

**Minutes of the Meeting of the
Board of University and School Lands
April 29, 2021**

The April 29, 2021 meeting of the Board of University and School Lands was called to order at 9:00 AM via Microsoft Teams by Chairman Doug Burgum. All meeting attendees were via Microsoft Teams.

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjem	Attorney General
Thomas Beadle	State Treasurer

Members Absent:

Kirsten Baesler	Superintendent of Public Instruction
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Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Dennis Chua	Investment Analyst
Christopher Dingwall	Mineral Title Specialist
Scott Giere	Revenue Compliance Auditor
Peggy Gudvangen	Accounting Division Director
Roman Knudsvig	Department Intern
Kristie McCusker	Paralegal
Catelin Newell	Administrative Staff Officer
Adam Otteson	Revenue Compliance Director
Rick Owings	EIO Grants Administrator
Michael Shackelford	Investments Director
David Shipman	Minerals Division Director
Lynn Spencer	Mineral Title Specialist
James Wald	Legal Council
Michael Humann	Surface Division Director
Susan Dollinger	Unclaimed Property

Guests in Attendance:

Dave Garner	Office of the Attorney General
Reice Haase	Office of the Governor

Additional Guests in Attendance:

Brady Pelton (NDPC)
 Craig C. Smith
 Gary Hagen
 Amy Sisk
 Becky Hagel
 Brad Solberg
 Geoff Simon
 Harrison Street (Jenna and Joey)
 Josh Kevan (RVK)
 Justin (NP News)
 Lawrence Bender
 Cathie Mazza
 Raymond
 Rowen D. (Journalist)
 Michelle Russel-Dowe
 Scott Maynard

A P P R O V A L O F M I N U T E S

A motion to approve the minutes of the March 25, 2021 meeting was made by State Treasurer Thomas Beadle and seconded by Attorney General Wayne Stenehjem and the motion carried unanimously on a voice vote.

R E P O R T S

March 2021 Report of Encumbrances Issued by Land Commissioner

Granted to: **CONTINENTAL RESOURCES INC, OKLAHOMA CITY-OK**
 For the Purpose of: On-lease Activity: Pipeline-Multiple Pipelines & Communication Cable
 Right-of-Way Number: RW0008806
 Trust: A - Common Schools
 Legal Description: DUN-147-96-36-NW4

Granted to: **ROBB NARUM, BOWMAN-ND**
 For the Purpose of: Easement: Pipeline-Potable Water Pipeline
 Right-of-Way Number: RW0008824
 Trust: A - Common Schools
 Legal Description: SLO-133-100-16-NW4

Granted to: **BISON MIDSTREAM LLC, HOUSTON-TX**
 For the Purpose of: Easement: Pipeline-Gas Gathering Pipeline
 Right-of-Way Number: RW0008830
 Trust: A - Common Schools
 Legal Description: MOU-158-91-16-SE4, SW4

Granted to: **SLAWSON EXPLORATION COMPANY INC, DENVER-CO**
 For the Purpose of: Easement: Pipeline-Oil Gathering Pipeline
 Right-of-Way Number: RW0008637
 Trust: A - Common Schools
 Legal Description: MOU-152-92-14-SE4

Granted to: **HESS NORTH DAKOTA PIPELINES, LLC, HOUSTON-TX**
 For the Purpose of: Easement-Amend: Pipeline-Multiple Pipelines &
 Communication Cable
 Right-of-Way Number: RW0008809
 Trust: A - Common Schools
 Legal Description: MOU-157-93-36-SE4, SW4

Granted to: **CATES EARTH SCIENCE TECHNOLOGIES INC, BISMARCK-ND**
 For the Purpose of: Permit: Temporary Water Layflat Line
 Right-of-Way Number: RW0008827
 Trust: A - Common Schools
 Legal Description: MOU-150-92-10-S2SW4

Granted to: **SELECT ENERGY SERVICES LLC, WILLISTON-ND**
 For the Purpose of: Permit: Temporary Water Layflat Line
 Right-of-Way Number: RW0008832
 Trust: A - Common Schools
 Legal Description: MOU-156-94-16-SW4

Granted to: **ND GAME & FISH DEPT, RIVERDALE-ND**
 For the Purpose of: Permit: Access to School Land
 Right-of-Way Number: RW0008841
 Trust: A - Common Schools
 Legal Description: PIE-152-73-16-SW4NE4, LOTS 1,2,3

Granted to: **NDSU (DEPT 7650), FARGO-ND**
 For the Purpose of: Permit-Amend: Access to School Land

(04/29/21)

Right-of-Way Number: RW0008846
 Trust: A - Common Schools
 Legal Description: DIV-160-101-36-SE4
 EDD-149-62-36-SW4

Granted to: USDA-NRCS MLRA 53B SOIL SURVEY OFFICE, BISMARCK-ND
 For the Purpose of: Permit: Access to School Land
 Right-of-Way Number: RW0008847
 Trust: A – Common Schools
 N – North Dakota State University
 U – University of North Dakota
 Legal Description: RAM-155-60-10-NE4
 RAM-155-60-12-NE4, NW4

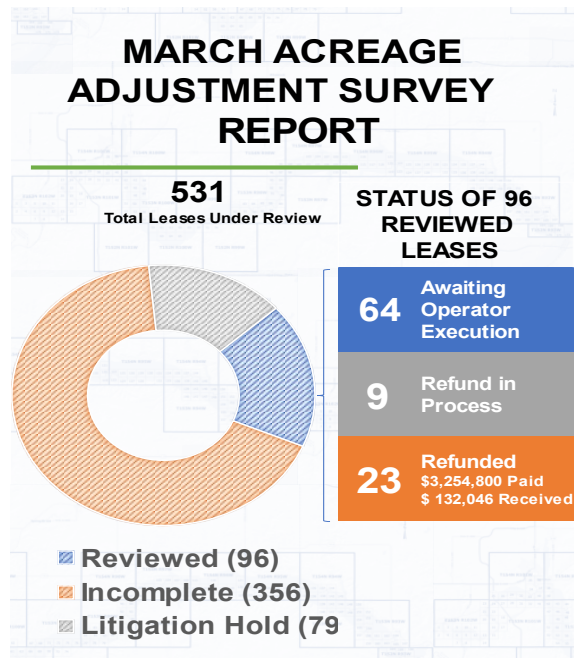
Granted to: HDR ENGINEERING INC, BISMARCK-ND
 For the Purpose of: Permit: Planning & Preconstruction Survey
 Right-of-Way Number: RW0008836
 Trust: A - Common Schools
 Legal Description: All Trust Land in North Dakota

Granted to: 4TH DIMENSION SURVEYING AND CONSULTING INC, WILLISTON-ND
 For the Purpose of: Permit: Planning & Preconstruction Survey
 Right-of-Way Number: RW0008851
 Trust: A - Common Schools
 Legal Description: All Trust Land in North Dakota

March Oil and Gas Lease Extension Report

In January 2020, North Dakota Administrative Code § 85-06-01-06 was enacted. It provides a lessee the option to request a lease extension.

