

DECLARATION OF TRUST

FOR

**CITY OF TUCSON, ARIZONA
SELF-INSURED TRUST FUND**

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**DECLARATION OF TRUST
FOR
CITY OF TUCSON, ARIZONA
SELF-INSURED TRUST FUND**

This Declaration of Trust for City of Tucson, Arizona, Self-Insured Trust Fund (the "Declaration of Trust" or "Trust") dated and effective this 28th day of June, 2011 is entered into by and between CITY OF TUCSON, a political subdivision of the State of Arizona (hereinafter called CITY), and the individuals hereinafter executing this Declaration of Trust, as Trustees (hereinafter with their successors, referred to singularly and collectively as TRUSTEES).

RECITALS:

A. Chapter 18 of the Tucson Code (T.C. 18-1, *et. seq.*) authorizes the City to self-insure or procure insurance from any insurer authorized by the Director of the Department of Insurance, or both, for any of the types of insurance as defined in Title 20 of the Arizona Revised Statutes. The insurance or self-insurance provided by the City may be extended to include its departments and employees, including employee dependents, as further outlined in this Declaration of Trust.

B. The Trust shall cover workers' compensation and general public liability for the City. The Trust may include coverage for employer liability, medical malpractice, other professional liability, property damage, public/elected official liability, civil rights liability, environmental liability, benefits for employees and their dependents including health, dental, life, disability and other benefits, inverse condemnation liability, attorney's fees and costs associated with such cases, and training and programs for reduction of potential losses for future liability, and such other areas of coverage as may be authorized by the Mayor and Council.

C. The City, in the exercise of the authority granted by Chapter 18 of the Tucson Code, hereby establishes and declares this Trust for the stated purposes to act in conformance with the Tucson Code. The City Attorney has determined for the Mayor and Council that this Declaration of Trust is in proper form and within the powers and authority of the Mayor and Council, and the Mayor and Council have approved this Trust Agreement in open session on June 28, 2011.

Accordingly, the City agrees as follows:

AGREEMENT:

ARTICLE 1. GENERAL TERMS

1.1. Incorporation by Reference; Duration; Termination.

1.1.1. The foregoing recitals are hereby incorporated by reference into this Declaration of Trust as though fully set forth herein. Statutory references in this Declaration of Trust shall refer to those statutes as they may have been or may be amended.

1.1.2. This Trust shall become effective upon the execution by the Mayor and Council of the City of Tucson and shall continue until this Trust is terminated by the City, which termination shall be effective upon resolution of the Mayor and Council. However, the termination of this Trust shall have no effect upon the existence, powers, or other obligations of the City.

1.2. Purpose. The purpose of this Declaration of Trust is to provide self insurance coverage for workers' compensation and general public liability and such other areas as may be authorized by the Mayor and Council. The purpose of this Declaration of Trust is further to establish a basis for achieving and maintaining adequate reserves in the Trust Fund to provide sustainable self insurance for the City. In furtherance of such purposes, the City agrees to operate the Trust according to the terms and conditions set forth in this Declaration of Trust.

1.3. Manner of Financing. The Trust shall be funded by the Mayor and Council as provided in Tucson Code 18-5. Additionally, the Trust may be funded through other available financial techniques and methods permissible under state or federal law and authorized by the Trustees and the Mayor and Council. Once funds are deposited to the Trust, they shall not be subject to the provisions of A.R.S. § 42-17101 *et. seq.*

1.4. Conformity with Law. If any term or provision of this Declaration of Trust conflicts with or violates any state or federal law, as they now exist or are hereafter amended, this Declaration of Trust shall be automatically deemed amended to conform to such laws and statutes.

1.5. Reservation of Authority. Nothing contained herein shall modify or restrict the legal obligations of the City to administer and operate appropriate insurance programs for the City of Tucson, Arizona, as those programs shall be modified from time to time hereafter by the Mayor and Council. Nothing contained herein nor any extension of coverage shall be interpreted to expand or increase any legal liability of the City of Tucson.

1.6. Definitions.

1.6.1. "Administrator" means the Risk Manager appointed by the City Manager. Any Administrator appointed hereunder must be licensed as required by A.R.S. § 20-281, *et seq.*, or certified as an insurance administrator under A.R.S. § 20-485, *et seq.* and verified by the Mayor and Council.

1.6.2. "Clerk" means the "City Clerk" of Tucson, Arizona.

1.6.3. "City" means City of Tucson, Arizona.

