

West's Annotated California Codes
Corporations Code (Refs & Annos)
Title 1. Corporations
Division 2. Nonprofit Corporation Law (Refs & Annos)
Part 2. Nonprofit Public Benefit Corporations (Refs & Annos)
Chapter 2. Directors and Management (Refs & Annos)
Article 3. Standards of Conduct (Refs & Annos)

West's Ann.Cal.Corp.Code § 5234

§ 5234. Mutual directors; voidability of contracts or transactions

Currentness

(a) No contract or other transaction between a corporation and any domestic or foreign corporation, firm or association of which one or more of its directors are directors is either void or voidable because such director or directors are present at the meeting of the board or a committee thereof which authorizes, approves or ratifies the contract or transaction, if:

(1) The material facts as to the transaction and as to such director's other directorship are fully disclosed or known to the board or committee, and the board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient without counting the vote of the common director or directors; or

(2) As to contracts or transactions not approved as provided in paragraph (1) of this subdivision, the contract or transaction is just and reasonable as to the corporation at the time it is authorized, approved or ratified.

(b) This section does not apply to transactions covered by Section 5233.

Credits

(Added by Stats.1978, c. 567, p. 1750, § 5, operative Jan. 1, 1980.)

West's Ann. Cal. Corp. Code § 5234, CA CORP § 5234

Current with urgency legislation through Ch. 931 of 2014 Reg.Sess., Res. Ch. 1 of 2013-2014 2nd Ex.Sess., and all propositions on 2014 ballots