

MINUTES
Riverview Technology Corporation
Quarterly Board of Directors Meeting
May 2, 2008

Members Present: Dale Beede, Jerome Gonzales, Susan Holappa, Dennis King
Bonnie Petersen, Dick Pryor, Dennis Wagner, Jim Widdows,
Ex Officio Chris Reddin

Others Present: Dave Detwiler, Nancy McKenna, Mary Orn

Call to Order & Minutes Approval:

Dennis King called the meeting to order at 12:15 p.m. He asked for a motion to approve the Minutes from the February 1, 2008 Annual Meeting. Dale Beede made the motion to approve the Minutes as written, Dick Pryor seconded and the motion carried.

DOE Improvement Project:

Status Update – Dave Detwiler’s DOE Renovations Monthly Report dated April 25 was distributed. Dave stated that the renovation project covers work in Bldgs. 810 and 938. We have a signed contract extension from DOE through 10/31/08 and currently everything is on schedule and slightly under budget. There is a concern over costs regarding the 810 South windows and restrooms; this is a large project and we don’t know what we’ll find (abatement) until we start demolition. We have planned about 7 weeks cushion to absorb any delays. Dave showed slides of the new bathrooms, office finishes, etc. The Red Room is now the Grand Mesa Room. Work is ongoing in Bldg. 938 Center; June through early September will be 810 South. The swamp cooler installation will be completed shortly. Dale asked who is punch listing the work and Dave responded that he, the architect, DOE, Mary Orn and Ken Short are working together on punch lists. Bonnie Petersen asked if the asbestos abatement costs came in as projected, and whether DOE accepted our explanation of the swamp coolers capacity. The answer to both is yes. Dennis thanked Dave for his participation.

Improvement Project Loan Interest Rate - Dennis King reported that a Property Management Committee meeting was held earlier this week and Karen Troester from US Bank came to talk about financing. Our 10 year fixed rate loan is at 7.97% and we have asked her for better options. Karen offered to drop the rate to floating at prime through the construction period and then at that point choose between two options: One is a fully amortized 10 year loan at 7.59%, or two, a 10 year loan with a 5 year maturity at 6.87%. Data sheets in the Board packets detailed the amortization. The 10 year fully amortized loan has a prepayment waiver, the other does not. Dennis’ recommendation is to take the floating rate loan at prime through October because his research hasn’t shown anyone who thinks the rates will start back up before the end of the year. The prepayment penalty is small, 2% the first year and 1% the second. Discussion followed on the two options and predictions of interest rates. Jim Widdows made a motion to take the floating rate loan to the end of construction (September/October 2008) and choose the appropriate option at that time. Dick Pryor seconded Jim’s motion and the Board voted unanimously in favor.

Property Management:

Financial Statements - Chris Reddin reported that the Revenue and Expense Statements show DOE and CAM were both under budget and Utilities came in right at projections. Greg Stephen, Accounting Manager, also included a 6 month review. It appears we will come in right on budget for the year.

On the category of water, Chris stated that the water pressure in the irrigation pipes is too high causing and exacerbating leaks. Mary Orn worked with the City to get pressure reducer valves, paid for and installed by the City. Mary relayed that experts from GJ Pipe said that just by reducing the pressure, we could reduce our consumption by 1/3. The City workers were out last week to measure and see what was needed. The pressure reducer valves will be installed very soon, as the water is turned on. Dale thanked Mary and Chris for finally getting this accomplished to reduce our waste.

Test Pits Lease - Mary led a discussion regarding the test pits, formally called "Model Calibration Facilities." We are in the process of entering into a separate lease with DOE for the test pits and so far on the PMC, Dale, Dennis K and Susan have voted their approval. With Dale's permission to proceed without the rest of PMC's votes, Mary would like to get this proposal ratified by the Board and proceed with the lease. In the past, DOE didn't pay to use the test pits, and usage was low. DOE proposed to pay \$500 per year based on their projected electrical and water consumption. Since there is no separate meter, we don't know our exact water usage. The areas need weed removal and some electrical and water repair. Mary worked with Bray Realty and Dale to get an average market rate sale price of \$6 per square foot for this type of land and based on a formula, this equates to 48 cents per square foot for the lease. Mary is also asking DOE and its users to indemnify RTC from any liability and damage upon entering and exiting the site, plus during usage. At this point, BIC is paying for the expenses on the land, i.e. water and lighting. Usage has increased significantly in the past few months. If the test pits are abandoned, DOE must remediate the areas. It was agreed that a meter should be installed to verify usage/charges. Jim Widdows questioned the safety of the test pits and Chris stated she'd taken a measuring device over the test pits and emissions were negligible. Chris is contacting a BIC client who uses the test pits to find out how much DOE is charging users. RTC will spend \$4,500 as a one time payment to fix up the area, there will be no costs for equipment repairs to RTC after the initial clean up and once the lease starts. Dale made a motion to approve the lease/proposal with DOE for the test pits as presented. Jim suggested that Mary be given the latitude to go down to 40 cents in her negotiations without having to come back to the PMC or Board. Dale asked if our expenses could be covered at 30 cents per square foot and Mary felt that was possible. The motion was to approve the lease with DOE for the test pits and Mary has the latitude to negotiate down to 30 cents, Dennis Wagner seconded this motion and all Board Members voted aye.