1.6.4. "Department" means any department, agency, authority, budgetary unit, Mayor and Council or commission of the City.

1.6.5. "Department of Insurance" means the State of Arizona, Department of Insurance.

1.6.6. "Expenditures" means all disbursements made from the Trust created by this Declaration of Trust and authorized by Trustees for the management and administration of a self-insured retention program for those purposes as specified in T.C. 18-1, *et. seq.*

1.6.7. "Finance Director" means the duly appointed Finance Director of the City of Tucson.

1.6.8. "Mayor and Council" or "City of Tucson Mayor and Council" means the Mayor and Council as the governing body of the City of Tucson, Arizona.

1.6.9. "Trust" means the City of Tucson, Arizona, Self-Insured Trust.

1.6.10. "Trustees" or "Trustee" means individuals who reside or work in the City of Tucson, Arizona, appointed by the Mayor and Council to administer the Trust, and the successors of the Trustees.

1.6.11. "Trust Member" is any person or entity covered under the provisions of this Trust.

1.7. General Provisions.

1.7.1. The business affairs of the Trust shall be conducted by the Administrator and the Board of Trustees as provided in Tucson Code 18-1, *et. seq.* The Trust shall comply with all federal, state and local laws, rules, regulations, standards and executive orders, without limitation to those designated within this Declaration of Trust. The laws and regulations of the State of Arizona shall govern the rights of the parties, the performance of this Trust and the resolution of any disputes thereunder. Any action relating to this Declaration of Trust shall be brought in an Arizona court. Any changes in the governing laws, rules and regulations applicable to this Trust during the term of this Declaration of Trust shall apply to this Declaration of Trust, but such changes shall not require an amendment to this Declaration of Trust.

1.7.2. The Trust shall not discriminate against any individual in any way on account of such individual's race, color, religion, sex, age, disability, or national origin.

1.7.3. The financial activities, management and business affairs of the Trust shall be managed effectively and efficiently by the Administrator with reports submitted to the Board of Trustees at least annually. The Administrator shall act in consultation with the Finance Director and in conformance with the policy direction of the Board of Trustees. The Board of Trustees shall set the policies for the effective and efficient administration of the Trust as determined in the annual meeting or such other meetings as may be called by the Board. The Board shall act in conformance with the overall direction of the Mayor and Council.

1.7.4. The Trust shall be audited annually by an external auditor and a copy of the audit report kept on file in the office of the City Clerk for a period of not less than five (5) years. This audit is separate from the City's Comprehensive Annual Financial Report.

1.7.5. This Declaration of Trust including exhibits attached hereto shall constitute the entire Declaration of Trust and supersede all other understandings, oral or written. Any amendment to Tucson Code 18-1, *et. seq.*, by the Mayor and Council shall be an amendment to this Declaration of Trust. This Declaration of Trust may be amended or modified only by the Mayor and Council, with notice to and consultation with the Trustees.

1.8. Trustees, Number, Term of Office, Qualification and Compensation.

1.8.1. The Board of Trustees shall include no less than five (5) joint Trustees, consisting of the Finance Director and four (4) persons appointed by the Mayor and Council, serve terms of four (4) years. The Trustees shall be at least 21 years old, citizens of the United States of America and reside or work in the City of Tucson, Arizona. Except for the Finance Director, no Trustee shall be an officer or employee of the City of Tucson.

1.8.2. No person shall qualify as Trustee until he or she has been bonded and approved by the Mayor and Council by a written appointment, which shall be lodged with the Clerk and records of the Trust. The bond requirement may be satisfied by the blanket performance bond or other coverage provided by the Trust.

1.8.3. Trustees are subject to removal and substitution by the Mayor and Council with or without cause. Any Trustee may be reappointed by the Mayor and Council upon expiration of his or her term, and upon expiration of his or her term may continue to serve until a replacement is appointed by the Mayor and Council. A Trustee may resign at any time by giving notice in writing to the Mayor and Council. The determination of a vacancy among the Trustees by reason of resignation, incompetency, or death, or for any other reason, when made by a majority of the remaining Trustees, set forth in writing and delivered to the Mayor and Council, shall be final and conclusive for all purposes. The resignation, incompetency, death or termination of any or all of the Trustees shall not terminate the Trust or affect its

continuity; however, a quorum must always be present. During a vacancy, the remaining Trustee or Trustees may exercise the power of the Trustees hereunder. Vacancies among the Trustees shall be filled by the Mayor and Council approval.