Continental Resources, Inc., of Oklahoma City, Oklahoma, received a second six-month extension on four leases in Section 30-154N-97W, McKenzie County, and two leases in Section 31-154N-97W, McKenzie County. They have completed the Dallas 4-30 H Well and are in search of a natural gas pipeline.



A map of the tracts involved in the Acreage Adjustment report was provided to the Board and is available at the Department upon request.

Repayment of Unpaid Royalties Report

Since the March 25, 2021, Board of University and School Lands meeting, one payor has come into compliance for gas deductions:

- Marathon Oil

March Unclaimed Property Report

Unclaimed property is all property held, issued, or owing in the ordinary course of a holder's business that has remained unclaimed by the owner for more than the established time frame for the type of property. It can include checks, unpaid wages, stocks, amounts payable under the terms of insurance policies, contents of safe deposit boxes, etc.

An owner is a person or entity having a legal or equitable interest in property subject to the unclaimed property law. A holder can include a bank, insurance company, hospital, utility company, retailer, local government, etc.

Since 1975, the Unclaimed Property Division (Division) of the Department of Trust Lands has been responsible for reuniting individuals with property presumed abandoned. The Division acts as custodian of the unclaimed property received from holders. The property is held in trust in perpetuity by the State and funds are deposited in the Common Schools Trust Fund. The 1981 Uniform Unclaimed Property Act created by the national Uniform Law Commission was adopted by the State in 1985.

For the month of March 2021, the Division received 130 holder reports with a property value of \$157,314 and paid 807 claims with a total value of \$894,409.

The Financial Report (Unaudited) for period ending January 31, 2021 was presented to the Board for review and is available at the Department upon request.

Investment Updates

Portfolio Rebalancing Updates

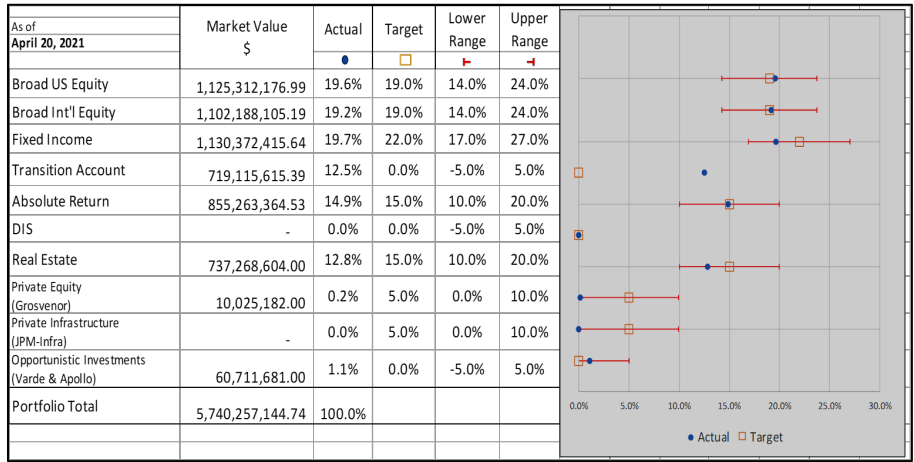
Grosvenor Private Equity made initial capital calls amounting to approximately \$10.025M out of the \$130M committed capital. Additionally, Varde Dislocation Fund LP called capital totaling \$12.5M which brought its total to \$50M out of the \$100M committed to the fund.

After the final close of the Fund, ARES Pathfinder Fund LP (Fixed Income) made a return of capital distribution amounting to around \$1.6M which brought the unfunded commitment to \$95.4M up from \$93.8M last quarter.

Apollo Accord Fund IV LP (Opportunistic Investment) has unfunded commitment totaling \$94.5M. While Angelo Gordon Direct Lending Fund IV (Fixed Income) and JPM-Infrastructure Fund have yet to make a call at this time with commitments of \$100M and \$130M respectively.

Asset Allocation

The table below shows the status of the permanent trusts' asset allocation as of April 20, 2021. The figures provided are unaudited.



Upcoming Investment Manager Meetings
There is no upcoming meeting scheduled.

Legislative Update

BILL	TITLE	SPONSORS	COMMITTEE	STATUS		
				House Date of Hearing	Senate Date of Hearing	Governor
HB 1080	Relating to the obligation to pay oil and gas royalties on leases owned and managed by the board of university and school lands.	Rep. Dockter	Finance & Taxation	PASSED yeas 82 nays 10 SIGNED BY SPEAKER	PASSED yeas 39 nays 7 SIGNED BY PRESIDENT	sent
HB 1081	Relating to access to and activities on trustlands; and to provide a penalty.	Rep. Zubke	Energy & Natural Resources	PASSED yeas 68 nays 25 SIGNED BY SPEAKER	PASSED yeas 40 nays 7 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 3/30
HB 1349	Relating to open record and meeting laws; to amend and reenact subsection 9 of section 44-04-17.1, sections 44-04-18.27 and 44-04-19, subsections 1 and 2 of section 44-04-20, and section 44-04-30 of the North Dakota Century Code, relating to open record and meeting laws; and to provide a penalty.	Rep. Devlin, Karls Sen. Dwyer, Lee, Oban	Political Subdivisions	PASSED yeas 77 nays 16 SIGNED BY SPEAKER	PASSED yeas 47 nays 0 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State 4/20
SB 2013	A BILL for an Act to provide an appropriation for defraying the expenses of the commissioner of university and school lands; to provide for distributions from permanent funds; to provide a report; and to provide an exemption	Appropriations	Appropriations	PASSED yeas 75 nays 17 SIGNED BY SPEAKER	PASSED yeas 47 nays 0 SIGNED BY PRESIDENT	sent
SB 2036	AN ACT to provide for a legislative management study regarding access to lands and electronic posting.	Legislative Management	Energy & Natural Resources	PASSED yeas 91 nays 2 SIGNED BY SPEAKER	PASSED yeas 45 nays 2 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 4/05

SB 2048	Revised Uniform Unclaimed Property Act; to amend and reenact sections 9-12-29, 10-19.1-123, 10-33-114, and 15-02-05.2, subsection 3 of section 23.1-15-07, subsections 8 and 9 of section 26.1-55-02	Industry, Business and Labor	Industry, Business & Labor	PASSED yeas 93 nays 0 SIGNED BY SPEAKER	PASSED yeas 46 nays 0 SIGNED BY PRESIDENT	SIGNED BY GOVERNOR Filed with Secretary of State – 4/20
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SURFACE

Outdoor Heritage Fund Grant Application

The mission of the Board of University and School Lands (Board) is to prudently and professionally, manage assets of the permanent trusts to preserve the purchasing power of the funds, maintain stable distributions to fund beneficiaries, and manage all other assets and programs entrusted to the Board in accordance with the North Dakota Constitution and applicable laws.

