more of the following conditions exist:
 - a. with respect to a part-time employee, the Employer and the Union agree in writing that the employee may work less than twenty-one (21) hours per week, in which case the Union will not unreasonably withhold approval. Such waiver will be made available upon request from the Union.
 - b. during the week an employee is hired, recalled from layoff or returns from leave of absence.
 4. Part-time / Full-time Ratio. After one year of operation of a cannabis retail store of Employer, the Employer agrees to maintain a ratio of at least fifty (50) percent classified as full-time, and no more than fifty (50) percent part-time of all Bargaining Unit members per location. When full-time positions will be offered, Seniority will be factored, but will not be the sole factor; availability, and ability to meet core job responsibilities, expectations and duties will also be factors. This provision does not apply during unforeseen or uncontrollable acts of nature including but not limited to earthquakes, floods, storms, and/or health pandemics. If an employee has drastic changes to their availability after achieving full-time status, employees can be reduced to part time.
 - a. For any employee who had full-time status before the ratification of this agreement with existing scheduling modifications, the ratification of this agreement shall not alter these prior standing agreements.
 - b. This Section shall not limit the ability of the Employer to reach a written agreement with an employee to hire or promote them to full time status with some availability limitations, if that agreement is reached mutually by both parties before full time status is achieved.
 - c. The Employer shall reasonably consider limitations on availability limitations for full time status for reasonable purposes, including childcare needs, religious accommodations, and school schedules, so long as the remaining availability allows for enough flexibility to meet business needs.
- B. Straight-Time Work Day. Eight (8) hours worked within eight hours and forty-five

minutes consecutively, with an uninterrupted meal period, shall constitute a straight-time day's work. The meal period shall be given not earlier than three (3) hours or later than five (5) hours from the starting time of the employee's shift. The employer agrees that an unpaid lunch period of forty-five (45) minutes will be afforded to employees. If mutually agreed between the employee and the Employer, the employee may take a thirty (30) minute lunch.

The Employer shall not employ an employee for a work period of more than ten (10) hours per day without providing the employee with a second meal period of not less than thirty (30) minutes, except that if the total hours worked is no more than twelve (12) hours, the second meal period may be waived by mutual consent of the Employer and employee only if the first period was not waived.

The Employer may not employ an employee for a work period of more than five (5) hours per day without providing the employee with a meal period of not less than thirty (30) minutes, except that if the total work period per day of the employee is no more than six hours, the meal period may be waived by mutual consent of both the employer and employee.

If the Employer fails to provide an employee a meal period in accordance with this Section, the Employer must pay one additional hour of pay at the employee's regular rate of pay for each workday that the meal period is not provided. This additional hour is not counted as hours worked for purposes of overtime calculations.

Notwithstanding the foregoing, the Parties agrees that, absent a waiver, as provided herein, in the event the Employee is prevented from taking their break, the employee shall be required to notify either the employee's union representative or the General Manager, in writing, of such incident as soon as is practical and, in all events, no later than sixty (60) days of the occurrence of the incident. Failure by the employee to provide such notice shall be confirmation that the meal period was provided by the Employer or waived by the employee when legally possible (such as an employee working less than six (6) total hours or a second meal period where the first was taken).

The employee shall be required to clock-in and clock-out during the period he or she chooses to exercise his or her meal period rights. In the event the Employee fails clock-out for such meal period, the following may occur:

1. The Employer shall review clock-in and clock-out times for meal periods during each payroll period. If the Employer encounters an employee who has not clocked-in or out consistent with their right to a meal period, the Employer shall then review relevant video or other evidence to determine if the employee was or was not provided with their meal period for such period.
 - a. If the Employer determines conclusively that the employee was provided with their meal period for such period, the Employer may adjust such employee's timesheet to reflect the meal period taken. The Employer shall notify both the Union and the employee in writing no later than seven (7) days after the end of the payroll period of such a change.

- i. After the Employer has made such a determination, either the Union or the employee shall be able to review the relevant video footage or other evidence within fourteen (14) days of the Employer's written notification.
 - ii. After reviewing the evidence, if either the Union or the employee disagrees with the determination of the Employer, they shall send a response in writing to the Employer within twenty-one (21) days of the initial notification from the Employer. Failure to provide a written response from either the Union or the employee within twenty-one (21) days shall constitute recognition that the meal period was properly provided and other applicable sections of the California Labor Code.
 - iii. Any disputes between the Employer and the employee or Union regarding this subsection shall be resolved using Article 19 of this agreement.
- b. If the Employer determines conclusively that the employee was not provided their meal period consistent with their rights in this Section and absent an applicable waiver by the employee, the Employer shall pay any penalties due consistent with this Article and Section 512 and other applicable sections of the California Labor Code.
 - i. Any disputes between the Employer and the employee or Union regarding this subsection shall be resolved using Article 19 of this Agreement.
 - c. If an employee is consistently or intentionally missing provided meal periods or taking their provided meal periods late while claiming meal period violations, they shall be subject to the progressive discipline process.

The Parties agree that the meal break in this Section is comparable to or better than those required under Section 512 of the California Labor Code (meal periods). Therefore, to the full extent permitted by applicable laws, the provisions of that law are hereby waived in accordance with that law, including the waiver of any civil penalties related to such violation under the aforementioned law. Any disagreements to the interpretation of this provision shall be processed using Article 19 Grievance and Settlement of Dispute of this Agreement.

C. Overtime and Premium Pay. Overtime shall be in accordance with applicable laws and as provided herein. The overtime rate of pay of one and one half (1.5x) times the employee's regular basic hourly rate of pay shall be paid for the following work:

1. Work in excess of eight (8) hours per day.
2. Work in excess of forty (40) hours per week.

3. Work on the seventh (7th) consecutive day or more, regardless of the work week.
4. If the Employer requires employees to work overtime exceeding thirty (30) minutes from the end of their shift, employees can volunteer for overtime when first asked by management. If not enough employees volunteer for overtime, employees shall be forced into overtime by reverse Seniority by job classification required for the overtime work. The exception to this requirement is that the Employer may invoke mandatory overtime on Paid Holidays and compliance-imposed inventory counts as long as the schedule is provided two (2) weeks in advance.

D. Rest Periods. The Employer agrees that a rest period of ten (10) minutes shall be allowed each employee each four (4) hours worked or major fraction thereof (defined as 2 hours or more). For shifts of less than six (6) hours worked, employees shall have one (1) fifteen (15) minute break. Rest periods shall be considered as time worked for the purpose of determining the workday.

