

**MCKNIGHT BRAIN RESEARCH FOUNDATION  
BOARD OF TRUSTEES MINUTES  
February 21 & 22, 2003**

**February 21, 2003**

The quarterly trustee's meeting was called to order at 12:30 p.m. at the Evelyn F. & William L. McKnight Brain Institute of the University of Florida, 100 S Newell Drive, Gainesville, 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  
Mrs. Teresa Borcheck, SunTrust Bank Endowment & Foundation Services Group

Others Attending:

Mr. John Floyd, Sr. Vice President, SunTrust Endowment & Foundation Services Group  
Mr. Steve Noone, Trusco Capital Management  
Mr. Tim Nash, Trusco Capital Management  
Mr. Paul Robell, Vice President of Development and Alumni Affairs, University  
of Florida Foundation  
Ms. Leslie Bram, Assistant Vice President for Advancement and Alumni Affairs, University  
of Florida Foundation

**New Business**

**University of Florida Foundation Review of McKnight Brain Research Foundation (MBRF) Donation – Paul Robell & Leslie Bram**

Mr. Robell, and Ms. Bram presented a report to the MBRF Trustee's on the amount of money received from the State of Florida to match the gift from the MBRF, the University of Florida College of Medicine funding in lieu of State Match income, and the Evelyn F. McKnight Chair for Brain Research in Memory Loss. Mr. Robell advised the MBRF Trustees that the University of Florida Foundation has received over \$10 million dollars in State match and anticipates an additional \$2,000,000 from the State of Florida matching program in the near future. He indicated that the reduction in the State of Florida budget has, and will continue to have an impact on the match, however the MBRF grant to the University of Florida is number one on the State's match list, and has continued to receive funding as it has become available. Mr. Robell also advised that the University of Florida College of Medicine has met their commitment to the MBRF to date, and every dollar that is received from the state immediately funds to the MBRF account, and reduces the College of Medicine's obligation. Information was also received on the University of Florida Foundation, Inc. Endowment Asset Allocation as of December 31, 2002.

**Action – The Trustee's received, for information, a report from the University of Florida Foundation, presented by Paul Robell and Leslie Bram on the status of the State of Florida match of the gift from the MBRF and information on the Endowment Asset Allocation of the University of Florida Foundation, Inc. Their presentation is attachment #1**

**John Floyd, Sr. Vice President SunTrust Endowment & Foundation Services Group**

Mrs. Borcheck introduced John Floyd, Sr. Vice President and Manager for SunTrust's Endowment & Foundation Services Group. Mr. Floyd briefly shared his background, and the role he plays in the E & F Line of Service for

SunTrust. He then reviewed the recent management changes in Florida's E&F unit that resulted in Ms. Judith Sanborn's departure from the Endowment and Foundation (E & F) Services Group. Mr. Floyd advised that economic and organizational issues facilitated the change, and that Mrs. Borcheck had been promoted to Team Leader for the E & F Services Group for Florida. The Trustees thanked Mr. Floyd for being present at the meeting, and for sharing the details associated with this change

### **Approval of Minutes**

The minutes of the November 5 & 6, 2002 Trustees meeting of the McKnight Brain Research Foundation were reviewed. After corrections were made, a motion was made to accept the minutes of November 5 & 6, 2002 with the noted corrections. The motion was seconded and approved unanimously.

**Action – Minutes from November 5 & 6, 2002 Trustee's meeting were approved, as corrected.**

### **Investment Review – Steve Noone and Tim Nash**

Mr. Noone and Mr. Nash presented the quarterly update on the investments in the Foundation's portfolio. Mr. Noone was asked to describe the Trusco asset selection process, and the degree of flexibility he has in the choice of stocks held in the portfolio. Mr. Noone described Trusco's "bottom's up" approach to stock selection to create an approved list of typically 70 holdings. He also advised that within this approved list of holdings, he has the ability to select specific issues for the MBRF portfolio provided the portfolio meets specific guidelines for position size and sector weighting. The Trustees asked Mr. Noone to provide them with the percentage balance between growth and value stocks within the MBRF portfolio. Mr. Noone will forward this information by e-mail when he gets back to his office on Monday. Mr. Noone and Mr. Nash discussed the monthly report they provide 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 the overall market however it did not specifically address how the market changes affected the MBRF portfolio. Mr. Nash was asked to add commentary to his monthly report that targeted specific market actions to stock positions held in the MBRF portfolio. Mr. Noone and Mr. Nash confirmed the asset allocation is appropriate, and recommended no changes at this time. Based on review and the Investment Manager's recommendation the Trustee made no changes to the asset allocation and investment policy at this time.

