

**MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MINUTES
April 22 & 23, 2003**

April 22, 2003

The McKnight Brain Research Foundation (MBRF) Trustees and Mr. Raattama were guests of Dr. John Clarkson, Senior Vice President and Dean, University of Miami School of Medicine, at a reception and dinner from 6:30-9:30 at the Coral Reef Yacht Club, Miami Florida. Others present were Mrs. Linda Raattama, Dr. Hillard Halpryn, Mrs. John Clarkson, Drs. James and Priscilla Potter, Dr. & Mrs. Dalton Dietrich, Dr. Walter Bradley and Jeanne Baker, Dr. & Mrs. Carl Eisdorfer, Victoria Myers, Sergio Gonzalez and Debra Durant.

Action – The MBRF Trustees asked Mrs. Borcheck to send a letter of thanks on behalf of the MBRF Trustees to Dr. Clarkson and Victoria Myers for the invitation and the enjoyable evening.

April 23, 2003

University of Miami Gift Announcement

8:30-9:45 The Trustees and Mr. Raattama attended a meeting hosted by Dr. John Clarkson at the University of Miami/Sylvester Comprehensive Cancer Center, Miami Florida in advance of the press conference scheduled later in the morning to announce the \$5,000,000 gift to establish the Evelyn F. McKnight Center for Age-Related Memory Loss. Dr. Clarkson gave a brief overview of the University Of Miami School Of Medicine and its 50-year history. W. Dalton Dietrich, Ph.D., Scientific Director, Miami Project to Cure Paralysis presented a summary of the activities at the University of Miami Neuroscience Institute. Dr. James D. Potter, Chairman, Department of Molecular and Cellular Pharmacology, and Chair of the Evelyn F. McKnight Center Search Committee, updated the MBRF Trustees on the approach the committee will follow to recruit a Director for the Center.

10:00 Dr. Donna Shalala, President, University of Miami, made the official announcement of the MBRF gift to the University to the local press. Dr. W. Dalton Dietrich, Dr. Walter Bradley and Dr. Carl Eisdorfer provided brief summaries of the plans for the Center and its mission for the press and guests who were attendance. The press release is attached to and made apart of these minutes as attachment #1

Action – Trustees and the leadership of the University of Miami made the formal announcement of the \$5,000,00 gift to the University of Miami School of Medicine to establish the Evelyn F. McKnight Center for Age Related Memory Loss. Mrs. Borcheck was asked to send letters of thanks to Dr. Shalala, and Dr. Clarkson on behalf of the MBRF Trustees for hosting the activities related to the announcement of the gift.

The morning activities were concluded at 11:15 – Trustees reconvened at Mr. Raattama’s office at One SE 3rd Avenue, 28th Floor, Miami Florida, for the quarterly trustees meeting.

The following were present:

Dr. J. Lee Dockery, Trustee
Dr. Michael Dockery, Trustee
Dr. Nina Ellenbogen Raim, Trustee
Mrs. Teresa Borcheck, SunTrust Bank Endowment & Foundation Services Group

Others Attending:

Mr. Steve Noone, Trusco Capital Management
Mr. Tim Nash, Trusco Capital Management
Mr. Henry Raattama, Legal Counsel

The meeting resumed at 12:30 p.m. following lunch.

New Business

Approval of Minutes

The minutes of the February 21 & 22, 2003 Trustees meeting of the McKnight Brain Research Foundation were reviewed. A motion was made to accept the minutes of February 21 & 22, 2003 with the noted corrections. The motion was seconded and approved unanimously.

Action – Minutes from February 21 & 22, 2003 Trustee’s meeting were approved, as corrected.

Investment Review – Steve Noone and Tim Nash

Mr. Noone and Mr. Nash provided the quarterly update for quarter ending March 31, 2003 on the investments in the Foundation’s portfolio, along with an activity summary and performance comparisons.

Action - The Trustees received the investment report. Mr. Noone and Mr. Nash confirmed the asset allocation is appropriate, and recommended no changes at this time. The report is attachment #2.

