

**MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MINUTES
July 17, 2002**

The quarterly trustee's meeting of the McKnight Brain Research Foundation was called to order 9:00 a.m. 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:

Mr. Philip Morrissey, SunTrust Bank Portfolio Manager
Mr. Steve Noone, Managing Director, Trusco Capital Management
Mr. Tim Nash, Portfolio Manager, Trusco Capital Management
Mr. Andy Muldoon, Executive Vice President, Trusco Capital Management

Approval of Minutes

The minutes of the April 16th & 17th meeting of the McKnight Brain Research Foundation were reviewed. Corrections were made, and a motion was made to accept the minutes of April 16 & 17 with the noted corrections. The motion was seconded, and approved unanimously.

Action – Minutes from the April 16 & 17, 2002 meeting were approved.

Investment Review – Phil Morrissey, Steve Noone and Tim Nash

Mr. Morrissey provided the Trustees with the quarterly update on the investments in the Foundation's portfolio. Mr. Noone provided an update on the Large Cap-Core process, and highlighted trades that had taken place in the last quarter. He also advised the Trustees that Minnesota Mining and Manufacturing (3M) had been added to Trusco's buy list, and therefore he had added it to the portfolio. Tim Nash gave an overview of his role at Trusco and his role with the McKnight Brain Research Foundation (MBRF). Mr. Morrissey advised the Trustees that he and Mr. Ronchetti would be working with Mr. Nash and the Trusco team to transition the balance of the asset management responsibilities to Trusco over the next 3-6 months. Mr. Noone was asked to send a letter to the Trustees and Mr. Raattama summarizing the number of individual stock positions that were reduced or eliminated in the portfolio over an average 90-day period. The investment group was also asked to re-confirm the performance numbers for the Mid-Cap funds for the next meeting. Mr. Morrissey advised that the current asset allocation is appropriate, and that with the exception of the allocation to the Lighthouse Diversified Fund, the investments are in line with the guidelines, and no changes are recommended at this time. A copy of this report is attached and made a part of these minutes as attachment #1.

Action: The Trustees received the investment report for information and made no changes were made to the asset allocation. Attachment #1

Investment Policy – Mr. Raattama, Mr. Morrissey, Mr. Noone, Mr. Nash

The Trustees reviewed the 1st draft of the revised Investment Policy. The Trustees asked that Trusco/SunTrust provide Mr. Raattama with a better definition of an Alternative Investment (see page 9 of the draft document). Mr. Nash indicated he had clearer language, and will forward it to Mr. Raattama. Appendix B, Page 7, which outlines the Equity Portfolio Guidelines and the Model Portfolio Benchmark, was discussed. The Trustees asked Trusco/SunTrust and Mr. Raattama to review these guidelines to determine if they were still appropriate, and

make any modifications for review at the next meeting. Mr. Raattama will make the proposed changes to the Policy, and forward a 2nd draft to the Trustees and the Investment Group for their consideration. A copy of the 1st draft of the revised Investment Policy is made a part of these minutes as attachment #2.

Action – Reviewed 1st draft of revised Investment Policy and made recommendations for change in the definition of Alternative Investments, the portfolio guidelines and the model benchmarks. 2nd draft to be presented at the next meeting. Attachment #2

Brochure and Guidelines for Grant Funding

Ms. Borcheck presented the Trustees and Mr. Raattama with a supply of the completed Brochure and Guidelines for Grant Funding. It was determined that these will not be distributed until the Trustees have outlined the approach to be taken when a grant request is received. The Trustees agreed to individually begin working on a draft of these guidelines to be presented at the next meeting

Action – Trustees received the completed brochure and agreed to delay distribution pending development of internal guidelines for handling grant requests. Attachment #3

University of Miami Grant Request

Mr. Raattama presented the 5th draft of the Gift Agreement with the University of Miami. Changes were proposed to paragraph 2. Purpose, on page 1, to maintain consistency in the wording, "...alleviation of age related memory loss". In addition, it was suggested the schedule and form of contribution (page 2) be changed to a July 1 date instead of May 31. Modifications were also suggested to the wording of the first paragraph of exhibit 10 of the agreement (page 11). Mr. Raattama will make the modifications, and forward the 6th draft to the Trustees for review. A copy of the 5th draft is made a part of these minutes as Attachment #4, along with the proposed wording for page 1 and page 11 of the agreement.

