

STRANAHAN’S / UFCW LOCAL 7 BARGAINING
MEMORADUM OF AGREEMENT
March 8, 2024

Contract Negotiations between Proximo Distillers LLC d/b/a Stranahan’s Colorado Whiskey (“Employer”) and the United Food and Commercial Workers Local 7 (“Union”)

The Employer and the Union have met concerning workers in a newly organized bargaining unit described herein, and have reached agreement on terms for a collective bargaining agreement covering such workers memorialized in this Memorandum of Agreement (“MOA”). This MOA, the attached tentative agreements, the Employer’s offer of February 27, 2024 attached hereto, and any attachments thereto represent the entire agreement between the parties.

Any Union proposal not identified or addressed herein shall be deemed withdrawn. Any proposal of the Employer not identified or addressed here shall be deemed withdrawn. The modification or withdrawal of any proposal in these negotiations shall not be used as evidence in any arbitration or any proceeding between the Parties.

The Parties reserve the right to correct any drafting errors or omissions in this Agreement, the attached documents, and agree that Article and Section numbering may be updated for consistency and order.

This Agreement is effective as of March 8, 2024, which followed acceptance of the Company’s offer by the bargaining unit.


For the Union:

For the Employer:

**AGREEMENT BETWEEN
PROXIMIO DISTILLERS, LLC D/B/A STRANAHAN'S COLORADO WHISKEY
AND
UNITED FOOD AND COMMERCIAL WORKERS, LOCAL 7**

Ground Rules for Contract Negotiations

1. There shall be no video or audio recordings without written agreement of both parties. This is not intended to prevent note-taking or other record-keeping that is neither of an audio or video format. Any video or audio recordings made in violation of this ground rule may not be used in any future legal proceeding between or involving the parties.
2. If a party has a "hard stop" or a time by which bargaining *must* cease on a given day, this shall be communicated in advance whenever practicable, but not later than the start of each day's session. Nothing herein shall constrain the parties from agreeing to continue or discontinue negotiations for the day on any given day.
3. The parties agree to use their best efforts to reduce all proposals to writing for purposes of presentation.
4. If and when the parties reach agreement on all terms and conditions of a collective bargaining agreement, the parties agree that the offer, modification, or withdrawal of any proposal shall not be utilized as evidence in any future arbitration or other legal proceeding involving or between the parties.



Company

1-31-23
Date



UFCW Local 7

1/31/23
Date

UFCW LOCAL 7 AND PROXIMO DISTILLERS, LLC D/B/A STRANAHAN'S
COLORADO WHISKEY
TENTATIVE AGREEMENTS

The below agreements are tentative and are subject to a complete agreement on all proposals reflected in a memorandum of agreement, which is ratified by the bargaining unit.

All proposals not addressed herein remain open. Article and section numbering may be amended for consistency and order.

The parties agree to include an Article in the form that follows:

ARTICLE __
LUNCH & REST BREAKS

Section 1. BOTTLING OPERATORS

- A. For any bottling employee who works at least a five (5) hour shift, an uninterrupted and unpaid lunch period consisting of not less than one half ($1/2$) hour and not more than one (1) hour, shall be granted all such employees. The lunch period shall be scheduled not less than three (3) hours and not more than five (5) hours from the start of the scheduled shift.
- B. When a work shift exceeds (2) hours, a bottling employee shall be entitled to one (1) fifteen-minute paid break. A bottling employee shall be entitled to a further fifteen (15) minute paid break for each four (4) hour period thereafter in the same shift. For bottling employees who work more than six (6) hours, at least one paid break shall be prior to the lunch period and one following the lunch period.
- C. No deviations from the above-allotted times shall be allowed unless mutually agreed to by the Union and the Employer and reduced to writing.

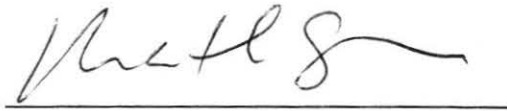
Section 2. OTHER EMPLOYEES

- A. Other (i.e., non-bottling) Employees are responsible for self-releasing for breaks and lunch during their shifts for no less than fifteen (15) minutes for each four (4) hour period, or substantial portion thereof during such an Employee's shift. It is understood that such breaks may be taken as needed to accommodate production but that total break time shall not be less than the above. It is further understood that other Employees who work at least a five (5) hour shift shall be entitled to take up to thirty (30) minutes for lunch, which may be taken as needed to accommodate production but that the total lunch time shall not be less than the above.

B. It is understood that all such breaks for other (non-bottling) Employees shall be paid time. The Employer is responsible for ensuring that production does not prevent other Employees from taking breaks as described above, and such Employees, or the Union, must notify the Employer in writing during the shift if they believe production prevents them from taking such breaks to allow the Employer an opportunity to adjust the production schedule to allow for the break time. Absent such written notice, any dispute about taking breaks under this Section 2 shall not be considered ripe for a grievance.



For Proximo



For the Union

2-1-23

Date

2/1/23

Date

UFCW LOCAL 7 AND PROXIMO DISTILLERS, LLC D/B/A STRANAHAN'S
COLORADO WHISKEY
TENTATIVE AGREEMENTS

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All proposals not addressed herein remain open. Article and section numbering may be amended for consistency and order.

The Parties agree that the Union's proposal concerning Covid-19 Specific Safety Matters shall be held for discussion with economic issues and is neither agreed upon nor withdrawn. The parties agree to include an Article in the form that follows:

ARTICLE __

SAFETY

Section 1 – General Provisions

- A.) The Union and the Company agree that accident prevention, the elimination of personal injuries, and the safety of all employees is our foremost goal. We dedicate ourselves to providing the safest possible work environment for all. Notwithstanding the full commitment on the part of the Union to work with the Company to ensure a safe workplace, nothing in this Article shall be construed as an assumption of liability on the part of the Union.
- B.) It is the responsibility of each management employee and each bargaining unit employee to follow and support the Safety Program and safe operating procedures.
- C.) In order to ensure adequate safety, there shall be no fewer than two production employees on duty at all times so long as the facility is in operation.
- D.) The Company shall maintain all equipment and machinery utilized by the bargaining unit in good working order and shall ensure that said equipment and machinery does not present a hazard to the bargaining unit.