The Parties agree that the employee shall be deemed to have been provided every allowable rest break afforded to the employee for each day unless (i) the employee is prevented from taking such break and (ii) the Employee notifies either the Employee's union representative or their General Manager, in writing, of such prevention within sixty (60) days of the occurrence of the incident. Failure by the employee to provide such written notice shall deem such rest period as either one that was properly provided for and/or taken or, to the full extent of the law, was mutually waived by the Employer and the Employee.

The Union and Employers agree that the rest periods in this Section are comparable to or better than those required under the Industrial Welfare Commission Wage Order #7. Therefore, to the full extent permitted by applicable laws, the provisions of that regulation or standard are hereby waived, including the waiver of any penalties related to such violation under the aforementioned regulation or standard. Any disagreements to the interpretation of this provision shall be processed using Article 19 Grievance and Settlement of Dispute of this Agreement.

E. Split Shifts. No employee shall be required to work a split shift. In circumstances where an employee is sent home early due to lack of work and work will be available later the same day, the employee may voluntarily agree to work a split shift. A split shift is defined as any break in a work day of more than one (1) hour.

1. The above Section E language related to split shifts language shall not apply to quarterly mandatory staff meetings or meetings that are voluntary in nature, such as Joint Labor Management meetings. In the event of a mandatory meeting the employee will be given two (2) weeks' notice as well as be compensated a minimum of two (2) hours pay. If the employee is scheduled to work that day the two (2) hours will count towards hours worked and anything more than eight (8) hours worked will be considered OT.

F. Interruptions to Business. In instances where a Cannabis Business covered by this agreement is temporarily closed because of a violent or criminal incident onsite, Employees who

are scheduled to work at the time of the temporary closure shall have the option to go home for the remainder of their shift if they so choose without being subject to disciplinary action. Employees can use available vacation or sick time to cover the shift.

G. Daily Guarantee. Employees scheduled for at least a four (4) hour shift who are sent home involuntarily will be compensated at their regular wage for four (4) hours. All employees shall be guaranteed at least two (2) hours pay per day when said employee shows up and is available to work as scheduled.

H. Employee Work Schedule. The Employer shall post a work schedule specifying start and finish of shifts not later than 12:00 noon on Saturday for the workweek that begins the Monday after the following Saturday. Changes in the schedule after posting shall only be done by mutual agreement between the Employer and employees. Employee work schedules can be altered in the case of an employee who is suspended, terminated, or beginning or returning from a leave of absence.

I. Minimum hours between workdays. Employees shall not be scheduled with less than eight (8) hours between the end of their previous shift and the start of their next shift, except by mutual written agreement.

ARTICLE 9 – WAGES

A. The Employer agrees to pay not less than the minimum hourly wage scale in the Wage Chart contained in Appendix A in this Agreement except for the first six (6) months from the date a facility covered by this agreement commences operation (“Grace Period”). For the purposes of this Article 9 and Article 11, commencing operation shall be defined as the first day that the facility is open for production, distribution, or manufacturing for distribution or manufacturing facilities, or the first day of retail sales to the general public for retail facilities. During the Grace Period, the Employer agrees to pay not less than the minimum hourly wage scale in the Wage Chart for Newly Opened Facilities contained in Appendix B in the Agreement. Upon expiration of the Grace Period, the Employer agrees to pay not less than the minimum hourly wage scale in the Wage Chart contained in Appendix A in this Agreement, and Employees wages shall be adjusted accordingly.

1. **Wage Opener:** The parties will meet within fifteen (15) days of January 1, 2024, for the purposes of negotiations of wages contained in Appendix A. The parties shall meet with the understanding that they will review potential increases in Appendix A. The parties will bargain in good faith. During these negotiations, all other Articles of this Agreement will remain in effect. The Union will consider the Company’s financial standing as the parties enter these negotiations. This in no way excludes the Employer from granting wage increases over and above the negotiated in this Agreement.

B. Nothing herein limits the right of the Employer to pay wage rates in excess of those provided for in the Wage Chart or to grant progression increases prior to the time provided for in the Wage Chart, except that such raises will form a new base time rate for the employee and will

not alter said employee's next scheduled progression increase. There shall be no reduction in the pay of any employee as a consequence of the negotiation of this Agreement.

C. A designated weekly or bi-weekly payday shall be established. The Employer agrees to furnish each employee with a pay statement showing the name of the employee, period covered, total amount of wages paid, and all deductions made. An employee scheduled off on a payday shall be paid on their last scheduled working day before the payday if checks are available. The Employer may provide employees with the option of direct deposit.

D. A seasonal employee is one who works one hundred twenty (120) days a year, or less, for an employer with the express intent of utilizing the employee each calendar year, at approximately the same part to the year, such as growing seasons, summer seasons, and increased sales periods. Seasonal employees will be paid according to the wage scale in Appendix A.

E. The cost of any bond or notarial commission required of employees who are covered by this Agreement shall be paid for by the Employer.

F. Cash tips will be distributed to employees and will not be withheld by the Employer. In locations where debit or credit card tipping is allowed or in practice, within one-hundred and twenty (120) days of the ratification of this Agreement, the software used to process transactions shall allow customers to leave an electronic tip.

1. After one-hundred and twenty (120) days from the ratification of the agreement, any facility that starts debit or credit transaction, they will allow for electronic tipping as soon as debit or credit transactions become available.
2. If for technical reasons, the company is unable to implement the change by one-hundred and twenty (120) days, the company and the Union will meet within fourteen (14) days of that date to discuss different options that allow for electronic tips at all locations.
3. The exception to employees retaining their own tips shall be on the following Paid Holidays: 4/20 and 7/10 (the "Cannabis Holidays"). During the Cannabis Holidays, Budtenders or Leads working a register will allocate \$1 for every \$10 in tips to be divided amongst the Front Desk employees working during the corresponding shift.

G. If a new position is created or significant work is changed for a classification, the Employer will meet with the Union to discuss possible wage changes.

H. Employees shall be eligible to purchase store products at a discount price of thirty percent (30%) off retail price ("Employee Discount"). Employees will be able to use their employee discount and reward points or reward dollars concurrently to purchase products as long as the purchase is at least one dollar (\$1). Notwithstanding the foregoing, the Employee Discount may not be combined with any other discount, offer, or promotional program offered to the general public ("General Product Promotions"). The Employer will meet with the Union if during the term

of the Agreement it decides to enhance the Employee Discount language.

