

**MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MINUTES
January 16, 2002**

The quarterly trustee's meeting of the McKnight Brain Research Foundation was called to order 8:30 a.m. In The following members were present:

Dr. J. Lee Dockery, Trustee
Dr. Michael Dockery, Trustee
Dr. Nina Ellenbogen Raim, Trustee
Mr. Henry Raattama, Legal Counsel
Ms. Teresa Borcheck, SunTrust Bank Endowment & Foundation Trust Services Group

Others Attending:

Ms. Judith Sanborn, SunTrust Bank Endowment & Foundation Trust Services Group
Mr. Thomas Ronchetti, SunTrust Bank Portfolio Manager
Mr. Philip Morrissey, SunTrust Bank Portfolio Manager
Ms. Barbara O'Donnell, Executive Vice President Asset Management Advisors
Mr. Steve Noone, Managing Director, Trusco Capital Management

Approval of Minutes

The minutes of the October 15 & 16th meeting of the McKnight Brain Research Foundation were reviewed. Corrections were made, and Dr. Lee Dockery made a motion to accept the minutes of October 15 & 16 with the noted corrections. The motion was seconded, and approved unanimously.

The minutes of the December 12, 2001 conference call were reviewed. Corrections were made, and a motion was made to approve the minutes as corrected. The motion was seconded and approved unanimously.

Action – Minutes from the October 15 & 16, 2001 meetings and the December 12, 2001 conference call were approved.

Timing of Meeting Materials:

Dr. Lee Dockery suggested that it would be helpful to have the complete meeting book forwarded to each Trustee approximately one week prior to the quarterly Trustees meeting. Currently the Trustees receive the proposed agenda, minutes from prior meetings, and any additional administrative information in e-mail format prior to the meeting. Additionally, Mr. Ronchetti provides the Trustees with the majority of the investment presentation in hard copy prior to the meeting. However due to the timing of the meeting as it relates to the availability of the month end performance numbers, Mr. Ronchetti is not able to provide a complete package to the Trustees. Ms. Borcheck suggested she would continue to work with Mr. Ronchetti to insure that all information that is available one week prior to the meeting would be sent to the Trustees in e-mail and hard copy as appropriate.

Asset Management Advisors/Lighthouse Partners – Barbara O'Donnell

Ms. O'Donnell is the Executive Vice President of Asset Management Advisors (AMA). In that capacity she was asked to present a review of the SunTrust purchase of AMA & Lighthouse and an overview of the current relationship. Ms. O'Donnell's advised the Trustees that SunTrust initially hired a consultant to conduct a search for Family Office Groups in the Florida marketplace. SunTrust had been operating running the Private Capital Group in Florida, and wanted to enhance that service by partnering with an organization that had developed a Family Office, focusing on Investments, with access to Alternative Investments. The search identified Asset Management Advisors (AMA) in Jupiter, Florida. In the initial conversations, SunTrust learned that in addition to AMA's family office services, they were the owners of Lighthouse Partners, an alternative investment management firm. In initial conversations it was learned that the alternative investment products Lighthouse had developed were very similar to the alternative investment product SunTrust was currently developing for its their client base. SunTrust recognized the benefits of this program on a company wide scale, and began negotiations with AMA and Lighthouse to purchase both companies. Ultimately, SunTrust purchased 85% of AMA and Lighthouse Partners. Ms. O'Donnell also addressed the Trustees questions regarding the due diligence performed done by SunTrust prior to the purchase, and indicated that all financial, operational and legal due

diligence was completed done to the satisfaction of the President and Board of Directors of SunTrust Banks prior to the purchase. She also advised the Trustees were advised that SunTrust handles all finance and operation functions for AMA & Lighthouse. Additionally, SunTrust continues its due diligence on the day-to-day operation of the Lighthouse Funds to insure they are true to the investment philosophy and are taking action where appropriate.

Action –The Trustees received the report from Barbara O'Donnell, executive vice president of Asset Management Advisors about SunTrust's purchase of AMA and Lighthouse Partners and the current relationship for information..

