

Riverview Technology Corporation
Minutes of Quarterly Meeting
November 6, 2002

RTC Members in Attendance: Tilman Bishop, Walid Boumatar, Robert Bray, Bernie Buescher, Mike Bussey, John Newell, J. D. Snodgrass, Pat Tucker

Others Present : Thea Chase, Nancy McKenna, Dan Wilson, Esq.

Call to Order. Bernie Buescher called the meeting to order at 12:30. He would like the Board Members to work towards a process where major capital expenditures for the upcoming year are considered and approved. It is his intention to have the budget approved today and wants to consider discretionary expenses. As we work through the Agenda today, Bernie asks that we focus on making good management decisions.

Minutes. Bernie asked for comments on the Minutes from August 8, 2002. Tilman made a motion to approve the minutes as written, the motion was seconded by Walid. The Board had no further discussion and the Minutes were adopted by unanimous vote.

Finance Committee Report.

RTC Budget 2002/03. Bernie reviewed the budget sheets. The revenues are broken down between the base rents received from DOE and WCBDC and the reimbursement for expenses. This year, there is \$42K+ that could be returned to the DOE; next year there will be an additional \$105K+ in expenses that will need to be billed to them. In conversations with Eben, Bernie feels they will agree to let us hold the \$42K against the \$105K and then bill them \$60K+ at the end of next year.

Discussion followed on Discretionary Expenditures. The roof repair is estimated at \$54K. The roof system consists of foam and coating. As they deteriorate, a new coating has to be applied. The Property Management Committee has been working to establish priorities for the roofs in serious condition. The \$54K estimate covers about 1/3 of the roofs. The second item discussed was fire sprinklers. It is estimated to cost \$11K for DOE sprinklers not in compliance. Both of these expenses should be considered a pass through (maintenance). We don't have numbers regarding the irrigation system repair. Thea explained that the grass is being watered with City water. The entire water system on the compound is lacking, there are leaks and the black plastic pipes are breaking. There is an untreated water line coming down from the cemetery which we could possibly tap into. The Property Management Committee is checking this out. The property did not come with any irrigation rights, we may want to buy shares as an option. Bernie stated an estimate to convert to an irrigation water system could be \$20-\$30K and he believes that the leakage is costing us about \$800 per month during the summer season. Tilman questioned if there are any grants available for water conservation-type projects. Dan wondered if we could put a "big straw" in the Gunnison. All members agreed that a change needs to be made so we are not wasting water. J. D. reported that the Property Management Committee feels that given the expense and the savings, it makes sense to repair the irrigation system now and not wait for long-range planning of the site. Dan led a discussion regarding City annexation and the myriad of rules that would apply. Also if we sell a property, then we would have a City subdivision issue. No sales taxes would be generated from this site to the City, so we are still hopeful annexation will not happen.

Thea discussed the gas and electric issues. Fred Eggleston met with the Property Management Committee and Stoller representatives. It is our desire that Xcel take over the gas distribution system. An estimate to upgrade the gas could cost between \$21K and \$128K. The wide range has to do with the availability of detailed drawings and data; if the data already collected can be found, we'll be on the lower end of that number. The Army was supposed to hookup directly with Xcel as of June 2002, which hasn't happened. The upgrade from 4Kv to 13Kv electricity, primarily on the DOE side of the fence, is \$232,730. This number covers Xcel moving in the new transformer, bringing power to the buildings, dismantling the current system, taking out the old poles and transformers. A lot of the new system will be underground. The Property Management Committee believes that \$135K could be classified as maintenance, but the approximate \$96K would be a capital expense. Thea informed the Board that a transformer blew and blew out the meter. The DOE was down a full day Sunday and half of Monday. If we upgrade the site, Xcel will take over the long-term maintenance.

Bernie related that these are the issues and numbers we're going to be dealing with; inflation will keep adding. A difference in the budget from 2002 and 2003 is the Property Management Contract with the Incubator. It was at a rate of \$2,605 per month and the Incubator has offered to enter into a new 3 year contract at \$5,000 per month. That additional \$30K is included in this budget. It was suggested that a provision be added to renegotiate the contract if a major decrease or increase in work occurs. There should also be a termination clause for either side.

Robert made the motion to approve the budget and Pat made the second. Bernie estimates that by the end of next year we will have ½ million dollars cash. All Board Members voted aye to approve the budget as amended.

Bernie addressed discretionary expenditures and asked for a motion to approve roof and fire sprinklers expenses. John Newell made the motion and J.D. seconded. The Board voted unanimously to approve this action.

Discussion followed on the irrigation system. Thea stated there are outstanding issues to research, such as what grants are available, the water rights and viability of tapping into the Gunnison, Dan volunteered to work with Thea in researching irrigation issues. Tilman moved that Thea and the Property Management Committee report back on their research progress at the next meeting. Walid seconded the motion and all Board Members voted aye.

