

**BY-LAWS
OF
THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY**

ARTICLE I

THE AUTHORITY

Section 1. Seal of Authority. The Official common seal of the Authority shall be in such form as shall be determined by resolution of the Authority.

Section 2. Offices of Authority. The Offices of the Authority shall be at such place within the State of New Jersey, as shall be determined by the members.

ARTICLE II

MEMBERS

Section 1. Composition. The Authority shall be composed of seven members, two of whom shall be ex-officio members, specifically, the State Treasurer and the Chair of the Commission on Higher Education. Each member shall have one vote.

Section 2. Designees. Ex-officio members of the Authority may designate an officer or employee of his or her department to represent him or her at meetings of the Authority, including committee meetings, and each such designee may lawfully vote and otherwise act on behalf of the member for whom he or she constitutes the designee. Any such designation shall be in writing and delivered to the Secretary and shall continue in effect until revoked or amended in writing and delivered to the Secretary.

Section 3. Public Members. The public members of the Authority shall be appointed by the Governor with the advice and consent of the Senate. The five members

appointed by the Governor shall be residents of the State. Each public member shall hold office for the term of his or her appointment and until his or her successor shall have been appointed and qualified. A public member of the Authority shall be eligible for reappointment.

Section 4. Vacancies. Any vacancies in the membership of the Authority occurring other than by expiration of term shall be filled in the same manner as the original appointment, but for the unexpired term only. No vacancy in the membership of the Authority shall impair the right of a quorum to exercise all of the powers and perform all of the duties of the Authority.

Section 5. Compensation. The members of the Authority shall serve without compensation, but the Authority shall reimburse its members for actual reasonable expenses necessarily incurred in the discharge of their duties.

Section 6. Removal. Each member of the Authority may be removed from Office by the Governor, for cause, after a public hearing and may be suspended by the Governor pending the completion of such hearing.

ARTICLE III

OFFICERS

Section 1. Officers. The officers of the Authority shall be a Chair, a Vice-Chair, a Secretary, one or more Assistant Secretaries, a Treasurer, who shall each be elected by the Authority, and an Executive Director and such other officers as may be designated by the Authority from time to time. The Chair, Vice-Chair, Secretary, Assistant Secretary or

Secretaries and the Treasurer, if they are members of the Authority, shall serve for a term of one year and shall be elected at the annual meeting of the members of the Authority. The offices of Secretary and Treasurer may be combined. The Secretary, the Assistant Secretary or Secretaries and the Treasurer need not be members of the Authority.

Section 2. Chair. The Chair shall preside at all meetings of the members of the Authority and shall rule on all questions of order, subject to appeal by members. In connection with the issuance of bonds by the Authority, the Chair may execute on behalf of the Authority documents, indentures, bonds, deeds, and other instruments by manual or facsimile signatures and shall have such powers and shall perform such other duties as the Authority may prescribe from time to time. At each meeting, the Chair shall submit such recommendations and information as he or she may consider proper concerning the business, affairs and policies of the Authority.

Section 3. Vice-Chair. The Vice-Chair shall perform the duties of the Chair in the absence or incapacity of the Chair.

Section 4. Secretary. The Secretary shall keep or cause to be kept the records of the Authority, shall act as secretary of the meetings of the members of the Authority and record or cause to be recorded all votes, and shall keep or cause to be kept a record of the proceedings of the members of the Authority in a journal of proceedings to be kept for such purpose, and shall perform all duties incident to his or her office. He or she shall keep or cause to be kept in safe custody the seal of the Authority and shall have power to affix such seal to all contracts and instruments authorized to be executed by the Authority.

Section 5. Assistant Secretary. The Assistant Secretary or Secretaries shall perform the duties of the Secretary in the absence or incapacity of the Secretary and in addition, at the direction of the Secretary, shall have the power to certify as to the correctness of copies of all documents in possession of the Authority, including but not limited to minutes of the Authority's meetings, contracts and instruments authorized to be executed by the Authority and to affix the seal to and attest to all contracts and instruments authorized to be executed by the Authority.

Section 6. Treasurer. The Treasurer shall have the care and custody of all funds of the Authority and shall deposit or cause to be deposited the same in the name of the Authority in such bank or banks as the members of the Authority may select. Payments from construction funds of note issues and bond issues shall be made in accordance with the provisions of the General Revenue Bond Resolutions or Indentures authorized and adopted by the Authority, or pursuant to the provisions of such other resolutions of the Authority authorizing the issuance of bonds or notes pertaining to the application of moneys in such construction funds. The Treasurer shall keep or cause to be kept accounts and books of the Authority including its receipts, disbursements, contracts, sinking funds, investments and other matters relating to its financial standing and shall render to all members of the Authority, upon request, an account of his or her transactions and also of the financial standing of the Authority.

