# **AGREEMENT**

# between

UFCW Union Locals 5, 135, 324, 770, 1167 & 1428

and

SGI Retail LLC a California limited liability company ("SGI") and its Managed Entities

January 21, 2022-January 24, 2025

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This AGREEMENT is made and entered into this (January 28, 2022), between SGI Retail LLC, a California limited liability company ("SGI) and its Managed Entities (as defined below) collectively referred to as the "Employer", and United Food & Commercial Workers Union Locals 5, 135, 324, 770, 1167 and 1428 of the United Food and Commercial Workers International (referred to as the "Agreement").

### ARTICLE 1 - RECOGNITION

- A. SGI Managed Entities. SGI shall cause each Managed Entity to abide by the terms of this Agreement. "Managed Entity" and/or "Managed Entities", as used herein, shall mean any entity for which SGI is under the California Corporations Code the manager or member-manager, or otherwise is named in the operating documents of an entity as a controlling party (in either case, the "Manager"), which entity holds and operates under a retail cannabis license in the State of California, which entities as of the Date of Ratification are the entities listed in Appendix A attached hereto. For avoidance of doubt, where an entity becomes a Managed Entity subsequent to the Date of Ratification, such entity shall be considered a Managed Entity under this Agreement. SGI agrees to notify the Union where a new Managed Entity comes about, and/or allow SGI or the Union to amend the Agreement at any given time with respect to Appendix A only to reflect the then-current list of Managed Entities.
- B. <u>Bargaining Unit.</u> The Employer hereby recognizes the Union as the sole and exclusive collective bargaining agent with respect to rates of pay, wages, hours of employment, and other conditions of employment for the bargaining unit consisting of all regular full-time and part-time employees who perform Bargaining Unit Work (as defined in Subsection C below) and work at the Employer's cannabis retail store locations within the respective jurisdictions of the Locals affiliated with the United Food and Commercial Workers International Union.
- C. <u>Bargaining Unit Work</u>. The work covered by this Agreement shall be performed only by members of the Bargaining Unit and such work shall consist of all work and services connected with or incidental to the handling or selling of all merchandise offered for sale in the Employer's retail stores but excluding the positions identified in Section D below.
- D. Exclusions. Excluded from the Bargaining Unit are owners, and not more than four (4) Exemption(s) designated by Employer for any dispensary with less than fifty (50) employees. Once a dispensary reaches fifty (50) employees the Employer shall be allowed to have a fifth (5th) Exemption. Every twenty (20) employees thereafter at any dispensary, an additional Exemption is allowed. Vendors are excluded from the bargaining unit and cannot perform bargaining unit work, provided that certain advertising and in-store promotions will be allowed by Vendors that are related to the promotion of brands that have inventory in the stores, and such actions shall not be considered a breach of this section. Bargaining unit members will not suffer a loss or reduction of hours because of vendors.
- E. <u>Managers Working</u>. The Employer is not in violation of this Agreement if nonunion management level employees of the Company perform the same or similar duties as union employees, in limited circumstances, when the welfare of the Company dictates such action to be taken.
- F. The Union agrees to use every reasonable effort to promote the welfare of the Employer.
- G. <u>Union Shop Cards</u>. 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.

- H. Accretion. Whenever the Employer, including any Managed Entity, acquires additional retail store locations to conduct its cannabis business sales within the geographical jurisdiction of UFCW Locals 5, 135, 324, 770, 1167 or 1428 it shall recognize the respective Union as the bargaining unit representative for employees employed by the Employer in the new and subsequent cannabis retail store locations in their respective geographic jurisdictions subject to appropriate exclusions to be determined by the parties.
- I. <u>Labor Peace Agreement</u>. The Employer and the Union will sign a "Labor Peace Agreement" (defined in Section 26001 of the California Business & Professions Code). Upon (i) execution of the Labor Peace Agreement and (ii) recognition of the Union by employees at the new cannabis retail store location, the existing collective bargaining agreement shall be accepted and become operative at each successive location within 30 days of recognition.

### ARTICLE 2 - UNION SHOP AND CHECK-OFF

- A. It shall be a condition of employment that all bargaining unit 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. As used herein, "in good standing" for the purpose of this Agreement between the Union and the Employer is defined to mean the payment of a standard initiation fee or a standard reinstatement fee, if applicable, and standard monthly dues as applies uniformly to all employees covered by this Agreement.
- 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. When a position is to be filled, the Employer shall notify the Union of the existence of such a position and provide members of the Union an equal opportunity to fill the position. The Employer retains the exclusive right to determine the competence and qualifications of the applicants and shall be free to select the applicant of the Employer's choice so long as the hiring process is conducted in accordance with Article 20 (Non-Discrimination) of this Agreement.
- D. The Employer will deduct from the wages of each bargaining unit 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. Such deductions, when authorized, will be transmitted to the Union's office no later than the fifteenth (15th) day of month following the month in which such deductions were made.

E. The Employer shall notify the Union of all new hires and terminations by the 15th of each month of the hire or termination. The notice of new hires shall include the employee's name, hire date, home address, last four digits of the social security number, classification, work location, and starting rate of pay.

## ARTICLE 3 - PROBATIONARY PERIOD

- A. All bargaining unit employees shall be regarded as probationary employees for the first ninety (90) days of employment, which may be extended for a period of thirty (30) additional days upon written notice to the Union prior to the expiration of the initial ninety (90) day period (the "Probationary Period).
- B. Employer may terminate any bargaining unit employee during the Probationary Period and such termination will not be subject to any grievance process. Upon successful completion of the Probationary Period, the employee's seniority date will be recognized as their hire date and the benefit of this Agreement with respect to grievances will commence upon the employee's successful completion of the Probationary Period.

