KEAN

NJCU
NEW JERSEY CITY UNIVERSITY

LETTER OF INTENT

New Jersey City University, a public institution of higher education of the State of New Jersey ("**NJCU**"), and Kean University, a public institution of higher education of the State of New Jersey ("**Kean**", and with NJCU, each a "**Party**" and collectively the "**Parties**"), hereby enter this letter of intent (the "**LOI**") to memorialize the terms of a transaction wherein NJCU may merge with Kean, which shares a similar mission in higher education in New Jersey (the "**Transaction**"). This LOI describes the structure, terms and conditions of the proposed Transaction between the Parties but is not definitive nor all-inclusive.

Except as set forth in paragraph 22 hereof (the "**Binding Provisions**"), this LOI is not intended to create or constitute any legally binding obligation between the Parties, and neither NJCU nor Kean will have any liability to the other with respect to this LOI until one or more fully integrated definitive, legally binding, written agreements are entered into by and between the Parties (collectively, the "**Definitive Agreement**"), and other related documents are prepared, authorized, executed and delivered by and among the Parties.

1. **Certain Definitions**:

    a. **Assets**: All NJCU's assets, tangible, and intangible, used, useful or necessary for the operation of NJCU's business, subject to all indebtedness, liens, claims and encumbrances thereon, which shall be further described in the Definitive Agreement and shall include, without limitation, cash and cash equivalents.

    b. **Kean**: Kean University, a Public Urban Research University of the State of New Jersey.

    c. **Liabilities**: All NJCU's liabilities or obligations of any kind or nature, including any indebtedness, whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, due or to become due, and whenever accrued or incurred, and which shall be further described in the Definitive Agreement.

    d. **MSCHE**: The Middle States Commission on Higher Education.

    e. **NJCU**: New Jersey City University, a public institution of higher education of the State of New Jersey.

    f. **NJOSHE**: New Jersey Office of the Secretary of Higher Education.

    g. **OPEID:** Office of Postsecondary Education Identifier issued by the USDOE.

    h. **Parties**: Kean and NJCU.

    i. **USDOE:** The United States Department of Education.

2. **Purpose of the Relationship:** Kean and NJCU desire to structure the Transaction whereby Kean will acquire control of NJCU with Kean being the surviving legal entity and educational institution, and NJCU would become an "additional location" of Kean for USDOE and MSCHE purposes to be known as "Kean Jersey City".

3. **Mission Continuity**: The continuity of NJCU's mission is a core reason for NJCU's consideration of this relationship, as set forth in the March 5, 2025 Authorizing Resolution of the NJCU Board of Trustees (annexed hereto as Exhibit A). NJCU's Mission Statement is as follows: "New Jersey City University empowers its students through a highly accessible, equity-driven, and transformative education. An NJCU education focuses on students' personal, professional, and civic development to facilitate their socio-economic mobility. We uplift our diverse community of students, including historically underserved and underrepresented, first-generation, and adult learners." Any Definitive Agreement must embrace and support these concepts.

4. **Transaction Structure**: The Parties will work in good faith to negotiate a transaction wherein NJCU will be integrated into Kean, with the goal of continuing to serve students with a mission that is similar, albeit expanded, to NJCU's current mission. It is intended that the Parties will enter into a series of agreements for shared services and the Definitive Agreement to achieve the goals of the proposed merger described herein (the "**Proposed Merger**") in compliance with all applicable USDOE and MSCHE laws and guidance and applicable New Jersey laws.

5. **Preliminary Work: Prior to Change in Control and Upon Execution of the LOI:**

    a. The Parties will develop shared services agreements that comply with all applicable regulatory and accreditation requirements to begin the seamless integration of operations to leverage efficiency and student success focus. Any and all areas will be agreed to by the Parties.

    b. Subject to the ultimate approval of NJCU, Kean will begin assessing and advising on the functions of various NJCU offices, and NJCU will facilitate these activities and will provide Kean with full access to current processes and systems. Kean will provide these services to NJCU in kind during this integration phase. The Parties agree that additional personnel will likely be necessary to the successful integration of services in many areas and agree to work collaboratively together and with external stakeholders to identify a mechanism to employ personnel using the Parties' existing staff and the Parties' available hiring capacity.

