

**MINUTES OF MEETING OF  
THE BOARD OF DIRECTORS OF  
LOUISIANA CORRECTIONAL FACILITIES CORPORATION  
TUESDAY, MARCH 15, 2011**

A meeting of the Board of the Louisiana Correctional Facilities Corporation ("LCFC") was duly called and held Tuesday, March 15, 2011 in the Third Floor Center Conference Room of Jones, Walker, Waechter, Poitevent, Carrere & Denegre, L.L.P., Four United Plaza, 8555 United Plaza Boulevard, Baton Rouge, Louisiana 70809-7000, pursuant to due notice having been given according to Louisiana Public Meetings Law.

The following members were present:

Mr. Tommy Head  
Secretary James LeBlanc  
Mr. Ted Riser  
Mr. Whalen Gibbs, Jr.

The following member(s) were absent:

Mr. Richard Crain

Also present:

Mr. Tom C. Bickham, III – Undersecretary, Department of Public Safety & Corrections  
Mr. Billy Breland, Maintenance and Corrections Director – Department of Public Safety & Corrections  
Mr. Matt Kern, Esq. – Jones, Walker, Waechter, Poitevent, Carrère & Denégre L.L.P.  
Ms. Patti Dunbar - Jones, Walker, Waechter, Poitevent, Carrère & Denégre L.L.P.

Present by conference call:

Mr. Fred Chevalier, Esq. – Jones, Walker, Waechter, Poitevent, Carrère & Denégre L.L.P.

Item 1 – Call to Order

The meeting was called to order by Mr. Tommy Head. Mr. Head noted that a quorum was present and that the Board could conduct its business.

### Item 2 – Approval of Minutes of the Board Meeting from February 21, 2011

Motion was made for the approval of minutes from the Board meeting of February 21, 2011 by Mr. Riser. The Motion was seconded by Mr. Gibbs and the Motion passed by unanimous vote.

### Item 3 – Update on Winn, Allen and Avoyelles Parish Correctional Centers

Mr. LeBlanc reported that last Friday was the Joint Legislative Budget Committee meeting at which Mr. Rainwater presented the budget. There was quite a bit of discussion with the Department of Corrections at this meeting regarding the sale and privatization of the prisons in question (Winn, Allen, Avoyelles and Dabadie). This is going to require legislation. He stated that the Governor has someone to carry the bill. He went on to state that this would be a challenge but that there will be a good opportunity in committee to show exactly what this could do for the Department, i.e., allowing it to stay substantially intact with minimal layoffs and without jeopardizing the staff, public safety or offender safety. Mr. Head asked about the representatives in the areas of the prisons. Secretary LeBlanc stated that Senator LaFleur, Representative Johnson, Senator McPherson and Representative Hazel are the area representatives and that they do have concerns. Secretary LeBlanc went on to state that this is understandable because of the \$1.6 billion budget deficit and unfortunately there will many people impacted. Mr. Chevalier asked if the employees would be able to stay on after the sales and/or privatizations occur. Secretary LeBlanc explained that they may be able to stay on but that it would be at a reduced pay rate. He went on to state that a lot residents who live in the Marksville and Cottonport areas currently take a ferry to get to their jobs at Avoyelles. Some of those people will have an opportunity over time to go to work at Angola. New jobs could also be created by the private jobs that will be created at Avoyelles as well as the Louisiana residents that could be hired to work at Angola as opposed to the Mississippi residents that are being hired to work at Angola. The present value index is favorable over 20 years. There are positive aspects to sale and privatization and this will be presented at the committee meetings. Secretary LeBlanc stated that criminal justice systems around the country are facing tough times with budget cuts looming. He would like to be able to keep the department mostly intact and also keep re-entry and other programs going.

Secretary LeBlanc stated that the appraisal for Avoyelles is the only outstanding item to be dealt with at this time. Mr. Chevalier stated that an item will need to be added to the Agenda for this discussion and approval. Mr. Riser moved that the agenda be amended to discuss this matter. The Motion was seconded by Gibbs and the Motion passed by unanimous vote. There were no other comments from the meeting attendees.

