

IHMC Board of Directors Meeting
Minutes
October 18, 2010
Pensacola, Florida
8:30 a.m. Central Time

Roll Call
Chair's Greetings

Action Items

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| 1. | Approval of July 19, 2010 Minutes | Chair Jim Reeves |
| 2. | Approval of June 30, 2010 Financial Statements | Chair Jim Reeves |

Discussion Items

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| 1. | Financial Update | Director Dick Baker |
| 2. | Fundraising Update | Vice Chair Glenn Sturm |

Chief Executive Officer's Report

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| 1. | Legislative Update | Dr. Ken Ford |
| 2. | Research Initiatives | Dr. Ken Ford |

Other Items

Adjournment

IHMC Chair Jim Reeves called the meeting to order at 8:30 a.m. central time. Directors in attendance included: Dick Baker, Carol Carlan, K.C. Clark, Ron Ewers, Eugene Franklin, Chris Hart, Hal Hudson, Eric Nickelsen, Jim Reeves, Ray Russenberger, Gordon Sprague, Glenn Sturm, and Hal White. Also in attendance were Ken Ford, Sharon Heise, Tim Wright, Row Rogacki, Julie Sheppard, Ronnie Armstrong, and Alan Ordway.

Chair Reeves welcomed the Board informing them that we had a quorum present to conduct business. Chair Reeves thanked everyone for dialing in or appearing in person explaining that as this was his first meeting as Chair, he was appreciative of the opportunity to serve in this capacity. He remarked that it was a busy time of year and he would try to be brief as there were only two action items, but plenty of news for an update to the Board. He also mentioned that he had been present at some recent visitor meetings at IHMC in the previous few weeks and has been shown some very impressive new technologies.

Chair Reeves said that he would be calling on Finance and Audit Chair Dick Baker to discuss the financials and external audit, and on Vice Chair Glenn Sturm to update the Board on fundraising initiatives.

Chair Reeves then asked for a motion to approve the July 19, 2010 Board minutes. Director Baker made a motion and Director Nickelsen seconded the motion and after no discussion, the motion to accept the July minutes passed unanimously.

Chair Reeves then introduced Action Item 2, the approval of the June 30, 2010 Financial Statements and called upon Director Baker to review the draft audit. Director Baker thanked Chair Reeves and stated that he could not be more pleased with the draft financial statements prepared by IHMC's independent auditor, Saltmarsh, Cleaveland & Gund and remarked that it was a great audit. He added that as everyone could see from the statements, IHMC received an unqualified audit with no material weaknesses and he commended IHMC staff members, Ronnie Armstrong, Liza Lott and Alex Gorelikow. Director Baker asked for comments and there being no substantial comments, he made a motion to approve the June 30, 2010 Financial Statements as prepared by the independent auditors, Saltmarsh, Cleaveland & Gund. Director Sprague seconded the motion and the motion carried unanimously.

Director Baker also discussed the current financials adding that he had met with Institute staff to review the latest numbers through September 2010 and that he was very pleased with the financials especially noting that 98% of the receivables were current.

Director Baker also congratulated Chair Reeves on his chairmanship and made a motion to authorize Chair Reeves to take all necessary actions to place his name as chair on all required Institute documents, including the security clearance. The motion was seconded by Director Franklin and passed unanimously.

Chair Reeves thanked Director Baker for his vote of confidence and reminded the Board that at the last meeting, the Board authorized Vice Chair Glenn Sturm to develop and engage a fundraising consultant to begin a new phase of the IHMC Capital Campaign. Chair Reeves then asked Vice Chair Sturm to update the Board on his progress.

Vice Chair Sturm thanked Chair Reeves for this opportunity to update the Board and stated that as everyone may recall, at the July Board meeting, he became Chair of Fundraising. He thanked all for entrusting him with the critical role of raising funds for IHMC. He explained that he has taken this role seriously and through IHMC, has hired FundStrat, a group headed by Andrew Young, who has over 20 years of development and marketing experience. Vice Chair explained that Andrew's national contacts and his work ethic are second to none and remarked as to how pleased we are to have Andrew on board. Vice Chair Sturm stated that he, Andrew, and Julie are meeting regularly to hone the IHMC plan. Andrew began last month and has visited both Ocala and Pensacola several times and met with all the PI's to become familiar with IHMC research, stages of maturity and advancement of mature technologies.