    c. The Parties will coordinate in the areas of student engagement and community engagement to blend the climate and the culture of the two institutions. This will involve the coordination of activities across the campuses as well as in Jersey City in particular.

    d. The Parties will establish an integration planning team that will work together with NJOSHE and/or their designees (i.e. State Monitor) on this Proposed Merger. NJCU and Kean agree to accept input from NJOSHE and/or their designees and NJCU's and Kean's Boards of Trustees and respective institutional executive leadership regarding the Proposed Merger, including but not limited to the integration process, personnel and labor matters, curricular and academic issues, and operating plans.

    e. The integration planning teams will establish and oversee joint sub-committees in a variety of areas as agreed to between the Parties.

f. NJCU shall provide Kean with documentation responsive to customary due diligence requested by Kean, to undertake the legal, operational, financial, and regulatory analysis deemed necessary to determine whether the Proposed Merger is possible. To the extent that NJCU determines it necessary to request documentation from Kean, Kean will provide such documentation to the extent that such documentation is reasonable and customary in transactions of this type.

6. **Transaction Regulatory Scheme**: The Definitive Agreement and the Proposed Merger contemplated therein will be conducted in compliance with all applicable laws and guidance, and to the extent required, the Two-Step requirement per USDOE Electronic Announcement GEN-22-70 "Updated Guidance and Procedures for Changes in Ownership" issued September 15, 2022, and related guidance (February 2023), and applicable New Jersey laws (the "**DOE Guidance Documents**"). The Parties agree that the following procedures outline (but are not necessarily all-inclusive) of the appropriate regulatory requirements to consummate the Change in Control and Merger:

   a. To effectuate the Change in Control (identified as the first step in the DOE Guidance Documents) both Parties, as applicable, will proceed with the:

      i. Submission to MSCHE of a Complex Substantive Change Preliminary Review Form;
      ii. Submission to NJOSHE (and after approval from the USDOE regarding the Change in Control);
      iii. Communication with New Jersey Attorney General Department of Law and Public Safety regarding future transfer and management of NJCU's Assets and Liabilities to inform them of the pending change and ascertain any specific requirements;
      iv. Communication with NJ legislature and executive branches, and issuance of any required State legislative action approving the Change in Control;
      v. Submission to MSCHE of Complex Substantive Change Request Form;
      vi. Submission to USDOE of the required notice to NJCU students at least 90 days prior to the closing of the Change in Control pursuant to revised 34 CFR 600.20(g)(4);
      vii. Submission to USDOE of the required notice to USDOE of the closing of the Change in Control at least 90 days prior to closing of the Change in Control pursuant to 34 CFR 600.20(g)(1)(i);
      viii. Submission to USDOE of a materially complete Change in Ownership Application within ten (10) business days of the Change in Control; and
      ix. Assuming a desire for a June 1, 2026 closing on the Change in Control, the Parties should
         - Target the March 2026 meeting for MSCHE Commission approval of the Transaction and submit the MSCHE Preliminary Substantive Change Review form and subsequent Complex Substantive Change Request Form prior to the March 2026 MSCHE meeting, as required.

   b. To complete the Merger (identified as the second step in the DOE Guidance Documents) whereby NJCU becomes an additional location of Kean, Kean will proceed with the:

      i. Submission to USDOE of an application (the E-App) to add NJCU as an additional location of Kean under Kean's OPEID and discontinue NJCU's OPEID;

ii. Submission to MSCHE of any additional required documentation;
iii. Submission to NJOSHE of any additional required documentation;
iv. Submission of any further required consents from or notices to NJOSHE, MSCHE and any other accreditors or regulators (depending on nature of NJCU); and
v. Timing of the Merger is contingent upon USDOE approval of the Change in Control, which can take up to 24 months following the Change in Control.

7. **Composition of the Post-Merger Kean Board of Trustees and Governance**: NJCU will be represented on the post-Merger Kean Board of Trustees, as shall be determined by the New Jersey State Legislature. Notwithstanding the foregoing, the ultimate size and composition of the post-merger Kean Board of Trustees will be specified in the Definitive Agreement and subject to legislative enactment.

