



State of Rhode Island and Providence Plantations
Council on Postsecondary Education
OFFICE OF THE POSTSECONDARY COMMISSIONER
560 Jefferson Boulevard Suite 100
Warwick, Rhode Island 02886-1304

Enclosure 8b
February 24, 2016

Barbara S. Cottam
Chair

TO: Members of the Council on Postsecondary Education

**Council on Elementary and
Secondary Education**

FROM: Jim Purcell, Ed.D, Commissioner for Postsecondary Education

Daniel P. McConaghy
Chair

DATE: January 28, 2016

Amy Beretta, Esq.

RE: Approval of a Lease Agreement between the Council on Postsecondary Education and the Cambridge Education Group Holdings, Inc.

Colleen A. Callahan, Ed.D.

Karin Forbes

The University of Rhode Island is looking to strengthen its international student recruitment efforts and has identified a potential partner to supplement the institution's efforts and to broaden the reach to countries around the globe.

Jo Eva Gaines

Marta V. Martinez

Lawrence Purtill

Joyce L. Stevos, Ph.D.

The Cambridge Educational Group and its wholly owned U.S. subsidiary, Cambridge Education Group Holdings Inc., has been identified as offering a good match of services for the University.

**Council on Postsecondary
Education**

William Foulkes
Chair

The attached Lease Agreement that is the subject of this request for approval is associated with the University's interest in entering into an Affiliation Agreement and engaging the Cambridge Education Group's services and programs prior to the start of the Fall 2016 semester.

Michael Bernstein

Dennis Duffy, Esq.

The Honorable Thomas Izzo

The lease is for a 358 square foot, three-room office suite (Rooms 201, 201A, and 201B) in Chafee Hall adjacent to a suitable 369 square foot classroom (Room 202) that would be dedicated for the Group's use, to include a total of 737 square feet. The proposed rental rate is \$14.00 per square foot per year or \$10,318 annually.

Judy Ouellette

Kerry I. Rafanelli, Esq.

John J. Smith, Jr.

The initial term of the lease will be coincident with and dependent upon the execution of an Affiliation Agreement that is presently under negotiation. This is expected to be for a period of five years beginning on September 1, 2016, with options for one-year extensions subject to approval of the University and the terms and conditions deemed appropriate and agreeable for the extension period.

Dr. Jeffery A. Williams

The form of the Lease is attached and reflects standard terms and conditions respecting the interests of both parties with regard to the dedicated spaces to be utilized by the Cambridge Education Group. The Lease Agreement will not be executed until the Affiliation Agreement is also finalized and ready for execution. The lease has been approved by the University's General Counsel and is attached to this memo.

This lease has also been reviewed by the Finance and Facilities Committee which has given its recommendation for its approval by the full Council at this evening's meeting.

Accordingly, I recommend

THAT the Council on Postsecondary Education approves the lease between the Council on Postsecondary Education/University of Rhode Island and the Cambridge Education Group Holdings, Inc. for office space located in the Chafee Building on the Kingston Campus upon execution of an Affiliation Agreement. Upon approval of the lease and execution of the Affiliation Agreement, the lease will be brought to the State Properties Committee for its review and approval as required

BUSINESS SERVICES

210 Flagg Road, Suite 208, Kingston, RI 02881 USA p: 401.874.2501 f: 401.874.5959 uri.edu/businessservices



TO: Susan LaPanne, Associate Commissioner Finance and Management Postsecondary Education

FROM: J. Vernon Wyman, Assistant Vice President for Business Services University of Rhode Island

DATE: January 21, 2016

SUBJECT: CONSIDERATION AND APPROVAL OF A LEASE AGREEMENT BETWEEN THE UNIVERSITY/COUNCIL ON POSTSECONDARY EDUCATION AND THE CAMBRIDGE EDUCATION GROUP HOLDINGS, INC.

Driven by President Dooley's objective that the University of Rhode Island be "a truly global and international institution," the University has recognized that its traditional undergraduate and graduate student recruiting strategies should be expanded to continue the growth in international students. This is critical if it is to anticipate and react to regional demographic and market changes in the United States and provide a global experience for all students attending the University.