### Item 3a – Authorizing and paying for appraisal of the Avoyelles property

Motion was made by Mr. Riser to approve and pay for the appraisal of the Avoyelles property by Mr. Tommy McMorris for \$21,500. The Motion was seconded by Mr. Gibbs and the Motion passed by unanimous vote.

#### Item 4 – Update on oil and gas attorney hired by LCFC for Union Parish Research

Mr. Head reported that Mr. Gates has been calling him on a weekly basis to keep him informed as to his progress. Mr. Gates has not received any information back from the Department of Natural Resources yet. Mr. Gates stated that he did not understand why it would be possible that LCFC would be entitled to only 27 acres. LCFC would either be entitled to all of the acreage or to none of it. Mr. Head stated that he gave Mr. Gates the booklet that the land man prepared for LCFC which should save him a lot of research time. There is not much more to report on the Union Parish research now.

Mr. Head went on to state that he spoke to Mr. Gates regarding the E. Carroll Parish property and the fact that a well will need to be drilled on it in order to interrupt the 10-year prescription period. Mr. Gates stated that he may be able to broker a deal with a drilling company who would start drilling a well and not just hold onto the lease without drilling. Mr. Head then stated that he would need to obtain board approval before he could authorize Mr. Gates to broker such a deal. An item will need to be added to the Agenda for this discussion and approval. Mr. Riser moved that the agenda be amended to discuss this matter. The Motion was seconded by LeBlanc and the Motion passed by unanimous vote. There were no other comments from the meeting attendees.

#### Item 4a – Motion to employ Mr. Gates to broker a deal with a drilling company to drill a well on the East Carroll Parish property

Motion was made by Mr. Riser to employ Mr. Gates to broker a deal with a drilling company to drill a well on the East Carroll Parish property. Motion was seconded by Mr. Gates and the Motion passed by unanimous vote. Mr. Gates currently hired at \$150 per hour with a \$5,000 cap. Mr. Chevalier stated that the contract should remain as it is but if the fees are approaching \$5,000, the Board can approve a necessary amendment to the contract to increase the cap by \$5,000. Mr. Riser moved that the board authorize Mr. Head to sign any such contract amendment with Mr. Gates if his fees will be higher than the currently agreed to cap of \$5,000. Mr. Gibbs seconded the Motion and the Motion passed by unanimous vote.

#### Item 5 – Update on projects for Department of Public Safety and Corrections

Mr. Breland advised the Board that the Caddo re-entry facility project is going well and is to be completed in June. There will be a Grand Opening Ceremony scheduled when it gets closer to the completion date. A big project will be starting soon involving cameras, etc. at various prisons. Site visits will begin next week. The completion date for that is set to be July 2011.

#### Item 6 – Approval of reimbursement of expenses incurred by Board members for travel expenses

Motion was made by Mr. Gibbs for the approval of reimbursement of expenses incurred by Board Members by Mr. Head and Mr. Riser. The Motion was seconded by Mr. Riser and the Motion passed by unanimous vote.

Item 7 – Approval of legal fees submitted by Jones Walker, et al (JW Invoice No. 538615 dated March 10, 2011) as previously forwarded to Tommy Head for approval

Mr. Head stated that he had reviewed the invoice submitted by Jones Walker and found it to be in order. Motion was made for the approval of legal fees submitted by Jones Walker, et al by Mr. Gibbs. The motion was seconded by Mr. Riser and the Motion passed by unanimous vote.

Item 8 - Transaction of such other business as may properly come before the Board:

Mr. Head stated that he has a copy of the fee agreement with Mr. Gates for the record. He also stated that the information obtained by Mr. Gates indicates that Exxon #2 is currently producing very well. They have stopped leasing for now but that is probably because of the pending lawsuit.

There was no other business to transact. Motion was made to adjourn by Mr. Riser. The Motion was seconded by Mr. LeBlanc and the Motion passed by unanimous vote.