THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1254 Session of 2013

INTRODUCED BY O'NEILL, R. BROWN, CARROLL, COHEN, D. COSTA, DAVIS, FREEMAN, GODSHALL, C. HARRIS, MOLCHANY, MOUL, MUNDY, PEIFER, PETRI, SCAVELLO, SWANGER AND TOEPEL, APRIL 24, 2013

REFERRED TO COMMITEE ON URBAN AFFAIRS, APRIL 24, 2013

AN ACT

- 1 Amending Title 68 (Real and Personal Property) of the
- 2 Pennsylvania Consolidated Statutes, in management of the
- 3 condominium, cooperatives and planned community, further
- 4 providing for quorums; and providing for management of
- 5 condominiums, cooperatives and planned communities.
- 6 The General Assembly of the Commonwealth of Pennsylvania
- 7 hereby enacts as follows:
- 8 Section 1. Section 3309 of Title 68 of the Pennsylvania
- 9 Consolidated Statutes is amended by adding a subsection to read:
- 10 § 3309. Quorums.
- 11 * * *
- (c) Committees and commissions. -- Unless the bylaws specify a
- 13 different percentage, a quorum is deemed present throughout a
- 14 meeting of a committee, commission or entity that is a
- 15 <u>subdivision of the executive board if at least 50%</u> of the
- 16 <u>designated members of the committee</u>, commission or entity are
- 17 present at the beginning of the meeting.
- 18 Section 2. Title 68 is amended by adding a section to read:
- 19 § 3321. Management of condominiums.

- 1 <u>(a) Scope.--</u>
- 2 (1) A condominium established after the effective date
- 3 of this section shall adopt bylaws in compliance with the
- 4 provisions of this section.
- 5 (2) A condominium established on or before the effective
- 6 <u>date of this section may adopt bylaws in compliance with the</u>
- 7 provisions of this section.
- 8 (b) Unfair trade practice. -- Notwithstanding the provisions
- 9 <u>of section 3113 (relating to remedies to be liberally</u>
- 10 administered), a violation of this subpart involving a
- 11 condominium that has not adopted bylaws in compliance with the
- 12 provisions of this section shall constitute an unfair trade
- 13 practice, shall be deemed unlawful and may be enforced by the
- 14 Attorney General.
- 15 (c) Mediation and arbitration.--
- 16 (1) The bylaws shall establish procedures for mediation
- and arbitration of disputes between:
- (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 <u>all parties agree to either mediation or arbitration.</u>
- 22 (2) Costs and fees associated with mediation, excluding
- attorney fees, shall be assessed equally against all parties
- to a dispute.
- 25 (3) Costs and fees associated with arbitration shall be
- assessed against all parties to a dispute at the discretion
- 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

_	reasonable opportunity to comment on matters of concern,
2	deliberation or official action that 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, but the individual
19	employees whose rights could be adversely affected
20	may request in writing that the matter or matters be
21	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 the 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

Τ	<u>issue on which an identifiable complaint is expected</u>
2	to be filed.
3	(D) To review and discuss business that, 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 may 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	<pre>executive board.</pre>
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 the 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	<pre>provide that:</pre>
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	<pre>counsel.</pre>
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 <u>"Official action."</u> Any of the following:
- 2 <u>(1) The establishment of policy by an association.</u>
- 3 (2) A decision on association business made by an
- 4 <u>association</u>.
- 5 (3) A vote taken by an association, executive board or
- any committee, commission or entity that is a subdivision of
- 7 <u>the executive board of an association on any proposal,</u>
- 8 <u>resolution, rule, regulation or report.</u>
- 9 Section 3. Section 4309 of Title 68 is amended by adding a
- 10 subsection to read:
- 11 § 4309. Quorums.
- 12 * * *
- (c) Committees and commissions. -- Unless the bylaws specify a
- 14 <u>different percentage</u>, 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 4. Title 68 is amended by adding a section to read:
- 20 § 4322. Management of cooperatives.
- 21 (a) Scope. --
- 22 (1) A cooperative established after the effective date
- of this section shall adopt bylaws in compliance with the
- 24 provisions of this section.
- 25 (2) A cooperative established on or before the effective
- date of this section may adopt bylaws in compliance with the
- 27 <u>provisions of this section.</u>
- 28 (b) Unfair trade practice. -- Notwithstanding the provisions
- 29 of section 4113 (relating to remedies to be liberally
- 30 administered), a violation of this subpart involving a