Section 2 – Safety Committee

- A.) There shall be a Safety Committee which shall have among its duties evaluation and discussion of safety concerns and issues, making recommendations regarding safety to management, including different forms of training and topics to emphasize to help promote safety in the facility and recommendations concerning safety improvement. This Safety Committee shall consist of: two (2) members of the bargaining unit designated by the Union, who shall have a history of safety-mindedness and practical experience;

one (1) representative of the Union, who may be a union representative or steward; three (3) individuals designated by management; and up to two (2) additional bargaining unit members who have demonstrated a history of safety-mindedness, practical experience, and an interest in participating in the Committee. Meetings of the Safety Committee shall be scheduled at such time and in such manner as to not interfere with the orderly operation of the facility.

The Committee shall meet at least monthly, at a regularly scheduled time and place, on Company paid time. Safety Committee members shall have the right to raise any appropriate safety issues during the meeting. Safety Committee members will be assigned to perform periodic work area safety inspections and other activities on Company paid time, the frequency of which shall be determined by the Committee. Time for such activities will be scheduled with the approval of the Committee member's supervisor. Any findings will be reviewed by the Committee and with any appropriate member(s) of management.

- B.) It is the Director of Distillery Operations or designee's responsibility to review and/or investigate the Safety Committee's recommendations and to advise the Safety Committee of any action(s) taken no later than the next Committee meeting. The situations or recommendations deemed and agreed upon as critical (meaning an imminent hazard) by the Safety Committee shall receive priority attention, and a written response will be given within one (1) week.
- C.) Safety issues and concerns shall be processed through the Safety Committee before being addressed through the grievance and arbitration procedure.

Section 3 - Injuries

The Company shall promptly notify the Union Director or their designee of the occurrence of any illness or accident resulting in serious injury to an employee. Management shall conduct an incident investigation, and review the findings with the Safety Committee at the conclusion of the investigation and consider any feedback or input of the Committee before the incident investigation is completed. For the purpose of this Section, a "serious injury" shall be any injury that requires the Company to report the incident to a state or federal government agency.

Section 4 - Training

The Company will provide each bargaining unit member of the Safety Committee with a minimum of ten (10) paid hours of OSHA training or equivalent, and after two years the Company will allow such committee members to enroll in refresher training upon request. The Company will consider input from the Safety Committee and/or the Union regarding the provision of such training.

Section 5 – OSHA Inspections

Upon arrival of an OSHA inspector to the work site, the Union Committee representative or designee will be notified and allowed to participate in any inspection(s), meeting(s), or conference(s) conducted with the OSHA inspector.

Section 6 – Work Boots

The Company agrees to reimburse employees for required safety boots purchased for work up to \$200.00 per year upon submission of proof of purchase.

Section 7 – Pandemic Safety Measures

In the event of a novel pandemic or epidemic affecting the metropolitan area of Denver, Colorado, the Employer agrees to meet and bargain with the Union concerning the effects thereof within fourteen (14) days following a written request by the Union. The Employer further agrees to follow applicable CDC, NIOSH, or OSHA guidelines and any state or federal mandates concerning the pandemic or epidemic, including, if applicable, enforcement of such guidelines with respect to customers.



For Proximo



For the Union

February 15, 2023

Date

2/15/23

Date

UFCW LOCAL 7 AND PROXIMO DISTILLERS, LLC D/B/A STRANAHAN'S
COLORADO WHISKEY
TENTATIVE AGREEMENTS

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ARTICLE 8
NO REDUCTION IN PAY

Section 1. No employee shall have his or her hourly wage reduced who may now be receiving more than the minimum wage called for in this Agreement, nor shall his or her hours be lengthened unless they is properly compensated therefore in accord with the terms of this Agreement, and employees shall not be reclassified to defeat the purpose of this Agreement unless otherwise agreed between the parties. No employee shall be asked to make any verbal or written agreement that shall conflict with this Agreement in any way.



For the Company



For the Union

4/11/23

Date

4/11/23

Date

UFCW LOCAL 7 AND PROXIMO DISTILLERS, LLC D/B/A STRANAHAN'S
COLORADO WHISKEY
TENTATIVE AGREEMENTS

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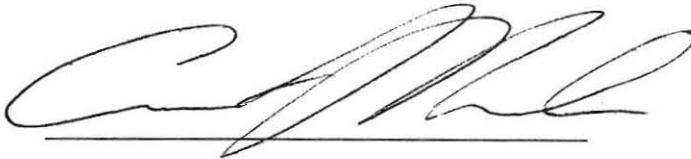
ARTICLE 19
DISCHARGE AND DISCRIMINATION

- Section 1. The Company agrees not to discriminate against any employee or discharge them because of membership in the Union and/or for upholding Union principles; and further, no employee who falls within the bargaining unit shall be disciplined, demoted, or discharged without just cause.
- Section 2. No employee shall be transferred or assigned for arbitrary, capricious or discriminatory reasons.

ARTICLE 14
PAYCHECKS

Employees shall be paid bimonthly, and not later than ten (10) calendar days following the end of the bimonthly period. All employees shall be paid by direct deposit. The paystub shall clearly indicate the total hours worked by the employee each week for each pay rate, applicable pay rate for such time, and pay therefor.

[Signatures follow on next page]



For the Company



For the Union

4/11/23

Date

4/11/23

Date

UFCW LOCAL 7 AND PROXIMO DISTILLERS, LLC D/B/A STRANAHAN'S
COLORADO WHISKEY
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The parties agree to include Articles in the form that follows:

ARTICLE 9
WORKWEEK

The workweek shall begin on Sunday at 10:00 p.m. MST and end on Sunday at 9:59 p.m. MST. The Company shall have the right to modify or change the workweek with fourteen (14) calendar days' advance notice to the Union. There shall be no split shifts, which is defined as a break in the employee's shift longer than the normal lunch period.