The Department is requesting permission to submit a grant to the Outdoor Heritage Fund (OHF) to leverage current efforts to improve management of the 706,600 acres of Trust Lands that will improve boundary identification and access while enhancing the geospatial information available to state agencies and the public.

Agricultural lessees in North Dakota are eligible for various assistance programs to aid in the implementation of conservation practices; many of these important conservation programs are supported by the OHF. This grant will be used to provide accurate information and clarity over tract boundaries. Uncertainty over tract boundaries has resulted in lost opportunities to better manage Trust Lands for economic and environmental goals. This uncertainty has also led to instances of conflict and confusion regarding leasing and appropriate access in the state. Advances in technology and policy changes regarding land access have allowed the Department to begin addressing these issues. However, the benefits of this project warrant a state investment larger than what the Department can fund alone.

The project will principally address OHF Directive B (to improve, maintain and restore water quality, soil conditions, plant diversity, animal systems, and by supporting other practices of stewardship by enhancing farming and ranching) by supporting stewardship practices enhancing farming and ranching. It will also address Directives A (providing access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen) and C (Developing, enhancing, conserving and restoring wildlife and fish habitat on private and public land) by improving/clarifying access for sportsmen and facilitating the conservation of wildlife habitat through active livestock management and improved geospatial information.

The Department will request \$270,000 of funding from the OHF with the Department providing matching funds of \$90,000 for a total project cost of \$360,000. 100% of these funds will go directly to surveying and physically marking Trust Land. This will allow the Project to survey approximately 40 sections of land (25,500 acres).

Having an accurate geospatial representation of Trust Lands managed by the Department will improve the economic, ecological, and recreational management of these tracts. Upgraded data and boundary markings will result in these improvements by:

- A. Supporting consistent siting of agricultural improvements, such as lessee-owned fences.
- B. Supporting consistent siting of encumbrances from energy sector infrastructure and helping guide reclamation efforts.
- C. Improving recreational use of School Trust Lands by clarifying property boundaries and suitable walking access points.
- D. Enhancing wildlife habitat through accurate grazing plans and noxious weed control.
- E. Identifying uncompensated encroachment from adjacent land use and development.
- F. Identifying changes in tract acreages due to accretion for tracts having river courses.

Motion: The Board authorizes the Commissioner to submit a grant application to the Outdoor Heritage Fund requesting the amount of \$270,000 to support the NDDTL acquiring accurate geospatial data on school trust lands.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger	X		X		
Superintendent Baesler					X
Treasurer Beadle		X	X		
Attorney General Stenehjem			X		
Governor Burgum			X		

Foster County – T147N R65W Section 4: West 50 rods of SE¼

A 50-acre tract of land in Foster County (see attached Exhibit A), title to which is subject to reversion to the Board of University and School Lands (Board), currently has potentially hazardous materials scattered throughout. This may require extensive cleanup costs be incurred by the Board and impose a long-term negative impact on the property’s usefulness.

Background. The property at issue is a 50-acre tract in Foster County previously used as a gravel pit. The legal description provided in the conveyance deed of record describes the property as “a strip of land fifty (50) rods wide, lying along the west side of the southeast quarter (SE¼) of Section four (4), Township one hundred forty-seven (147) North, of Range sixty-five (65) West, containing fifty (50) acres more or less” (Subject Tract). The SE¼ in which the Subject Tract lies was acquired by the State as Grant Land and assigned to the Youth Correctional Center Trust. The entire SE¼ (160 total acres) was sold on contract to Otto Richter in February of 1910. The contract was later canceled by the Board. On December 30, 1937, Foster County submitted an Application for Site on State Land proposing to acquire the Subject Tract for the purpose of “obtain[ing] gravel for use in gravelling county and township highways” . According to the Board’s meeting minutes, on February 18, 1938, the Board heard a “Right of Way First Reading Gravel Foster County” for the Subject Tract. On March 31, 1938, the Board heard the “Gravel Pit Foster County Second Reading” and unanimously approved the sale of the Subject Tract for use as a gravel pit (see attached Exhibit B). A deed conveying the Subject Tract to Foster County was issued and recorded in Miscellaneous Deed Book 4, Page 385 in the office of the Foster County Recorder on April 19, 1938 (see attached Exhibit C). The remaining 110 acres along the east side of the subject SE¼ was later sold to Luverne Gussiaas, a private party, in March of 1960 and a Patent was issued in April of 1963. The State of North Dakota Acting by and through the Board reserved 50% of all oil, natural gas and other minerals (the word “minerals” includes such clay, coal and uranium as were included within the meaning of that term prior to July 1, 1955) underlying the east 110 acres. No minerals were reserved in the 1938 Deed conveyed to Foster County for the west 50 acres.

The Department of Trust Lands (Department) was recently contacted by Foster County Commissioner Becky Hagel requesting clarification as to whether the conveyance deed issued to Foster County by the Board in 1938 possesses any reversionary interest in the Subject Tract. Foster County is interested in selling this property and is wondering if the deed conveyed the property to Foster County without any other property interests and if the conveyance requires reversion to the State of North Dakota. An Environmental Field Survey Inspection (see attached Exhibit D) was conducted by the Department on December 10, 2020. This survey revealed the Subject Tract is a mined gravel pit which has not been reclaimed and contains unmanaged piles of aggregate and overburden throughout the property. The lack of reclamation has caused the terrain to become incredibly rough and years of non-use has allowed the site to revegetate to smooth bromegrass. Additionally, the site has been used as a dump site for asphalt, concrete, and other bulky construction debris. Further, it appears to have been used as a site for public dumping as there are numerous piles of trash scattered throughout containing both potentially hazardous and non-hazardous materials including totes of unlabeled chemicals and unrecognizable appliances.

Assessment. First, it is the Department's belief that significant funds will be needed to clear the Subject Tract of environmental hazards which may negatively affect its long-term usefulness.

Furthermore, the small size of the Subject Tract (50 acres) reduces its attractiveness for to potential lessees for grazing purposes.

