

Minutes of the Game, Fish, and Parks Commission
November 5-6, 2015

Chairman Cooper called the meeting to order at 1:00 p.m. CDT at the Ramada Inn in Mitchell, South Dakota. Commissioners John Cooper, Cathy Peterson, Barry Jensen, Gary Jensen, Duane Sathers, Jim Spies and W. Scott Phillips were present. Secretary Kelly Hepler was present along with approximately 30 public, staff, and media.

DIVISION OF ADMINISTRATION

Approval of Minutes

Chairman Cooper called for any additions or corrections to the October 1-2, 2015, minutes or a motion for approval.

Motion by Spies with second by B. Jensen TO APPROVE THE MINUTES OF THE OCTOBER 1-2, 2015, MEETING AS AMENDED BY PHILLIPS. Motion carried unanimously.

Additional Commissioner Salary Days

No additional salary days were requested.

License List Requests

Chris Petersen, Administration Division Director presented a license list request from DT Client Services of Washington, DC. The request is for a list of resident and non-resident hunting and fishing licenses. The list will be used to create voter modeling information for political purposes. This is a full fee request.

Petersen further indicated this is different than most requests receive by the Department as they will not be using the list to contact license holders. The information will be utilized to create a demographic model/profile which is what will be distributed not the license holder information, nor can the license list be resold. Petersen indicated that license holders can opt out from being included on these listings. Those under the age of 18 are removed from the license holder lists that are sold.

Motioned by Phillips with second by B. Jensen TO APPROVE THE LICENSE LIST REQUEST FROM DT CLIENT SERVICES AS PRESENTED.

Roll call vote: B. Jensen-yes; G. Jensen-no; Petersen-no; Phillips-yes; Sather-yes; Spies-No; Cooper-no. Motion failed with 3 yes and 4 no

PROPOSALS

License Request Process

Petersen discussed the current license holder list sales process and recommend proposal to streamline the process as the majority of requests are repeat requests for the same lists for the current year from the same entities. This would also aid in the efficiency of the administration office. A summary of the issued lists would be provided in each month's commission meeting packet. The current process would still be used for all new requests. If there were any concerns with a repeat list request those would be presented to the commission for approval.

Motioned by G. Jensen with second by Sather TO APPROVE THE ADDITION OF PERMISSIVE LANGUAGE TO THE RULE AUTHORIZING THE DEPARTMENT TO SELL LICENSE LISTS TO REPEAT APPLICANTS UNDER CERTAIN CIRCUMSTANCES. Motion carried unanimously.

Public Hearing

The Public Hearing began at 2:00 p.m. and concluded at 2:05 p.m. and the minutes follow these minutes.

FINALIZATIONS

Acting Director Bob Schneider presented the proposed changes in the park and boat license fees.

Park and Trail Fee Increase 41:03:03:06, 41:03:04:05.01, 41:03:05:03

The recommended change is to increase the fee for a 7-day Custer State Park entrance license from \$15 to \$20; and increase the 1-day fee for a motor vehicle in Custer State Park that does not have a park entrance license from \$15 to \$20. Schneider explained the increase of \$5.00 would generate \$712,000 in new revenue that would be used to support operation and maintenance of the state park system.

Motioned by Sather with second by Petersen TO ADOPT THE INCREASE IN CUSTER STATE PARK ENTRANCE LICENSE FEE AS PROPOSED. Motion carried unanimously.

Schneider explained the intent of the additional \$2 fee to make a reservation through the telephone call center is to encourage campers to make reservations online. He noted this is a discretionary fee because campers retain the option of making a reservation online.

Motioned by B. Jensen with second by Spies TO ADOPT THE ADDITIONAL CAMPSITE FEE FOR RESERVATION MADE THROUGH THE CALL CENTER. Motion carried unanimously.

Schneider stated the proposed increase of \$1.00 in the daily use fee for the George S. Mickelson Trail would make the fee consistent with the \$4.00 daily fee for an individual in a vehicle to enter any other state park. These fee revenues are used to

support the cost of maintaining and operating the trail. It was discussed that the trail is monitored and fees are posted at each trailhead, and although visitors could try to slip by we find a high level of compliance through checks conducted by staff.

Motioned by G. Jensen with second by Sather TO RAISE IN DAILY PASS FEE BY \$1.00 AT THE GEORGE S. MICKELSON TRAIL. Motion carried unanimously.

Boat License Fee Increase 41:04:05:01.01

Schneider described the proposed adjustments to motorboat license fees as listed below noting the \$250,000 in new revenue would be used to maintain and upgrade 300 plus boating access sites statewide.