ARTICLE 22
UNION REPRESENTATIVE VISITATION AND STEWARDS

- Section 1. The President of the Union, his/her designee, or the Business Representative, thereof shall have the right of entering the premises of the Employer and walk the facility floor unaccompanied to inspect conditions and carry out the terms of this Agreement, but will do so in such a way as to not interfere with anyone's work or the Employer's operation. The Union representative visiting the facility must notify the Distillery Operations Manager of the time and purpose of the visit, and the Company may have a manager or supervisor accompany the representative during the visit, provided the Union shall have the right to talk privately with employees. The Union may briefly talk with employees while they are working, but not in a way which materially interferes with the employee's work. The Union representative may interview employees on site during breaks or by arrangement with the Employer
- Section 2. The Union Shall have the right to designate up to three (3) stewards within the facility, provided the Union shall make reasonable efforts to designate one steward for each shift, who shall have among their responsibilities, the administration of this Agreement. Upon request of the affected employee, stewards who are on duty shall be permitted to attend any investigatory or disciplinary meetings concerning bargaining unit employees, and shall be paid by the Employer for time attending such meetings, and such meetings

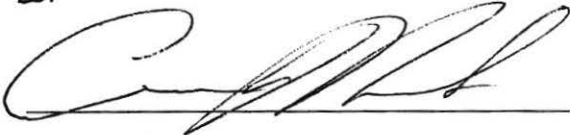
shall be administered so as to avoid interference with the Company's operation.

**ARTICLE 27
BULLETIN BOARD**

Section 1. The Employer agrees to furnish a bulletin board for the use of the Union within the facility. The Union will provide a copy of each posting to the Company prior to or at the time of posting. Material placed upon the bulletin board shall be restricted to the following types of notices:

- a. Notices of Union recreational and social affairs.
- b. Notices of Union elections, Union appointments, and the results of Union elections.
- c. Notice of Union meetings.
- d. Notice concerning Union or Employer operated benefit programs.

MS
CHM



For the Company



For the Union

4/11/23

Date

4/12/23

Date

UFCW LOCAL 7 AND PROXIMO DISTILLERS, LLC D/B/A STRANAHAN'S
COLORADO WHISKEY
TENTATIVE AGREEMENTS

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The parties agree to include an Articles in the form that follows:

ARTICLE 17
SENIORITY

- Section 1. Length of continuous service in the employ of the Employer shall govern in layoffs and rehires within a particular classification in the bargaining unit. Laid off employees shall be recalled as needed, in the order of seniority, to jobs in the classification from which they were laid off.
- Section 2. Termination of Seniority. Seniority shall terminate for any of the following reasons:
- a. Voluntary quitting.
 - b. Overstaying a granted leave of absence or vacation.
 - c. Failure to report for work upon recall after a layoff within five (5) days after mailing of recall notice sent by registered letter to the last address furnished in writing to the Employer by the employee.
 - d. Discharge for just cause.
 - e. Continuous layoff for a period in excess of twelve (12) months.
- Section 3. Seniority List. A bargaining unit seniority list shall be provided to the Union on no more than two (2) occasions during the calendar year, upon request by the Union.
- Section 4. An employee who is to be laid off from a classification in the facility shall have the option to displace the shortest service employee in the same classification in the facility whose job the bumping employee is qualified to perform, provided any displaced employee has lesser service.

An employee thus displaced from said classification shall have the option of displacing the shortest service employee in a lower classification in the facility whose job the bumping employee is qualified to perform, provided any displaced employee has lesser service. Any employee being laid off shall be allowed to take a layoff in lieu of displacing a shorter service

employee, but then shall be entitled to recall rights to the employee's original classification only.

When an employee has exercised the right to displace a lower classification person in the facility and it is found by the Employer or the employee that the employee is not qualified to perform said job during the first thirty (30) days in the lower classification, the employee shall be allowed the right to take a layoff or displace the shortest service employee in yet a lower classification in the facility whose job the employee is qualified to perform, provided any displaced employee has lesser service. When the employee has exercised the right to displace a lower classification person in the facility the second time, and it is found by the Employer or the employee that the employee is not qualified to perform said job during the first thirty (30) days in the lower classification, the employee shall be allowed the right to take a layoff.

Section 5. The employer shall not fill a vacant position with a new applicant for employment if there are employees of the bargaining unit on lay off status who are qualified to perform the duties needed in the vacancy. In this event, such vacancies will not be subject to the bid procedure set forth elsewhere in this Agreement. A laid off employee must accept such assignment if qualified and the same classification is involved.

Section 6. Probationary Period for Promotions. When any employee is promoted to a higher classification, the employee shall be on probation for a period of thirty (30) days. An employee disqualified during the probationary period shall be returned to the prior classification.

Section 7. Demotions for Just Cause. Except under the layoff provisions, no employee shall be demoted from a higher classification within the bargaining unit without just cause.

Whenever a member of the bargaining unit is demoted from a lead position, whether voluntary or involuntary, such employee may be returned to the classification and status (i.e., full-time/part-time) held when he/she initially accepted the current lead classification being vacated.

ARTICLE 21 DISPUTE PROCEDURE

Section 1 A grievance is defined as an alleged violation of an express provision of this Agreement which involves the interpretation or application of, or compliance with, the provisions of this Agreement. A grievance may be filed by an employee, the Union, or the Company.

Section 2. Should any dispute or complaint arise over the interpretation or application

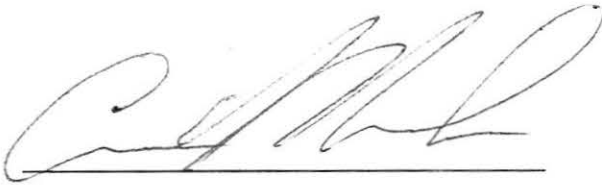
of this Agreement, there shall be an earnest effort on the part of the parties to settle such promptly through the following steps, and failure to follow the procedure set forth below shall result in forfeiture of the grievance. The time limits herein may be extended by written agreement of the parties, and such agreement shall not be unreasonably withheld. If a deadline in the below steps falls on a Saturday, Sunday, or Holiday recognized by this Agreement, then the deadline shall roll over to the next calendar day that is not a Saturday, Sunday, or Holiday recognized by this Agreement.

