

CHAPTER 138.

[S. B. 47.]

MARKETING ASSOCIATION CONTRACTS.

AN ACT relating to marketing contracts and injunctions against the breach thereof, and amending Section 15 of Chapter 115 of the Laws of 1921.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. That section 15 of chapter 115 of the Laws of 1921, pages 365-366, (section 2892 of Remington's Compiled Statutes) be amended to read as follows: § 15, Ch. 115, L. 1921; § 2892, Rem. Stats.; § 134-46, Pierce's 1923 Code.

Section 15. The association and its members may make and execute marketing contracts, requiring the members to sell, for any period of time not over ten years, all or any specified part of their agricultural products or specified commodities exclusively to or through the association or any facilities to be created by the association. The contract may provide that the association may sell or re-sell the products of its members, with or without taking title thereto; and pay over on a proportional basis or otherwise to its members the re-sale price, after deducting all necessary selling, overhead and other costs and expenses, including interest on preferred stock, not exceeding eight per cent per annum, and reserves for retiring the stock, if any; and other proper reserves; and interest not exceeding eight per cent per annum on common stock: *Provided*, That the form of such contract shall be approved by the director of agriculture, and shall state the maximum amount of any such reserves to be deducted from the sale price of the products of the members of such association: *Provided further*, That said contract shall contain a date upon which settlement will be made between the association and each of its

Marketing contracts.

Sale to or through association exclusive.

Form of contract to be approved by director.

Date of settlement with members.

Damages if contract breached.

Injunction to prevent breach.

Bond.

Restraining order.

members for the crop or product marketed by said association during the preceding marketing season, which date shall not be later than July 1st following the year in which any such crop or product has been produced. The by-laws and the 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 of any provision of the marketing contract regarding the sale or delivery or withholding of products; and may further provide that the member will pay all costs, premiums for bonds, expenses and fees in case any action is legally maintained under the contract by the association; and any such provisions shall be valid and enforceable in the courts of this state. In the event of any such breach or threatened breach of such 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 thereof. Pending the adjudication of such an action and upon filing a verified complaint showing the breach or threatened breach, and upon filing a sufficient bond, the association shall be entitled to a temporary restraining order and after notice and hearing, to a temporary injunction against the member.

Passed the Senate January 12, 1927.

Passed the House January 27, 1927.

Approved by the Governor February 16, 1927.