

**MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MINUTES
April 16 and 17, 2002**

The quarterly trustee's meeting of the McKnight Brain Research Foundation was called to order at 8:00 p.m. on April 16, 2002, in Orlando Florida.

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. Philip Morrissey, SunTrust Bank Portfolio Manager

Approval of Minutes

The minutes of the October January 16, 2002 meeting of the McKnight Brain Research Foundation were reviewed. Corrections were made; a motion was made to accept the minutes of January 16, 2002 with the noted corrections. The motion was seconded, and approved unanimously.

The minutes of the February 20, 2002 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: 1. Minutes from the January 16, 2002 meeting, and February 20, 2002 conference call were approved, as corrected.

University of Miami Gift Agreement

The Trustees reviewed the 1st draft of the Gift Agreement with the University of Miami School of Medicine prepared by Mr. Hank Raattama. After clarifying several issues, the Trustees instructed Mr. Raattama to make the proposed changes and forward a new draft to them and to the University of Miami School of Medicine for review. A motion was made to place the final draft of the Agreement on the agenda for consideration at the July 17, 2002 quarterly meeting. Motion was seconded and approved unanimously.

Action: 2. Reviewed 1st draft of University Of Miami Gift Agreement, proposed changes, review final draft of the agreement at July 2002 Trustee's meeting. (Attachment #1)

Richard Chapman's Retirement

The Trustees discussed the recent retirement of Richard Chapman, former Vice President and Manager, Trust Administration, SunTrust Bank, Key Biscayne, and the representative for the Corporate Trustee for the Evelyn F. McKnight Brain Research Foundation. The trustees discussed sending Mr. Chapman a retirement gift from the Foundation as an expression of their appreciation for his long-time commitment to Mrs. McKnight in the management of her personal and financial affairs. A motion was made that Ms. Borcheck be authorized to purchase a gift, its value not to exceed \$500 to be delivered to Mr. Chapman at his home with an appropriate expression of appreciation from the Trustees for his assistance to Mrs. McKnight and his service to the Foundation. Motion was seconded and was approved unanimously.

Action: 3. Ms. Borcheck will purchase a retirement gift for Mr. Chapman, its value not to exceed

A motion was made to invest 10% of the Evelyn F. McKnight Brain Research Foundation portfolio in the Lighthouse Diversified Fund (QP) II, L.P., and to liquidate the Lighthouse Super Cash Fund (QP) II, L.P. The motion was seconded and was approved unanimously. Mr. Morrissey and Ms. Borcheck were instructed to take the necessary steps to complete this transaction as quickly as possible following review of any new contract with Lighthouse by legal counsel.

Action: 4. Approved investment of 10% of the portfolio of the Evelyn F. McKnight Brain Research Foundation in the Lighthouse Diversified Fund (QP) II, L.P. and liquidation of the Lighthouse Supercash Fund. (Both Presentations are Attachment #2)

Investment Review – Phil Morrissey

Mr. Morrissey provided the Trustees with the quarterly update on the investments in the Foundation's portfolio. A complete copy of the presentation is attached and made a part of these minutes.

Mr. Morrissey confirmed that the current asset allocation would be modified in light of today's action on the purchase of the Lighthouse Diversified Fund. Additionally Mr. Morrissey and Mr. Raattama will draft the necessary changes to the Evelyn F. McKnight Brain Research Foundation Investment Policy to reflect the new asset allocation approved in today's meeting.

Mr. Morrissey provided an update on the STI Classic Mid-Cap Fund. He advised that the manager has missed his benchmark for the preceding 24 months, and did not think it was appropriate to continue to hold this investment in the portfolio. After discussion with Mr. Morrissey about the various options available, a motion was made to authorize Mr. Morrissey to liquidate all of the Foundation's holdings in the STI Classic Mid-Cap Fund on or before May 1, 2002, and reinvest the proceeds in an Index for the Mid-Cap discipline that would provide 50% in Mid-Cap Value and 50% in Mid-Cap Growth. The motion was seconded and approved unanimously.

The Trustees also asked Ms. Borcheck to send a letter from the Foundation to the Management of Trusco Capital Management and SunTrust Bank expressing the Foundation's concern over the continued under-performance of the STI Classic Mid-Cap fund, and notifying them of the Trustee's decision to liquidate their holdings in that fund.

Action: 5. The Investment Report was received for information and the Trustees approved recommended changes to the asset allocation and. A copy of that presentation is attached and made a part of these minutes. (Attachment #3)

Action: 6. The Trustees also approved the sale of the STI Classic Mid-Cap Fund and the reinvestment of the proceeds in an Indexed Fund equally divided between Mid-Cap Value and Mid-Cap Growth.

Action: 7. The Trustees requested Mr. Raattama and Mr. Morrissey to develop the necessary changes in the Investment Policy of the Foundation to reflect the today's decisions.

