

**MCKNIGHT BRAIN RESEARCH FOUNDATION  
BOARD OF TRUSTEES MINUTES  
April 21, 2004**

The quarterly trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 8:30 a.m. on April 21, 2004 in Orlando Florida, Trusco Capital Management Conference Room, 16<sup>th</sup> floor.

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 Group

Others Attending:

Mr. Mel Hamilton, Trusco Capital Management  
Mr. Tim Nash, Trusco Capital Management  
Mr. Elliot Perny, Trusco Capital Management  
Mr. Henry Raattama, Legal Counsel  
Mrs. Elizabeth Bonilla, Trust Associate for  
SunTrust Bank Endowment & Foundation Services Group

**1. Approval of Minutes**

The minutes of the February 3, 2004 conference call and February 24 & 25, 2004 Trustees meeting of the McKnight Brain Research Foundation were reviewed. The minutes for February 3<sup>rd</sup> were approved. Additional corrections were made to the minutes of the February 24 & 25 meeting. Mrs. Borcheck will make necessary changes and resubmit for approval.

**Action: The trustees approved the minutes for the February 3, 2004 conference call, with corrections.**

**2. Corporate Trustee Summary of Recent Proposal to MBRF**

Mr. Hamilton summarized the proposal recently submitted by Trusco Capital Management outlining the commitments, responsibilities and management fees for SunTrust to continue as the Corporate Trustee for the MBRF. Attachment #1. Mr. Hamilton also provided two fact sheets on the management fees for the STI Classic International Equity Index Funds, as well as comparisons of similar funds, from two different data bases, eVestments and Zephyr, in response to concern by the trustees over the perceived high management fee structure, specifically for the international indexed funds. He also distributed the STI Classic Funds Performance Results for information purposes.

**3. Investment Review**

Mr. Nash introduced Elliot Perny as the new Large Cap Care portfolio manager for Trusco. He will replace Mr. Steve Noone who has resigned his position with SunTrust. Mr. Nash and Mr. Perny proceeded to present the investment review for first quarter 2004. There was some discussion concerning the question as to whether the International Index Fund currently managed by Trusco Capital Management was 'actively' vs. 'passively' managed. Mr. Nash explained that it was a combination of the two due to the fact that the fund is actively managed as far as the country selection but passively managed in the actual stock selection. Dr. J. Lee Dockery requested a comparison between the STI Classic Fund - Int'l Equity Index Fund Trust Shares, the fund the account currently holds, and other international funds in relation to performance numbers, expense ratios, returns, internal management fees, and other options for one, three and five year time periods. Mr. Nash was asked to clarify why the internal fees are higher in comparison to other international index and non-index funds. The trustees requested that Mr. Nash provide that analysis before the next trustees' quarterly meeting. Mrs. Borcheck was requested to set up a conference call prior to the next quarterly meeting to review this

report. The trustees wanted to ensure that this fund is the best choice to fulfill the conditions of the investment policy and the asset allocation established by the trustees.

Dr. Michael Dockery requested that this International Equity Index Fund report be added to the agenda for the July meeting and clarified that although it was decided that the asset allocation may not change, the investment manager may. The re-analysis of the efficient frontier report should be part of the meeting minutes to substantiate the trustees' decisions in reference to asset allocation. In reference to asset allocations, there is a 1 – 3% variance from the established benchmarks before rebalancing needs to be considered. The investment managers do not recommend any changes to the investment policy, including in particular the asset allocation or managers. Attachment #2.

**Action:**

**A. Mr. Nash will develop a comparison between the STI Classic Fund - Int'l Equity Index Fund Trust Shares, the fund the account currently holds, and other international funds in relation to performance numbers, expense ratios, returns, internal management fees, and other options for one, three and five year time periods.**

**B. The requested analysis is to be completed in time for a discussion by the trustees via conference call in advance of the July meeting of the trustees.**

**C. The analysis will be an agenda item for the July, 2004, trustees' meeting.**

**4. University of Florida Confirmation Letter**

Mrs. Borcheck shared the letter received from University of Florida confirming that they received the expected matching funds from the state of Florida. Attachment #3

**5. IRS Form 990 PF for tax year 6/30/2003**

In reviewing the IRS Form 990 PF for the tax year ending 6/30/2003, a possible error was noted in the reported salaries. Mrs. Borcheck will contact KPMG after April 15<sup>th</sup>, regarding the inaccurate salary information. Mr. Henry Raattama suggested that KPMG review the items in question and Mrs. Borcheck provide an update to the trustees prior to making corrections to the form.

**Action: Mrs. Borcheck will review the issues in question with KPMG to determine scope of potential corrections and report to the trustees prior to instructing KPMG to make any corrections.**

**6. Future Direction of the Foundation**

Dr. J. Lee Dockery shared his concerns and expectations for the future of the foundation. He envisioned the initiatives of the MBRF in providing support of research in age related memory loss extending across all four geographic regions of the United States. All the trustees agreed to invite previously funded entities, as well as worthy candidates, to future quarterly meetings.

Two worthy candidates mentioned were in Texas and Illinois; each is considered an expert-in the field of age related memory loss. Dr. Michael Dockery suggested the foundation encourage an institution receiving a grant from the MBRF to match the grant with additional funds to create a greater impact.

Dr. J. Lee Dockery also felt that because of his and Dr. Raim's age, the trustees should begin to consider adding another Trustee who would be knowledgeable serve and in the event one of the existing trustees is unable to serve. That person should preferably be a physician that would be a partner in 'vision and deed'. Dr. Raim also expressed her opinion that the foundation should consider broadening its horizons and not look to grant only large sums periodically, but to also consider smaller grants for worthy individual research.

