

COOPERATIVE AGREEMENT

This Agreement is made and entered into this 19th day of August, 1998, by and between the Board of Education of Pleasantdale School District 107, Cook County, Illinois, a local public school district (the "Board"), and the Catholic Bishop of Chicago, a not-for-profit religious corporation (the "Catholic Bishop") for the benefit of St. John of the Cross Parish School, a non-public school (hereafter "St. John's"), and from time to time hereafter referred to collectively as the "Parties;" and

WHEREAS, Article 7, Section 10 of the Constitution of Illinois 1970 authorizes units of local government and school districts to contract or otherwise associate among themselves and with individuals, associations and corporations to obtain or share services and to exercise, combine or transfer powers and functions by intergovernmental agreement in any manner not prohibited by law or by ordinance; and

WHEREAS, Section 29-4 of the Illinois School Code specifically authorizes a local school district to provide transportation to services to children residing within its territory who attend a non-public school; and

WHEREAS, the Parties have determined that this cooperative agreement (hereinafter the "Agreement") will aid their governmental objectives and is for the benefit of the citizens.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants of the Parties hereto, it is agreed by and between the Parties as follows:

SECTION 1: PREAMBLE.

The Preamble hereto shall be and hereby constitutes a part of this Agreement.

SECTION 2: AUTHORITY.

This Agreement is made pursuant to the above-cited provisions of the Illinois Constitution and the Illinois School Code.

SECTION 3: DURATION.

This Agreement shall become effective upon the date set forth above and shall extend for a period of one year concluding on June 30, 1999. Thereafter, this Agreement shall be deemed automatically renewed for successive one-year periods, unless either Party to this Agreement shall advise the other in writing at least sixty (60) days prior to the annual renewal date (July 1) of its intention not to renew this Agreement. Notwithstanding any provision herein to the contrary, this Agreement may also be terminated at any time by the mutual agreement of the Parties.

SECTION 4: THE SERVICES.

- A. The Board shall contract with Laidlaw Transportation Company ("Laidlaw") or whoever the Board chooses to provide transportation services and transportation equipment meeting the requirements of the Illinois School Code, Illinois Motor Vehicle Code and all other applicable laws, statutes and regulations suitable for the transportation of children who are residents of Pleasantdale School District No. 107 and are enrolled as students of St. John's to and from St. John's and

their residences. St. John's and Laidlaw shall be responsible for the development of an appropriate route and schedule for such regular bus transportation services. The Board shall have no responsibility or obligation to engage in any routing or scheduling. The Board, however, shall have the right to alter or change any routing or scheduling which the Board deems to be inconsistent with practical operations. The Board's obligation to provide transportation services for St. John's shall not exceed a total cost of \$15,000 and shall not extend beyond contracting with Laidlaw for one 72 passenger school bus, or smaller appropriate school bus, to provide regular transportation services, for students who are enrolled at St. John's and who reside within Pleasantdale School District 107, to and from St. John's and their residences along a regular bus route. It is further agreed that the school bus covered under this Agreement shall only carry and transport St. John's students who are residents of District 107. Further, the bus transportation covered by this Agreement shall only cover transportation to and from regularly scheduled classes at St. John's.

- B. St. John's shall assist the Board, as requested by the Board, in providing necessary information and documentation to assist the Board in applying for transportation reimbursement for such student transportation services from the Illinois State Board of Education. St. John's shall provide the Board by September each year of the names and addresses of students who reside within

the School District and who are eligible to receive the regular transportation services provided pursuant to this Agreement. In addition, St. John's shall provide such supplemental information as to any new or additional students using said bus throughout the school year.

SECTION 5: PROGRAM COORDINATORS.

The Parties shall each appoint a Program Coordinator to facilitate communications between the Parties, assist with community support and make recommendations and resolve disputes concerning the delivery of any reimbursement for the services. The Program Coordinators shall not meet according to any regular schedule, but shall confer as necessary.

SECTION 6: INDEMNIFICATION.

