

**CFDF Corporation**

**Minutes of Meeting**

**Tuesday, August 29, 2006 at 6:00 pm**

**I. Call to Order: Meeting was called to order at 6:03 pm.**

**II. Roll Call: All Board members were present. Also present were Chris Orton, Wayne Salisbury, Tim Tapley and Tony Ventetuolo.**

**III. Secretary's Report: On a motion by Augie O'Connor seconded by Maurice Brousseau the Board voted 5-0 to accept the minutes of the July 25, 2006 Board meeting.**

**IV. Treasurer's Report: On a motion by Maurice Brousseau seconded by Augie O'Connor the Board voted 5-0 to accept the financial report for the period ending July 31, 2006.**

**V. Executive Session: On a motion by Maurice Brousseau seconded by Augie O'Connor the Board voted 5-0 to go into Executive Session at 6:07 pm to discuss facility security issues under RIGL 42-46-5(a)3 as well as management contract. The Board came out of Executive Session at 7:15 pm. The Board voted 5-0 to seal the minutes of the executive session.**

## **VI. Old Business:**

- a. Project Banking:** The IXIS Funding report for the period of 07/01/06 through 07/31/06 was presented to the Board.
- b. Bank of America Account:** Activity sheets for the Bank of America account for the month of July, 2006 were provided. The approximate balance in that account is \$213,300.00. It was noted that a \$28,000 wire from the US Bank Account was reimbursed to the Bank of America for vehicle lease payments.
- c. FY2005 Coverage Certificate:** The BFM&M Accountant Certification for FY2005 showed a 1.72 coverage rate. This information was sent to the Trustee and the Trustee provided the Corporation with verification. This document as well as the financial annual report was sent to all Bondholders.
- d. US Bank Escrow Shortage:** The verification report required to verify that enough funds are available in US Bank account for old bonds relative to the US Bank escrow shortage was presented to the Board. The first paragraph on the second page said that all funds are presently available to pay off these bonds.
- e. Trustee Removal:** A letter from AVCORR Consultants advising US Bank that they will be removed pursuant to the Trust Agreement was presented to the Board. Also presented to the Board was an opinion by Chris Orton that this action can be taken and that all appropriate notification has been made. It was also noted that there is some question as to whether or not the original 92 and 98 bonds will require approval from majority holders. Mr. Orton and our bond

**council are reviewing this matter.**

**f. Bank of NY Trustee Proposal:** A proposal from the Bank of NY that covers all of the current operations and Trustee services being provided by US Bank was given to the Board. It was noted that the fees, with the exception of a one time only conversion and legal fee, is the same as US Bank is charging.

**g. Expansion Project Status:**

**1. Levien-Rich observation report #13 was presented to the Board. It was noted that as of 08/30/06, 70% of the project is completed.**

**2. The revised project schedule was presented to the Board. At this period it looks as though OAS is several weeks behind in meeting the prioritized schedule to bring 144 beds online by September 30, 2006. AVCORR has noted that there are currently 150 people working on the project daily and that overtime and Saturday work has been authorized. It appears that everything possible is being done to meet to 09/30/06 date and the contractor is moving forward with all diligence to meet that date.**

**3. The minutes from the OAS Owners meeting #28 and #29 were presented to the Board for their review.**

**4. It was discussed that Old Castle has made an offer to provide the Board with a \$25,000.00 credit to finish the outside of the cells to repair the unacceptable work that currently exists. This amount is approximately \$75,000.00 less than the initial three coats of paint price that was received by OAS. AVCORR has asked OAS to review options to provide a less expensive solution and then go back to Old Castle to see if an agreement can be made. One option on the table**

to help Old Castle would be to reduce the current retainage being held back on the Old Castle payment.

h. Per Diem: It was noted that AVCORR is still working on a daily basis with the Office of Detention Trustee in an effort to finalize the per diem. The current uncertainty with the immigration bill and the lack of authorized funding for this is having a direct impact on all of the Federal Agencies that are involved in this per diem negotiation, namely, the US Marshal Services, BICE, and the Office of Detention Trustee. It is also discussed that there is currently much competition between the US Marshal Services and BICE for required beds and that the Office of Detention Trustee has notified AVCORR that there will be “no trouble filling all of the new beds between the US Marshal Services and BICE”. It was also determined that the US Marshal Services Headquarters is currently now reviewing our proposal for per diem increase and that they are also reviewing the additional bed needs as a result of a change in the JPADs program that should be effective October 1, 2006. Warden Salisbury noted that the regional director of BICE had made an appointment to be at the facility over the past week and had to cancel due to conflicting meetings. The Regional Director has indicated a need for 100 new beds to accommodate BICE needs. This requirement was made again as recently as last evening. Finally, AVCORR has noted that the Washington Consultant that is providing liaison services between the Federal agencies and the Corporation is exploring options to go to the administration and the Department of Justice in an effort to help get this per diem finalized.

## **VII. New Business:**

**a. Global Revenues:** Revenues from Global for the month of July, 2006 were provided to the Board.

**b. Global Contract Revision:** Mr. Orton discussed the status of the initial contract amendment which was presented to the Board. It is his opinion that there needs to be some additional language changes throughout the body of the contract and he will be working with Global to achieve this goal.

**c. Bondholders Conference Call:** Mr. Ventetuolo noted that there will be a conference call conducted on Wednesday, August 30th with all of the Bondholders for the purpose of discussing the schedule the per diem and financial projections.

## **VIII. Other:**

**a. Requisitions:** On a motion by Casey Andrade seconded by Maurice Brousseau, the Board voted 5-0 to approve payments of requisitions CIF-148, CIF-149, COI-115, COI-116, EPA-112, ORA-114 and GRA-109

**IX. Adjournment:** On a motion by Maurice Brousseau, seconded by Casey Andrade the Board voted 5-0 to adjourn at 8:15 pm.