

BOARD OF DIRECTORS

LEGAL CLAIMS POLICY

- 1. Context.** From time to time, it is in the best interest of the Presidio Trust (“Trust”) to pursue and settle legal claims. This policy provides clear parameters and approval authority for the filing of lawsuits by the Trust and the settlement of legal claims made by or against the Trust. This policy applies to all lawsuits and legal claims made by or against the Trust, including but not limited to, claims made under the Federal Tort Claims Act (“FTCA”), employment or Equal Employment Opportunity (“EEO”) related claims, and breach of contract claims.
- 2. Legal Authority.** This Policy is developed pursuant to the Presidio Trust Act, 16 U.S.C. §460bb note, Sections 104(b) (authority to negotiate and enter into agreements and other arrangements) and 104(h) (litigation), and 28 U.S.C. § 2672 (administrative adjustment of claims by the head of agency).
- 3. Authority to file a lawsuit.** Because the Trust is a part of the U.S. Government, only the Attorney General may file a lawsuit and conduct litigation in the name of or on behalf of the Trust. The authority to authorize the Attorney General to file suit in the name of or on behalf of the Trust follows the settlement authority set forth in Section 5 below. However, this authority may not be re-delegated.
- 4. Authority to pursue and settle tenant evictions.** The Chief Executive Officer (“CEO”) has the authority to pursue and settle tenant eviction claims. The CEO may delegate their authority further in a written delegation. The CEO may delegate their authority further in accordance with a written procedure.
- 5. Authority to pursue and settle monetary legal claims.** The value of a settlement for purposes of this policy is the total monetary value of consideration paid or received, including settlement payments, the value of benefits provided or received, and fee or debt waivers. The value includes any portion of the settlement paid by or reimbursed through insurance coverage.
 - 5.1. Under \$5,000,000.** The CEO has the authority to pursue and settle legal claims where the value of the claim or settlement is under \$5,000,000. The CEO may delegate their authority further in accordance with a written procedure. Only those staff members to whom authority has been specifically delegated in writing by the CEO are authorized to settle a legal claim.
 - 5.2. \$5,000,000 or more.** Claims and settlements of \$5,000,000 or more must be approved by the Board of Directors. To expedite resolution of claims, the Board may vote to delegate its authority to a committee or to an individual Board member.
 - 5.3. Attorney General approval for Federal Tort Claims Act claims above \$25,000.** For any claim filed against the Trust under the Federal Tort Claims Act, any amount or offer of settlement exceeding \$25,000 must be pre-approved in writing by the Attorney General. See 28 U.S.C. § 2672.
 - 5.4. Insurance approval required.** Any claim or settlement that may be covered or partially covered by insurance must be pre-approved by the applicable insurance carrier(s).

- 5.5. Exception when Board Member or CEO is subject of the claim. No person, including a Board member or the CEO, may participate in the review or settlement of any claim where that person is the subject of the claim. In the case of a Board member, the Board member must recuse themselves from any and all discussions and votes relating to the claim. In the case of the CEO, the Board Chair may assume the CEO's approval authority or designate in writing another Board member to assume the CEO's approval authority.
6. **Authority to pursue and settle non-monetary claims.** The CEO has the authority to pursue and settle non-monetary claims, provided the non-monetary claim is not within the Board's exclusive authority, such as changes to or deviations from Board policies. The CEO may delegate their authority further in accordance with a written procedure.
7. **Alternative Dispute Resolution.** The Board and the CEO may use alternative dispute resolution techniques, including mediation and nonbinding or binding arbitration, to resolve claims.
8. **Reporting settlements to the Board.** The General Counsel will report all claim settlements and legal judgments to the Board at the next regularly scheduled Board meeting.
9. **Implementation.** Management will develop written procedures to implement this policy.