

## 2019 Florida Realtors® Board of Directors Legal Responsibilities

Florida Realtors® is incorporated in the State of Florida; therefore, the responsibilities and actions of the directors' fall under the broad scope of corporate law. Corporations, by necessity, must act and take corporate initiatives through individuals in responsible roles, such as directors.

As the representatives of the corporation, directors may authorize the ordinary business of a corporation within the scope of its Articles of Incorporation. The board of directors of Florida Realtors® is responsible for making policy decisions that govern the association within the Florida Realtors® Articles of Incorporation and Bylaws. Among other duties, the directors have the responsibility to:

1. Approve the association's annual budget;
2. Establish membership dues;
3. Determine public policy positions as they pertain to the real estate industry;
4. Approve governing policies of the association;
5. Enact necessary amendments to the Articles of Incorporation and Bylaws; and
6. Elect association officers and NAR state-allocated directors.

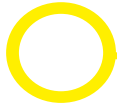
### **B. Good Faith Effort Required**

Directors of the corporation have a fiduciary relationship toward the corporation and are required to use the utmost good faith in the exercise of their power in the interests of the corporation. A director must perform his/her duties as a director in a manner he/she reasonably believes to be in the best interests of the corporation, with such care as an ordinarily prudent person in a like position would use under similar circumstances.

### **C. Contracts**

No contract or other transaction between a corporation and one or more of its directors or any other corporation, firm, association or entity in which one or more of its directors are directors or officers or are financially interested shall be either void or voidable because of such relationship or interest, because such director or directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves or ratifies such contract or transaction, or because his or her or their votes are counted for such purpose, if:

1. The fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors;
2. The fact of such relationship or interest is disclosed or known to the members entitled to vote on such contract or transaction, if any, and they authorize, approve or ratify it by vote or written consent; or
3. The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the board, a committee or the members;



4. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes approves or ratifies such contract or transaction.

5. Directors' standard of care and policies concerning conflict of interest are set forth in Florida Statutes 617.0830 and 617.0832.

**D. Representing Florida Realtors®' Interests, Not Local Interests**

Under Florida law, once an individual assumes the position of an officer or a director, he/she is not representative of the body that elected him/her, but rather is a representative of the parent corporation, and due to this is required to act in the best interest of the corporation. As a member of the board of directors, directors represent all Florida Realtors® members, not only those in their local board/association or Real Estate Company. An officer or director cannot be dictated by anyone how to vote, and is not obligated to vote a certain way because his/her constituency has a certain opinion. Officers and directors are not proxies for the electing group. If they abrogate their right to vote and just follow the wishes of others, they are in breach of their duty