1.8.4. Trustees shall not be entitled to receive compensation for their services as trustees, except trustees shall be entitled to reimbursement for any reasonable out-of-pocket cost and expenditures made by the trustees in the performance of their duties as trustees. The Finance Director shall not receive any additional compensation for service as a Trustee.

1.8.5. The Board of Trustees shall meet at least once a year and shall make recommendations thereafter to the Mayor and Council, through the City Manager, regarding the investment and administration of the Trust. The trustees shall submit an annual report to the Mayor and Council by March 1 through the City Clerk and the City Manager relating to the status of the Trust and make other recommendations that the trustees deem necessary and appropriate.

1.8.6. The Trustees shall meet annually, and at such other times as they shall determine necessary and appropriate. The Chair may call a meeting at any time upon two (2) days' notice, either written or verbal. Any two (2) Trustees may call a meeting upon two (2) days' notice to the other Trustee, either written or verbal. Agendas must comply with all open meeting law requirements including posting of minimum twenty-four (24) hours prior to meetings. The Trustees may act only during a formal meeting of the Trustees, except in case of an emergency, as determined by the Chair or a majority of the Trustees, during which the Trustees may act without a meeting subject to ratification and confirmation of the act in conformance with applicable law. Any action by a majority of the Trustees in office shall be conclusive and binding as an action of the Trustees. All agreements, deeds, checks, documents, reports, and any and all other instruments executed by a majority of the Trustees or executed by one Trustee or an authorized agent of the Trust, pursuant to authorization of a majority of the Trustees given either at a meeting or in writing, shall be effective and binding as if executed by all of the Trustees.

1.8.7. The Trustees shall elect from their members a Chair, who shall act as Chair until such time as his or her successor shall have been elected and qualify. The Chair shall be elected by a majority of the Trustees serving the Trust. The Chair of the Trustees shall serve until such time as he or she resigns, or is removed by vote of the Trustees. An election of the Chair may be called at the request of any Trustee. The Finance Director shall not serve as the Chair.

1.8.8. The Chair shall establish the date, time and place of the meetings of the Trustees, and shall provide at a minimum of twenty-four (24) hours, an agenda of subject matter to be covered during the meeting. All meetings shall take place in the City of Tucson and shall be subject to all applicable statutes, rules and regulations otherwise pertaining to public meetings.

1.8.9. In case of an emergency, a meeting, including an executive session, may be held upon such notice as is appropriate to the circumstances, provided that within twenty-four (24) hours following the emergency meeting, a public notice is posted declaring that an emergency session has been held and setting forth the specific matters discussed, considered or decided. If the emergency meeting was conducted in executive session, the public notice shall indicate the Board of Trustees will conduct business in executive session and include only a general description of the matters considered and shall not contain information that would defeat the purpose of the executive session.

1.8.10. In the case of an emergency, a matter may be discussed and considered and, at public meetings, decided, even though the matter was not listed on the agenda provided that a statement setting forth the reasons necessitating such discussion, consideration or decision is placed in the minutes of the meeting, and at the public meeting, is publicly announced. In the case of an executive session, the reason for consideration of the emergency measure shall be announced publicly immediately prior to the executive session.

1.8.11. At all meetings of the Trustees, a majority of the membership shall constitute a quorum for the transaction of business. If quorum is not present at any meeting of the Trustees, the Trustees present may recess the meeting from time to time until a quorum is present. At such resumed meeting at which a quorum is eventually present, any business may be transacted which might have been transacted at the meeting originally noticed; provided that, to the extent applicable, the requirements of the Arizona open meeting laws A.R.S. § 38-431, *et seq.*, are satisfied.

1.8.12. The trustees shall comply with A.R.S § 38-431 and provide legal action reports and minutes to the City Clerk.

1.8.13. The Trustees shall comply with the provisions of Title 38, Chapter 3, Article 8 (A.R.S. § 38-501 through 511) (Conflict of interest of officers and employees and Relatives), as well as any other applicable law regarding conflict of interest.

1.9. Powers of Trustees. The Trustees shall establish necessary policies, rules, and procedures to enable the Trust to do all such lawful acts and things which are permitted by statute and by this Declaration of Trust. The Trustees may without limitation do all of the following:

1.9.1. The Trustees may adopt policies, rules and procedures for the administration of the Trust; provided, however, that such policies, rules and procedures may not be inconsistent with the provisions of this Declaration of Trust or applicable city, state and federal law and regulations.

