

**MINUTES OF MEETING OF
THE BOARD OF DIRECTORS OF
LOUISIANA CORRECTIONAL FACILITIES CORPORATION
MONDAY, MAY 12, 2014**

A meeting of the Board of the Louisiana Correctional Facilities Corporation (“LCFC”) was duly called and held Monday, May 12, 2014 in the Fifth Floor Main Conference Room of Jones Walker LLP, 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. Ted Riser
Mr. Whalen Gibbs, Jr.
Mr. Richard Crain

The following members were absent:

Mr. Charles McDonald
Secretary James LeBlanc

Also present:

Mr. Billy Breland, Maintenance and Corrections Director –
Department of Public Safety & Corrections
Mr. Matt Kern, Esq. – Jones Walker LLP
Ms. Lauren Ellis, Esq. – Jones Walker LLP
Ms. Patti Dunbar, Jones Walker LLP
Mr. John Mayeaux – Sisung Securities
Ms. Courtney Gupton – 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. Riser. Mr. Riser called roll and noted that a quorum was present and that the Board could conduct its business.

Item 2 – Approval of Minutes of the Board Meeting from April 7, 2014

Motion was made for the approval of minutes from the Board meeting of April 7, 2014 by Mr. Crain. The Motion was seconded by Mr. Gibbs and the Motion passed by unanimous vote.

Item 3– Update on LCFC Finances (review of bank statements)

Mr. Barger discussed the latest bank statements and noted that there was a deposit on February 28, 2014, in the amount of \$51,118.79 that was credited to the LCFC 2007 Revenue Fund account which he believes is in error. This deposit originated from the State of Louisiana. He is researching this so that it can be corrected.

Item 4 – Update on projects for Department of Public Safety and Corrections

Mr. Breland stated that the capital outlay projects Allen Correctional Center and at Winn Correctional Center are now completed. He also stated that water tower projects are currently in the design phase for Avoyelles Correctional Center and Allen Correctional Center. The new well being drilled at Dixon Correctional Institute should be ready within the next thirty days. If funding goes through, he stated that cell door control maintenance and repair will be added to the project list for Elayn Hunt Correctional Center, Dixon Correctional Institute and Louisiana Correctional Institute for Women. There are several capital projects included in the bill which will be done if the funding goes through.

Item 5 – 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, Mr. Riser and Mr. Crain. The Motion was seconded by Mr. Crain and the Motion passed by unanimous vote.

Item 6 – Approval of legal fees submitted by Jones Walker LLP (JW Invoice No. 706644 dated April 21, 2014)

Motion was made for the approval of legal fees submitted by Jones Walker LLP by Mr. Gibbs. The motion was seconded by Mr. Crain and the Motion passed by unanimous vote.

Item 7 – Update regarding Office of Juvenile Justice projects.

Mr. Kern stated that he had discussed projects with the Office of Juvenile Justice and found out that they had actually included those projects in the Capital Outlay Bill this year and that they are hoping for immediate funding for one of the projects and delayed funding for the other project. Accordingly, they are not planning to move forward with bond issue financing at this point.

Item 8 – Discussion regarding continuing disclosure obligations on Series 2007 Bonds and take appropriate action.

Mr. Kern explained the resolution to be adopted by the Board along with the Termination of Corporation Reporting Obligation agreement regarding continuing disclosure obligations on the Series 2007 Bonds. LCFC and the State have both signed

Certificates of Disclosure when only the State is required to provide disclosure in accordance with Federal Securities laws. Mr. Kern then stated that Jones Walker recommends that LCFC terminate the disclosure agreement signed by LCFC as it is not necessary and is overkill. Motion was made to pass the resolution by Mr. Crain. The motion was seconded by Mr. Gibbs and the Motion passed by unanimous vote.

Item 9 – Report by Mr. Matt Kern regarding mineral rights research and status in various parishes.

Mr. Kern summarized the mineral rights issue in Union, Avoyelles and Winn Parishes. He referred to a letter sent by Mr. Gates which summarizes the Union Parish information. There was a mineral lease in place for a period of three years and that it was not extended. He also stated that, as far as he can tell, the Avoyelles and Winn properties are still in LCFC's name and have never been transferred back to the State. He recommended that LCFC hire a local attorney in those parishes to go through the land records to verify ownership information for these purposes.

Item 10 – Presentation by Mr. Tommy Head regarding mineral rights in various parishes and take appropriate action.

Mr. Tommy Head stated that he thinks the Copeland Brothers owns the mineral rights to the 27 acres referenced in Mr. Gates' letter and research. He stated that there is an attorney now in Union Parish that has possibly found a loophole because some of the gas companies have held onto these mineral rights by production and by paying the landowners ten dollars per year which may not stand up to scrutiny. He also stated that as far as Avoyelles and Winn, it would be wide open as far as getting someone to drill. There is activity in Winn and across the river from Avoyelles currently. He suggested retaining an oil and gas attorney possibly in Shreveport or in Monroe. Mr. Barger stated that there was a payment of \$6,750 made for oil and gas royalties approximately two years ago but he would research it to get more details. Mr. Kern will also research that payment and the lease that he thinks was signed in 2010. There was a lease in place but it expired in December 2013. It was suggested that the Board enter into an employment contract with Mr. Head to act as a consultant to the Board so that he can work on finding a local attorney to research these mineral rights issues. Mr. Kern stated that he would draft an employment contract and present it at the next Board meeting to be approved. Motion was made to authorize Mr. Head to work as a consultant to the Board by Mr. Crain. The motion was seconded by Mr. Gibbs and the Motion passed by unanimous vote.

Item 11 - Transaction of such other business as may properly come before the Board

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