Action – The Trustees reviewed the 5th draft of the University of Miami Agreement. Modifications were proposed to the paragraph on "Purpose" (page 1), the schedule and form of contribution (page 2), and the first paragraph of exhibit 10 (page 11), which Mr. Raattama will implement and then forward the 6th draft to the Trustees for review. 5th Draft is Attachment #4, along with propose language for page 1 and page 11.

Unrelated Business Income – On-shore vs. Off-shore

Mr. Raattama's correspondence dated January 10, 2002 regarding the tax implications of owning an On-Shore vs. Off-Shore Alternative Investment were reviewed. The Trustees received and reviewed the letter for information. There were no additional actions to be taken. The January 10, 2002 letter is made a part of these minutes as Attachment #5.

Action – Trustees reviewed Mr. Raattama's January 10, 2002 correspondence regarding unrelated business income and reaffirmed the decision that the MBRF will not invest in off-shore holdings at this time. Letter is attachment #5

Director's & Officer's Liability Insurance

Mr. Raattama provided a written summary of the current D&O policy with Chubb and the proposed policy with Chicago Insurance Company/Fireman's Fund. After review and discussion, it was determined that there were not substantial differences in the coverage provided by the two policies. A motion was made and seconded to authorize Ms. Borcheck to make application with Chicago Insurance Company/Fireman's Fund for \$3,000,000 of coverage on behalf of the Evelyn F. McKnight Brain Research Foundation a.k.a. McKnight Brain Research Foundation. Once notification that the new coverage is in place, Ms. Borcheck will cancel the policy with Chubb. Motion carried unanimously. Mr. Raattama's written summary is made a part of these minutes as Attachment #6

Action - Trustees approved replacing the Chubb D&O insurance policy with the Chicago Insurance Company/Fireman's Fund policy. Summary is Attachment #6.

Association of Small Foundations (ASF) Update

Ms. Borcheck provided a brief update of upcoming ASF events to the Trustees. She specifically addressed the

upcoming ASF national conference to be held in San Antonio in October, and indicated she would be attending.

Donor's Forum of South Florida

Ms. Borcheck presented the annual renewal advice for the McKnight Brain Research Foundation's membership in the Donor's Forum of South Florida. A motion was made and seconded not to renew this membership for the 2002-2003 fiscal year. Motion carried unanimously.

Action – Declined renewal of the MBRF's membership in the Donor's Forum of South Florida

The McKnight Foundation

Ms. Borcheck shared correspondence dated July 25, 2002 from Mr. Rip Rapson inviting the Trustees of the Evelyn F. McKnight Brain Research Foundation to join The McKnight Foundation Trustees for dinner on Tuesday November 5, 2002 in Orlando in connection with the McKnight Foundation sponsored conference on neuroscience. The Trustees agreed this would be a good opportunity to meet the McKnight Foundation Trustees, and share common interests. Therefore it was decided that the next quarterly meeting would be postponed to November 6, 2002, at SunTrust Bank offices in Orlando to coincide with the dinner meeting with The McKnight Foundation on November 5th. Ms. Borcheck was asked to accept the invitation, and confirm it with the Evelyn F. McKnight Brain Research Foundation Trustees as quickly as possible to allow for any schedule changes. In addition Ms. Borcheck was requested to determine if the neuroscience conference program is available in the event any of the trustees of the MBRF would be interested in attending.

Action – Accepted invitation from The McKnight Foundation for dinner on Tuesday November 5, 2002 in Orlando, and to postpone the fourth quarter meeting of the Evelyn F. McKnight Brain Research Foundation to November 6, 2002 in Orlando.