## **ARTICLE 4 - UNION REPRESENTATION**

- A. <u>Designated Representatives.</u> Designated representatives of the Union shall have the right to contact the bargaining unit employees at work with respect to this Agreement. Such activity by representatives of the Union shall not interfere with the employees' performance of duties or business operations of the Employer.
- B. Shop Steward(s). The Employer shall recognize the shop stewards and shall permit the shop stewards to conduct incidental Union business during working hours that cannot be performed at other times so long as such duties do not interfere with employees' performance of duties or business operations of the Employer. 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 two (2) weeks' notice to the Employer, one Steward per facility will be scheduled off to attend one (1) one-day stewards' training seminar per calendar year. The Employer will recognize one shop steward per store for up to fifty (50) employees. The Union will be allowed to request a second (2nd) steward once there are more than fifty (50) employees per location, and Employer agrees to grant this request. If there is a designated steward per site, the local union will provide a list of designated stewards to the Employer upon such designation.
- C. <u>Lists.</u> By the 15th of each month 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, Social Security number (only for new hires), date of birth.
- D. <u>Union Orientation</u>. Upon hiring, new bargaining unit employees will be allowed a one-time twenty (20) minutes of paid time to meet with their Union representative for Union orientation. Such training shall not interfere with business operations of the Employer.
- E. <u>Bulletin Board</u>. The Union may supply each facility with one (1) bulletin board not to exceed two (2) feet by three (3) feet in size for the purpose of posting notices involving official Union business. The bulletin board shall be placed in non-sales area designated by the Employer but frequented by all employees. Notices related to official business of the Union shall be posted by designated representatives of the Union.

- F. <u>Joint Labor Management Committee.</u> The Employer and the Union agree to establish a Joint Labor and Management Committee (JLMC) consisting of one (1) designated shop steward from each location, management, and the Union. The JLMC shall meet quarterly to discuss issues, including safety concerns, impacting the bargaining unit and the Cannabis Industry. The purpose of the JLMC is to further the parties' collaborative effort to advocate for and protect the rights of workers and consumers in the Cannabis Industry and oppose efforts to undermine or interfere with these rights. The Employer will pay bargaining unit members for their time spent serving on the JLMC. Employees shall be paid for attendance, up to a maximum of eight (8) hours plus reasonable travel time and mileage.
- G. <u>Apprenticeship Program.</u> The Union and the Employer agree that when the Union establishes a Cannabis Industry Apprenticeship Program, and should the Union desire to implement this program during the term that this Agreement is in force and effect, the Parties will meet and negotiate in good faith over the implementation of the program including, but not limited to wages. No bargaining unit employee's wage rate shall be reduced as a result of the implementation of an apprenticeship program.

## ARTICLE 5 - WORK RULES

- A. Work Rules. The Employer shall have the right to promulgate work rules and policies and procedures. Should an issue or grievance arise around a policy or procedure the company will provide the Union with a copy of the policy in dispute regarding that specific issue. A copy of all work rules, policies and procedures and any modifications, shall be provided to the Union and each employee within a reasonable time period of the modification. Upon the Union's receipt of the new rule, the Union shall have ten (10) working days to grieve it.
- B. <u>Transfers</u>. Transfers shall not require a bargaining unit employee to travel one way more than twenty-five (25) miles between the employee's residence and the new location without the consent of the employee. Notwithstanding the foregoing, reasonable expansion of this limits shall be allowed for temporary transfers such as vacation relief and cannabis facility openings. If as result of a temporary transfer, an employee is required to drive one way more than twenty-five (25) miles between said employee's residence and the new temporary location, the Employer will reimburse the employee the prevailing Internal Revenue Service mileage rate for miles driven over the twenty-five (25) miles.
- C. Work in Multiple Locations. By mutual agreement of the employee, the Employer and the Union, an employee may work at multiple retail store locations of the Employer. Any such work assignment will not impair or otherwise diminish accrued employee benefits and all time at all locations will count in the calculation of such benefits(i.e wage progressions, sick time, etc.). If an employee works at multiple locations during the same shift, the Employer will be required to pay travel time and mileage at the prevailing IRS rate for the total distance driven to the new location. This provision will not be used punitively or as a disciplinary action.
- D. <u>Training</u>. It is the Employer's responsibility to properly train all employees in their respective classifications.

## ARTICLE 6 - SAFETY AND HEALTH

- A. <u>Safety and Health Provisions</u>. The Employer agrees to provide a safe and healthy workplace and to correct any unsafe condition or safety or health hazard. The Employer agrees to investigate all hazards, unsafe conditions and accidents brought to its attention within seventy-two (72) hours of such notice and to promptly remedy all hazards and unsafe conditions its investigation reveals. The Employer will furnish, at its expense, all safety and protective equipment required or advisable for the protection of employees.
- B. <u>California Health and Sanitation</u>. The Employer and the Union agree to abide by all applicable laws of the State of California pertaining to health and sanitation.
- C. Act of God. 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.

### ARTICLE 7 - HOURS OF EMPLOYMENT

A. <u>Work Week.</u> The regular workweek shall be defined as five (5) eight (8) hour days to be worked Sunday through Saturday. 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.

The employer will schedule all bargaining unit employees for 30 or more hours per week so that they qualify for benefits as set forth under Article 10 (Health and Welfare) of this Agreement.

