

**MCKNIGHT BRAIN RESEARCH FOUNDATION  
BOARD OF TRUSTEES MINUTES  
November 5<sup>th</sup> & 6<sup>th</sup> 2002**

**November 5, 2002, Dinner with the Board of Trustees of the McKnight Endowment Fund for Neuroscience**

The McKnight Brain Research Foundation trustees and Mr. Hank Raattama were guests of the Board of Trustees of the McKnight Endowment Fund for Neuroscience, who hosted a dinner on Tuesday November 5, 2002 at the Peabody Hotel in Orlando, Florida. Representatives in attendance from the Board of trustees of the McKnight Endowment Fund for Neuroscience were: Corey Goodman, Ph.D., President, Carla J. Shatz, Ph.D., Vice President, Samuel H. Barondes, M.D., Cynthia Boynton, Thomas M. Jessell, Ph.D., Eric Nestler, M.D., Ph.D., Rip Rapson, Larry Squire, Ph.D., Lubert Stryer, M.D., Torsten Wiesel, M.D., Huda Yahya Zoghbi, M.D. This social event provided the Trustees from both groups with an opportunity to share a brief summary of their respective Foundation's history, objectives and accomplishments. Mrs. Borcheck was requested to send a letter of thanks for hosting the dinner meeting to Mr. Rip Rapson, President of The McKnight Foundation on behalf of the MBRF Trustees and Mr. Raattama.

**Action – Mrs. Borcheck was requested to send a letter of thanks for hosting the dinner meeting to Mr. Rip Rapson, President of The McKnight Foundation on behalf of the MBRF Trustees and Mr. Raattama**

**November 6, 2002**

The quarterly trustee's meeting of the McKnight Brain Research Foundation was called to order at 9:00 a.m. November 6, 2002, in Orlando Florida at the office of SunTrust Bank and Trusco Capital Management.

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. Tom Ronchetti, SunTrust Bank Portfolio Manager  
Mr. Steve Noone, Trusco Capital Management  
Mr. Tim Nash, Trusco Capital Management

**Approval of Minutes**

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

**Action - Minutes from the October 16, 2002 conference call were approved, as corrected.**

## Investment Review – Steve Noone and Tom Ronchetti

Mr. Nash was unable to attend the morning portion of the meeting due to a prior commitment. He will join the Trustees for lunch to answer any questions.

Mr. Noone and Mr. Ronchetti presented the quarterly update on the investments in the Foundation's portfolio. Mr. Noone indicated that the Mid-Cap position in the portfolio was underweighted by .5%, and it is planned to rebalance the portfolio as appropriate. Mr. Noone commented on his letter of July 2002 that was sent to the Trustees and Mr. Raattama regarding the rate of turnover in the portfolio. Mr. Noone discussed some changes in the format of the presentation package. Additionally, the Trustees asked that the following be included in the Quarterly Investment Presentation and the monthly reports: Portfolio Characteristics, including growth orientation and value orientation as percentages of the portfolio; Mobius returns from inception; historical performance from inception; and portfolio benchmark analysis. The Trustees also reminded Mr. Noone and Mr. Ronchetti that the annual Soft Dollar report is due, and should be available at the first quarterly Board meeting of the Trustees, on an annual basis. Mr. Noone discussed the portfolio's holding of the 3M Corporation stock, and advised that unless the Trustees provided Trusco Capital Management with specific written direction to hold the stock, it would be liquidated if a sale recommendation was issued by Trusco's research analysts. The Trustees discussed the sentimental aspects of holding the stock vs. the fundamental investment analysis provided by Trusco, and advised Mr. Noone that Trusco Capital Management should proceed with the purchase or sale of the 3M Corporation according to financially prudent guidelines, and within the MBRF Investment Policy guidelines. A copy of the investment presentation and Mr. Noone's July 2002 letter are attached and made a part of these minutes as attachment #1. Mr. Ronchetti and Mr. Noone advised that the current asset allocation is appropriate, and that with the exception of the slight under-weighting in the Mid-Cap position, the investments are in line with the Foundation's investment guidelines. Mr. Ronchetti and Mr. Noone advised the Trustees that they were making no recommendations for change at this time.

**Action - The Trustees received the investment report for information and clarified additional supporting documentation to be included in Monthly and Quarterly reports. The Trustees also confirmed Trusco's discretion, according to financially prudent guidelines, the purchase or sale of the 3M Corporation stock. No changes were recommended to the asset allocation. Attachment #1 includes Mr. Noone's July 2002 letter.**

### Monthly Reporting Due Dates

Prior to this meeting, Mr. Nash advised the Trustees that in order to provide accurate and timely performance information monthly, he would need to postpone sending the Trustees monthly investment letter to the 15<sup>th</sup> business day of the month. This report will be forwarded by standard mail service to all Trustees, with additional e-mail delivery to Dr. Michael Dockery. Mr. Raattama asked for e-mail delivery only. After discussion of this request with Mr. Noone and Mr. Ronchetti, a motion was made and seconded to approve the new delivery date. Motion carried unanimously.