The Catholic Bishop and St. John's shall to the full extent permitted by law, indemnify and hold harmless the Board and its agents or employees (except to the extent they are indemnified by insurance purchased by the Catholic Bishop and St. John's) from and against any and all loss, claim, damages, expense (including consequential damages, attorneys' fees and costs) either directly or indirectly arising out of or caused by or based upon or resulting from any aspect of this Agreement. The Board's right to indemnification under this Section shall not be impaired or diminished by any act, omission, conduct, negligence or default (other than wilful misconduct) of any employee or agent of the Board who is alleged to have contributed thereto. The obligation of the Catholic Bishop and St. John's to indemnify shall survive the expiration or termination of this Agreement.

SECTION 7: INSURANCE.

The Catholic Bishop and/or St. John's shall provide and maintain in effect during this Agreement Commercial General Liability Insurance and/or Bus Transportation Insurance covering all aspects of this Agreement in the minimum amount of \$10,000,000. This coverage shall be primary as to any other insurance individually purchased by the Board. The Catholic Bishop and/or St. John's may provide coverage through the use of a primary liability policy or through a combination of primary liability and umbrella liability policies. However, the total limits of actual liability coverage shall not be less than the limits set forth in this Section.

The following endorsements shall also be required with respect to this coverage:

1. Blanket contractual liability, covering the Catholic Bishop's and St. John's indemnity obligations;
2. Broad form property damage coverage; and
3. Completed operations (which will be maintained for 2 years after termination of this Agreement).

All insurance policies maintained by the Catholic Bishop and/or St. John's under this Agreement shall name the Board and its agents and employees as additional insureds utilizing a GL-2010 Endorsement (or its successor).

A certificate of insurance acceptable to the Board shall be filed with the Board. It shall be updated as necessary. This certificate shall indicate that coverage afforded under the policies

will not be cancelled or materially changed without thirty (30) days prior written notice to the Board.

SECTION 8: AMENDMENT.

This Agreement may be amended at any time by the written approval of the Parties.

SECTION 9: INTENTION OF THE PARTIES.

It is the intention of the Parties to create a system whereby the Board pays an agreed upon portion of the cost of transporting students to and from school who are residents of District 107 and are students at St. John's. St. John's shall have the total responsibility and obligation for the day-to-day management and oversight of the students transported. The Board's obligations are essentially limited to the payment of the actual contractual cost of providing one school bus for the transportation of St. John's students in the manner specified above, not to exceed \$15,000. The decision of the Board shall, however, be binding with respect to any disputes or disagreements with respect to the coverage or implementation of this Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly designated officers, on the day and year first above written.

BOARD OF EDUCATION,
PLEASANTDALE SCHOOL DISTRICT
NO. 107, COOK COUNTY, ILLINOIS

By: Ray W. Bozic
Its PRESIDENT

THE CATHOLIC BISHOP OF CHICAGO

By: Thomas M. Brennan
Its Director of Finance

ATTEST:

By: Susan Andrus
Its SECRETARY

ATTEST:

By: Maureen A. Murphy
Its Attorney

ST. JOHN OF THE CROSS PARISH
SCHOOL

By: Richard E. Hyman
Its Rector

ATTEST:

By: Shirley Kozypal
Its School Secretary

FRANCZEK SULLIVAN P.C.
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January 20, 1998

BY FACSIMILE

Dr. Joseph Porto
Superintendent
Pleasantdale School District No. 107
7450 South Wolf Road
Burr Ridge, IL 60525

Re: **Parochial School Student Transportation**

Dear Joe:

This letter is in response to your recent inquiry regarding the School District's obligation to provide transportation services to private and parochial school students who reside within the District but attend school beyond the District's geographic boundaries. As we understand the circumstances, the Board of Education has been requested by the administrators of a parochial school located in School District 106 to add an additional bus route to its current schedule to transport a number of District residents to and from the parochial school or make other arrangements at the District's expense to provide such transportation services for these parochial school students. The District currently provides transportation services to its eligible students under a contract with a private carrier.