**Action - The Trustees received the investment report for information and clarified the specific information to be covered in the Monthly reports. No changes were recommended to the asset allocation at this time. The report is attachment #2.**

### **Soft Dollar Report – Tim Nash**

Mr. Nash reviewed the 2002 soft dollar report, a copy of which is attached. He briefly described how Trusco receives credit for the soft dollars, and how it applies these soft dollar "credits" to products and services used in the day-to-day operations of the Company.

**Action - The Trustees also received the annual soft dollar report for information. The report is attachment #3.**

### **Individual Trustee Compensation and IRS Form 990 PF for tax year 6/30/2002**

The trustees reviewed the IRS Form 990 PF that was filed for the McKnight Brain Research Foundation for fiscal/tax year ended June 30, 2002. The Trustees also reviewed the current Trustees fees being paid to the individual Trustees. Current annual compensation that has been in effect since 01/01/00 is as follows: Dr. J. Lee Dockery, \$25,000; Dr. Nina Ellenbogen Raim, \$25,000; Dr. Michael Dockery, \$35,000.

The Trustees reviewed in detail the substantive nature of Trustee work during the first 3 years of Foundation operations. The review included a discussion of both the medical and research issues involved in review of grant requests and the unique monitoring requirements of a scientific research foundation in the use of research grants

awards from the MBRF. In addition the amount of time devoted to the management of other affairs of the Foundation was discussed in detail.

After extensive discussion a motion was made and seconded that the annual individual trustee compensation be increased effective 1/1/03, as follows: Dr. J. Lee Dockery, \$40,000; Dr. Nina Ellenbogen Raim, \$40,000; Dr. Michael Dockery, \$50,000.

The difference in the level of compensation is based on the fact that Dr. Michael Dockery is in the active practice of orthopedic surgery and incurs significantly more travel time on Foundation business.

These changes would be reflected on the first quarterly payment to be made on 3/31/03. The Motion was approved unanimously. The Trustees agreed to continue to annually review the amount of time Trustees devote to Foundation matters and the substantive nature of Trustee work and to make adjustments if appropriate.

The trustees also reviewed the compensation for legal counsel and agreed the fees were commensurate with the services provided based on the hourly fee structure and the work products produced. The management fees were reviewed and were thought to be consistent with the agreed upon management fee schedule.

**Action – Individual Trustee annual compensation was reviewed, and was increased effective 1/1/03 as follows: Dr. J. Lee Dockery \$40,000 Dr. Nina Ellenbogen Raim \$40,000 Dr. Michael Dockery \$50,000.**

### **The University of Alabama School of Medicine Grant Request**

Mrs. Borcheck presented the preliminary grant request from Dr. Michael J. Friedlander, Ph.D. Professor and Chairman, Department of Neurobiology, The University of Alabama School of Medicine. The Trustees reviewed the request and agreed to accept the University's invitation to visit the campus to learn more about the new learning and memory initiative relevant to research in age related memory loss the University is developing. Mrs. Borcheck was asked to coordinate this meeting with Dr. Friedlander and the MBRF Trustees at a time that would be mutually convenient for all. It was suggested that a visit prior to the April MBRF quarterly meeting would be preferable, if possible.

**Action – The University of Alabama's School of Medicine preliminary grant request was reviewed, and the MBRF Trustees agreed to accept the University's invitation to visit the campus. The grant proposal is attached and made a part of these minutes as Attachment #4.**

### **Old Business**

#### **University of Miami Gift Presentation April 22 & 23, 2003**

The proposed agenda for the April 22 & 23 quarterly meeting to be held in Miami was reviewed. It was determined that the first agenda item on April 23, " 8:30 a.m. Closed meeting of the Board" could be eliminated, and the event would begin with the Press Conference as indicated on the agenda. Upon completion of the 10:30-12:00 " Social Gathering" the Trustees will reassemble at 12:00 for the Quarterly Trustees meeting and lunch in the conference room at SunTrust's Brickell Avenue office. Mr. Raattama was asked to work with The University of Miami on a draft of the press release that will be issued announcing the grant from the MBRF. Once a draft has been completed Mr. Raattama will forward it to the Trustees for review prior to the meeting on April 22, 2003. **A copy of the proposed agenda is attached as Attachment #5.**

