

**MCKNIGHT BRAIN RESEARCH FOUNDATION  
BOARD OF TRUSTEES MINUTES  
July 21 & July 22, 2004**

The quarterly trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 2:30 p.m. on July 21, 2004 in Birmingham Alabama at the Embassy Suites 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. Henry Raattama, Legal Counsel

**1. Approval of Minutes**

The minutes of the April 21, 2004 Trustees meeting of the McKnight Brain Research Foundation were reviewed. After corrections were made to the minutes were approved.

**Action: The trustees approved the minutes for the April 21, 2004 Trustees meeting with corrections.**

**2. Letterhead, Business Cards and Note Pads**

Mrs. Borcheck presented samples of note pads with the Foundation's logo, and individual business cards to the trustees for their review. It was decided that each individual trustee would received a supply of the 4" X 5 1/2" note pads with matching envelopes. These pads will feature the Foundation's logo in the same two-color format used on the Foundation's stationary. Mrs. Borcheck was asked to make some adjustments to the business card samples and present new samples at the next meeting. Dr. Ellenbogen questioned the use of periods in the abbreviation for Juris Doctorate. Mrs. Borcheck will confirm with the printing company what is appropriate when abbreviating that degree.

**Action: The Trustees approved ordering note pads for the individual trustees and asked for additional business card samples.**

**3. University of Florida Report**

Mrs. Borcheck presented Dr. Foster's report on activities at the Evelyn F. and William L. McKnight Brain Institute of the University of Florida. (The Institute) The Trustees accepted the report as presented and asked Mrs. Borcheck to communicate with Dr. Foster to thank him for his thoroughness and commend him and his colleagues for their excellent work, and for their commitment to seeking outside sources of funding to support the Institutes projects.

**Action: The Trustees received Dr. Foster's report and asked Mrs. Borcheck to send Dr. Foster a letter acknowledging receipt and thanking him for his efforts and congratulate him on his recent grant award.**

**4. Internal Revenue Service form 990PF Update**

Mrs. Borcheck reported on her follow-up conversations with the Foundation's CPA's KPMG regarding the annual Form 990PF for tax year ended November 30, 2003. Mrs. Borcheck advised the trustees that upon further review of the return, it was determined that the charitable contribution calculation reflected the appropriate one-half of the actual fees paid to

the individual trustees even though the supplemental schedule itemizing those fees reflected a partial amount of the total compensation. Mrs. Borcheck also reported that KPMG did not recommend any changes to the return.

### **5. Foundation Web-Site Update**

Mrs. Borcheck presented several samples of organizations that specialize in web-site development. After discussion regarding what a McKnight Brain Research Foundation web-site might look like, a motion was made and approved to proceed with developing samples for the Trustees to review. Mrs. Borcheck will contact 2-3 companies to gather more detailed pricing information and samples to be presented at the next meeting.

**Action: Trustees approved moving forward with the development of a MBRF web-site and asked Mrs. Borcheck to begin the preliminary work of sample development and pricing information.**

### **6. Trademark Update**

Mr. Raattama's memo dated June 16, 2004 attachment #1, regarding the The McKnight Brain Research Foundation and the Evelyn F. McKnight Bran Research Foundation trademarks was reviewed.

**Action: The Trustees received Mr. Raattama's report for information. A copy of the memo is attached as attachment #1**

### **7. Individual Trustees Compensation**

The Trustees reviewed a recent article that Mr. Raattama had shared which discussed compensation for trustees of private foundations. The article outlined actions that are being taken to review and possibly modify the private foundation rules at a Federal level. After a thorough review of the information provided, the Trustees asked Mr. Raattama to prepare a detailed list of duties and responsibilities a trustee of a private foundation would be required to perform. This proposed list of duties and responsibilities will be reviewed at the October board meeting.

Dr. J. Lee Dockery presented a Time Log for the period January 1, 2004- June 30, 2004, as representative of the time spent by the trustees on MBRF business. This report will be filed in the Foundations records at the office of the corporate trustee.

**Action: Trustees reviewed the memorandum, dated July 6, 2004 and articles from Mr. Raattama on individual employee compensation and asked Mr. Raattama to prepare a list of a private foundation trustee's duties and responsibilities for review at the next meeting of the trustees. A copy of the memorandum and articles are attached as attachment #2.**

**The meeting was adjourned at 5:00 p.m. so the Trustees and Mr. Raattama could attend the grant presentation event at the home of President Garrison, University of Alabama at Birmingham.**

**The Trustees meeting resumed at 8:30 A.M. on July 22, 2004 at the Embassy Suites Hotel, Birmingham Alabama**

Others Attending:

Mr. Tim Nash, Trusco Capital Management  
Mr. Elliott Perny, Trusco Capital Management  
Mr. Michael Sebesta, Trusco Capital Management  
Dr. Michael Friedlander, Professor and Chairman, Department of Neurobiology  
University of Alabama at Birmingham School of Medicine

## **8. Investment Review**

Mr. Nash introduced Mr. Michael Sebesta who will be replacing Mr. Nash as the Investment Officer for the MBRF account. Mr. Nash has taken a position with Trusco Capital Management in their Business Development area.

Mr. Nash and Mr. Perny proceeded to present the investment review for second quarter 2004 a copy of which is attached as attachment #3.

