

SETTLEMENT AGREEMENT AND RELEASE

This SETTLEMENT AGREEMENT (hereinafter "Agreement") fully sets forth the terms of the settlement by and between AMERICANS FOR SAFE ACCESS, MARY JANE WINTERS, TIFFANY SIMPSON, ANTHONY BOWLES, JAMES HAGGARD, SHANNON STANSBERRY, KATHLEEN HONZIK, DOES 1 - 2, and defendants CALIFORNIA HIGHWAY PATROL (CHP), ARNOLD SCHWARZENEGGER, Governor of California, and MIKE L. BROWN, Commissioner of California Highway Patrol, collectively referred to as the "Parties." The Parties agree as follows:

RECITALS

A. Plaintiffs have pending in Alameda County Superior Court (Case Number RG05198364) a verified complaint for declaratory relief, preliminary injunction, and permanent injunction, hereafter referred to as the "Action." Plaintiffs' Action seeks to determine the legality of the CHP's policy regarding medical marijuana. The Action is attached to this Agreement as Exhibit "A."

B. On August 22, 2005, the CHP implemented a revised medical marijuana policy that addresses the concerns raised in the Action. This current policy is attached to this Agreement as Exhibit "B" and hereinafter is referred to as the "Medical Marijuana Policy."

C. Despite the CHP's revised medical marijuana policy, Plaintiffs remain concerned that the CHP might reinstate the abandoned policy challenged by this action. Additionally, Plaintiffs are concerned that some uniformed CHP officers may not understand the current Medical Marijuana Policy.

D. In order to resolve the substance of this Action without further litigation, the Parties have agreed that the CHP will keep the current Policy in place for a period of time, as specified below, and the CHP will provide uniformed field officers with a clarification of how the Medical Marijuana Policy is to be applied. In exchange for these actions by the CHP, Plaintiffs agree to fully and finally settle (with the exception of attorney fees) any and all past, existing, and or potential claims encompassed by the Action.

E. Expressly not included in this Agreement is any determination of whether or not Plaintiffs are entitled to attorneys' fees. Plaintiffs' entitlement to attorney fees, if any, will be resolved by the court if the parties cannot resolve the issue informally. In order to allow the Parties an opportunity to resolve this issue without further litigation, this agreement extends the time in which Plaintiffs may bring a motion for attorney fees.

AGREEMENT

In consideration of the mutual terms, covenants, conditions and releases of this Settlement Agreement, the Parties hereto agree as follows:

CLARIFICATION OF MEDICAL MARIJUANA POLICY:

1. Within 15 days of the Effective Date of this Agreement, the CHP will issue a policy clarification to all commands for distribution to all uniformed officers. The Policy clarification will reiterate that under the CHP's Medical Marijuana Policy officers may accept documents other than just the state-issued medical marijuana identification cards as evidence of an entitlement to use medical marijuana. In particular, officers may accept written recommendations from a licensed physician and identification cards from another government entity (e.g., city/county identification card).

COMMITMENT TO MAINTAIN MEDICAL MARIJUANA POLICY:

2. The CHP will not amend or modify the Medical Marijuana Policy for four years, unless a change in law requires that a change be made. This four year period shall run from the date the Medical Marijuana Policy was effective, August 22, 2005, and shall expire on August 21, 2009.

3. A change in law means a change in the California Constitution, a state statute or a decision by a state or federal court of appeal that directly impacts California's medical marijuana laws in a way that requires that the CHP modify the Medical Marijuana Policy in order to remain consistent with applicable laws. The CHP may also modify the Medical Marijuana Policy if a state or federal trial court compels a modification of the policy with an injunction.

4. Decisions regarding the day-to-day interpretation and application of the Medical Marijuana Policy shall remain a matter for CHP discretion. Likewise, the CHP has discretion to make a good faith determination as to whether a "change in law" has occurred consistent with the terms of this Agreement. If, based on a change in the law, the CHP changes the Medical Marijuana Policy before August 21, 2009, the CHP will mail a courtesy copy to Americans for Safe Access 15 days before the policy change becomes effective. The courtesy copy will be mailed to the following address:

**Americans for Safe Access
Attn: General Counsel
1322 Webster Street, Suite 208
Oakland, California 94612**

SETTLEMENT AND RELEASE OF ALL SUBSTANTIVE CLAIMS:

5. Plaintiffs recognize that this Agreement fully and finally settles any and all past, existing, and or potential claims encompassed by the Action.