Second, the substance of the deed of conveyance issued to Foster County in 1938 was reviewed to determine whether the Subject Tract was subject to a reversionary interest which would cause title to the property to automatically revert back to the State. Upon review of the 1938 conveyance deed, the Department does not believe the Subject Tract is subject to an *automatic* reversion of title back to the Board, but rather that the Board now has a right to reclaim all or part of the interest in the Subject Tract because the property is no longer being used for the purpose for which it was originally conveyed (as a gravel pit) to Foster County in 1938. However, it is important to note that this reversionary right is not automatic, and the Board may choose not to reclaim title to the property.

The language in the deed is vague and unclear as to the specific intent of the parties to that deed at the time of conveyance. While the deed does not contain any express reversionary provision, the deed does declare that the Subject Tract is being conveyed "for public purposes." The Application for Site on State Land submitted to the Board by Foster County on December 30, 1937 indicates that this public purpose was to "obtain gravel for use in gravelling county and township highways." No other public purpose use for the property has ever been suggested. Thus, it is the Department's belief that title to the Subject Tract was conveyed to Foster County in fee simple subject to condition subsequent – that condition being that the property be used as a gravel pit and once the property is no longer used for this intended public purpose, the Board may exercise a right of reentry and reclaim title to the property. This right of reentry in these circumstances is not automatic, but rather must be exercised by the Board to terminate the reversionary estate. The Department has exercised this right of reentry on several other occasions where the deeded property has ceased to be used for the purpose for which it was originally deeded.

Motion: In consideration of the substance of the factors involved with the deed of conveyance issued to Foster County and in consideration of the environmental liabilities attached to the property, any reversionary interests that the State of North Dakota may have in and to the tract of land, the Board requests that Foster County issue a mineral deed conveying 100% of the mineral interest back to the Board, while the Board issues a quit claim deed conveying its reversionary surface interest to Foster County.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger		X	X		
Superintendent Baesler					X
Treasurer Beadle			X		
Attorney General Stenehjem	X		X		
Governor Burgum			X		

Supporting documentation provided as attachments to the Board for review are available at the Department upon request.

Board of University and School Lands Capital Repairs

The Department of Trust Lands (Department) needs to replace a retaining wall on the north side of the building. The current retaining wall is cracked and leaning towards the building requiring the removal and replacement of the wall. The estimated cost of the project is \$14,500.

N.D.C.C. § 15-03-16 provides:

(04/29/21)

There is appropriated annually the amounts necessary to pay costs related to investments controlled by the board of university and school lands, including investment management fees, trustee fees, consulting fees, custodial fees, and the cost of capitalized building repairs and renovations as approved by the board. Each payment must be made from the trust fund for which the investment is made.

Emphasis added.

Motion: The Board approves utilizing continuing appropriations, per N.D.C.C. § 15-03-16, in an amount not to exceed \$16,000, to support the cost of removing and placing the retaining wall.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger			X		
Superintendent Baesler					X
Treasurer Beadle		X	X		
Attorney General Stenehjem	X		X		
Governor Burgum			X		

LITIGATION

Newfield Litigation

Case: Newfield Exploration Company, Newfield Production Company, and Newfield RMI LLC v. State of North Dakota, ex rel. the North Dakota Board of University and School Lands and the Office of the Commissioner of University and School Lands, a/k/a the North Dakota Department of Trust Lands, Civ. No. 27-2018-CV-00143

Date Filed: March 7, 2018

Court: District Court/McKenzie County

Attorneys: David Garner

Opposing

Counsel: Lawrence Bender - Fredrikson & Byron, P.A. and Michelle P. Scheffler – Haynes and Boone, LLP

Judge: Robin Schmidt

Issues: Plaintiff is seeking a Declaratory Judgment that it is currently paying gas royalties properly under the Board's lease. Specifically, Plaintiff is asking the Court to order that gas royalty payments made by the Plaintiff be based on the gross amount received by the Plaintiff from an unaffiliated third-party purchaser, not upon the gross amount paid to a third party by a downstream purchaser, and that Plaintiff does not owe the Defendants any additional gas royalty payments based on previous payments.

History: A Complaint and Answer with Counterclaims have been filed. Newfield filed an Answer to Counterclaims. A Scheduling conference was held July 27, 2018. Plaintiffs' filed a Motion for Summary Judgment on August 13, 2018 and Defendants filed a Cross-Motion for Summary Judgment. Plaintiffs' Response was filed October 19, 2018 and Defendants' Reply was filed November 9, 2018. A hearing on the Motions for Summary Judgment was held on January 4, 2019 at 1:30 p.m., McKenzie County. An Order on Cross Motions for Summary Judgment was issued on February 14, 2019, granting Plaintiff's motion for summary judgment and denying Defendants' motion for summary judgment. The Judgment was entered March 1, 2019, and the Notice of Entry of Judgment was filed March 4, 2019. Defendants have filed a Notice of Appeal to the North Dakota Supreme Court

(Supreme Court). The trial scheduled in McKenzie County District Court for September 10 and 11, 2019 has been cancelled. Defendants/Appellants' Brief to the Supreme Court was filed April 29, 2019. Plaintiffs/Appellees filed their Brief of Appellees and Appendix of Appellees on June 7, 2019. Defendants/Appellants filed a reply brief on June 18, 2019. Oral Argument before the Supreme Court was held on June 20, 2019. On July 11, 2019, the Supreme Court entered its Judgment reversing the Judgment of the McKenzie County District Court. On July 25, 2019 Newfield filed Appellee's Petition for Rehearing. Also on July 25, 2019, a Motion for Leave to File Amicus Curiae Brief by Western Energy Alliance in Support of Newfield was filed with the Supreme Court. On July 26, 2019, a Motion for Leave to File Amicus Curiae Brief by North Dakota Petroleum Council in Support of Newfield was filed with the Supreme Court. On August 20, 2019, the North Dakota Supreme Court requested Defendants file a Response to the Petition for Rehearing and the two Amicus Curiae Briefs no later than September 4, 2019. Defendants/Appellants filed their Response to Petition for Rehearing on September 4, 2019. A Corrected Opinion was filed by the North Dakota Supreme Court on September 9, 2019, changing the page number of a citation. On September 12, 2019, the North Dakota Supreme Court entered an order denying Newfield's Petition for Rehearing. On September 20, 2019, the opinion and mandate of the Supreme Court was filed with McKenzie County District Court. A Telephonic Status Conference was held October 8, 2019. On October 9, 2019, the District Court issued an Order Setting Briefing Schedule which ordered "the parties to file a brief regarding how they suggest the case proceed after the Supreme Court's decision." The parties filed briefs with the District Court on November 6, 2019. Notice of Appearance for Michelle P. Scheffler of Hayes and Boone, LLP on behalf of Plaintiffs was filed November 7, 2019. Telephonic Status Conference scheduled for March 17, 2020 before the District Court. On May 14, 2020, the Court scheduled a five-day Court Trial to start on October 4, 2021, McKenzie County Courthouse. On July 28, 2020, a Stipulated Scheduling Order was entered, setting dates for various deadlines.

