

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 950 Session of
2011

INTRODUCED BY SCHRODER, CALTAGIRONE, DENLINGER, MILLER, MOUL,
MURT AND VULAKOVICH, MARCH 4, 2011

REFERRED TO COMMITTEE ON URBAN AFFAIRS, MARCH 4, 2011

AN ACT

1 Amending Title 68 (Real and Personal Property) of the
2 Pennsylvania Consolidated Statutes, in management of
3 condominiums, cooperatives and planned communities, further
4 providing for quorums; and providing for management of
5 substantial condominiums, substantial cooperatives and
6 substantial planned communities.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Section 3309 of Title 68 of the Pennsylvania
10 Consolidated Statutes is amended by adding a subsection to read:
11 § 3309. Quorums.

12 * * *

13 (c) Committees and commissions.--Unless the bylaws specify a
14 different percentage, a quorum is deemed present throughout a
15 meeting of a committee, commission or entity that is a
16 subdivision of the executive board if at least 50% of the
17 designated members of the committee, commission or entity are
18 present at the beginning of the meeting.

19 Section 2. Title 68 is amended by adding a section to read:
20 § 3321. Management of substantial condominiums.

1 (a) Scope.--

2 (1) A substantial condominium established after the
3 effective date of this section shall adopt bylaws in
4 compliance with the provisions of this section.

5 (2) A substantial condominium established on or before
6 the effective date of this section may adopt bylaws in
7 compliance with the provisions of this section.

8 (b) Unfair trade practice.--Notwithstanding the provisions
9 of section 3113 (relating to remedies to be liberally
10 administered), a violation of this subpart involving a
11 substantial condominium that has not adopted bylaws in
12 compliance with the provisions of this section shall constitute
13 an unfair trade practice, shall be deemed unlawful and may be
14 enforced by the Attorney General.

15 (c) Mediation and arbitration.--

16 (1) The bylaws shall establish procedures for mediation
17 and arbitration of disputes between:

18 (i) two or more unit owners; or

19 (ii) a unit owner and the association.

20 Mediation or arbitration shall be limited to disputes where
21 all parties agree to either mediation or arbitration.

22 (2) Costs and fees associated with mediation, excluding
23 attorney fees, shall be assessed equally against all parties
24 to a dispute.

25 (3) Costs and fees associated with arbitration shall be
26 assessed against all parties to a dispute at the discretion
27 of the arbitrator.

28 (d) Meetings.--The bylaws shall, in addition to the
29 provisions of section 3308 (relating to meetings), provide that:

30 (1) A meeting of the association, executive board or any

1 committee, commission or entity that is a subdivision of the
2 executive board, except an executive session under paragraph
3 (4), shall be open to all unit owners and that an appropriate
4 officer of the association shall provide notice as follows:

5 (i) Notice of an association meeting shall be
6 provided pursuant to section 3308.

7 (ii) Notice of any other meeting, except an
8 executive session under paragraph (4) or emergency
9 meeting under paragraph (5), shall be provided as
10 specified in the bylaws and shall, at a minimum, include
11 the time and place of the meeting and the items on the
12 agenda.

13 All official action shall be taken at a meeting under this
14 paragraph or an emergency meeting under paragraph (5).

15 (2) (i) Except during an executive session under
16 paragraph (4), written minutes shall be kept of any
17 association or executive board meeting, including the
18 time and date of the meeting, the number of unit owners
19 in attendance, the substance of all official actions
20 taken at the meeting and a record of votes on official
21 action by individual executive board members or officers.

22 (ii) Approved minutes of any association or
23 executive board meeting, except executive sessions under
24 paragraph (4), shall be made reasonably available for
25 examination by any unit owner and authorized agents no
26 later than 45 days after the meeting or 15 days after a
27 subsequent association or board meeting, whichever is
28 greater.

29 (3) All unit owners shall be provided at any meeting,
30 except an executive session under paragraph (4), with a

1 reasonable opportunity to comment on matters of concern,
2 deliberation or official action which are or may be under
3 consideration at that meeting.

4 (4) (i) The executive board may exclude unit owners
5 from an executive session. An executive session shall
6 only be convened during an open meeting under paragraph
7 (1) or (5) upon an affirmative vote of a majority of the
8 members of the executive board in attendance at the open
9 meeting.