8. **Employees**: The Parties believe that the experience and talents of NJCU's leadership team and employees are critical to the successful implementation of the Proposed Merger, and Kean is committed to ensuring that decision-making concerning the potential integration of NJCU employees will be efficient, thoughtful and in alignment with Kean's and NJCU's mission and core values. A detailed assessment of NJCU management will identify redundancies, inconsistencies in operations, overlapping roles and opportunities for alignment. Kean will engage with all appropriate labor unions to ensure that collective bargaining agreements are honored.

   On the effective date of the Change in Control, Kean agrees:

   a. All then-existing NJCU employees will become employees of Kean;

   b. To assume all NJCU employment contracts; and

   c. To maintain the role of the chief executive officer at NJCU (i.e. University President). After the Merger, Kean Jersey City shall have a chief executive serving as Chancellor reporting directly to the Kean University President.

9. **Students:**

   a. During all steps of the process, NJCU will accept input from Kean regarding tuition rates and annual tuition increases sufficient to meet NJCU's operating expenses and debt service payments.

   b. Upon the final approval of USDOE and the merger of NJCU's OPEID with Kean's OPEID, NJCU students will automatically become students of Kean.

10. **Assets / Liabilities**: On the effective date of the Change in Control:

    a. All NJCU's Assets and Liabilities shall become Kean's. By operation of law, Kean then becomes liable and responsible for all NJCU Liabilities and succeeds to all right and title to NJCU's Assets.

    b. Kean will co-sign NJCU's USDOE Program Participation Agreement, as needed.

11. **Indemnification**: Any agreement or arrangement signed and entered into on behalf of the State of New Jersey by a State official or employee will be subject to the provisions of the New Jersey Tort

Claims Act, N. J. S. A. 59:1-1 et seq. and the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1 et seq. and the availability of appropriations. As public institutions of higher education of the State of New Jersey, Kean and NJCU fall under the category of State entities.

Subject to the New Jersey Tort Claims Act, N.J.S.A.59:1-1, et seq., the New Jersey Contractual Liability Act, N.J.S.A.59:13-1, et seq., and the availability of funding, Kean will be responsible, at its own expense to defend itself against, and hereby releases NJCU for any and all suits, claims, losses, demands, expenses, or damages of whatsoever kind or nature, arising out of or in connection with any act or omission of Kean, its employees, representatives, agents, independent contractors, students, or invitees, related to this Proposed Merger.

Subject to the New Jersey Tort Claims Act, N.J.S.A.59:1-1, et seq., the New Jersey Contractual Liability Act, N.J.S.A.59:13-1, et seq., and the availability of funding, NJCU will be responsible, at its own expense to defend itself against, and hereby releases Kean for any and all suits, claims, losses, demands, expenses, or damages of whatsoever kind or nature, arising out of or in connection with any act or omission of NJCU, its employees, representatives, agents, independent contractors, students, or invitees, related to this Proposed Merger.

12. Post-Signing / Pre-Closing Covenants:

a. NJCU shall agree, between the signing of the Definitive Agreement and the effective date of the Change in Control:

   i. Except as set forth in the Definitive Agreement, to operate the educational institution and conduct its business in the ordinary course consistent with past practice and to maintain all regulatory approvals;

   ii. To immediately notify Kean of the occurrence of any event that could reasonably be expected to have a material adverse effect on the value of NJCU or its Assets or Liabilities;

   iii. To grant Kean reasonable access to all books, records, and due diligence materials;

   iv. To cooperate with Kean to secure all consents and approvals prior to the Change in Control; and

   v. To abide by confidentiality provisions as described in the Definitive Agreement.

b. Kean and NJCU agree that neither Party will contact USDOE, NJOSHE, MSCHE, or any other governmental agency or regulator about the other Party or the Proposed Merger without the permission of the other Party, which shall not be unreasonably withheld; provided, however, that either Party may reply to any inquiries to any such agencies as may be required by law or regulation. Nothing herein will be construed as to undermine the intentions and rights conferred by prevailing whistleblower and/or audit laws and regulations.