Current Status:

- **On April 1, 2021, the State served Defendants State of North Dakota, ex re. the North Dakota Board of University and School Lands, and the Office of the Commissioner of University and School Lands, a/k/a the North Dakota Department of Trust Lands' Interrogatories, Requests for Production of Documents, and Requests for Admissions to Plaintiff.**
- **On April 1, 2021, the Plaintiffs served the following on the State: Plaintiffs' Notice of Intention to Take Oral and Videotaped Deposition of a Representative of the North Dakota Department of Trust Lands; Plaintiffs' Notice of Intention to Take Oral and Videotaped Deposition of Lance Gaebe; Plaintiffs' Notice of Intention to Take Oral and Videotaped Deposition of Taylor K. Lee; Plaintiffs' Notice of Intention to Take Oral and Videotaped Deposition of Jodi Smith; and Plaintiffs' First Set of Interrogatories, Requests for Production, and Requests for Admission to all Defendants.**

Mandan, Hidatsa, and Arikara Nation v. U.S. Department of Interior Litigation

Case: Mandan, Hidatsa, and Arikara Nation v. United States Department of the Interior; David L. Bernhardt, in his official capacity as Secretary of the United States Department of Interior; and Daniel H. Jorjani, in his official capacity as Solicitor of the United States Department of the Interior; Case No. 20-1918 (ABJ)

Date Filed: July 16, 2020

Court: United States District Court for the District of Columbia

(04/29/21)

Judge: Honorable Amy Berman Jackson
Attorney: Matthew Sagsveen, Beveridge & Diamond

Opposing Counsel: Steven D. Gordon, Philip Merle Baker-Shenk, Timothy Purdon, and Timothy Billion for Plaintiffs; Reuben S. Schifman for United States Department of Interior

Issues: In July, 2020, the Mandan, Hidatsa, and Arikara Nation (Tribe) filed a Complaint against the United States Department of the Interior (DOI); David Bernhardt, Secretary of DOI; and Daniel Jorjani, DOI Solicitor. The Complaint asserts four causes of action. Count One asserts that Solicitor Opinion M-37056 issued May 26, 2020, by Jorjani is flawed because it is inconsistent with past DOI opinions and decisions and contrary to the historical record. Count Two asserts the Opinion is flawed because it is the result of improper political influence. Counts Three and Four seek, essentially, an accounting and seem premised on the success of either Count One or Count Two.

In the Complaint's Prayer for Relief, the Tribe requests: (a) that the Jorjani Opinion, which concluded North Dakota owns the lands beneath the Missouri Riverbed within the Fort Berthold Reservation, be set aside; (b) that the Court grant injunctive relief preventing Defendants from taking any steps to implement the Opinion; (c) that the Court compel DOI to account to the Tribe regarding the Missouri Riverbed and underlying minerals, including the production of minerals and the value of royalties owed thereon; (d) the Court declare the 1979 IBLA *Impel Energy* decision (finding the state does not own the riverbed) is *res judicata* and binding on the DOI; (e) the Court compel DOI to take the requisite administrative steps to document that the Missouri Riverbed and underlying minerals are held in trust by the United States for the benefit of the Tribe; (f) the Court compel DOI to take requisite steps to administer and account for the Tribe's mineral rights in lands underlying the Missouri Riverbed; (g) the Court compel DOI to collect, deposit and invest or pay funds owing to the Tribe for the extraction of minerals from the lands underlying the Missouri Riverbed; (h) that the Tribe be awarded reasonable fees, costs, and expenses, including attorney's fees; and (i) that the Court grant such further relief as the Court deems just and equitable.

Along with its Complaint, the Tribe filed a motion for preliminary injunction asking that the Court to immediately order DOI to refrain from doing anything to implement the Jorjani Opinion until the Court has decided the merits of the Tribe's claims regarding that Opinion.

History: Summons and Complaint filed July 16, 2020. A scheduling conference was held by telephone on July 23, 2020, with a follow up on July 29. The parties agreed the pending motion for preliminary injunction can be considered to be Plaintiff's motion for partial summary judgment on count one and resolved with defendant's cross motion for partial summary judgment as to that count. The merits of count one will be consolidated with any hearing on the motion for preliminary injunction. An Order issued by the Court on July 31, 2020 provides:

- Administrative record - due August 26, 2020;
- Defendant's consolidated opposition to motion for preliminary injunction and cross-motion for partial summary judgment - due September 1, 2020.
- Plaintiff's consolidated reply and cross-opposition to Defendant's motion - due October 1, 2020.
- Defendant's cross-reply to opposition - due October 15, 2020.
- No lease or other official record affecting ownership of the Missouri Riverbed mineral estate within the Reservation may be modified or

(04/29/21)

changed before 200 days from the date of this order – February 16, 2021, unless Defendant seeks the court’s permission and amendment of the order, the Plaintiff has an opportunity to be heard, and the motion is granted.

That any revenues generated from riverbed mineral development under control of DOI not be disbursed until after the Court’s resolution of the cross-motions for partial summary judgment on count one.

The State of North Dakota filed an Expedited Motion to Intervene on August 10, 2020. The Court issued an Order on August 11, 2020, allowing Plaintiff to respond to the State’s Motion by August 17, 2020, and the State to file a reply by August 21, 2020. The Tribe filed its Opposition to the State Motion to Intervene on August 17, 2020. On August 21, 2020, the State filed its reply to the Tribe’s opposition to the motion to intervene.

Current Status:

- **The Notice of Lodging of Administrative Record was filed on August 26, 2020.**
- **The Court entered its Opinion and Order granting North Dakota’s Motion to Intervene and setting forth requirements for filings.**
- **On September 1, 2020, the United States filed the United States Department of Interior’s Opposition to Plaintiff’s Motion for Preliminary Injunction and Cross-Motion for Partial Summary Judgment.**
- **On September 8, 2020, Plaintiff filed a Motion to Complete Administrative Record and a proposed Order.**
- **Also on September 8, 2020, the State filed the Intervenor-Defendant State of North Dakota’s Cross-Motion for Partial Summary Judgment and Opposition to Plaintiff’s Motion for Preliminary Injunction.**
- **On April 2, 2021, Plaintiff’s Supplemental Submission Regarding Mootness by Mandan, Hidatsa, and Arikara Nation, State of North Dakota’s Response to Mootness, and U.S. Department of Interior’s Response to Order of the Court were filed.**

Continental Interpleader Litigation

Case: Continental Resources, Inc. v. North Dakota Board of University and School Lands, et al., Case No. 1:17-cv-00014