B. <u>Full-time/ Part-time</u>. A full-time employee is defined as an employee who is guaranteed forty (40) hours, scheduled 5 days 8 hours, per week. A part-time employee is defined as one who is guaranteed at least thirty (30) hours or more scheduled per week.

The aforementioned weekly guarantees for hours scheduled shall not apply if one or more of the following conditions exist:

- 1. Work is not available because of an Act of God;
- 2. The part-time employee, the Employer and the Union agree in writing that the employee may work less than thirty (30) hours per week. The Union will not unreasonably withhold approval. Waiver will be made available upon request from the Union.
- 3. During the week an employee is hired, recalled from layoff or returns from leave of absence.
- C. <u>Part-time/Full-time Ratio.</u> After one year of operation of a cannabis retail store of Employer, the Employer agrees to maintain a forty (40) percent full-time, sixty (60) percent part-time ratio of all bargaining unit members per location. Full time positions will be offered based on Seniority.
- D. <u>Straight-Time Work Day.</u> Eight (8) hours worked within eight and one half (8.5) consecutive hours, with an uninterrupted meal period, shall constitute a straight-time day's work. The meal period, shall be given not earlier than two (2) 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 thirty (30) minutes will be afforded to employees who are scheduled to work a period of more than five (5) hours.

- An eight (8) hour employee who is required by Employer to work in excess of five (5) hours without a meal period shall receive one (1) additional hour of pay at the employee's straight time hourly rate. Eight (8) hour employees who are required to work less than two (2) hours before commencing their lunch period shall receive overtime pay for the time between the start of their lunch period and the two (2) hour mark.
- E. <u>Alternate Work Week.</u> Upon mutual consent of the Employer, the employee and the Union, employees may work four (4) ten (10) hour days. All work performed after ten (10) hours on any work day shall be paid at time and one half (1.5x). All work performed after twelve (12) hours on any work day shall be paid at double (2x) time. Unless otherwise agreed by the Employer and employee, during a holiday week, the schedule shall revert to five (5) eight (8) hour days. The Employer, the employee or the Union may revoke this alternative work schedule at any time. It is understood that the Employer will need a reasonable amount of time to make such adjustments on the schedule, but will make every effort to make such adjustment by the next posted schedule.
- F. Overtime and Premium Pay. The overtime rate of pay of one and one half (1.5x) times the employee's regular 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) day in any work week. All full time employees will work no more than six (6) consecutive days in any combination of work week.
- G. <u>Rest Periods</u>. The Employer agrees that two (2) ten (10) minutes rest periods shall be allowed to each employee, for each shift over six (6) hours. All other shifts shall receive one (1) fifteen (15) minute break. Rest periods shall be considered as time worked for the purpose of determining the workday.
- H. <u>Split Shifts</u>. No employee shall be required to work a split shift. A split shift is defined as any break in a work day of more than one (1) hour. In circumstances where an employee is sent home early due to lack of work and work will be available later that same day, the employee may voluntarily agree to work a split shift.
- I. <u>Daily Guarantee.</u> All employees shall be guaranteed at least two (2) hours pay per day should said employee shows up in person and is available. Should an employee be required or allowed to attend said meeting virtually, they will be paid for the time they attend said meeting. When said employee shows up and is available to work as scheduled or is required to attend any company meeting.
- J. <u>Employee Work Schedule</u>. The Employer shall post a work schedule specifying start and finish of shifts not later than 12:00 noon on Friday for the workweek that begins the following Sunday. Changes in the schedule after posting shall only be done by mutual agreement between the Employer and employees.
- K. 10 Hours Between Shifts. Except in bona fide emergencies, the minimum time off between shifts shall be ten (10) hours and employees called to work sooner than ten (10) hours from the end of their last work period shall be paid one and one-half (1½) times the employee's regular straight-time hourly rate for all work performed up to the time said ten (10) hour period between shifts shall have elapsed.

## ARTICLE 8 – WAGES

- A. <u>Wages</u>. The Employer agrees to pay not less than the minimum hourly wage scale in Appendix B contained in this Agreement.
- B. Pay Reduction. There shall be no reduction in the pay of any employee as a consequence of the negotiation of this Agreement. Nothing herein limits the right of the Employer to pay wage rates in excess of those provided for in Appendix B or to grant progression increases prior to the time provided for in the Appendix B, 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. Pay Day. A designated weekly, bi-weekly or semi-monthly payday shall be established. If the payday falls on a weekend day (Saturday or Sunday) then payday will be the preceding Friday. If payday falls on a holiday in which banks are closed, the employees shall be paid the day prior. The paycheck shall include an itemized statement of hours worked, wages paid, including overtime pay, premiums, vacation and holidays and all other deductions. 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. The Employer will provide employees with the option of direct deposit of paychecks.
- D. <u>Premiums.</u> See Appendix B.
- E. <u>Certifications.</u> Cost of any bond or notarial commission required of employees who are covered by this Agreement shall be paid for by the Employer, including, but not limited to, a live scan should it be a requirement of employment.
- F. <u>Tips</u>. Employees are allowed to accept tips. Tips will be distributed to employees and will not be withheld by the Employer. The Employer and managers are prohibited from keeping any portion of tips given by a customer to an employee, including without limitation for example to pay for financial transaction fees, such as credit card processing fees. Should the manner in which tips are being handled by the Employer become an issue for employees, the Employer and the Union will meet to address the issue. The employer may not use the value of any tips that employees receive, to offset or fulfill any wage obligations under this Agreement or law, including the Fair Labor Standards Act (FLSA), Section 3(m) of the FLSA, and state laws.
- G. New Methods. If a new position is created or significant work is changed for a classification of a current bargaining unit employee, the Employer will meet with the Union to discuss wage changes and the new job duties or positions created.
- H. <u>Employee Discount</u>. Employees shall be eligible to purchase store products (cannabis and non-cannabis) at a 10% discount for non- Stiiizy products and 20% discount for Stiiizy products, subject to regulations on the sale of cannabis, in its sole discretion.
- I. Prior Experience. At the time of hiring, the Employer will recognize employee prior industry experience acquired at cannabis facilities licensed by the State of California or licensed or with legal status by a local jurisdiction. Only such experience stated on employee's application and confirmed by the Employer with acceptable proof shall be credited. Employer has the discretion in determining in good faith what is applicable qualifying experience, but in a minimum should recognize employment at all other unionized cannabis facilities. New hires with at least one (1) year and no more than five (5) years of prior Industry experience and/or with a Union cannabis training certification shall be paid at no less than the twelve (12)

