

FIHMC Board of Directors Conference Call Meeting
AGENDA
October 4, 2006
8:30 a.m. Central Time

Roll Call Chair Eric Nickelsen

Chair's Greetings Chair Eric Nickelsen

ACTION ITEMS

1. Approval of June 5, 2006 Minutes Chair Eric Nickelsen

2. Revise Annual Meeting Date for June 2007 Chair Eric Nickelsen

3. Approve SC&G Amendments to Retirement Plan Chair Eric Nickelsen

DISCUSSION ITEMS

1. External Audit Chair Eric Nickelsen

2. Fundraising Goals Director Carol Carlan

Chief Executive Officer's Report Dr. Ken Ford

Expansion Update

Legislative Update

Research Initiatives

OTHER ITEMS Chair Eric Nickelsen

ADJOURNMENT Chair Eric Nickelsen

IHMC Chair Eric Nickelsen called the meeting to order at 8:30 a.m. central time. Directors in attendance included: Dick Baker, K.C. Clark, Chris Hart, Hal Hudson, Larry Lemanski, Eric Nickelsen, and Jim Reeves. Also in Attendance: Kenneth M. Ford, Julie Sheppard, Timothy W. Wright, and Ronnie Armstrong.

As a quorum of Directors was not present, Chair Nickelsen made the decision to defer the Action Agenda Items 1 and 2 until the December 4th meeting. Agenda item 3 was to be presented to this group for discussion and then to individual board members for their approval with a report back to this Board on December 4, 2006. With regard to Agenda

Item 3, Chair Nickelsen explained that this was an auditor's recommendation on updating the retirement plan at IHMC to exclude retirement contributions on employee stipends and bonus awards. Chair Nickelsen asked each Director to get together with Julie Sheppard to review the details and approve or disapprove of this change.

Chair Nickelsen then proceeded with the informational portion of the meeting.

Chair Nickelsen thanked all for being present and commended IHMC on its announcement of its new hires, specifically Lt Colonel Sharon Heise, General Spider Nyland and Dr. Randy Williams. Chair Nickelsen commented on how pleased he was to be again working with Randy Williams. Chair Nickelsen also applauded Dr. Ford for his considerable efforts on the Hurricane Study recently released by National Science Board and for his efforts in gaining the support of Senators Nelson and Martinez to champion the report findings. Chair Nickelsen updated the Board that with regard to fundraising initiatives, Randy Williams has met with all Directors on fundraising committee and that this committee is moving forward with preparation of draft case statement and welcome involvement/insights from everyone. He mentioned that this group hoped to convene the week of October 17th. Finally Chair Nickelsen mentioned that the external audit was underway and that the auditors completed their field work on 9/29/06. He stated that we were unaware of any instances of material findings or weaknesses as a result of the audit and that we hoped to provide a draft of the report to the Directors in the near future.

Chair Nickelsen then asked Dr. Ford for his report.

Dr. Ford thanked Chair Nickelsen for the opportunity to update the Board and commented that as the Chair had mentioned, IHMC is very pleased that Dr. Randy Williams and General Spider Nyland have joined our team. Dr. Ford commented that General Nyland will serve as IHMC Deputy Director for Defense Research and Development mentioning that General Nyland was formerly Assistant Commandant of the Marine Corps and retired in 2005 after more than 37 years of service. Dr. Ford also mentioned that most of us already know Randy Williams, who previously served as president of the Sacred Heart Health Care System Foundation and that Randy will serve as the Institute's Director of Development, responsible for managing its ongoing capital campaign activities.

Dr. Ford also informed the Board that IHMC was eagerly awaiting the arrival our newest Associate Director, Lt. Col. Sharon Heise in early November, commenting that Sharon is the outgoing Director of the Mathematics and Information Sciences Directorate at the Air Force Office of Scientific Research and before that she was at DARPA. Dr. Ford commented that these new strategic hires will play a critical role in IHMC's future, both in terms of development and in strengthening IHMC's strategic research relationships with key military customers.