1.9.2. The Trustees may retain the services of actuaries, auditors, engineers, private consultants, administrators, support staff and advisors as the Trustees deem necessary in order to carry out the business and purposes of the Trust. The Trustees

shall seek legal advice from or through the City Attorney when legal advice is deemed necessary. In the event that the City Attorney cannot provide legal advice, due to conflict of interest or otherwise, private outside counsel appointed by the City Attorney shall serve in his or her place and stead. The Trustees shall consult with the Finance Director prior to the selection of actuaries, auditors, and financial consultants/advisors.

1.9.3. The Trustees may authorize policies for the payment of insurance premiums, costs of claim investigation, defense, settlement (up to the limit established in Schedule A attached hereto) and other costs as permitted by T.C. 18-4 and A.R.S. §11-981; and such other costs as are necessary to carry out the conditions of the Trust.

1.9.4. The Trustees may purchase, lease or rent personal property they deem necessary, and shall comply with the provisions of the City Procurement Code.

1.9.5. The Trustees may recommend modifications of the terms and conditions of this Trust document to the Mayor and Council.

1.9.6. The Trustees shall maintain minutes of their meetings. The Trustees shall delineate in the written minutes of its meetings the areas of authority it delegates to the Administrator. The Administrator shall be an ex-officio member of all committees of the Trustees.

1.9.7. The Trustees shall provide for the investment of Trust monies in a manner consistent with the provisions of A.R.S. § 35-321, *et seq.*

1.10. Non-Liability of Trustees. Except as otherwise provided by law, no Trustee shall be liable individually for any act or omission of any Trustee or agent or representative of the Trust or for negligence, error in judgment or any act or omission, except his or her own bad faith, gross negligence, and/or willful and wanton misconduct in the conduct of his or her duties. It is further expressly recognized that the Mayor and Council, in its sole discretion, shall determine the adequate and appropriate funding for the Trust.

Every act or thing done or omitted, and any power exercised or obligation incurred by the Trustees in the administration of the Trust, or in connection with any business or property of the Trust, in their Trustee capacity, shall be deemed done, omitted, exercised, or incurred by the Trustees, as Trustees, and not as individuals; and, upon any debt, claim, demand judgment, decree, or obligation of any nature whatsoever against or incurred by the Trustees in their capacity as such, whether founded upon contract or tort, recourse shall be had solely to the property of the Trust.

Nothing contained in this Trust shall protect a Trustee or agent or representative of the Trust against liability to the Trust, or to the beneficiaries thereof for gross negligence, bad faith, and/or willful and wanton misconduct in the conduct of his or her duty.

1.11. Indemnification. The Trust shall indemnify, defend and hold harmless each Trustee from and against all claims and liabilities, whether they proceed to judgment or are settled, to which such Trustee may become subject, by reason of his or her being or having been a Trustee, or by reason of any action alleged to have been taken or omitted by him or her, as Trustee, and shall reimburse him or her for all legal and other expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that no Trustee shall be indemnified or reimbursed under the foregoing provisions in relation to any matter, unless it shall have been adjudicated that his or her action or omission did not constitute bad faith, gross negligence, and/or willful and wanton misconduct in the conduct of his or her duties, or, unless, in the absence of such an adjudication, the Trust shall have received a written opinion from the City Attorney, or in case of conflict a private outside counsel to the effect that if the matter of bad faith, gross negligence, and/or willful and wanton misconduct in the conduct of duties had been adjudicated, it would have been adjudicated in favor of such Trustee. The rights accruing to a Trustee under these provisions shall not exclude any other right to which he may be lawfully entitled, nor shall anything herein contained restrict the right of the Trust to indemnify or reimburse such Trustee in any proper cause, even though not specifically provided for herein; provided, that no Trustee may satisfy any right of indemnity or reimbursement granted herein, or to which he may be otherwise entitled, except as provided by law.

1.12. Disclaimer of Third Party Beneficiaries: Nothing in this Declaration of Trust is intended to confer the status of third-party beneficiary on any person, or entity.

ARTICLE 2. ADMINISTRATION OF THE TRUST

2.1. Insurance. Tucson Code Chapter 18 authorizes the City to self-insure or procure insurance from any insurer authorized by the Director of the "Department of Insurance", or both, for any of the types of Insurance as defined in Title 20 of the Arizona Revised Statutes.