Date Filed: December 23, 2016

Court: Federal District Court, 8th Circuit

Judge: Honorable Daniel Hovland

Attorney: Charles Carvell, David Garner, and Jen Verleger

Opposing Counsel: Lawrence Bender, David Ogden, Paul Wolfson, Shaun Pettigrew, Evelyn S. Ying

Issues: In December 2016, Continental Resources, Inc. (Continental) brought an interpleader action against the Board of University and School Lands and the United States regarding certain public domain lands underlying Continental operated wells located in McKenzie, Mountrail, and Williams Counties. This case involves a disagreement between the State and United States over the location of the ordinary high watermark—and consequently title to underlying minerals—on federally owned land along the now inundated historic Missouri River. Continental is requesting the Court determine title to the disputed lands so that Continental can correctly distribute the proceeds from the affected wells. Continental has claimed that there is “great doubt as to which Defendant is entitled to be paid royalties related to the Disputed Lands.” Currently, Continental is paying the United States its full royalty based on

the acreage it claims. The remaining royalty, over and above what is due the United States, is being escrowed with the Bank of North Dakota.

History:

The United States removed this action to federal district court on January 11, 2017. The Board filed its answer to the complaint on February 13, 2017. The United States filed its answer to the complaint on May 12, 2017. An Amended Complaint was filed by Continental Resources on September 14, 2017. The United States filed a Motion to Dismiss for Lack of Subject Matter Jurisdiction on October 18, 2017. In support of its motion, the United States alleges that it has not waived its sovereign immunity under the Quiet Title Act and that the interpleader action is moot under S.B. 2134.

The Board filed a response on December 20, 2017 opposing the motion to dismiss. Continental filed a response and the United States filed its reply. The United States filed a reply on March 16, 2018. The Board filed a Surreply to the Motion to Dismiss on April, 16, 2018. The Order Denying the United States' Motion to Dismiss for Lack of Subject Matter Jurisdiction was entered on December 31, 2018. The Order provided that North Dakota and the United States confer and submit a proposed scheduling order to the Court no later than sixty days from the date of the order. On January 8, 2019 the United States filed its Motion to Stay Action Due to Lapse of Appropriations. On January 10, 2019, the Court granted the United States' Motion and cancelled the January 24, 2019 scheduling conference. The Order stated the "action is stayed until [federal] appropriations are restored and Department attorneys and the Bureau of Land Management personnel are permitted to resume their usual civil litigation functions." The United States filed a Notice of Restoration of Appropriations on January 28, 2019, which requested the Court set a new scheduling conference date. On January 30, 2019, the Court issued an order granting the motion for scheduling conference, requiring the parties submit a revised scheduling/discovery plan by March 15, 2019, and setting a telephonic scheduling conference for 10:00 a.m., March 18, 2019. The parties filed a Joint Motion for Extension of Time to File Scheduling Proposal and Participate in Scheduling Conference on March 12, 2019. The Court entered an Order granting the extension to April 12, 2019 and a scheduling conference was reset for April 15, 2019. The Scheduling Conference was held on April 15, 2019. On June 14, 2019, the Board of University and School Lands filed its Amended Answer to Amended Complaint with Statement of Claim. By August 13, 2019, the United States shall assert its claims, if any, to the disputed stake. After the August 13, 2019 filing, the proceedings will be stayed until September 19, 2019 or another date set by the Court. During the stay, the United States and the Board are to discuss whether the dispute that gave rise to the litigation can be resolved. By no later than September 19, 2019, the United States and Board shall inform the Court of the status of their discussions and the Court will consider a schedule for the case. A Status Conference was set for September 20, 2019 before Magistrate Judge Clare R. Hochhalter. On August 1, 2019, the Status Conference previously set for September 20 was reset to October 11, 2019 at 10 a.m. before Magistrate Judge Clare R. Hochhalter. On August 13, 2019, the United States filed a Motion for Extension of Time to Plead and Assert Affirmative Claims and the Motion was granted on the same day, giving the United States until August 27, 2019 to file. The United States filed their Answer to Amended Complaint on August 27, 2019. On October 3, 2019, Defendants filed a joint motion and memorandandum for postponement of the October 11, 2019 status conference by 90 days. On October 4, 2019, the Court entered an Order granting the motion to continue status conference. Status conference was reset to January 13, 2020, at 9 a.m. via telephone before Magistrate Clare R. Hochhalter. United States Department of Justice advised it will be working with the United States Department of Interior – Bureau of Land Management regarding a settlement proposal. On November 8, 2019, the Board received an email from the US DOJ in response to the Board's

request that the federal government start settlement discussions by making a proposal to the Board. The email states the federal government believes its OHWM surveys are accurate, and cited N.D.C.C. § 61-33.1-06, which states: “Notwithstanding any provision of this chapter to the contrary, the ordinary high water mark of the historical Missouri riverbed channel abutting . . . public domain lands . . . must be determined by the branch of cadastral study of the [BLM] in accordance with federal law.” Relying on this statute, US DOJ suggests that the federal surveys are presumptively accurate, and then states: “we respectfully suggest that the best and most appropriate path forward would be for representatives of North Dakota to identify the specific areas where it believes the agency erred in identifying the OHWM and proffer the evidence on which it bases that belief. BLM would then assess that evidence in good faith to ascertain if a compromise, aimed at reducing litigation risk, is possible.” Status conference was held January 13, 2020 and another status conference was set for April 7, 2020.

Current Status:

- On April 7, 2020, an Order RE: Briefing Scheduled was issued by the court setting the following deadlines: Motions for Summary Judgment due simultaneously on May 7, 2020; Responses are due June 5, 2020; and Replies are due June 12, 2020.
- On December 8, 2020, the Court issued its Order Granting the United States’ Motion for Partial Summary Judgment.
- Notice of Interlocutory Appeal as to the Order on Motion for Partial Summary Judgment filed by the North Dakota Board of University and School Lands on February 5, 2021. Transmittal of the Notice of Appeal Supplement to the 8th Circuit Court of Appeals was also on February 5, 2021.
- On March 5, 2021, the Board moved for an extension of time to file the Opening Brief and Appendix with the 8th Circuit Court of Appeals and the Court granted that motion the same day.
- On March 23, 2021, the United States’ Motion to Dismiss Appeal for Lack of Appellate Jurisdiction was filed.
- On April 5, 2021, the State filed North Dakota Board of University and School Lands’ Response to United States’ Motion to Dismiss Appeal for Lack of Appellate Jurisdiction.

