

CFDF Corporation

Minutes of Meeting

Tuesday, December 28, 2004 6:00 PM

I. Call to Order: Meeting was called to order at 6:05 pm

II. Roll Call: Present were Al Romanowicz, Eugene Racquier, Augie O'Connor and Maurice Brousseau. Casey Andrade arrived several minutes late.

III. Secretary's Report: On a motion by Augie O'Connor seconded by Maurice Brousseau, the Board voted 4-0 to accept the minutes of the November 30 , 2004 meeting.

IV. Treasurer's Report: On a motion by Maurice Brousseau, seconded by Augie O'Connor, the Board voted 4-0 to accept the Treasurers Report and Balance Sheet as of November 30, 2004.

V. Executive Session: On a motion by Augie O'Connor, seconded by Eugene Racquier the Board voted 4-0 at 6:10 pm to go into Executive Session to discuss security issues, property acquisition issues, and litigation. The Board came out of Executive Session at 6:15 pm.

VI. Old Business:

a. Expansion Activities: Mr. Ventetuolo discussed the status of the 25% design program and reviewed the agenda meeting that was held by the Architect Engineers.

b. Financing Status: A conference call was convened with Ray Meador of Public Asset Management. The conference call reviewed the status of the financing. At this point PAM is recommending that the Board obtain an interim financing note in the amount of 3.5

million dollars, which will give the Board enough money to proceed with the 25% design plan, initiate upgrading of the existing facility, accomplish property acquisition and put the Corporation in the position to award a guaranteed maximum contract in May, 2005. The primary reason for obtaining a note vs. other kinds of bonding is to avoid excessive capitalized interest that would occur between January and May 1st when initial draw down of any bond program could occur. In the interim PAM along with AVCORR will be working with our consulting firm in Washington to pin down a guarantee contract with BICE for the additional beds that will be coming online with the expansion. This in turn would enable the Board to have an insured funding which would save several million dollars on the cost of the project. On a motion by Maurice Brousseau seconded by Augie O'Connor the Board passed the resolution authorizing the interim note financing on a vote of 5-0.

c. 25% Design Process: An agenda of the 25% design meeting was presented to the Board and discussion centered on those areas that have been addressed to date and what is planned over the next several weeks. It is anticipated that the 25% design plan will be completed by the third week of February at which time it will be incorporated into an RFP to the five selected design/build contractors. It was also discussed with the Board that the December 21, 2004 informational meeting with the five potential design contractors went very well. There were over 40 individuals who attended the meeting, had an opportunity to tour the facility and were provided with a variety of materials including schematic site plans,

floor plans, code compliance plans and security design plans. There will be a follow-up meeting conducted on Thursday, January 20, 2005 at which time some additional information will be provided to the contractors.

VII. New Business:

a. 2005 Budget: A letter given to Warden Salisbury by AVCORR was presented to the Board which outlines the operational budget for 2005.

b. Amtrak Lease Extension: A letter provided to Amtrak was given to the Board which calls for a three year extension on the lease that we currently hold with Amtrak in the amount of \$21,000.00. The existing contract has a hold over clause which would cost the Corporation \$25,000.00 per year if we were to wait until the 2032 expiration date. We have not heard back from Amtrak as of this date.

c. Capex Invoices: Capex Invoice for van repairs in the amount of \$5,379.20 was reviewed by the Board.

d. Rebate Computation: A formal letter from AMTEC regarding the arbitrage computation that was completed was presented to the Board.

e. USMS Vermont District: Warden Salisbury presented the Board with a report based upon a site tour of the facility by US Marshal from the Vermont District. The Marshal indicated his desire to obtain additional beds at the facility. The Marshal also stated he currently has 125 inmates in five states at fifteen different jails and prisons. He would like to consolidate this and review the additional bed space

that the Wyatt will have upon expansion completion as a positive thing for the Vermont District.

f. Dutko Proposal: The Board discussed the Dutko Group proposal to enter into a six month focused contract to develop and obtain a guaranteed maximum bed usage contract with BICE for additional housing. This contract would be a long term contract of approximately 10 years and would guarantee at a minimum about 200 beds. The establishment of such contract would be vital to the Board obtaining an insured bond rating which would save the Corporation several millions of dollars over the life of the financing. Dutko Group has suggested an increase in their retainer rate from \$2500.00 to \$5000.00 per month and the incorporation of a success fee once the contract has been obtained. On a motion by Maurice Brousseau seconded by Casey Andrade the Board voted 5-0 to authorize AVCORR to negotiate a six month contract with Dutko Group to provide liaison with Federal agencies for the establishment of a long term user contract with the Wyatt Facility. Also provided to the Board was language from the Intelligence Bill that was recently signed by President Bush which calls for increase of not less than 8000 beds in each of the fiscal years from 2006 to 2010. In addition, there have been increases in homeland security budgets of approximately \$538,000,000.00 for additional housing of detainees. These two developments will be keyed upon by a Dutko and their effort to pin down a long term contract.

g. Project Status Information Letter: Mr. Ventetuolo provided the Board with a sample letter that was sent to the Mayor, City Council

Members, Representatives and Senators in the Congressional Delegation that gives them an update on the status of our expansion.

VIII Other: On a motion by Eugene Racquier seconded by Casey Andrade the Board voted 5-0 to approve payment for requisition #157 (attached).

X. Adjournment: On a motion by Maurice Brousseau and seconded by Casey Andrade the Board voted 5-0 to adjourn at 7:50 PM.