

I. OPERATING OBJECTIVES

1. The HBAA Legal Action Committee exists to become involved in litigation that will have statewide implications for the housing and building industry. Committee funding is not a member service. The legal action fund is a housing industry service.
2. Two types of cases will take priority over all others (a) structurally sound appellate cases from both a factual and legal theory viewpoint, (b) potential cases where a complaint has yet to be filed and HBAA has had an opportunity to assist in structuring the lawsuit. Priority cases must meet the guidelines requirement of statewide significance to the housing industry.
3. The HBAA Legal Action Fund will engage primarily in a proactive role, encouraging and supporting the filing of high quality litigation that addresses major housing industry issues, rather than reacting to existing cases where there is little or no opportunity to assist the litigant in structuring the lawsuit.

II. COMMITTEE COMPOSITION AND RESPONSIBILITIES

The HBAA Legal Action Committee will consist of seven (7) members to be appointed annually by the Senior Officers of HBAA. The Committee will award HBAA legal assistance pursuant to these guidelines and procedures within the budget allocated.

III. APPLICATION PROCEDURES

Requests for legal assistance must be submitted to the Legal Action Committee by an HBAA member or an affiliated local association. All requests must be in writing accompanied by as much detail as possible. The request must include the following:

- A letter from the member's or HBA's legal counsel. The letter must include the legal and factual aspects of the case, as well as any statewide precedents or statewide implications involved in the case.
- Copies of relevant statutes or local ordinances.
- Any opinion of a lower court or municipal governing body or zoning authority.

The Legal Action Committee may request the member or local association making the request to appear personally before the Committee.

IV. GUIDELINES

1. Financial assistance is available for cases dealing with matters of state-wide significance or with important problems common to the housing industry.

2. Maximum HBAA financial assistance for any single case is twenty-five percent (25%) of the annual Legal Action Fund budget as approved by the HBAA Board of Directors.
3. Local Associations requesting financial assistance shall have participated or prospectively participate financially in support of any cases directly affecting that Association.
4. Requests for assistance shall be made, if possible, prior to or very early in the litigation. Applications for assistance in pending litigation will be considered only in the cases of exceptional merit.
5. Requests for assistance must be submitted in writing to the Legal Action Committee accompanied by suitable documentation in support of the request. The request shall include a summary statement of the facts, the legal issue involved, the impact upon the housing industry and an estimate of litigation costs.
6. The Legal Action Committee may intervene in, or financially support a case of regional, state or national interest without HBAA Executive Committee or Board approval provided it remains within the budgetary confines as established by the HBAA Board of Directors. The Committee may not institute or become a plaintiff in any case without the expressed unanimous approval of the HBAA Senior Officers.
7. In cases where the HBAA has lent its name as a party to a suit, the party being assisted shall agree in writing to indemnify HBAA against all claims incurred as a result of the appearance of HBAA as a party to the litigation.
8. Any sums approved by the Legal Action Committee of HBAA to assist in legal actions considered shall be provided with the express understanding that the action shall be carried to final judgment in the court having jurisdiction. Should the action be settled or discontinued prior to final judgment, funding shall be automatically terminated. If a litigant who is supported by a grant from the HBAA Legal Action Fund, regardless of whether the litigant is the HBA applicant, receives an award of attorney fees in the subject litigation, the HBAA Legal Action Fund shall be reimbursed to the extent of such award.
9. Any member or local association granted funding will submit periodic written reports to the Legal Action Fund Committee. These reports will include the status of the litigation and an accounting for the money used. These reports will continue until the case is completed.
10. HBAA legal counsel will evaluate and comment on all Legal Action Fund applications submitted to the Committee.

11. Fast track requests for financial assistance are possible. The Committee will not review any fast-tracking request unless immediate financial expenditure is necessary because of impending legal deadlines.
12. The Legal Action Committee will annually review each case funded. The Committee will determine: 1) if the case has been decided; 2) if there is a need for HBAA continued support; 3) if the issues have been resolved in a regulatory or legislative forum.

Each case and funding request is unique. Cases will be evaluated by the Committee on a case by case basis.