

**MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES MINUTES
October 20, 2004**

The quarterly trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 8:00 a.m. on October 20, 2004 in Miami Florida at Mr. Henry Raattama's offices, Akerman Senterfitt, P.A.

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
Dr. John G. Clarkson, SVP for Medical Affairs and Dean, University of Miami School of Medicine
Mr. Tim Nash, Trusco Capital Management
Mr. Michael Sebesta, Trusco Capital Management
Mr. John B. Floyd, Managing Director, Trusco Capital Management

1. Approval of Minutes

The minutes of the July 21 & 22nd Trustees meeting of the McKnight Brain Research Foundation were reviewed. After corrections were made the minutes were approved.

Action: The trustees approved the minutes for the July 21 & 22, 2004 Trustees meeting with corrections.

2. University of Alabama Gift

The Trustees reviewed an e-mail that was received from Dr. Michael Friedlander, Professor and Chairman, Department of Neurobiology University of Alabama at Birmingham School of Medicine. Dr. Friedlander wrote to announce the approval of the trustees of the University of Alabama of his appointment as the Evelyn F. McKnight professor of Learning and Memory Loss. He also shared his progress in developing collaborative research activities 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 with faculty at Florida State University and Harvard University. Dr. Friedlander's e-mail and Dr. Lee Dockery's response are attached as #1.

3. Foundation Web-Site Update

Mrs. Borcheck advised that the two (2) companies she spoke with regarding web-site design estimated the cost would be \$1,000 - \$1,500 to create the 2-3 page design the Trustees are considering. Dr. Lee Dockery advised that he spoke with the Web - Master for the University of Florida "Gator News" and he was very helpful in providing some guidance in the development of the MBRF web-site. After discussion regarding the design of a MBRF web-site, a motion was made and approved to authorize Dr. Lee Dockery to proceed with the development of the web-site at a cost not to exceed \$1,000.

Action: Trustees authorized Dr. Lee Dockery to proceed with the development of a MBRF web-site at a cost not to exceed \$1,000.

4. University of Miami School of Medicine

Dr. John G. Clarkson, SVP for Medical Affairs and Dean, University of Miami School of Medicine presented an update on the University's search for a director for the Evelyn F. McKnight Center for Age Related Memory Loss. Dr. Clarkson advised the Trustees that an offer has been made and it is anticipated there may be a final decision by November 30, 2004, but not later than January 1, 2005

Dr. Clarkson shared the University of Miami endowment fund report for the fiscal year ended May 30, 2004. The report included the status of the Evelyn F. McKnight Center for Age Related Memory Loss account. The report complies with Section 5.3 of the MBRI/University of Miami Gift Agreement for an annual financial report.

The Trustees asked Dr. Clarkson to extend an invitation to the new director, should he be in place in time, to attend the annual scientific presentations that will be held in February at the Evelyn F. & William L. McKnight Brain Institute of the University of Florida, Gainesville. In an effort to expand the visibility and outcome of the gifts that have been made by the MBRF, the Trustees wish to encourage collaboration among the three institutions and their research scientists that have been funded.

Dr. Clarkson assured the Trustees he will encourage the new director to participate if possible and also offered to host a similar event at the University of Miami once the new director is in place. Dr. Clarkson's report is attachment #2.

Action: The Trustees received Dr. Clarkson's report as information.

5. Investment Review and Strategic Allocation Solutions (SAS) Presentation

Mr. Sebesta presented the investment review for third quarter 2004 a copy of which is attached as attachment #3.

Mr. Nash introduced Mr. John Floyd, Managing Director, Strategic Allocation Solutions (SAS) Division at Trusco Capital Management. Mr. Floyd provided an outline of SAS, a flexible investment architecture option that is under development by Trusco. Mr. Floyd indicated that the SAS product would not be fully "open" architecture, but rather would use non-proprietary mutual funds to supplement investment classes where Trusco did not have a product or in areas where Trusco's product was underperforming or the fund was closed. Mr. Floyd also advised that Trusco does not intend to modify the SAS product to be a fully open or a "best of the best" option for the foreseeable future.

Mr. Floyd and Mr. Nash commended the Trustees of the MBRF for their proactive approach in the review of the Foundation's asset allocation and efficient frontier analysis. The Trustees were advised that historically that type of analysis from Trusco had been provided in response to a clients request rather than on a proactive basis. However a key component of the SAS program will be a more dynamic ongoing analysis, which will include quarterly rebalancing as appropriate and annual reviews with the Trustees. Mr. Floyd's presentation is attachment #4.

After a current review of the efficient frontier of the portfolio for the MBRF, Mr. Nash presented the following suggested changes to the Large Capitalization Domestic Equity portion of the MBRF portfolio. Liquidate the Large Capitalization Core assets held in the portfolio and re-allocate those dollars as follows: 35% to a Large Capitalization Value style, 25% to Large Capitalization Growth, and 40% to an S&P 500 Index fund. All three allocations will be implemented using mutual funds. Mr. Nash's presentation is attachment #5.

Following assurances to the trustees of the MBRF that there would be no increase in transaction/management fees, a motion was made, seconded and approved to follow the recommendation of Trusco to diversify the Large Capitalization Equity portion of the MBRF investment portfolio as outlined; 35% to Large Cap Value, 25% to Large Cap Growth, and 40% to an S&P 500 Index Fund.