At this time, the University is looking to further strengthen its international student recruitment efforts and has researched additional potential partners to supplement the Institution's efforts and to broaden the reach to countries around the globe and recruit prospective students.

The Cambridge Educational Group has been identified as a prominent for profit enterprise that has an excellent performance track record in assisting in the recruitment of prospective international students, the provision of academic and creative language programs, and expanded preparatory course offerings on the campuses of Colleges and Universities in England and in the United States to prepare students for qualifying entry into degree granting programs.

With a corporate headquarters in Great Britain and a wholly owned subsidiary, Cambridge Education Group, Holdings, Inc. incorporated in the State of Delaware in the United States, the Cambridge Education Group presently has affiliation agreements at California State University Monterey Bay, the University of North Texan, and SUNY Morrisville, and is working on Agreements with another institution in the Northeastern U.S. for the establishment of a recruitment and on campus school program similar to the one contemplated at the University of Rhode Island.

In essence, the firm works with the University to recruit prospective international students that may only require English language skill and preparatory coursework to qualify for admission to the institution. The

Group conducts the preparatory course offerings in facilities at the benefiting institution, where these prospective students may also elect to live on Campus in turn for the payment of University fees.

The Lease Agreement that is the subject of this request for approval is associated with the University's interest in entering in to an Affiliation Agreement and engaging the Cambridge Education Group's services and programs prior to the start of the Fall 2016 Semester.

The Lease is for a 358 square foot, three-room office complement (Rooms 201, 201A, and 201B) in Chafee Hall adjacent to a suitable dedicated 369 square foot classroom(Room 202) that would be dedicated for use by the Cambridge Education Group's teaching staff, totaling 737 square feet. The proposed rental rate is \$14.00 per square foot per year, or \$10,318 annually.

The initial term of the Lease would be coincident with and dependent upon the execution of an Affiliation Agreement that is presently under negotiation. This is expected to be for a period of five years beginning on September 1, 2016, with options for one-year extensions subject to approval of the University and the terms and conditions deemed appropriate and agreeable for the extension period.

The form of Lease is enclosed and reflects standard terms and conditions respecting the interests of both parties with regard to the dedicated spaces to be utilized by the Cambridge Education Group. The Lease Agreement will not be executed until the Affiliation Agreement also is also finalized and ready for execution.

The University seeks consideration of this Lease by the Facilities and Finance Committee for advancement to the Council on Postsecondary Education for approval and execution, subject to final review and acceptance by legal counsel.

Cc: David M. Dooley
Donald H. DeHayes
Christina L. Valentino
Louis J. Saccoccio
Dean Libbuti

Enclosure

LEASE AGREEMENT

LEASE AGREEMENT made and entered this ____ day of _____, 2016 between the UNIVERSITY OF RHODE ISLAND, a state institution of higher education, by and through its governing council, the COUNCIL ON POSTSECONDARY EDUCATION, a public corporation created and established pursuant to Chapter 59, Title 16 of the General Laws of Rhode Island (collectively the "Landlord"), and CAMBRIDGE EDUCATION GROUP HOLDINGS, INC., a Delaware corporation, with offices located in Newton, Massachusetts (the "Tenant").

WHEREAS, Landlord is the Owner of that certain building known as Chafee Social Sciences Center located on the main campus of the University of Rhode Island in Kingston, Rhode Island (the "Building")

WHEREAS, the Landlord wishes to lease to Tenant, Room Numbers 201, 201A, 201B and 202 containing approximately 737 square feet in the Building to be used as a office and classroom space in collaboration with the University of Rhode Island to facilitate the objectives of that certain Affiliation Agreement (the "Agreement") of even date hereof.

NOW THEREFORE, in consideration of the above, the mutual promises and covenants contained herein, and for other good and valuable consideration, the parties agree as follows:

ARTICLE I LEASED PREMISES

1.1 The Landlord does hereby demise and let unto the Tenant and the Tenant does hereby hire and take from the Landlord, upon the terms and conditions set forth herein, Room Numbers 201, 201A, 201B and 202 containing approximately 737 square feet in the Building together with all fixtures and improvements attached thereto or associated therewith (the "Leased Premises") for the term of this Lease Agreement.

