

APPROVE SETTLEMENT AND MUTUAL RELEASE AGREEMENT WITH C&C DAIRY, INC.

BOB'S DAIRY SERVICES, TERRY GILLUND d/b/a GILLUND DAIRY and KRYSTAL DAIRY, INC.

THE GENERAL COUNSEL RECOMMENDS THE FOLLOWING:

Approve a settlement and mutual release agreement between C&C Dairy, Inc., Bob's Dairy Services, Terry Gillund d/b/a Gillund Dairy and Krystal Dairy, Inc. (the Dairies") and the Board of Education of the City of Chicago (the "Board"), concerning cost-of-living adjustments in milk contracts entered into by the Dairies and the Board.

HISTORY: This matter was filed on 9/22/04. The Board of Education of the City of Chicago and the Dairies have entered into a settlement and mutual release agreement.

Ethics - The Board's Ethics Code adopted September 27, 1995, (95-0927-RU3), as amended from time to time, is hereby incorporated into and made a part of the agreement.

~~Contingent Liability: The agreement shall contain the clause that any expenditure beyond the current~~

~~year is deemed a contingent liability, subject to appropriation in the subsequent fiscal year.~~