

**MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUTEES MINUTES
October 15, 2003**

The quarterly trustee's meeting was called to order at 8:00 a.m. in Orlando Florida at the offices of Trusco Capital Management.

The following members were present:

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

Others Attending:

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

1. Approval of Minutes

The minutes of the July 16, 2003 Trustees meeting of the McKnight Brain Research Foundation were reviewed. After several corrections were made, the wording of the section on "Trademark Registration for the Evelyn F. McKnight Brain Research Foundation and the McKnight Brain Research Foundation" was thought to be identical to the minutes of the discussion of the section, "Trademark Registration for the Evelyn F. McKnight Brain Research Foundation" at the April 22-23, 2003 meeting. It was also noted the final copy of the April 22-23, 2003 minutes, which were approved at the July 16, 2003 meeting did not contain the numbers of the attachments. Ms. Borcheck will resolve these discrepancies and present the corrected copies of the July 16, 2003 minutes for approval at the next meeting of the trustees.

Action – Approval of the Minutes from July 16, 2003 Trustee's meeting was deferred until the next meeting of the trustees pending resolution of the accuracy of the discussion involving the Trademark issues.

2. Investment Review – Mr. Noone and Mr. Nash

Mr. Noone and Mr. Nash presented the quarterly update for quarter ending September 30, 2003 on the investments in the Foundation's portfolio. Attachment #1. The presentation packages omitted the STI Classic International Equity Index Fund performance, and the peer group analysis. Mr. Nash will forward these to the Trustees as soon as they are updated for September 30, 2003. Mr. Nash acknowledged the copy of the Investment Policy provided in the presentation package did not reflect recent changes adopted by the board. Mr. Nash will complete the memorandum outlining the changes discussed at the May 2003 Trustees meeting and forward it to Mr. Raattama for review. Mr. Nash presented the Asset Allocation and Efficient Frontier Analysis. Attachment #2. Mr. Nash advised that prior efficient frontier analyses provided to the foundation included NAREIT-Equity as one of the components; however, he did not feel it was appropriate based on the investment objective of the foundation. The Trustees asked Mr. Nash to eliminate the NAREIT-Equity component from the analysis and re-run the report. The Trustees asked Mr. Nash to participate in a conference call approximately three weeks from October 16, 2003 to present the revised efficient frontier analysis with the proposed changes. 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**
- A. The Trustees received the investment report for information.**
 - B. No changes were recommended to the asset allocation at this time.**
 - C. Trustees reviewed the Asset Allocation and Efficient Frontier (EF) analysis and requested a revised analysis be performed omitting the NAREIT Equity Component. The revised analysis of the EF will be presented and discussed at a conference call with the trustees within three weeks.**
 - D. Mr. Nash will correct the investment Policy to reflect the recent changes adopted by the trustees and will compose a memorandum explaining the changes and forward to Mr. Raattama for review.**

3. SunTrust/Trusco Organizational Chart– Mr.Nash

Mr. Nash presented an organizational chart that outlined the relationship between SunTrust, its Endowment & Foundation Services Division and Trusco Capital Management. Attachment #3. The Trustees asked Mr. Nash to attempt a larger version of the spreadsheet and asked that he add individuals names under the various titles/positions represented.

Action - The Trustees received the consolidated SunTrust/Trusco organizational chart for information. Mr. Nash will revise the organizational chart to include larger print and names of individuals in the various positions represented.

4. Trustee Compensation Article

The trustees reviewed the article, "Foundation Trustee Fees: Use and Abuse" by Christine Ahn, Pablo Eisenberg and Channapha Khamvongsa dated September 2003, published by the Center for Public and Non-profit Leadership, Georgetown Public Policy Institute. The Trustees thought the report was of poor quality and was not presented in a scientific manner. The sample of the number of Foundations in the study was very small and not representative of the over 60,000 Foundations in existence. The Trustees thanked Mr. Raattama for forwarding the report and thus keeping them abreast of available information relating to this topic.

Action – Trustees reviewed the article; "Foundation Trustee Fees: Use and Abuse" published in September 2003, by the Center for Public and Non-profit Leadership, Georgetown Public Policy Institute.

5. Old Business

5.1 The University of Alabama School of Medicine Grant Request

Trustees discussed the supplemental information that was provided by Dr. Michael J. Friedlander, Ph.D. Professor and Chairman, Department of Neurobiology, The University of Alabama School of Medicine (UABSM). Attachment #4. A motion was made and seconded to approve the request for funding. Motion carried. The Trustees authorized Legal Counsel to develop a Gift Agreement that would encompass the provisions outlined in the grant request, and to refine the project title to be more in keeping with the MBRF Mission. The Trustees agreed that Dr. J. Lee Dockery, Dr. Nina Ellenbogen Raim and Mrs. Teresa Borcheck would contact Dr. Friedlander and Dr. William Deal to advise them of the Foundations decision to fund the project and outline the next steps to be taken. Additionally, Dr. J. Lee Dockery disclosed to the Foundation Trustees and Mr. Raattama that he and Dr. Deal are colleagues and personal friends, and had occupied administrative positions in the same office suite at the University Of Florida College Of Medicine, until Dr. Deal's departure in 1990.