2.2. Powers and Duties of Administrator.

2.2.1. The Mayor and Council, by approval of this Declaration of Trust, does hereby direct and authorize the Administrator to establish, manage, and administer a program to finance the risk of loss arising from losses, claims, costs, and expenses, from workers' compensation and general public liability and such other areas as may be authorized by the Mayor and Council. However, there shall be no expenditures from the trust fund for any purpose not specified in Title 11, Chapter 7. Article 5 of the Arizona Revised Statutes or Tucson Code 18-1, *et seq.*

2.2.2. The Mayor and Council does hereby further direct and authorize the Administrator to exercise his or her judgment to recommend to the Trustees and the Mayor and Council that the City procure insurance from any insurer authorized to do business in the State by the Director of the "Department of Insurance" or otherwise approved by the Mayor and Council; to establish self-insured retention programs; to

combine self-insured retention programs, and procurement of insurance; or any combination of the foregoing. If a self-insured retention is maintained, the Administrator shall, subject to Mayor and Council's discretion to appropriate funds, establish adequate and appropriate reserves, which may include an allowance for claims incurred but not reported, for any claims made against the City and which are covered by this Trust.

2.2.3. The Mayor and Council does hereby further direct and authorize the Administrator to establish a program for disbursements to be made for and on behalf of the benefit of the City, which program will approve for payment any and all reasonable expenditures necessary to establish and to operate and administer the Trust.

2.2.4. The Mayor and Council does further direct and authorize the Administrator to establish a program for the defense of claims for liability against the City including but not limited to the following:

2.2.4.1. The City Attorney or his or her designee shall appoint counsel to provide for the defense of the City, its Departments, its employees, and such others for whom this Trust may provide defense and/or indemnification on account of their acts or omissions.

2.2.4.2. The Mayor and Council hereby delegates to the Administrator the authority to reject in whole or in part, or to settle or compromise (within the limits of authority established by Tucson Code 18-1 et. seq. and as set forth in Schedule A to this Declaration of Trust), any claim made by any employee or a third party against the City. The Administrator is authorized to re-delegate all or any portion of said authority to City adjustors, claim analysts and similar employees or agents who report to the Administrator or Finance Director.

2.2.4.3. The Mayor and Council further delegates to the Administrator the authority to determine, in the exercise of his/her best judgment acting in concert with the City Attorney whether an offer to compromise and settle a claim has sufficient merit to bring before the Mayor and Council and/or Trustees for consideration, and, again acting in concert with the City Attorney, to make a recommendation with regard to the proposed compromise and settlement.

2.2.4.4. The Mayor and Council further delegates to the Administrator, acting in concert with the City Attorney the authority to issue a reservation of rights whenever a claim is presented for which the City and this Trust appear to be, but may or may not be liable, depending upon the determination of the factual basis for the claim.

2.2.5. The Mayor and Council does further direct and authorize the Administrator or Finance Director to establish a program for Loss Control and Prevention to reduce or eliminate the frequency and severity of loss and claims to City physical and financial assets and human resources.

2.3. Non-Liability of Administrator. Except as otherwise provided by law, the Administrator shall not be liable individually for any act or omission of the Administrator or agent or representative of the Administrator or for negligence, error in judgment, or any act or omission, except his or her own bad faith, gross negligence, and/or willful and wanton misconduct in the conduct of his or her duties. Every act or thing done or omitted, and power exercised or obligation incurred by the Administrator in the administration of the Trust, or in connection with any business or property of the Trust, in his or her capacity as Administrator hereunder, shall be deemed done, omitted, exercised, or incurred by the Administrator acting under the powers and duties imposed on the Administrator under the provisions of this Declaration of Trust, and upon any debt, claim, demand judgment, decree, or obligation of any nature whatsoever against or incurred by the Administrator in his or her capacity as such, whether founded upon contract or tort, recourse shall be had solely to the property of the Trust. Nothing contained in this Trust shall protect the Administrator or agent or representative of the Trust against liability to the Trust, or to the beneficiaries thereof for gross negligence, bad faith, and/or willful and wanton misconduct in the conduct of his or her duty.