Vice Chair Sturm also remarked that over the last month the fundraising group has taken a hard look at the IHMC marketing materials and how to best use them to "nationalize" the fundraising efforts to major foundations and potential donors who have no knowledge of IHMC. He mentioned that in this process we are also being very conservative on public forums like the website or publicly distributed material to protect the research and to maintain an academic, non-profit presence.

Vice Chair Sturm commented that he was not particularly patient and would not be pleased until there was money in the till. He mentioned that the foundations IHMC planned to approach have billions in assets and regularly make large gifts to non-profits like IHMC and include the Flora Foundation (Hewlett Packard family), Robert Wood Johnson Foundation (Johnson & Johnson), the Duke Endowment, The Starr Fund (Bernadette), Heinz Funds, and The Commonwealth Fund. Vice Chair Sturm concluded by mentioning that IHMC also planned to attend national retreats, like Renaissance Weekend, that should open doors to international contacts with deep resources who again, have a history of funding non-profit research institutions. He concluded by stating that he welcomed any ideas and suggestions from everyone noting that many have already volunteered to assist Andrew where needed and he hoped to have demonstrable evidence of success to report at the next board meeting.

Chair Reeves thanked Vice Chair Sturm adding that he anticipated excellent results, having personally met with Andrew Young as have some other members of the Board and that everyone has applauded both his ideas and his enthusiasm adding that all look forward to hearing more from Andrew and Glenn at the next meeting.

Chair Reeves then asked Dr. Ford to provide his report. Dr. Ford thanked everyone for participating in the IHMC Board Meeting and thanked Chair Reeves for the opportunity to provide this report. He mentioned that it has been a busy time since our last board meeting in July and that there is much to report on IHMC's continuing progress. However, Dr. Ford stated, before launching into this report, he wanted to thank Tim Wright for his terrific service to IHMC adding that as many know, Tim began with IHMC when we were part of UWF, back in August of 1996 and that he will be retiring in mid-November and he and Dixie are relocating to Virginia Beach to be near their children and grandchildren. Dr. Ford thanked Tim for his 14 years of dedicated service commenting that if one looks in the dictionary under leader, one would see a picture of Tim and commenting that he will be sorely missed.

Dr. Ford then stated that on a happier note, he was pleased to announce that Dr. John "Row" Rogacki will join IHMC as an Associate Director, working primarily out of the Ocala facility and that Row's primary duties will include general management of IHMC's facility as well as developing community, business, governmental, technical and academic partnerships in Central and Northwest Florida. Dr. Ford informed the Board that for the last six years, Dr. Rogacki was the Director of the University of Florida's Research and Engineering Education Facility (REEF) and his prior service to the REEF involved holding senior leadership positions at NASA and the Air Force Research Laboratory. Dr. Ford mentioned his excitement at having Dr. Rogacki joining the IHMC

team ending his remarks by saying that we all have great expectations for his impact in the future.

Dr. Ford then moved directly into an Ocala update showing the Board photos of the Ocala facility and some recent local events. He remarked that it seems appropriate to now move to the Ocala update. In November, the Ocala employee headcount will have reached 14 people with Dr. Nate Blaylock, a Research Scientist, joining the Ocala location. Dr. Ford informed the Board that Nate works in the natural language and medical records area and received his Ph.D. in Computer Science at the University of Rochester in 2005 where his dissertation dealt with natural language understanding and plan recognition for dialog systems. He added that prior to joining IHMC in 2007, Nate was a Research Scientist at Cycorp and had also spent two years in a postdoctoral position at Saarland University in Saarbrücken, Germany. At IHMC, Nate continues to do research on dialog systems, plan and intent recognition, and natural language understanding, including information extraction in the medical and geospatial domains. Dr. Ford mentioned that Nate will join Yorick Wilks and our growing cluster of natural language researchers in Ocala and that Nate will also be leading the effort to develop an instrumented “smart kitchen” in Ocala. When completed, it will enable research intended to assist the aging population, or those suffering from TBI, to cope with the complexity and potential danger of the kitchen. He remarked that once complete, the IHMC Board would have the opportunity to visit the kitchen at a future board meeting held at the Ocala facility.

Dr. Ford continued his Ocala discussions explaining that the other major focus area at the Ocala location has been cybersecurity led by Dr. Marco Carvalho. Marco has developed a substantial cybersecurity laboratory in Ocala and has hosted several meetings in that facility with our Federal sponsors. Dr. Ford then showed the Board several depictions of the work IHMC has been doing in the field of cyber security.