Mr. Nash provided an update on the Flexible Investment Architecture being developed by Trusco Capital Management. Mutual Fund options for this product are being researched and should be available by October 1, 2004. John Floyd of Trusco Capital is managing this process and will be available at the MBRF Quarterly meeting in October to review the program with the Trustees.

The Trustees asked Mr. Nash specific questions regarding the historical performance in the Core Equity component of the portfolio. The current report reflects a 61-month return which includes years in which the portfolio was managed in SunTrust's Personal Trust group in Miami. Although it was considered a large cap core portfolio, the weightings were not identical and therefore the returns will not track identical to the Core Equity process that is now being utilized. Mr. Nash was asked to include the 3-year, 5-year, 7-year and 10-year Core Equity performance numbers in future reports.

Mr. Nash was also asked, if possible, to provide the Trustees with an analysis of the impact the Corporate Trustee's fees have on the portfolio's performance on the whole.

The trustees asked Mr. Nash, Mr. Sebesta and Mr. Perny to review the overall portfolio and recommend where they would look to make changes if possible. Mr. Nash indicated that Trusco believed the I-Shares were still a good solution to the Mid-Cap allocation; however Trusco will provide analysis on Mid-Cap options, both passive and active management, at the October meeting of the MBRF. At that time they will also provide a review the Core Equity allocation to determine if any changes would be warranted.

### **Action:**

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

**B. Mr. Nash provided an update on the Flexible Investment Architecture product being developed by Trusco Capital Management. John Floyd of Trusco Capital will attend the MBRF Quarterly meeting in October to review the program with the Trustees.**

**C. Mr. Nash was asked to include the 3-year, 5-year, 7-year and 10-year Core Equity performance numbers in future reports.**

**D. Trusco Capital Management will provide analysis on Mid-Cap options, both passive and active management, at the October meeting of the MBRF. At that time they will also provide a review the Core Equity allocation to determine if any changes would be warranted.**

## **9. University of Alabama Gift**

Dr. Michael Friedlander joined the Trustees to answer a few questions and clarify on-going communication with regard to the University of Alabama (UAB) Gift that was presented on July 21, 2004.

The MBRF Trustees encouraged Dr. Friedlander to develop a relationship with Dr. Thomas Foster, Associate Professor and the Evelyn F. McKnight Chair for Brain Research in Memory Loss, University of Florida College of Medicine, and Dr. John G. Clarkson, SVP for Medical Affairs and Dean, University of Miami School of Medicine as a way to foster greater collaboration with other recipients of a MBRF Gift.

The Trustees asked Dr. Friedlander to attend the annual scientific presentations that are held in February at the Evelyn F. & William L. McKnight Brain Institute of the University of Florida, Gainesville.

Dr. Friedlander assured the Trustees he will take a very proactive lead in creating the network between the three groups in an effort to expand the visibility and outcome of the gifts that have been made by the MBRF.

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

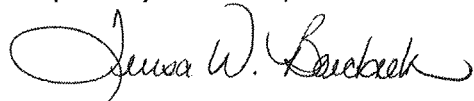
The next quarterly meeting of the MBRF will be in Miami Florida on October 20, 2004. Dr. John G. Clarkson, SVP for Medical Affairs and Dean, University of Miami School of Medicine will be attending this meeting to present a status report on the Evelyn F. McKnight Center for Age Related Memory Loss and the recruitment activities for a director of the Center. Also, John Floyd, Managing Director for Trusco Capital Management will be in attendance and will present an update on the Flexible Investment Architecture product.

There being no further business, the meeting was adjourned at 12:30 p.m.

#### **Summary of Action Items:**

- 1. Action: The trustees approved the minutes for the April 21, 2004 Trustees meeting with corrections.**
- 2. Action: The Trustees approved ordering note pads for the individual trustees and asked for additional business card samples.**
- 3. Action: The Trustees received Dr. Foster's report and asked Mrs. Borcheck to send Dr. Foster a letter acknowledging receipt and thanking him for his efforts and congratulate him on his recent grant award.**
- 4. Action: Trustees approved moving forward with the development of a MBRF web-site and asked Mrs. Borcheck to begin the preliminary work of sample development and pricing information.**
- 5. Action: The Trustees received Mr. Rattama's report for information. A copy of the memo is attached as attachment #1**
- 6. Action: Trustees reviewed the memorandum, dated July 6, 2004, and articles from Mr. Raattama on individual employee compensation and asked Mr. Raattama to prepare a list of a private foundation trustee's duties and responsibilities for review at the next meeting of the trustees. A copy of the memorandum and articles are is attached as attachment #2.**
- 7. Action:**
  - A. Trustees received the investment report for information. The Investment Management Report is Attachment #1.**
  - B. Mr. Nash provided an update on the Flexible Investment Architecture product being developed by Trusco Capital Management. John Floyd of Trusco Capital will attend the MBRF Quarterly meeting in October to review the program with the Trustees.**
  - C. Mr. Nash was asked to include the 3-year, 5-year, 7-year and 10-year Core Equity performance numbers in future reports.**
  - D. Trusco Capital Management will provide analysis on Mid-Cap options, both passive and active management, at the October meeting of the MBRF. At that time they will also provide a review the Core Equity allocation to determine if any changes would be warranted.**

Respectfully Submitted,



Teresa W. Borcheck  
SunTrust Bank, Corporate Trustee