Georgia Robotics Incorporated
Board Meeting Minutes
April 20, 2011

President & Board Chair: Tucker Balch, PhD, CHA (present)
Treasurer: Sharon Crouch (present)
Secretary: Maria Hybinette, PhD (not present)

Board Member: Aaron Bobick, PhD (present)
Board Member: Vivian Chandler (present)

Stakeholders:

Daniel Walker, Engineer (present)
Carla Bennett, Financial Manager (present)
Henrik Christensen, PhD, Professor (not present)

Agenda

President's Overview of Last 2 Years:

General mode of current operation (parallax, fluke production, amazon).

Fluke production at betterbots.

Move to betterbots.com for fulfillment, significant reduction in cost vs amazon.

Risks resolved: CoI with Georgia Tech, consulting, all activities off campus.

Transition to Scribbler 2.

On horizon: Fluke 2.

CFO Report

Balance sheets for 2009, 2010, 1st quarter 2011 presented.

Net value has declined from $211K in 2009 to $155K at present.

Value decline is due to amazon costs, and subsidizing low cost robots (a part of our non-profit purpose).

Balch identified and reviewed travel, gifts and cash transactions.

Carla Bennett suggested audit by external agency.

Crouch & Balch will meet soon with CPA and seek recommendation regarding audit.

Balch suggests it may not be necessary/appropriate to spend $2k (2% of net value) for an audit.

Action items:

> Balch, Crouch, meet with CPA: Audit necessary? Transition to foundation? Report to board.

Manufacturing & Fulfillment

Review by Dan Walker.

New Directions

1) Spinning off educational robots to betterbots.com

Approach has been vetted by Balch. Proposal is transfer of $45K of inventory to betterbots in exchange for 3% ownership interest in betterbots (GRI would own 3% of betterbots).

Bobick suggested consideration of loan to betterbots instead of ownership interest.

Action items:

Balch & Walker discuss terms (loan or fund transfer).
Report to board.
Finalize decision.

2) Conversion of GRI to GRF (Georgia Robotics Foundation)

Tax & legal implications
Fund management strategy
Board approves, but wants formal arrangement with Lucena regarding management details.

Action items:

Develop formal agreement between GRI & Lucena
Share with board for approval

3) Revive conference & workshop management business?

Board approves

This and following pages contain documents provided to the board for informational purposes.

Fiduciary Responsibilities of Foundation Board Members

Appropriate orientation shall be given to each person who has been selected and who has agreed to be a member of the Georgia Robotics Foundation Board. This orientation shall stress, among other things, the fiduciary responsibilities of each board member and of the total board.

1. Each board member is expected to understand that the Foundation is a non-profit organization organized under the statutes of the state of Georgia, and approved as a 501 (C) (3) by the United States Internal Revenue Service (IRS).

2. The board has a trustee duty to its donors and must, therefore, honor restrictions placed upon donor gifts, if accepted.

3. The board shall exercise independent control over the Foundation's financial operations and shall cause to be utilized generally accepted accounting and reporting procedures.

4. The board shall cause to be conducted periodic financial and performance audits.

5. The board shall cause to be instituted appropriate internal controls.

6. Each board member shall be responsible for acting within the scope of his/her authority and within the total scope of the mission of the Foundation.

7. Each board member individually and all board members collectively shall adhere to all appropriate laws, regulations, and legal opinions which apply to the Foundation and its existence.

8. The board members collectively shall be responsible to see that appropriate financial management policies and practices are instituted and employed.

Jeopardy Investments by Private Foundations

Treasury regulations for Section 4944 state that an investment shall be considered to jeopardize the carrying out of the exempt purpose of a private foundation if it is determined that the foundation managers, in making such investment, have failed to exercise ordinary business care and prudence, under the facts and circumstances prevailing at the time of making the investment, in providing for the long- and short-term financial needs of the foundation to carry out its exempt purposes. In exercising the necessary standard of care and prudence, foundation managers may take into account the expected return on the investment, the risks of rising and falling price levels, and the need for diversification within the investment portfolio.

An excise tax equal to 10% of the amount of the investment is imposed on the private foundation for each jeopardy investment and an additional 25% tax is imposed if the investment is not sold or otherwise disposed of within a specified period. Foundation managers who knowingly participate in jeopardy investments are also subject to a 10% excise tax on the amount of the investment, capped at $10,000 per investment, unless the participation is not willful and is due to reasonable cause. An additional excise tax equal to 5% is imposed on any foundation manager who refuses to agree to the removal of the investment from jeopardy within a specified period, capped at $20,000 per investment.

Determinations as to whether an investment of a particular amount jeopardizes the carrying out of the foundation's exempt purposes are made on an investment-by-investment basis, in each case taking into account the foundation's portfolio as a whole and such determinations are made at the time the investment is entered into, and not at a later time.

While there is no category of jeopardizing investments per se, the following are examples of types or methods of investments and practices that are closely scrutinized by the IRS to determine whether the foundation managers have met the requisite standard of care and prudence:

- Trading on margin.
- Trading in commodities futures.
- Investments in working interests in oil and gas wells.

- Purchasing puts, calls, and straddles.
- Purchasing warrants.
- Selling short.

Foundation managers must be diligent in monitoring the types of investments in their organization's portfolio and must be willing to meet with their respective portfolio managers and periodically review asset allocation decisions to avoid potential harm.

Please remember that this information, recited from Section 4944 and its accompanying Treasury regulations, is provided for informational purposes only; consult your legal and tax counsel for application of the laws to your organization.

Morgan Stanley Smith Barney

Organization Profile

Morgan Stanley Smith Barney serves many of the world's most sophisticated and demanding institutional and individual investors and is one of the industry's premier global wealth management firms.

- Premier managed-money platform
- Leading capital markets capabilities
- Deep intellectual capital backed up by award winning research teams
- Over 18,000 highly skilled financial advisors
- Total global employees of 62,542
- Over 850 offices around the world
- $12.6 billion in net revenues
- $1.7 trillion in client assets under management

Since its founding in 1935, Morgan Stanley and its people have helped redefine the
meaning of financial services. The Firm has continually broken new ground in advising our clients on strategic transactions, in pioneering the global expansion of finance and capital markets, and in providing new opportunities for individual and institutional investors.

Jon Dickson draws upon the vast resources of the firm to develop customized investment, risk management, and lending strategies for community associations (among other institutional and private clients).

Jon Dickson- Vice President- Investments
Wealth Advisor
Team Leader
Morgan Stanley Smith Barney
Atlanta, GA

Jon works with a select group of institutional, association, and high net worth private clients in the area of customized wealth and liability management.

Drawing upon 11 years industry experience and the vast resources of one of the largest investment management firms in the world, Jon is able to construct superior investment plans for his clients. Jon and his team have developed unique strategies that allow investors to maximize their investment earnings while also maintaining a high level of risk management and liquidity.

Jon began his professional career at Merrill Lynch; then transitioned to UBS Financial Services where he spent 9 years as a Vice President before moving to Morgan Stanley Smith Barney in March of 2010 in an effort to offer his clients unparalleled investment advisory services and resources.

Jon earned his Bachelors of Science in Business and Behavioral Science from Oglethorpe University in Atlanta. Jon is involved in a number of charitable organizations including the Lymphoma Society and Smile Train. Jon, his wife Lejla, and their son Grant live in Buckhead.