2.4. Indemnification of Administrator. The Trust shall indemnify, defend and hold harmless the Administrator from and against all claims and liabilities, whether they proceed to judgment or are settled, to which the Administrator may become subject, by reason of his or her being or having been the Administrator, or by reason of any action alleged to have been taken or omitted by him or her, as Administrator, and shall reimburse him or her for all legal and other expenses reasonably incurred by him or her in connection with any such claim or liability; provided, however, that the Administrator, shall be indemnified or reimbursed under the foregoing provisions in relation to any matter, unless it shall have been adjudicated that his or her action or omission constituted bad faith, gross negligence, and/or willful and wanton misconduct in the conduct of his or her duties, or, unless in the absence of such an adjudication, the Trust shall have received a written opinion from City Attorney, or in case of conflict a private outside counsel to the effect that if the matter of bad faith, gross negligence, and/or willful and wanton misconduct in the conduct of duties had been adjudicated, it would have been adjudicated in favor of the Administrator. The rights accruing to the Administrator under these provisions shall not exclude any other right to which he or she may be lawfully entitled, nor anything herein contained, restrict the right of the Trust to indemnify or reimburse the Administrator in any proper cause, even though not specifically provided for herein; provided, that the Administrator may satisfy any right of indemnity or reimbursement granted herein, or to which he may be otherwise entitled, except as provided by law.

2.5. Designation of Administrator. The Mayor and Council designates and appoints the Risk Manager as the Administrator of the Trust. The Administrator shall be in charge of and responsible for the operation of the Trust.

2.6. Procurement Provisions. All purchases of the "Trust," except for purchases of commercial liability insurance, fidelity insurance, surety insurance, appeal or other types of bonds, single premium immediate or deferred annuities and structured settlement

annuities shall comply with the Tucson Procurement Code, Chapter 28 of the Tucson Code. Any and all bids or proposals may be rejected by the Trustees if it is determined by the Trustees that rejection is in the best interest of the City. The Administrator, or his designee, shall be designated as a procurement officer authorized to purchase all materials and services required for the operations of the Trust pursuant to authority delegated by the Mayor and Council. Payment for materials and services contracted for by the Trust shall be the exclusive obligation of the Trust.

2.7. Counterparts. This Declaration of Trust may be executed in several counterparts, all of which together shall be considered an original.

2.8. Stop Loss. For each City self-insured liability (including without limitation employee benefits and casualty loss liabilities) the stop loss terms and amount shall be as provided in the intergovernmental agreements then in place (and as subsequently amended) between the City and any other entities or individuals. The stop loss amount shall be the same for each person or entity for which this Trust exists as the source for payment of the self insured liabilities allowed under A.R.S. § 11-981. The Mayor and Council may establish by resolution a separate stop loss for any liabilities for which a stop loss is not provided by intergovernmental agreement, and any such stop loss shall apply equally in terms and amount to each person or entity for which this Trust exists as the source for payment of self insured liabilities.

IN WITNESS WHEREOF, the parties hereto have executed this Declaration of Trust as of the date hereof.

CITY OF TUCSON, STATE OF ARIZONA

By: _____
Robert E. Walkup
Its Mayor

ATTEST

Roger Randolph
City Clerk

CITY OF TUCSON SELF-INSURED TRUST FUND
BOARD OF TRUSTEES APPOINTED BY MAYOR AND COUNCIL

TBD [Name]

Trustee Trustee

TBD [Name]

Trustee & Chair Trustee

TBD [Name]

Trustee Trustee


TBD [Name]

Trustee Trustee

LEGAL COUNSEL DETERMINATION

Counsel has read this Declaration of Trust and has determined that it is in proper form and is within the powers, authority, and discretion granted to the City, and/or the Mayor and Council under the laws of the State of Arizona.

DATED this 28th Day of June, 2011



Michael G. Rankin
City Attorney

SCHEDULE A

Public Liability Settlement Authority

NOTE: For purposes of this Schedule A, Claim means the demand or demands for compensation made by an individual person or other legal entity which 1) arise(s) from a single incident or related set of circumstances, and 2) is/are compensable under the provisions of this Trust. The provisions of A.R.S. § 12-612 notwithstanding, each statutory beneficiary in a wrongful death action shall be considered as having an individual Claim for compensation for damages. Public Liability settlement authority is as follows:

a. Risk Manager or City Attorney - Any claims covered by this Declaration of Trust up to \$20,000 for Bodily Injury or Property Damage or up to \$40,000 for combined Bodily Injury and Property damage and any property damage claim up to the amount of the deductible of any City purchased property insurance policy in effect when the loss occurs.

b. Mayor and Council – Any claims \$20,000 and over for Bodily Injury or for Property Damage; or \$40,000 and over for combined.