10 (ii) An executive session may be held for any of the
11 following reasons, which reason shall be announced at the
12 open meeting prior to the executive session:

13 (A) To discuss any matter involving the
14 employment, termination of employment, terms and
15 conditions of employment, evaluation of performance,
16 promotion or disciplining of any specific prospective
17 employee or current employee employed by the
18 association, or former employee, provided, however,
19 that the individual employees whose rights could be
20 adversely affected may request in writing that the
21 matter or matters be discussed at an open meeting.

22 (B) To consider the purchase or lease of real
23 property up to the time an option to purchase or
24 lease the real property is obtained or up to the time
25 an agreement to purchase or lease such property is
26 obtained if the agreement is obtained directly
27 without an option.

28 (C) To consult with its attorney or other
29 professional advisor regarding any information or
30 strategy in connection with litigation or with an

1 issue on which an identifiable complaint is expected
2 to be filed.

3 (D) To review and discuss business which, if
4 conducted in public, would violate a lawful privilege
5 or lead to the disclosure of information or
6 confidentiality protected by law.

7 (iii) Official action on discussion held at an
8 executive session shall be taken at an open meeting, and
9 no executive session shall be used as a subterfuge to
10 defeat the purposes of paragraph (1) or (5).

11 (iv) The provisions of this paragraph shall not
12 apply to any meeting involving the appointment or
13 selection of any person to fill a vacancy in the
14 executive board.

15 (5) (i) The executive board may call an emergency
16 meeting for the purpose of dealing with a real or
17 potential emergency.

18 (ii) An emergency meeting shall be open to unit
19 owners and shall be subject to the requirements of
20 paragraphs (2) and (3).

21 (iii) The bylaws shall specify which member of the
22 association's executive board shall provide notice of any
23 emergency meeting and shall further specify the means and
24 methods of providing such notice.

25 (6) The bylaws shall provide for rules of order to
26 govern meetings under paragraphs (1) and (5). The rules may
27 not be made to violate the intent of this section.

28 (e) Executive board proxies.--The bylaws shall, in addition
29 to the provisions of section 3310 (relating to voting; proxies),
30 provide that no vote may be cast pursuant to a proxy during a

1 vote of the executive board.

2 (f) Records.--The bylaws shall, in addition to the
3 provisions of section 3316 (relating to association records),
4 provide that:

5 (1) The association shall keep detailed records of its
6 operation and administration, including financial records as
7 provided in section 3316.

8 (2) (i) Books and records kept by or on behalf of an
9 association shall be available for examination and
10 copying by any unit owner or the unit owner's authorized
11 agent. This right of examination may be exercised only
12 during reasonable business hours or at a time and
13 location mutually convenient to the association and the
14 unit owner and may not be exercised in bad faith or for
15 any improper purpose, such as to harass another.

16 (ii) Books and records kept by or on behalf of an
17 association may be withheld from inspection to the extent
18 they concern any of the following:

19 (A) Personnel records.

20 (B) An individual's medical records.

21 (C) Records relating to business transactions
22 that are currently in negotiation.

23 (D) Privileged communications with legal
24 counsel.

25 (E) Complaints against a unit owner.

26 (F) Records of executive sessions under
27 subsection (d)(4).

28 (G) Information which, if disclosed, would
29 constitute an unwarranted invasion of privacy under
30 Federal or State law.

1 (iii) The association may impose and collect a
2 charge reflecting the actual costs of materials and labor
3 prior to providing copies of any books and records under
4 this paragraph.

5 (g) Election of executive board members.--

6 (1) The bylaws shall, in addition to the provisions of
7 sections 3303 (relating to executive board members and
8 officers) and 3306(a) (3) (relating to bylaws), provide that
9 candidates for election to the executive board may be
10 nominated from the floor of membership meetings by any unit
11 owner.

12 (2) Bylaws adopted in compliance with the provisions of
13 this subsection shall not apply to the appointment of members
14 of the executive board by the declarant or persons designated
15 by the declarant.

16 (h) Definitions.--As used in this section, the following
17 words and phrases shall have the meanings given to them in this
18 subsection:

19 "Executive session." A meeting of the executive board from
20 which unit owners may be excluded under subsection (d) (4).

21 "Meeting." A prearranged gathering held for the purpose of
22 deliberating association business or taking official action of:

23 (1) an association, which is attended or participated in
24 by a quorum of unit owners;

25 (2) an executive board, which is attended or
26 participated in by a quorum of the executive board; or

27 (3) any committee, commission or entity that is a
28 subdivision of the executive board of the association, which
29 is attended or participated in by a quorum of the committee,
30 commission or entity.

1 "Official action." Any of the following:

2 (1) The establishment of policy by an association.