Action – Trustees unanimously approved the grant request in the amount of five million dollars from the University of Alabama School of Medicine to be matched by the UABSM, pending the development of a signed gift agreement

5.2 University of Miami School of Medicine – Gift update

Mrs. Borcheck circulated correspondence received from Dr. John G. Clarkson, Senior Vice President for Medical Affairs and Dean, University of Miami School of Medicine dated August 28, 2003. Attachment #5. Mrs. Borcheck was asked to remind Dr. Clarkson, in writing, that all correspondence regarding the MBRF Grant to the University should be addressed to the Foundation's Corporate Trustee.

Action – Trustees reviewed update from University of Miami School of Medicine and asked Mrs. Borcheck to remind Dr. Clarkson that all correspondence should be sent to the Corporate Trustee.

5.3 Directors and Officers (D&O) Insurance Renewal

Mrs. Borcheck reported that a proposal had been received to renew the Directors and Officers Liability policy at the \$3,000,000 limits, at the same premium level. A motion was made and seconded to renew the policy as presented. Motion was approved unanimously.

Action – Directors and Officers insurance policy was approved for renewal at \$3,000,000 limits, at the same premium level.

5.4 Distribution/Spending Calculations

Mrs. Borcheck presented minimum distributions calculations for fiscal year July 1, 2002 – June 30, 2003 and estimated calculations for fiscal year July 1, 2003 – June 30, 2004. Attachment #6. The reports were reviewed by the Trustees. Mrs. Borcheck will begin providing this report at all future quarterly meeting.

5.5 Corporate Trustee Fees and Responsibilities

Dr. Lee Dockery raised the question of how the trustees are expected to evaluate the services of the corporate trustee. The trustees further commented they are uninformed regarding the scope of services SunTrust Bank, the Corporate Trustee, provides to the MBRF. These questions were asked in the context of evaluating the management fees which are only guaranteed until January 2004. Mrs. Borcheck separated the duties into three categories; Investment Management, Trustee, and Administrative. Mrs. Borcheck was asked to provide a summary of these responsibilities to be reviewed on the conference call to be scheduled for early November. The Individual Trustees also asked that all future correspondence received by the Corporate Trustee be copied and forwarded to all appropriate parties on a regular and timely basis. The trustees, in cooperation with SunTrust, desire to develop a process or procedures by which the performance of the corporate trustee can be evaluated on a periodic basis.

Action—Ms. Borcheck will develop a summary of the responsibilities of the Corporate Trustee to be reviewed during the conference call to discuss the Efficient Frontier analysis in preparation to develop a mechanism by which the performance of the Corporate Trustee can be evaluated on a periodic basis.

6. The next meeting of the MBRF

The Trustees, Mr. Raattama, Mr. Noone and Mr. Nash will meet by conference call to be scheduled for early November, 2003.

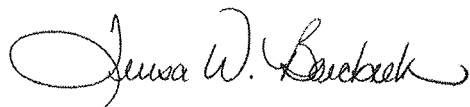
The next quarterly trustees meeting will be held at the University of Florida campus in Gainesville Florida. Proposed dates will be February 17 and 18th or February 24th & 25th, 2004.

Summary of Action Items:

- 1. Action – Approval of the Minutes from July 16, 2003 Trustee’s meeting was deferred until the next meeting of the trustees pending resolution of the accuracy of the discussion involving the Trademark issues.**
- 2. Action**
 - A. The Trustees received the investment report for information.**
 - B. No changes were recommended to the asset allocation at this time.**
 - C. Trustees reviewed the Asset Allocation and Efficient Frontier (EF) analysis and requested a revised analysis be performed omitting the NAREIT Equity Component. The revised analysis of the EF will be presented and discussed at a conference call with the trustees within three weeks.**
 - D. Mr. Nash will correct the investment Policy to reflect the recent changes adopted by the trustees and will compose a memorandum explaining the changes and forward to Mr. Raattama for review.**
- 3. Action - The Trustees received the consolidated SunTrust/Trusco organizational chart for information. Mr. Nash will revise the organizational chart to include larger print and names of individuals in the various positions represented.**
- 4. Action – Trustees reviewed the article; “Foundation Trustee Fees: Use and Abuse” published in September 2003, by the Center for Public and Non-profit Leadership, Georgetown Public Policy Institute.**
- 5. Action – Trustees unanimously approved the grant request in the amount of five million dollars from the University of Alabama School of Medicine to be matched by the UABSM, pending the development of a signed gift agreement.**
- 6. Action – Trustees reviewed update from University of Miami School of Medicine and asked Mrs. Borcheck to remind Dr. Clarkson that all correspondence should be sent to the Corporate Trustee.**
- 7. Action – Directors and Officers insurance policy was approved for renewal at \$3,000,000 limits, at the same premium level.**
- 8. Action—Ms. Borcheck will develop a summary of the responsibilities of the Corporate Trustee to be reviewed during the conference call to discuss the Efficient Frontier analysis in preparation to develop a mechanism by which the performance of the Corporate Trustee can be evaluated on a periodic basis**

There being no further business, the meeting was adjourned at 3:00

Respectfully Submitted,



Teresa W. Borcheck
SunTrust Bank, Corporate Trustee