Investment Review – Tom Ronchetti and Phil Morrissey

Mr. Ronchetti and Mr. Morrissey provided the Trustees with the quarterly update on the investments in the Foundation's portfolio. A complete copy of their presentation is attached and made a part of these minutes. Mr. Ronchetti confirmed that the current asset allocation of 8% in the Lighthouse Super Cash Fund, 1% cash, 8% International, 10% Mid-Cap and 73% Large Cap, is appropriate at this time., but He indicated that it he might be wise to move toward a slightly larger position in the STI International Index Fund later in the first quarter of 2002 for rebalancing as per the investment policy (?).

Action: The Trustees received the report for information and made no change in the asset allocation or investment policy.

Chad Deakins, International Index Fund

Mr. Deakins joined the meeting by telephone. He reviewed the 4th quarter fund returns, and indicated the conditions were optimal for a strong recovery in 2002, especially in the 1st quarter.

Mr. Deakins addressed the spell out (MSCI) industry change., He indicated the main change was the "free float" methodology, i.e.: In a number of countries large parts of Companies are not available for investment. When these portions are included in the index, it misrepresents the numbers. Under the new policy, all constituents are being re-weighted to include only the investable portions of the securities, expanding coverage to include 85% of the free float, better diversifying the index. This change represents 15% turnover for the portfolio in the last quarter, with total flows at over \$100 million. Although the transaction caused the fund to fall behind, however, the index is much improved, which will be a positive enhancement going forward.

Action – The Trustees received the report from Chad Deakins regarding the STI Classic International Index Fund for information.

Trusco Capital Management - Steve Noone Managing Director

Mr. Noone is the Large Cap-Core portfolio manager assigned to the McKnight Foundation. He addressed the SunTrust/Trusco relationship, and how that impacts the Foundation. Mr. Noone advised the Trustees that SunTrust and Trusco share the research so that e going forward the Trustees should not see any major structural differences under Trusco's management. Mr. Noone began transitioning the asset management from Mr. Ronchetti and Mr. Morrissey in November of 2001, and that process is not complete. Mr. Noone informed the trustees about shared the disciplined approach Trusco implements, which is focused on a relatively narrow group of stocks, which allows them to be more proactive rather than re-active in the market. They also utilize Strenuous sector and stock weightings, which are consistent, are utilized in making investment decisions. Typically owning 50-70 stocks are owned to provide good diversification across all sectors.

There were questions raised specific to the resultive weightings, which Mr. Ronchetti will review, and confirm with the Trustees.

The Trustees asked about the sale of the remaining position in 3M. Mr. Ronchetti and Mr. Noone advised the Trustees that currently 3M is not on the buy or hold list, and therefore was liquidated as a part of the transition to Trusco. The Trustees expressed concern in light of the McKnight's relationship with the company. However, the Trustees understood the reason it was sold, and recognize that a sentimental attachment to the stock is not appropriate. The trustees did request They did ask that Mr. Noone to consider adding a position in 3M should it be added to the Trusco buy list.

The Trustees also reviewed how commissions for the purchases are handled, and were advised that due to the large volume traded by Trusco as an institutional manager, the commissions are minimal. Ms. Borcheck pointed out that all commissions paid are reflected on each purchase and sale transaction, which are reported on the Trustees monthly statements.

Mr. Ronchetti advised the Trustees that the STI Classic Mid-Cap fund was up 25.73 % for the quarter, and outperformed its index.

Mr. Noone joined the Trustees for lunch, and provided an outline of Trusco's process in selecting stocks for the

Large Cap-Core portfolio, which relies heavily on the Companies' earnings. They specifically look for companies with strong earnings trends, rather than what appears to be the best bargain.

Action – The report by Mr. Steve Noone of Trusco Capital Management outlining Trusco's asset selection process and on the changes made to the Foundation's portfolio was received for information.