Section 7. Executive Director. The Executive Director shall be the chief executive officer of the Authority and shall have general supervision over and be in

administrative charge of all activities of the Authority and, in addition, shall perform all the duties incident to the position and office. The Executive Director is authorized to take personnel action in accordance with Authority policies and procedures with respect to Authority employees, and as such the Executive Director is authorized to hire, promote, evaluate, suspend (with or without pay), terminate, or take any other disciplinary action with regard to employees. In addition, the Executive Director is authorized to contract on behalf of the Authority in an amount not to exceed \$50,000.00, or as the Authority may determine from time to time by resolution, provided such action does not exceed the Authority budget for the then current fiscal year. Except as set forth in Section 13 of this Article, or as otherwise provided by resolution of the Authority, the Executive Director shall make final certification and payment of all duly authenticated and authorized items of expenditure for payment from any Authority funds from whatever source derived and whenever the Chair is required to sign vouchers, requisitions and other instruments made by the Authority, the Executive Director shall approve the same for submission to the Chair or the Treasurer for signature.

Section 8. Deputy Executive Director. The Authority may appoint a Deputy Executive Director who shall assist the Executive Director in all aspects of the Executive Director's responsibilities. The Deputy Executive Director shall have the following powers and duties in addition to any other duties assigned by these By-Laws, by resolution of the Authority or by delegation from the Executive Director.

In the absence or incapacity of the Executive Director, (a) the Deputy Executive Director shall exercise all functions and undertake all responsibilities of the Executive Director and (b) in connection with the issuance of bonds by the Authority, the Deputy Executive Director may execute, on behalf of the Authority, documents, indentures, bonds and other instruments of the Authority.

Section 9. Additional Duties. The officers of the Authority shall perform such other duties and functions as may from time to time be required by the members of the Authority or by the By-Laws or rules and regulations of the Authority.

Section 10. Election or Appointment. All officers of the Authority, other than the members, shall hold office at the pleasure of the Authority and may be removed, either with or without cause, at any time by resolution of the Authority.

Section 11. Additional Personnel. The Authority may from time to time employ such personnel as it may require to exercise its powers, duties and functions as prescribed by the New Jersey Educational Facilities Authority Act, and all other laws of the State of New Jersey applicable thereto. The qualifications, terms of office, duties, services and compensation of such personnel shall be determined by the Authority.

Section 12. Committees. The Authority shall have three standing committees: a Finance Committee, an Audit Committee and an Evaluation Committee.

The Finance Committee shall consist of the Chair, the Treasurer and the Executive Director, and shall have the responsibility of recommending an annual budget.

The Audit Committee shall consist of the State Treasurer, the Treasurer (but only if the Treasurer is a member of the Authority), the Chair (if the Treasurer is not a member of the Authority), and a member of the Authority with significant financial experience elected at the annual meeting of the members of the Authority or as soon thereafter as practicable. If any person designated to be a member of the Audit Committee by the preceding sentence does not meet the membership criteria set forth in Executive Order No. 122 (McGreevey), the Authority shall, at the annual meeting of the members of the Authority or as soon thereafter as practicable, elect a different member of the Authority to serve on the Audit Committee. In the event that there are not three members of the Authority that meet the membership criteria set forth in Executive Order No. 122, the Chair shall seek additional nominations from the State Treasurer, and, at their next meeting, the members of the Authority shall elect a sufficient number of persons to fill any and all vacancies on the Audit Committee.

The Audit Committee shall have the responsibility to assist in the financial reporting and audit processes of the Authority, and to provide a recommendation for auditor selection and to issue a report to the State Treasurer thereon, all in accordance with Executive Order No. 122. The Audit Committee shall meet at least twice each year.

The Evaluation Committee shall consist of three members of the Authority elected at the annual meeting of the members of the Authority or as soon thereafter as practicable. Members of the Evaluation Committee must meet the same standards of independence as are set forth in Executive Order No. 122 for members of the Audit

Committee. Members of the Audit Committee may also serve as members of the Evaluation Committee. The Evaluation Committee shall have the responsibility to conduct the solicitation and evaluation of eligible independent auditors, and to provide a recommendation to the Audit Committee, all in accordance with Executive Order No. 122.

