

MINUTES
MCKNIGHT BRAIN RESEARCH FOUNDATION
BOARD OF TRUSTEES CONFERENCE CALL
October 31, 2007

The quarterly trustee's meeting of the McKnight Brain Research Foundation (MBRF) via conference call was called to order at 2 p.m.

The following members were present:

Dr. J. Lee Dockery, Trustee
Dr. Michael Dockery, Trustee
Dr. Nina Ellenbogen-Raim, Trustee
Dr. John G. Clarkson, Trustee
Mrs. Teresa Borcheck, Corporate Trustee,
SunTrust Bank Endowment & Foundation Services Group

Others Attending:

Mr. Henry H. Raattama, Jr., Legal Counsel
Mr. Michael Sebesta, Managing Director, Trusco Capital Management
Mrs. Annette Molenaar, SunTrust Bank Endowment & Foundation
Services Group

1. Investment Review

Mr. Sebesta presented the Investment Review for the third quarter (Attachment 1). He indicated that despite market volatility and the high price of oil, the economy is still doing fairly well. The Federal Reserve Board cut interest rates by 50 basis points in September, and this helped calm the market volatility. The economy is slowing, but still showing signs of continued positive growth and is not expected to slip into a recession. Large cap stocks outperformed Mid and Small-Cap stocks, and Growth stocks outperformed Value. International stocks continue to perform well, and emerging markets have been phenomenal. The economies of the four BRIC countries (Brazil, Russia, India and China) are growing at 10+% annually. Mr. Sebesta stated that if China continues to grow at this pace, it will no longer be considered an emerging market. The housing market continues to be a significant drag on the Gross Domestic Product (GDP) growth. The dollar has weakened which makes U.S. exports attractive, and encourages investment in the U.S. The concern is if the decline in the dollar evolves into a crisis.

During the conference call, it was announced that the Federal Reserve Board cut interest rates by an additional 25 basis points. Mr. Sebesta indicated that he believes a 25 basis point cut was constructive; if interest rates were cut by 50 basis points, it would send a signal that the economy was in trouble.

Mr. Sebesta discussed the Asset Allocation of the portfolio. As discussed at the previous Trustees' meeting, Mr. Sebesta added international real estate by adding the Wilshire International REIT to the portfolio. The holding in the Lighthouse Global Long/Short fund was also increased. Mr. Sebesta indicated that he had recently spoken to Dan Ledbetter from Lighthouse Partners, and he was very positive about this fund and stated that it was poised to do very well in the month of October.

Mr. Sebesta discussed the investment performance comparisons and stated that the overall portfolio had outperformed the blended benchmark by 1.58% YTD. Mr. Sebesta indicated that the STI Classic Aggressive Growth Fund which had been on watch, has had several good quarters of performance. The Lazard Mid Cap Blend Fund continues to be watched. This fund is overweight in consumer discretionaries which was particularly detrimental to its performance this summer. The William Blair Small Cap Growth Fund has underperformed. Mr. Sebesta will monitor its performance and look at alternatives.

Mr. Sebesta discussed the additional handout (Attachment 2) which showed a Static Benchmark as well as a Blended Benchmark. The static benchmark is considered useful for monitoring performance long-term. Mr. Sebesta and the Trustees also discussed the proposed revised Appendix B which had been forwarded by Mr. Raattama prior to the call (Attachment 3). The static benchmark has been included on Appendix B; 65/35 (equity/fixed income). Another option would be to use a static benchmark comprised of the 5% distribution requirement + inflation + 1% expense factor. Mr. Sebesta indicated that it would be possible to use both. The benchmark using the 65/35 weighting gives historical perspective as the asset allocation changes, while the other option (5% + inflation + 1% expenses) would be more forward looking and relevant to what we are trying to achieve.

The Trustees also discussed the revised ranges which were listed in Appendix B. These changes were made based on the addition of the Private Equity asset class to the portfolio, and the subsequent reduction in the large cap equity space. The range for Alternative Investments/Hedge Funds also needs to be adjusted, based on the increased allocation to the Lighthouse Global Long/Short Fund.

The Trustees agreed to review the revised Appendix B and memorandum from Mr. Raattama for adoption at the next Board of Trustees meeting in February, 2008.

Action: The Trustees received the Investment Review for the third quarter for information. (Attachment 1).

Action: The Trustees received the additional Investment Performance Comparison handout for information (Attachment 2).

Action: The Trustees received the revised Appendix B and Memorandum from Mr. Raattama for information (Attachment 3).

Action: Mr. Raattama to prepare revised Appendix B and memorandum to distribute to the Trustees prior to February, 2008 meeting.

2. Approval of Minutes

The minutes of the August 7 & 8, 2007 Trustees meeting of the McKnight Brain Research Foundation were reviewed. The minutes were approved.

The first draft of the minutes for the September 12, 2007 conference call of the McKnight Brain Research Foundation were reviewed. Following a discussion, there were several amendments suggested. Mrs. Borcheck indicated that the changes will be made, and a second draft of the minutes will be forwarded to the Trustees for their review.