1. Nonmotorized boats over 12 feet and boats propelled solely by electric trolling motors: 1 year-~~\$12.50~~ **\$15.00**. Nonmotorized canoes owned by nonprofit youth organizations are exempt from license requirements when being used for organizational activities;
2. Motorboats under 19 feet: 1 year-~~\$20~~ **\$25**;
3. Motorboats 19 feet and over: 1 year-~~\$40~~ **\$45**;
4. Temporary fishing tournament boat license: 10 consecutive days-\$50.

It was discussed the \$50 temporary tournament boat license is required to meet US Coast Guard regulations. Staff work directly with tournament directors on these licenses. The Coast Guard also requires that you only need to license in the state in which you reside.

Motioned by Sather with second by Peterson TO INCREASE THE FEE FOR LICENSING MOTORBOATS AND WATERCRAFTS AS PROPOSED. Motion carried unanimously.

Spring Turkey Hunting Season 41:06:13

Assistant Director Tom Kirschenmann explained this rule change under a one year recommendation with a management plan scheduled to be in place in 2016. The three recommended changes are stated below.

1. Offer residents 205 more one-tag "male turkey" licenses and 480 less two-tag "male turkey" licenses for the Prairie Units than 2015 for an overall decrease of 755 tags. Offer nonresidents 1 less one-tag "male turkey" licenses and 39 less two-tag "male turkey" licenses for the Prairie Units than 2015 for an overall decrease of 79 tags.
2. Establish a new unit (Unit 16A) for Campbell and Walworth counties.
3. Change county name of Unit PST-65A from Shannon County to Oglala Lakota County.

Motioned by Peterson with second by Spies TO FINALIZE CHANGES TO THE SPRING TURKEY HUNTING SEASON. Motion carried unanimously.

Kirshenmann presented the change to reduce the number of one-tag "male turkey" licenses from 135 to 100 in Custer State Park. This is regulation is also for one year only.

Motioned by Spies with second by B. Jensen TO REDUCE THE NUMBER OF WILD TURKEY TAGS IN CUSTER STATE PARK AS PROPOSED. Motion carried unanimously.

Spring Light Goose Hunting Season

Noted by Kirshenmann this rule change is for clarification and clean up on the start of the conservation order and will be for three seasons. This would change the start date of Light Goose Conservation Order to the Monday following the Sunday closest to February 15 to ensure there is no overlap with the Unit 2 dark goose hunting season and the Light Goose Conservation Order. This adjustment does change the opportunity for hunting for geese.

It was discussed that a stamp is not required because this is a conservation order and not specific hunting season.

Motioned by G. Jensen with second by Sather TO INSTITUTE CHANGE TO THE SPRING LIGHT GOOSE HUNTING SEASON AS PROPOSED. Motion carried unanimously.

PETITIONS FOR RULE CHANGE

Black Bass Tournament License

Damar Dore presented his petition, requesting the Game, Fish and Parks Commission make changes to the daily, possession, and length limit restrictions on special management waters rule as it refers to tournament licenses. Dore asked for the addition of a bass tournament license that removes the slots on certain lakes within South Dakota for tournament bass fishing as long as live release is being followed.

Chairman Cooper outlined the options for the Commission action on petitions then requested input from the Commission.

Per the request of the Chairman Director Leif presented a resolution outlining reasons for denial of the petition for the Commissions consideration.

Motioned by B. Jensen with second by Phillips TO DENY THE PETITION AND ADOPT RESOLUTION 15-19 AS PRESENTED (Appendix A). Motioned approved.

Bitter Lake Length Limit

Leif noted the petition received from Cody Ewing in regards to restoring the length limits on Bitter Lake cannot be considered at this time and that subsequent action must take place before rules are effective to be appealed. The petitioner was advised on the process, logistics of the next Interim Rules Review Committee meeting and informed that he could petition once rule is effective. No response was received from the petitioner.

OPEN FORUM

Jones Shaeffer, Montrose, SD, asked commission to consider splitting the waterfowl season in the Lake Andes area. Stated due to irrigation and food source the geese do not flock to the southern Missouri river basin until later past the season.

Commissioner Cooper will ask GFP staff to look into the possibility of making this change and if it would be desirable.

