

IHMC Board of Directors Conference Call Meeting

AGENDA

December 4, 2006

8:30 a.m. Central Time

Roll Call

Chair Eric Nickelsen

Chair's Greetings

Chair Eric Nickelsen

ACTION ITEMS

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| 1. | Approval of June 5 and October 4, 2006 Minutes | Chair Eric Nickelsen |
| 2. | Revise Annual Meeting Date for June 2007 | Chair Eric Nickelsen |
| 3. | Approval of Audited Financial Statements | ViceChair Dick Baker |
| 4. | Approval of Exclusive License RE: Cmap Tools Software | Chair Eric Nickelsen |

DISCUSSION ITEMS

Fundraising Committee Update

Chair Eric Nickelsen

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 8:35 a.m. central time with a quorum of Directors in attendance. Directors in attendance included: Dick Baker, K.C. Clark, Sandra Flake, Chris Hart, Terry Hickey, Hal Hudson, Eric Nickelsen, Jim Reeves and Ray Russenberger. Also in attendance: Kenneth M. Ford, Randy Williams, Sharon Heise, Julie Sheppard, and Ronnie Armstrong.

After a brief welcome, Chair Nickelsen addressed Action Item 1 and called for approval of the June 5 and October 4, 2006 meeting minutes. A motion was made and seconded to approve these minutes. The motion passed unanimously.

Chair Nickelsen addressed Action Item 2 explaining to the Board that the annual meeting in June scheduled for June 3 and 4 needed to be rescheduled due to conflicts. He called for Board approval of June 17 and 18th for the annual meeting. A motion was made and seconded to reschedule the annual meeting to June 17 and 18th. The motion passed unanimously.

Chair Nickelsen introduced Agenda Item 3, the 2005-2006 Audit, and asked the Chair of the Finance and Audit Committee, Dick Baker, to address this item. Dick explained that he had reviewed the Financial Statements, worked with Ken Ford, Ronnie Armstrong, and Julie Sheppard on appropriate management responses and met with the Saltmarsh, Cleveland & Gund audit team. Dick explained the audit was clean with no material weaknesses or adverse findings. Dick addressed the three findings explaining that the Finance and Audit Committee would work with IHMC staff to implement the management response. Many Board members commented on the excellent audit. A motion was made and seconded to approve the Audit and management responses. The motion passed unanimously.

Chair Nickelsen introduced Agenda Item 4, the Approval of the Exclusive License for Cmap-Tools software and asked Julie Sheppard to explain the status of the License Agreement. Julie discussed with the Board the Ceryph Term Sheet and Business Plan and the Exclusive License and Warrant that had been reviewed on IHMC's behalf with Director Ray Russenberger and the external law firm of Alston & Bird in Atlanta. Julie explained that the Intellectual Property Committee of the IHMC board consisting of Directors Ray Russenberger and Dick Baker and UWF members Dr. Hal White and Sharon Hess Herrick would be reviewing the documentation on December 19, 2006 and forwarding their recommendation to this Board. A motion was made and seconded to allow the Executive Committee to finalize the Exclusive License with Ceryph should the IP Committee return a favorable recommendation. The motion passed unanimously.

Chair Nickelsen then proceeded with the informational portion of the meeting and asked Dr. Ford to provide his report.

Dr. Ford thanked Chair Nickelsen for the opportunity to update the Board. Dr. Ford reminded the Board that at the October meeting, the Board had been briefed on the Center of Excellence proposal and he stated that while, unfortunately, we were not successful in our bid, he was proud of IHMC's effort and that of our partners from around the State and Northwest Florida area. Dr. Ford gave special thanks to Robert Hoffman and Rob Wilson who both made a particularly fine effort on behalf of the IHMC proposal.

Dr. Ford also stated that at the last meeting, he had mentioned a project in collaboration with NASA aimed at better understanding how humans and machines might most effectively explore the lunar surface when we return to the moon. Dr. Ford showed the Board a draft new rover concept developed in this project that involved many participants from NASA, private industry and academia and which is already having an important impact on NASA's future plans.

Dr. Ford explained to the Board that we are also in the process of pursuing intellectual property protection on several new IHMC ideas that may result in several new patents and that one is a collaboration with UWF that we believe has excellent future commercialization potential.

Dr. Ford then turned to the Federal legislature explaining that we had a good year in Washington with respect to the 2007 budget and that we are now working our fiscal year 2008 initiatives. He explained that the 2007 projects will likely begin in the Spring/Summer time frame. Dr. Ford went on to explain that as a result of changes in the house and senate leaders, we have also been in discussions with several legislative affairs firms and have selected a new firm, Quinn & McAllister to assist us with new projects that are outside the department of defense arena and that IHMC would continue to work with Leticia White on defense related projects.

