

**MCKNIGHT BRAIN RESEARCH FOUNDATION  
BOARD OF TRUSTEES MINUTES  
February 24 & 25<sup>th</sup>, 2004**

The quarterly trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 2:15 p.m. February 24, 2004 in Gainesville Florida, University of Florida Conference Hotel.

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

### **1. Approval of Minutes**

The minutes of the April 22 & 23, 2003, July 16, 2003, October 15, 2003, November 5, 2003, and January 28, 2004 Trustees meeting of the McKnight Brain Research Foundation were reviewed. After corrections were made, a motion was made to accept the minutes of April 22 & 23, 2003, July 16, 2003, October 15, 2003, November 5, 2003 and January 28, 2004 with the noted corrections. The motion was seconded and approved unanimously. Minutes from February 3, 2004 were not provided, but will be sent with minutes from this meeting.

**Action – Minutes from April 22 & 23, 2003, July 16, 2003, October 15, 2003, November 5, 2003 and January 28, 2004 Trustee's meeting were approved, as corrected.**

### **2. Investment Review – Steve Noone**

**2.1** Mr. Noone and Mr. Raattama, and Mr. Nash who joined the meeting by telephone, presented the final draft of the Investment Policy Statement and supporting documentation. After discussion regarding clarification of the proposed allocation and target % to be invested in the Small Capitalization sector. After changes, the Investment Policy Statement was approved. Mr. Raattama will make the approved changes and forward final copies to the Trustees and Trusco Capital Management.

**2.2** Mr. Noone presented the investment management report for quarter the ending December 31, 2003 on the investments in the Foundation's portfolio. Mr. Noone also provided fact sheets on the two STI Classic Small Cap Mutual Funds being proposed for addition to the MBRF portfolio. Mr. Noone also presented the annual Soft Dollar report. Mr. Noone recommended that the asset allocation be modified to implement the allocation to Small Capitalization Equities as outlined in the revised Investment Policy Statement for the McKnight Brain Research Foundation (MBRF), as previously approved. Mr. Noone advised that funding for the allocation to Small Cap would be coming from the cash raised from a reduction in the allocation to the Large Cap Core component of the portfolio.

**2.3** Having approved the revised investment policy, Mr. Noone advised there were no other changes recommended to the asset allocation, investment policy, managers, or investment at this time. Based on review and the Investment Manager's recommendation the Trustees made no changes to the asset allocation or investment policy, at this time.

**A. Action - Trustees received the investment report for information. The Investment Management Report is Attachment #1.**

**B. Action – Trustees approved revised Investment Policy Statement. The Revised Investment Policy Statement is Attachment #2.**

**C. Action - No changes other than those noted in paragraph 2.2 were recommended to the asset allocation, investment policy, managers or investments at this time.**

5:00 p.m. The Business meeting was adjourned, and the trustees traveled to the Emerson Alumni Hall, University of Florida campus, to attend the retirement celebration honoring Professor William G. Luttge, the retiring director of the Evelyn F. and William L. McKnight Brain institute of the University of Florida.

**February 25, 2004 - The meeting resumed at 8:30 a.m. at the Evelyn F. and William L. McKnight Brain Institute, University of Florida campus.**

### **3. 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 eight research scientists who have been funded by the McKnight Brain Research Foundation Grant to the University. Douglas Barrett, M.D., Vice President for Health affairs of the University of Florida, welcomed the MBRF Trustees, and Dr. William Luttge, Executive Director of at the Evelyn F. and William L. McKnight Brain Institute of the University of Florida moderated the scientific sessions. Thomas C. Foster, Ph.D., Associate Professor and Evelyn F. McKnight Chair for Brain Research in Age Related Memory Loss presented an "Update on Brain Research in Memory Loss: Yesterday, Today and Tomorrow".

The meeting adjourned at 1:00 P.M. following lunch with the faculty and research grant award recipients. Following lunch, Dr. Foster hosted the Trustees and legal counsel on a tour of his laboratory at the Institute.

A copy of the presentations is attached and made a part of these minutes as Attachment #3.