Mr. Nash and Mr. Noone reviewed the Core Equity stock selection process used by Trusco Capital Management and discussed the comparison to the process used by the previous SunTrust Personal Trust Investment Managers, Tom Ronchetti and Phil Morrissey. Mr. Nash presented a memorandum dated April 23, 2003, (attachment #3), outlining new language for the MBRF Investment Policy, Appendix C,(attachment #4) which more accurately describes the Core Equity process. The Trustees reviewed the new suggested language and Appendix C, and approved the

changes to the MBRF Investment Policy. Mrs. Borcheck and Mr. Nash will make the necessary changes in Appendix, C and forward to the Trustees for approval.

Action: Changes to the MBRF Investment Policy, Appendix C, were recommended and approved. Mr. Nash and Mrs. Borcheck were asked to make the necessary changes in Appendix, C and forward to the Trustees for approval.

MRRF Monthly Investment Report Format

Mr. Nash discussed the monthly report Trusco Capital Management provides to the MBRF Trustees, and inquired if the most recent changes had encompassed the additional information the Trustees were asking to see. The Trustees indicated the information sufficiently addressed all areas with two exceptions. They asked Mr. Nash to add two columns to the Portfolio Holdings page. The first column would carry the itemized cost per unit of security held, and the second column would provide the previous month's market value for the asset. Mr. Nash advised that both columns could be added, and would be available for the May 15, 2003 update

Action – The Trustees clarified the specific information to be covered in the monthly reports.

Alternative Investments

Mr. Nash reviewed the Lighthouse Opportunity Fund: Distressed, LP. He advised that this fund is comprised of multiple types of investment approaches including Long & Short, Capital Structure Arbitrage and High Yield Trading. He discussed how the use of these strategies can enhance returns to the portfolio, however they create substantially more risk, and would not suggest this as an investment vehicle for the MBRF. The Trustees thanked Mr. Nash for researching this alternative investment on their behalf, and agreed that it was not an appropriate investment vehicle for the portfolio at this time.

Action: The trustee received the report from Mr. Nash concerning the Lighthouse Opportunity Fund: Distressed, LP and approved the recommendation that it not be added to the MBRF portfolio.

Old Business

Individual Trustee's Approximate Time Commitment

Mrs. Borcheck asked for clarification regarding the approximate number of hours each Trustee has spent, or anticipates spending on issues relating to the MBRF. These figures will be needed to complete the 2002-2003 IRS Form 990PF. According to past experience, Mrs. Borcheck was advised by the Trustees that each Trustee anticipated spending an average of 8 hours per week on Foundation business.

Action – Confirmed by past experience individual Trustees agreed upon an average of 8 hours a week as an appropriate approximation for time spent on Foundation business.

The University of Alabama (UAB) School of Medicine Site Visit

Mrs. Borcheck updated the Trustees and Mr. Raattama on the preparation for the Trustees site visit to the UAB, School of Medicine. The two-day visit will be held on May 20 & 21, 2003, and will include dinner with the University's President, Dr. Friedlander and others from his staff on the 20th. There will be presentations by the scientific researchers on the 21st, to conclude with lunch and adjournment by 1:00 p.m.

KPMG Tax Preparation

Mrs. Borcheck advised the Trustees that SunTrust Banks had dissolved the majority of their in-house tax preparation services, and has outsourced their tax preparation to KPMG. Mrs. Borcheck discussed preparation of the return with KPMG, and was advised that the maximum charge for preparation of the MBRF 990PF would be \$1,200. The Trustees asked that Mrs. Borcheck request a written quote from KPMG confirming a maximum of \$1,200.

Action – Trustees agreed to engage KPMG through the SunTrust contract, to prepare the MBRF 990PF. Mrs. Borcheck was requested to obtain a written quote and confirmation of \$1200 maximum cost from KPMG.

Trademark Registration for the Evelyn F. McKnight Brain Research Foundation

Mrs. Borcheck shared correspondence dated March 11, 2003 from Nidia Perez of Akerman Senterfitt. A copy of that letter is attached to and made a part of these minutes, (Attachment #5). Ms. Perez has advised that the Trademark Registration Application for Mark: McKnight Brain Research Foundation has been initially denied. Ms. Perez has advised this is not unusual, and feels that the MBRF can make the appropriate arguments to reverse the examiners initial decision. The Trustees asked Mrs. Borcheck to authorize Ms. Perez to submit arguments and evidence to the trademark office to try to overcome the initial refusal to register the mark.

