



**FLORIDA INTERNATIONAL UNIVERSITY
BOARD OF TRUSTEES
FULL BOARD MEETING
NOVEMBER 21, 2019
MINUTES**

1. Call to Order and Chair's Remarks

Board Chair Claudia Puig convened the meeting of the Florida International University Board of Trustees at 9:12 a.m. on Thursday, November 21, 2019, at the FIU, Modesto A. Maidique Campus, Graham Center Ballrooms.

General Counsel Carlos B. Castillo conducted roll call of the Florida International University Board of Trustees and verified a quorum. Present were Claudia Puig, *Board Chair*; Jose J. Armas, *Board Vice Chair*; Cesar L. Alvarez; Leonard Boord; Dean C. Colson; Gerald C. Grant, Jr.; Michael G. Joseph; Justo L. Pozo; Joerg Reinhold; Sabrina L. Rosell; Marc D. Sarnoff; and Roger Tovar.

Trustee Natasha Lowell was excused.

Chair Puig explained the purpose of this meeting, namely for the Board to take up as an action item the proposed mediated settlement agreement related to the pending litigation resulting from the March 15, 2018 bridge accident. She expressed condolences and support for the families of those persons who died in the bridge accident and for those persons who were injured and their respective families. Chair Puig conveyed the Board's appreciation of the first responders and all who helped in the recovery efforts.

Chair Puig stated that the Board's Bylaws provide that the Board Chair may, in consultation with the Corporate Secretary, allow an item to be presented to the Full Board without prior consideration by a Board committee when circumstances warrant. Chair Puig added that she and President Rosenberg were in agreement that to proceed directly to a Full Board meeting without a prior committee meeting would provide the most expeditious and efficient means by which to review this time-sensitive matter.

2. Public Appearances

There were no public appearances.

3. Action Item

BT1. Consideration of Settlement Proposal in Pending Litigation

At the request of Chair Puig, General Counsel Castillo presented the mediated settlement proposal for the Board's consideration. General Counsel Castillo pointed out that the mediated settlement is the result of a long process that included a number of lengthy, multi-party mediations with the participation of at least two (2) mediators. He explained that while the Board delegated to the President the authority to settle claims provided that the President consults with the Board Chair, given the importance of the matter to the University and the community, President Rosenberg and Chair Puig agreed that the matter should be presented for the Board's consideration.

General Counsel Castillo indicated that based on statements made by the attorneys for the parties involved in the mediated settlement process, whether in open Court or through filings, it is the University's understanding that all such parties, including the Personal Injury Plaintiffs, support the proposed global settlement. He stated that it is the opinion of the legal team and the University that approval of the proposed mediated settlement agreement is the quickest way for the Personal Injury Plaintiffs to be compensated and that the settlement agreement is fair, reasonable and in the best interests of the University.

General Counsel Castillo provided an overview of key settlement terms. He explained that the Personal Injury Plaintiffs Group will receive \$102,751,000.00, to be distributed to the Plaintiffs in amounts determined by a special mediator selected and agreed to by the Personal Injury Plaintiffs' Group and that the University has not been privy, and does not expect to be privy, to how much money each Plaintiff shall receive. Regarding the University, General Counsel Castillo indicated that FIU will receive a separate payment of \$9,500,000.00, which will be funded by Travelers Surety and Lexington/AIG, and that the payment of this sum to FIU is from sources funded by those construction related sources and not from any funds earmarked for the Personal Injury Plaintiffs' Group.

General Counsel Castillo pointed out that the General Unsecured Creditors will be paid \$300,000.00 to \$1,800,000.00, which will be funded by various insurance carriers and that FIU will receive releases from the Personal Injury Plaintiffs and general releases from all other settling parties. He added that FIU will receive a bar order from the United States Bankruptcy Judge that will permanently bar any future claims against FIU for any claim, loss or injury arising out of the bridge collapse. He explained that with some limited exceptions not involving or affecting FIU, all pending litigation will be dismissed.

General Counsel Castillo indicated that MCM expects to emerge from bankruptcy as a viable going concern under the control of new Munilla family members, noting that all current Munilla owners are expected to walk away. He explained that the new Munilla family members are bidding \$5 million for the equity stake and that the bidding process is an open process where a third party could come in, outbid the family members, and take control of the company. General Counsel Castillo explained that Louis Berger is an oversight engineering company hired by FIGG, the engineering/design firm that was hired by MCM. General Counsel Castillo stated that Louis Berger has not joined in the global settlement and that it is the University's understanding that Louis Berger

is involved in ongoing negotiations with MCM and others in an effort to bring them into the global settlement and that should this occur, it will have no bearing on the FIU settlement.

General Counsel Castillo pointed out that MCM, as part of the settlement with FIU, has agreed to close all permits opened by MCM for the UniversityCity Prosperity project and that the University has requested that MCM provide, and MCM is required to provide, all documents and information necessary for the permits related to the UniversityCity Prosperity Project, but opened by third parties, to be closed as well.

General Counsel Castillo explained that the settlement is subject to Board of Trustees approval and the Bankruptcy Court's approval and that following the Board's consideration of the settlement, a hearing before the Bankruptcy Court is expected on or about December 9, 2019. He indicated that it is anticipated that not only the approval process, but also the fund distributions, will occur before the end of this calendar year and that at that time, the bankruptcy proceedings will be substantially complete and turned over to a plan administrator to facilitate distributions to general unsecured creditors, after which the bankruptcy case will be closed.

General Counsel Castillo added that the University has agreed not to initiate a press release that discusses the details of the settlement, subject to its ability to comply fully, at all times, with sunshine and public records laws.

In response to Trustee Cesar L. Alvarez's inquiry, General Counsel Castillo explained that Louis Berger would be subject to the bar order.

A motion was made and unanimously passed that the FIU Board of Trustees (1) approve the mediated settlement agreement as outlined by General Counsel Castillo and reflected in the written agreement circulated to the Trustees; and (2) authorize the President to sign the referenced agreement on behalf of the University.

4. New Business

No new business was raised.

5. Concluding Remarks and Adjournment

With no other business, Board Chair Claudia Puig adjourned the meeting of the Florida International University Board of Trustees Full Board on Thursday, November 21, 2019 at 9:24 a.m.

There were no Trustee requests.

Claudia Puig
Chair
FIU Board of Trustees

Mark B. Rosenberg
Corporate Secretary
FIU Board of Trustees