I. Drivers who use their own personal vehicle when working for an Employer shall be reimbursed for mileage at the current IRS Standard Mileage reimbursement rate.

J. Automobile Insurance. Drivers who operate their own vehicles as Delivery Drivers are required to have state minimum insurance coverage for their vehicles. The Employer shall maintain supplemental insurance to cover any eligible claims denied by the employee’s policy. The Employer will pay to reimburse up to two hundred fifty dollars (\$250.00) per year towards the cost of the business-use endorsement on an employee’s personal insurance for employees whose job classification is driver or who are predominantly working as drivers. Employees who qualify for this reimbursement shall submit proof of their business use endorsement on a regular basis to qualify for this reimbursement.

ARTICLE 10 – HOLIDAYS

A. The following days shall be observed as employer holidays (“Holidays” and each, a “Holiday”):

New Year’s Day	Thanksgiving Day
4th of July	Christmas Day
Labor Day	Christmas Eve
4/20	7/10

For all Holidays, each Employer shall post an “opt-in” or “opt-out” sheet at the Cannabis Business premises for employees no later than four (4) weeks in advance of a Holiday to allow employees the opportunity to opt-in or opt-out of working on the Holiday (the “Participation Notice”). The Participation Notice shall be posted for at least seven (7) consecutive days. If there are more employees interested in working than available shifts, the shifts shall be awarded to the employees in the order of their Seniority. In the event that the number of employees wishing to “opt-out” of working the Holiday results in a shortage of available employees for such Holiday, the Employer shall have the right to assign shifts based on inverse Seniority.

B. Holiday Premium Rate. Employees scheduled to work on a Holiday shall be compensated at time and a half (1.5x) the employee’s hourly rate, with the exception of Christmas and Thanksgiving, which shall be paid at double (2x) time the hourly rate (in each case a “Holiday Premium Rate”). Notwithstanding the foregoing, compensation related sick time, vacation, or any compensated absence shall be calculated on the ordinary wage schedule and not the Holiday Premium Rate. All employees regardless of probationary status will receive Holiday Premium Rate.

C. Notwithstanding Paragraph A of this Article 9 of the Agreement, the following work week requirements shall apply to Employer’s operating a manufacturing or distribution business (as opposed to retail dispensary) (“Non-Retail Employer”):

1. The following days shall be observed as Holidays:

New Year's Day
4th of July
Labor Day

Thanksgiving Day
Christmas Day
Christmas Eve

2. Holiday Premium Rate. Employees scheduled to work on a Holiday shall be compensated time and a half (1.5x) time their normal rate of pay with the exception of Christmas and Thanksgiving which will be paid at double (2x) time (in each case a "Holiday Premium Pay"). Notwithstanding the foregoing, compensation related sick time, vacation, or any compensated absence shall be calculated on the ordinary wage schedule and not the Holiday Premium Rate.
3. Holiday Pay if Facility Closed. In the event that i) Holiday falls during the regular work week of the Non-Retail Employer's Cannabis Business (defined as Monday – Friday), and ii) the business is closed for the Holiday during the regular work, employees shall receive their regular hourly pay for the unworked Holiday ("Unworked Holiday Pay").
 - a. Unworked Holiday Pay will be based on the employee's straight-time hourly rate. Full-time employees shall be paid for eight (8) hours. Part-time employees shall be paid the average number of hours worked or paid per day in the most recent five (5) week period. The daily average will be calculated based on a five (5) day work week. In order to be eligible for Unworked Holiday Pay, employees must have worked their last regularly scheduled shift immediately before the Holiday and immediately following the Holiday, unless excused by the Employer.

ARTICLE 11 – HEALTH AND WELFARE

A. Beginning in April of 2023, the Employer agrees to participate in and execute a UFCW National Health and Welfare Fund (Fund) Participation Agreement for the Cannabis Health Plan (the "Participation Agreement") for health and welfare benefits (including dental and vision) for employees and their eligible dependents. For employees employed for an average of twenty-eight hours per week (an "Eligible Employee"), the Employer will contribute \$375.00 towards the monthly cost of the benefits (medical, dental, and vision) and an Eligible Employee will pay the remainder through payroll deduction from each paycheck. For the avoidance of doubt, the Employer shall continue to contribute monthly cost of the benefits for the remainder of the Participation Agreement for all current employees who receive such benefits pursuant to prior agreements.

Average hours will be based on hours worked during the past six (6) months, or for employees with less than six (6) months, the period they have been employed.

Employees will be eligible for benefits beginning on the first of the month following sixty (60) days of employment, except in Cannabis facilities that have commenced operations in the preceding six (6) months.

Employees shall be eligible to switch coverage options during a thirty (30) day open enrollment from March 1, 2023, to March 30, 2023, and each March thereafter consistent with the Participation Agreement.

B. Notwithstanding the foregoing, with respect to Employers operating within the Grace Period, employees of that facility shall be eligible for insurance coverage under this Article 11, at the later of, (i) the expiration of the Grace Period or (ii) on the first of the month following sixty (60) days of employment.

ARTICLE 12 – RETIREMENT

A. Once Federal cannabis banking or cannabis legalization occurs, the Employer agrees to execute a Participation Agreement for the UFCW 401(k) Plan and Trust for participation.

B. For any employee that opens a ROTH IRA or IRA in a financial institution, the employer will match up to \$400.00 per year. The member must show proof between December 1st and January 5th that they are actively participating in the retirement account in order to receive the money. The Employer shall notify all employees electronically that the time period for providing proof is open no later than December 1st of each year. The Employer shall make the matching payment no later than March 1st. This is not an accrued amount but a flat payment that is made each year.

ARTICLE 13 – SICK LEAVE

A. Under the California Healthy Workplaces, Healthy Families Act of 2014 (“HWHFA”), which became effective July 1, 2015, employers are required to provide paid sick leave as follows:

1. Covered employees must work in California for thirty (30) or more days in a twelve (12) month period for the same employer, regardless of whether they are full time, part time, temporary, or seasonal workers.
2. Covered employees must accrue at least one (1) hour of sick leave for every thirty (30) hours worked. Employees are eligible to use accrued sick time after ninety (90) days of employment, unless the Employer, at their sole discretion, chooses to allow use of accrued sick time before ninety (90) days. Employees can accrue up to nine (9) days (defined as a max of seventy-two (72) hours) of sick leave per year.
3. The employer must allow accrued unused paid sick leave to be carried over to the next year. The cap for the rollover is seventy-two (72) hours or nine (9) days.
4. The Employer may require a doctor’s note after the third (3rd) consecutive day of calling out sick.
5. Sick time can be used in one (1) hour increments, including to cover tardiness

due to qualifying reasons for the use of sick time.

