

**DRAFT OF 2/4/22  
FOR DISCUSSION PURPOSES ONLY**

**HERRIN ENDOWMENT FUND AGREEMENT**

This fund agreement (“Agreement”) is made and entered into between STANLEY M. HERRIN, of Dallas, Texas (the "Donor") and GRAND PRAIRIE FRIENDS, an Illinois not-for-profit corporation.

The Donor intends to establish a restricted endowment fund with Grand Prairie Friends in order to provide for the repair, maintenance and rehabilitation of man-made facilities within the preserves and/or conservation areas either owned or maintained by the Grand Prairie Friends.

Grand Prairie Friends acknowledges with gratitude the generosity of the Donor and wishes to record the details of the Donor's intention to support Grand Prairie Friends and outline key aspects related to the gift administration.

The parties therefore agree as follows:

Article 1  
STATEMENT OF GIFT

**1.1 Anticipated Gifts.** The Donor plans to make a series of gifts to Grand Prairie Friends which shall be directed to the Fund, as defined herein, with an anticipated total value of approximately \$200,000. However, nothing in this Agreement shall be construed to constitute a pledge by the Donor.

**1.2 Payments.** The Donor intends to fund the endowment established under this Agreement through a series of qualified charitable distributions from the Donor's individual retirement account, beginning with a distribution of \$100,000 by December 31, 2022. Future payments may be provided by the Donor from his individual retirement account or from other sources, and the amount of annual contributions may vary from year to year.

## Article 2

### FUND STRUCTURE

2.1     **Name of Fund.** Grand Prairie Friends agrees to hold any of the Donor's gifts directed to this Fund in a gift fund, designated on its books and records as the "Herrin Endowment" (the "**Fund**"), and to administer the Fund as provided in this Agreement.

2.2     **Type of Fund.** The Fund will be held as an endowment fund, as defined by the Illinois Uniform Prudent Management of Institutional Funds Act ("UPMIFA"), or a similar successor statute, to be used solely for the restricted purposes set forth in this Fund agreement. The principal of the gift will be held as a separate part of Grand Prairie Friends' endowment, and only an annually determined distributable amount will be available for spending.

2.3     **Endowment Minimum.** If the gifts from the Donor do not meet the minimum endowment level of \$25,000 by December 31, 2023, the Fund's assets may be spent by Grand Prairie Friends currently for the purposes for which this endowment is established.

## Article 3

### USE OF THE FUND

3.1     **Benefitting Grand Prairie Friends.** The Fund shall benefit Grand Prairie Friends, an Illinois not-for-profit conservation organization and land trust whose primary purpose is to preserve and restore tallgrass prairie and woodlands in east-central Illinois. If for any reason the current functions of Grand Prairie Friends are transferred to another related organization or the name of the organization is changed, then the fund will continue to benefit the organization, as changed.

3.2     **Purpose of Fund.** The Fund's primary purpose is restricted to providing for the maintenance of Grand Prairie Friends' man-made facilities, since these types of costs have historically been difficult to fund through other contributions and grants. The distributable amount from the Fund may be used to repair, maintain and/or rehabilitate man-made facilities within the preserves and conservation areas either owned or maintained by Grand Prairie Friends. This includes but is not limited to existing buildings, building electrical systems, HVAC systems, roadways, parking lots, fences, signs, storm drainage lines, waterlines, sanitary sewer lines, tractor repair and other items for which grants cannot routinely be obtained. Grand Prairie Friends may not use the distributable amount for any new construction, including new buildings,

building expansions, parking lots, roadways, fencing, tree planting or removal, drainage improvements, nor, as a general rule, should the Fund be used for types of maintenance expenses for which grants can otherwise be obtained by Grand Prairie Friends. For purposes of this restriction, “existing” refers only to man-made facilities owned by Grand Prairie Friends at the time of this Agreement, and to man-made facilities built in future years, but only after those facilities have been in use for a minimum of three (3) years.

Although the Fund may be used for repair, maintenance or rehabilitation of man-made facilities in any preserve or conservation area owned or maintained by Grand Prairie Friends, preferential consideration should be given to use of the Fund for facilities in the Warbler Ridge Conservation Area and for the offices or office building of Grand Prairie Friends.

The distributable amount from the Fund may also be used for equipment repair or replacement, but the Fund may not be used to purchase any new equipment which is not replacement equipment.

**3.3 Amount Available for Spending.** Grand Prairie Friends shall determine the amount of the Fund which is available for current spending (referred to in this Agreement as the “distributable amount”) as follows: The “annual value” of the Fund, which is the fair market value of the Fund, reduced by any unexpended distributable amounts from prior years, shall be determined on the same day in each calendar year, unless the Board of Grand Prairie Friends determines that it is in the best interest of the Fund to change that valuation date. The Board of Grand Prairie Friends shall determine the distributable amount as a percentage of the annual value of the Fund, after consideration of the factors set forth in UPMIFA, to the extent relevant to the Fund. Without limiting the foregoing, the Donor suggests that a reasonable annual amount available for spending might generally be 4-5% of the Fund’s annual value, reduced by administrative fees and costs.

In any calendar year, any or all of the Fund’s distributable amount, including distributable amounts from previous calendar years that have not been expended, may be expended by Grand Prairie Friends in accordance with the terms of this Fund Agreement.

Grand Prairie Friends’ Board may elect to accumulate the distributable amounts for two or more years in order to provide funding for an anticipated major expense of the type which may be supported under the terms of this Fund Agreement.

**3.4 Spending Authority.** Grand Prairie Friends may determine all other details about the use of the Fund, including but not limited to the choice of repair or maintenance projects, the amounts spent (subject to the distributable amount available for spending), and the timing, in accordance with Grand Prairie Friends' policies and procedures.

