

Continuation of the Summary Explanation and Background

The Modular Classroom Agreement stated that in exchange for the City's payment to the School Board in the amount of two million twenty-five thousand dollars (\$2,025,000) ("Contribution Payments"), the School Board would construct, maintain, and operate eight (8) permanent modular classrooms at public school(s) within the corporate limits of the City and remove eight (8) portable classrooms. A first amendment to the Modular Classroom Agreement was approved by the City on July 17, 2015 and by the School Board on July 28, 2015 to reduce the number of permanent modular classrooms to be constructed to seven (7) and to extend the date to complete the modular classrooms to March 21, 2016. The reason for the amendment was in response to the escalation of construction costs and the time necessary for construction of the modular classrooms. The first amendment also reflected a reduction in the total Contribution Payments to the School Board by the City to one million nine hundred five thousand dollars (\$1,905,000). These terms were further changed by mutual consent of the parties on August 28, 2015 to require the construction of six modular classrooms with the completion date changed to July 20, 2016.

On September 8, 2015, the School Board awarded a construction contract for the six (6) modular classrooms to JWR Construction, Inc. However, JWR Construction, Inc. stated it would be unable to deliver the six (6) modular classrooms by the required completion date and cited a budget shortfall exceeding Seven Hundred Ninety Six Thousand Dollars (\$796,000) as the reasons for failure to fulfill the construction contract. Therefore, this Second Amendment modifies the Agreement to reflect the intent of the School Board to place, maintain and operate six (6) used modular classrooms at one or more public schools within the corporate limits of the City for at least ten (10) years from the new completion date of December 31, 2016, or until the City and the School Board mutually determine that the modular classrooms are no longer needed.