- 1 cooperative that has not adopted bylaws in compliance with the
- 2 provisions of this section shall constitute an unfair trade
- 3 practice, shall be deemed unlawful and may be enforced by the
- 4 <u>Attorney General.</u>
- 5 (c) Mediation and arbitration. --
- 6 (1) The bylaws shall establish procedures for mediation
 7 and arbitration of disputes between:
- 8 <u>(i) two or more proprietary lessees; or</u>
- 9 <u>(ii) a proprietary lessee and the association.</u>
- 10 <u>Mediation or arbitration shall be limited to disputes where</u>
- all parties agree to either mediation or arbitration.
- 12 (2) Costs and fees associated with mediation, excluding
- 13 <u>attorney fees, shall be assessed equally against all parties</u>
- 14 <u>to a dispute.</u>
- 15 (3) Costs and fees associated with arbitration shall be
- assessed against all parties to a dispute at the discretion
- of the arbitrator.
- 18 (d) Meetings. -- The bylaws shall, in addition to the
- 19 provisions of section 4308 (relating to meetings), provide that:
- 20 (1) A meeting of the association, executive board or any
- 21 committee, commission or entity that is a subdivision of the
- 22 executive board, except an executive session under paragraph
- 23 (4), shall be open to all proprietary lessees and that an
- 24 appropriate officer of the association shall provide notice
- as follows:
- 26 (i) Notice of an association meeting shall be
- 27 <u>provided under section 4308.</u>
- 28 (ii) Notice of any other meeting, except an
- executive session under paragraph (4) or emergency
- meeting under paragraph (5), shall be provided as

Τ	specified in the bylaws and shall, at a minimum, include
2	the time and place of the meeting and the items on the
3	agenda.
4	All official action shall be taken at a meeting under this
5	paragraph or an emergency meeting under paragraph (5).
6	(2) (i) Except during an executive session under
7	paragraph (4), written minutes shall be kept of any
8	association or executive board meeting, including the
9	time and date of the meeting, the number of proprietary
L O	lessees in attendance, the substance of all official
.1	actions taken at the meeting and a record of votes on
2	official action by individual executive board members or
13	officers.
4	(ii) Approved minutes of any association or
.5	executive board meeting, except executive sessions under
- 6	paragraph (4), shall be made reasonably available for
_7	examination by any proprietary lessees and authorized
-8	agents no later than 45 days after the meeting or 15 days
_9	after a subsequent association or board meeting,
20	whichever is greater.
21	(3) All proprietary lessees shall be provided at any
22	meeting, except an executive session under paragraph (4),
23	with a reasonable opportunity to comment on matters of
24	concern, deliberation or official action that are or may be
25	under consideration at that meeting.
26	(4) (i) The executive board may exclude proprietary
27	lessees from an executive session. An executive session
28	shall only be convened during an open meeting under
29	paragraph (1) or (5) upon an affirmative vote of a
30	majority of the members of the executive board in

Τ	accendance at the open meeting.
2	(ii) An executive session may be held for any of the
3	following reasons, which reason shall be announced at the
4	open meeting prior to the executive session:
5	(A) To discuss any matter involving the
6	employment, termination of employment, terms and
7	conditions of employment, evaluation of performance,
8	promotion or discipline of any specific prospective
9	employee or current employee employed by the
10	association, or former employee, but the individual
11	employees whose rights could be adversely affected
12	may request in writing that the matter or matters be
13	discussed at an open meeting.
14	(B) To consider the purchase or lease of real
15	property up to the time an option to purchase or
16	lease the real property is obtained or up to the time
17	an agreement to purchase or lease the property is
18	obtained if the agreement is obtained directly
19	without an option.
20	(C) To consult with its attorney or other
21	professional advisor regarding any information or
22	strategy in connection with litigation or with an
23	issue on which an identifiable complaint is expected
24	to be filed.
25	(D) To review and discuss business that, if
26	conducted in public, would violate a lawful privilege
27	or lead to the disclosure of information or
28	confidentiality protected by law.
29	(iii) Official action on discussion held at an
30	executive session shall be taken at an open meeting, and