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

Mrs. Borcheck gave a brief update on the status of the trademark registration for The Evelyn F. McKnight Brain Research Foundation. Mrs. Borcheck was asked to re-visit the issue with Attorney, Nidia Perez to determine if there were any actions, other than public use of the name, that would provide the necessary documentation for registration purposes.

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

Mr. Raattama advised that the former D&O policy had been canceled, and a refund of the unused premium was being processed.

There being no further business to attend to, the meeting was adjourned at 5:00.

### **University of Florida Foundation Trustees Reception**

The MBRF Trustees, Mr. Raattama, Mr. Nash and Mr. Floyd were guests at a reception from 5:30 to 7:00 P. M. at the University of Florida Hotel and Conference center hosted by University of Florida Foundation Trustees, who were gathered in Gainesville for their Board meeting.

**Action - The MBRF Trustees asked Mrs. Borcheck to send a letter of thanks on behalf of the MBRF Trustees to Mr. Paul Robell and Ms. Jancy Houck for the invitation.**

**February 22, 2003**

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

The MBRF trustees and legal counsel convened at 8:30 A. M. for a continental breakfast at the Evelyn F. and William L. McKnight Brain institute of the University of Florida with members of the faculty and previous research grant award recipients followed by presentations by nine research scientists who have been funded by the Evelyn F. McKnight Brain Research Foundation Grant to the University. Dr. William Luttge, Executive Director at the Evelyn F. and William L. McKnight Brain Institute of the University of Florida hosted the MBRF Trustees for presentations and moderated the scientific sessions.

The meeting adjourned at 1:00 P.M. following lunch with the faculty and research grant award recipients who suggested that the trustees of the MBRF consider visiting the Brain Institute at least annually to witness the benefit and success of the research support in the area of age related memory loss by the MBRF. A copy of the presentations is attached and made a part of these minutes as Attachment #5.

**Action: Ms. Borcheck was requested to send letters of thanks to Dr. Luttge and his staff for the excellent meeting arrangements and scientific program.**

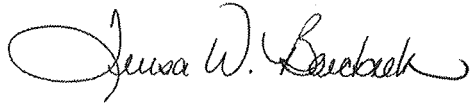
### **Summary of Action Items**

- 1. Action – The Trustee’s received, for information, a report from the University of Florida Foundation, presented by Paul Robell and Leslie Bram on the status of the State of Florida match of the gift from the MBRF and information on the Endowment Asset Allocation of the University of Florida Foundation, Inc. Their presentation is attachment #1**
- 2. Action – Minutes from November 5 & 6, 2002 Trustee’s meeting were approved, as corrected.**
- 3. Action - The Trustees received the investment report for information and clarified the specific information to be covered in the Monthly reports. No changes were recommended to the asset allocation at this time. The report is attachment #2.**
- 4. Action - The Trustees also received the annual soft dollar report for information. The report is Attachment #3.**
- 5. Action – Individual Trustee annual compensation was reviewed, and was increased effective 1/1/03 as follows: Dr. J. Lee Dockery \$40,000 Dr. Nina Ellenbogen Raim \$40,000 Dr. Michael Dockery \$50,000**

6. **Action – The University of Alabama’s School of Medicine preliminary grant request was reviewed, and the MBRF Trustees agreed to accept the University’s invitation to visit the campus. The grant proposal is attached and made a part of these minutes as Attachment #4.**
7. **Action - The MBRF Trustees asked Mrs. Borcheck to send a letter of thanks on behalf of the MBRF Trustees to Mr. Paul Robell and Ms. Jancy Houck for the invitation.**
8. **Action: Ms. Borcheck was requested to send letters of thanks to Dr. Luttge and his staff for the excellent meeting arrangements and scientific program.**

There being no further business, the meeting was adjourned.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Teresa W. Borcheck".

Teresa W. Borcheck  
SunTrust Bank, Corporate Trustee