months rate of pay. New hires with five (5) or more years of prior industry experience shall be paid at no less than the twenty-four (24) months rate of pay.

## **ARTICLE 9 - HOLIDAYS**

A. Holidays. For all non-probationary employees the following days shall be observed as paid holidays:

New Year's Day Thanksgiving Day 4th of July Christmas Day

Labor Day Employee's Birthday (Effective on January 1, 2022)

One (1) Floating Holiday (after 12 months of employment)

All holidays will be observed on the holiday.

- B. <u>Holiday Premium Rate</u>. Employees scheduled to work on a holiday shall be compensated at one and one-half (1.5x) time.
- C. <u>4-20 Premium</u>. Employees who work on the cannabis holiday 4-20 shall be paid one and one-half (1.5x) the employee's straight-time hourly rate, but employees shall not be paid if they do not work.
- D. <u>Holiday Pay Rules</u>. Employees not working on a Holiday will receive Holiday Pay 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 four (4) hours. In order to be eligible for 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.
- E. <u>Full-Time Holiday Pay.</u> Anyone working full time (40 hours) employee shall get (8) hours of pay for the holiday not worked. Any part time employee shall get (4) hours of pay for the holiday not worked.

### ARTICLE 10 - HEALTH AND WELFARE

The Employer will continue to offer the current medical plan (Blue Shield Anthem Gold (70-30). For all bargaining unit employees who work an average of 30 or more hours per week during the previous quarter.

The employer will continue the present healthcare plan for the employees (70/30). Should, however, the employer desire change the plan for all employees, upon 30 days' notice the employer may implement those changes provided those changes are companywide. The employer will meet to discuss any proposed changes within the 30 day notice period.

## ARTICLE 11 – RETIREMENT

Individual Account Plan (IAP). The Employer will contribute ten cents (10¢) per straight-time hour to an Individual Account Plan for all current employees covered by this Agreement for the first year of the contract and will contribute twenty cents (20¢) per straight-time hour for each year thereafter.

Trustees, selected by the parties, shall administer the Individual Account Plan. Contributions must be made for two (2) years to vest. The parties agree to establish a Trust Fund for the purposes of purchasing and administering the Plan. An equal number of Employer and Labor Trustees shall serve as Trustees on the Plan.

### ARTICLE 12 - 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 to workers in California.
  - 1. <u>Eligibility</u>. All covered employees must work in California for thirty (30) or more days in a 12-month period for the same employer, regardless of whether they are full time, part time, temporary, or seasonal workers, to be eligible for sick leave.
  - 2. <u>Accrual.</u> Accrual begins on the first day of employment. All eligible employees will accrue one (1) hour of sick leave for every thirty (30) hours worked; alternative accrual methods are acceptable as long as they comply with California law. Employees may begin to use unpaid sick leave under this policy beginning on the ninetieth (90th) day of employment. If an employee is on a leave under this policy, paid sick leave will not accrue during that leave of absence.
  - 3. Accrual Cap and Carryover. Unused sick leave under this policy will carry over each year, but accrual will be capped at fifty-six (56) hours or seven (7) days. Once the employee reaches the cap, paid sick leave will cease to accrue until the earned but unused sick leave falls below the cap, at which time it will begin accruing again at the normal rate. The first twenty-four (24) hours of sick time can be used according to California law. In any calendar year, beginning on the fourth (4th) day or twenty-fifth (25th) hour, the employer may require a doctor's note for the use of additional sick time. Unused sick pay is not paid out upon separation of employment. If an employee is rehired within one (1) year of their separation from employment, previously accrued and unused paid sick days/hours shall be reinstated. Leave under this policy may run concurrently with leave taken under other applicable policies as well as under local, State or Federal law, including leave taken pursuant to California Family Rights Act (CFRA) or the Family Medical Leave Act (FMLA).
- B. <u>Injury At Work.</u> 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. This does not apply to employees who report to work but who must leave due to illness, personal emergency, or personal business. In these cases, employees could charge against sick leave account or, if appropriate, against vacation time or be docked.

