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ADOPTED  
BOARD OF TRUSTEES OF  
COMMUNITY COLLEGE DISTRICT NO. 508

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County of Cook and State of Illinois

FEB - 5 2004

COUNTY OF COOK  
AND STATE OF ILLINOIS

Designation of Uses of Funds from the Proceeds of Litigation

WHEREAS, the City Colleges filed an action against Price Waterhouse Coopers LLP ("PwC) in the Circuit Court of Cook County, Illinois, County Department, Law Division, Commercial Calendar, Case No. 95L9862, seeking damages and other relief in connection with PwC's audit of City Colleges' financial statements ("the lawsuit"); and

WHEREAS, on December 7, 2000 following a jury trial and verdict, a judgment was entered in favor of City Colleges and against PwC in the amount of \$12,650,000 on City Colleges' claim for professional negligence and \$378,000 on City Colleges' claim for breach of contract; and

WHEREAS, PwC and City Colleges have agreed to enter into a Settlement Agreement to avoid further expense and the inconvenience of further litigation in the trial court regarding the appropriate amount of the amended judgment and post judgment interest thereon; and

WHEREAS, it is agreed by and among PwC and City Colleges that City Colleges' claims will be settled and resolved; and

WHEREAS, PwC shall cause to be paid to City Colleges the amount of \$10,302,933.60; and

WHEREAS, the City Colleges has an Enterprise Management System Plan (EMSP) budgeted at \$50,900,911.00 with an unfunded portion amounting to \$12,493,555.00;

The Chancellor

Recommends, that the Board designates the funds received from PwC amounting to \$10,302,933.60 for the use of the unfunded portion of the EMSP;

NOW THEREFORE BE IT RESOLVED, that the Board designates the funds received from PwC amounting to \$10,302,933.60 for the use of the unfunded portion of the EMSP.

February 5, 2004