ARTICLE II TERM

2.1 The initial term of this lease shall be for a period of five (5) years beginning on September 1, 2016 and ending on August 31, 2021 (the "Initial Term").

2.2 The Initial Term of this lease may be extended by for an additional period to coincide with the extended term, if any, of the Agreement upon such terms and conditions as the parties may agree (the "Extended Term") commencing on the date immediately following the expiration of the Initial Term. If Tenant wishes to so extend the Initial Term of this lease, it shall provide notice of its intention to Landlord not less than twelve (12) months before the expiration of the Initial Term.

ARTICLE III
USE OF LEASED PREMISES

3.1 During the Initial Term or any Extended Term of this lease, the Tenant shall use and occupy the Leased Premises as office and classroom space for the purpose of carrying out its responsibilities required by the Agreement. The Tenant may not use the Leased Premises for any other purpose without the prior written consent of the Landlord which consent may be granted or withheld in the sole discretion of the Landlord.

3.2 The Tenant shall not make any alterations, additions or improvements to the Leased Premises without the prior written consent of the Landlord which consent shall not be unreasonably withheld. Upon the expiration or sooner termination of this lease all alterations, additions or improvements shall be the property of the Landlord and shall be surrendered to the Landlord with the Leased Premises as a part thereof without compensation to the Tenant unless otherwise agreed to by the parties.

ARTICLE IV
RENT AND UTILITIES

4.1 Tenant shall pay rent to the Landlord, at such place as it shall designate from time to time, in the amount of Ten Thousand Three Hundred Eighteen and no/100 (\$10,318.00) Dollars annually beginning on September 1, 2016 and on the first day of September of each year thereafter during the Initial Term or any Extended Term of this Lease.

4.2 Landlord agrees to provide Tenant heat and electric at no additional cost on the express condition that Tenant's use of such utilities complies with prudent conservation and usage practices as reasonably determined by Landlord. Tenant shall, however, be responsible for the cost of any usage outside normal operating hours or which exceed customary levels or sound practice as reasonably determined by Landlord. Tenant shall promptly pay Landlord for such costs, as additional rent, upon receipt of Landlord's invoice or other written request or demand for such payment.

ARTICLE V
TELEPHONE, OFFICE AND PARKING

5.1 Tenant shall also during any term of this Lease, be solely responsible for and shall pay when due its own telephone expenses.

5.2 Tenant shall, in addition to rent, be responsible and pay for any additional services that may be provided to Tenant by Landlord during the term of this Lease including, without limitation, mailing costs, photocopying and food service for meetings.

5.3 Tenant shall be provided with staff parking privileges as reasonably determined by Landlord.

ARTICLE VI
MECHANICS AND OTHER LIENS

6.1 Tenant shall not permit or suffer to be filed against the Leased Premises or any interest therein any mechanics' liens, materialmens' liens, or other liens, claims or encumbrances of any kind.

6.2 If any such lien, claim or encumbrance is filed against the Leased Premises, Tenant shall, within sixty (60) days after receipt of notice of such lien, claim or encumbrance, cause the Leased Premises to be released there from, either by payment, posting a bond, or payment into the registry of court, of an amount necessary to relieve and release the Leased Premises from such lien, claim or encumbrance, or in any other manner which, as a matter of law, shall result in such release within such period of sixty (60) days.

ARTICLE VII
INSURANCE AND INDEMNIFICATION

7.1 Tenant shall, at its own cost and expense, obtain, keep and maintain in full force and effect during the initial or any extended term of this lease insurance policies in standard form, and with such companies that are satisfactory to the Landlord, providing comprehensive general liability coverage with policy limits not less than \$1,000,000 combined single limit each occurrence and \$2,000,000 aggregate, together with property damage coverage (including fire and extended coverage) covering building and contents with policy limits not less than \$1,000,000 combined single limit each occurrence and \$1,000,000 aggregate. All required policy limits shall be exclusive of any applicable deductibles, retentions or self-insurance reserves. The University of Rhode Island, Council on Postsecondary Education, Board of Education and State of Rhode Island shall all be named insureds on all policies of insurance required hereunder as their interests may appear.