## ARTICLE 13 - VACATIONS

- A. <u>Vacations</u>. Any full-time bargaining unit employee continuously employed for one (1) year or more shall be entitled to a vacation of five (5) working days. Employees will be given ten (10) working days vacations after completion of two (2) years of continuous employment. Employees will be given fifteen (15) working days' vacation after completion of five (5) years of continuous employment. Part-time employees shall receive pro-rated vacation according to this schedule. Any employee currently receiving more vacation than set forth above, shall not have their vacation reduced as a result of this provision. Employees will be allowed to roll over a maximum of (capped at) one (1) week per year.
  - One (1) week vacation pay shall be computed at the employee's average hours worked or paid for including vacation, holidays, and overtime, from last anniversary date to current anniversary date and shall be paid at the employee's current rate of pay. Vacation pay will be issued to an employee on the pay period in which they take the vacation provided the employee has obtained an approved request for vacation.
- B. <u>Periods of Absence</u>. Periods of absence from work because of sickness shall be considered as time worked in computation of the vacation credit, provided the employee given such leave shall return to work no later than the expiration date of said leave.
- C. Vacation Rules. 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. If the employee is requesting vacation pay prior to the commencement of their vacation, then the employee must request vacation and vacation pay in accordance to Article 13, Section A. Once a vacation is approved by the Employer, the vacation can only be changed by mutual consent of the employee and the Employer. In cases of emergency, where Employer needs to change an approved vacation, the Employer will reimburse the affected employee all expenses that have been already incurred by the employee for said vacation. Employer will require receipts or proof of purchase to make reimbursement. Once a vacation request is made, the Employer has two (2) weeks to approve or deny the request.

## ARTICLE 14 - LEAVE OF ABSENCE

- A. <u>Medical Leave of Absence.</u> In the case of accident, injury, pregnancy, or sickness which renders the employee unable to work, Employer agrees to grant employees leave in accordance with applicable Municipal, Federal and State statutes. A copy of the Employer's leave of absence policy shall be provided to the Union.
- B. <u>FMLA/Family Medical Leave of Absence.</u> The Employer will grant family and medical leaves of absence in conformity with the FMLA and state leave laws. Employees may use earned sick pay, vacation, floating holidays, for the care of children, parents, or spouses, in addition to personal medical reasons.
- C. <u>Funeral and Bereavement Leave</u>. In case of death in the immediate family (parents, brother, sister, spouse, domestic partner, children), the employee shall be granted a leave of absence of five (5) days with pay upon notification of the employee. In case of death of grandparents, grandchildren, current in-laws (mother in law, father in law, brother in law, sister in law), or any family member residing in the employee's home, the employee shall be granted a leave of absence of three (3) days with pay upon notification of the employee. This leave is not to be charged against sick leave. When requested, the employee will provide documentation to claim benefits under this Section. Bereavement leave shall be

- utilized within the first 30 days of death unless the employee can provide proof that services are forced to be scheduled for a later date. This later date shall not exceed 120 days from date of death.
- D. <u>Military Leave</u>. The Employer agrees to comply with the terms of the Universal Military Training and Service Act, with reference to all provisions providing for the reemployment of persons entering military service. These provisions shall be deemed a contractual obligation under the terms of this Agreement.
- E. <u>Return to Work Wages</u>. An employee who has been granted a leave of absence in accordance with the provisions of this Article shall return to their wage rate at the time the leave of absence commenced provided that the position held by the employee immediately prior to the leave of absence, or a comparable position thereto, is available at the time the employee returns to work per Appendix B.
- F. Failure to return at the end of a leave of absence shall constitute cause for immediate termination.
- G. Union Leave of Absence. An employee in good standing with the Employer, whose acceptance of employment with the Union takes said employee from their employment with the Employer, shall, upon written request to the Employer by the Union, receive a leave of absence without pay for the period of said employee's service with the Union, of not less than thirty (30) days nor more than ninety (90) days, subject to Employer granting an extension in its sole discretion. 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 two (2) calendar weeks immediately preceding the date of the proposed commencement of the requested leave and the proposed return to work, respectively. The Union's request for leave is subject to Employer approval, which shall not be withheld by the Employer unless the leave of absence imposes an undue hardship on the Employer and its business operations. Upon the employee's return, the employee shall be reemployed at work similar to that in which said employee was engaged immediately prior to their leave of absence with no loss or reduction of pay, seniority or benefits and all applicable wage increases shall be in effect. 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. The Union may only request a leave of absence for an employee one (1) time within a twelve (12) month period of time. The Union may request a concurrent leave of absence for up to two (2) employees per retail store location so long as the concurrent leave of absence does not impose an undue hardship on the Employer and its business operations. Under no circumstances should an employee of SGI Retail LLC be utilized against its Employer or the Company.
- H. <u>Personal Leave.</u> Personal Leaves of absence without pay may be granted in Employer's sole discretion upon written request by the employee for a period no longer than thirty (30) cumulative days in any one (1) calendar year with mutual agreement by the Employer. Such leaves will be for bona fide reasons. All personal leaves must be granted in writing. Personal leaves may be extended for up to fifteen (15) days upon extenuating circumstances and with mutual agreement by the Employer.
- I. <u>Local Provisions Exemption.</u> The Employer and Union agree that Federal, State, county, and local laws covered under this collective bargaining agreement for all local jurisdictions regarding paid sick leave, family medical leave and all other leave policies will not apply to employees in the bargaining unit, except as this waiver may otherwise be prohibited by applicable law.

