

RIVERVIEW TECHNOLOGY CORPORATION
Regular Quarterly Board of Directors Meeting
Minutes
February 2, 2012

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| Members Present: | Susan Corle, Jim Fleming, Will Hays, Steve Hovland, Chris Launer, Craig Little, Pat Tucker |
| Others Present: | Dean DiDario, Jon Maraschin, Nancy McKenna, Ken Short, Greg Stephen |

CALL TO ORDER & WELCOME: Chris Launer called the meeting to order at 9:15 a.m. He welcomed the three new Board Members and invited everyone to introduce themselves. New Members include Will Hays, Vice President of Hilltop, Steve Hovland of Dalby Wendland and Craig Little, former JUC and RTC Member who works as a radiation protection consultant.

MINUTES: Chris asked for comments on the Minutes from the November 3, 2011 Meeting. Susan Corle made a motion to approve the Minutes as written, Jim Fleming seconded and the motion carried unanimously.

PROPERTY MANAGEMENT: *Financial Statements.* Jon Maraschin informed the Board that Dean DiDario is now the Property Manager of both the RTC and Business Incubator Center (BIC). Dean presented the Financial Statements for the first quarter of this fiscal year. Property management operating expenses were overall \$10,446, or 7.3% under budget. Chris gave a brief explanation to the new Members regarding the relationship between RTC, BIC and DOE. Dean stated that expenses are primarily under budget because of monies not spent in the Reserve Repair Fund. Expenses are over budget in CAM Maintenance Utilities Gas because of the boiler upgrades. When making the physical connections, a lot of gas was released. It is possible that Xcel may give us credit for this unused, released gas. It is expected that gas expenses will go down since we now have more efficient units and a mild winter, however, there is also more gas usage because we added a boiler in Bldg. 810. Budgets are made based on the past year's expenses. RTC's greatest vulnerability budget-wise is gas and electricity. Chris questioned the \$4,000 expense under G&A; this was for engineering and construction studies related to the boiler upgrades.

Potential Tenant Expansion Bldg. 12: As part of the lease negotiations, DOE has indicated they want to take an additional 3,000 sq ft in Bldg. 12. In order to fit into the new high performance building standards, it needs paint, carpet, ADA compliance, energy efficiencies, etc. Bldg. 12 is now leased by Stoller.

High Performance Standards Upgrade Project: DOE is putting in \$500K to get their buildings to comply with new high performance standards. RTC will put in an additional \$150K for this project as the improvements create a better asset. Things could start happening next month, the HVAC needs to be in place by April - everything depends on the new lease rate. The lighting and boiler upgrades are now complete. The cost for that project was \$96K and is reflected in the Financial Statements under Other. RTC received \$15,267 in rebates from Xcel, so the net cost was \$81K. There will be a 15%

Construction Management Fee built into the high performance upgrade project costs to DOE.

Black Bridge Park Property Tax: Originally, it was thought that this 5.32 acre piece of land was deeded to RTC with the Quitclaim in 2001, however, it was discovered that DOE had given it to the National Park Service at some point in time. Subsequently it was deeded back to the DOE and in August 2010 the DOE officially corrected the Quitclaim Deed giving it to the RTC. Mesa County sent a corrected tax bill to the RTC in mid-December 2011 charging property taxes for 2009 and 2010 totaling \$9,078. Since it has not been paid, there is already \$181 added in penalties. It was agreed that Jon and Nancy McKenna would pursue a reduction of the taxes and penalties considering RTC wasn't officially the owner in 2009 and more than half of 2010. Or take the fact that the prior valuations were too high and try to pay the current rate (\$445 for 2011) for the period 2001 through 2010. Jon will contact Steve Acquafresca for assistance with the Mesa County Assessor.

Open Issues: BIC's contract with RTC for Executive Director services is \$60K per year. Jon would like to make this a flat rate for the year rather than spending time on paperwork allocating his daily time. Chris feels that the Executive Director spends a lot of time, certainly worth more than \$60K per year. Susan indicated that the contract between BIC and RTC for the Executive Director should be amended if this change is approved. There is a separate Accounting Contract. The question was raised if the money is comparable to what RTC would pay for its own Director versus paying BIC to use theirs. Also, how much is paid for an Executive Director in the common marketplace? Compensation surveys for non-profits will be consulted to justify the \$60K. It was agreed to approve the \$60K annual flat rate fee and then justify by using compensation surveys for non-profits. Jim Fleming made the motion to approve the flat rate fee and to commission compensation survey for non-profits to see what they pay. Susan Corle seconded the motion and it carried unanimously. Pat Tucker questioned whether the 15% construction management fee would pass through to BIC; this issue will be addressed at a later date.

Corporate - Financial Statements: Greg Stephen presented the Financial Statements for the period ending December 31, 2011. The revenue side of the Income Statement shows DOE's rent with CPI added which was billed in December. The \$15K income is the Xcel rebate from the lighting and boiler upgrade project. Year to date actual revenue is \$223K, \$13K more than we'd budgeted so revenue is ahead of budget. Stoller pays for Work Orders which bring in more revenue. Greg and Jon have been analyzing the SWEEP account at USBank and have moved these funds into the regular checking account. The money is not earning interest but we are not paying any fees. The DOE improvement loan is at \$368K as of December and will be paid off in December 2013. We have positive cash flow. Jim Fleming made the motion to approve the Financial Statements, Susan Corle seconded and all Members voted AYE.

Audit Progress: Greg is finishing up the financials and still needs to get the final trial balance to AD Saito, Auditor. He feels the audit will be done by the next Board Meeting in May.

Executive Committee – Lease Negotiations: Jon reported that in lease negotiations with the DOE, they want a decrease in the lease rate. After much discussion, it appears they will settle on a reduction of \$1.30 per sq ft and potentially sign a ten year lease; this will be effective October 1, 2012. The annual CPI increase will remain in effect. The DOE will increase their footprint by 3K sq ft in Bldg. 12. If agreement can be reached on the new lease rate, improvements will be made to both Bldgs. 810 and 12. Discussion followed on current market lease rates and it was felt that DOE could move into a “cubicle village” warehouse-type space, instead of having individual offices, for \$7-8 per sq ft. In the current lease, DOE can vacate the site with sixty days notice. Per Laura Kilpatrick, they are now potentially offering to sign a 10 year lease with a 360 day vacate notice. Chris asked if the Board Members are agreed that Jon should go forward in this direction (a reduction in sq ft rent) as a conference call is scheduled with DOE at 3 pm today. There was general consent.

Membership Nominations: There is still one vacancy on the Board from Jerome Gonzales’ resignation. Nominations approved at the last quarterly meeting declined joining the Board. Jon would like to recommend Dan Sites of USBank as a new nominee for the remaining board position. Pat Tucker would like the position filled with someone in commercial real estate rather than more financial expertise. Jon will pursue candidates.

Jon offered a site tour for the new Board Members, and anyone else, when the weather is better; Steve, Craig and Will indicated they were interested in doing that.

ADJOURNMENT: There being no further business, Chris Launer adjourned the meeting at 10:35 a.m.

Next Meeting – May 3, 2012.