7.2 Tenant shall provide Landlord upon execution of this agreement, and upon reasonable request thereafter, an appropriate certificate of insurance in standard form, evidencing insurance coverage in compliance with the above and containing a provision that written notice of cancellation or modification of any of the required policies of insurance shall be given to Landlord within a reasonable period of time, but no later than ten (10) business days, prior to the effective date of such cancellation or modification.

7.3 The Tenant agrees to indemnify, defend and hold harmless the Landlord, its governing council, council members, officers, directors, employees and agents, from any and all payment, liability, loss or damage, including reasonable attorney's fees and court costs, arising out of any claims, demands or actions for property damages, personal

injuries, including bodily injuries or death, caused by or resulting from: (i) the Tenant's breach of any representation, warranty, term or condition of this lease; or (ii) the intentional or negligent acts or omissions of the Tenant or any of its employees, agents or representatives; or (iii) its use of the Leased Premises or operation of its business.

ARTICLE VIII
MAINTENANCE AND REPAIRS

8.1 Tenant shall keep the Leased Premises neat and clean and maintain the Leased Premises in good order, condition and repair consistent with its condition at the commencement of this Lease Agreement, normal wear and tear excepted.

8.2 Notwithstanding the above, Landlord shall be responsible to maintain the Building in good order, condition and repair, including without limitation, the roof and other matters that may effect its structural integrity or interfere with the intended use and occupancy of the Tenant, including the plumbing, electrical, heating, air conditioning and similar mechanical systems as well as any repairs, renovations and improvements made by the Landlord pursuant to this agreement.

ARTICLE IX
ASSIGNMENT AND SUBLETTING

9.1 The Tenant shall not assign, sublet, mortgage, pledge or encumber this Lease, in whole or part, without the prior written consent of the Landlord, which consent shall be in the sole and absolute discretion of the Landlord.

9.2 Any assignment, sublease, mortgage, pledge or encumbrance made by the Tenant without such consent of the Landlord shall be null, void and of no effect and constitute a material default of this Lease.

ARTICLE X
DEFAULT

The occurrence at any time during the Initial Term or any Extended Term of this Lease Agreement of any of the following shall constitute an event of default:

10.1 The failure of the Tenant to make any rent payment to Landlord within fifteen (15) days from the due date.

10.2 The failure of the Tenant to make any other payments required by Articles IV and V of this Lease Agreement.

10.3 The failure of the Tenant to pay all applicable taxes and/or assessments, if any, as required by this Lease.

10.4 The assignment, sublease, mortgage, pledge or encumbrance of this Lease, or any part hereof, in violation of Article IX.

10.5 The neglect or failure of either party to perform or observe any of the other terms, conditions, covenants or agreements contained herein which neglect or failure shall continue for thirty (30) days after receipt of written notice of such neglect or failure from the other party.

ARTICLE XI
EARLY TERMINATION OF LEASE; REMEDIES

This Lease Agreement may be terminated prior to the expiration of the Initial Term or any Extended Term for any of the following reasons:

11.1 By mutual consent of the Landlord and Tenant.

11.2 The expiration or termination of the Affiliation Agreement for any reason shall also operate to terminate this Lease Agreement without any further notice or action required to be taken by either Party.

11.3 Upon the occurrence of any event of default by one party, the other party may terminate this Lease Agreement by giving notice of termination to the defaulting party specifying the nature of the default and the defaulting party fails to correct or cure the default prior to the effective date of termination set forth in the said notice of termination.

11.4 In addition to the right to terminate this Lease Agreement the non-defaulting party shall have all relief, rights and remedies, including damages, costs and fees allowed by law or in equity.

ARTICLE XII
SURRENDER OF LEASED PREMISES

12.1 If, at the expiration of the initial term or any extended term, this Lease has not, for any reason, been renewed or further extended, or upon sooner termination of this lease as set forth herein, the Tenant shall peaceably surrender the Leased Premises to the Landlord.

12.2 In addition to any other right or remedy available to Landlord hereunder for breach of this Lease Agreement by Tenant, Landlord shall be entitled to specific performance of the provisions set forth in Section 12.1 of this Article XII.