DISMISSAL OF ACTION:

6. Plaintiffs agree to dismiss the Action, in its entirety and with prejudice, within five days of the Effective Date of this Agreement. Likewise, Plaintiffs agree to serve a Notice of Entry of Dismissal within 10 days of the Effective Date of this Agreement.

TIME FOR PLAINTIFFS TO FILE A MOTION FOR ATTORNEY FEES:

7. Consistent with California Rules of Court, rule 870.2, the Parties hereby stipulate that Plaintiffs may have an additional 60 days to file a motion for attorney fees – if such a motion becomes necessary. Accordingly, Plaintiffs shall have 120 days from the date of service of the Notice of Entry of Dismissal.

EFFECTIVE DATE OF AGREEMENT:

8. This Agreement is effective when signed by representatives for all parties.

VALIDITY OF SIGNATURES:

9. For the purposes of executing this Agreement, signatures transmitted by facsimile shall have the full force and effect of an original signature.

The undersigned have read the foregoing Agreement and accept and agree to the provisions contained therein and hereby execute it voluntarily and with full understanding of its consequences, and further warrant that they have the authority to sign this Agreement on behalf of the respective entity.

Dated: April 19, 2006

California Highway Patrol & California Highway Patrol
Commissioner Mike Brown



JONATHAN S. ROTHMAN, General Counsel

Dated: April ____, 2006

Arnold Schwarzenegger, Governor of California

ANDREA L. HOCH, Legal Affairs Secretary

Dated: April ____, 2006

Americans for Safe Access, Mary Jane Winters, Tiffany Simpson, Anthony Bowles, James Haggard, Shannon Stansberry, Kathleen Honzik, John Doe 1, and John Doe 2

JOSEPH D. ELFORD, Attorney for Plaintiffs

APPROVED AS TO FORM:


Dated: April ____, 2006

Americans for Safe Access

JOSEPH D. ELFORD, Attorney for Plaintiffs

Dated: April 16, 2006

OFFICE OF THE ATTORNEY GENERAL



JONATHAN K. RENNER
Deputy Attorney General, Attorney for Defendants

The undersigned have read the foregoing Agreement and accept and agree to the provisions contained therein and hereby execute it voluntarily and with full understanding of its consequences, and further warrant that they have the authority to sign this Agreement on behalf of the respective entity.

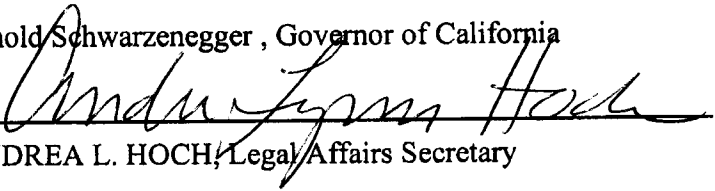
Dated: April _____, 2006

California Highway Patrol & California Highway Patrol
Commissioner Mike Brown

JONATHAN S. ROTHMAN, General Counsel

Dated: April 12, 2006

Arnold Schwarzenegger, Governor of California



ANDREA L. HOCH, Legal Affairs Secretary

Dated: April _____, 2006

Americans for Safe Access, Mary Jane Winters, Tiffany Simpson, Anthony Bowles, James Haggard, Shannon Stansberry, Kathleen Honzik, John Doe 1, and John Doe 2

JOSEPH D. ELFORD, Attorney for Plaintiffs

APPROVED AS TO FORM:

Dated: April _____, 2006

Americans for Safe Access

JOSEPH D. ELFORD, Attorney for Plaintiffs

Dated: April 16, 2006

OFFICE OF THE ATTORNEY GENERAL



JONATHAN K. RENNER

Deputy Attorney General, Attorney for Defendants

The undersigned have read the foregoing Agreement and accept and agree to the provisions contained therein and hereby execute it voluntarily and with full understanding of its consequences, and further warrant that they have the authority to sign this Agreement on behalf of the respective entity.