The changes in the asset allocation will conform to the parameters outlined in the MBRF Investment Policy Statement, therefore Mr. Nash recommended no changes to the policy at this time. Mr. Raattama will provide the Trustees and Trusco Capital Management with a memorandum outlining the approved changes which will be attached to the Investment Policy Statement.

Mr. Nash, Mr. Sebesta and Mr. Floyd were asked if the Lighthouse Diversified product was still in line with the Foundation's asset allocation. It was agreed that the Lighthouse fund is still appropriate and is performing accordingly. It was suggested that someone from Lighthouse be present at an upcoming MBRF Trustees meeting to provide a detailed update on the Fund.

Action:

A. The Trustees received the investment report for information. No changes were recommended to the asset allocation or the investment policy at this time. The investment report is attachment #3.

B. Mr. Floyd provided an analysis of Trusco Capital Managements Strategic Allocation Solutions product. Mr. Floyd's presentation is attachment #4

C. Mr. Nash presented Trusco's proposal to liquidate the Large Capitalization Core Equity portion of the portfolio and reinvest the proceeds as follows; 35% to Large Cap Value, 25% to Large Cap Growth, and 40% to an S&P 500 Index Fund. The proposal was approved. Mr. Nash's presentation is attachment #5.

D. Mr. Raattama will prepare a memorandum outlining the approved changes to the Large Cap component which will be attached to the Investment Policy Statement.

6. Letterhead, Business Cards and Note Pads

Mrs. Borcheck presented updated samples of letterhead, note pads and individual business cards to the trustees for their review. Mrs. Borcheck was asked to make some minor adjustments to the business card and note pad and proceed with printing.

Action: The Trustees approved ordering note pads and business cards for the individual trustees and made one modification to the foundation stationary which will now reflect registration of the trademark.

7. Trademark Update

Mrs. Borcheck presented a copy of the original Trademark Certification for the Evelyn F. McKnight Brain Research Foundation which has been received by the Corporate Trustee. A copy of the certificate is attachment #6.

8. Trustees Discussion of potential Duties and Responsibilities

The Trustees reviewed Mr. Raattama's outline of tentative, potential duties and responsibilities of Trustees of a private foundation. It was acknowledged that many of these items are poorly defined.

After discussion and consideration of this detailed report the Trustees determined that it would be beneficial to convene a strategic planning session to develop a more formalized mission statement and relevant duties and responsibilities of a trustee of a private scientific research foundation similar to the MBRF. In addition, the trustees expressed an interest in developing a plan for the appointment of future trustees and identifying opportunities for future research funding in the area of age related memory loss. It was suggested that this session be held as a part of the April 2005 Trustees meeting, extending the normal one (1) day meeting to two (2) days to accommodate the expanded agenda. Mrs. Borcheck was asked to prepare a preliminary agenda for that meeting to be reviewed at the February 2005 Trustees meeting. Mr. Raattama's outline is attachment #7.

Action: The Trustees reviewed Mr. Raattama's outline of potential duties and responsibilities of trustees of a private foundation and have agreed to schedule a one-day planning session as a part of the April quarterly meeting. Mrs. Borcheck will present a preliminary agenda for the planning session at the February quarterly meeting. The report is attachment #7.

10. Date, Time and Location of Next two Quarterly Meetings

The next quarterly meeting of the MBRF will be held at the William L. Evelyn F. McKnight Brain Institute in Gainesville Florida. The tentative dates of February 15th & 16th, 2005 were set subject to the availability of the University of Florida team.

The second quarterly meeting is tentatively scheduled for April 19th and 20th, and will be a two-day meeting to include a strategic planning session. This meeting is planned to be held in Orlando.

Summary of Action Items

Action: The trustees approved the minutes for the July 21 & 22, 2004 Trustees meeting with corrections

Action: Trustees authorized Dr. Lee Dockery to proceed with the development of a MBRF web-site at a cost not to exceed \$1,000.

Action: The Trustees received Dr. Clarkson's report as information.

Action:

A. The Trustees received the investment report for information. No changes were recommended to the asset allocation or the investment policy at this time. The investment report is attachment #3.

B. Mr. Floyd provided an analysis of Trusco Capital Managements Strategic Allocation Solutions product. Mr. Floyd's presentation is attachment #4

C. Mr. Nash presented Trusco's proposal to liquidate the Large Capitalization Core Equity portion of the portfolio and reinvest the proceeds as follows; 35% to Large Cap Value, 25% to Large Cap Growth, and 40% to an S&P 500 Index Fund. The proposal was approved. Mr. Nash's presentation is attachment #5.

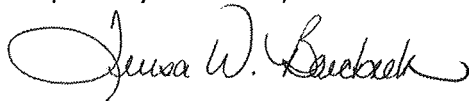
D. Mr. Raattama will prepare a memorandum outlining the approved changes to the Large Cap component which will be attached to the Investment Policy Statement.

Action: The Trustees approved ordering note pads and business cards for the individual trustees and made one modification to the foundation stationary which will now reflect registration of the trademark.

Action: The Trustees reviewed Mr. Raattama's outline of potential duties and responsibilities of trustees of a private foundation and have agreed to schedule a one-day planning session as a part of the April quarterly meeting. Mrs. Borcheck will present a preliminary agenda for the planning session at the February quarterly meeting. The report is attachment #7.

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

Respectfully Submitted,



Teresa W. Borcheck
SunTrust Bank, Corporate Trustee