

**CB COLLECTIVE, INC.**  
**A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**MEMBERSHIP AGREEMENT**

**THIS MEMBERSHIP AGREEMENT** (the "Agreement") is by and between the undersigned ("Member") and **CB Collective, Inc. dba "Canna Best"** (the "Collective").

**I. PREAMBLE**

On November 6, 2009, the people of the State of California enacted the Compassionate Use Act of 1996 (the "Act") in order to allow seriously ill residents of the State who have either the oral or written approval or recommendation of a licensed physician to use cannabis for medical purposes without fear of criminal liability under Sections 11357 and 11358 of the California Health and Safety Code (the "Code"). The Act is codified in Section 11362.5 of the Code.

To clarify the scope of the application of the act and to facilitate the prompt identification of qualified patients in order to avoid unnecessary arrest and prosecution of those individuals entitled to protection under the Act, the California legislature enacted Senate Bill 420, codified in Sections 11362.7 *et seq.* of the Code.

The declared intent of the legislature by enacting Senate Bill 420 was to enhance the access of patients and caregivers to medical cannabis through the collective, cooperative cultivation of medical cannabis. Accordingly, Section 11326.775 of the Code states that Qualified patients, persons with valid identification cards and the designated Primary Caregivers of qualified patients and persons with identification cards, who associate within the State of California in order to collectively or cooperatively cultivate cannabis for medical purposes shall not solely on the basis of that fact be subject to State criminal sanctions under Sections 11357,11358, 11359,11360, 11366, 11366.5, or 11570 of the Code.

CB Collective, Inc., dba Canna Best is a nonprofit mutual benefit corporation that was organized by qualified medical cannabis patients and their primary caregivers for the purpose of collectively operating and maintaining the cultivation, acquisition and/or distribution of medical cannabis to qualified patients for medical purposes pursuant to Section 11362.7, *et seq.* of the Code as provided for specifically by Section 11362.775 of the Code.

It is the intent of this Membership Agreement that the undersigned applicant for Membership of this Collective be a qualified patient or primary caregiver pursuant to the applicable Sections of the Code and that after such applicant has been accepted for Membership, the Member shall be bound by and strictly adhere to the terms and conditions set forth herein.

**II. THE COLLECTIVE PURPOSE**

The purpose of the Collective is to:

- (A) Collectively and cooperatively cultivate, acquire, possess and distribute medical cannabis by and between the Members of the Collective;
- (B) To provide Members safe and affordable access to medical cannabis without fear of criminal liability;
- (C) To provide for the safe and affordable distribution of medical cannabis to the Members;
- (D) To establish collective cultivation projects and to distribute the product of such projects;
- (E) To facilitate natural herbal remedies for chronically ill Californians with HIV, AIDS, chronic pain, chronic spasticity, glaucoma, arthritis, cancer, migraine, wasting syndrome, and/or such other conditions for which licensed medical physicians may recommend various remedies;
- (F) To collect, compile and conduct new research and a continuous record and history of herbal and alternative remedies and to make such records available for research, study and interpretative use;
- (G) To facilitate the allocation of the costs and benefits of this effort, including the allocation of reasonable compensation for services rendered amongst those associated with the corporation as authorized under California Health and Safety Code§11362.5, 11362.7, *et seq.* and the California Attorney General's Guidelines; and
- (H) To support the local charitable organizations which serve those individuals who are afflicted with the severe medical conditions for which medicinal cannabis is authorized by the State of California.
- (I) To promote public awareness of the issues relating to medical cannabis and to effect and influence legislative and regulatory agencies to promote laws, rules, regulations and policies beneficial to the Collective and its Members.

**III. DUTIES AND OBLIGATIONS OF MEMBERSHIP**

Each Member shall be a resident of the state of California and a qualified medical cannabis patient pursuant to California Health and Safety Code Sections 11362.5 and 11362.7, *et seq.* Each Member shall carry on his/her person an original written recommendation by a licensed physician and shall produce such original written recommendation upon request by Collective Management. Such recommendation will be verified by the Collective Management prior to the Member being granted membership rights. Such written recommendation shall be valid for a term of no more than twelve (12) months and upon expiration without renewal, membership rights will automatically terminate.

