

**MINUTES**  
**MCKNIGHT BRAIN RESEARCH FOUNDATION**  
**BOARD OF TRUSTEES MEETING**  
**October 20-21, 2009**

**October 20, 2009**

The quarterly Trustee's meeting of the McKnight Brain Research Foundation (MBRF) was called to order at 12:00 p.m. on October 20th, in the Board Room of the Hilton University of Florida in Gainesville.

The following members were present:

Dr. John Clarkson, Trustee  
Dr. J. Lee Dockery, Trustee  
Dr. Michael Dockery, Trustee  
Dr. Nina Ellenbogen Raim, Trustee  
Dr. Judith Salerno, Trustee  
Mrs. Teresa Borcheck, Corporate Trustee  
SunTrust Bank Institutional Investment Solutions

Others attending:

Mr. Henry H. Raattama, Jr., Legal Counsel  
Mr. Michael Hill, Managing Director, SunTrust Institutional Investment Advisors  
David S. Guzick, M.D., Ph.D. Senior Vice President, Health Affairs and President,  
UF and Shands Health System - University of Florida

Via teleconference:

Ms. Tiffany Ahlfield, SunTrust Bank, Foundations & Endowments Specialty Practice

**1. Approval of Minutes**

The minutes of the August 3-4, 2009 meeting of the McKnight Brain Research Foundation were reviewed. The minutes were approved as amended (Attachment 1).

**Action Item 1: The trustees approved the minutes of the August 3-4, 2009 meeting as amended (Attachment 1).**

**2. Minimum Distribution Calculation**

The trustee reviewed and received the projected Minimum Distribution Calculation for the MBRF for information (Attachment 2).

**Action Item 2: The trustees reviewed and received the projected Minimum Distribution Calculation for the MBRF for information (Attachment 2).**

### **3. McKnight/University of Florida Gift Agreement Modification**

Dr. David S. Guzick attended the meeting to discuss the changes in the McKnight gift agreement creating an Endowment from the MBRF the University of Florida to be used to support research in age related memory loss. The First Amendment to the McKnight Gift Agreement with the University of Florida establishes a cognitive aging and memory clinical translational program while increasing the core group of age related memory loss research faculty within the McKnight Brain Institute and throughout the University. Dr. Guzick presented to the trustees the copies of the first amendment of the gift agreement signed by the University of Florida signatories. The first amendment was also approved and signed by the trustees. Mrs. Borcheck will send an original copy of the signed agreement to Mr. Paul Robell at the University of Florida and send copies to each of the University of Florida signatories (Attachment 3).

#### **Action Item 3:**

**A: Mrs. Borcheck will send an original copy of the signed first amendment to the gift agreement to Mr. Paul Robell, vice president for development and alumni affairs at the University of Florida, and send other copies to each of the University of Florida signatories.**

**B. Mr. Henry Raattama will contact Mr. Paul Robell regarding the process or procedure for including the first amendment into the master gift document.**

### **4. ISNR Research Foundation**

The proposal to the MBRF for research funds from the ISNR Research Foundation was reviewed. The trustees did not approve the proposal because the research is outside the scope and the purpose of the McKnight Brain Research Foundation. Mrs. Borcheck will send the ISNR Research Foundation a letter with the trustees' decision to decline funding the proposal.

**Action Item 4: Mrs. Borcheck will send the ISNR Research Foundation a letter with the trustees' decision to decline funding the proposal (Attachment 4).**

### **5. Investment Review**

Mr. Hill presented the Investment Review and commented on key economic and investment factors for the third quarter (Attachment 5). Global markets delivered another quarter of significant positive returns, with risk-based assets generating the greatest increases. Macro-economic indicators depict a stabilizing to slightly improving economic environment and after a greater than 50% improvement in the equity markets, stocks appear to be fairly valued at the current levels. Valuations reflect the possibility of minimal revenue growth generating higher earnings growth due to considerable operating leverage.

Recent Federal Reserve announcements communicate a stance of continued loose monetary policy and despite considerable fiscal stimulus and monetary easing, inflation remains subdued. Federal government budget deficits continue to be funded through large issuance of U.S. Treasuries. As a result, the U.S. dollar continued its decent in comparison to other major currencies.

**Action Item 5: The trustees received the Investment Review for information (Attachment 5).**

**5. Investment Policy Review**

The Amended and Restated Investment Policy was reviewed and three changes were made.

-Page 3—Investment Preference paragraph---Last line should read "This shall not apply to investments in indexed or mutual funds."

-Page 7—The 1.5% Expenses as Permitted figure should be changed to 1%

-Page 8—The 3.5% Biomedical Research and Development Price Index should be changed to 3.8%.

The Amended and Restated Investment Policy Statement was approved as amended.

**Action Item 6: The Amended and Restated Investment Policy Statement was approved as amended (Attachment 6).**

**6. Trustees' Board Meeting February 2-3, 2010**

The trustees discussed the board meeting that will be held on February 2-3, 2010 in Miami, FL in conjunction with a site visit at the University of Miami. The board meeting will be held from 12:00 – 5:00 on the 2<sup>nd</sup> and conclude with dinner at the Coral Reef Club that evening. On February 3<sup>rd</sup>, the Symposium will be from 8:30 am to 3:00 pm on the Miller University of Miami School of Medicine campus.