## ARTICLE 15 - JURY DUTY

- A. An employee shall immediately notify their Employer upon receiving a call for jury duty. 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 the employee otherwise would have earned, said employee shall receive pay for 3 days of such service at the rate of eight (8) hours times the straight-time hourly rate.
- B. If an employee is excused from jury service on any scheduled day, i.e., Monday through Friday, the employee 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 the employee to return to work prior to two (2) hours before the end of the scheduled work shift.
- C. Upon completion of service on the jury, the employee must immediately notify the Employer for further scheduling. Proof of call to jury duty and proof of daily service jury may be required by the Employer promptly upon receipt for payment of this benefit. 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 16- CIVIC DUTY**

- A. <u>Election Day.</u> The Union and the Employer encourage civic participation. As an incentive to participate in the election process, employees scheduled to work on Election Day shall be offered up to two (2) hours paid for the purpose of voting only. Employees must notify management in writing within two (2) weeks of election or early voting date that they intend to participate. Employee must show some formal proof of attendance to receive pay.
- B. <u>Volunteering.</u> Employees may also request time off, with pay, for participating in Employer approved volunteer opportunities. To receive time off for volunteer hours, an employee must get advanced approval from management regarding the opportunity and all volunteer time off is capped at sixteen (16) hours per year during the first two (2) years of this Agreement. During the third year of the Agreement, volunteer time off is capped at twenty-four (24) hours. This benefit is not guaranteed and does not accrue or carry over, and is not paid upon termination. The Employer will have a list that is available to employees, of approved volunteer opportunities. The Employer will keep this list updated as needed.

## ARTICLE 17 – DISCHARGE

A. <u>Just Cause.</u> After completion of the employee's probationary period, the Employer may discharge any bargaining unit employee for just cause as described in the Employer's employee handbook. 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. <u>Work Performance</u>. The Employer shall have the right to discharge any employee for just cause. Any grievance relating to discharge shall be filed and processed in accordance with the Grievances and Settlement of Dispute Article of this contract.

Employees who are discharged for incompetency or failure to perform work as required (including excessive absenteeism or excessive tardiness) shall first have had two (2) prior warnings in writing within twelve (12) months preceding the discharge for such incompetency or of related or similar failure to perform work as required, and be given the opportunity to improve their work. Employees and Union representatives will not be denied an opportunity to discuss warning notices with the Employer.

In a case where an employee is warned for misconduct, but not discharged, the Employer will make a written record of such warning and provide a copy for the employee, with a copy sent to the Union. 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 in a timely manner, but no later than thirty (30) calendar days of the date it is presented to the employee.

- C. On termination, an employee shall be paid such pro rata vacation for the period of time 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.
- F. Wage and Hour Claims. 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.

## **ARTICLE 18 - SENIORITY**

- A. <u>Definition.</u> Seniority shall be defined as the length of continuous employment of an employee with the Employer.
- B. <u>Probation.</u> Employees who have not attained seniority with the Employer shall be deemed probationary and subject to discharge without recourse or notice. Once probation is complete, the employee's seniority date shall be retroactive as of the first (1st) day of hire. New employees shall serve a probationary period as set forth under Article 3 of this Agreement.
- C. <u>Layoff and Reduction</u>. When it becomes necessary to lay off employees because of a reduction in the workload seniority shall govern where fitness and ability are substantially equal. In the event of a layoff, full-time employees shall have seniority over part-time employees. Should an issue arise regarding the application of seniority where employees are hired on the same day, the last four (4) digits of the employee's social security number (on record with the Employer) shall be used as the impartial tie breaker with the highest number designating the senior employee. Laid off employee(s) shall be recalled in the reverse order of layoff within classification. Seniority shall not apply to any employee until the employee has completed the probationary period.

- D. Part-time employees can not bump full timers in the event of a lay off.
- E. <u>Job Openings.</u> Laid off employees will have preference over new hires for openings in other classifications so long as they possess the skills and ability to do the job or learn the job in a reasonable amount of time.
- F. Seniority shall be taken into consideration with promotions, job assignments, vacations, scheduled hours, and time off.
- G. Loss of Seniority. Seniority shall terminate for the following reasons:
  - 1. Employee resignation;
  - 2. Discharged for just cause;;
  - 3. Absent from work for six (6) consecutive months due to layoff;
  - 4. Failure to report to work within three (3) working days after recall from layoff and employee does not provide satisfactory reason for failure to report;
  - 5. Employee fails to return to work from a leave of absence;
  - 6. Employee is absent from work for three (3) consecutive workdays without reporting to management unless such failure to report is due to serious, proven medical reasons satisfactory to the Employer. Such three (3) days with no report shall be deemed a voluntary quit and job abandonment.

### ARTICLE 19 - GRIEVANCES AND SETTLEMENT OF DISPUTE

- A. <u>Grievance</u>. For the purpose of this Agreement, a grievance is a dispute, difference of opinion, between the parties and grievances of bargaining unit employees involving or arising out of the meaning, interpretation, application, or alleged violation of this Agreement, including the arbitrability of all such matters. In the event of a grievance over the interpretation of this Agreement, the following procedure may be followed:
  - 1. When a grievance arises, the employee and the Union must attempt first to settle the matter with their immediate supervisor. If the matter is not resolved with their immediate supervisor, the employee and the Union must attempt to resolve the matter with Human Resources. If this is unsuccessful, the representative of the Union can be called so that the matter may be settled without loss of time to either party. The Union Representative shall have the option to bring a grievance to the attention of the Employer, in writing, within ten (10) business days of the knowledge of the facts giving rise to the grievance. A response will normally be provided within five (5) business days.
  - 2. If the grievance cannot be resolved on a local level, a representative of the Employer and a representative of the Union can, within seven (7) calendar days, attempt to reach a settlement of the controversy, dispute, or disagreement.
  - 3. In the case of wage discrepancies, the Employer agrees to submit to the Union upon request from the Union all wage data concerning same. The Employer is not required to pay any wage claim or portion thereof retroactively for a period of more than six (6) months immediately prior to the date of written notice from the Union, of such claim.

