

IRREVOCABLE ADMINISTRATIVE TRUST AGREEMENT

AGREEMENT OF TRUST made this (date) _____, between (Name of Applicant) _____
_____, d/b/a _____,
located at (School Street Address) _____,
(Municipality) _____ (County) _____, as "Principal", and (Name
of Trust Company and Federal ID #) _____,
_____, as "Trustee."

BACKGROUND

WHEREAS, the Principal operates a private licensed school in (City, County, State) _____
_____; and

WHEREAS, the Principal cannot provide a surety bond on the date of this Agreement. Therefore, its inten-
tion is to establish a private school surety fund pursuant to the Regulations of the State Board of Private
Licensed Schools ("Board"); and

WHEREAS, the Principal desires to operate its school at the location set forth above in the manner
required both by its express contracts with its students as well as by the provisions of the Private
Licensed Schools Act and the regulations promulgated by the State Board of Private Licensed Schools; and

WHEREAS, it is a condition of the grant of a license or registration to Principal by the State Board
of Private Licensed Schools pursuant to 22 Pa. Code § 73.54, that surety be provided; and

WHEREAS, the parties agree that this Irrevocable Administrative Trust Agreement shall be administered
as provided hereafter.

INTENDING TO BE LEGALLY BOUND and in consideration of their mutual promises and covenants, the parties
agree as follows:

1. The Background is part of this Agreement.
2. (principal) _____

hereby appoints (trust Co.) _____
as its trustee hereunder.

3. For the benefit and protection of the students of the Principal, the purpose of this trust fund shall
be to provide for the reimbursement of unearned tuition upon (1) closing of the school owned or operated by the
Principal; or (2) the suspension, revocation or any other termination of the Principal's licensure/registration
under the Private Licensed Schools Act.

4. The Principal hereby funds this trust agreement with (dollar amount) _____ to be held,
administered and distributed as provided herein. Trustee acknowledges receipt of (dollar amount) _____
from the Principal.

5. In compliance with 22 Pa. Code § 73.95, the Principal shall notify the Board thirty (30) days in
advance if the Principal intends to close the school. Thereafter, the Pennsylvania Department of Education,
State Board of Private Licensed Schools ("Board") will make a determination of valid student claims for un-
earned tuition and notify the Trustee of its findings, in writing.

6. If student claims exceed the amount of the trust fund upon the closing of the School, the amount
available will be prorated among all valid claims.

7. If student claims are less than the full amount of the trust fund, the remaining amount shall be
returned to the Principal, once the Board determines that all valid claims have been satisfied.

8. If the Trustee desires to cancel this agreement or resign as Trustee, it shall give the Board thirty (30) days written notice in advance of its cancellation or resignation. This written notice shall be delivered to the Board by certified mail, return receipt requested.

9. The Trustee shall provide the Board with an annual statement of account indicating the balance in the trust fund. This statement shall be filed on or before each anniversary date of this Agreement.

10. Interest earned on the trust fund dollars shall be payable to the Principal in quarterly or other convenient installments as the parties agree.

11. This trust agreement may be dissolved if it is replaced by a surety bond in at least the same amount as placed on deposit hereunder, and provided that the surety bond is approved in advance by the Board. If a surety bond is approved, the Principal must notify trustee in writing.

WHEREFORE, the parties have signed this Irrevocable Administrative Trust Agreement the date and year first above written.

Name of Applicant

d/b/a _____
(Name of School)

ATTEST: _____

By _____
(Owner; President or Vice President; or Partner) Title

By _____
(Secretary or Treasurer; or Partner) Title

BY _____
(Partner)

Name of Trustee

ATTEST: _____

By _____

Approved as to form and legality

BY _____
(PDE Office of Chief Counsel)

BY _____
(Office of the Attorney General)

Date _____