

Memorandum of Understanding
McKnight Brain Research Foundation Gift agreement
University of Miami Medical School

The purpose of this memorandum is to clarify the intent and understanding of the trustees of the Evelyn F. McKnight Brain Research Foundation ("Trustees") and the Evelyn McKnight Center for Age Related Memory Loss ("Center") at the University of Miami Miller School of Medicine ("UM") which has been fully operational since June, 2008.

The goal of the first amendment to the Gift Agreement dated September 8, 2008 was two-fold, 1. Insure that the unfunded portion of the endowment continued to grow at the same rate as the funded balance; 2. The Center will receive spendable income at the same rate of return on the unfunded balance as the rate received on the funded balance.

To implement the intent and understanding the Trustees and UM agree as follows:

Commencing for UM Fiscal Year 2010 and each fiscal year thereafter:

1. UM will distribute to the Center an amount equal to the "unmatched balance" multiplied by the UM Endowment Spending Policy Rate for the fiscal year in question and
2. If the average of the Endowment Investment Rate of Return for the fiscal year in question and the 2 immediately preceding years exceeds the UM Endowment Spending Policy Rate, an amount equal to the excess rate multiplied by the "unmatched balance" will be added to the MBRF Endowment.

UM shall pay amounts from sources other than the MBRF Endowment. The "unmatched balance" at 6/1/2010 is agreed to be \$3,177,215.

Attached is a computation for the UM Fiscal Year 2010. It is agreed this computation accurately applies the above understanding and will be followed in future years.

Accepted on behalf of the McKnight Brain Research Foundation:

Signatures: Melanie D. Learmonth

John Stachery

John G. ...

John G. ...

Michael ...

Ann ...

Date: 5/12/11

Accepted on behalf of the University of Miami Miller School of Medicine:

Signature: Paul J. ...

Date: 2.9.11

McKnight 0810

Notional UM Match:

Unmatched notional balance at 6/1/10	3,177,215
Endowment investment return rate for the 3 years ended 5/31/10	-4.70000000%
Endowment spending policy rate 10-11	4.95786837%
Difference (investment return rate less spending rate)	-9.65786837%
Rate difference (if positive) applied to unmatched balance and to be added to actual endowment	0
Spending distribution 10-11 on unmatched balance	157,522
Total to be funded from other UM sources 10-11	<u>157,522</u>

Actual endowment:

Market value at 6/1/10	6,708,669
Spending distribution 10-11	332,607