Nelson, Coachman, & Sorum - Quiet Title Action

Case: Marvin Nelson, Michael Coachman & Paul Sorum v. The Board of University and School Lands of the State of North Dakota – Civ. No. 27-2021-CV-00147
Tribunal: McLean County District Court
Judge: The Honorable Robin Schmidt
Attorney: David Garner
Opposing Counsel: Plaintiffs Appearing Pro Se

Issues: The Board was named as a defendant in the above reference case which was served on April 15, 2021. Plaintiffs have filed a Summons for Petition or Quiet Title, Petition for Quiet Title, and a Memorandum in Support of Petition for Quiet Title. Plaintiffs are seeking to quiet title to the property described as:

That area of the bed of Lake Sakakawea known as Lake Jennie (Jenne Lake) delineated by the US Army Corps of Engineers Shoreline Survey used in acquiring land for the creation of Lake Sakakawea In Section 30 of Township 153 North Range 98 West

and in Sections 23,24,25,26 in Township 153 North Range 99 West (approximately 488.68 acres).

History:

Current Status:

Whitetail Wave Litigation

Case: Whitetail Wave LLC v. XTO Energy, Inc.; the Board of University and School Lands; and the State of North Dakota – 27-2015-CV-00164
Date Filed: June 4, 2015
Court: McKenzie County District Court
Judge: Robin Schmidt
Attorney: David Garner/Jennifer Verleger
Opposing Counsel: Whitetail Wave – Christopher Sweeney; XTO Energy – Lawrence Bender

Issues: On August 1, 2015, the Attorney General’s Office was served with a complaint in the above referenced case. This case is challenging the State’s determination of the OHWM east of the Highway 85 Bridge, near the northern border of the Fort Berthold Indian Reservation. The Board has currently leased minerals pursuant to the Phase II Investigation for this tract. The Plaintiff is requesting that title to the minerals be quieted and has alleged claims of Unconstitutional takings, trespass, slander of title, and constructive trust/unjust enrichment against the State. The complaint also makes a number of claims specific to XTO Energy Inc., the operator of the wells on the tracts in dispute. Specifically, the Plaintiff is requesting that the State’s claim to sovereign lands’ mineral interest be restricted to those minerals located below the OHWM of the Missouri River prior to inundation of the Lake Sakakawea.

An answer was filed on behalf of the Board on July 21, 2015. In January 2016, the State Engineer intervened in the case.

History: Due to the passage of S.B. 2134, the Court ordered the case stayed and all deadlines be held in abeyance until the final review findings under S.B. 2134 are issued by the Industrial Commission. The Board and State Engineer filed a Motion for Continued Stay of Proceedings on October 19, 2018 and XTO filed a Response in Support of Continued Stay on October 26, 2018. On November 5, 2018, the Court entered its Order for Continued Stay of Proceedings, staying the proceedings, holding all deadlines in abeyance, and ordering that upon final disposition of the Sorum lawsuit the parties will request a status conference to schedule a new trial date and reset other deadlines. The continued stay was affirmed on November 27, 2018. On September 30, 2020, the District Court scheduled a Telephonic Status Conference for October 6, 2020. On October 6, 2020, Spencer Ptacek filed a Notice of Appearance on behalf of XTO. On October 7, 2020, the District Court scheduled a pretrial conference for August 10, 2021, and scheduled a five day, six person jury trial for August 16-20, 2021. On October 22, 2020, the Board of University and School Lands and State Engineer filed their Motion to Dismiss and Supporting documents.

Current Status:

- On November 5, 2020, Plaintiff filed a Notice of Hearing on the Board of University and School Lands and State Engineer’s Brief in Support of Motion to Dismiss for 9:00 a.m. on December 3, 2020, at the McKenzie

County Courthouse, Watford City, ND. Also filed was Whitetail Wave LLC's Response to State's Motion to Dismiss.

- On November 12, 2020, the Board of University and School Lands and State Engineer's Reply Brief in Support of Motion to Dismiss was filed.
- Also on November 12, 2020, the Response to the State Defendants' Motion to Dismiss was filed by XTO.
- On January 4, 2021, Whitetail Wave filed its Surreply to State's Motion to Dismiss.
- On January 19, 2021 the Board of University and School Lands and State Engineer filed their Response to Whitetail Wave's Surreply Regarding State's Motion to Dismiss.
- On April 13, 2021, the Court entered its Order on State's Motion to Dismiss, denying the State's Motion.

EXECUTIVE SESSION

Under the authority of North Dakota Century Code Sections 44-04-19.1 and 44-04-19.2, the Board close the meeting to the public and go into executive session for purposes of attorney consultation relating to:

- Newfield Exploration Company et al Civ. No. 27-2018-CV-00143
- Mandan, Hidatsa, and Arikara Nation vs. United States Department of Interior, et al., 1:20-cv-01918
- Continental Resources Case No. 1:17-cv-00014
- Sorum et al. QTA
- Whitetail Wave Case No. 27-2015-cv-00164
- Legislative Update – HB 1080

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger		X	X		
Superintendent Baesler					X
Treasurer Beadle			X		
Attorney General Stenehjem	X		X		
Governor Burgum			X		

The Board entered into executive session in a separate Microsoft Teams meeting at 9:46 AM with members of the public remaining in the open session Microsoft Teams meeting.

EXECUTIVE SESSION

Members Present:

Doug Burgum	Governor
Alvin A. Jaeger	Secretary of State
Wayne Stenehjem	Attorney General
Thomas Beadle	State Treasurer

Members Absent:

Kirsten Baesler	Superintendent of Public Instruction
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Department of Trust Lands Personnel present:

Jodi Smith	Commissioner
Catelin Newell	Administrative Staff Officer
Kristie McCusker	Paralegal
Adam Otteson	Revenue Compliance
David Shipman	Director Minerals Division

(04/29/21)

Guests in Attendance:

Dave Garner

Office of the Attorney General (present for Sorum, Whitetail and Newfield)

Charles Carvell

Office of the Attorney General (present for MHA and Continental)

Reice Haase

Governor's Policy Advisor

The executive session adjourned at 10:46 AM and the Board returned to the open session Teams meeting to rejoin the public. During the executive session Teams meeting, the Board was provided information and no formal action was taken.

MINERALS**Repayment of Unpaid Gas Royalties Update**

The Board of University and School Lands (Board) manages land, minerals, and proceeds as trustee for the exclusive benefit of constitutionally identified beneficiaries, with much of the income going towards funding North Dakota schools and institutions. The Board also manages oil, gas and other hydrocarbons underlying sovereign lands for the State of North Dakota.

The Department of Trust Lands (Department) has persistently worked with operators to collect payment or establish escrow accounts for royalties from the production of minerals, in accordance with the Board's lease, rules, and policies. Royalty audits began in the late 1980's and a Revenue Compliance Division was created in 2011 to ensure that royalty and other collections made on behalf of the trusts and other funds are complete and accurate.

