

The Board of Trustees
of the
School and Institutional Trust Lands Administration

New Policy

Amends Policy No.

Repeals Policy

Policy Statement No. 2009-01

*Subject: Amendments to Other Business
Arrangements (OBA) for Surface and Mineral
Groups*

The Board of Trustees of the School and Institutional Trust Lands Administration met in open, public session on October 15, 2009, and by majority vote declared the following to be an official policy of the Board.

WHEREAS, pursuant to 53C-1-303(4)(e) and 53C-2-401(1)(d)(ii), the Board of Trustees (“Board”) must approve joint ventures and other business arrangements (collectively “OBAs”) entered into by the School and Institutional Trust Lands Administration; and

WHEREAS, agency rule R850-140-700 governs amendments to OBAs undertaken by the agency’s planning and development group; and

WHEREAS, the Board believes it is desirable and prudent to establish a policy governing the amendment of OBAs undertaken by the agency’s surface and minerals groups that have already received approval by the Board, in a manner consistent with statutory authority, administrative rule, and other Trust purposes; and

WHEREAS, the Board acknowledges that the Director is: (i) vested with broad authority, subject to Board approval, to enter into joint venture transactions and other business arrangements pursuant to 53C-1-303(4)(e) and 53C-2-401(1)(d)(ii); and (ii) required to inform the Board of the Administration’s activities pursuant to 53C-1-303(1)(k) of the Act.

NOW, THEREFORE, in order to assist the Director in fulfilling his/her obligations under the foregoing, the Board adopts the following policy regarding amendments to surface and mineral OBA’s which have already been approved by the Board:

1. The Administration may amend an OBA subject to the conditions in subsections 2-4.
2. No amendment to an OBA shall result in the Trust receiving less than fair-market value for the sale, use, or exchange of the property in question.

3. The Director shall provide the Board with notice of the amendment by delivering a summary description of the terms of the proposed amendments to the OBA to the Board with sufficient detail to permit the Board to review the proposed amendment consistent with its statutory duties.
4. All amendments that will materially modify the terms of an OBA must be approved by the Board. Amendments that do not materially modify the terms of an OBA may be approved by the Director after notice to the Board pursuant to Subsection 3.
5. Nothing in this policy shall preclude the Director from making de minimis or technical amendments to OBAs (for example, corrections to legal descriptions, changes in party names, or minor clarifications or modifications) without further notice or approval.