Dr. Ford also updated the Board on the progress of Dr. Yorick Wilks in Ocala who is collaborating with several IHMC researchers on new research proposals. As Board members may recall, one of the goals in Ocala has been to exploit its central location to increase collaboration with the nearby research universities. Yorick recently organized a “research day” where about 20 IHMC and UCF researchers spent the day together in Ocala learning about each other’s research. Dr. Ford then showed the Board a short video of Yorick’s recent research prior to joining IHMC.

Dr. Ford concluded his Ocala remarks adding that the process of renovating the Ocala building has been not without challenges and in particular, the building air conditioning and achieving sufficient points for LEED Gold certification continue to be ongoing. Dr. Ford then turned to Tim Wright to provide an update on building issues in Ocala and to add anything that he may have missed.

Tim thanked Dr. Ford and informed the Board that the building was now complete and the EDA project had concluded. He explained that some special project areas were not part of the original project but were now being evaluated such as replacing the front and

rear doors. He explained that the air conditioning problems appear to be a design criteria item and that IHMC was working on solutions that would create a supplemental system to help with airflow. Tim also informed the Board by explaining that the complete submission had been made as part of the LEED process for gold certification and we were awaiting feedback from that submittal. Tim concluded his remarks by stating that he has been proud to be a part of the IHMC success and working for this Board through all of the very interesting times. The Board applauded Tim's efforts and thanked him for his dedicated service.

Dr. Ford thanked Tim again and turned to the topic of the federal legislative update commenting that IHMC has continued to enjoy excellent relations with our elected officials in DC and that Congressmen Miller, Boyd, and Stearns have been wonderfully supportive, as has Senator Nelson. He mentioned that IHMC also has an excellent relationship with Senator LeMieux and his staff and that we are appreciative of their support for IHMC and hope that when you see them, you will, on behalf of the IHMC Board of Directors, convey your thanks!

In particular, Dr. Ford stated, IHMC is working toward developing new collaborations on legislative projects with colleges, universities, and not-for-profit research organizations across the country and anticipate considerable success in these collaborations and will continue to report to the Board as these collaborations develop.

Dr. Ford explained that with regard to the state, the situation in Tallahassee continues to be worrisome given the financial situation in Florida. At the request of the SUS, IHMC submitted two scenarios for budget shortfalls on 2010-2011 monies, one for a 5% reduction and the other for a 12% reduction. He mentioned that our state funding, including both recurring and non-recurring funding, was approximately \$2.6M in 2007 and \$2.8M in 2008, however; in 2009, IHMC state funding plummeted to about \$1.5M including only \$1M recurring and \$500K in one-time stimulus monies. Dr. Ford informed the Board that the state funding in 2010, before the budget cuts, looks to be \$1.9M of which \$1.4M is recurring and \$500K is non-recurring and that included in this amount is a non-recurring appropriation of \$400K to facilitate our research in Ocala and foster collaboration with the nearby universities. He explained that this appropriation is in the UCF budget and that IHMC is in the process of working with UCF to receive these funds. He remarked that this all makes it clear that we all need to continue to work hard in Tallahassee but that ever the optimists, IHMC anticipates the state economy improving slowly and thus, have submitted a 2011-2012 budget request in the amount of \$3M, anticipating new research growth and activity in Ocala and Pensacola.

Dr. Ford concluded his remarks on state funding by mentioning that we are appreciative of our legislative support in Tallahassee and asked everyone, on behalf of the IHMC Board of Directors, to convey IHMC thanks and continue to tell the IHMC "good news story" to the state legislators adding that at a time when every expenditure should be carefully considered, IHMC is a great investment for the state with a tremendous Return on Investment of approximately 10 to 1.

Dr. Ford then turned to new research funding since the July board meeting mentioning that the Federal fiscal year started October 1st and that IHMC is off to a solid start with approximately \$4M in funding since the July meeting. He mentioned that the focus of the Sponsored Research Office during this quarter was to finalize the awards of three Congressional projects that were funded in the federal FY10 budget. One project is with Dr. Alberto Cañas leading IHMC efforts funded by the U.S. Army in partnership with Columbus State University. Another project has Dr. Marco Carvalho continuing his work on Cybersecurity with FIT funded by the Department of Energy's National Energy Technology Laboratory. Third, Dr. Anil Raj and Dr. Peter Neuhaus are continuing their research on assistive technologies for injured service members with a second year of Navy funding.