Action – Trustees authorized Ms. Perez of Akerman Senterfitt to take the necessary action to overcome the initial rejection of the Application to Register the Mark: McKnight Brain Research Foundation.

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

The Trustees discussed the research presentation that was hosted by Dr. William Luttge, Executive Director at the Evelyn F. and William L. McKnight Brain Institute of the University of Florida on February 22, 2003. The Trustees discussed the communication between the researchers who presented and shared comments they received from the researchers that this

was a value-added benefit of the visit. Mrs. Borcheck was asked to contact Dr. Luttge to begin making plans to hold a similar function next year, and encourage Dr. Luttge to extend invitations to other scientists on the University campus. Also, Dr. Luttge will be invited to attend the MBRF Trustees meeting in July 2003 to provide a mid-year update on the current grant cycle and the search for the research scientist to occupy the Evelyn F. McKnight Chair for Brain Research in Memory Loss. Mrs. Borcheck was also asked to contact Paul Robell, Vice President of Development and Alumni Affairs, University of Florida Foundation, to obtain periodic updates on the remaining balance on the matching grant from the State of Florida.

Action – Trustees asked Mrs. Borcheck to contact Dr. Luttge to begin planning next year’s on-site update, and to invite him to present a status report at the July 2003 MBRF Trustee’s meeting in Orlando.

Summary of Action Items

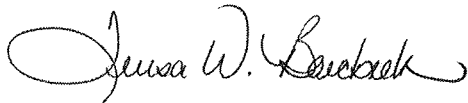
- 1. Action – The MBRF Trustees asked Mrs. Borcheck to send a letter of thanks on behalf of the MBRF Trustees to Dr. Clarkson and Victoria Myers for the invitation and the enjoyable evening.**
- 2. Action – Trustees and the leadership of the University of Miami made the formal announcement of the \$5,000,00 gift to the University of Miami School of Medicine to establish the Evelyn F. McKnight Center for Age Related Memory Loss. Mrs. Borcheck was asked to send letters of thanks to Dr. Shalala, and Dr. Clarkson on behalf of the MBRF Trustees for hosting the activities related to the announcement of the gift.**
- 3. Action – Minutes from February 21 & 22, 2003 Trustee’s meeting were approved, as corrected.**
- 4. Action - The Trustees received the investment report. Mr. Noone and Mr. Nash confirmed the asset allocation is appropriate, and recommended no changes at this time. The report is attachment #2.**
- 5. Action: Changes to the MBRF Investment Policy, Appendix C, were recommended and approved. Mr. Nash and Mrs. Borcheck were asked to make the necessary changes in Appendix, C and forward to the Trustees for approval.**
- 6. Action – The Trustees clarified the specific information to be covered in the monthly reports.**
- 7. Action: The trustee received the report from Mr. Nash concerning the Lighthouse Opportunity Fund: Distressed, LP and approved the recommendation that it not be added to the MBRF portfolio.**
- 8. Action – Confirmed by past experience individual Trustees agreed upon an average of 8 hours a week as an appropriate approximation for time spent on Foundation business.**
- 9. Action – Trustees agreed to engage KPMG through the SunTrust contract, to prepare the MBRF 990PF. Mrs. Borcheck was requested to obtain a written quote and confirmation of \$1200 maximum cost from KPMG.**

- 10. Action – Trustees authorized Ms. Perez of Akerman Senterfitt to take the necessary action to overcome the initial rejection of the Application to Register the Mark: McKnight Brain Research Foundation.**
- 11. Action – Trustees asked Mrs. Borcheck to contact Dr. Luttge to begin planning next year's on-site update, and to invite him to present a status report at the July 2003 MBRF Trustee's meeting in Orlando.**

Time and Place for Next Meeting

The next quarterly meeting of the MBRF will be held in Orlando Florida at the offices of Trusco Capital Management on Wednesday July 16, 2003. There being no further business, the meeting was adjourned at 4:00 p.m.

Respectfully submitted,



Teresa W. Borcheck
SunTrust Bank, Corporate Trustee