

### **SUMMARY EXPLANATION AND BACKGROUND**

This Settlement Agreement is the result of extensive efforts to resolve differences regarding a claim asserted by Lemartec Corporation f/k/a Lemartec Engineering & Construction Corp. (“LEMARTEC”) pursuant to a Construction Agreement (“Agreement”) between Lemartec and The School Board of Broward County, Florida (the “SBBC”).

On or about May 19, 2009, the SBBC and LEMARTEC entered into an agreement to construct that project more commonly known as the New Replacement Facility P.000077 (f.k.a. 0405-99-01) at Lanier-James Educational Center (hereinafter, the “Project”).

During and after construction of the Project, LEMARTEC submitted multiple Change Order Requests (“CORs”) to the SBBC seeking additional costs and time associated with both work performed and delays that were alleged to be the result of active interference on the part of the SBBC and/or those under the direct control of SBBC. The CORs sought additional costs for General Conditions and work performed in the amount of \$ 317,734.72, and additional time for alleged delays totaling 264 calendar days.

After the SBBC denied LEMARTEC’s CORs and the Damages being sought, LEMARTEC filed a complaint against the SBBC for recovery of its Damages in the matter styled LEMARTEC ENGINEERING & CONSTRUCTION CORP. v. THE SCHOOL BOARD OF BROWARD COUNTY, Case No. 14-003880 (03) (hereinafter the “Lawsuit”).

### **Resolution and Recommendation**

To settle the Lawsuit, the SBBC will pay LEMARTEC the total sum of \$136,000, inclusive of retainage (the “Settlement Sum”), within twenty (20) days of the Effective Date of this Agreement.

This item resolves and settles the dispute between the SBBC and LEMARTEC, and authorizes Final Acceptance of the Project, but does not release, waive, compromise or discharge any liability or responsibility of LEMARTEC or any of its successors, affiliates or assigns for Latent Defects associated with the Project.

This Office and District staff recommend approval of the Settlement Agreement and approval of the Final Acceptance of the Project as a fair, reasonable and cost-effective resolution of the dispute between the parties. In conjunction therewith, staff also recommends approval of the Final Acceptance of the Project.

The Project has been occupied and utilized by District staff for three years. The Project has obtained properly executed Certificates of Occupancy and Final Completion.

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