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BUSINESS AND PROFESSIONS CODE - BPC

DIVISION 10. Cannabis [26000 - 26325] (*Heading of Division 10 amended by Stats. 2017, Ch. 27, Sec. 3.*)

CHAPTER 22. Cannabis Cooperative Associations [26220 - 26231.2] (*Chapter 22 added by Stats. 2017, Ch. 27, Sec. 107.*)

ARTICLE 10. Marketing Contracts [26230 - 26230.3] (*Article 10 added by Stats. 2017, Ch. 27, Sec. 107.*)

26230. The association and its members may make and execute marketing contracts that require the members to sell, for any period of time, but not over 15 years, all or a specified part of a cannabis product exclusively to or through the association, or a facility that is created by the association. If the members contract a sale to the association, title to the cannabis product passes absolutely and unreservedly, except for recorded liens, to the association upon delivery or at another specified time that is expressly and definitely agreed in the contract.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26230.1. Notwithstanding any provisions of the Civil Code, a contract that is entered into by a member or stockholder of an association that provides for the delivery to the association of a cannabis product that is produced or acquired by the member or stockholder may be specifically enforced by the association to secure the delivery to it of the cannabis product.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26230.2. The bylaws or a marketing contract may fix, as liquidated damages, specific sums to be paid by the member or stockholder to the association upon the breach by him or her of any provision of the marketing contract regarding the sale or delivery or withholding of a cannabis product and may provide that the member will pay all costs, premiums for bonds, expenses, and fees, if any action is brought upon the contract by the association. These provisions are valid and enforceable in the courts of this state. The clauses that provide for liquidated damages are enforceable as such and shall not be regarded as penalties.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)

26230.3. If there is a breach or threatened breach of a marketing contract by a member, the association shall be entitled to an injunction to prevent the further breach of the contract and to a decree of specific performance of the contract. Pending the adjudication of the action and upon filing a verified complaint that shows the breach or threatened breach, and upon filing a sufficient bond, the association shall be entitled to a temporary restraining order and preliminary injunction against the member.

(Added by Stats. 2017, Ch. 27, Sec. 107. (SB 94) Effective June 27, 2017.)