Dr. Ford then mentioned that in addition to these projects, Dr. James Allen won a two-year award from the National Science Foundation to further his research on cognitive assistants with the University of Rochester and North Carolina State University both collaborating on this effort. He also mentioned that Dr. Andrzej Uszok, who has worked extensively on Jeff Bradshaw's team, is the IHMC lead P.I. on two new projects. One for the Air Force Research laboratory and one for the U.S. Army.

With regard to new projects, Dr. Ford mentioned that additionally, IHMC is currently negotiating with DARPA for an award for research to be led by Dr. James Allen as part of DARPA's "Oh By the Way" project and that the title of this new research project will be: "Extensible Collaborative Systems for Mission Planning." He added that while the amount of the eventual award is not currently known, it is expected to be approximately \$700K.

Dr. Ford then showed the Board slides from IHMC's Science Saturdays and I LOVE Science adding that the educational outreach effort continues to be particularly strong in the Pensacola area and that as we staff-up in Ocala, IHMC hopes to offer a Science Saturdays program in that location as well when adequate funding is available. He mentioned that Science Saturdays is so popular that IHMC has moved to a lottery system to accommodate demand and that I LOVE Science is beginning its 5th year and continues to attract volunteers for 5th grade classes, adding that the community seems to have adopted this initiative.

Dr. Ford mentioned that this summer we started a new program at the Fricker Center, TECH Connect, which introduces area youth to computer programming basics through the SCRATCH interface developed at MIT. He mentioned that this effort was very successful, using teen volunteers as the coaches and the Fricker kids demonstrated their projects to IHMC researchers and staff at the conclusion of the program. He showed a video of the Scratch program highlighting the teens and youths participating and their animated programming projects.

Dr. Ford then turned to the adult education and outreach program, commenting that now this is up and running in both Pensacola and Ocala, consisting primarily of our newsletter

and the Evening Lecture Series. Dr. Ford then passed out the most recent version of the IHMC newsletter and showed several slides from the lecture series.

Dr. Ford informed the Board that he was pleased to be partnering with the College of Central Florida on the Evening Lecture Series this year. In addition to the Evening Lecture, most of the speakers will be holding a master's class on the CF campus. In Pensacola, Dr. Ford informed the Board that the law firm of Clark, Partington, Hart, Larry, Bond, Stackhouse and Stone has become a season sponsor of the Pensacola lectures. He mentioned that upcoming lectures included Glenn Sturm in Ocala on November 9th with his talk on the "Art of Building Lasting Organizations" and with John Logsdon in Pensacola on October 27th with his talk on, "Space Policy, JFK, and Space Exploration", and Rusty Schweickart in Pensacola on November 17th with his talk on "Deflecting an Asteroid" followed by Chuck Carlson in Pensacola on December 1st with his talk on "Stock Market Trends", sponsored by Director Carol Carlan. Charlie Bolden is planning on being in Pensacola on December 8th mentioning that Charlie is the NASA Administrator and his talk will be about "America's Future in Space" followed by John Norquist in Pensacola on December 15th discussing "City Building and Economic Development". Dr. Ford said that he hoped that many members of the Board could join IHMC for one or more of these lectures and that if any Board member would like to attend and meet the speaker, to please let him know in advance.

Dr. Ford concluded his remarks by mentioning that the forecast for federally funded R&D is quite positive and that IHMC expects another record year in research funding. He added that the state economy is the wild-card and IHMC would need to redo our efforts in Tallahassee and any and all support from the Board will be appreciated.

Dr. Ford thanked Chair Reeves for the opportunity to provide his report and added that he very much appreciates the support and guidance of this Board.

Chair Reeves thanked Dr. Ford for his comprehensive report and asked Board members if they had any questions. Director Baker asked if there was any update on the Pensacola land surrounding IHMC and building developments. Dr. Ford responded that there were currently two groups interested in potential developments but no metrics have been set out and he would bring this information to the Board as it developed. Director Clark mentioned that his term expires as Chair of the UWF Board of Trustees in December and that he enjoyed his time on the IHMC Board and hoped to continue.

Chair Reeves thanked all the Board members for their time and Dr. Ford for his report and stated that he looked forward to the next Board meeting in January in Ocala.

The Board meeting adjourned at 9:30 am central time.

Respectfully submitted,

Julie Sheppard
Corporate Secretary