**7. Trustees' meeting and the Inter-Institutional Meeting April 28-30, 2010**

The Board of Trustees will meet in conjunction with the Inter-Institutional Meeting April 28-30, 2010, in Gainesville, FL. The trustees will meet at the Hilton hotel from 12:00-5:00pm on April 28, 2010. The inter-institutional meeting will begin with a reception on the evening of April 28th and conclude by noon on April 30, 2010. Mrs. Borcheck has been in contact with the Hilton Conference Center in Gainesville and has tentatively reserved 80 rooms, the meeting space and has begun discussing food options for the receptions and dinners. She will continue to work directly with Dr. Tomas Foster, the Evelyn F. McKnight Chair for Age Related Memory Loss at the University of Florida, to coordinate further meeting arrangements.

**Action Item 7: Mrs. Borcheck will work directly with individuals at the Hilton Hotel and Dr. Thomas Foster to coordinate the meeting arrangements for the April 28-30, 2010, Trustees' and Inter-Institutional Meetings at the University of Florida.**

**8. Trustees' Board Meeting August 10-11, 2010**

The trustees have agreed to hold the August meeting of the MBRF on August 10-11, 2010 in Orlando, FL. The trustees will arrive in the morning of August 10, 2010 and meet in the afternoon of August 10, 2010. The trustees' meeting will continue in the morning of August 11, 2010, to review and update the strategic plan of the MBRF with Mr. Robert Moser (Chief Client Service Officer and President, Laird Norton Tye). The meeting on Wednesday, August 11, 2009, will adjourn at 12:00 noon.

**9. Cognitive Aging Summit II**

The Second Cognitive Aging Summit will be held on October 3-5, 2010 at the JW Marriott in Washington, DC.

**10. MBRF Endowment to University of Alabama (UAB)**

The MBRF Trustees discussed the first of five \$1,000,000 payments by the MBRF due on October 1, 2009, to fund the MBRF Endowment to the UAB. The trustees unanimously agreed to make the first payment on schedule. The remaining payments, however, will not be made automatically and the trustees will review the options annually at their August meeting before the scheduled payment in each October for a final decision. Mrs. Borcheck will prepare a Letter of Agreement to further clarify the terms that were set forth in the Amended and Restated Gift Agreement, dated August 3, 2009, between the MBRF and The Board of Trustees of The University of Alabama for The University of Alabama at Birmingham (UAB) and send it to Dr. Shirley Salloway Kahn, vice president for development, alumni and external relations at the UAB.

**Action Item 8:**

**A: Mrs. Borcheck will inform UAB to expect payment of the first installment in the amount of \$1,000,000 and will prepare the necessary paperwork to implement the transfer.**

**B: Mrs. Borcheck will prepare a Letter of Agreement to further clarify the terms that were set forth in the Amended and Restated Gift Agreement, dated August 3, 2009, between the MBRF and The Board of Trustees of The University of Alabama for The University of Alabama at Birmingham (UAB) and send it to Dr. Shirley Salloway Kahn, vice president for development, alumni and external relations at the UAB.**

### **11. Trademark Update**

Mrs. Borcheck presented a copy of the letter from Akerman Senterfitt stating the Declaration of Use and Incontestability document was filed for the Evelyn F. McKnight Brain Research Foundation Trademark to remain in use for the remainder of its ten year term (Attachment 5). Registration must be renewed on or before the ten year anniversary (2014).

### **12. 990 PF Status**

Mrs. Borcheck informed the trustees that there are currently two tax preparation firms who have offered competitive bids in response to the MBRF's search to replace KPMG as their tax preparer. The trustees advised Mrs. Borcheck to choose the firm offering the most competitive bid responsive to the requirements of the MBRF supported by recommendations and personal experience. The trustees authorized Mrs. Borcheck to contract with the selected firm.

#### **Action Item 9:**

**A: Mrs. Borcheck will continue to follow up with KPMG to resolve the existing tax issues.**

**B: Mrs. Borcheck will continue to follow up and contract with the selected firm.**

There being no further business, the meeting adjourned at 4:45 p.m.

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

**Action Item 1: The trustees approved the minutes of the August 3-4, 2009 meeting as amended (Attachment 1).**

**Action Item 2: The trustees reviewed and received the projected Minimum Distribution Calculation for the MBRF for information (Attachment 2).**

#### **Action Item 3:**

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**B. Mr. Henry Raattama will contact Mr. Paul Robell regarding the process or procedure for including the first amendment into the master gift document.**

**Action Item 4: Mrs. Borcheck will send the ISNR Research Foundation a letter with the trustees' decision to decline funding the proposal (Attachment 4).**

**Action Item 5: The trustees received the Investment Review for information (Attachment 5).**

**Action Item 6: The Amended and Restated Investment Policy Statement was approved as amended (Attachment 6).**

**Action Item 7: Mrs. Borcheck will work directly with individuals at the Hilton Hotel and Dr. Thomas Foster to coordinate the meeting arrangements for the April 28-30, 2010, Trustees' and Inter-Institutional Meetings at the University of Florida.**

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**Action Item 9:**

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**B: Mrs. Borcheck will continue to follow up and contract with the selected firm.**

Respectfully Submitted,



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Teresa W. Borcheck  
SunTrust Bank, Corporate Trustee