B. Employees voluntarily transferring between entities will forfeit their sick time accruals. However, upon transferring, so long as an employee has completed one year of employment the Employer, the employee shall receive a lump sum of twenty-four (24) hours of sick time that is available immediately. Upon transferring the employee's sick time accruals will reset so that they are based on the date of transfer, and they shall start accruing additional sick time immediately, up to the annual accrual max in this Section.

1. For Employees that are forcibly transferred (which must be done consistent with Article 20), they must be paid all accrued and unused sick time.

C. In the event of an on-the-job injury, the employee shall be paid for the remainder of the daily shift, not to be charged against sick leave account.

ARTICLE 14 – VACATIONS

A. Employees shall be entitled to paid vacation time based on the following accrual schedule:

1. Employees who have continuously been employed by an Employer for less than three (3) years will accrue one (1) hour of vacation time for every thirty (30) hours worked of vacation time. Accruals under this provision shall not exceed seventy (70) hours per work year.

2. Employees who have continuously been employed by an Employer for at least three (3) years, but less than five (5) years will accrue one (1) hour of vacation time for every twenty-five (25) hours worked. Accruals under this provision shall not exceed 80 hours per work year (anniversary date to anniversary date).

3. Employees who have continuously been employed by an Employer for at least five (5) years will accrue one (1) hour of vacation time for every twenty (20) hours worked. Accruals under this provision shall not exceed 120 hours per work year.

For purposes of this Section A of Article 14, a “work year” shall mean the month and day of the first day of employment for an employee and ending the day preceding the month and day in the following year.

B. Accrued sick time taken, vacation time taken, and overtime shall be considered hours worked for the purposes of vacation accruals. Employees will be allowed to roll over forty-eight (48) hours of vacation time accrued into the next work year. Vacation hours in excess of forty-eight (48) will be cashed out on the first pay period following January 1st of each year. Vacation time taken shall be paid during the regular pay cycle.

C. Vacations shall be taken at a time mutually agreed upon by the Employer and the employee. Seniority shall be given full consideration in scheduling vacations. All other months and dates shall be available for vacations subject only to Seniority in cases where more employees

than can be accommodated request the same week. Employees must request vacation at least two (2) weeks in advance. Once a vacation is approved by the Employer, the vacation can only be changed by mutual consent of the employee and the Employer. Once a vacation request is made, the Employer has one (1) week to approve or deny the requests.

D. If an employee would like to take time off but does not have enough vacation time or other job protected time off due to a transfer or not having accrued sufficient vacation time, they can submit the request at least two weeks in advance to their manager who shall reasonably consider this request based on business needs.

ARTICLE 15 – LEAVE OF ABSENCE

A. Employer agrees to grant leave of absences, for pregnancy or otherwise, to employees in accordance with the federal and state statutes. A copy of the employer's leave of absence policy shall be provided to the Union.

B. Funeral and Bereavement Leave. In case of death in the immediate family (defined as parents, brother, sister, grandparents, grandchildren, mother-in-law, father-in-law, brother-in-law, sister-in-law, spouse, domestic partner, children, and any family member residing in employee's home), the employee shall be granted a leave of absence of three (3) days with pay. This leave is not to be charged against sick leave. When requested, the employee will provide documentation to claim benefits under this Section.

In case of death of a parent, children or spouse, the employee shall be granted an additional two (2) days of leave of absence with pay.

At the request of the employee, the employer shall grant an automatic unpaid leave of absence not to exceed two (2) weeks in cases of critical illness or injury or death in the employee's immediate family. This leave is above and beyond the paid days for bereavement.

C. Military Leave. The Employer agrees to comply with current federal laws relating to the discharged servicemen and women, including, but not limited to, their re-employment rights.

D. An employee who has been granted a leave of absence in accordance with the provisions of this Article shall return to their regular job at the rate then current for the classification.

E. Failure to return at the end of a leave of absence shall constitute cause for immediate termination.

An employee in good standing with the Employer, whose acceptance of employment with the Union takes them from their employment with the Employer, shall, upon written request to the Employer by the Union, receive a leave of absence for the period of their service with the Union, of not less than thirty (30) days nor more than one (1) year. The Union's request for such a leave of absence, and for the return of an employee to work at the conclusion of such a leave, shall each be served upon the Employer in question, in writing, a minimum of four (4) calendar weeks immediately preceding the date of the proposed commencement of the requested leave and the

proposed return to work, respectively. Should the employees return to work date change, the union will provide the employer at least one-week (1) notice to return to work or at least a thirty (30) day notice if the Union is extending the employee's leave. Upon their return, they shall be reemployed at work similar to that in which they were engaged immediately prior to their leave of absence. During the period of the authorized leave of absence, the Union shall be obligated to make Pension and Health Care Trust Fund contributions and/or employer health care contributions on behalf of the involved employee.

ARTICLE 16 – JURY DUTY

A. When a non-Probationary Employee is required to be in any court or courthouse for jury service and such service deprives said employee of pay that they otherwise would have earned, said employee shall receive pay for five (5) days of such service at the rate of eight (8) hours times the straight-time hourly rate, less any remuneration received for jury service. In order to receive this pay, employee shall provide proof of service.

B. If an employee is excused from jury service on any scheduled day, *i.e.*, Monday through Friday, they shall immediately report for work to complete the remaining hours of their scheduled work shift. Failure to so report shall disqualify an employee from any pay for jury duty for the day in question as long as the transportation time will permit them to return to work prior to two (2) hours before the end of the scheduled work shift.

C. The Employer may require proof of attendance for jury service. Any employee making a false claim for jury duty pay shall be subject to discharge.

D. An employee shall be eligible for jury duty pay for eight (8) total hours of jury duty service only during the life of this Agreement. Jury duty pay shall not be required for Grand Jury service. In the event an employee is called for a tour of duty during the term of this Agreement that would require service of more than eight (8) total hours, the Employer shall join the employee in seeking excuse from service if such service would cause financial hardship to the employee.