Dated: April ____, 2006 California Highway Patrol & California Highway Patrol
Commissioner Mike Brown

JONATHAN S. ROTHMAN, General Counsel

Dated: April ____, 2006 Arnold Schwarzenegger, Governor of California

ANDREA L. HOCH, Legal Affairs Secretary

Dated: April 11, 2006 Americans for Safe Access, Mary Jane Winters, Tiffany Simpson, Anthony Bowles, James Haggard, Shannon Stansberry, Kathleen Honzik, John Doe 1, and John Doe 2

Joseph D. Elford

JOSEPH D. ELFORD, Attorney for Plaintiffs

APPROVED AS TO FORM:

Dated: April 11, 2006 Americans for Safe Access

Joseph D. Elford

JOSEPH D. ELFORD, Attorney for Plaintiffs

Dated: April 16, 2006

OFFICE OF THE ATTORNEY GENERAL
Jonathan K. Renner

JONATHAN K. RENNER
Deputy Attorney General, Attorney for Defendants

FINAL SETTLEMENT AGREEMENT & RELEASE

This FINAL SETTLEMENT AGREEMENT (hereinafter "Final Agreement") fully sets forth the terms of the final settlement between AMERICANS FOR SAFE ACCESS ("ASA"), MARY JANE WINTERS, TIFFANY SIMPSON, ANTHONY BOWLES, JAMES HAGGARD, SHANNON STANSBERRY, KATHLEEN HONZIK, DOES 1-2, and defendants CALIFORNIA HIGHWAY PATROL ("ASA"), ARNOLD SCHWARZENEGGER, Governor of California, and MIKE L. BROWN, Commissioner of the California Highway Patrol, collectively referred to as "Parties." The Parties agree as follows:

RECITALS

- A. Plaintiffs filed a verified complaint for declaratory relief, preliminary injunction, and permanent injunction in the Alameda County Superior Court (Case Number RG0519364), hereinafter referred to as the "Action."
- B. On or about April 20, 2006, the parties executed a Settlement Agreement and Release, which required the CHP to perform certain actions in exchange for the settlement of the claims encompassed by the Action, with the exception of attorney fees. In particular, Paragraphs E and 7 of the Settlement Agreement and Release enlarged the period of time for plaintiffs to file a motion for attorney fees, if the parties could not resolve the issue informally.
- C. The parties have reached an agreement on attorney fees, which will fully and finally settle this matter and renders a motion for attorney fees unnecessary.

AGREEMENT

In consideration of the mutual terms, covenants, conditions and releases of this Final Settlement Agreement, the Parties hereto agree as follows:

Attorney Fees

1. Within 5 days from the Effective Date of this Agreement, counsel for the CHP will deliver a check payable to Americans for Safe Access in the amount of \$75,000.00 as full and final payment of attorney fees in this matter. This check will be delivered to the following address:

Attn: Joe Elford
Americans for Safe Access
1322 Webster Street, Suite 402
Oakland, California 94612

Release of All Claims to Attorney Fees and Costs

2. In exchange for this payment of \$75,000.00 in attorney fees, plaintiffs and their counsel relinquish any and all claims for fees and costs, including, but not limited to, attorney fees, in this matter. Specifically, plaintiffs recognize that this Final Agreement fully and finally settles any claims to attorney fees and they will not file a motion for fees under Rule 870.2 of the California Rules of Court.

Settlement Agreement and Release

3. This Final Agreement does not modify the Settlement Agreement and Release, executed on or about April 20, 2006, in any way, except that it resolves the issue of attorney fees and costs. All obligations arising under the Settlement Agreement and Release, executed on or about April 20, 2006, remain in full force and effect.

Effective Date of Agreement

4. This Final Agreement is effective when signed by representatives for all parties.

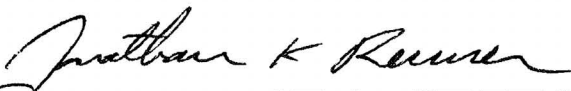
Validity of Signatures

5. For the purposes of executing this Final Agreement, signatures transmitted by facsimile shall have the full force and effect of an original signature.

The undersigned have read the foregoing Final Agreement and accept and agree to the provisions contained therein and hereby execute it voluntarily and with the full understanding of its consequences, and further warrant that they have the authority to sign this Final Agreement on behalf of the respective entity.

Dated: October 6, 2006


OFFICE OF THE ATTORNEY GENERAL



JONATHAN K. RENNER
Deputy Attorney General, Attorney for Defendants

Dated: October 6, 2006

AMERICANS FOR SAFE ACCESS



JOSEPH D. ELFORD
Chief Counsel, Attorney for Plaintiffs