Brochure and Guidelines for Grant Funding

The Trustees reviewed samples of the brochure, and approved the use agreed to model of green ink printed on buff colored paper (same as stationary). Mr. Raattama will verify use of TM on front page (cover). There was a question concerning the use of both the names of "The McKnight Brain research Foundation" and "The Evelyn F. McKnight Brain Research Foundation" on the front cover. The later name was used for the pending trademark application. Mr. Raattama was requested to obtain an opinion from the copyright attorney concerning the use of both names on the cover of the brochure. Once the draft is complete, and has been approved, Ms. Borcheck has been instructed to order 500 brochures.

Action – Trustees approved the printing of the brochure using green ink printed on buff paper. Mr. Raattama was requested to obtain an opinion from the copyright attorney concerning the use of both names on the cover of the brochure. Ms. Borcheck will have printer create an actual sample, and once complete, and approved, she will order 500 brochures.

University of Miami Grant Request

Mr. Raattama reported on his meeting with Dr. Clarkson of the University of Miami. His report is outlined in the attached memorandum (Attachment B) to the Foundation dated January 9, 2002. The following items are specific discussions by the Trustees as they relate to Mr. Raattama's memo.

1. **Leverage** – If the University could not match the grant, they would return the grant.
2. **Collaboration** – They would the University would commit to this under the same conditions, as they will for seeking matching funds.
3. **Endowed Chair vs. Director** – The University would be willing to do either. They did not see a big difference with either approach other than a Chair would be more focused vs. a center; but, the University would agree to which ever approach the Trustees wanted.
4. **Research specific to Age-Related Memory Loss** – The University would provide the Trustees with periodic updates which would identify projects being funded, and confirm that the funds were being used appropriately.
5. **Visibility** – The McKnight Brain Research Foundation would be included in the title of the individual (chair or director) , and the name of the Center would be used on all letterhead, articles or other forms of publications.
6. **Permanency** – The Center/Program would be permanent. The University of Miami would commit to run the Center/Program as a part of their programs, and would support it as a "University Budget" item.
7. **Publicity** - This was addressed in item #5.
8. **Monitoring** – The University would provide periodic reports to the Foundation Trustees.
9. **Location** – The Director would have an office that would be specific to the McKnight project, which would include physical space and a separate address. The work being supported by the funding would be done at the individual researchers' location.
10. **Intellectual Ownership** – The University would be willing to agree to a sharing of any income earned if something revenue was developed as a result of the Center/Program. The formula would be outlined in the gift agreement, and would include language that would insure that any portion of the University's earnings would be directed to the College of Medicine for distribution to the appropriate parties.

The Trustees posed three additional questions, and authorized Mr. Raattama to relay these to Dr. Clarkson.

1. Is the University trying to combine the McKnight Center/Program under the Miami Spine Project?
2. Will the University give the Trustees a commitment to the Center/Program having it's own identity?
3. Will the proposal contain a concrete plan regarding the physical location of where the Program/Center

A motion was made by Dr. Lee Dockery that the Trustees received Mr. Raattama's report as informational, and have authorized Mr. Raattama to develop a draft proposal to the University of Miami, including terms of the agreement acceptable to the Foundation. The draft proposal be presented to the Trustees at the April 2002 Trustees meeting for review and comment. Motion was seconded and approved unanimously.

Action – The Trustees reviewed Mr. Raattama's report regarding the University of Miami Proposal. Three additional issues were defined, and Mr. Raattama has been asked to discuss these items with Dr. Clarkson, and begin working on a draft of the proposal for review by the trustees at the April,

2002 meeting.

University Of Florida Article

Dr. Lee Dockery shared two articles that were recently published in the Gainesville Sun. Both articles were well written; however, the journalist did not give the Evelyn F. & William L. McKnight Brain Institute of the University of Florida substantial recognition of the research focus on age-related memory loss. Dr. Dockery brought this to their attention, and they printed a second article that gave additional credit. Additionally, Dr. Dockery corresponded with Dr. Luttge, regarding the Foundation's concern over the lack of recognition for the Institute's focus on age related memory loss. Subsequent to this correspondence, Dr. Dockery met with Drs. Luttge and Andersen, who understood the concerns, and asked Dr. Dockery to assure the Trustees that they will take every step possible in the future to insure appropriate recognition is given. Dr. Dockery also spoke with Dr. Ken Burns, Vice President of Health Affairs & Dean of the College of Medicine, who also, wanted to assure the Trustees of the Foundation that the University has taken steps to insure appropriate publicity in all future articles and publications.

