

Steve Leimberg's Charitable Planning Email Newsletter - Archive Message #188

Date: 02-Jul-12

From: Steve Leimberg's Charitable Planning Newsletter

Subject: **Richard Fox: Lawsuit against Johns Hopkins University Alleging Violation of Contract and Deed Restrictions and Donor Intent Heads to Trial**

In the world of philanthropy, there is perhaps no principle more important than adherence to donor intent. Indeed, the law requires charities to comply with a donor's restrictions on contributions so that donor intent will be fulfilled. A donor's restriction will typically be in the form of a purpose restriction - a direction regarding how a contribution should be used by the donee organization.

Courts have zealously guarded such restrictions and strive to ensure that donor intent is followed. Absent donee organizations following such restrictions and their enforcement by the courts, donors would be discouraged from making such gifts.

From a policy standpoint, therefore, the enforcement of donor intent and restrictions is of paramount importance. In recent years, there have been a number of high profile and highly charged donor intent cases, such as the Leona Helmsley Trust, Robertson Foundation v. Princeton, the Barnes Foundation, Brandeis University and the Rose Art Museum, and the Red Cross case in the aftermath of September 11, to name only a few. As these highly contentious cases demonstrate, nothing seems to stir the passion of the American donor more than when a charity fails to follow donor intent and adhere to donor restrictions.

In his commentary, **Richard L. Fox** addresses another case alleging the violation of donor intent in connection with a 138-acre parcel of land, known as Belward Farm, contributed to Johns Hopkins University in 1989 pursuant to a contract and deed limiting its use "for agricultural, academic, research and development, delivery of health and medical care and services or related purposes only." The heirs of the donors of the land filed a lawsuit in November 2011 seeking to enjoin Johns Hopkins from developing a 4.7 million-square-foot campus and science park on the property, asserting that the development plan violates the terms of the contract and deed and the intent of the donors. Johns Hopkins has steadfastly maintained that its development plan is not in violation of the language of the deed and contract or donor intent. A motion for summary judgment filed by Johns Hopkins shortly after the complaint was filed was denied by the court in March 2012, and a

