

**ADDENDUM TO MEMORANDUM REGARDING CREATION AND
OPERATION OF THE WARREN G. MAGNUSON INSTITUTE
FOR BIOMEDICAL RESEARCH AND HEALTH PROFESSIONS
TRAINING AT THE UNIVERSITY OF WASHINGTON**

This addendum to the June 28, 1991 Memorandum Regarding the Creation of the Warren G. Magnuson Institute for Biomedical Research and Health Professions Training (Magnuson Institute) at the University of Washington describes specifically how the earnings of the Institute's endowment will be administered.

Distribution of Earnings

On Page 2, section 5 of the Memorandum, there is a description of how the earnings of the local endowment funds for the Magnuson Institute will be distributed. To implement this distribution, the University will immediately establish three endowment accounts to support the Magnuson Institute structured as follows:

Fund A - Magnuson Institute-Diabetes Research Center. The initial amount in the endowment is \$2,250,000 plus accrued interest income. The earnings from this account will be used to support biomedical research in the UW School of Medicine into the causes of, treatment for, or management of diabetes. The Dean of the UW School of Medicine will determine the distribution of the earnings for these purposes.

Fund B - Magnuson Institute-Chair for Neurosciences. The initial amount in the endowment is \$1,750,000 plus accrued interest income. The earnings from this account will be used to support the new Warren and Jermaine Magnuson Chair in Medicine for Neurosciences in the UW School of Medicine. The Chair will support biomedical research into the causes of, treatment for, or management of diabetes related complications, Parkinson's disease and other neurological disorders or diseases. The Dean of the School of Medicine will determine the distribution of the earnings for these purposes. The \$1,750,000 to establish the endowed Chair in Medicine for Neurosciences is part of the Warren G. Magnuson Institute for Biomedical Research and Health Professions Training, and is established as a separate UW endowment fund within the Institute. This clarifies language on page 3, Section III, Funding, in the September 6, 1991 Endowed Chair in Medicine for Neurosciences agreement.


Fund C - Magnuson Institute-Student Financial Support. The initial amount in the endowment fund is \$2,037,302 plus accrued interest income. The earnings from this account will provide financial assistance to students in graduate or postgraduate health professions training programs. An advisory committee representing the six health sciences schools was appointed by Dr. Jack Lein in June 1992 to provide consultation to the Chair of the Board of Health Sciences regarding use of these funds. Section 3 (2) of Chapter 282, Washington Laws of 1990, requires that at least one student at all times be in a career pathway preparing for or engaged in research related to diabetes, its antecedents, or complications. Effective July 1, 1992, the Chair of the Board of Health Sciences will determine the distribution of the earnings for these purposes after consulting with the aforementioned advisory committee.


Unless a future donor provides specific instructions, additional funds will be prorated to Fund A, B, and C based on the ratio of the original contributions to each fund as follows:

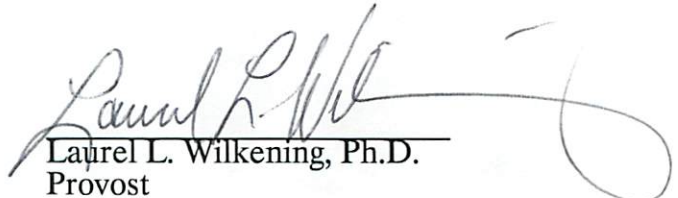
Fund A	37
Fund B	29
Fund C	34


Operation of the Magnuson Institute:

Effective July 1, 1992, oversight of the interdisciplinary program of the Magnuson Institute (Student Financial Support) will be provided by the Board of Health Sciences Deans; the programs of the Magnuson Institute in the School of Medicine (the Magnuson Institute - Diabetes Research Center and the Magnuson Institute - Chair for Neurosciences) will be administered by the Dean of Medicine.


Milo Gibaldi, Ph.D.
Chair, Board of Health
Sciences


Philip J. Fialkow, M.D.
Vice President for Medical
Affairs and Dean


Laurel L. Wilkening, Ph.D.
Provost


Tallman Trask, III, Ph.D.
Executive Vice President

Date: July 1, 1992

Magnuson Institute Funding

Source Funds

<u>Source</u>	<u>Amount</u>	<u>Date</u>
Federal Government (1st grant)	\$2,928,000	1991
Washington State	\$ 537,302	1991
School of Medicine	\$ 569,000	June 1992
Federal Government (2nd grant)	\$2,000,000	1992
Private Contributions	\$ 3,000	1991
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Total funding for Institute:	\$6,037,302	

Allocation of Funds

Magnuson Laboratory Support Fund A	\$2,250,000 plus accrued interest
Magnuson Chair Fund B	\$1,750,000 plus accrued interest
Magnuson Institute-Student Financial Support Fund C	\$2,037,302 plus accrued interest
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Total:	\$6,037,302

June 19, 1992