- 4. Any claimed grievance of any kind to be acted upon or accepted as valid for any reason must be filed in writing with the Employer and the Union within thirty (30) calendar days after the employee has knowledge of the occurrence-giving rise to the grievance.
- 5. Any controversy over the interpretation of or the adherence to the terms and provisions of this Agreement, including all claims for wages which cannot be settled by negotiations, shall be submitted to arbitration by either party notifying the other involved in writing of its desire to do so. Notification of desire to submit the grievance to arbitration must be made within thirty (30) calendar days following exhaustion of (1), (2), (3), and (4) above.
- B. <u>Mediation</u>. Any discharge or dispute that cannot be resolved under the provisions of Subsection A may be referred by mutual agreement to the Federal Mediation and Conciliation Service (FMCS) (or the parties can use AAA or similar service); in an attempt to reach an agreement on a resolution. The party wishing to submit the dispute or discharge to non-binding mediation shall do so in writing within fifteen (15) calendar days following the exhaustion of remedies in Subsection A. The parties, by mutual agreement, may elect to bypass mediation and refer the matter directly to arbitration.
- C. <u>Arbitration</u>. If a dispute or discharge is not resolved by the provisions of the Subsections A and B, either party may refer the matter to arbitration by notification to the other party, in writing of their desire to arbitrate the issue.
  - 1. A representative of the Union and a representative of the Employer shall meet and attempt to agree on a neutral third (3rd) party to hear and decide the grievance. If within seven (7) calendar days of notification, the parties cannot agree on a neutral party, either party may petition the FMCS for a list of seven (7) neutral arbitrators. The parties shall alternately strike from this list until one (1) name remains; that person shall be the one (1) to hear and decide the grievance.
  - 2. The neutral party shall meet with the parties to the dispute, hear all evidence in the case or cases referred, and render a decision as soon as possible.
  - 3. Each party shall bear the expenses of preparing and presenting its own case. The expenses of the neutral party shall be covered by the non-prevailing party.
  - 4. There shall be no recourse to any other method of settlement, unless a party fails to accept and comply with the award, in which case the award may be enforced by further action of the party in whose favor such award has been given.
  - 5. The decision of the arbitrator shall be final and binding upon all parties to the dispute.
  - 6. <u>Status Quo.</u> During the period of adjustment or arbitration, as provide in this section, the conditions in effect at the same time of the notification of the claimed grievance shall continue in effect pending final decision.
- D. <u>Limitations on Arbitrator.</u> The arbitrator shall not have the authority to decide questions involving the jurisdiction of any Local, or of the International, or which may in any way affect or change the Union security clause, nor shall the arbitrator have the authority to effect a change in, modify, or amend any of the provisions of this Agreement.

E. <u>Time Limits.</u> The time limits set forth above shall be absolutely mandatory and failure to comply will mean the grievance is void and no consideration will be given to it. The time limits may be extended by written, mutual agreement.

## ARTICLE 20- NON- DISCRIMINATION

The Employer and the Union agree to abide by Federal, State and local laws covering discrimination. Further, by way of non- exhaustive examples, the Employer shall not discriminate against any person in regard to hire, tenure of employment, recruitment, selection, compensation, benefits, training, promotion, disciplinary actions or job status because of race, color, creed, religion, gender identity, sexual orientation, genetic information, marital status, union membership, or national origin, nor shall age, disability unrelated to job duties, veteran status, or sex under any circumstances be a basis for rejection or termination of an otherwise qualified employee or applicant for employment.

## ARTICLE 21 - 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 22 - 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 23 - SUCCESSORS AND ASSIGNS

This Agreement will bind all successors to the Employer. In the event of a sale of any of the Employer's licensed cannabis retail 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 24 – UNIFORMS, EQUIPMENT AND LOCKERS

Employees will be required to adhere to a reasonable dress code at work. If employees are required to wear uniforms, the Employer shall furnish a reasonable quantity of such uniforms at no cost to the employee. The Employer shall furnish and pay for all tools and equipment that are required for the performance of an employee's job duties; whether such tools and equipment are required shall be determined by the Employer in its sole discretion. The Employer shall provide lockers for the safekeeping of employees' personal items during working hours.

## **ARTICLE 25 - DURATION**

Except as otherwise indicated herein, this three (3) year Agreement shall be effective from (January 21, 2022-January 24, 2025) and shall remain in full force and effect in all areas up to and including (Expiration Date 3 years from Date of Ratification), and may be automatically renewed, unless the Union or signatory Employer serves upon the other a sixty (60) day written notice of desire to modify, amend, or terminate this Agreement. Should either party to this Agreement desire to negotiate changes in any or all provisions of this Agreement upon its expiration and provides written notice to that effect, this Agreement shall not automatically renew. This Agreement shall run from year-to-year and can only be changed through negotiations started by written notice by one (1) party to the other party at least sixty (60) days prior to expiration of this Agreement. If after opening a retail store location, as provided herein, the parties fail to reach an agreement within the period so provided, then the provisions of Article 21 (No Strike or Lockout Clause) shall not be binding on either party.