The next discretionary expenses are the gas and electric upgrades. Bernie asked for a motion to approve \$25K for the gas upgrade. Discussion followed regarding the Army's involvement and how that might change the expense, the grant monies and DOE pass-throughs. Pat Tucker made the motion to expend up to \$125K, including the grant money, to upgrade gas and electric. Robert seconded the motion and the action was approved unanimously by the Board.

Personal Property. Tilman asked the Board to think of potential candidates for his replacement as he has been elected to the office of County Commissioner. He stated that John McConnell is coming to look at the remaining technical equipment. Bernie reported that Texas University wants us to donate the detector equipment. Direction from the Board is to ask for \$2,500 for this equipment.

Audit. Mike reported that he anticipates receiving five responses to the RFP for an auditor. Pat made the motion to give the Finance Committee the authority to choose the auditor from those responses, Robert seconded the motion and the Board voted unanimously in favor of this action. Mike stated that he has followed up on the 501(c)(3) application and we should have some direction from the IRS by the end of the month.

Investment Policy. Bonnie could not attend this meeting but mailed the proposed investment policy. Bernie reported that the only change from the last review was the elimination of investing in equity. Mike made the motion to approve the Investment Policy, Robert seconded the motion. Discussion followed on Repurchase Securities. Mike stated that we need to do something with our money quickly as we have over \$100K in our account and FDIC's insured limit is \$100K. All Board Members voted in favor of approving the Policy.

Bernie called for a motion to authorize him to enter into a Property Management Contract with the Incubator for a 3 year term at \$5,000 per month with clauses for renegotiation and a 120 day option out, Robert made the motion, it was seconded by J.D. There was no further discussion and all Board Members voted in favor of entering into this Contract.

Executive Committee.

WCBDC Lease. Bernie led discussion on the new lease with the Incubator. The allocation of expenses mirrors the DOE lease, it is a 20 year lease at \$600 per month with no adjustments. Bernie feels comfortable entering into this long-term lease. It is his expectation and hope that the RTC moves rapidly to transfer ownership of property used by the Incubator to the Incubator. Robert made the motion to enter into the 20 year lease, J.D. seconded the motion. Discussion followed regarding terms: there is one renewal term of 20 years and the right of first refusal to the Incubator for other properties/land that the RTC might sell. Pat asked if the Incubator ceased to exist, would the lease terminate? To this end, it was felt that the lease should be modified to contain a Use clause or a clause that prohibits assignment. John made a motion to approve these modifications and J.D. seconded the motion. Dan wanted to be sure there is no conflict with the Bylaws or Articles whether a 20 year lease constitutes the sale of property and check to see who is authorized to sign the lease. Robert made a motion to approve entering into the lease and, subject to checking the Bylaws and Articles, authorizing Bernie to sign the document when it is ready. This motion was seconded by Mike and the action was unanimously approved by the Board.

DOE Lease. Since our last meeting, there were two outstanding issues and Dan's review of the DOE Lease generated 42 suggestions. Bernie met with Eben and DOE has agreed to almost all of those changes. One issue that Eben does not want to address in the lease at this time is completely changing the definition of "common area" to include anything that's within their fence. It could take months to approve this through DOE channels if this issue is examined. Eben suggested the lease be signed and after the fact address this subject again. Bernie agrees that we should go forward with the modified lease and asked for the Board's approval. Robert made the motion to approve entering into this Lease, Mike seconded the motion. There was no further discussion and all Board Members voted aye. Dan requested Bernie to provide an executed copy to him. Also, Dan still needs to provide a copy of all the closing documents for the Corporate file.

New Business

Long-Range Planning Committee. Bernie informed the Board that he has been meeting with Bonnie and has asked her to chair a long-range planning process committee. They have generally agreed that there should be three members. Bernie asked Robert to be a member and asked for the Board's input in asking Pat Gormley to be the third member. He would like this committee to put together a larger committee to review the long-range planning process of the ultimate use of this property. Perhaps the City and County, Chamber, Incubator, College and others would be included. He proposes Mark Aiken as the facilitator. Robert does not feel this is the time to do this, it is too soon, and also his term is almost up. Bernie feels that it is in RTC's best interest to transfer the Incubator property to the Incubator and doesn't know if that can be done without a long-range plan. Discussion followed on City annexation and DOE's longevity. Pat suggested that a committee be formed to address the Incubator's space issue in view of the City's annexation agenda. Thea stated that it is her Board's priority to have title to their property. Bernie and Bonnie will meet further to discuss the Board's direction.

Annual Meeting Date. Nancy will check the Bylaws and Minutes to determine when the annual meeting is scheduled and inform all Board Members.

The meeting was adjourned at 2:15 p.m.