

*Established by
Evelyn F. McKnight
to Alleviate Memory Loss
in the Aging.*

Executive Director

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SunTrust Bank

March 25, 2019

Tom Brannan
Vice President for Development and Alumni
The University of Alabama at Birmingham
AB 1264, 1720 2nd Ave South
Birmingham, AL 35294-0112

Dear Mr. Brannan,

The trustees of the McKnight Brain Research Foundation (MBRF) reviewed the 2018 annual report of the Evelyn F. McKnight Brain Institute (EMBI) at the University of Alabama at Birmingham (UAB) at their February 2019 meeting.

The trustees are pleased with the progress and rapidity in which Dr. Ronald Lazar has established his leadership since joining the UAB in June 2017, as the Director of the EMBI at UAB and the occupant of the Evelyn F. McKnight Chair in Learning and Memory in Aging.

The 10th Inter-Institutional meeting between the four McKnight Brain Institutes was hosted by the EMBI at the UAB in April 2018, during Dr. Lazar's first year. The content of the scientific program was excellent, and complemented by engaging opportunities for social interaction by the attendees, provided the ingredients for a very successful meeting.

The trustees are pleased to learn that Dr. Adrienne Lahti has been recruited to occupy the Kinney Endowed Chair in Geriatric Psychiatry and appreciate the clarification of her relationship to the EMBI through supplemental correspondence with Dr. Lee Dockery. The trustees were also informed through the supplemental correspondence that there is optimism the vacant chair in Geropsychiatry will be filled soon with notification to the MBRF.

The trustees are pleased to learn of Craig Motlow Powell, MD, PhD has been appointed to the Virginia B. Spencer Endowed Professorship in Neuroscience. In Dr. Powell's role as the current professor and Chair of the Department of Neurobiology and his appointment as an investigator within the EMBI, there is the opportunity for expanded beneficial collaborations between the departments of neurology, neuroscience and neurobiology which appear to the trustees to be underdeveloped at this time.

In reviewing the financial reports on the Endowment Fund and associated accounts, the trustees were unable to understand the components of the Endowment Fund dedicated for the Matching Funds by the UAB from the displays in the Annual Report. Through personal communication, these issues were satisfactorily clarified with modifications in the way the financial reports are prepared and the agreed upon Endowment Funds designated for the Match by the UAB. The trustees are pleased the full value of the EMBI Endowment Fund will be reported along with the reports to identify the distributions of investment income from each account allocated to support the Evelyn F. McKnight Chair and the EMBI Endowment Fund. (Attachment: "Clarification of Interpretation" Document).

Thank you for your patience and response to the questions by the trustees who extend their collective appreciation to you and the leadership of the UAB for your efforts to preserve and maintain our valuable research partnership.

Sincerely


Amy Porter
Executive Director

CC. Dr. Ronald M Lazar
Dr. Selwyn M. Vickers
Dr. David G. Standaert
Dr. Erik D. Roberson

Dr. Ray L. Watts
Melanie A. Armstrong
Trustees, MBRF
Henry H. Raattama, Esquire

Please address all correspondence to

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Clarification of Interpretation

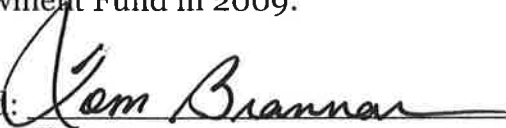
The McKnight Brain Research Foundation Amended and Restated Gift Agreement

The Board of Trustees of the University of Alabama for


The University of Alabama at Birmingham

Dated August 3, 2009

1. The referenced Gift Agreement established an Evelyn F. McKnight Brain Institute (EMBI) Endowment Fund to support research in cognitive aging and age-related cognitive decline and memory loss at the University of Alabama at Birmingham.
2. The McKnight Brain Research Foundation (MBRF) committed to a Gift of \$5,000,000 to the EMBI Endowment Fund, payable \$1,000,000 annually for a period of five years.
3. The University of Alabama at Birmingham (UAB) committed to match the Gift of \$5,000,000 payable, \$1,000,000 annually with funds from the UAB or other endowment funds from UAB to the EMBI Endowment Fund.
4. In February 2009, the Geropsychiatry Research Chair (Geropsychiatry Chair) with a corpus value of \$1,222,896 and the F. Cleveland Kinney Chair in Geriatric Psychiatry (Kinney Chair) with a corpus value of \$1,500,050 were vacant and were transferred to the EMBI to enhance the clinical translation of basic science research to the bedside.
5. The Gift agreement signed August 3, 2009, intended for prospective recruitment of new faculty for the EMBI, was signed after the transfer of the Geropsychiatry Chair and the Kinney Chair and were mistakenly reported as a component of the UAB matched funds in 2010.
6. The MBRF and the UAB agree the funds in the amount of \$2,722,946 representing the endowments for the Geropsychiatric Chair and the Kinney Chair were mistakenly reported as UAB Matched funds since 2010 and will be removed from the UAB Matched funds reported for the EMBI Endowment Fund.
7. The UAB agrees with the proper removal of the referenced endowment funds for the UAB Matched funds, the balance of unmatched funds for the UAB is \$1,987,863.
8. The MBRF and the UAB agree funds in excess of the investment income from the two chairs were allocated in support of the EMBI since 2010. Therefore, the MBRF agrees the UAB will not be required to disburse investment income on the unmatched portion of the gift during the time the two referenced chairs were included in the match by UAB.
9. The UAB agrees the investment income from the Geropsychiatric Chair and the Kinney Chair will continue to be directed to the EMBI.
9. The UAB agrees from January 1, 2019 forward, the UAB will disburse an amount equal to 4.5% per year on the unmatched balance of the UAB match until such time the match has been completed by UAB as stipulated in the Gift Agreement.
10. The MBRF encourages future recruitment to be targeted toward the development of a "Behavioral Core" within the EMBI as referenced in the proposal to establish the EMBI Endowment Fund in 2009.

Signed: 
Tom Brannan
Vice President for Advancement
University of Alabama at Birmingham

Date: 3/21/2019

Signed: 
Amy Porter
Executive Director
McKnight Brain Research Foundation

Date: 3/25/2019