- Step 1. The aggrieved employee and/or the Union shall, within ten (10) calendar days of the employee and/or the Union becoming aware of the occurrence underlying the potential grievance, discuss with the supervisor(s) involved the alleged cause for the potential grievance to try to resolve the matter immediately, and such discussion must be documented on a Step 1 Grievance Record (*form to be generated by the Parties*). Such conference shall be held during working hours, and the employee has the option of Union representation during this discussion. The supervisor(s), or his/her designee(s), shall have ten (10) calendar days to respond to the employee. If the aggrieved employee is satisfied with the outcome, the matter is then deemed settled and will not be considered further. Any resolution must be documented on the Step 1 Grievance Record. For grievances filed by the Company, this Step shall not apply.
- Step 2. If the grievance cannot be satisfactorily resolved under Step 1, the grievance shall be reduced to writing and submitted to Human Resources (for grievances filed by employees or the Union) or the designated Union representative (for grievances filed by the Company) within twenty-one (21) calendar days of the date of the aggrieved party becoming aware of the occurrence underlying the potential grievance. In reducing a grievance to writing, the following information shall be stated to the best of the filing party's ability: The nature of the grievance, the act or acts complained of and when they occurred, the identity of the grievant, the specific section or provision of this Agreement that the grievant claims the responding party has violated, and the remedy sought.
- The Company's designated representative and the Local 7 representative shall meet (during normal working hours) within ten (10) calendar days after submission of the written grievance to attempt to resolve the grievance. The responding party shall respond in writing within ten (10) calendar days following the date of the Step 2 meeting.
- Step 3. If the grievance cannot be satisfactorily resolved under Step 2, the aggrieved party may appeal the grievance to the responding party (if that

is the Company, the appeal must be submitted to the respective Director of Operations for bottling and/or distilling) in writing within ten (10) calendar days of the responding party's Step 2 response. A Step 3 meeting will then be held with the grievant(s), the appropriate Director(s) of Operations, and the Local 7 representative(s) within ten (10) calendar days of the appeal to Step 3. The Company shall respond in writing within ten (10) calendar days following the date of the Step 3 meeting.

- Step 4. If the grievance cannot be satisfactorily adjusted in the above procedure, either party may, within thirty (30) days from the date of the Step 3 response, request arbitration and the other party shall be obligated to proceed with arbitration in the manner hereinafter provided. The parties shall forthwith attempt to agree upon an impartial arbitrator.
- Section 3. Upon mutual agreement, any such grievance may be submitted to mediation.
- Section 4. In the event the parties cannot agree upon an impartial arbitrator within ten (10) calendar days after the written appeal to arbitration, the parties shall jointly request the Federal Mediation and Conciliation Service to submit a panel of seven (7) arbitrators from within a 100 mile radius of the facility. Each of the parties shall strike three (3) names alternately from the list, and the remaining arbitrator shall hear the case. All such cases shall be arbitrated within ninety (90) days of the selection of an arbitrator unless an extension is mutually agreed upon.
- Section 5. The decision of the impartial arbitrator shall be final and binding on both parties.
- Section 6. The parties shall equally share the costs and fees of the arbitrator as well as the court reporter.
- Section 7. The arbitrator shall not have jurisdiction or authority to modify, add to, subtract from, change or amend, in any way, any term or condition of this Agreement or to render an award which is in conflict with any of the provisions of this Agreement. The arbitrator shall be requested to issue a decision and award within sixty (60) days of receipt of post-hearing briefs. If the Arbitrator finds either party unreasonably delayed proceedings, the arbitrator shall have the authority to impose an appropriate sanction, including, but not limited to, in the case of delay caused by the Union, limit an award to no more than two hundred forty (240) days of back pay.

[Signatures follow on next page]



For the Company

7-6-23

Date



For the Union

7-7-23

Date

UFCW LOCAL 7 AND PROXIMO DISTILLERS, LLC D/B/A STRANAHAN'S
COLORADO WHISKEY
TENTATIVE AGREEMENTS

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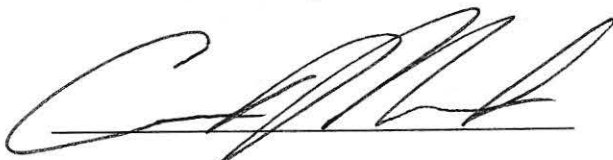
ARTICLE 4
BARGAINING UNIT WORK

All production, warehousing, bottling, and cleaning of the production equipment performed in the facility covered by this Agreement shall be performed exclusively by the bargaining unit, except that:

- a. Management and supervisors may perform bargaining unit work at the facility without restriction.
- b. The Company may permit promotional, uncompensated bottling by non-bargaining unit members, so long as the practice does not decrease the size of the bargaining unit.
- c. The Company may permit temporary employees to assist with production.
- d. The Company may subcontract bargaining unit work, provided no qualified bargaining unit employees are on layoff and such subcontracting does not result in a reduction of the bargaining unit workforce or a further reduction of bargaining unit workforce if unqualified employees are on layoff at the time of the subcontracting. Furthermore, in weeks during which the Company chooses to subcontract bargaining unit work, the Company shall first ensure that full-time employees qualified to do the subcontracted work are scheduled for at least thirty-two (32) hours of work, unless the employee is unavailable or as may be reduced by pay for hours not worked (vacation, holiday, sick, leave of absence, etc.), or because the subcontracting is necessitated by unforeseen circumstances, such as Acts of God, urgent production needs, unusual or excessive breakdowns of equipment, or the like, so long as such subcontracting does not decrease the size of the bargaining unit.