Flood Insurance - As everyone is aware, the snowpack is really high this year and the annual question of whether or not to purchase flood insurance was discussed. Chris stated that the concern is not so much flood waters, but seepage through the dike. The ponds at the north end of the property rise and fall with the river, gradually, so we know

there is a connection/seepage. It seems a minimal risk that flooding would occur over the top of the dike. The flood insurance offered by Moody Valley at \$32K does not cover seepage. The site is zoned "X" which is out of the 500 year flood plain. FEMA offers flood insurance but is limited to \$500K per policy. It would be more expensive to buy a policy for each building and again, we perceive the threat of flooding more to land rather than buildings, so FEMA is not a better option. Chadd Searcy, County Emergency Services, stated that the water would be higher during scheduled releases, however, he could not provide the dates of the releases. Chadd assured Chris that we could get sand bags if needed. Chris suggested that we contact the Army to see what resources they have to help with the flooding. After much discussion, it was decided not to buy flood insurance for the site.

Hydrants – Mary stated this is another issue normally sent through the PMC first and then on to the Board for ratification. We need to spend money (\$4,700) on repair and/or replacement of caps and the water line under Bldg. 20 which is not budgeted. This needs to be done soon so we can operate the irrigation system. Discussion followed on the vendor chosen to perform these repairs. Dave Beede moved to approve the expenditure, Dick Pryor seconded and the motion carried.

Corporate:

Financial Statements –Chris Reddin reported that the Balance Sheet shows total cash increased 19% since last year. Significantly, through March, about 42% of the approximately \$1.6M budgeted for the DOE project, has been charged out. Overall DOE project costs for the month included Property Management fees of \$10K, \$32K in BIC subcontractor fees, \$130K to FCI and \$7K for asbestos abatement. Net income for the year through March is about \$80K. The Income Statement shows March's net income was \$19K. Everything else came in under budget except the Annual Banquet.

Dennis Wagner reported that the audit as of 9/30/07 has been completed by Cuchetti and there were no internal control recommendations. A copy is available to any Member requesting one. This is the third year RTC has used Cuchetti and thus ends our audit commitment. Nancy McKenna will work with Greg Stephen to send out a new RFP to solicit an auditor for the next 3 years.

Dennis King called for a motion to approve both the Property Management and Corporate Financial Statements. Jim Widdows made the 1st, Susan Haloppa seconded and all Board Members voted to approve the Financials.

LRP/MP Committee Report:

Dennis Wagner reported on the results of the last meeting. The initial Long Range Planning Committee meeting was held to discuss where we are headed with this property and the master plan efforts. Representatives from BIC are on this Committee so that we can work in tandem, going the same direction with the same purpose. It was determined that more representation between the two groups would be of benefit. Jerome Gonzales has volunteered to be Ex Officio for RTC to attend BIC's Board meetings. At the April 3rd LRP meeting, BIC expressed interest to take over the entire

site. Jim is totally in favor of this idea and asked what are our next steps. Bonnie Petersen feels we should explore the pros and cons of this further knowing that the Devil is in the details. Chris stated the biggest con is the DOE loan payment/debt service. It may not be possible for BIC to pay monies owed with its income. She is looking for grant funding to do a feasibility study on the site as a whole in terms of incubation. Jim stated that the whole purpose of RTC was to manage the property and keep the DOE here; that's been done. DOE isn't going to expand, however, BIC has been landlocked and needs to expand. He feels the City and County would embrace this concept. Bonnie feels there is no better time to address the question, as the DOE is committed for 5 years, renovations will be completed later this year on their buildings and RTC has money in the bank. Jim said if RTC turns it over to BIC with a \$1.6M note, the first 5 years are covered by the DOE and the RTC has money in the bank to cover the last 5 years if necessary. This property will never be commercially attractive and it's perfect for incubating start-ups. Jim stated that RTC's goal was to save jobs and expand the economy and BIC fulfills that same goal. The specific terms of the Deed and Lease will need to be reviewed; Mary said the DOE Lease and Deed requirements are assignable. Chris would like formal input from BIC's Board of Directors on this subject. It was decided to try and arrange a meeting with the City and County to see if they would agree to give the property to BIC. Chris will try to schedule a meeting with Gregg Palmer and Craig Meis, plus Laurie Kadrach and Jon Peacock. The next Long Range Planning Meeting is scheduled for May 22nd; Nancy will re-schedule it to sometime after June 4th (BIC's Board Meeting) so there will be more input for discussion.

Adjournment:

There being no further business, Dennis asked for a motion to adjourn the meeting at 1:30 p.m. Jim Widdows made the motion, Dennis Wagner seconded and the motion carried.

The next Board Meeting is August 1, 2008.