13. Conditions to Closing of the Change in Control and of the Merger: The closing of the Change in Control and Merger portions of the Transaction pursuant to the Definitive Agreement, will be conditioned, in each case, upon the following:

a. Execution of the Definitive Agreement by the Parties.

b. Acceptance by Kean, in its sole discretion, of the results of customary due diligence, including the legal, operational, and financial analysis and forecasts of NJCU;

c. Consent of Kean's Board of Trustees to consummate the Transaction;

d. Consent of NJCU's Board of Trustees to consummate the Transaction;

e. Receipt by Kean and NJCU of all required governmental and regulatory approvals where applicable, including but not limited to approval by NJOSHE, MSCHE and USDOE;

f. No event has occurred that could reasonably be expected to (i) have a material adverse effect on NJCU; (ii) materially increase the amount of Liabilities to be assumed by NJCU; and (iii) have materially changed the legal, regulatory, executive, or legislative political or public climate related to NJCU's operations; and

g. Each of Kean and NJCU shall have delivered to each other such other documents or instruments as the other Party reasonably requests and are reasonably necessary to consummate the transaction contemplated by this LOI.

14. **Confidentiality:** Except as and to the extent required by law, without the prior written consent of the other Party, or as required by law, neither NJCU nor Kean will, and each will direct its respective Trustees, officers, employees, and agents (collectively, "**Representatives**") not to, directly or indirectly, make any public comment, statement or communication with respect to, or otherwise disclose or permit the disclosure of the negotiations between the Parties or any of the terms, conditions or other aspects of the Proposed Merger until the completion thereof.

15. **Transaction Costs**: Each Party will pay its own expenses and fees and those of its agents and advisors with respect to this LOI, due diligence, the definitive documents, and any other matters related to the Proposed Merger, regardless of whether the Transaction is consummated.

16. **Cooperation; Best Efforts**: The Parties agree after the date of this LOI to cooperate with each other and use their best efforts to negotiate, prepare, execute, and deliver a Definitive Agreement consistent with the general terms described herein. If after good faith negotiations a Definitive Agreement is not reached by April 30, 2026, or such later date as the Parties may agree upon in writing, the Parties will have no further obligations hereunder, except as expressly set forth under paragraph 22, below (Binding Agreements). Specifically, to the extent permitted by federal and state law and accreditation standards, during all stages of the process, NJCU will accept input from Kean with respect to certain financial decisions, including but not limited to approvals concerning expenditures over a certain threshold, annual tuition rates and increases, debt reduction, etc.

17. **Governing Law**: This LOI and the Definitive Agreement will be governed by and construed in accordance with the laws of the State of New Jersey without giving effect to applicable principles of conflicts of law to the extent that the application of the laws of another jurisdiction would be required thereby.

18. **Public Announcements**: The Parties agree, upon the execution of this LOI and the Definitive Agreement, to issue a joint press release that has been reviewed and approved by the Parties. Notwithstanding the foregoing, the Parties agree to collaborate and cooperate with each other to develop a communications strategy, including press releases and talking points, prior to execution of the Definitive Agreement. Each of the Parties will consult with each other and agree upon the form and substance of all press releases, announcements (external and internal) and other public

communications regarding the Proposed Merger. The Parties will determine in advance, by mutual agreement and consent, the timing and content of any announcement, press release, or other public statement concerning the Proposed Merger.

19. **Exclusivity**: The Parties agree that, in consideration of the substantial expenditure of time, effort and expense to be undertaken by the Parties in the investigation, preparation of documents, shared services, and other activities related to the Proposed Merger contemplated by this LOI, that during the period commencing with the effective date of this LOI and until April 30, 2026 (the "**Exclusivity Period**"), no Party, nor any of their members, officers, managers, employees, agents or representatives, will: (a) solicit, initiate or encourage submission of proposals or offers, or accept any proposals or offers, or enter into negotiations or discussions with any other persons (including, without limitation, any financial or other advisors) with regard to the transaction contemplated by this LOI ("**Proposed Merger Proposals**"), and that any such negotiations or discussions that may now be in process will be terminated; or (b) furnish to any other person any information with respect to, or otherwise cooperate in any way with or assist, facilitate or encourage, any Proposed Merger Proposal. Once the Parties execute the Definitive Agreement, NJCU will not accept any Proposed Merger Proposals.

20. **Entire Agreement; Amendment; Assignability**: This LOI constitutes the current positions of the Parties regarding the Proposed Merger described in this LOI and supersedes all prior oral or written agreements, understandings, representations and warranties, and courses of conduct and dealing between the Parties with respect to the subject matter hereof. Except as otherwise provided herein, the LOI may be amended or modified only by a writing executed by all Parties. No Party will have the right to assign its rights or delegate its obligations under this LOI without the prior written consent of the other Party.