ARTICLE __
HOURS OF WORK & SCHEDULING

- a. This provision defines the normal hours of work, and shall not be construed as a guarantee of hours of work per day or per week and in no manner shall limit the Company in requiring longer hours of work.
- b. The Company shall have the right to establish, maintain, change, and discontinue shifts to obtain the production it desires, including the implementation of a 24/7 operation, with fourteen (14) calendar days' advance written notice to the Union, unless an emergency situation or an act of God requires shorter notice, and the Company will meet with the Union upon request to discuss the change prior to implementation.
- c. Full-time employees' schedules shall include two (2) consecutive days off work one of which shall be a Saturday or Sunday, provided the Company may require overtime on employees' regularly scheduled off days when needed, in accordance with subsection (e) below. Notwithstanding the foregoing, the Company shall have the ability to hire full-time "weekend crew" employees who shall acknowledge, in writing, at the time of hiring, that the employee shall not have Saturdays or Sundays regularly scheduled off.
- d. If the Company utilizes a shift schedule that rotates every three months or on a quarterly basis, then the company will post a tentative schedule for each calendar quarter no later than the 15th of the month preceding the quarter. For all employees, the Company will post the final shift schedule by 12:00 p.m. (noon) on Monday for the week that begins at 10:00 p.m. the following Sunday.
- e. For hours that become available after the final work schedule is posted, the Company will offer the same to all qualified full-time and part-time employees in seniority order. In the event such hours must be assigned as a result of changes after the final work schedule is posted, shifts will be assigned to qualified employees in reverse seniority order.
- f. It is understood that from time-to-time, emergencies may result in the need to call an employee into work outside of the employee's regularly scheduled hours with less than twenty-four (24) hours' notice. In such circumstances, employees shall be guaranteed at least three (3) hours of pay so long as the employee reports.
- g. It is understood that from time-to-time production needs and schedules may allow for employees scheduled to work second shift on Fridays (or the final production day in a week) to arrive and leave earlier than the regularly scheduled shift hours. So long as production needs and schedules permit, which shall be determined in the Company's sole discretion, employees on second shift on Fridays may be permitted upon request to arrive for and leave early from their shift, and such permission by management shall not be unreasonably denied.



For the Company



For the Union

7-12-23

Date

7/12/23

Date

UFCW LOCAL 7 AND PROXIMO DISTILLERS, LLC D/B/A STRANAHAN'S
COLORADO WHISKEY
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ARTICLE 16
PROBATIONARY PERIOD

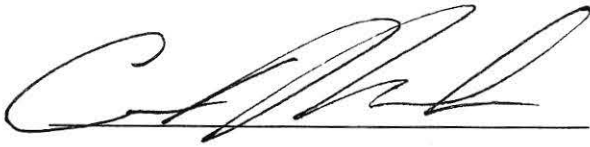
New employees shall be on probation for a period of sixty (60) calendar days (hired as full-time) or ninety (90) calendar days (hired as part-time), during which time they may be discharged by the Employer for any reason whatsoever, and during this probationary period, they shall not acquire any seniority status. If an employee is retained in the employ of the Employer after said probationary periods, the employee's seniority shall then date back to the first (1st) day of said probationary period. This probationary period may be extended an additional thirty (30) calendar days by mutual agreement between the Employer and the Union.

ARTICLE 25
SAVINGS CLAUSE & MODIFICATIONS IN WRITING

- Section 1. In the event any provision of this Agreement shall be declared invalid by a court of competent jurisdiction, such decision shall not invalidate the entire Agreement; and further, should any Federal or State law, government rule or regulation issued by any of its departments, agencies, or representatives affect any provision of this Agreement, the provisions or provision so affected shall be made by mutual agreement to conform to the law or determination and all other provisions not so affected shall continue in full force and effect.
- Section 2. This Agreement shall not be modified except in writing executed by the President of the Union or designee on behalf of the Union and the Director of Bottling and/or Distilling Operations or designee on behalf of the Company. The parties may from time to time enter into letters of agreement or understanding in accordance with this provision.

ARTICLE __
DRUG & ALCOHOL TESTING

Section 1. Non-probationary employees shall not be subject to alcohol or drug testing in the workplace except upon reasonable suspicion or following an on-the-job injury. Moreover, unless otherwise required by Federal law, the Company shall not discipline employees for "off the clock" use of drugs or alcohol decriminalized under Colorado law or Denver Municipal Ordinance. It is understood that "off the clock" use shall not permit employees to come to work under the influence.



For the Company



For the Union

7 - 12 - 23

Date

7/12/23

Date

UFCW LOCAL 7 AND PROXIMO DISTILLERS, LLC D/B/A STRANAHAN'S
COLORADO WHISKEY
TENTATIVE AGREEMENTS

The below agreements are tentative and are subject to a complete agreement on all proposals reflected in a memorandum of agreement, which is ratified by the bargaining unit.

All proposals not addressed herein remain open. Article and section numbering may be amended for consistency and order.

The parties agree to include an Article 6 in the form that follows:

ARTICLE 6
DEFINITIONS OF CLASSIFICATIONS

Section 1. **Distiller.** This group of positions performs, monitors, and documents batch process operations from mashing and fermenting of raw materials through the distillation of spirits. There are three primary groups of functions within the Distiller classification: Brewing/Mashing, Distilling, and Cellar.

- a. The brewing/mashing function involves taking the product from grain to wash, and all functions associated therewith, including, but not limited to: operating and maintaining equipment, handling and processing raw materials and product, collecting samples, and safely performing CIP operations on appropriate equipment.
- b. The cellar function involves taking the product from wash to post-fermentation and managing all aspects of the fermentation process, and all functions associated therewith, including, but not limited to: operating and maintaining equipment, handling and processing raw materials and product, collecting samples, and safely performing CIP operations on appropriate equipment.
- c. The distilling function involves taking the product from post-fermentation to barrel, and all functions associated therewith, including, but not limited to: operating and maintaining equipment, handling and processing raw materials and product, collecting samples, and safely performing CIP operations on appropriate equipment.
- d. Nothing herein shall prevent any qualified distiller from performing any of the three functions described herein.
- e. A Grade III Distiller is a base level position. A Grade II Distiller has been trained and is qualified to perform the functions assigned to a Grade II position on the skills matrix. A Grade I Distiller has been trained and is qualified to perform the functions assigned to a Grade I position on the skills matrix.