**The Business meeting reconvened at 1:45 in the William L. & Evelyn F. McKnight Brain Research Institute conference room.**

### **4. University of Florida Gift Match and Financial Review**

Mr. Paul Robell, and Ms. Jancy Houck presented the Annual Endowment Report for The University of Florida Foundation, Inc. for fiscal year June 30, 2003. The report included an overall performance summary for the Foundation's Endowment as well as individual Endowment Summaries for the McKnight Brain Research Foundation Grant and the Evelyn F. McKnight Chair for Brain Research in Age Related Memory Loss. Mr. Robell reported that the remaining balance of the state match has been committed and is reflected in the nominal value on the Summaries. It anticipated the funds will be received from the State in the next 30-60 days.

Mr. Robell indicated that the Foundation had made several changes over the past twelve months, including the formation of an Investment Company that will be assuming responsibility for handling the Foundation and University's investments. The University of Florida Foundation is currently in the process of interviewing potential candidates for the position of Chief Executive Officer for this newly formed Investment Company.

The report is attached and made a part of these minutes as attachment #4.

**Action: The Trustees received the report as information.**

### **5. Individual and Corporate Trustee Compensation Review, and IRS Form 990 PF for tax year 6/30/2003**

**5.1 -** The trustees reviewed the IRS Form 990 PF that was filed for the McKnight Brain Research Foundation for fiscal/tax year ended June 30, 2003. It was noted that the individual trustee compensation appeared to be incorrectly stated on the return. Mrs. Borcheck will contact KPMG to make them aware of the potential error and coordinate an amended return if needed. Attachment #5.

**Action – Trustees reviewed 990 PF for tax-year ended 6/30/03 with one noted question regarding the reporting of the individual trustees compensation. Mrs. Borcheck will follow-up with KPMG and coordinate an amended return if necessary**

5.2 The Trustees also reviewed the Trustees fees currently received by the individual Trustees. Current annual compensation that has been in effect since 01/01/03 is as follows: Dr. J. Lee Dockery, \$40,000; Dr. Nina Ellenbogen Raim, \$40,000; Dr. Michael Dockery, \$50,000.

The Trustees reviewed the Association of Small Foundations' annual compensation survey provided by Mrs. Borcheck and discussed the substantive nature of Trustee work currently performed by the individual trustees. The discussion included 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. Attachment #6.

Having reviewed all compensation issues and the extensive amount of time needed to carryout the various responsibilities as Trustees, a motion was made and seconded to approve the current annual individual trustee compensation for calendar year 2004. It was noted that 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 and time away from his practice on Foundation business. The Trustees all stated that they spent comparable time, as has been documented by Dr. Lee Dockery, on MBRF business.

**Action - Trustees reviewed the Association of Small Foundations' annual compensation survey and the current individual trustee compensation.**

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.

**Based on the review of the Association of Small Foundations annual survey and the time the Trustees devote to MBRF matters, the Trustees approved continuation of the current level of individual trustee compensation for 2004.**

5.3 Mrs. Borcheck presented correspondence outlining the current fee schedule for the Corporate Trustee, SunTrust Bank, and a proposal to increase that fee by 14%. SunTrust Bank would propose achieving this increase by collapsing the incremental tiers and charging all individually managed assets a flat percentage fee of .0030%. This schedule would apply to all assets being individually managed, and would continue to be exclusive of the STI Classic Funds fees, and the Lighthouse Diversified Fund fees as outlined previously. Additionally, SunTrust would agree to guarantee this new fee for

The Individual Trustees reviewed Mrs. Borcheck's presentation, and advised that they had taken this opportunity to interview potential Corporate Trustees in an effort to have independent comparisons by which they could assess SunTrust's service, compensation, and Trusco Capital Management's performance.

Mrs. Borcheck was presented with a letter from the individual trustees requesting that SunTrust and Trusco make a formal presentation to the individual trustees on March 10, 2004, outlining their Administrative and Investment capabilities. Mrs. Borcheck received the letter and will confirm the availability of the presentation team. Attachment #8

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

The Trustees reviewed the redlined draft of the UAB Gift Agreement dated 2/20/04. A couple of minor changes were suggested, along with a few corrections to the grammatical and spelling errors. A motion was made to approve the Gift Agreement as modified in the context of the discussion. Motion was seconded and unanimously approved. The redlined draft dated 2/20/04 is attached to and made a part of these minutes as attachment #9.