No applicant for membership shall be granted membership status and rights until and unless such applicant executes this membership agreement and produces proof of valid California residency. Proof may be made via the production of a valid California driver's license, a valid California identification card or a valid US Passport. Such proof of identification shall be maintained by the Collective as part of its membership records. Such records shall not be disclosed or released to third parties by the Collective Management unless expressly authorized in writing by the member or by order of a court of competent jurisdiction or as required by the laws of the State of California.

Each Member agrees that he/she will at all times abide by the terms and conditions of this membership agreement and that any breach of this agreement may result in the immediate termination of membership rights. Such termination determination shall be made by the Collective Management at their sole discretion.

Each Member agrees that the distribution and/or resale of any medical cannabis product acquired from the Collective to any non-Member of the Collective shall result in immediate termination of Membership rights.

It is understood by the Members herein that one or more Members may cultivate medical cannabis for the benefit of the Collective and that the costs and expenses associated with such cultivation and processing and the subsequent distribution to Members shall be borne by the Collective on a pro rata basis.

The pro rata share of expenses and costs shall be calculated by the Collective Management to provide for the following:

- a. the costs of acquisition, cultivation, processing, transporting, distributing, and/or delivery of medical cannabis to the membership;
- b. for salary and other compensation for services rendered to the Collective by the Collective Management and employees;
- c. for costs associated with rent, utilities, or other fixed or variable expenses associated with the operation of any and all locations of the Collective;
- d. for costs and expenses advanced on behalf of the Collective that inure to the benefit of the Collective;
- e. for any such debt or obligation incurred by the Collective on its behalf and for its benefit;
- f. for a charitable fund to be distributed on a regular basis as directed by Collective Management to such charitable organizations that serve the needs of the local community and for research and development into the cause and cure for those ailments for which medicinal cannabis is authorized by the State of California; and
- g. reserve funds for potential legal (civil and/or criminal) liabilities of the Collective and or the Collective Management or employees thereof.

Members acknowledge and agree that his/her pro rata payment shall be made by the Member at each individual event of acquisition of such Members' medical cannabis requirement from the Collective and that each Member's individual requirements will vary according to his/her specific medical condition.

Each Member is advised to research marijuana as medicine, and to consult with his/her doctor as to dosage and frequency of medication. Members are responsible for following these guidelines. You are responsible to use and not to abuse medicine. If the Collective Management has any indication any Member is abusing their medicine the Collective Management will refuse service and will terminate that Member's membership.

Each Member understands that loitering on or around the Collective's location is prohibited by Cal. Penal Code section 647(e). Accordingly, each Member, as a condition of membership, agrees to leave their friends, even fellow patients, at home, and will not under any circumstance be on the premises of the Collective with friends waiting in a car.

Any Member of law enforcement who is a bona fide patient must, disclose the fact that he/she is a Member of law enforcement prior to being granted membership rights. Otherwise, by executing this agreement and as a condition of membership, you promise, state and affirm, under penalty of perjury under the laws of the State of California, that you are not a Member of, affiliated with, nor employed by any law enforcement department, entity, or agency.

The Collective Management reserves the right to refuse service to anybody at any time for any reason or no reason whatsoever.

#### **IV. DUTIES AND OBLIGATIONS OF THE COLLECTIVE MANAGEMENT**

The Collective Management shall be elected pursuant to the Bylaws of the Collective. The Collective Management shall include all officers and directors of the Collective.

It shall be the duty and obligation of the Collective Management to operate in good faith the affairs, financial, charitable or otherwise, of the Collective and to keep and maintain in accordance with generally accepted accounting principles, adequate and correct accounts of the properties and transactions of the Collective, including accounts of its assets, liabilities, receipts and disbursements.

Furthermore, it shall be the duty and obligation of the Collective Management to enforce, abide by and to defend the terms and conditions of this Membership agreement and the Bylaws of the Collective.

The Collective Management shall be authorized to prosecute or defend any legal action in any court of proper jurisdiction on behalf of and for the benefit of the Collective. The Members agree that the Collective Management shall be entitled to reimbursement for costs and reasonable compensation for services rendered on behalf of the Collective.