Section 2. **Bottling Operator.** The bottling operator supports bottling and warehouse operations in the distillery, including dumping barrels, transferring product,

bottling line prep, leading bottling crews on bottling days, performing quality checks, materials movements and staging, inventory, and bottling area sanitation.

- a. A Grade III Bottling Operator is a base level position. A Grade II Bottling operator has been trained and is qualified to perform the functions assigned to a Grade II position on the skills matrix. A Grade I Bottling Operator, in addition to the other functions, has been trained and is qualified to perform the functions assigned to a Grade I position on the skills matrix.

Section 3. **Lead Operator.** The Employer shall have the right to designate one (1) bottling operator and one (1) Distiller to be a "Lead" operator. Prior to selecting a Lead Operator, the Company shall post for the positions and conduct interviews, and shall consider seniority as a factor, but the ultimate selection of Lead Operators shall be at the reasonable discretion of the Company.

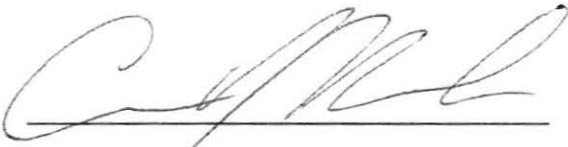
Section 4. **New Classifications.** In the event the Company wishes to establish new classifications, it shall provide written notice to the Union, and the Company and the Union shall forthwith meet to bargain concerning the same.

Section 5. **Skills Matrix.** It is understood that the Company shall have the right to modify the skills matrix on a going forward basis provided that the Company gives two (2) weeks' written notice to the Union of its intent to modify and an opportunity for the Union to meet and discuss the changes prior to implementation. In the event of a change in the skills matrix that requires already qualified employees to learn a new skill or procedure, employees shall be given a reasonable period of time to become qualified as to the change.

Section 6. **Workforce Development.** It is the goal of the Company and the Union to develop employees' skills and talents so that they can best be put to use within the operation. With these objectives in mind, the Company agrees that, upon request by employees, it will make best efforts to provide reasonable opportunities for cross-training and other improvement programs, subject to availability of staff to cover operational needs while employees are being trained as determined in the Company's discretion, and with the understanding that the Company shall not be required to offer overtime opportunities or cover an employee-in-training's regular job by paying overtime to another employee for the employee to complete training.

Full-time employees who have at least one (1) year of service and who have achieved competency on all job duties within the skills matrix for a Grade III position will be offered the ability to cross-train and become qualified for a Grade II position. Employees who have at least one (1) year

of service in a Grade II position will be offered the ability to cross-train and become qualified for a Grade I position. It is understood these are minimum requirements, and nothing herein shall prevent the Company from providing cross-training at any time. In the event a vacancy within regular job functions occurs, training in the available function shall be offered on a seniority basis.



For the Company



For the Union

9-7-23

Date

9/7/23

Date

The following is the Company's comprehensive package proposal on all open articles. Any article from the Union's most recent proposal not included below is rejected.

**ARTICLE 1
RECOGNITION AND EXCLUSIONS**

Stranahan's recognizes Local 7 as the sole and exclusive collective bargaining agent for all full-time and regular part-time Distillers I, II, and III; Bottling Operators I, II, and III; and the Production Lead employed by the Employer at its Denver, CO facility; but excluding all tour guides, bartenders, warehouse supervisors, production administrators, maintenance technicians, bottling managers, production supervisors, office clerical employees, professional employees, guards, and supervisors, as defined in the Act, and other employees.

**ARTICLE 5
NEW EMPLOYEES, TRANSFERRED EMPLOYEES, PROMOTED OR DEMOTED**

- Section 1. Completion of any necessary applications, forms and papers for qualification under the Health and Welfare Article or any other benefit programs provided by this Agreement, shall be completed on the first day of employment, but not later than the eligibility date of participation in the various plans.
- Section 2. The Company will permit the Union to present information to employees for thirty (30) minutes during new-hire orientation, at which time the Union may also provide any information or materials to employees, such as the Union's membership application.
- Section 4. When hiring to fill a full-time bargaining unit vacancy, the Company will hire part-time employee applicants over non-employee candidates provided the qualifications of the part-time applicant are equal to or exceed those of qualified external candidates. In the event multiple qualified part-time employees apply for the position and they are as or more qualified than external candidates, the part-time employee applicant with superior qualifications will be awarded the position, and if qualifications are equal, the most senior qualified applicant will be awarded the position.
- Section 5. Employees wishing to step down from full-time to part-time must express such desire in writing to management, and will be permitted to step down when part-time positions open as determined by management. If more than one full-time employee seeks to step down to part-time, the employee with superior qualifications will be permitted to step down when part-time positions open as determined by management, and if qualifications are equal, then the more senior full-time employee will be permitted to do so.

**ARTICLE 7
RATES OF PAY & OTHER COMPENSATION**

Section 1. All full-time and part-time distilling and bottling operators will be paid the following hourly rates during the term of this Agreement:

Operator Level	[INSERT RATIFICATION DATE]	1/1/2025	1/1/2026
III	\$21.00	\$21.75	\$22.25
II	\$23.00	\$23.75	\$24.25
I	\$25.00	\$25.75	\$26.25
Lead	\$27.00	\$27.75	\$28.25

Section 2. In applying the above wage rates to any newly hired employee, the Employer will give recognition to actual work experience on a comparable job which said newly hired employee may have performed within the previous five (5) years for any other employer in a similar operation or which is otherwise applicable.

Section 3. Operator classification level will be determined according to the skills matrix set forth in Article 6. Lead positions will be interviewed and awarded to the most qualified candidate.

Section 4. Employees shall be entitled to participate in the Proximo Product Allotment Program on the same basis as other employees of Proximo.

