

CFDF Corporation

Minutes of Meeting

Tuesday, August 30, 2005

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

II. Roll Call: Present were Gene Racquier, Casey Andrade, Augie O'Connor and Al Romanowicz. Also present were Wayne Salisbury, Peter St. Jean, Chris Orton, and Tony Ventetuolo.

III. Secretary's Report: On a motion by Augie O'Connor seconded by Casey Andrade the Board voted 4-0 to accept the minutes of the July 26, 2005 business meeting.

IV. Treasurer's Report: On a motion by Gene Racquier seconded by Casey Andrade the Board voted 4-0 to accept both the June 30, 2005 balance sheet as well as the July 31, 2005 balance sheet.

V. Executive Session: On a motion by Augie O'Connor seconded by Casey Andrade the Board voted 4-0 to go into Executive Session at 6:10 pm to discuss facility security issues under RIGL 42-46-5(a)3. A motion by Gene Racquier seconded by Augie O'Connor the Board voted to amend the agenda to include the King's Auto relocation cost issue into Executive Session under litigation exceptions under RIGL. The motion passed 4-0. The Board came out of Executive Session at

6:30 pm

VI. Old Business:

a. Project Financing: Mr. Ventetuolo provided the July IXIS Funding Report showing the investment of funds and short term interest gains.

b. Request for Proposals: Mr. Ventetuolo discussed The Providence Journal ad and the RFP for Financial Services to provide financial assistance and ongoing disclosure activities required under the Trust Agreement. Two firms, First Southwest and Public Asset Management submitted proposals. After reviewing the recommendation and the pluses and minuses of each proposal the Board entered into a brief discussion of the two proposals. The Board felt that due to Public Asset Management's ongoing association with CFDFC and their immediate knowledge of the current financing that PAM would be in the best position to assist the Corporation in a quick and efficient manner. On a motion by Gene Racquier seconded by Casey Andrade the Board voted 4-0 to hire PAM as a financial advisor to provide input on bookkeeping procedures, financial disclosure activities and other issues of a financial nature.

c. Project Status: Mr. Ventetuolo provided a revised schedule to the Board members and discussed the status of the construction project.

Basically, the project is about 1 ½ to 2 weeks behind due to soil issues relative to the main building and the ability to support the

foundations as designed by O. Ahlborg & Sons. Several options are being discussed and a unit price will be developed so it may be applied to any additional sub-excavation work that has to be done to accommodate the existing soil issue. It does not appear that the 1 ½ - 2 week delay will affect the overall project at this time.

d. Progress Payment #1: The Levien-Rich Report supporting the first full payment of \$2.6 million dollars was reviewed by Mr. Ventetuolo with the Board. The process for reviewing progress payments by AVCORR and the AVCORR team prior to the Levien-Rich review was discussed. The next payment for the month of August will be approximately \$300,000.00.

e. OD/T Status: Mr. Ventetuolo discussed the ongoing negotiations with Scott Stermer and the recent phone conference between Mr. Stermer, Ray Meador and Max Hamel. Basically, the OD/T wants to move forward with a contract to tie up approximately 488 beds, have the Right of First Refusal, and enter into an agreement that would call for an annual CPI increase after an initial increase in the per diem to \$92.65. Additionally, Mr. Ventetuolo spoke of the Federal Government's desire to have the Wyatt provide all of the Northeast transportation of inmates to and from the Federal Bureau of Prisons. It is anticipated that one of the two monthly air lifts will be eliminated and that the Wyatt staff would actually be transporting inmates as far away as Ohio. The particulars of this and the transportation course will be worked out over the course of the next several weeks. Wayne Salisbury also discussed a telephone call from Marshall Headquarters

relative to transportation issues and permitting.

VII. New Business:

a. Relocation Issues: The Board discussed the ongoing issue of relocation costs to Paul Newman as the result of his relocation of the King's Auto business. Chris Orton discussed his meetings with the Attorney for King's Auto. On a motion by Gene Racquier seconded by Augie O'Connor the Board authorized Chris Orton to resolve the relocation issue and authorized him to pay no more than \$101,000.00 for relocation costs. The motion past 4-0.

b. Fiscal Year 2005 Budget Amendment: Mr. Ventetuolo provided the Board with a memo outlining several areas where the 2005 budget must be amended to reflect changing conditions. Each area was discussed and the Board agreed to move forward with an amendment. On a motion by Gene Racquier seconded by Casey Andrade the Board voted 4-0 to amend the FY2005 Budget in accordance with the August 16, 2005 memo to the Board from AVCORR.

c. Pawtucket Times Article: A Pawtucket Times Article that discussed the progress in the construction project was presented to the Board.

IX. Other: On a motion by Casey Andrade seconded by Augie O'Connor the Board voted 4-0 to approve payment of requisitions #OMF-170, #ORA-100, #CIF-118, #COI-100, #COI-101 and #CIF-119.

X. Adjournment: On a motion by Casey Andrade seconded by Gene

Racquier the Board voted 4-0 to adjourn at 7:20 PM.