Dr. Lee Dockery was asked to contact Dr. Friedlander and Dr. Deal at UAB to confirm the MBRF's decision, and to advise that Mr. Raattama will be forwarding the final document to UAB for approval and execution.

**Action:** Trustees approved the UAB Gift Agreement with a few minor changes which Mr. Raattama was requested to implement. Dr. Lee Dockery was asked to contact Dr. Friedlander & Dr. Deal to confirm the MBRF's decision to approve the proposed funding schedule and to advise Mr. Raattama will be contacting Ms. Powell.

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

**7.1** Mrs. Borcheck advised that the Trademark for the "McKnight Brain Research Foundation" **has been approved**, and the Certificate of Registration from the United States Patent and Trademark Office has been received by the corporate trustee. A copy of that certificate is attached to and part a part of these minutes as attachment #10.

**Action – Trustees received confirmation of receipt of the certificate of registration for the mark "McKnight Brain Research Foundation".**

**7.2** Mrs. Borcheck also confirmed that the application for trademark registration for the "Evelyn F. McKnight Brain Research Foundation" is still on hold with the trademark office pending formal use of the name. Mrs. Borcheck was asked to update Ms. Perez on the recent limited use of the name to determine if the Foundation has met the trademark Offices definition of "formal use".

**Action – Trustees reviewed current status of the application for the mark, "Evelyn F. McKnight Brain Research Foundation". Mrs. Borcheck will follow-up with Ms. Perez to confirm formal use standards.**

## **8. Web-Site Domain**

Mrs. Borcheck was asked to provide an update on web-site options for the MBRF at the next quarterly meeting. Suggested areas to explore are: SunTrust's Master E&F Site, The Association of Small Foundations Member Program, and opportunities to participate on the University of Florida, University of Miami and/or University of Alabama sites.

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

The next quarterly meeting of the MBRF will be Wednesday April 21, 2004 at SunTrust Bank, Orlando.

A proposed date of July 21, 2004, at the University of Alabama, will be suggested to UAB as a possible date for the third quarterly meeting of the MBRF and the date to make the formal announcement and presentation of the MBRF Grant to the University.

## **Summary of Action Items**

- 1. Action – Minutes from April 22 & 23, 2003, July 16, 2003, October 15, 2003, November 5, 2003 and January 28, 2004 Trustee's meeting were approved, as corrected.**
- 2. Action - Trustees received the investment report for information. The Investment Management Report is Attachment #1.**
- 3. Action – Trustees approved revised Investment Policy Statement. The Revised Investment Policy Statement is Attachment #2.**
- 4. Action - No changes other than those noted in paragraph 2.2 were recommended to the asset allocation, investment policy, managers or investments at this time.**
- 5. Action: The Trustees received the Annual Endowment Report as information.**

6. **Action – Trustees reviewed 990 PF for tax-year ended 6/30/03 with one noted question regarding the reporting of the individual trustees compensation. Mrs. Borcheck will follow-up with KPMG and coordinate an amended return if necessary.**

7. **Action - Trustees reviewed the Association of Small Foundations' annual compensation survey and the current individual trustee compensation.**

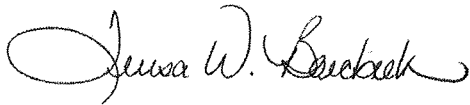
8. **Action: Trustees approved the UAB Gift Agreement with a few minor changes which Mr. Raattama was requested to implement. Dr. Lee Dockery was asked to contact Dr. Friedlander & Dr. Deal to confirm the MBRF's decision to approve the proposed funding schedule and to advise Mr. Raattama will be contacting Ms. Powell.**

9. **Action – Trustees received confirmation of receipt of the certificate of registration for the mark "McKnight Brain Research Foundation".**

10. **Action – Trustees reviewed current status of the application for the mark, "Evelyn F. McKnight Brain Research Foundation". Mrs. Borcheck will follow-up with Ms. Perez to confirm formal use standards.**

There being no further business to attend to, the meeting was adjourned at 4:00.

Respectfully Submitted,



Teresa W. Borcheck  
SunTrust Bank, Corporate Trustee