**ARTICLE 10
OVERTIME & SHIFT PREMIUMS**

Section 1. Overtime will be paid at the rate of time and one-half (1.5x) the employee's base hourly rate of pay for all hours worked in excess of forty (40) hours per work week, and for all time work in excess of twelve (12) hours per work day.

Section 2. **Weekday Shift Premiums.** Employees will be paid a shift premium as follows on weekdays (work performed beginning Sunday at 10:00 p.m. to Friday at 10:00 p.m.):

- \$1.25/hour for afternoon (second) shift, and
- \$2.35/hour for midnight (third) shift.

Section 3. **Weekend Shift Premiums.** Employees will be paid a shift premium as follows on weekends (work performed beginning to Friday at 10:01 p.m. to Sunday at 9:59 p.m.):

- \$2.00/hour for afternoon (second) shift, and
- \$4.00/hour for midnight (third) shift.

Section 4. There shall be no pyramiding of overtime and any other pay premiums provided under this Agreement. The shift premiums set forth in Sections 2 and 3 will be paid on top of the overtime premium set forth in Section 1 (i.e., not added to the base rate).

ARTICLE 10 PAID TIME OFF AND LEAVES OF ABSENCE

Section 1. Bargaining unit employees shall be entitled to paid time off (including Holidays, vacation, and paid sick leave) as well as leaves of absence (including funeral leave, leave for jury duty and witness services, sickness and injury leave, pregnancy leave, leaves of absence for family and newborn care, unpaid personal leave, or any other leave) in accordance with applicable law and on the same terms and conditions as non-bargaining unit employees.

Section 2. Leaves of absence without pay for Union business, not to exceed two (2) days, shall be granted by the Company to employees who have completed one (1) year of service, provided the request is made at least sixty (60) days in advance of the beginning of the leave. Not more than one (1) employee may be on Union Leave at any time without the consent of the Company.

Section 3. In the event the Company decides to make changes to benefits covered in this Article, the Company will provide at least thirty (30) days' written notice to the Union, and upon request will meet with the Union to discuss the changes.

The Parties agree to include an addendum to the CBA that specifies current benefit levels under this Article, including but not limited to, the following:

- a) Holidays. All non-probationary full-time employees shall be paid for the following holidays: New Year's Day, Martin Luther King, Jr. Day, Memorial Day, Juneteenth, Fourth of July, Labor Day, Thanksgiving Day, Day After Thanksgiving, Christmas Day, any regular weekdays which fall between Christmas and New Year's Day, and New Year's Day. Eligible employees will be paid eight (8) hours at straight-time for each holiday, provided the employee works all scheduled hours on the work days immediately preceding and following the holiday. Holiday pay shall not be counted hours worked for the purpose of computing overtime pay a work week that includes a holiday.

The Employer may operate its facility, at its sole discretion, on any of the holidays recognized by this Agreement. When an employee works on a holiday, the employee will be paid time and one-half (1.5x) the employee's regular straight-time base rate of pay, in addition to the holiday pay provided herein, and any other applicable premiums.

b) Vacation. Full-time employees will be entitled to vacation with pay as follows:

<u>Years of Service</u>	<u>Vacation Accrual per Semi-Monthly Pay Period</u>	<u>Annualized Vacation Accrual</u>
0 to <5	3.33 hours	80 hours (10 days)
5 to <10	5 hours	120 hours (15 days)
10 to <15	6.67 hours	160 hours (20 days)
>15	8.33 hours	200 hours (25 days)

- c) Paid Sick Leave. Accrue 1 hour of paid sick leave for every 30 hours worked, up to a maximum of 48 hours in a calendar year.
- d) Bereavement leave - Up to three (3) paid days of bereavement leave for the death of an "immediate family member" (as defined below), and one (1) paid day of bereavement leave to attend the funeral of a "non-immediate family member" (as defined below under "Other"). For purposes of this policy, "immediate family member" means an employee's spouse, domestic or civil- union partner, parent, stepparent, sibling, child, stepchild, grandparent, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or grandchild. It also includes the child or parent of an employee's domestic or civil-union partner. "Other" is defined as aunt, uncle, niece, nephew, and step-grandparent. For any relationship not specifically outlined, the employee may discuss with their manager their need for time-off to attend the funeral service. This time off will be considered by the employee's manager on a case-by-case basis.
- e) Leaves of absence for newborn care – 16 weeks paid for primary caregiver, and 8 weeks paid for secondary caregiver
- f) Jury duty - Absences from work in response to a summons for jury duty are excused absences. Full-time and part- time employees will receive their regular compensation for those hours and days on which they were scheduled to work, but instead served on a jury, up to a maximum of two (2) weeks. If period of jury service extends beyond the period of paid leave, the employee may use available vacation leave.

ARTICLE 13 MANAGEMENT RIGHTS

The parties agree that the efficiency of the Company requires clear management authority and freedom to make decisions and to operate its business in an efficient manner. It is further understood and agreed that this Agreement constitutes the whole Agreement of the parties concerning wages, hours and working conditions and that all decisions on matters not expressly provided for in this Agreement are reserved exclusively to the Company. All management rights, powers, authority and functions, whether heretofore or hereafter exercised, and regardless of the frequency or infrequency of their exercise, shall remain vested exclusively in the Company except to the extent specifically surrendered by the express provisions of this Agreement and so long as the Company does not exercise such