Evelyn F. & William L. McKnight Brain Institute of the University Of Florida

Dr. William Luttge presented the Trustees with the annual update on the status of the research projects being conducted at the Institute. He reviewed the annual budget, and provided an update regarding the matching gift still due from the State of Florida. He also reviewed two candidates being considered for the Evelyn F. McKnight Chair for Brain Research in Memory Loss. A copy of Dr. Luttge's presentation is attached and made a part of these minutes. (Attachment #4)

Action: 8. After responding to questions, the Trustees received Dr. Luttge's report for information. (Attachment #4)

Brochure on Guidelines for Grant Funding

The final draft of the Brochure was not available for the meeting, and will be forwarded to the Trustees along with the 1st draft of these minutes.

Action: 9. Ms. Borcheck will forward final sample of the Brochure on Guidelines for Grant Funding

to the Trustees.

Association of Small Foundations (ASF)

Ms. Borcheck provided the Trustees with information on ASF's annual conference to be held in San Antonio Texas in October, and encouraged those who are available, to attend.

Old Business

Status of Registration (Copyright) – The trustees were advised that application is being made to register "The McKnight Brain Research Foundation" as an additional trademark.

Directors & Officers Insurance

Mr. Raattama advised that he had the Association of Small Foundations sponsored policy and the Chubb Policy currently in force, forwarded to an attorney experienced in litigating insurance policies for review and comment. Mr. Raattama will advise Ms. Borcheck of the attorney's findings, at which time she will proceed with any appropriate changes in this coverage, as approved at the January 16, 2002 Trustee's meeting.

SunTrust Trustee's Fees

The Trustee's reviewed Ms. Borcheck's summary of SunTrust's Corporate Trustee's fees, and Dr. Lee Dockery's subsequent correspondence. Ms. Borcheck advised that SunTrust will guarantee their current fee through January 31, 2004, and will forward correspondence to all Trustees and Mr. Raattama that will confirm this agreement, and outline the current fee schedule. Ms. Borcheck explained the account level market value fees are assessed monthly on the market value of the individual assets held in the account. She also advised that these market value fees are not assessed on the market value of any of the Lighthouse assets or STI Classic Mutual Funds, as both of these investment vehicles assess and collect fees at the fund level. In addition, Ms. Borcheck confirmed the management fees for individually managed assets in the portfolio whose market value exceeds \$50,000,000 will be 12 basis points.

Action: 10. Trustees reviewed SunTrust's current fee schedule, which was guaranteed through January 31, 2004, and will be confirmed in writing to the individual Trustees, and Mr. Raattama.

Estate of Evelyn F. McKnight

Mr. Raattama advised that the Estate Tax Closing letter has been received, and all necessary information has been provided to close this account. Ms. Borcheck will contact the appropriate Administrator at SunTrust Bank, Miami to close the account and forward the funds to the Evelyn F. McKnight Brain Research Foundation account. Additionally it was determined that there was no further need for the Errors & Omissions Insurance Policy with regards to the Estate, and should be canceled at the earliest convenience with request for a refund of Premium for the unexpired term of the policy.

Internal Revenue Service Form 990 PF

The Trustees received and reviewed the 990 PF for tax year ending June 30, 2001 for information. This report will be presented on an annual basis at the first quarter Trustee's meeting.

Next Meeting

The next meeting of the McKnight Brain Research Foundation Trustees is scheduled to be held at the SunTrust Bank offices in Orlando, Florida July 17, 2002.

Summary of Action Items:

Action: 1. Minutes from the January 16, 2002 meeting, and February 20, 2002 conference call were approved, as corrected.

Action: 2. Reviewed 1st draft of University Of Miami Gift Agreement, proposed changes, review final draft of the agreement at July 2002 Trustee's meeting. (Attachment #1)

Action: 3. Ms. Borcheck will purchase a retirement gift for Mr. Chapman, its value not to exceed \$500, to be delivered to him at his home with an appropriate expression of appreciation from the Trustees for his assistance to Mrs. McKnight and his service to the Foundation.

Action: 4. Approved investment of 10% of the portfolio of the Evelyn F. McKnight Brain Research Foundation in the Lighthouse Diversified Fund (QP) II, L.P. and liquidation of the Lighthouse Supercash Fund. (Both presentations are attachment #2)

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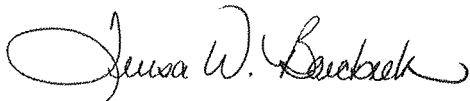
Action: 8. After responding to questions, the Trustees received Dr. Luttge's report for information.

Action: 9. Ms. Borcheck will forward final sample of the Brochure on Guidelines for Grant Funding to the Trustees.

Action: 10. Trustees reviewed SunTrust's current fee schedule, which was guaranteed through January 31, 2004, and will be confirmed in writing to the individual Trustees, and Mr. Raattama.

There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully Submitted,



**Teresa W. Borcheck
SunTrust Bank, Corporate Trustee**