Action: The Trustees approved the minutes for the August 7 & 8, 2007 Trustees meeting.

Action: A second draft with suggested revisions to the minutes of the September 12, 2007 conference call will be forwarded to the Trustees for their review.

3. MBRF Board of Trustees Meeting in Gainesville (February 19 & 20, 2008)

Dr. Lee Dockery informed the Trustees that he had a discussion with Dr. Steindler regarding the tentative meeting planned in Gainesville in February, 2008. Dr. Steindler indicated that he did not feel that there would be sufficient new developments to discuss that would warrant a meeting in February. Dr. Dockery requested that Dr. Steindler show detailed progress in his annual report to the MBRF. Dr. Steindler informed Dr. Dockery that he will be making a presentation in Arizona on neurogenesis. Following a discussion, the trustees agreed not to hold the February Board of Trustees meeting in Gainesville, but in Orlando instead.

4. Inter-Institute Meeting (revised budget)

The Trustees discussed the revised budget for the Inter-Institute meeting which had been submitted by Dr. Carol Barnes. The new proposed budget has been increased from \$60,381 to \$91,768. The increase is due to the request for additional people from each of the participating universities to attend the meeting. After a discussion, a motion was made to approve the budget and the motion was carried unanimously. Mrs. Borcheck will draft a letter to Dr. Barnes, informing her of the Trustees' decision.

Action: The Trustees reviewed and approved the revised budget submitted by Dr. Carol Barnes (Attachment 4).

Action: Mrs. Borcheck to draft a letter to Dr. Barnes informing her that the revised budget was approved.

5. Cognitive Aging Summit

The Trustees briefly discussed the Cognitive Aging Summit. Dr. Lee Dockery indicated that in a conversation with Dr. Hodes, he had mentioned what a wonderful catalyst the Summit has been, and has served to put this topic on the front burner. Dr. Dockery then discussed the timing of possible joint funding opportunities with the NIA through the FNIH. Their 2008 budget has already been committed, and funding for the 2009 budget will be confirmed in December. Assuming the MBRF receives proposals for joint funding, funding cannot start until 2009. The Trustees indicated that they are looking forward to receiving the proposals from the NIA.

6. Yale University (Neurobiology of Aging)

The Trustees discussed the letter and presentation received from Dr. Patty Pedersen of Yale University. They suggested that Dr. Pedersen be informed that the MBRF's schedule of funding is committed through June 2008, with the potential to extend through June 2009. The Trustees indicated that they would review the information at the February, 2008 Board of Trustees meeting, and should Dr. Pedersen wish to submit additional information, she is welcome to do so. Mrs. Borcheck will draft a letter to Dr. Pedersen.

Action: Mrs. Borcheck will draft a letter to Dr. Pedersen at Yale University informing her of the trustees' schedule for consideration of the proposal and the opportunity to submit additional information.

7. John Hopkins University (Dr. Michela Gallagher)

The Trustees reviewed the letter they had received from Dr. Michela Gallagher and discussed her presentation at the Cognitive Aging Summit. They recommended that Dr. Gallagher be urged to apply directly to the NIA for possible funding. Mrs. Borcheck will draft a letter to Dr. Gallagher.

Action: Mrs. Borcheck will draft a letter to Dr. Gallagher at John Hopkins University indicating the MBRF will be unable to consider individual investigator awards at this time.

8. Date of Next Meeting

The next meeting will be held on February 19th and 20th in Orlando.

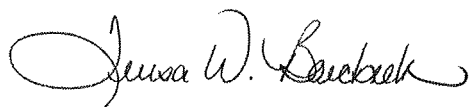
There being no further business, the meeting was adjourned at 4 p.m.

Summary of Action Items:

- 1. The Trustees received the Investment Review for the third quarter for information. (Attachment 1).**

2. **The Trustees received the additional Investment Performance Comparison handout for information (Attachment 2).**
3. **The Trustees received the revised Appendix B and Memorandum from Mr. Raattama for information (Attachment 3).**
4. **Mr. Raattama to prepare revised Appendix B and memorandum to distribute to the Trustees prior to February, 2008 meeting.**
5. **The Trustees approved the minutes for the August 7 & 8, 2007 Trustees meeting.**
6. **A second draft with suggested revisions to the minutes of the September 12, 2007 conference call will be forwarded to the Trustees for their review.**
7. **The Trustees reviewed and approved the revised budget submitted by Dr. Carol Barnes (Attachment 4).**
8. **Mrs. Borcheck to draft a letter to Dr. Barnes informing her that the revised budget was approved.**
9. **Mrs. Borcheck will draft a letter to Dr. Pedersen at Yale University informing her of the trustees' schedule for consideration of the proposal and the opportunity to submit additional information.**
10. **Mrs. Borcheck will draft a letter to Dr. Gallagher at John Hopkins University indicating the MBRF will be unable to consider individual investigator awards at this time.**

Respectfully submitted,



Teresa W. Borcheck
SunTrust Bank, Corporate Trustee