

**MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF
LOUISIANA CORRECTIONAL FACILITIES CORPORATION
WEDNESDAY, DECEMBER 14, 2011**

A meeting of the Board of the Louisiana Correctional Facilities Corporation ("LCFC") was duly called and held Wednesday, December 14, 2011 in the Fifth Floor Main 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.
Mr. Toby Cortez – Sisung Securities
Mr. Watson Barger – The Bank of New York Mellon Trust Company

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 June 21, 2011

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

Item 3 – Update on LCFC Finances

Secretary LeBlanc stated that he would like to have a report presented at every meeting as to the status of LCFC's finances. Mr. Barger stated that all statements are being sent to Rob Scheffy at Jones Walker pursuant to the Indenture. Mr. Barger then went through the statements and explained the various accounts and balances. Mr. Cortez and Mr. Barger then explained the debt service reserve fund. Secretary LeBlanc stated that he would like for the statements to be attached to all upcoming meeting agendas and discussed at upcoming meetings.

Item 4 – Louisiana Transition Center for Women (LTCW) Pump and Grinder Station

Secretary LeBlanc and Mr. Breland discussed the sewer problems at the LTCW. The wastewater lift station needs to be repaired. An estimate has been received for these repairs in the amount of \$177,000. Secretary LeBlanc and Mr. Breland then discussed how beneficial this facility has been and how important it is. Secretary LeBlanc stated that recidivism for females in Louisiana has dropped from 38% to 20% since this facility was opened. Motion was then made by Secretary LeBlanc to add the LTCW wastewater lift station project to the current project list with a cap of \$200,000. The Motion was seconded by Mr. Riser and the Motion passed by unanimous vote.

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

Mr. Breland passed out information regarding the status of all Department of Public Safety and Corrections projects. He stated that all projects are complete and that all bills have been paid at this time. Mr. Breland then discussed the Caddo re-entry facility and how well it turned out and that the program has been very successful. There was then discussion with Secretary LeBlanc about a similar facility for the capital region and also for the New Orleans area, both of which are in the works.

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

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

Item 7 – Approval of The Bank of New York Mellon Trust Company Invoice No. 252-1581403 in the amount of \$1,890 for Trustee administration services for the 2007 issue as submitted by Watson Barger

Motion was made by Mr. Head for the approval of the payment of The Bank of New York Mellon Trust Company Invoice No. 252-1581403 in the amount of \$1,890 for Trustee administration services for the 2007 issue as submitted by Watson Barger. The Motion was seconded by Mr. Gibbs and the Motion passed by unanimous vote.

Item 8 – Approval of legal fees submitted by Jones Walker, et al (JW Invoice No. 555858 dated July 22, 2011, JW Invoice No. 562283 dated September 14, 2011, JW Invoice No. 566524 dated October 12, 2011 and JW Invoice No. 574032 dated December 8, 2011) as previously forwarded to Tommy Head for approval

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

Item 9 - Transaction of such other business as may properly come before the Board

Mr. Head gave an oil and gas update and stated that Southwest Energy out of Houston was the company that has been leasing property in north Louisiana and south Arkansas to drill wells, not Exxon. They have leased approximately ½ million acres with options on twice that much. They plan to drill two wells between now and the end of the year. They also have plans to drill 10 more in 2012 and up to 60 wells within the next two years. This company has been very secretive and has been entering into long term contracts (10 years) with parties to keep the information quiet. He also stated that he has not been able to get a well drilled on the property in E. Carroll Parish because he has not found a company yet to do so. He will keep working on that.

Mr. Head then stated that Plum Creek vs. Exxon has settled and provided a copy of the settlement document. Plum Creek put forth a settlement offer and expected Exxon to counter. Exxon paid the full settlement offer price and did not counter. He stated that he would contact the attorney regarding LCFC's rights but that it does not look good because of the settlement.

Motion was made to adjourn by Mr. Riser. The Motion was seconded by Mr. Gibbs and the Motion passed by unanimous vote.