**7. SunTrust, Trusco Capital Management and Corporate Trustee relationships.**

Dr. J. Lee Dockery requested clarification from Mrs. Borcheck as to the role played by Mr. Mel Hamilton in Trusco Capital Management. It was noted that the letter of commitment by SunTrust, as the corporate trustee, to implement changes requested by the trustees was written on Trusco Capital Management letterhead. And, although signed by both Mr. Hamilton and Mrs. Borcheck, his signature was first. Dr. Dockery further noted that Mr. Hamilton's name is not on SunTrust's Organizational chart and requested assurances that SunTrust will fulfill its responsibilities as corporate trustee.

Mrs. Borcheck explained that SunTrust Bank as the corporate trustee of the Foundation will fulfill its commitments and responsibilities, she further explained, Mr. Hamilton's name is not on the SunTrust organizational chart because he is in a part of the sales team with Trusco. Mr. Mel Hamilton signed the letter first on Trusco letterhead because he was the one who made the initial presentation to the trustees. Mrs. Borcheck assured the trustees that she reviewed and agreed with the contents of the letter were reviewed by Mrs. Borcheck prior to signing, Mrs. Borcheck assured the trustees that SunTrust stands behind their commitments made therein.

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

Ms. Nydia Perez, from the Trademark office called to answer questions relating to the processing of the "Evelyn F. McKnight Brain Research Foundation" trademark. After some discussion, it was decided to proceed with the official submission by using the brochure which has been developed and is available for distribution. The date of the first visit to the University of Alabama, May 21, 2003, is the date of first circulation of the pamphlet in question; this information is required by the Trademark office.

Mrs. Borcheck opened the floor for discussion of new stationary, business cards, note paper and possibly folded cards or notes. The new stationary would contain the trademarked logo and, underneath, would read, 'Established by Evelyn F McKnight to Alleviate Memory Loss in the Aging'.

#### **Action:**

**A. – Trustees agreed to proceed with the registration for the trademark for "The Evelyn F. McKnight Brain Research Foundation".**

**B. The trustees approved the printing of new stationary with the approved trademark for foundation business.**

### **9. Web-Site Domain**

Mrs. Borcheck provided an update on web-site options for the MBRF. A free basic website is offered by the Association of Small Foundations. Dr. J. Lee Dockery had previously identified another source for an approximate cost of \$500.00. On the suggestion of the trustees, Mrs. Borcheck will look at web sites created for similar foundations to get basic format ideas. Dr. J. Lee Dockery will renew the registration of the name of the Foundation web site domain. Mr. Raattama suggested that the foundation's web site be accessed via key words such as 'brain research', 'memory loss', and 'foundations in Florida' – not Alzheimer's'. Mrs. Borcheck informed the trustees of some upcoming events sponsored by the Association of Small Foundations and extend an invitation to all the trustees and their spouses to the

SunTrust Endowment and Foundation 2004 Client Forum co-sponsored with Trusco on September 19-21, 2004, at The Homestead, Hot Springs, VA.

### **10. University of Alabama (UAB) Gift Agreement**

University of Alabama (UAB) Gift Agreement was approved and signed by all parties. Signed copies will be returned to the UAB and copies will be retained by the corporate trustee and legal counsel.

### **11. Date, Time and Location of Next Two Quarterly Meetings**

July 21, 2004, was the proposed date, for the third quarterly meeting of the MBRF at the University of Alabama as well as the date to make the formal announcement and presentation of the MBRF Grant to the University. Dr. J. Lee Dockery called Dr. Deal, the dean of the UAB School of Medicine, to confirm the date, but Dr. Friedlander's availability has not been confirmed. The next quarterly meeting of the MBRF will be Tuesday, July 20<sup>th</sup> & Wednesday July 21<sup>st</sup>, 2004 at University of Alabama, in Birmingham, AL., if agreeable to UAB. Dr Dockery will continue efforts to confirm the scheduled time with UAB and inform the trustees of the final decision. The trustees agreed to request that representatives from the University of Miami attend the October 20<sup>th</sup> trustees' meeting. Dr. Clarkson would be contacted as to whether his preference would be to meet in Orlando or Miami.

There being no further business, the meeting was adjourned at 2:30 p.m.

**Summary of Action Items:**

**1. Action: The trustees approved the minutes for the February 3, 2004 conference call, with corrections. (page 1)**

**2. Action:**

**A. Mr. Nash will develop a comparison between the STI Classic Fund - Int'l Equity Index Fund Trust Shares, the fund the account currently holds, and other international funds in relation to performance numbers, expense ratios, returns, internal management fees, and other options for one, three and five year time periods.**

**B. The requested analysis is to be completed in time for a discussion by the trustees via conference call in advance of the July meeting of the trustees.**

**C. The analysis will be an agenda item for the July, 2004, trustees' meeting.**

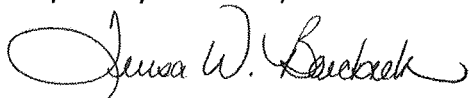
**3. Action: Mrs. Borcheck will review the issues in question with KPMG to determine scope of potential corrections and report to the trustees prior to instructing KPMG to make any corrections.**

**4. Action:**

**A. – Trustees agreed to proceed with the registration for the trademark for "The Evelyn F. McKnight Brain Research Foundation".**

**B. The trustees approved the printing of new stationary with the approved trademark for foundation business.**

Respectfully Submitted,



Teresa W. Borcheck  
SunTrust Bank, Corporate Trustee