ARTICLE 17 – DISCHARGE

A. After completion of the employee's probationary period, discharge shall be for just cause only. The Employer shall notify the employee and the Union of all terminations and the reasons therefore at the time of notification to the employee.

B. Work Performance. The Employer shall have the right to discharge any employee for just cause, which may include, but not be limited, to failure to perform work duties as required by the Employer. Any grievance relating to discharge shall be filed and processed in accordance with the Grievance and Arbitration Article of this contract.

Nothing in this Article 17 shall limit the Employer's right to discipline or discharge employees for failure to perform work in a satisfactory manner or in accordance with the Employer's policies and procedures. Employees who are discharged under such circumstances shall have first received two (2) prior warnings in writing within twelve (12) months preceding the discharge for the same,

or similar, offense and be given the opportunity to improve their work. For discipline related to cash handling variances of less than ten (\$10.00) dollars, those written warnings shall expire in six (6) months. Employees and Union representatives will not be denied an opportunity to discuss warning notices with the Employer.

The Employer may terminate employees immediately for occurrences / incidences that effectuate a serious compliance violation that risks the Employer's business licenses. Infractions that constitute a license violation as well as the specifically outlined occurrences can result in immediate termination without the requirement of progressive discipline.

Notwithstanding the foregoing, the following shall constitute "just cause" for immediate termination:

1. Theft;
2. Assault (includes egregious verbal assault, sexual, and physical);
3. Consumption on grounds;
4. Intoxication;
5. Egregious insubordination; and
6. An Employee that knowingly makes and admits to making false statements with malicious intent to impact other employees.

Employees shall be required to sign or initial written warnings solely as an acknowledgement of the receipt thereof and such signature or initial shall not be construed as admission of guilt or the validity of the contents thereof. Warning notices must be sent to the Union within ten (10) calendar days of the date it is presented to the employee. Warning notices not provided to the Union in accordance with this Section may not be used to support further discipline.

In an instance where an employee walks off the job without notification or a compelling reason consistent with CA Labor Code, Title 22, Section 1256-31c, they can be issued a last and final warning and / or suspended for one (1) day at the company's discretion. In a second instance, the employee can be terminated without further progressive discipline.

C. On termination or resignation, an employee shall be paid such pro rata vacation for the period worked.

D. Layoffs for reduction in work shall occur only at the end of the work week.

E. An employee intending to resign shall give two (2) weeks' notice of such intention prior to the effective date of the resignation.

ARTICLE 18 – SENIORITY

A. Definition. "Seniority is defined as the length of continuous employment of an employee with the Employer.

B. When it becomes necessary to lay off employees because of a reduction in the workload,

Seniority by job classification shall govern. In the event of a layoff, the employee shall retain their right to call back for six (6) months. Before the employer hires after a layoff, they must reach out via email, phone and by mailing to the last listed address of the employee to offer the open position.

C. Seniority shall be a factor taken into consideration with promotions, job assignments, vacations, scheduled hours, and time off. Notwithstanding the foregoing, as it relates to promotional opportunities, the Employer may take into consideration an employee's performance, attendance, prior disciplinary actions, and the employee's ability to meet the expectations and requirements of the role being sought by such employee.

D. Continuous employment for the purpose of Seniority shall be deemed broken for the following reasons:

1. If the employee terminates employment;
2. If the employee is discharged and the discharge is not reversed through the grievance procedure;
3. If an employee, who has been laid off, fails to report within three (3) working days after being notified to report and fails to provide satisfactory reason for such failure; or
4. If an employee has been laid off for six (6) consecutive months.

ARTICLE 19 – GRIEVANCES AND SETTLEMENT OF DISPUTE

A. The Employer and Union recognize that in order to come to an expeditious resolution of all disputes, including disputes arising from or relating to a different collective bargaining agreement entered into between the same Parties (a "Predecessor Agreement"), all disputes arising or related to this Agreement or Predecessor Agreement shall be resolved using the procedures set forth herein.

B. Any dispute, misunderstanding, differences, or grievances arising between the Employer, Union and employees as to the meaning, interpretation, and application of the provisions of this Agreement (the "CBA Grievance") and any applicable laws related to matters covered by this Agreement, specifically including, wages (including matters such as overtime, meal and rest break periods, final pay, or any other wage and hour law), personnel and payroll records (and production thereof), wage statements, and compensation (including benefits) (a "Legal Grievance"), shall be processed in the following manner:

1. The CBA Grievance must first be presented to the Union or Employer in writing within ten (10) business days (defined as Monday – Friday) after the grievance occurs unless circumstances beyond the control of the aggrieved or the Union or Employer prevent such filing. Prior to filing any complaint with the relevant labor department or court of competent jurisdiction (subject to applicable laws), the Legal grievance must first be presented in writing to both the Union and the party against

whom the grievance is filed within the applicable statute of limitations. The grievance shall set forth the specific nature of the grievance and where applicable shall identify all applicable portions of the Agreement, and for Legal Grievances, the claimed violation of law.

2. Within ten (10) business days after receiving the grievance, the party against whom the grievance is filed may provide, but is not required to provide, the other party a written response to the grievance, summarizing its position.
3. Within ten (10) business days after receiving such grievance, the Employer and the Union shall meet, either in person or by video, in an attempt to resolve the grievance. If any side refuses to meet, the other side may submit the grievance to arbitration.

C. Within fifteen (15) business days after the meeting set forth in paragraph A.3. above, or within fifteen (15) business days after one party refuses or fails to attend a meeting requested by the other party, the grievance may be submitted to arbitration. Failure to submit the CBA Grievance to arbitration within this time frame shall constitute a waiver of the grievance. Failure to submit the Legal Grievance to arbitration within the applicable statute of limitations shall constitute a waiver of the grievance.

1. The Arbitrator shall be selected from an odd numbered list on a panel of five Arbitrators submitted by the U.S. Mediation and Conciliation Service. Names shall be stricken from the list by each party in turn with the first strike to be determined by flip of the coin. After either party has initiated the selection of an Arbitrator, the other party must strike names to reach the last name within seven (7) days. If either party fails to respond to a request to strike names within those seven (7) days, the other party shall select an Arbitrator of their choosing from the remaining names. The last name remaining shall be the mutually accepted Arbitrator. The Arbitrator shall consider the issue at their earliest convenience and render a written decision within thirty (30) days following the close of the hearing. Unless otherwise agreed, closing arguments shall be waived and all closing arguments shall be presented by written brief. The Arbitrator's decision shall be final and binding on all parties. The cost of the Arbitrator and the cost of any court reporting services shall be equally shared unless otherwise required by applicable law. For a Legal Grievance, the Employer shall be solely liable for covering the full costs of the Arbitrator and the cost of any court reporting service, regardless of the outcome of the Arbitrator's decision.