IN WITNESS WHEREOF, each of the parties hereto has executed the Agreement as of (January 21, 2022-January 24, 2025)

Jon Avidor	
FOR THE EMPLOYER (Print Name): SGI RETAIL LLC	Jim Araby for UFCW Local 5
SIGNATURE SGI RETAIL LLC	Todd Walters for UFCW Local 135
	Matt Bell for UFCW Local 324
	John Grant for UFCW Local 770
	Ana Gaeta for UFCW Local 1167
	Mark Ramos for UFCW Local 1428

# APPENDIX A – SGI MANAGED ENTITIES

	List of Managed Entities as of 12/15/21		
Name of Managed Entity	Opening Date of Retail Store		
Ironworks Collective Inc. dba STIIIZY DTLA	8/24/19		
BCOK, Inc. dba STIIIZY Mission	9/2819		
Main Street Supply LLC dba STIIIZY Alameda	2/7/20		
Strategic Green Partners dba Authentic 760	2/28/20		
United 415, Inc. dba STIIIZY Union Square	10/9/20		
Screaming Eagle dba STIIIZY Jurupa Valley	11/20/20		
Colay Health Center dba STIIIZY Moreno Valley	1/9/21		
KMBM, Inc. dba Authentic 415	4/3/21		
Nibble 390H LLC dba STIIIZY San Bernardino	4/3/21		
TERP dba STIIIZY Vista	5/22/21		
SGI Retail LLC (Wildomar) dba STIIIZY Wildomar	6/19/21		
Authentic 909 LLC dba STIIIZY Pomona	6/26/21		
Positive Vibe dba Flight	7/16/21		
Nibble Easy LLC dba Authentic 909	7/17/20		
SGI Suisun LLC dba STIIIZY Suisun	8/7/21		
SGI Marina LLC dba STIIIZY Marina	8/28/21		
SGI Benicia LLC dba STIIIZY Benicia	9/25/21		
SGI Pacheco LLC dba STIIIZY Pacheco	10/16/21		

## APPENDIX B – WAGES

## (Southern California-UFCW 770, 1167, 135, 1428, 324 jurisdictions)

Wage Rates – Budtenders			
Months	Jan 1st 2022	Jan 1st 2023	Jan 1st 2024
0 - 5	\$17.50	\$18.00	\$18.50
6 - 11	\$18.00	\$18.50	\$19.00
12 - 17	\$18.50	\$19.00	\$19.50
18 - 23	\$19.00	\$19.50	\$20.00
24 - 29	\$19.50	\$20.00	\$20.50
30 - 35	\$20.00	\$20.50	\$21.00
36 - 41	\$20.50	\$21.00	\$21.50
41+	\$21.00	\$21.50	\$22.00

- 1. Leads shall receive a premium of three dollars (\$3.00) per hour over their current rate of pay and proceed according to the wage scale for their classification. All hours worked as a "Trainer" and "Inventory" shall receive a premium of two dollars (\$2.00) per hour over the current rate of pay and proceed according to the wage scale for their classification. Receptionists shall receive (\$.50) premium pay, per hour over their current rate of pay and proceed according to the wage scale for their classification.
- 2. No one will suffer a reduction of their current rates and or premiums as a result of this Agreement.
- 3. In a municipality that has a higher minimum wage than the current starting rate, all starting wages shall be \$.50 above the minimum rates outlined in Appendix B. All wage brackets shall be adjusted based upon that new starting rate.

## APPENDIX B - WAGES

## (UFCW Local 5 Jurisdiction)

Wage Rates – Budtenders			
Months	Jan 1st 2022	Jan 1st 2023	Jan 1st 2024
0 - 5	\$18.50	\$19.00	\$19.50
6 - 11	\$19.00	\$19.50	\$20.00
12 - 17	\$19.50	\$20.00	\$20.50
18 - 23	\$20.00	\$20.50	\$21.00
24 - 29	\$20.50	\$21.00	\$21.50
30 - 35	\$21.00	\$21.50	\$22.00
36 - 41	\$21.50	\$22.00	\$22.50
41+	\$22.00	\$22.50	\$23.00

- 1. Leads shall receive a premium of three dollars (\$3.00) per hour over their current rate of pay and proceed according to the wage scale for their classification. All hours worked as a "Trainer" and "Inventory" shall receive a premium of two dollars (\$2.00) per hour over the current rate of pay and proceed according to the wage scale for their classification. Receptionists shall receive (\$.50) premium pay, per hour over their current rate of pay and proceed according to the wage scale for their classification.
- 2. No one will suffer a reduction of their current rates and or premiums as a result of this Agreement.
- 3. In a municipality that has a higher minimum wage than the current starting rate, all starting wages shall be \$.50 above the minimum rates outlined in Appendix B. All wage brackets shall be adjusted based upon that new starting rate.

### LETTER OF AGREEMENT

It is agreed and understood by the Employer and each UFCW Local party to the collective bargaining agreement that due to operational needs, inventory positions will be full-time positions. Employees in inventory positions will be guaranteed forty (40) hours per week, regardless of their seniority. As per Article 7, Section C, after one year of operation of a cannabis retail store, the Employer will maintain at least a 40% full-time employee ratio. The full-time inventory positions will count towards this ratio. Whenever there is a job opening in Inventory, the Employer will post the job internally so that current employees have the first opportunity to apply.

No employee will be reduced in hours or laid off as a result of this Letter of Agreement.

Jon Avidor	
FOR THE EMPLOYER (Print Name): SGI RETAIL LLC	Jim Araby for UFCW Local 5
Juli	
SIGNATURE SGI RETAIL LLC	Todd Walters for UFCW Local 135
	Matt Bell for UFCW Local 324
	John Grant for UFCW Local 770
	Ana Gaeta for UFCW Local 1167
	Mark Ramos for UFCW Local 1428



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