Dr. Ford also informed the Board that IHMC was involved in three proposals to the State's Center of Excellence program, explaining that this is a \$30 million initiative to create centers of excellence that leverage research into technology development and job

creation. He mentioned that these proposals, nearly 40 of them from the State University System, are now under review by the Florida Technology, Research and Scholarship Board.

Dr. Ford stated that IHMC's primary proposal is focused on technologies aimed at human performance enhancement and involves a wide collaboration of entrepreneurial and academic partners and includes participation by the Andrews Education and Research Institute (AERI), NAMRL, three state universities, the University of Florida, the University of Central Florida and the University of West Florida, as well as three community colleges, Central Florida Community College, St. Petersburg College, and the Pensacola Junior College. He commented that as one might imagine, the time and energy involved in putting together a collaborative submission such as this is extensive and the competition for this money is highly competitive but IHMC's proposal should differ from the others that the committee will see in that its business development plan is strong and led by successful entrepreneurs and venture capitalists. Dr. Ford also mentioned that IHMC was also a major contributor to a UCF led Center of Excellence proposal on Space Technologies. He stated that if selected to the top eight proposals, IHMC would be preparing an oral presentations for the Selection Board on November 13th and asked the Board to wish us luck.

Dr. Ford then discussed ongoing research explaining that one new research project is a collaboration with NASA aimed at better understanding how humans and machines might most effectively explore the lunar surface when we return to the moon and that this project involves many participants from NASA, private industry and academia and will potentially have an important impact on NASA's future plans.

With regard to IHMC existing technology, Dr. Ford commented that IHMC was continuing to work with Ceryph on Cmap Tools commercialization and that we have recently received a proposed business plan. He mentioned that IHMC was also engaged in pursuing several new patents, one on PLOW, the research demonstration that Dr. James Allen showed the Board at its June meeting, another on a new robot design, and several other new technologies that are currently emerging from IHMC research.

Dr. Ford turned to legislative initiatives stating that in Washington, IHMC had a good year with respect to the 2007 budget and that we are now already thinking about next year. He mentioned that the 2007 projects will likely begin in the Spring/Summer time frame and that of particular interest is a large \$4M project aimed at applying advanced technologies to help the wounded warriors returning with grievous injuries, often from IEDs and that this project has two component, sensory substitution and exoskeletons. He stated that IHMC will also continue to partner with FIT and UCF on two other important research efforts and that he would discuss these projects in more detail at a future meeting.

Dr. Ford then turned briefly to the National Science Board Task Force on Hurricane Science & Engineering that has been released in draft for 30 days of public comment and reminded the Board that one of the workshops on this topic was held at IHMC in April.

He mentioned that he was particularly pleased to report that Senators Martinez and Nelson are sponsoring legislation to implement the recommendations of the report.

Dr. Ford also informed the Board that with regard to property development, IHMC has continued to explore options at 40 S. Alcaniz and that, to date, we have held several meetings with city officials to look at available options. He explained that IHMC will continue to update the Board as we explore possible Pensacola expansion and as we continue to explore options for opening a second location in the central Florida region. He stated that contrary to some media reports, IHMC has currently made no decisions or commitments in that regard.

Finally Dr. Ford mentioned briefly that with regard to community outreach, there is a great lineup of fall speakers in November and December. He explained that the initiative begun this summer with Gulf Power called I LOVE SCIENCE has been very successful and has put science volunteers on a monthly basis in 248 5th grade classes in Escambia and Santa Rosa counties and that each month the volunteers perform a hands-on science experiment with the students and teachers that track the science topics that they are studying that month. He also noted that this fall, the engineering firm of Baskerville Donovan agreed to sponsor Science Saturdays and is sending an engineer each Saturday to co-lead the science experiments with IHMC researchers. He commented that IHMC is very grateful to Baskerville Donovan for their financial support of this highly successful activity.

Dr. Ford concluded by thanking Chair Nickelsen for the opportunity to report and that it has been an engaging summer with many large initiatives and we anticipate coming to the next Board meeting with even more success stories to share.

Chair Nickelsen asked the Directors for additional comments and hearing none, the October 4th informational meeting of the IHMC Board of Directors ended at 9:10 a.m.

Respectfully submitted,

Julie L. Sheppard, General Counsel and Corporate Secretary