## Article 4 FUND ADMINISTRATION

**4.1 Investments.** Grand Prairie Friends is authorized to retain the assets contributed to the Fund or Grand Prairie Friends may sell or exchange any of said assets and reinvest the proceeds in accordance with Grand Prairie Friends' established policies and procedures.

**4.2 Policies and Procedures.** Grand Prairie Friends' policies and procedures referenced in this Agreement may be amended from time to time.

**4.3 Confidentiality.** Grand Prairie Friends strives to maintain donor confidentiality, and therefore, except as noted in the following sentence, Grand Prairie Friends will keep this Agreement confidential, to the extent allowed by law and Grand Prairie Friends' policy. The Donor expressly authorizes Grand Prairie Friends to discuss the Fund and this Agreement with the Donor's representatives named herein.

**4.4 Donor Acknowledgment.** Once the Donor has transferred a minimum of \$100,000 to the Fund, and in consideration of this gift, Grand Prairie Friends agrees to rename the area at Warbler Ridge Conservation Area currently referred to as the "Lower Gate" as "Point Mark" or "Mark's Point," at the Grand Prairie Friends Board's discretion, in memory of Mark Bokenkamp, a longtime friend of the Donor who had enjoyed hiking and spending time in this area. Grand Prairie Friends further agrees to erect an appropriate sign at such site displaying the name "Point Mark" or "Mark's Point." All costs for new signs and maps associated with the name change shall be paid for by the Donor and will not be funded by the endowment.

## Article 5 AGREEMENT REVIEW AND MODIFICATION

**5.1 Donor Relationship.** Upon the Donor's contributing a minimum of \$100,000 to the Fund, Grand Prairie Friends agrees to provide information to the Donor and seek the Donor's

input or approval of changes to the Fund agreement as provided in this Article. Upon the Donor's death or incapacity, Grand Prairie Friends shall recognize the first of the following individuals who is able and willing to act as the Donor's Representative for purposes of this Article: (1) Elizabeth A. Small (Donor's wife), (2) Janet D. Herrin (Donor's daughter), and (3) Madeline D. Easley (Donor's granddaughter).

**5.2 Annual Report on Use of Fund.** Annually, Grand Prairie Friends shall notify the Donor or the Donor's Representative, in writing of repair, maintenance, or rehabilitation projects made possible by the Fund and associated expenditures. Grand Prairie Friends may meet this requirement through a letter or a general newsletter sent to the Donor or Donor's Representative which contains this information.

**5.3 Periodic Review.** The Donor intends for this Fund to have a significant impact in helping Grand Prairie Friends fulfill its charitable mission, by providing financial support for required functions for which grants are often not readily available. In the Donor's experience, it can be challenging for charitable organizations to obtain gifts or grants to cover the cost for regular repairs. However, since there may be greater unmet needs and challenges faced by Grand Prairie Friends over time, which are not presently anticipated, the Donor and Grand Prairie Friends hereby agree that Grand Prairie Friends shall review the performance and utility of this Fund periodically, at least as often as every 25 years during the Fund's existence. Grand Prairie Friends shall consult with the Donor or Donor's Representative regarding this review. Grand Prairie Friends shall have the power to modify this agreement, with the approval of the Donor or Donor's Representative, provided that the Fund's use shall in all events further the mission and serve the best interests of Grand Prairie Friends. No amendment to this Agreement will be effective unless it is in writing and signed by the parties. However, if neither the Donor nor any Donor Representative is able or willing to act, then only Board approval is required.

**5.4 Release or Modification of Restrictions.** If the Fund has \$50,000 or less in assets, then upon consultation with and approval in writing of the Donor or Donor's Representative, if any such person is then willing and able to act, Grand Prairie Friends shall have the ability, by a two-thirds affirmative vote of Grand Prairie Friends' Board of Directors, to (a) continue the Fund as currently provided, (b) revise portions of the Fund Agreement, and continue the Fund, (c) add the Fund to Grand Prairie Friends' general endowment funds, or (d) expend the Fund for the purposes set forth in this Agreement, but without limitation as to the timing or amount of distributions.

**5.5 Alternate Application of Income.** It is intended that the Fund shall be continued under the terms of this Agreement as long as the need for the Fund exists and assets are held in the Fund for its purposes. If Grand Prairie Friends dissolves, ceases to exist or ceases to hold or administer the Fund or otherwise to function under this Agreement, or in the event Grand Prairie Friends determines at some future time that it is no longer practical for the Fund to be used as specified herein, then Grand Prairie Friends (or its successor) may, after consultation with and approval in writing by the Donor or a Donor's Representative, if any of them is then willing and able to act, devote the distributable amount from the Fund for the purpose of preserving prairie lands in a manner as close as possible to the original purpose for which the Fund was established. In any such alternate application of the distributable amount, the funding source shall be clearly identified as the "Herrin Endowment."

## Article 6

### EFFECTIVE DATE; ENFORCEABILITY

**6.1 Governing Law.** This Agreement shall be governed by the laws of the State of Illinois, including its conflicts of law provisions. Any suit or proceedings arising from or in connection to this Agreement must be filed in Grand Prairie Friends' legal forum.

**6.2 Representatives and Successors Bound.** This Agreement shall be binding upon and inure to the benefit of the parties hereto, their heirs, executors, administrators, legal representatives, successors and assigns.

**6.3 Effectiveness, Date.** This Agreement will become effective when all parties have signed it. The date of this Agreement will be the date this Agreement is signed by the Donor.

#### GRAND PRAIRIE FRIENDS

By: \_\_\_\_\_  
Its President

\_\_\_\_\_  
Stanley M. Herrin, Donor

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Attest: \_\_\_\_\_  
Secretary