

SALE OF OIL, GAS AND MINERAL RIGHTS BEQUEST

1. **Division and Department:** Finance and Administration, Treasury Management
2. **Introduction:** The Estate of Ben D. Mills included a bequest to Oakland University (University) of a .00007827 interest in Lease #24583 for mineral rights in the Baxter Cater #2 Well located in Johnson County, Arkansas. To establish the value of the bequest, the University solicited proposals from ten firms known to purchase such investments. Four proposals were received ranging from \$100 to \$870. Since such a commodity investment is inconsistent with the Board of Trustees' (Board) Investment Policy for Endowment and the Board's Pooled Cash Investment Policy, it is recommended that this mineral rights asset be sold.
3. **Previous Board Action:** None.
4. **Budget Implications:** The sale price will be recorded as a gift.
5. **Educational Implications:** None.
6. **Personnel Implications:** None.
7. **University Reviews/Approvals:** This recommendation was formulated by the Treasury Management Department and reviewed by the Vice President for Finance and Administration and President. On November 4, 2009, the Finance, Audit and Investment Committee reviewed the proposed sale and recommended that it be presented at the next Formal Session of the Board.
8. **Recommendation:**

WHEREAS, investment property arising from a bequest by Ben D. Mills to the University valued at \$870 as described in Attachment A is inconsistent with the Board's investment policies, and

WHEREAS, it is desirable to sell such investment property and the market value of the property has been established by competitive bid; now, therefore be it

RESOLVED, that the Vice President for Finance and Administration be authorized to execute any and all documents required to complete the sale of the property described in Attachment A; and, be it further

RESOLVED, that the sale documents be reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and University policies and regulations and conform to legal standards and policies of the Vice President for Legal Affairs and General Counsel.

Sale of Oil, Gas and Mineral Rights Bequest
Oakland University
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November 9, 2009
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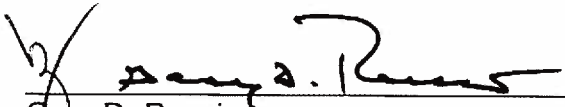
9. Attachments: A. Trustees Mineral Deed

Submitted to the President
on 10/30, 2009 by



John W. Beaghan
Vice President for Finance and Administration and
Treasurer to the Board of Trustees

Recommended on 10/30, 2009
to the Board for approval by



Gary D. Russi
President



STEPHENS PRODUCTION COMPANY

a division of Stephens Group, Inc.

P.O. Box 2407 • 623 Garrison Avenue

Fort Smith, Arkansas 72902-2407

Chris Ramsey
Division Order Analyst

October 22, 2007

Oakland University
 Office of the President
 204 Wilson Hall
 Rochester, MI 48309-4497

Tax I.D. Number: Unknown
Owner Number: 36412

RE: Transfer of interest of the Estate of Mr. Ben D. Mills :

Dear Interest Owner:

Stephens Production Company (Stephens) acknowledges receipt of the Trustee's Mineral Deed filed for record in Johnson County, Arkansas from the Estate of Mr. Ben D. Mills to Coastal Georgia Community College Foundation, Inc et al. In accordance with the above described conveyance, effective August 1, 2007, Stephens will credit you with the following interest in the following well(s), to wit:

<u>PROPERTY NO.</u>	<u>PROPERTY NAME</u>	<u>OPERATOR</u>
010260014	Baxter Cater #2	Stephens Production Company
Property Description:	Section 7, Township 9 North, Range 24 West, Johnson County, Arkansas containing 675.72 acres, more or less	
Owner Interest:	Lease #24583 14.28% of 1/8 of 2.963/675.72 =	.00007827 RI

PLEASE COMPLETE THE ENCLOSED W-9 FORM AND RETURN IT IN THE ENVELOPE PROVIDED. FEDERAL LAW REQUIRES US TO REPORT THIS INFORMATION TO THE INTERNAL REVENUE SERVICE. YOUR QUICK RETURN OF THIS INFORMATION WILL AVOID BACKUP WITHHOLDINGS, PENALTIES AND DELAYS IN PROCESSING YOUR PAYMENTS.

Upon receipt of your Tax I. D. Number Stephens will tender payment to you based upon the stated interest UNLESS you notify Stephens, in writing, that said interest is incorrect or that you are not the owner of said interest. As the owner of the above interest, you have the sole liability to notify Stephens, in writing, of any address changes and/or changes in ownership. Until Stephens receives such written notification, payments will continue based on the interests set out above.