rights, powers, authority or functions contrary to the terms of this Agreement. It is expressly recognized that such rights, powers, authority and functions include, but are not limited to, the right to establish, change, rescind, and enforce reasonable and necessary rules, regulations, policies, procedures and practices; to schedule hours of operation; ~~and to determine hours of~~ work, including to scheduleing and requireing overtime, and to direct and schedule the work force; to hire, promote, demote, transfer, lay off, assign, reassign, and direct employees; to establish, modify, rescind, and enforce attendance policies and rules; to reprimand, suspend, discharge and otherwise discipline employees for just cause; to increase or decrease the working force; to determine the number of departments, the number of employees within any department, and the work to be performed therein, job content and duties, the employees to perform the work, the methods to be employed, and reasonable work requirements and standards; to maintain efficiency; to establish, expand, reduce, alter, consolidate or abolish any ~~job classification, operation or service~~; to determine staffing requirements; to utilize part-time and temporary employees; to control and regulate the use of facilities, supplies, equipment and other property; to determine the scope of the Company's operation and the number, location and operation of its facilities; to determine the qualifications required of the work force; to introduce new or improved methods of operations regardless of whether or not the same cause a reduction in the work force; to determine the equipment and uniforms used by employees; to subcontract; the right to terminate, discontinue, merge, consolidate, sell, relocate or otherwise transfer its business or any part thereof despite any consequent reduction or other change in the work force; ~~to perform drug and/or alcohol testing as deemed appropriate and~~ to establish rules and procedures for administering drug and alcohol tests of employees; to determine the number of supervisors and other jobs or positions outside of the bargaining unit covered by this Agreement, and the right to determine the means of selection, transfer and promotion of employees to said positions and jobs (provided no employee may be transferred or promoted out of the bargaining unit without the employee's consent); to maintain, install, and utilize video equipment in work areas and around the exterior of the facility as the Company determines is necessary to promote safety, efficiency, and good conduct; to determine the materials and equipment to be utilized; to reasonably establish and/or modify acceptable performance levels by employees; to provide for safety and health; to vary from past practices; and to otherwise maintain and improve efficiency, safety, and productivity.

The Company's failure to exercise any prerogative or function hereby reserved to it, or the Company's exercise of any such prerogative or function in a particular way, shall not be considered a waiver of the Company's right to exercise such prerogative or function or preclude it from exercising the same in some other way not in conflict with the express provisions of this Agreement. All management rights not curtailed or surrendered by this Agreement are reserved to the Company, and without requirement of further bargaining.

ARTICLE 24

NO STRIKES, WORK STOPPAGES, OR LOCKOUTS

Section 1. During the term of this Agreement or any extension thereof, neither the Union, its officers, agents, members or any employee will authorize, instigate, aid, condone, participate in, or engage in any form or type of strike, sympathy strike, work stoppage, slow down, boycott, picket line, bannering, coordinated refusal

to work overtime, refusal to cross any picket line or any other interruption, refusal, cessation or interference with the Company's work or operations, regardless of the purported cause or reason for such action. The Union will actively discourage and endeavor by using all reasonable means at its disposal to prevent or terminate any such action. If there is a violation of this Section 1 by any employee(s), the Union, through its officers, shall issue a written public statement that such action is unauthorized and a violation of this Agreement immediately after learning or becoming aware of it, shall publicly and personally in writing order all employees and/or persons engaged in such conduct to stop the prohibited conduct, and shall use and continue to use reasonable efforts to immediately stop the prohibited conduct.

Section 2. Any employee or group of employees who engage in any of the activities prohibited by Section 1 of this Article may be discharged or otherwise disciplined. It is expressly understood that the Company in administering discipline, including discharge, for violations of Section 1 of this Article, may distinguish between leaders and other participants if it deems appropriate. Discipline issued under this Section 2 is subject to the grievance and arbitration procedure of this Agreement. If the Arbitrator determines the employee in question participated in a violation of Section 1 of this Article, the Arbitrator will not have jurisdiction to consider the reasonableness of the discipline imposed or to modify the Company's disciplinary decision.

Section 3. During the term of this Agreement or any extension thereof, the Company will not cause, permit, or engage in any lockout of employees.

ARTICLE 31 HEALTH BENEFITS

Bargaining unit employees shall be entitled to health insurance benefits (including medical, vision, dental, disability, and other types of health and welfare benefits insurance coverage) on the same terms and conditions as non-bargaining unit employees.

In the event the Company decides to make changes to benefits covered in this Article, the Company will provide at least thirty (30) days' written notice to the Union, and upon request will meet with the Union to discuss the changes.

ARTICLE 32 RETIREMENT

Bargaining unit employees shall be entitled to participate in the Company's 401k plan (the "Plan") upon the same terms and conditions as non-bargaining unit employees, including with respect to the Company's match on employee contributions. The Company reserves the right to make changes to the Plan, and the Company will provide notice of any such changes to the Union.

In the event the Company decides to make changes to benefits covered in this Article, the Company will provide at least thirty (30) days' written notice to the Union, and upon request will meet with the Union to discuss the changes.

ARTICLE __ TERM OF AGREEMENT

Section 1. This Agreement shall be in full force and effect beginning at 10:00 pm on [the first Sunday following ratification] and shall remain in full force and effect until 10:00 pm on [the Sunday that is three (3) years later] and shall automatically be renewed from year to year thereafter unless either party desires to change or terminate at the expiration. In such event, the party desiring such change or termination shall notify the other party in writing no less than sixty (60) days prior to the expiration date.

Section 2. In the event that, during the term of this Agreement, the Company exercises its right to reduce benefits in Article 10 regarding Paid Time Off and Leaves of Absence, and such reduction is material, the Union shall have the right to reopen this Agreement. For purposes of this provision, "material" means at least a 2% reduction in the value of paid time off or leave benefits provided to bargaining unit employees as compared with such benefits provided at the inception of this Agreement. If the Parties fail to reach an agreement during reopener negotiations, this Agreement will remain in full force and effect for the remainder of the term of this Agreement.

OTHER TERMS AND CONDITIONS

Side letter for one-time ratification bonus – Provided the parties' overall tentative agreement is ratified on or before March 8, 2024, the Company will agree to pay to each active employee who is employed as of February 27, 2024 a ratification bonus, payable within twenty-one (21) days of ratification, as follows:

1. Employees hired on or before January 1, 2023 - \$1,000 for full-time employees, and \$500 for part-time employees;
2. Employees hired after January 1, 2023 and on or before July 1, 2023 - \$500 for full-time employees, \$250 for part-time employees;
3. Employees hired after July 1, 2023 and on or before December 31, 2023 - \$250 for full-time employees, \$125 for part-time employees.