Τ	no executive session may be used as a subterruge to
2	defeat the purposes of paragraph (1) or (5).
3	(iv) The provisions of this paragraph shall not
4	apply to any meeting involving the appointment or
5	selection of any person to fill a vacancy in the
6	executive board.
7	(5) (i) The executive board may call an emergency
8	meeting for the purpose of dealing with a real or
9	potential emergency.
10	(ii) An emergency meeting shall be open to
11	proprietary lessees and shall be subject to the
12	requirements of paragraphs (2) and (3).
13	(iii) The bylaws shall specify which member of the
14	association's executive board shall provide notice of any
15	emergency meeting and shall further specify the means and
16	methods of providing the notice.
17	(6) The bylaws shall provide for rules of order to
18	govern meetings under paragraphs (1) and (5). The rules may
19	not be made to violate the intent of this section.
20	(e) Executive board proxies The bylaws shall, in addition
21	to the provisions of section 4310 (relating to voting; proxies),
22	provide that no vote may be cast pursuant to a proxy during a
23	vote of the executive board.
24	(f) Records The bylaws shall, in addition to the
25	provisions of section 4317 (relating to association records),
26	<pre>provide that:</pre>
27	(1) The association shall keep detailed records of its
28	operation and administration, including financial records as
29	provided under section 4317.
30	(2) (i) Books and records kept by or on behalf of an

Τ	association shall be available for examination and
2	copying by any proprietary lessee or the proprietary
3	lessee's authorized agent. This right of examination may
4	be exercised only during reasonable business hours or at
5	a time and location mutually convenient to the
6	association and the proprietary lessee and may not be
7	exercised in bad faith or for any improper purpose such
8	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	<pre>counsel.</pre>
18	(E) Complaints against a proprietary lessee.
19	(F) Records of executive sessions under
20	subsection (d)(4).
21	(G) Information that, 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 4303 (relating to executive board members and

- officers) and 4306(a)(3) (relating to bylaws), provide that
- 2 <u>candidates for election to the executive board may be</u>
- 3 <u>nominated from the floor of membership meetings by any</u>
- 4 <u>proprietary lessee.</u>
- 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
- 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 proprietary lessees may be excluded under subsection (d)
- 14 <u>(4).</u>
- 15 "Meeting." A prearranged gathering held for the purpose of
- 16 deliberating association business or taking official action of:
- 17 (1) an association, which is attended or participated in
- by a quorum of proprietary lessees;
- 19 (2) an executive board, which is attended or
- 20 participated in by a quorum of the executive board; or
- 21 (3) any committee, commission or entity that is a
- 22 subdivision of the executive board of the association, which
- is attended or participated in by a quorum of the committee,
- 24 commission or entity.
- 25 "Official action." Any of the following:
- 26 (1) The establishment of policy by an association.
- 27 (2) A decision on association business made by an
- 28 association.
- 29 (3) A vote taken by an association, executive board or
- any committee, commission or entity that is a subdivision of

- 1 the executive board of an association on any proposal,
- 2 <u>resolution</u>, rule, regulation or report.
- 3 Section 5. Section 5309 of Title 68 is amended by adding a
- 4 subsection to read:
- 5 § 5309. Quorums.
- 6 * * *
- 7 (c) Committees and commissions. -- Unless the bylaws specify a
- 8 <u>different percentage</u>, a quorum is deemed present throughout a
- 9 meeting of a committee, commission or entity that is a
- 10 subdivision of the executive board if at least 50% of the
- 11 <u>designated members of the committee</u>, commission or entity are
- 12 present at the beginning of the meeting.
- 13 Section 6. Title 68 is amended by adding a section to read:
- 14 § 5321. Management of planned communities.
- 15 <u>(a) Scope.--</u>
- 16 (1) A planned community established after the effective
- date of this section shall adopt bylaws in compliance with
- the provisions of this section.
- 19 (2) A planned community established on or before the
- 20 effective date of this section may adopt bylaws in compliance
- 21 with the provisions of this section.
- 22 (b) Unfair trade practice. -- Notwithstanding the provisions
- 23 of section 5114 (relating to remedies to be liberally
- 24 administered), a violation of this subpart involving a planned
- 25 community that has not adopted bylaws in compliance with the
- 26 provisions of this section shall constitute an unfair trade
- 27 practice, shall be deemed unlawful and may be enforced by the
- 28 Attorney General.
- 29 (c) Mediation and arbitration.--
- 30 (1) The bylaws shall establish procedures for mediation