A letter regarding Formal Notification of Gas Royalty Repayment Obligations dated February 11, 2020 (February 2020 Letter), was sent to all entities required to pay royalties to the Board pursuant to the Board's lease. The February 2020 Letter advised all entities who have been deducting post production costs from royalty payments made to the Department that they have been underpaying royalties, contrary to the terms of the Board's lease. Entities were advised that penalties and interest continue to accrue on any unpaid amounts in accordance with the Gas Deduction Compliance Notification until payment is received. On April 8, 2020, the Board extended the date to come into compliance with gas royalty payments, as outlined in the February 2020 Letter, to September 30, 2020. At the August 27, 2020, Board meeting, the Board extended the date to come into compliance with gas royalty payments, as outlined in the February 2020 Letter, to April 30, 2020.

Since the issuance of the February 2020 Letter, the Department has been working with payors who have been deducting post production costs from royalty payments made to the Department to ensure that they are in compliance with the terms of the Board's lease. Since February twenty-five gas royalty payors have requested royalty data to assist in repayment calculations and twelve gas payors have successfully repaid the Department. Roughly 30 gas payors remain out of compliance with the Board's interpretation of its lease:

On May 1, 2021, unless active conversations are occurring with the Department regarding repayment, payors will be subject to 12% interest and 4% penalty.

Motion: The Board authorizes the Commissioner to extend the full repayment deadline of April 30 2021 to July 31, 2021.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger			X		
Superintendent Baesler					X
Treasurer Beadle	X		X		
Attorney General Stenehjem		X	X		
Governor Burgum			X		

I N V E S T M E N T S

Commercial Real Estate Manager

In accordance with the Investment Policy Statement (IPS) the Department of Trust Lands (Department) regularly reviews the Permanent Trust Funds' (PTFs) asset allocations for rebalancing purposes. At the end of the first quarter of 2021, the Department determined that the PTFs should be rebalanced out of Public Equities (both domestic and international) and Absolute Return into Fixed Income and Commercial Real Estate (CRE). This determination was due to the outperformance of Public Equities and Absolute Return which brought each asset class above their target allocations.

The Department reviewed its existing CRE managers and determined that more exposure to traditional core real estate would not be prudent due to the already large position in the PTFs. The Department and RVK began the new manager search by compiling a list of the top performing CRE managers within RVK's database. The Department and RVK reviewed the performance and risk history of each manager, along with fees, asset quality, asset characteristics, and investment structures. The Department choose its top two managers and interviewed them to review their investment strategies and processes.

After conducting a thorough due diligence of each manager, the Department and RVK recommend the Board approve a CRE mandate with Harrison Street. Harrison Street is an investment manager headquartered in Chicago, with additional offices in North America and Europe. It has invested over \$40 Billion in real estate and infrastructure and employs 195 professionals. Harrison Street has a strong, transparent investment process.

The Harrison Street Core Property Fund (Harrison Fund) is unique despite its name. Its assets are unlike the assets of a typical core CRE fund. The average core CRE fund tracked by the NCREIF-ODCE Index has the following property allocations: Apartments (37%), Office (34%), Industrial (20%), Retail (15%) and other property types (4%). The Harrison Fund as the following property allocations: Medical Office (32%), Senior Housing (28%), Student Housing (22%), Life Sciences (9%) and Self-storage (9%). The Harrison Fund is completely unlike our other CRE funds and yet is still well diversified and has had strong performance with low volatility.

Motion: The Board approves a \$100 Million investment with Harrison Street Core Property Fund in the commercial real estate asset allocation to partially rebalance the Permanent Trust Fund portfolios, subject to final review and approval of all legal documents by the Office of the Attorney General.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger	X		X		
Superintendent Baesler					X
Treasurer Beadle		X	X		
Attorney General Stenehjem			X		
Governor Burgum			X		

RVK CRE Recommendation Memo, RVK CRE Investment Manager Search Presentation and

(04/29/21)

Harrison Street Core Property Fund Presentation materials were provided to the Board and are available from the Department upon request.

Schroders Securitized Credit Mandate

In October 2020, the Board of University and School Lands (Board) approved a revision to the Fixed Income asset allocation of the Permanent Trust Funds’ (PTFs). During the discussion Department of Trust Lands (Department) staff mentioned that the Schroders’ mandate was also being reviewed for possible changes. The Department has now completed a thorough review of the securitized mandate and determined that a recommendation to expand the credit criteria and asset mixed should be made to the Board.

In June 2018, the Board approved a securitized credit mandate with Schroders. The mandate was for a high-quality, “A+” average investment grade, short duration portfolio of securitized credit (including: residential mortgage-backed securities, asset-backed securities and commercial mortgage-backed securities).

The Department undertook a search of possible managers to take on an expanded securitized mandate. The Department began the new manager search by asking RVK to compile a list of the top performing securitized credit managers within RVK’s database. The Department and RVK reviewed the performance and risk history of each manager, along with fees, asset quality, asset characteristics, and investment structures. The Department identified and interviewed its selection of the top three managers, including Schroders, to review their investment strategies and processes.

After conducting a thorough due diligence of each manager, the Department and RVK recommend the Board approve an expanded securitized credit mandate with Schroders. The new mandate would allow Schroders to move down in average credit quality from A+ to BBB-, as well as allow for the manager to purchase unsecuritized pools or loans and other receivables. Also, moving from a Libor + 175 targeted return to a Libor + 500 targeted return.

Schroders is launching a new securitized investment vehicle, in which, if approved, the PTFs will be the founding limit partner, for which the PTFs will receive a preferred management fee. The Schroders Flexible Securitized Income Fund is an open-end fund with quarterly liquidity. The Department recommends investing the existing securitized mandate (~\$123 Million) and an additional amount from core bonds for a total of \$200 Million.

Schroders is an investment manager headquartered in New York and London, with offices throughout the globe. They have over \$780 Billion in assets under management, including \$16 billion in securitized assets. The securitized credit team consists of 16 investment professionals with deep experience in securitized and asset-based markets.

Motion: The Board approves a \$200 Million investment with Schroders Flexible Securitized Income Fund in the fixed income asset allocation, subject to final review and approval of all legal documents by the Office of the Attorney General.

Action Record	Motion	Second	Aye	Nay	Absent
Secretary Jaeger	X		X		
Superintendent Baesler					X
Treasurer Beadle		X	X		
Attorney General Stenehjem			X		
Governor Burgum			X		

RVK Recommendation Memo, Schroders’ Presentation materials were provided to the Board and are available from the Department upon request.

A D J O U R N

There being no further business, the meeting was adjourned at 11:28 AM.

Doug Burgum, Chairman
Board of University and School Lands

Jodi Smith, Secretary
Board of University and School Lands