ARTICLE XIII
REPRESENTATIONS AND WARRANTIES

13.1 The Landlord represents and warrants to the Tenant that it has full power and authority to enter into and perform its obligations under this Lease and that the execution, delivery and performance of this lease has been duly authorized by all requisite action on its part.

13.2 The Landlord further represents and warrants to the Tenant that so long as the Tenant keeps and performs the terms and conditions of this lease, it shall have quiet and peaceful possession of the Leased Premises.

13.3 The Tenant represents and warrants to the Landlord that it has the full power and authority to enter into and perform its obligations under this lease and that the execution, delivery and performance of this lease has been duly authorized by all requisite action on its part. The Tenant shall deliver to the Landlord, upon request, a certificate or resolution of corporate action to this effect.

ARTICLE XIV
FIRE AND CASUALTY DAMAGE

14.1 If, at any time during the initial term or any extended term of this lease, the Leased Premises shall be damaged by fire or other casualty a just abatement of rent shall be made until the damage has been fully repaired by the Landlord.

14.2 The Landlord shall provide written notice to the Tenant of its intention to repair the damages to the Leased Premises within thirty (30) days from the date of said fire or casualty together with a completion date of all repairs, which shall not exceed ninety (90) days from the date of the fire, or other casualty, which caused the damage. In the event that the Landlord has elected not to repair the damages, fails to provide written notice of its intention to repair the damages to the Tenant as set forth herein, or fails to complete the repairs by date of completion then this lease shall, at the sole option of the Tenant, terminate and be of no further force and effect. The Tenant shall be entitled to a return of any advance rental payment made prior to the effective date of termination.

ARTICLE XV
HAZARDOUS MATERIALS

15.1 Tenant shall not use or bring onto the Leased Premises any pollutants or hazardous materials or substances except with the prior consent of the Landlord and in strict compliance with all applicable federal and state laws and regulations.

15.2 In addition to any other indemnification provided for herein, Tenant shall indemnify, defend and hold harmless, Landlord, its officers, employees and agents, from any and all payment, liability, loss or damage, including reasonable attorney's fees and

court costs, arising out of any claims, demands, or actions, costs and expenses caused by Tenant's use or maintenance of pollutants or hazardous materials or substances on the Leased Premises or related to the clean up or remediation of the Leased Premises caused by Tenant's use or maintenance of pollutants or hazardous materials or substances on the Leased Premises, except that this indemnification shall not apply to any pollutants or hazardous materials or substances that existed on the Leased Premises prior to Tenants occupancy and possession.

ARTICLE XVI
FORCE MAJEURE

16.1 If either party shall be unable to carry out any of its obligations under this lease due to events beyond the reasonable control of and without the fault or negligence of the party claiming force majeure, including without limitation, an act of God, sabotage, accidents, appropriation or diversion of steam energy, equipment, materials, or commodities by order or rule of any governmental authority having jurisdiction thereof, any changes in applicable laws or regulations affecting performance, any act of governmental or judicial authority, war, blockage, insurrection, riot, fire, explosion, flood, nuclear emergency, epidemic, lightning, hurricane, earthquake or similar catastrophic occurrence, this lease shall remain in effect, but the effected party's obligation shall, subject to the limitations set forth below, be suspended for the period during which the effected party is unable to perform because of the disabling circumstances.

16.2 The party claiming force majeure must give the other party prompt written notice describing the particulars of the force majeure, including without limitation, the reasons why it effects or prevents performance, the nature of the occurrence and its expected duration.

16.3 The suspension of performance as provided herein shall be of no greater scope and of no longer duration than is required by the force majeure.

16.4 The non-performing party uses its best efforts to remedy its inability to perform notwithstanding the occurrence of a force majeure event.

16.5 The obligations of either party that arose before the force majeure causing suspension of performance shall not be excused as a result of the force majeure.

16.6 Economic hardship shall not constitute force majeure.

16.7 If the force majeure continues for a period greater than sixty (60) days then either party shall have the right to terminate this lease at any time thereafter without further obligation to the other.