Association of Small Foundations

Ms. Borcheck provided an update on all correspondence that has been received from the Association of Small Foundations (ASF) since the Foundation's membership has been approved. She specifically addressed the upcoming ASF sponsored conferences and seminars, and indicated she would be attending February's regional meetings in Atlanta.

Individual Trustee Compensation

The Trustees reviewed the individual compensation survey, a copy of which is attached to and made a part of these minutes. (Attachment C). After discussion, it was agreed that the current compensation being paid to the individual trustees was appropriate based on the hours each Trustee is committing to Foundation business. If there are no changes to the time commitment during the course of the year, the current compensation will be in effect through 12/31/02. However, the trustees expressed concern that the compensation survey data only considered time as a basis for compensation and did not consider qualifications and experience. Additionally, the Trustees agreed that with the exception noted above, individual trustee compensation will be reviewed annually at the January Trustees meeting. Additionally, it was noted that Dr. Nina Ellenbogen Raim had to leave the meeting prior to the discussion of individual Trustee compensation, therefore this matter will be addressed again briefly at the next meeting.

Action - The Trustees reviewed the compensation summary, and agreed that individual trustee compensation would remain the same for 2002. Trustee compensation will be reviewed on an annual basis in the January Trustees meeting. (Nina was not there. Will confirm again at next meeting.)

Old Business

Status of Registration (Copyright) – The trustees reviewed correspondence from Nidia Perez of Akerman Senterfitt, and Dr. Lee Dockery regarding the status of registration process. Both items are attached and made a part of these minutes (Attachments D & E). The Trustees agreed to make application for the name "The McKnight Brain Research Foundation" to be approved as a trademark as well and authorized Mr. Raattama's firm to proceed with the necessary application process.

Action – The Trustees reviewed correspondence from Akerman Senterfitt regarding the trademark registration. Mr. Raattama was authorized to proceed with the application process for the name "The McKnight Brain Research Foundation" to be trademarked as well.

Next Meeting

The next meeting of the McKnight Brain Research Foundation Trustees will be held at the SunTrust Bank offices in Orlando, Florida on April 17, 2002

Summary of Action Items

1. **Action – Minutes from the October 15 & 16, 2001 meetings and the December 12, 2001 conference call were approved. (page 1)**
2. **Action - Barbara O'Donnell, Asset Management Advisors spoke to the Trustees about SunTrust's purchase of AMA and Lighthouse Partners. (page 2)**
3. **Action - Received the investment report for information and made no change in the asset allocation or investment policy. (page 2 & 3)**

4. **Action - Received the report from Chad Deakins regarding the STI Classic International Index Fund.(page 3)**
5. **Action - Mr. Steve Noone of Trusco Capital Management discussed Trusco's asset selection process, and updated the Trustees on the changes made to the Foundation's portfolio. (page 3 & 4)**
6. **Action - Approved green and buff mock-up of the Brochure and Guidelines. Ms. Borcheck will have printer create sample, and once approved will order 500 brochures. (page 4)**
7. **Action - Reviewed Mr. Raattama's report re: University of Miami Proposal. Mr. Raattama will convey additional to Dr. Clarkson, and begin working on the proposal. (page 5)**
8. **Action - Reviewed compensation summary, and agreed to individual trustee compensation remaining the same for 2002. Trustee compensation will be reviewed on an annual basis in the January Trustees meeting. (page 7)**
9. **Action - Reviewed Trademark correspondence. Agreed to have "McKnight Brain Research Foundation" name trademarked as well. (page 7)**

There being no further business, the meeting was adjourned at 5:30 p.m.

Respectfully Submitted,



Teresa W. Borcheck
SunTrust Bank, Corporate Trustee