**Action – Trustees approved the distribution date for the monthly portfolio management report from Trusco Capital Management to be no later than the 15<sup>th</sup> business day of each month**

### Investment Policy

Mr. Noone, Mr. Ronchetti and Mr. Raattama presented the revisions to the model benchmarks for the MBRF Investment Policy. Mr. Noone summarized the construction of the S&P (Standard & Poor's) 500 Index, the criteria necessary for a company to be included in the Index, and the Index's relationship to the broad market. Mr. Noone and Mr. Raattama advised the Trustees that this Index is the industry standard, and is used as the predominant benchmark for institutional investors. A motion was made and seconded to adopt the S&P (Standard and Poor's) 500 Index as the benchmark for the MBRF Investment Policy, and to approve the revised Investment Policy with this final change, which will be incorporated into the Investment Policy document by Mr. Raattama and forwarded to the Trustees, and Trusco Capital Management. The motion was approved unanimously. Additionally, Mr. Raattama and Mr. Noone were asked to prepare a memo outlining the specific details addressed in their presentation justifying the recommended change. A copy of the approved Investment Policy is attached and made a part of these minutes as attachment #2

**Action – Trustees approved the adoption of the S&P (Standard & Poor’s) 500 Index for the MBRF Investment Policy, and to approve the revised Investment Policy with this change. Additionally Mr. Noone and Mr. Raattama were asked to summarize the justification for the change in a memorandum to the Trustees and the Foundation files. Attachment #2**

#### **University of Miami Gift Presentation Program**

Mr. Raattama presented a preliminary proposal for the ceremony on April 23 & 24, 2003 for the gift presentation at the University of Miami. Several changes were suggested, and will be relayed to the University by Mr. Raattama. Mr. Raattama also advised that although Dr. Clarkson had approved the Gift Agreement. The Senior Vice President and Treasurer for the University, Diane Cook, has asked the MBRF to agree to a change to the spending rate provision of the agreement. This change would provide an alternative should the National Association of College and University Business Officers ("NACUBO") not publish spending rate information, then the spending rate information most similar to the spending rate information published by NACUBO as of the date of this Agreement would be acceptable. A motion was made and seconded to approve the change to the spending policy of the Gift Agreement to the University of Miami. The motion was approved unanimously. A copy of the Gift Agreement with the noted change is attached and made a part of these minutes as attachment #3

**Action – Reviewed a preliminary proposal for a Ceremony for the Presentation of the Gift to the University of Miami on April 23 & 24, 2003, and approved a change to the Gift Agreement provision regarding Spending Policy. Attachment #3**

#### **Directors & Officers (D&O) Insurance**

Mrs. Borcheck advised that the new D&O Policy from Chicago Insurance Company/Fireman’s Fund had been received. Mr. Raattama advised that correspondence had been sent to Chubb to cancel the previous policy and a refund of unused premium was requested.

**Action – New D&O Insurance is in place and old policy with Chubb has been canceled and a refund of the unused premium requested.**

#### **SunTrust Endowment & Foundation Group and Trusco Capital Management Organizational Charts**

Mrs. Borcheck provided updated organizational charts for SunTrust’s Private Client Services Senior Management, the Endowment & Foundation Group, and Trusco Capital Management. Mr. Nash advised they were working on a consolidated organizational chart is being developed that would show the relationship of all three management groups which will be provided to the Trustees when it is complete.

**Action – Reviewed SunTrust’s Private Client Services Senior Management, the Endowment & Foundation Group, and Trusco Capital Management’s organizational charts. A consolidated chart showing the relationship between all three groups is under development and will be provided to the Trustees upon completion.**

#### **Domain Name/Registration – Web site**

Dr. Lee Dockery reported that additional contact had not made with the person in California to develop a home page because the MBRF is not actively seeking proposals at this time and have not been distributing the brochures for the same reason. Mrs. Borcheck had initial costs of developing a website through the Association of Small Foundations (ASF) however; she is also going to check on what might be available through SunTrust, which is in the process of exploring the development of a master website for use by SunTrust’s Foundation clients.

#### **Trademark Registration for the Evelyn F. McKnight Brain Research Foundation**

Mrs. Borcheck advised that she had spoken with Nidia Perez of Akerman Senterfitt in Miami regarding the registration application. Mrs. Borcheck advised Ms. Perez that the Foundation has not begun using the name in

any type of publication, and therefore is unable to provide her with the necessary documentation to complete the application process. Ms. Perez advised Mrs. Borcheck that we could continue to extend the Foundation's application for \$150 per extension for an indefinite period of time. The Trustees agreed this was the best approach to handling the application at this time. Mrs. Borcheck will advise Ms. Perez accordingly.