3 (2) A decision on association business made by an
4 association.

5 (3) A vote taken by an association, executive board or
6 any committee, commission or entity that is a subdivision of
7 the executive board of an association on any proposal,
8 resolution, rule, regulation or report.

9 "Substantial condominium." A condominium consisting of more
10 than 12 units created before, on or after the effective date of
11 this section. The term shall not include a condominium in which
12 all units are restricted exclusively to nonresidential use.

13 Section 3. Section 4309 of Title 68 is amended by adding a
14 subsection to read:

15 § 4309. Quorums.

16 * * *

17 (c) Committees and commissions.--Unless the bylaws specify a
18 different percentage, a quorum is deemed present throughout a
19 meeting of a committee, commission or entity that is a
20 subdivision of the executive board if at least 50% of the
21 designated members of the committee, commission or entity are
22 present at the beginning of the meeting.

23 Section 4. Title 68 is amended by adding a section to read:

24 § 4322. Management of substantial cooperatives.

25 (a) Scope.--

26 (1) A substantial cooperative established after the
27 effective date of this section shall adopt bylaws in
28 compliance with the provisions of this section.

29 (2) A substantial cooperative established on or before
30 the effective date of this section may adopt bylaws in

compliance with the provisions of this section.

(b) Unfair trade practice.--Notwithstanding the provisions of section 4113 (relating to remedies to be liberally administered), a violation of this subpart involving a substantial cooperative that has not adopted bylaws in compliance with the provisions of this section shall constitute an unfair trade practice, shall be deemed unlawful and may be enforced by the Attorney General.

(c) Mediation and arbitration.--

(1) The bylaws shall establish procedures for mediation and arbitration of disputes between:

(i) two or more proprietary lessees; or

(ii) a proprietary lessee and the association.

Mediation or arbitration shall be limited to disputes where all parties agree to either mediation or arbitration.

(2) Costs and fees associated with mediation, excluding attorney fees, shall be assessed equally against all parties to a dispute.

(3) Costs and fees associated with arbitration shall be assessed against all parties to a dispute at the discretion of the arbitrator.

(d) Meetings.--The bylaws shall, in addition to the provisions of section 4308 (relating to meetings), provide that:

(1) A meeting of the association, executive board or any committee, commission or entity that is a subdivision of the executive board, except an executive session under paragraph (4), shall be open to all proprietary lessees and that an appropriate officer of the association shall provide notice as follows:

(i) Notice of an association meeting shall be

1 provided pursuant to section 4308.

2 (ii) Notice of any other meeting, except an
3 executive session under paragraph (4) or emergency
4 meeting under paragraph (5), shall be provided as
5 specified in the bylaws and shall, at a minimum, include
6 the time and place of the meeting and the items on the
7 agenda.

8 All official action shall be taken at a meeting under this
9 paragraph or an emergency meeting under paragraph (5).

10 (2) (i) Except during an executive session under
11 paragraph (4), written minutes shall be kept of any
12 association or executive board meeting, including the
13 time and date of the meeting, the number of proprietary
14 lessees in attendance, the substance of all official
15 actions taken at the meeting and a record of votes on
16 official action by individual executive board members or
17 officers.

18 (ii) Approved minutes of any association or
19 executive board meeting, except executive sessions under
20 paragraph (4), shall be made reasonably available for
21 examination by any proprietary lessees and authorized
22 agents no later than 45 days after the meeting or 15 days
23 after a subsequent association or board meeting,
24 whichever is greater.

25 (3) All proprietary lessees shall be provided at any
26 meeting, except an executive session under paragraph (4),
27 with a reasonable opportunity to comment on matters of
28 concern, deliberation or official action which are or may be
29 under consideration at that meeting.

30 (4) (i) The executive board may exclude proprietary

1 lessees from an executive session. An executive session
2 shall only be convened during an open meeting under
3 paragraph (1) or (5) upon an affirmative vote of a
4 majority of the members of the executive board in
5 attendance at the open meeting.

6 (ii) An executive session may be held for any of the
7 following reasons, which reason shall be announced at the
8 open meeting prior to the executive session:

9 (A) To discuss any matter involving the
10 employment, termination of employment, terms and
11 conditions of employment, evaluation of performance,
12 promotion or disciplining of any specific prospective
13 employee or current employee employed by the
14 association, or former employee, provided, however,
15 that the individual employees whose rights could be
16 adversely affected may request in writing that the
17 matter or matters be discussed at an open meeting.