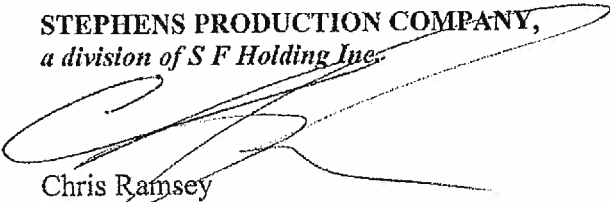
Stephens makes revenue disbursements monthly. **However, Stephens makes payments only upon accrual of one hundred dollars (\$100.00) for all of the properties paid to you by our company, or annually on amounts less than one hundred dollars (\$100.00).**

Oakland University
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Please verify your name, address and interest calculation and notify us of any problems when you return the W-9. If you have any questions concerning this matter, please contact the undersigned. A written request will expedite a more complete and satisfactory answer.

Very truly yours,

STEPHENS PRODUCTION COMPANY,
a division of S F Holding Inc.



Chris Ramsey

Enclosures

FILED FOR RECORD

on this 4 day of October 2007
at 9:30 o'clock A M
Clerk James Houston
Johnson County, Arkansas
By [Signature] D.C.

Return to:
Janet Kitson
SunTrust Bank
1445 New York Ave., NW
CDC-5602
Washington, DC 20005

TRUSTEE'S MINERAL DEED

KNOW ALL MEN BY THESE PRESENTS: That SunTrust Bank, Trustee of the Ben D. Mills trust hereinafter called Grantor, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by the parties listed on EXHIBIT "A" attached hereto and made a part of, collectively called Grantees, the receipt and sufficiency of which is hereby acknowledged, does hereby grant, sell, convey, assign and deliver unto Grantees, **IN THE PROPORTIONS SET FORTH ON EXHIBIT "A"**, all of its right, title and interest to the minerals in, on, under and that may be produced from the following described lands, located in Johnson County, Arkansas, to wit:

Township 9 North, Range 24 West, Section 7: containing 675.72 acres, M/L

Together with all right, title and interest in any additional interests owned by Grantor whether herein described or not, it being Grantor's intent to convey all of its interest in Johnson County, Arkansas.

This conveyance is made without warranty of title, either express or implied.

Executed this 3rd day of September, 2007., effective July 1, 2007

WITNESS:

SunTrust Bank, Trustee of the Ben D. Mills Trust

[Signature]
[Signature]

[Signature]
Janet P. Kitson, Vice President

EXHIBIT "A"

Attached hereto and made a part of that certain Trustee's Mineral Deed dated
September 4, 2007

Coastal Georgia Community College Foundation, Inc. Attn: Tom Saunders 3700 Altama Avenue Brunswick, GA 31520-3644	14.29%
Oakland University Office of the President 204 Wilson Hall Rochester, MI 48309-4497	14.28%
Canterbury School Foundation Inc. Attn: Myrna Morgan 3210 Smith Road Fort Wayne, IN 46804	14.29%
Christ Church-Frederica Attn: Rees M. Sumerford P. O. Box 190 Brunswick, GA 31521	14.28%
The Beaumont Foundation Attn: Timothy J. Broderick 3711 W. Thirteen Mile Road Royal Oak, MI 48073	14.29%
Hospice of the Golden Isles Attn: Mrs. Eugene Rackley P. O. Box 31241 Sea Island, GA 31561	14.28%
Shepherd Center, Inc. Attn: J. Tyler Tippet 2020 Peachtree Road, NW Atlanta, GA 30309	14.29%

ACKNOWLEDGMENT

STATE OF District of

COUNTY OF Columbia

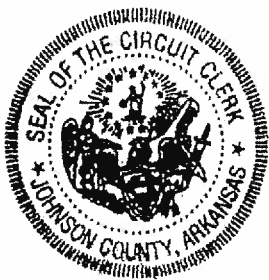
Before me, the undersigned, a Notary Public in and for the said County and State on this 3rd day of September, 2007 personally appeared Janet P. Kitson, Vice President of SunTrust Bank, to me known to be the identical person who as trustee subscribed the name of the maker thereof to the foregoing instrument as her free and voluntary act and deed and as the free and voluntary act and deed of such corporation for the uses and purposes therein set forth.

Given under my hand and seal of office the day and year last above written.

My Commission Expires: 2-28-2010

Arnold C. Boratto
Notary Public

Document prepared by Privately Held Investments, SunTrust Bank, 1445 New York Ave., NW, CDC-5602, Washington, DC 20005



CERTIFICATE OF RECORD
STATE OF ARKANSAS COUNTY OF JOHNSON
I, Jane Houston, Clerk for the Circuit Court and Ex-Officio Recorder for the County aforesaid, do hereby certify that the annexed and foregoing instrument of writing was filed in my office on the 4 day of October 2007 at 9:30 o'clock A.M., and the same is now duly recorded, with the acknowledgment and certificate in Record Book Vol. 2007-29 Page 140-141
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of said court this 4 day of October 2007
By: Jane Houston Circuit Clerk
Arnold C. Boratto Deputy Clerk