D. As material consideration for entering into this Agreement, each Employee agrees that they shall bring any claim for any alleged violation of the Labor Code covered by this agreement on an individual basis and solely through the procedures set forth herein, and, to the extent permitted by law, waive any and all rights to bring any action or complaint (whether in a civil or administrative proceeding) on behalf of (or purporting to represent) any other Employee covered under this Agreement (or a Predecessor Agreement). Because individual Employees have the right to bring a claim for any alleged violation of the Labor Code covered by this agreement on an individual

basis pursuant to the provisions of this Agreement, a collective action would be inconstant with the right of individual Employees to bring an individual claims.

E. PAGA. This agreement hereby incorporates all provisions of the California Labor Code which are subject to redress under the Labor Code Private Attorneys General Act of 2004 (“PAGA”). Any violations of such provisions will be subject to redress solely through the Arbitration and Grievance procedure set forth in this Agreement. The arbitrator shall award any and all remedies otherwise available under the California Labor Code, except penalties payable to the Labor and Workforce Development Agency. In the event of any legal challenge to the foregoing sentence, the Employer shall indemnify and hold harmless the Union, and, the foregoing sentence shall be considered severable from the Agreement.

1. For purposes of this Agreement, the threatening or filing of a claim under PAGA (“PAGA Claim”) by an employee shall constitute a grievance against the Employer. In the event an employee covered by this Agreement (or Predecessor Agreement) asserts a PAGA Claim against an Employer, the Employer may file a Legal Grievance with respect to such PAGA Claim (“PAGA Grievance”). To the extent permitted by law, the Employer and Union understand and acknowledge that all employees covered by this Agreement shall, as a requirement of both employment and membership in the Union, appoint the Union as its representative as it pertains to disputes related to the PAGA Grievance. In the event the Employer files a PAGA Grievance, the Employer and Union shall work in good faith to identify all employees who may be considered “aggrieved employees” (as defined under the PAGA statutes) under such action (“Aggrieved Employees”). Any settlement, reward, or other final disposition of the PAGA Grievance shall be in full satisfaction of any compensation or monetary benefit that may be recovered by any Aggrieved Employees under a related PAGA Claim, including any related California Labor Code violation that may be brought independent of a PAGA Claim.

ARTICLE 20 – TRANSFERS

The Employer and Union understand and agree that employees of an Employers may be employed at one or more Cannabis Businesses covered by this Agreement. The Employer and Union understand and agree that the Employer retains the right to promulgate reasonable work rules relating to the transfer of employees from the current Employer’s Cannabis Business (“Current Employer”) to Cannabis Business owned and operated by another Employer covered by this Agreement (the “New Employer”) and that such work rules may include instances of Mandatory Transfers or Voluntary Transfers. Notwithstanding the foregoing, the work rules promulgated shall in no way contradict the provisions of this Article 20.

For purpose of this Article 20, a “Transfer” shall mean the employee’s permanent or temporary discontinuation of employment at a Current Employer and commencement of employment with the New Employer. “Voluntary Transfer” shall mean a mutual agreement between the employee and Current Employer of a Transfer. A “Mandatory Transfer” shall mean the act of requiring an employee to agree to a Transfer as a condition of employment with Current Employer, *except that*, in no event is a Current Employer permitted to require such Transfer to a Cannabis Business greater

than twenty-five (25) miles between the Employee's residence and the new location, unless such transfer is reasonably necessary to allow for temporary transfers such as vacation relief and New Cannabis Facility openings.

A. Effect of Transfers. In the event of a Transfer, the following shall occur:

1. At the election of the Current Employer, the employee shall continue to be an employee of the Current Employer for a period not to exceed of forty-five (45) days ("Transfer Period"), during which time:
 - a. The Current Employer may elect to either (i) not schedule the employee to work, or (ii) continue to schedule the employee for work, but for no more than eight (8) hours during any workweek; however, a Transfer or the Transfer Period shall not violate any other provisions of this Agreement;
2. At the end of the Transfer Period, the employee and Employer shall be deemed to have terminated the employee-employer relationship, and all amounts owed, including wages, vacation time, and other amounts owed as a result of such termination shall be paid.
 - a. In the event of a Voluntary Transfer, there shall be no requirement to compensate employee for accrued sick time upon termination pursuant to this Article 20, *except that*, with respect to employees who have been continuously employed by an Employer for longer than one (1) year, the New Employer shall treat the employee as having accrued additional sick time equal to the sick time accrued at the time of termination from Current Employer, but not to exceed twenty-four (24) hours.
 - b. In the event of a Mandatory Transfer, the accrued sick time shall be treated as accrued vacation time for purposes of determining compensation upon termination.
3. The employee shall retain their Seniority status at the New Employer.
4. The employee shall retain their health benefits at contribution levels consistent with this Agreement (irrespective of whether the New Employer is within the Grace Period).
5. The New Employer shall recognize the employee's hire date for purposes of determining such employee's wage under the Wage Chart in Appendix A and other time related benefits (irrespective of whether the New Employer is within the Grace Period).
6. The New Employer shall honor any time off approved by the Current Employee as job protective leave, irrespective if such employee has sufficient time-off accruals.

7. Vacation accruals shall restart immediately upon transferring if an employee has reached their accrual cap for the work year. In such instances, employees will continue to accrue their vacation time consistent with their work anniversary date based on their initial hire date described in Section A of Article 14.

If an employee is transferred, they can request unpaid leave consistent with Section D of Article 14.

B. No Right to Transfer. All rights related to transfers of personnel are reserved to the Employer and nothing in this Article 20 or this Agreement confers employee the right to Transfer to another Employer's Cannabis Business. Notwithstanding the foregoing, nothing in this Article 20 shall limit an employee's right from applying for open position at another Cannabis Business in accordance with this Agreement.