18 (B) To consider the purchase or lease of real
19 property up to the time an option to purchase or
20 lease the real property is obtained or up to the time
21 an agreement to purchase or lease such property is
22 obtained if the agreement is obtained directly
23 without an option.

24 (C) To consult with its attorney or other
25 professional advisor regarding any information or
26 strategy in connection with litigation or with an
27 issue on which an identifiable complaint is expected
28 to be filed.

29 (D) To review and discuss business which, if
30 conducted in public, would violate a lawful privilege

1 or lead to the disclosure of information or
2 confidentiality protected by law.

3 (iii) Official action on discussion held at an
4 executive session shall be taken at an open meeting, and
5 no executive session shall be used as a subterfuge to
6 defeat the purposes of paragraph (1) or (5).

7 (iv) The provisions of this paragraph shall not
8 apply to any meeting involving the appointment or
9 selection of any person to fill a vacancy in the
10 executive board.

11 (5) (i) The executive board may call an emergency
12 meeting for the purpose of dealing with a real or
13 potential emergency.

14 (ii) An emergency meeting shall be open to
15 proprietary lessees and shall be subject to the
16 requirements of paragraphs (2) and (3).

17 (iii) The bylaws shall specify which member of the
18 association's executive board shall provide notice of any
19 emergency meeting and shall further specify the means and
20 methods of providing such notice.

21 (6) The bylaws shall provide for rules of order to
22 govern meetings under paragraphs (1) and (5). The rules may
23 not be made to violate the intent of this section.

24 (e) Executive board proxies.--The bylaws shall, in addition
25 to the provisions of section 4310 (relating to voting; proxies),
26 provide that no vote may be cast pursuant to a proxy during a
27 vote of the executive board.

28 (f) Records.--The bylaws shall, in addition to the
29 provisions of section 4317 (relating to association records),
30 provide that:

1 (1) The association shall keep detailed records of its
2 operation and administration, including financial records as
3 provided in section 4317.

4 (2) (i) Books and records kept by or on behalf of an
5 association shall be available for examination and
6 copying by any proprietary lessee or the proprietary
7 lessee's authorized agent. This right of examination may
8 be exercised only during reasonable business hours or at
9 a time and location mutually convenient to the
10 association and the proprietary lessee and may not be
11 exercised in bad faith or for any improper purpose such
12 as to harass another.

13 (ii) Books and records kept by or on behalf of an
14 association may be withheld from inspection to the extent
15 they concern any of the following:

16 (A) Personnel records.

17 (B) An individual's medical records.

18 (C) Records relating to business transactions
19 that are currently in negotiation.

20 (D) Privileged communications with legal
21 counsel.

22 (E) Complaints against a proprietary lessee.

23 (F) Records of executive sessions under
24 subsection (d)(4).

25 (G) Information which, if disclosed, would
26 constitute an unwarranted invasion of privacy under
27 Federal or State law.

28 (iii) The association may impose and collect a
29 charge reflecting the actual costs of materials and labor
30 prior to providing copies of any books and records under

1 this paragraph.

2 (g) Election of executive board members.--

3 (1) The bylaws shall, in addition to the provisions of
4 sections 4303 (relating to executive board members and
5 officers) and 4306(a)(3) (relating to bylaws), provide that
6 candidates for election to the executive board may be
7 nominated from the floor of membership meetings by any
8 proprietary lessee.

9 (2) Bylaws adopted in compliance with the provisions of
10 this subsection shall not apply to the appointment of members
11 of the executive board by the declarant or persons designated
12 by the declarant.

13 (h) Definitions.--As used in this section, the following
14 words and phrases shall have the meanings given to them in this
15 subsection:

16 "Executive session." A meeting of the executive board from
17 which proprietary lessees may be excluded under subsection (d)
18 (4).

19 "Meeting." A prearranged gathering held for the purpose of
20 deliberating association business or taking official action of:

21 (1) an association, which is attended or participated in
22 by a quorum of proprietary lessees;

23 (2) an executive board, which is attended or
24 participated in by a quorum of the executive board; or

25 (3) any committee, commission or entity that is a
26 subdivision of the executive board of the association, which
27 is attended or participated in by a quorum of the committee,
28 commission or entity.

29 "Official action." Any of the following:

30 (1) The establishment of policy by an association.

1 (2) A decision on association business made by an
2 association.

3 (3) A vote taken by an association, executive board or
4 any committee, commission or entity that is a subdivision of
5 the executive board of an association on any proposal,
6 resolution, rule, regulation or report.