The Members agree that the Collective shall defend and hold harmless the Collective Management or its employees from any and all civil or criminal liability resulting from any action taken on behalf of or for the benefit of the Collective or for the results or consequences of any conduct undertaken during the course and scope of services rendered to the Collective, excepting intentional tortious conduct resulting in harm to third persons or employees of the Collective.

#### **V. WAIVER OF LIABILITIES AND RIGHTS**

As a condition of membership, and/or by utilizing such medicine/herbal cannabis and related products as you may obtain, you, your heirs and those with you expressly and forever disclaim the warranty of merchantability and the warranty of fitness for particular purpose.

Any product obtained at any facility of the Collective may be inspected prior to delivery, however since medical purity so requires, all transactions are final. The medicinal cannabis and related products are offered solely on an AS IS basis with no warranty whatsoever.

Each Member understands that cannabis/marijuana may impair a person's ability to drive a vehicle or operate machinery.

As a condition of membership, and/or by utilizing such medicine/herbal cannabis and related products as you may obtain, you, your heirs and those with you expressly and forever waive any and all claims now known, or discovered at any time in the future due to, related to or arising from your use, storage or handling of cannabis or any other product/herb/food/oil/concentrate you may obtain at our facility.

As a condition of membership, and/or by utilizing such medicine/herbal cannabis and related products as you may obtain, you, your heirs and those with you expressly and forever release our collective, its Members, landlord, operators, managers, employees, agents, attorneys, growers, providers, wholesalers, officers, directors, from and against any and all lawsuits, alter-ego lawsuits, demands, charges or claims with reference to the strength, potency, purity, toxicity, appropriateness for your condition of any cannabis and related products you may obtain at our facility; further, that you knowingly waive the provisions of civil code section 1542 which states in pertinent part that "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

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**MEMBERSHIP APPLICATION**

I have read and agree to the above rules and conditions of Membership and hereby apply for Membership of this Collective.

I certify under penalty of perjury under the laws of the State of California, that I am a resident of the State of California and have been diagnosed with a serious illness for which cannabis provides relief and that I have received a recommendation or an approval from my licensed California physician to use cannabis medicinally.

I authorize the Collective to contact my physician and I authorize my physician to verify my recommendation to the Collective.

I agree that I will consistently rely upon the Collective as the exclusive source of my medicinal cannabis.

I understand that so long as I comply with the above rules and conditions of Membership, my Membership shall remain in effect until the expiration of my recommendation or until I revoke my Membership in writing by certified mail, return receipt requested, whichever comes first.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip Code: \_\_\_\_\_

E-mail: \_\_\_\_\_

Phone: \_\_\_\_\_

\_\_\_\_\_ [for internal office use only] \_\_\_\_\_

Recommendation verified by: \_\_\_\_\_

Date: \_\_\_\_\_

Membership Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

Membership/Verification Expiration Date: \_\_\_\_\_

MID # \_\_\_\_\_

**CB COLLECTIVE, INC, dba CANNA BEST**  
**A CALIFORNIA NON-PROFIT MUTUAL BENEFIT CORPORATION**

**MEMBER PROXY AND BALLOT**

I, \_\_\_\_\_ (Print Name), being a member of this Non-Profit Mutual Benefit Corporation (the "Collective") and entitled to attend and vote at the Annual General Meeting of the Members, hereby appoint:

The Chairman of the Meeting (mark box)

OR

If you are not appointing the Chairman of the Meeting as your proxy, please write the name of the person you are appointing as your proxy:

as my proxy to act generally at the meeting on my behalf and to vote in accordance with the following instructions (or if no instructions have been given, as the proxy sees fit) at the Annual General Meeting of the Members of the Collective and at any adjournment of that meeting.

**I hereby instruct my proxy to vote as follows:**

**Proxies will only be valid and accepted by the Collective if they are signed and received no later than 48 hours before the meeting. The Chairman of the Meeting intends to vote undirected proxies in favor of all items of business.**

**Signed:** \_\_\_\_\_

**Dated:** \_\_\_\_\_