ARTICLE XVII
NOTICES

17.1 Whenever, by the terms of this lease, a notice, approval, consent, or other communication ("notice") is permitted or required to be given by one party to the other then such notice shall be valid and effective if it is in writing and sent to the other party at the address set forth below, by certified or registered mail, postage prepaid, return receipt requested, or by in-hand delivery. Such notice may also be faxed to the other party which shall be deemed valid and effective if also mailed or delivered as provided herein. Any notice required or permitted to be given by the Landlord shall be valid if given by the University Vice President for Administration & Finance or his/her designee. A postmarked postal receipt shall be deemed adequate evidence of such mailing.

To the Landlord: Office of the Vice President for Administration
 & Finance
 University of Rhode Island
 Carlotti Administration Building
 Kingston, RI 02881

To the Tenant: Cambridge Education Group Holdings, Inc.
 575 Washington Street
 Newton, MA 02458
 Attn: Joseph Arangio

17.2 Either party may, from time to time, change the office, individual and/or address to receive notice on its behalf by giving notice of said change to the other party as provided herein.

ARTICLE XVIII
WAIVER

18.1 No waiver of any term or condition of this lease or its performance shall be valid unless expressed in writing and signed by the party who is claimed to have waived or released such term, condition or performance.

18.2 The failure to insist upon the strict performance of any provision of this lease or to exercise any right or remedy set forth herein shall not constitute a waiver or relinquishment of said right or remedy.

18.3 The waiver of any breach of any term or condition of this lease shall be limited to the particular breach and shall not operate as a waiver of any future breaches of the same or any other term or condition of this lease.

ARTICLE XIX
TAX COMPLIANCE CLAUSE

19.1 Notwithstanding any provision of this Lease to the contrary, it shall be the responsibility of the Tenant to ensure that payment of all applicable local taxes and assessments for the Leased Premises are made in a prompt manner and the failure of Tenant to pay said local taxes and assessments promptly may, in the sole discretion of the Landlord, result in the unilateral termination of this Lease without penalty to the Landlord.

ARTICLE XX
MISCELLANEOUS

20.1 Landlord shall have the right to enter and inspect the Leased Premises at reasonable times during normal business hours by providing Tenant with twenty-four (24) hour prior notice, except that such notice shall not be required in the event of fire or other emergency reasonably determined by Landlord.

20.2 No amendments or modifications to this lease shall be valid unless contained in writing and signed by both parties.

20.3 If any provision of this lease shall be invalid or unenforceable, the remainder of this lease shall not be affected and each term and condition of this lease shall be valid and enforceable to the fullest extent permitted by law.

20.4 Each of the parties have had an opportunity to fully review the terms and conditions of this lease with counsel of their choosing and hereby agree that it shall not be construed against the party who drafted this lease.

20.5 This lease shall be binding upon the parties hereto, their respective successors and assigns and to the extent applicable, their heirs, beneficiaries, executors, administrators and representatives.

20.6 This Lease Agreements shall be governed by the laws of the State of Rhode Island, and without limiting the generality of the foregoing, is subject to approval by the State Properties Committee pursuant to Chapter 6 and Chapter 7, Title 37 of the General Laws of the State of Rhode Island.

20.7 This instrument contains the entire agreement of the parties and is not subject to any agreements, statements or representations not expressly set forth herein.

SIGNATURE PAGE TO FOLLOW

IN WITNESS WHEREOF, the parties have caused this lease to be executed on the day and year first above written.

Landlord:

UNIVERSITY OF RHODE ISLAND

Witness

By: _____
Vice President for Administration and Finance

COUNCIL ON POSTSECONDARY EDUCATION

Witness

By: _____
Chairman, Council on Postsecondary Education

Tenant:

CAMBRIDGE EDUCATION GROUP
HOLDINGS, INC

Witness

By: _____

STATE PROPERTIES COMMITTEE

This Agreement is made with the approval of the undersigned, in accordance with the applicable provisions of the General Laws of Rhode Island, as amended.

APPROVED this __ day of _____, A.D. 2016 by the State Properties Committee.

**APPROVED AS TO TERMS
AND CONDITIONS:**

APPROVED AS TO FORM:

By: _____
Chairman

By: _____
Attorney General

APPROVED AS TO SUBSTANCE:

APPROVED:

By: _____

By: _____