**Action – Mrs. Borcheck updated the Trustees regarding the status of the Foundation's pending application to register the trademark for the Evelyn F. McKnight Brain Research Foundation.**

#### **Association of Small Foundations (ASF)**

Mrs. Borcheck advised the Trustees that the annual membership renewal for ASF is due by December 31, 2002. If the renewal is paid prior to 1/1/03, the cost is \$300; if paid after 1/1/03 the cost is \$400. A motion was made and seconded to approve the MBRF annual membership renewal with ASF, and payment to be made by the Corporate Trustee prior to 1/1/03 for \$300. The motion was approved unanimously.

**Action – Approved annual membership renewal fee of \$300 for the MBRF membership in the ASF, to be paid by the Corporate Trustee prior to 1/1/2003.**

#### **Confirm date, time and location of next quarterly meeting** **At the Evelyn F. & William L. McKnight Brain Institute of the University Of Florida**

The next meeting of the McKnight Brain Research Foundation Trustees is scheduled for February 21 & 22, 2003, at the Evelyn F. & William L. McKnight Brain Institute of the University of Florida. This meeting will include a site visit and presentation of a status report by Dr. William G. Luttge, the Director of the institute and by the Institute's Research Scientists who have been funded by the MBRF research support. In addition the trustees desire to receive a report from Mr. Paul Robell, Vice President for Development and Alumni Affairs for the University of Florida (U of F) on the management of the funds in the U of F Foundation and the status of the matching funds for the McKnight gift.

**Action - Confirmed the next meeting of the Trustees of the MBRF will be at the Evelyn F. and William F. McKnight Brain Institute of the University of Florida, February 21 and 22, 2003.**

#### **Personal Note Stationery**

The need for personal note stationery with the MBRF letterhead has been discussed previously, but printing has been delayed because of the potential cost versus the volume of use by each of the trustees. Ms Borcheck offered to investigate the possibility of SunTrust printing a limited supply of personal note stationery for the MBRF trustees.

**Action: Ms Borcheck will investigate the possibility of SunTrust printing a limited supply of personal note stationery for the MBRF trustees.**

#### **Summary of Action Items:**

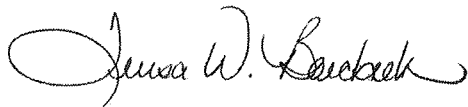
- 1. Action – Mrs. Borcheck was requested to send a letter of thanks for hosting the dinner meeting to Mr. Rip Rapson, President of The McKnight Foundation on behalf of the MBRF Trustees and Mr. Raattama.**
- 2. Action - Minutes from the October 16, 2002 conference call were approved, as corrected.**
- 3. Action - The Trustees received the investment report for information and clarified additional supporting documentation to be included in Monthly and Quarterly reports. The Trustees also confirmed Trusco's discretion, according to financially prudent guidelines, the purchase or sale of the 3M Corporation stock. No changes were recommended to the asset allocation. Attachment #1 includes Mr. Noone's July 2002 letter.**
- 4. Action – Reviewed a preliminary proposal for a Ceremony for the Presentation of the Gift to the University of Miami on April 23 & 24, 2003, and approved a change to the Gift Agreement**

**provision regarding Spending Policy. Attachment #3**

- 5. Action – New D&O Insurance is in place and old policy with Chubb has been canceled and a refund of the unused premium requested.**
- 6. Action – Reviewed SunTrust's Private Client Services Senior Management, the Endowment & Foundation Group, and Trusco Capital Management's organizational charts. A consolidated chart showing the relationship between all three groups is under development and will be provided to the Trustees upon completion.**
- 7. Action – Mrs. Borcheck updated the Trustees regarding the status of the Foundation's pending application to register the trademark for the Evelyn F. McKnight Brain Research Foundation.**
- 8. Action – Approved annual membership renewal fee of \$300 for the MBRF membership in the ASF, to be paid by the Corporate Trustee prior to 1/1/2003.**
- 9. Action: Confirmed the next meeting of the Trustees of the MBRF will be at the Evelyn F. and William F. McKnight Brain Institute of the University of Florida, February 21 and 22, 2003.**
- 10. Action: Ms Borcheck will investigate the possibility of SunTrust printing a limited supply of personal note stationery for the MBRF trustees.**

There being no further business, the meeting was adjourned at 3:30 p.m.

Respectfully Submitted,



Teresa W. Borcheck  
SunTrust Bank, Corporate Trustee