The members or the Chair may convene other committees, as appropriate, and the Chair may appoint their membership both from within and outside the Authority members, officers and staff.

Section 13. Operating Fund. The Treasurer, the Chair and the Executive Director shall be authorized to sign orders and checks for the payment of money from the Operating Fund, to the extent set forth below, and shall pay out and disburse such moneys under the direction of the members of the Authority. For checks drawn against the Operating Fund in amounts of Thirty Thousand Dollars (\$30,000.00) or less, the signature of the Treasurer, the Chair or the Executive Director shall be sufficient. However, for checks drawn against the Operating Fund in amounts in excess of Thirty Thousand Dollars (\$30,000.00), signatures are required from any two of these officers: the Treasurer, the Chair and the Executive Director. The authority for the signing of checks drawn against the Operating Fund, which is granted in this Section, shall not be exercised in a manner that would conflict with the other Sections of these By-Laws.

Section 14. Amendments to Employee Policy Manual. The Executive Director shall be authorized to make amendments to certain portions of the Authority's Employee Policy Manual ("Manual") which concern the operations of the workplace, the

clarification of ambiguities or the correction of typographical, spelling, grammatical or other minor errors. Workplace operations include such items as employment status and records, timekeeping, ministerial payroll matters, work conditions, procedures and schedules, employee conduct and disciplinary actions. The Executive Director may not amend the Manual in such a way that would affect employee benefits, leaves of absence or the legal rights, responsibilities or obligations of the Authority or its employees or cause the Authority to incur a new monetary expense or liability or to incur an increase in an existing monetary expense or liability as set forth in the Authority's duly adopted annual budget or cause the Manual, or any part thereof, to be in conflict with or in violation of any applicable law. The Executive Director shall report to the Board, on a monthly basis, any and all amendments that the Executive Director makes to the Manual.

ARTICLE IV

MEETINGS

Section 1. Annual Meeting. The annual meeting of the members of the Authority shall be held on the fourth Wednesday of May at 10:30 a.m. In the event such date shall fall on a legal holiday, the annual meeting shall be held on the next succeeding business day or as determined by the Chair. The date for the annual meeting may be altered at the direction of the Chair by notice given at a monthly meeting of the Authority, or, in the case of an emergency, at any time prior to the otherwise scheduled annual meeting.

Section 2. Regular Meeting. Monthly meetings shall be held at 10:30 a.m., on the fourth Wednesday of each month, unless the same falls on a legal holiday, in which event said meeting shall be held on the next succeeding business day; however, the date and time of holding regular meetings may be changed or cancelled from time to time, at the direction of the Chair, without the formality of amending this Section.

Section 3. Special Meeting. The Chair of the Authority may, when he or she deems it expedient, and shall, upon the written request of two members of the Authority, call a special meeting of the members of the Authority for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the Authority or may be mailed or faxed to the business or home address of each member of the Authority at least two days prior to the date of such special meeting. At such special meeting, no business shall be considered other than as designated in the call, but if all of the members of the Authority are present at a special meeting, any and all business may be transacted at such special meeting.

Section 4. Meetings. Meetings of the members of the Authority shall be held at the Offices of the Authority or such other place as the Chair may designate from time to time.

Section 5. Quorum. The powers of the Authority shall be vested in the members thereof in office from time to time. A majority of those members shall constitute a quorum for the purpose of conducting its business and exercising its powers and for all other purposes, except that one member present at a meeting may adjourn the same from

time to time until a quorum is obtained. Except as otherwise specified in these By-Laws, the affirmative vote of a majority of those members present shall be necessary for any action taken by the Authority. Members may participate via telephone and electronic video and voice data communications and be counted for a quorum.

Section 6. Business. All resolutions shall be in writing and shall be copied in a journal of the proceedings of the members of the Authority. A true copy of the minutes of every meeting of the Authority shall be forthwith delivered by and under the certification of the Secretary to the Governor of the State of New Jersey.

Section 7. Manner of Voting. The voting on all questions coming before the members of the Authority shall be entered upon the minutes of the meeting.

ARTICLE V

AMENDMENTS

Section 1. Amendments to By-Laws. The By-Laws of the Authority shall be amended only with the approval of at least four of the members of the Authority at a regular or a special meeting, but no such amendment shall be adopted unless at least five days written notice thereof has been previously given to all of the members of the Authority.

Amended: April 25, 2007