7 "Substantial cooperative." A cooperative consisting of more
8 than 12 units created before, on or after the effective date of
9 this section. The term shall not include a cooperative in which
10 all units are restricted exclusively to nonresidential use.

11 Section 5. Section 5309 of Title 68 is amended by adding a
12 subsection to read:

13 § 5309. Quorums.

14 * * *

15 (c) Committees and commissions.--Unless the bylaws specify a
16 different percentage, a quorum is deemed present throughout a
17 meeting of a committee, commission or entity that is a
18 subdivision of the executive board if at least 50% of the
19 designated members of the committee, commission or entity are
20 present at the beginning of the meeting.

21 Section 6. Title 68 is amended by adding a section to read:
22 § 5321. Management of substantial planned communities.

23 (a) Scope.--

24 (1) A substantial planned community established after
25 the effective date of this section shall adopt bylaws in
26 compliance with the provisions of this section.

27 (2) A substantial planned community established on or
28 before the effective date of this section may adopt bylaws in
29 compliance with the provisions of this section.

30 (b) Unfair trade practice.--Notwithstanding the provisions

1 of section 5114 (relating to remedies to be liberally
2 administered), a violation of this subpart involving a
3 substantial planned community that has not adopted bylaws in
4 compliance with the provisions of this section shall constitute
5 an unfair trade practice, shall be deemed unlawful and may be
6 enforced by the Attorney General.

7 (c) Mediation and arbitration.--

8 (1) The bylaws shall establish procedures for mediation
9 and arbitration of disputes between:

10 (i) two or more unit owners; or

11 (ii) a unit owner and the association.

12 Mediation or arbitration shall be limited to disputes where
13 all parties agree to either mediation or arbitration.

14 (2) Costs and fees associated with mediation, excluding
15 attorney fees, shall be assessed equally against all parties
16 to a dispute.

17 (3) Costs and fees associated with arbitration shall be
18 assessed against all parties to a dispute at the discretion
19 of the arbitrator.

20 (d) Meetings.--The bylaws shall, in addition to the
21 provisions of section 5308 (relating to meetings), provide that:

22 (1) A meeting of the association, executive board or any
23 committee, commission or entity that is a subdivision of the
24 executive board, except an executive session under paragraph
25 (4), shall be open to all unit owners and that an appropriate
26 officer of the association shall provide notice as follows:

27 (i) Notice of an association meeting shall be
28 provided pursuant to section 5308.

29 (ii) Notice of any other meeting, except an
30 executive session under paragraph (4) or emergency

1 meeting under paragraph (5), shall be provided as
2 specified in the bylaws and shall, at a minimum, include
3 the time and place of the meeting and the items on the
4 agenda.

5 All official action shall be taken at a meeting under
6 this paragraph or an emergency meeting under paragraph
7 (5).

8 (2) (i) Except during an executive session under
9 paragraph (4), written minutes shall be kept of any
10 association or executive board meeting, including the
11 time and date of the meeting, the number of unit owners
12 in attendance, the substance of all official actions
13 taken at the meeting and a record of votes on official
14 action by individual executive board members or officers.

15 (ii) Approved minutes of any association or
16 executive board meeting, except executive sessions under
17 paragraph (4), shall be made reasonably available for
18 examination by any unit owner and authorized agents no
19 later than 45 days after the meeting or 15 days after a
20 subsequent association or board meeting, whichever is
21 greater.

22 (3) All unit owners shall be provided at any meeting,
23 except an executive session under paragraph (4), with a
24 reasonable opportunity to comment on matters of concern,
25 deliberation or official action which are or may be under
26 consideration at that meeting.

27 (4) (i) The executive board may exclude unit owners
28 from an executive session. An executive session shall
29 only be convened during an open meeting under paragraph
30 (1) or (5) upon an affirmative vote of a majority of the

1 members of the executive board in attendance at the open
2 meeting.

3 (ii) An executive session may be held for any of the
4 following reasons, which reason shall be announced at the
5 open meeting prior to the executive session:

6 (A) To discuss any matter involving the
7 employment, termination of employment, terms and
8 conditions of employment, evaluation of performance,
9 promotion or disciplining of any specific prospective
10 employee or current employee employed by the
11 association, or former employee, provided, however,
12 that the individual employees whose rights could be
13 adversely affected may request in writing that the
14 matter or matters be discussed at an open meeting.

15 (B) To consider the purchase or lease of real
16 property up to the time an option to purchase or
17 lease the real property is obtained or up to the time
18 an agreement to purchase or lease such property is
19 obtained if the agreement is obtained directly
20 without an option.