1	and arbitration of disputes between:
2	(i) two or more unit owners; or
3	(ii) a unit owner and the association.
4	Mediation or arbitration shall be limited to disputes where
5	all parties agree to either mediation or arbitration.
6	(2) Costs and fees associated with mediation, excluding
7	attorney fees, shall be assessed equally against all parties
8	to a dispute.
9	(3) Costs and fees associated with arbitration shall be
10	assessed against all parties to a dispute at the discretion
11	of the arbitrator.
12	(d) Meetings The bylaws shall, in addition to the
13	provisions of section 5308 (relating to meetings), provide that:
14	(1) A meeting of the association, executive board or any
15	committee, commission or entity that is a subdivision of the
16	executive board, except an executive session under paragraph
17	(4), shall be open to all unit owners and that an appropriate
18	officer of the association shall provide notice as follows:
19	(i) Notice of an association meeting shall be
20	provided pursuant to section 5308.
21	(ii) Notice of any other meeting, except an
22	executive session under paragraph (4) or emergency
23	meeting under paragraph (5), shall be provided as
24	specified in the bylaws and shall, at a minimum, include
25	the time and place of the meeting and the items on the
26	agenda.
27	All official action shall be taken at a meeting under this
28	paragraph or an emergency meeting under paragraph (5).
29	(2) (i) Except during an executive session under
30	paragraph (4), written minutes shall be kept of any

1	association or executive board meeting, including the
2	time and date of the meeting, the number of unit owners
3	in attendance, the substance of all official actions
4	taken at the meeting and a record of votes on official
5	action by individual executive board members or officers.
6	(ii) Approved minutes of any association or
7	executive board meeting, except executive sessions under
8	paragraph (4), shall be made reasonably available for
9	examination by any unit owner and authorized agents no
10	later than 45 days after the meeting or 15 days after a
11	subsequent association or board meeting, whichever is
12	greater.
13	(3) All unit owners shall be provided at any meeting,
14	except an executive session under paragraph (4), with a
15	reasonable opportunity to comment on matters of concern,
16	deliberation or official action that are or may be under
17	consideration at that meeting.
18	(4) (i) The executive board may exclude unit owners
19	from an executive session. An executive session shall
20	only be convened during an open meeting under paragraph
21	(1) or (5) upon an affirmative vote of a majority of the
22	members of the executive board in attendance at the open
23	<pre>meeting.</pre>
24	(ii) An executive session may be held for any of the
25	following reasons, which reason shall be announced at the
26	open meeting prior to the executive session:
27	(A) To discuss any matter involving the
28	employment, termination of employment, terms and
29	conditions of employment, evaluation of performance,
30	promotion or disciplining of any specific prospective

Τ	employee or current employee employed by the
2	association, or former employee, provided, however,
3	that the individual employees whose rights could be
4	adversely affected may request in writing that the
5	matter or matters be discussed at an open meeting.
6	(B) To consider the purchase or lease of real
7	property up to the time an option to purchase or
8	lease the real property is obtained or up to the time
9	an agreement to purchase or lease the property is
10	obtained if the agreement is obtained directly
11	without an option.
12	(C) To consult with its attorney or other
13	professional advisor regarding any information or
14	strategy in connection with litigation or with an
15	issue on which an identifiable complaint is expected
16	to be filed.
17	(D) To review and discuss business that, if
18	conducted in public, would violate a lawful privilege
19	or lead to the disclosure of information or
20	confidentiality protected by law.
21	(iii) Official action on discussion held at an
22	executive session shall be taken at an open meeting and
23	no executive session may be used as a subterfuge to
24	defeat the purposes of paragraph (1) or (5).
25	(iv) The provisions of this paragraph shall not
26	apply to any meeting involving the appointment or
27	selection of any person to fill a vacancy in the
28	<pre>executive board.</pre>
29	(5) (i) The executive board may call an emergency
30	meeting for the purpose of dealing with a real or