As we discussed, Section 29-3 of The School Code requires that school districts provide free transportation for pupils residing at a distance of one and one-half miles or more from any attendance center to which they are assigned, unless public transportation is available. This one and one-half mile distance is measured from the exit of the property where the pupil resides to the point where pupils are normally unloaded at the school attended along "normally traveled roads and streets." Further, school boards are granted broad authority in selecting school bus routes. In *Posteher v. Pana Community Unit School District*, 96 Ill.App.3d 709 (5th Dist. 1981), the Court held that a school district has full discretion in establishing its school bus routes and pick-up points; it must comply with the terms of the applicable statutes and rules, regulations and guidelines adopted by the State Board of Education; it must not act arbitrarily or capriciously; and it may not select routes or pick-up points that needlessly expose the pupils to any serious hazards to safety exceeding those that normally attend school bus operations.

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Section 29-4 of the Code requires that if school boards transport pupils to and from the public schools, they must afford similar transportation services, without cost, for children who attend a private or parochial school, who reside at least one and one-half miles from the school attended and who reside on or along the highway constituting the regular route of the public school bus. Section 29-4 provides further that in appropriate circumstances, high school districts may transport non-public elementary school pupils on a regular route. In addition, a school district may operate separate regular bus routes, subject to certain limitations, for the benefit of children who attend other than public schools where the operation of such routes is safer, more economical and more efficient. Further, Section 29-4 states that if a school district is required to provide transportation without cost for any child who is not a resident of the district, the school district providing such transportation is entitled to reimbursement on a monthly basis from the school district in which the child resides for the cost of furnishing that transportation, including a reasonable allowance for depreciation on each vehicle used.¹

Finally, Section 29-3.5 of the Code states that a school district may provide transportation services to any non-profit organization for recreational, cultural, educational and public service programs operated by the organization for the benefit of its members, during times when the vehicles used are not needed for the transportation of students between school and their homes. The school board is required to make a charge for such transportation in an amount equal to the cost thereof, which shall include a reasonable allowance for depreciation of the vehicles used and any increase in insurance premiums. The school board is authorized to enter into contracts, leases, or agreements concerning the use of transportation by non-profit organizations.

In response to your specific inquiry, the Board is not required to operate a school bus beyond its boundaries to transport District residents to a parochial school. However, the Board may be required, upon the request of the parents of these parochial school students, to allow these District residents to board its buses and travel without charge from their homes on or along the District's regular bus routes to a point within the District which is closest to the

¹ This latter situation may occur where a student who resides in one district walks or is dropped off in a neighboring school district, which provides free transportation services to its own student population, and is transported on the latter's school buses to a private or parochial school.

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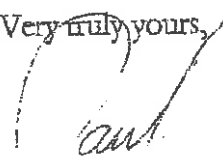
parochial school. Additionally, the Board may be obligated to add an additional bus or buses to its regular routes to accommodate these children and possibly modify its current routes to transport these children to a point on its boundary line from which they could walk to School District 106.

It is our understanding that School District 106 does not provide free regular transportation services to any of its own District residents. As a result, District 106 would not be legally obligated to provide any services to District 107 resident parochial school students if they were to present themselves at the School Districts' common boundary. In addition, it is our understanding that the School Districts' common boundary is a very busy highway. Therefore, for both of these reasons, it is extremely unlikely that parents would ask the District to transport their children to its shared boundary within District 106.

As an alternative, the Board may wish to offer to pick up these parochial school students from points on or along its regular bus routes and deliver them to one of the School District 107 attendance centers. The parochial school could then transport its students to and from District 107 by a shuttle bus service paid for exclusively by the parochial school. The Board would not be required to operate a separate bus on or along its route exclusively for parochial school students. It would also not be required to operate a bus at different times to coordinate its bus schedule with the parochial school's hours of attendance. The Board could elect to operate a different bus at different times and adjust its routes if it wished to facilitate the parochial school's shuttle services. However, if the Board were to provide such accommodations to students attending this parochial school, it would be obligated to provide similar accommodations to students attending other non-public schools.

We trust that this letter fully responds to your inquiry. Should you have any additional questions regarding this matter, do not hesitate to call.

Very truly yours,



Paul A. Millichap