Dr. Ford updated the Board on the Alcaniz property expansion explaining that we have continued to explore options on developing the property here at 40 S. Alcaniz and have held several meetings with city officials to look at available options. He explained that we would continue to update the Board as we explore possible Pensacola expansion and that one idea being discussed is the formation of a not-for-profit development company that would involve several entities, including IHMC, and would attempt to develop the property in a Ray Gindroz like scenario. He stated that we were also continuing in our efforts to acquire the one small piece that is still not in IHMC ownership, a small 30 by 100 foot piece on Romana as well as a small piece owned by West Florida Historic Preservation, Inc.

Dr. Ford also explained that we are also continuing to explore options for opening a second location in the central Florida region and that we have identified a building in downtown Ocala

with the stipulation that the city renovate it for our use as well as provide it rent-free for three years. Dr. Ford explained that we anticipate that the Ocala office, when fully staffed over the next three years, will consist of no more than 15 researchers and that all the administrative functions will continue to be housed in our Pensacola offices.

Dr. Ford also informed the Board that we are out of space in our 40 S. Alcaniz property and that we have recently leased 2000 additional square feet of lab space in the new Carson development next door.

Dr. Ford then shifted to the Evening lecture Series explaining that we have had a great lineup of fall speakers this Fall including the September 12th, 2006 lecture by Howard Putnam: People and Progress in the Turbulent Airline Industry; the November 2nd, 2006 lecture by Don Norman: Cautious Cars and Cantankerous Kitchens; the November 8th, 2006 lecture by Stephen Grossberg: The Brain's Cognitive Dynamics; The Link Between Brain Learning, Attention, and Consciousness; the November 13th, 2006 lecture by Harold Kroto: Science, Society, and Sustainability; and the upcoming December 12th, 2006 lecture by Carol Coletta : Quick! Brand My City. He commented that as most know that attend regularly, each of this year's lectures have had rsvp's in excess of 180 people and have been standing room only. Dr. Ford encouraged Board members planning to attend the Carol Coletta lecture to rsvp and arrive early!

Dr. Ford then mentioned a recent conversation with a board member complimenting IHMC on our www site and asking about usage and impact. Dr. Ford then showed graphs depicting the remarkable growth in activity on our site, explaining that much of this growth is attributable to the great interest in the CmapTools Software. Dr. Ford showed the Board monthly data pointing out increased activity both in the CmapTools site and in the IHMC general site and explaining that we are now at well over 1.7 million requests per month. He broke this down commenting that on a daily basis, IHMC averages a little less than 60,000 requests and sends approximately 8, 200 pages of content.

Dr. Ford mentioned that in the area of recruiting, our light bulb ad has been particularly well-received and that currently, we are recruiting new research scientists and are running the ad in selected university publications (such as the Tartan at CMU) and in technical and scientific magazines... as well as Florida Trend. Dr. Ford mentioned that we are currently negotiating with a researcher in Austin about moving to Pensacola to join IHMC. He also commented that we have a host of international graduate students on board from Italy, Canada, Australia, Czech Republic and that IHMC is currently working on J-1 visas for several students from France and Columbia.

With regard to technology transfer, Dr. Ford explained that there continues to be a lot of activity at IHMC in this area in addition to the CmapTools software previously discussed. One particular area he mentioned was the award won two weeks ago by a small start up in Maryland on a competitive NASA Phase I Small Business Research proposal (SBIR) to work on utilizing OZ , our human-centered flight display patented with UWF and the Navy, in commercial aircrafts. Dr. Ford explained that we are working with this group on their proposal to us to license the OZ technology and that this Board would be hearing more as negotiations proceed.

Dr. Ford also explained to the Board that we are excited about kicking off the silent phase of our Fundraising Campaign and have recently finished the formation of a campaign committee. Dr. Ford mentioned that Randy Williams is in the process of hiring an assistant and is eager to begin.

Dr. Ford reminded the Board that they should all have received our evite to the IHMC Holiday party on December 15th from 5-9 PM and that this year, we have a Hawaiian theme, Steve Gunter performing and an unsubstantiated rumor that our very own Ray Russenberger and his wife Val may reward our good behavior with some fine music and song.

Dr. Ford concluded his report remarking that as we approach the beginning of another year, he wished to extend his deepest thanks and appreciation for all the time this Board puts in to being available for meetings, helping with call regarding projects, funding, capital campaign, brainstorming, handholding, meetings etc. He commented that all of us have had the opportunity to work with many Boards and this Board is by far among the best. On behalf of all of IHMC, Dr. Ford wished all the Board members safe, happy and healthy holidays.

Chair Nickelsen asked the Directors for additional comments and hearing none, he also wished everyone a great holiday season. The December 4th meeting of the IHMC Board of Directors ended at 9:35 a.m.

Respectfully submitted,

Julie L. Sheppard, General Counsel and Corporate Secretary