C. Transfers to Non-Catalyst Employers. The Union and the Employer recognize that at times employees covered by this Agreement may Transfer between facilities covered by this Agreement and those managed by the Catalyst Employer but owned by other legal entities not covered by this agreement and vice versa ("External Transfers"), including the facilities of RD Stanton LLC, a California limited liability company, d.b.a. Catalyst - Stanton, and RD x Catalyst - Costa Mesa LLC, a California limited liability company, d.b.a. Catalyst - Costa Mesa. In the case of an External Transfer where the other facility is covered by a different collective bargaining agreement, then, upon effective upon ratification of this Agreement and execution of similar language in the collective bargaining agreements covering those other employers, the procedures and rights set forth in Section A of this Article shall apply to such Transfer.

ARTICLE 21 – APPRENTICESHIP

The Union and the Employer will reasonably meet to discuss the possibility of collaboration on developing and implementing a state certified apprenticeship program in the cannabis industry.

ARTICLE 22 – NO STRIKE OR LOCKOUT CLAUSE

During the term of this Agreement, the Union agrees not to engage in any strikes or stoppage of work against the Employer and the Employer agrees not to engage in any lockout of its employees.

ARTICLE 23 – VALIDITY OF AGREEMENT

Should any portion of this Agreement or any provision herein contained be rendered or declared invalid by reason of any existing or subsequently enacted legislation or by any decree of a Court of competent jurisdiction, such invalidation of such portion of this Agreement shall not invalidate the remaining portions hereof, and they shall remain in full force and effect.

ARTICLE 24 – SUCCESSORS AND ASSIGNED

This Agreement will bind all successors to the Employer. In the event of a sale of any of the Employer's licensed cannabis business(es) covered by this Agreement, and/or in the event of a

merger of the Employer, the Employer will require, as a term of the sale or merger, that the new successor Employer assume all terms of this Agreement and execute a copy of the Agreement with the Union, in which event the Employer's assignor shall be relieved of its obligations hereunder to the extent that the assignor has fully transferred its rights, title, or interest to the operation and the Employer have satisfied all outstanding obligations to the Unions that arose prior to sale.

ARTICLE 25 – UNION PRINCIPLES

Wherever reasonably possible, the Employer agrees to utilize union services for printing, janitorial, repair, and other needs of the business. The Union agrees to assist the Employer in its efforts to make other labor organizations aware of the Employer's commitment to union principles and to encourage members of those labor organizations to patronize unionized facilities.

ARTICLE 26 – NO FURTHER MODIFICATION

Except as expressly set forth in this Agreement, there shall be no further modification of the Agreement without the express executed writing of the parties and all of the terms of the Agreement not expressly modified by this Agreement shall remain in full force and effect.

ARTICLE 27 – COUNTERPARTS

This Agreement may be executed and delivered in counterparts, each of which shall be deemed to be a duplicate original thereof. The parties contemplate that they may be executing counterparts of this Agreement transmitted by facsimile or electronic mail in PDF format and agree and intend that a signature by either facsimile machine or electronic mail in PDF format shall bind the party so signing with the same effect as though the signature were an original signature.

ARTICLE 28 – CONFIDENTIAL INFORMATION

“Confidential Information” means any and all confidential knowledge, data, or information related to the Catalyst Employer's business or the Union's operation or its actual or demonstrably anticipated research or development, including without limitation (i) trade secrets, inventions, ideas, processes, computer source and object code, data, formulae, programs, other works of authorship, know-how, improvements, discoveries, developments, designs, and techniques; (ii) information regarding products, services, plans for research and development, marketing and business plans, budgets, financial statements, contracts, prices, suppliers, and customers; (iii) any non-public information regarding the skills and compensation of the Catalyst Employer's or the Union's employees, contractors, and any other service providers; and (iv) the existence of any business discussions, negotiations, or agreements between the Catalyst Employer or the Union and any third party. At all times during and after the term of this Agreement, the Catalyst Employer and the Union shall hold in confidence and will not disclose, use, lecture upon, or publish any of the other party's Confidential Information. A party shall obtain the other party's written approval before publishing or submitting for publication any Confidential Information.

ARTICLE 29 – DURATION

This Agreement shall be in full force and effect from September 1, 2023, until 11:59 PM PST of December 31, 2024, and shall be automatically renewed, unless the Union or the Employer serves upon the other a sixty (60) day written notice of desire to modify, amend, or terminate this Agreement.

[Signature page follows]

SIGNATURE PAGE TO AGREEMENT

between CATALYST and UNITED FOOD & COMMERCIAL WORKERS UNION Locals 5, 8, 324, 770, 1167, and 1428 (September 1, 2023 – December 31, 2024)

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the Agreement Effective Date.

CATALYST EMPLOYER:

THE UNION:

562 Discount Med, Inc., a California corporation, d.b.a. Catalyst - Belmont Shore

UFCW UNION LOCAL 324

DocuSigned by:
Elliot Lewis
55F129FC5F22456...
Elliot Lewis, CEO & CFO

DocuSigned by:
Matthew Bell
2F3A622AD1A248C...
Matthew Bell, Secretary-Treasurer

Alternative Therapeutic Solutions, Inc., a California corporation, d.b.a. Catalyst - Cherry

UFCW UNION LOCAL 1428

DocuSigned by:
Elliot Lewis
55F129FC5F22456...
Elliot Lewis, CEO, Secretary, & CFO

DocuSigned by:
Mark Ramos
3011BBB4EB64455...
Mark Ramos, President

EEL Holdings LLC, a California limited liability company, d.b.a. Catalyst - Bellflower, d.b.a. Inanna Manufacturing

UFCW UNION LOCAL 770

DocuSigned by:
Elliot Lewis
55F129FC5F22456...
Elliot Lewis, Managing Member

DocuSigned by:
Matthew D. O'Malley
36BB6206718B437...
Matt O'Malley, Director of Research & Collective Bargaining

HNHPC, Inc., a California corporation, d.b.a. Catalyst - Santa Ana

UFCW UNION LOCAL 5

DocuSigned by:
Elliot Lewis
55F129FC5F22456...
Elliot Lewis, CEO & CFO

DocuSigned by:
James Araby
54DA01512940465...
James Araby, Strategic Campaigns Director

DocuSigned by:
Timothy Lewis
1227EC7D57CA465...
Timothy Lewis, Secretary

South Cord Management LLC, a California limited liability company

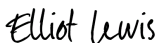
UFCW UNION LOCAL 1167

DocuSigned by:
Elliot Lewis
55F129FC5F22456...
Elliot Lewis, Manager

DocuSigned by:
Joe Duffie
79BE1E70E13A47E...
Joe Duffie, President

CATALYST EMPLOYER, cont'd:

South Cord Holdings LLC, a California limited liability company, d.b.a. Catalyst Cannabis

Co
DocuSigned by:

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Elliot Lewis, Manager

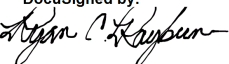
THE UNION, cont'd:

UFCW UNION LOCAL 8

DocuSigned by:

25D85410A021423...
Jacques Loveall, President

Ryan Cameron Rayburn Collective, Inc., a California corporation, d.b.a. Catalyst -

Eastside
DocuSigned by:

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Ryan Cameron Rayburn, CEO, Secretary, & CFO

Casey Crow Collective, a California corporation, d.b.a. Catalyst - Downtown Long Beach

DocuSigned by:

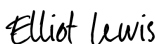
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Elliot Lewis, CEO & CFO

316 Florence Holdings LLC, a California limited liability company, d.b.a. Catalyst - Florence

DocuSigned by:

1F7AFFD0AD2A4E2...
Joseph Parker, Manager

EEL - El Monte, LLC, a California limited liability company, d.b.a. Catalyst - El Monte

DocuSigned by:

55F129FC5F22456...
Elliot Lewis, Manager


Pacific Roots Marina, LLC, a California limited liability company, d.b.a. Catalyst - Marina

DocuSigned by:


88AFF72D67C8451...
Alberto Marciano, Manager

CATALYST EMPLOYER, cont'd:

F2-Palm Desert LLC, a California limited liability company, d.b.a. Catalyst - Palm Desert


DocuSigned by:


55F129FC5F22456...
Elliot Lewis, Co-Manager


DocuSigned by:


9ABE974CE1E1494...
Damian Martin, Co-Manager

Catalyst Hemet LLC, a California limited liability company, d.b.a. Catalyst - Hemet

DocuSigned by:


55F129FC5F22456...
Elliot Lewis, Co-Manager

DocuSigned by:



9ABE974CE1E1494...
Damian Martin, Co-Manager

1539 Manchester Holdings LLC, a California limited liability company, d.b.a. Catalyst - Normandie

DocuSigned by:


D170290F13B5469...
James Green, Majority Member

Central Valley - Sierra Associates, a California corporation, d.b.a. Catalyst - Patterson

DocuSigned by:


D6F9347279064BA...
Sadie Schut, President

Puradora LLC, a California limited liability company, d.b.a. Catalyst - Silverlake

DocuSigned by:


6723DE8CE0D449A...
Oliver Barroso, Manager


CATALYST EMPLOYER, cont'd:

4158 Pico Holdings LLC, a California limited liability company, d.b.a. Catalyst - Mid City

DocuSigned by:

1F7AFFDUAD2A4E2...
Joseph Parker, Manager

Catalyst - Bellflower LLC, a California limited liability company, d.b.a. Catalyst - Bellflower


DocuSigned by:

35F129FC5F22456...
South Cord Holdings LLC, a California limited liability company, Sole Member, by its Manager, Elliot Lewis

11500 Vermont Holdings LLC, a California limited liability company, d.b.a. Catalyst - South Figueroa

DocuSigned by:

35F129FC5F22456...
Elliot Lewis, Manager


EEL - Pomona LLC, a California limited liability company, d.b.a. Catalyst - Pomona

DocuSigned by:

35F129FC5F22456...
Elliot Lewis, Co-Manager


DocuSigned by:

A6A25B9BE538400...
Douglas Alvey, Co-Manager


Elliot Lewis, an individual

DocuSigned by:

35F129FC5F22456...

Damian Martin, an individual

DocuSigned by:

9ABE974CE1E1494...

Timothy Lewis, an individual

DocuSigned by:

1227EC7D57CA465...

APPENDIX A – WAGE CHART

Budtender Rate	
Years with the Employer	All Locations
From Start of employment	\$18.00
Upon 1-year anniversary	\$19.00
Upon 2-year anniversary	\$20.00
Upon 3-year anniversary	\$21.00

Front Desk	
Years with the Employer	All Locations
From Start of employment	\$19.00
Upon 1-year anniversary	\$20.00
Upon 2-year anniversary	\$21.00
Upon 3-year anniversary	\$22.00

Lead	
Years with the Employer	All Locations
From Start of employment	\$21.00
Upon 1-year anniversary	\$22.00
Upon 2-year anniversary	\$23.00
Upon 3-year anniversary	\$24.00

Inventory Manager	
Years with the Employer	All Locations
From Start of employment	\$25.00
Upon 1-year anniversary	\$26.00
Upon 2-year anniversary	\$27.00
Upon 3-year anniversary	\$28.00

Inventory Clerk	
Years with the Employer	All Locations
From Start of employment	\$22.00
Upon 1-year anniversary	\$23.00
Upon 2-year anniversary	\$24.00
Upon 3-year anniversary	\$25.00

Distribution Delivery Driver	
Years with the Employer	All Locations
From Start of employment	\$20.00
Upon 1-year anniversary	\$21.00
Upon 2-year anniversary	\$22.00
Upon 3-year anniversary	\$23.00

The above wage scale will apply to all Employers under this Agreement. No employee shall suffer a reduction in pay as a result of the ratification of this Agreement. For employees that transfer from the Front Desk wage scale to the Budtender pay scale or the Budtender pay scale to a premium position Scale, they shall receive credit for their previous experience with the Employer. For example, a Front Desk employee who has worked for the Employer for thirteen (13) months in September of 2023 and transfer to the role of Budtender, would see their pay rate change from twenty dollars and fifty cents (\$20.00) to nineteen dollars (\$19.00).

APPENDIX B – WAGE CHART FOR NEWLY OPENED FACILITIES
(First six (6) months of operation)

This wage scale shall not apply to Employee's transferring to a Newly Opened Cannabis Business from another Cannabis Business.

Budtender	
Years with the Employer	All Locations
From Start of employment	\$18.00

Front Desk	
Years with the Employer	All Locations
From Start of employment	\$19.00

Lead	
Years with the Employer	All Locations
From Start of employment	\$21.00

Inventory Manager	
Years with the Employer	All Locations
From Start of employment	\$25.00

Inventory Clerk	
Years with the Employer	All Locations
From Start of employment	\$22.00

Distribution Delivery Driver	
Years with the Employer	All Locations
From Start of employment	\$20.00