21. **Counterparts**: This LOI may be executed in one or more counterparts, all of which will be considered the same agreement and will become effective when one or more such counterparts has been executed by each of the Parties and delivered to the other Party. This LOI may be executed electronically, including by Docusign. Copies of this fully executed LOI will have the same force and effect as an original.

22. **Binding Agreements**: This non-binding LOI sets forth the intent of the Parties only and does not purport to include all of the essential terms of the Proposed Merger which will be outlined in the Definitive Agreement and related definitive agreements. The numbered paragraphs 14 through this paragraph 22 will be binding on the Parties; all other terms only evidence the future intent of the Parties and will not create any legally binding agreement or obligation on the part of any Party, and will not create any rights, either express or implied, in favor of either Party, and each Party agrees not to contend to the contrary unless and until Definitive Agreements have been executed and delivered.

(*Signature page follows*)

Kean:

Kean University
a public urban research institution of higher education of the State of New Jersey

By: _____
Lamont O. Repollet, Ed.D., President

Date: May 15, 2025

NJCU:

New Jersey City University
a public institution of higher education of the State of New Jersey

By: _____
Andrés Acebo, J.D., Interim President

Date: May 15, 2025

EXHIBIT A

New Jersey City University
Board of Trustees
2039 Kennedy Boulevard
Jersey City, NJ 07305-1597

NEW JERSEY CITY UNIVERSITY
BOARD OF TRUSTEES
RESOLUTION AUTHORIZING DEVELOPMENT OF STRATEGIC MERGER WITH KEAN UNIVERSITY PURSUANT TO THE OSHE APRIL 2024 TRANSITION PLAN.

WHEREAS: New Jersey City University (NJCU) has served as an anchor institution for nearly a century, providing an accessible and community-centered higher education to the most socioeconomically diverse student body of any public university in New Jersey, with a mission deeply rooted in student success, community empowerment, and economic mobility; and

WHEREAS: The New Jersey Office of the Secretary of Higher Education (OSHE) has identified in its April 2024 Transition Plan the necessity of NJCU engaging in a strategic relationship with a four-year public institution to ensure long-term sustainability, enhanced academic opportunities, and continued and enhanced service to its students, faculty, staff, and community; and

WHEREAS: Kean University, as a leading public institution of higher education in New Jersey, shares NJCU's commitment to access, student success, and community impact, and has demonstrated a willingness and capacity to collaborate in pursuit of a strategic partnership that aligns with NJCU's mission and long-term vision; and

WHEREAS: NJCU and Kean University have engaged in productive discussions, and preliminary evaluations indicate that a partnership would serve to strengthen NJCU's academic offerings, improve student outcomes, bolster financial sustainability, and reinforce NJCU's role as a vital educational and economic driver in the region; and

WHEREAS: The identification of strategic merger with Kean University and the authorization to develop and negotiate a Letter of Intent satisfies the March 31, 2025, deadline established in the OSHE April 2024 Transition Plan;

NOW, THEREFORE, BE IT RESOLVED: That the Board of Trustees of New Jersey City University authorizes and directs the President to enter into negotiations with Kean University for a Letter of Intent outlining the terms of a strategic merger, ensuring that such agreement secures NJCU's mission, strengthens community ties, enhances student success, and provides the resources and long-term stability necessary to support the thousands of faculty, staff, and students who uphold the University's purpose; and

BE IT FURTHER RESOLVED: That the President shall work in close consultation with, and report regularly to, the Executive Committee of the Board of Trustees on all aspects of the negotiations, regulatory approvals, and strategic planning related to the proposed partnership; and

BE IT FURTHER RESOLVED: That the President is authorized to take all necessary regulatory and executive actions, including but not limited to engagement with the Middle States Commission on Higher Education (MSCHE) to facilitate any necessary review, coordination with OSHE, and continued collaboration with state and federal stakeholders to ensure an outcome that prioritizes student success and institutional mission sustainability; and

BE IT FURTHER RESOLVED: That the Board commends the faculty, staff, students, and supporters of NJCU for their dedication, resilience, and unwavering commitment to the university mission's future, recognizing the significant progress achieved in revitalizing the institution and strengthening its partnership prospects.

Adopted this 5th day of March, 2025, by the Board of Trustees of New Jersey City University.

University Counsel
March 5, 2025