University Of Florida Gift Update

In a follow-up discussion of Dr. Luttge's presentation from the April 17, 2002 meeting, Ms. Borcheck has been asked to contact Dr. Luttge to determine the conclusion date of the next grant cycle. After confirming that date, Ms. Borcheck is to begin discussions with Dr. Luttge to determine the best time for Trustees of the Evelyn F. McKnight Brain Research Foundation to visit the Institute for an update on the various research projects as well as the search for the research scientist to occupy the Evelyn F. McKnight Professorship. In addition, Mr. Raattama was requested to remind Mr. Paul Robell, vice president for development and alumni affairs of the University of Florida (UF), of the necessity to send copies of all articles published by research scientists receiving research support from the McKnight gift.

Action: Determine an appropriate date for the trustees to meet in Gainesville with a visit to the Institute for an update on the various research activities on the alleviation of age related memory loss and to remind the UF of the requirement to provide copies of all publications resulting from the support of the MBRF.

Trusco Capital Management – Andy Muldoon

Mr. Muldoon attended the Trustee's meeting briefly to address correspondence sent to him by Ms. Borcheck on behalf of the Evelyn F. McKnight Brain Research Foundation concerning the performance of the STI Classic Mid-Cap fund. A copy of that letter is made a part of these minutes as Attachment #7. Mr. Muldoon thanked the Trustees for taking time to put their concerns into writing, and assured the Trustees that letters such as these are taken very seriously. He outlined several steps that are being taken to rectify issues with the funds, and specifically addressed the Foundation's recent move to Trusco for investment purposes. The trustees thanked Mr. Muldoon for his interest and effort in responding to the expressed concerns.

Action – The Trustees received Mr. Muldoon's report for information purposes only. Correspondence is Attachment #7

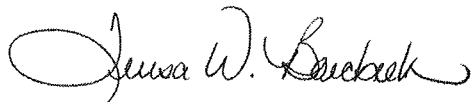
Next Meeting

The next meeting of the McKnight Brain Research Foundation Trustees will be held at the SunTrust Bank offices in Orlando, Florida on November 6, 2002.

Summary of Action Items

1. Action – Minutes from the April 16& 17, 2002 meeting were approved as corrected.
2. Action - The Trustees received the investment report for information and made no changes were made to the asset allocation. Attachment #1
3. Action – Reviewed 1st draft of revised Investment Policy and made recommendations for change in the definition of Alternative Investments, the portfolio guidelines and the model benchmarks. 2nd draft to be presented at the next meeting. Attachment #2
4. Action – Trustees received the completed brochure and agreed to delay distribution pending development of internal guidelines for handling grant requests. Attachment #3
5. Action – The Trustees reviewed the 5th draft of the University of Miami Agreement. Modifications were proposed to the paragraph on "Purpose" (page 1), the schedule and form of contribution (page 2), and the first paragraph of exhibit 10 (page 11), which Mr. Raattama will implement and then forward the 6th draft to the Trustees for review. 5th Draft is Attachment #4, along with propose language for page 1 and page 11.
6. Action – Trustees reviewed Mr. Raattama's January 10, 2002 correspondence regarding unrelated business income and reaffirmed the decision that the MBRF will not invest in off-shore holdings at this time. Letter is attachment #5
7. Action - Trustees approved replacing the Chubb D&O insurance policy with the Chicago Insurance Company/Fireman's Fund policy. Summary is Attachment #6.
8. Action – Declined renewal of the MBRF's membership in the Donor's Forum of South Florida.
9. Action – Accepted invitation from The McKnight Foundation for dinner on Tuesday November 5, 2002 in Orlando, and to postpone the fourth quarter meeting of the Evelyn F. McKnight Brain Research Foundation to November 6, 2002 in Orlando.
10. Action: Determine an appropriate date for the trustees to meet in Gainesville with a visit to the Institute for an update on the various research activities on the alleviation of age related memory loss and to remind the UF of the requirement to provide copies of all publications resulting from the support of the MBRF.
11. Action – The Trustees received Mr. Muldoon's report for information purposes only. Correspondence is Attachment #7

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



Teresa W. Borcheck
SunTrust Bank, Corporate Trustee