

CFDF Corporation

Minutes of Meeting

Tuesday, June 5, 2007

I. Call to Order: Meeting was called to order at 6:00 pm.

II. Roll Call: All Board members were present. Also present were Chris Orton, Tony Ventetuolo and Dave Dumas.

III. Secretary's Report: On a motion by Gene Racquier seconded by Maurice Brousseau the Board voted 5-0 to accept the minutes of the April 24, 2007 Board meeting. It was also noted that at the next meeting, the minutes of the Emergency Meeting will be provided to the Board based upon their resolution to seal the minutes of the Executive Session.

IV. Treasurer's Report: On a motion by Casey Andrade seconded by Maurice Brousseau the Board voted 5-0 to accept the financial report and balance sheet for the period ending April 30, 2007.

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 6:05 pm to discuss security issues as well as litigation and the management contract. The Board came out of Executive Session at 7:15 pm. On a motion by Maurice Brousseau seconded by Augie O'Connor the Board voted 5-0 to seal the minutes of the Executive

Session.

On a motion by Maurice Brousseau seconded by Casey Andrade the Board voted 4-0 to adopt the Emergency Resolution voted on at the Emergency Meeting of May 24, 2007. It was noted that Augie O'Connor abstained from voting due to the fact that he was not present at the Emergency Meeting. The vote was 4-0.

VI. Old Business:

a Project Banking: The IXIS Funding report for the period of 04/01/07 through 04/30/07 was presented to the Board. It was noted that the accounts generated approximately \$60,000.00 during this period.

b Bank of America Account: Bank of America activity sheets were provided to the Board and showed a balance of approximately \$347,000.00.

c. Trustee: Mr. Ventetuolo discussed with the Board the residual income confirmation provided by Bank of New York as well as additional fee proposals for defeasing of the 1992 and 1992 bonds. Those fees were approximately \$4300.00 and \$6300.00 for each of those defeasements and were a one time only expenditure.

d. Per Diem Negotiations: A signed copy of the per diem IGA provided by the Office of Detention Trustee was provided to the Board and discussed by Mr. Ventetuolo.

e. Management Contract:

1. Adoption of the Emergency Meeting: On a motion by Maurice Brousseau seconded by Casey Andrade the Board voted 4-0 to adopt

the Emergency Resolution voted on at the Emergency Meeting of May 24, 2007. It was noted that Augie O'Connor abstained from voting due to the fact that he was not present at the Emergency Meeting. The vote was 4-0.

f. Expansion Project Status:

a. Levien-Rich observation report #22 was presented to the Board for their review. It was also noted and discussed by Mr. Ventetuolo that he has been in contact with both OAS and OAS's bonding company relative to lien releases and/or a letter from the bonding company indicating that all subcontractors will be paid for all work. It was also noted that a separate account for payment for future payments to OAS will be made to the bonding company to insure that the subcontractors are paid and that all lien releases are obtained by the Corporation. This action was deemed necessary due to the fact that OAS is currently restructuring its business and AVCORR wants to insure that there will be no mechanic liens on the property and that all work is substantially completed.

b. The Board was provided with Architectural Certifications for all areas that have been received to date.

c. Mr. Orton discussed several memos sent to Mr. Fink's Attorney's relative to the property clean up in that area.

d. Mr. Ventetuolo discussed the approval of a credit for approximately \$70,000.00 less \$3,000.00 for OAS fee from Old Castle to provide a credit for the Board to have the outside of the cells painted to meet the standards required. In addition to the credit, Old Castle will provide a release of lien and all warranty and punch list work will be

completed. Once this is provided AVCORR will release all of the current retainage on the Old Castle account.

e. Mr. Ventetuolo discussed and provided the Board with a copy of the Arden contract which was executed several weeks ago. This contract will provide a one point of contact for all preventative maintenance on all HVAC systems in the old building, new building, as well as the training center. It was noted that this contract will also provide a 24 hour per week onsite engineering technician to provide work for the Wyatt and HVAC in other areas. This contract also has special rates for hourly rates and no fees such as trucking or fuel surcharges. It was also noted that the maintenance program will include replacement of all filters and belts and minor repairs.

f. The Board discussed their availability for the June meeting to July 2, 2007, however, the Board members decided to have the June meeting on Tuesday, July 10th at 6:00 pm. AVCORR will send out notice to all about the change in this business meeting date.

VII. New Business:

a. **Global Revenues:** The April, 2007 report was presented to the Board which totaled \$31,200.00.

b. **Global Contract:** Last month the Board voted to renew the Global contract and a copy of that renewal letter to Global was presented to the Board.

c. **CFDF Insurance Coverage:** Mr. Ventetuolo and Mr. Orton

discussed their ongoing effort to get coverage for all insurance required at the facility with the Trust. Mr. Ventetuolo noted he is been talking with a private insurance provider GenCorp, who is reviewing the Trust Certificates and providing input as to coverage areas and potential for private insurance providers to provide this service, where The Trust will not cover. Mr. Ventetuolo and Mr. Orton will report at the next meeting of findings and the status of the insurance coverage.

d. **Due Diligence Bondholder Reporting:** The annual report for 2006 was provided to the Board as well as the quarterly report for the first quarter of 2007. It was noted that for the first quarter of 2007 the coverage rate was 170.45%. It was also noted that mention of the newly signed IGA and the current status of the Cornell contract was also included in the quarterly report.

e. **Officer Contract Negotiations:** An article from the Times on the contract negotiations was provided to the Board.

f. **Annual Report:** Mr. Ventetuolo noted that the final draft of the annual report is completed and it will be disseminated within the next several weeks.

g. **Recognition Ceremony:** The Recognition Ceremony was discussed at the last meeting and scheduled for July 12th will be rescheduled to a date sometime early in August, 2007. More information will be provided to the Board in the coming weeks.

h. **Legislation:** Mr. Ventetuolo discussed the hearing on House Bill 6258 which relates to amendments to the enabling legislation to allow the Corporation a certain status to make it easier for them to perform

their mission. The current legislation is scheduled to be voted on during the week of the June 12th.

VIII. Other:

a. PAM Authorization: On a motion by Maurice Brousseau seconded by Casey Andrade the Board voted 5-0 to authorize Public Asset Management to explore various options relative to financial transactions in an effort to try to lower our bond costs and other avenues. The authorization requires PAM to explore these options and report back to the Board on the status and the availability of various options.

b. Requisitions: On a motion by Maurice Brousseau seconded by Gene Racquier the Board voted 5-0 to pay the requisitions included in the agenda package.

IX. Adjournment: On a motion by Maurice Brousseau, seconded by Gene Racquier the Board voted 5-0 to adjourn at 8:00 pm.