



Ohio Revised Code

Section 1729.24 Effect of self-dealing.

Effective: August 5, 1998

Legislation: House Bill 600 - 122nd General Assembly

(A) Unless otherwise provided in an association's articles of incorporation or bylaws:

(1) No contract or transaction between an association and one or more of its directors or officers, or between the association and any other person in which one or more of the association's directors or officers, are directors or officers, or have a financial or personal interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the board or committee that authorizes the contract or transaction, or solely because the director's or officer's votes are counted for such purpose, if any of the following applies:

(a) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the board or the committee, and the board or committee, in good faith authorizes the contract or transaction by the affirmative vote of a majority of the disinterested directors, even though the disinterested directors constitute less than a quorum of the board or the committee;

(b) The material facts as to the relationship or interest and as to the contract or transaction are disclosed or are known to the members entitled to vote on the contract or transaction, and the contract or transaction is specifically approved at a meeting of the members;

(c) The contract or transaction is fair as to the association at the time it is authorized or approved by the board, or a committee of the board, or the members.

(2) Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board, or of a committee that authorizes the contract or transaction.

(B) Divisions (A)(1) and (2) of this section do not limit or otherwise affect the liability of directors under section 1729.25 of the Revised Code.



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(C) For purposes of division (A) of this section, a director is not an interested director solely because the subject of a contract or transaction may involve or effect a change in control of the association or continuation in office as a director of the association.