21 (C) To consult with its attorney or other
22 professional advisor regarding any information or
23 strategy in connection with litigation or with an
24 issue on which an identifiable complaint is expected
25 to be filed.

26 (D) To review and discuss business which, if
27 conducted in public, would violate a lawful privilege
28 or lead to the disclosure of information or
29 confidentiality protected by law.

30 (iii) Official action on discussion held at an

1 executive session shall be taken at an open meeting and
2 no executive session shall be used as a subterfuge to
3 defeat the purposes of paragraph (1) or (5).

4 (iv) The provisions of this paragraph shall not
5 apply to any meeting involving the appointment or
6 selection of any person to fill a vacancy in the
7 executive board.

8 (5) (i) The executive board may call an emergency
9 meeting for the purpose of dealing with a real or
10 potential emergency.

11 (ii) An emergency meeting shall be open to unit
12 owners and shall be subject to the requirements of
13 paragraphs (2) and (3).

14 (iii) The bylaws shall specify which member of the
15 association's executive board shall provide notice of any
16 emergency meeting and shall further specify the means and
17 methods of providing such notice.

18 (6) The bylaws shall provide for rules of order to
19 govern meetings under paragraphs (1) and (5). The rules may
20 not be made to violate the intent of this section.

21 (e) Executive board proxies.--The bylaws shall, in addition
22 to the provisions of section 5310 (relating to voting; proxies),
23 provide that no vote may be cast pursuant to a proxy during a
24 vote of the executive board.

25 (f) Records.--The bylaws shall, in addition to the
26 provisions of section 5316 (relating to association records),
27 provide that:

28 (1) The association shall keep detailed records of its
29 operation and administration, including financial records as
30 provided in section 5316(a).

1 (2) (i) Books and records kept by or on behalf of an
2 association shall be available for examination and
3 copying by any unit owner or the unit owner's authorized
4 agent. This right of examination may be exercised only
5 during reasonable business hours or at a time and
6 location mutually convenient to the association and the
7 unit owner and may not be exercised in bad faith or for
8 any improper purpose, such as to harass another.

9 (ii) Books and records kept by or on behalf of an
10 association may be withheld from inspection to the extent
11 they concern any of the following:

12 (A) Personnel records.

13 (B) An individual's medical records.

14 (C) Records relating to business transactions
15 that are currently in negotiation.

16 (D) Privileged communications with legal
17 counsel.

18 (E) Complaints against a unit owner.

19 (F) Records of executive sessions under
20 subsection (d)(4).

21 (G) Information which, if disclosed, would
22 constitute an unwarranted invasion of privacy under
23 Federal or State law.

24 (iii) The association may impose and collect a
25 charge reflecting the actual costs of materials and labor
26 prior to providing copies of any books and records under
27 this paragraph.

28 (g) Election of executive board members.--

29 (1) The bylaws shall, in addition to the provisions of
30 sections 5303 (relating to executive board members and

1 officers) and 5306(a)(3) (relating to bylaws), provide that
2 candidates for election to the executive board may be
3 nominated from the floor of membership meetings by any unit
4 owner.

5 (2) Bylaws adopted in compliance with the provisions of
6 this subsection shall not apply to the appointment of members
7 of the executive board by the declarant or persons designated
8 by the declarant.

9 (h) Definitions.--As used in this section, the following
10 words and phrases shall have the meanings given to them in this
11 subsection:

12 "Executive session." A meeting of the executive board from
13 which unit owners may be excluded under subsection (d)(4).

14 "Meeting." A prearranged gathering held for the purpose of
15 deliberating association business or taking official action of:

16 (1) an association, which is attended or participated in
17 by a quorum of unit owners;

18 (2) an executive board, which is attended or
19 participated in by a quorum of the executive board; or

20 (3) any committee, commission or entity that is a
21 subdivision of the executive board of the association, which
22 is attended or participated in by a quorum of the committee,
23 commission or entity.

24 "Official action." Any of the following:

25 (1) The establishment of policy by an association.

26 (2) A decision on association business made by an
27 association.

28 (3) A vote taken by an association, executive board or
29 any committee, commission or entity that is a subdivision of
30 the executive board of an association on any proposal,

1 resolution, rule, regulation or report.

2 "Substantial planned community." A planned community
3 consisting of more than 12 units created before, on or after the
4 effective date of this section. The term shall not include a
5 planned community in which all units are restricted exclusively
6 to nonresidential use.

7 Section 7. This act shall take effect in one year.