	potential emergency.
2	(ii) An emergency meeting shall be open to unit
3	owners and shall be subject to the requirements of
4	paragraphs (2) and (3).
5	(iii) The bylaws shall specify which member of the
6	association's executive board shall provide notice of any
7	emergency meeting and shall further specify the means and
8	methods of providing such notice.
9	(6) The bylaws shall provide for rules of order to
10	govern meetings under paragraphs (1) and (5). The rules may
11	not be made to violate the intent of this section.
12	(e) Executive board proxies The bylaws shall, in addition
13	to the provisions of section 5310 (relating to voting; proxies),
14	provide that no vote may be cast pursuant to a proxy during a
15	vote of the executive board.
16	(f) Records The bylaws shall, in addition to the
17	provisions of section 5316 (relating to association records),
18	<pre>provide that:</pre>
19	(1) The association shall keep detailed records of its
20	operation and administration, including financial records as
21	<pre>provided in section 5316(a).</pre>
22	(2) (i) Books and records kept by or on behalf of an
23	association shall be available for examination and
24	copying by any unit owner or the unit owner's authorized
25	agent. This right of examination may be exercised only
26	during reasonable business hours or at a time and
27	location mutually convenient to the association and the
28	unit owner and may not be exercised in bad faith or for
29	any improper purpose, such as to harass another.
30	(ii) Books and records kept by or on behalf of an

<u>association may be withheld from inspection to the extent</u>
they concern any of the following:
(A) Personnel records.
(B) An individual's medical records.
(C) Records relating to business transactions
that are currently in negotiation.
(D) Privileged communications with legal
<pre>counsel.</pre>
(E) Complaints against a unit owner.
(F) Records of executive sessions under
subsection (d) (4).
(G) Information that, if disclosed, would
constitute an unwarranted invasion of privacy under
Federal or State law.
(iii) The association may impose and collect a
charge reflecting the actual costs of materials and labor
prior to providing copies of any books and records under
this paragraph.
(g) Election of executive board members
(1) The bylaws shall, in addition to the provisions of
sections 5303 (relating to executive board members and
officers) and 5306(a)(3) (relating to bylaws), provide that
candidates for election to the executive board may be
nominated from the floor of membership meetings by any unit
owner.
(2) Bylaws adopted in compliance with the provisions of
this subsection shall not apply to the appointment of members
of the executive board by the declarant or persons designated
by the declarant.
(h) Definitions As used in this section, the following

- 1 words and phrases shall have the meanings given to them in this
- 2 subsection:
- 3 "Executive session." A meeting of the executive board from
- 4 which unit owners may be excluded under subsection (d) (4).
- 5 <u>"Meeting." A prearranged gathering held for the purpose of</u>
- 6 <u>deliberating association business or taking official action of:</u>
- 7 (1) an association, which is attended or participated in
- 9 (2) an executive board, which is attended or
- 10 participated in by a quorum of the executive board; or
- 11 (3) any committee, commission or entity that is a
- 12 <u>subdivision of the executive board of the association, which</u>
- is attended or participated in by a quorum of the committee,
- commission or entity.
- 15 "Official action." Any of the following:
- 16 (1) The establishment of policy by an association.
- 17 (2) A decision on association business made by an
- 18 association.
- 19 (3) A vote taken by an association, executive board or
- any committee, commission or entity that is a subdivision of
- 21 <u>the executive board of an association on any proposal,</u>
- 22 resolution, rule, regulation or report.
- 23 Section 7. This act shall take effect in one year.