Bill Antonides, President, South Dakota Wildlife Federation (SDWF) Camo Coalition, Aberdeen, SD; read joint letter from the SDWF, SDWF Camo Coalition, SD Izaak Walton League, SD Waterfowl Association, Ducks Unlimited – Great Plains Region, Whitetails Unlimited Brown County Chapter, Northeastern South Dakota Walleye Club, Northeastern South Dakota Walleye Club, SD State Chapter of National Wild Turkey Federation, South Dakota Walleyes Unlimited, and Whitetail Bowmen Archery Club, Inc. which make up 18,000 South Dakota outdoor sportsmen.

We are writing to express our continuing strong support for the acquisition and management of public wildlife lands and fishing access areas by the Department and the Commission. At your November, 2015 meeting, the Commission has before it several action and information items related to land acquisitions. We want you to know that we support all the land purchase proposals now before you and we add our full support for future acquisitions.

As you know, among the most numerous complaints by sportsmen and women is a lack of quality areas to hunt and fish. Access to private land has become increasingly difficult and commercialized. While charging a fee for hunting is certainly a right of the landowner, the net effect is that wildlife, a publicly owned and managed resource, is becoming more and more privatized because most sportsmen and women are simply not able to pay the fees charged by commercial operators. As commercialization increases, so does pressure on public lands. South Dakota has 77,121 square miles, of which roughly 440 square miles are state-owned Game Production Areas (GPAs). This figure includes the thousands of acres along the Missouri river turned over to the GF&P by the U.S. Army Corp of Engineers under "Title VI". The total acreage of existing GPA's works out to be less than 1% of the total SD land mass, and these GPA's must also be shared with nonresident users.

We applaud Governor Dugaard's decision to ease his moratorium on land purchases after two years of potential acquisitions of new GPA's being put on hold. While many excellent projects were abandoned during the moratorium, the GF&P is now once again able to purchase land from willing sellers for the use and benefit of the public.

To be accurate and fair, the GF&P has large partnership programs with Federal agencies and some Non-Government Organizations to acquire access to land by lease and/or easement contracts. Some examples are the Walk In Area program (WIA), Conservation Reserve Enhancement (CREP) and the Wetland Reserve Program (WRP). These public-private programs are effective in providing access at what is generally considered a reasonable cost with low maintenance responsibilities for the

GF&P. Despite their effectiveness, these short-term contracts are only temporary. Contracts come and go, and the land is managed by the landowner. Most of these lands are open to public access for perhaps a decade, and in many years are released for haying, grazing or other uses that reduce or limit public recreation opportunities.

By contrast, land owned by the GF&P is managed for wildlife production and public use in perpetuity by the state. The wetlands will not be tilled and drained, tree belts won't be bulldozed, and virgin soils will not be plowed to make way for more crops. The natural features of the land will be there for generations to come, because management decisions are not made according to commodity prices or on how to raise more livestock. In general, public land managed for wildlife is far superior for GF&P purposes than are private lands managed for private profits, especially in the long term.

The undersigned groups are among just a few of the many NGOs who strongly support the GFP Department and GFP Commission in its legal and ethical responsibility to work with willing landowners to acquire and manage publicly owned land for the benefit of sportsmen and all the people of the state and its visitors. These organizations represent thousands of South Dakota sportsmen and many others who visit our great state each year. In summary, we wish to emphasize a very few major points:

Sportsmen are not against paying for access, as such; they simply ask to own the land, through the Department of Game, Fish and Parks and the GFP Commission actions and oversight. Sportsmen are more than willing to pay the costs collectively to make the best use of their license money and Pittman Robinson/Wallop-Breaux program excise taxes paid on hunting and fishing equipment. Granted, not everyone who buys guns and ammunition will hunt on a GPA, but ALL have a right to access those areas and ALL benefit in some way.

Not every GPA has to be a showpiece of shelterbelts, food plots and native grass plantings. GF&P has a responsibility to post GPAs, pay the taxes and control weeds. Beyond that, sometimes land is best left alone; not every parcel of land must be a conservation showpiece. The hand of man may, in fact, do more damage than simply letting nature do what it has done for untold thousands of years in our prairie state.

Many farmers who converted grasslands to crops during recent periods of high commodity prices have now sold land into WRP easements or a combination of grassland and wetland easements to remain financially solvent. Some landowners have voluntarily decided to go a step further and sell the land in fee title to GF&P for the benefit of all, and help bolster our second largest economic activity, tourism in the form of non-resident hunting and fishing. These landowners should have the long-held right to sell to the purchaser of their choice without government interference.

The annual cost of managing an average GPA is about the same average cost of renting land, although there are variables depending on the GPA and on the particular rental program. We understand there are also upfront costs, including the purchase price and closing costs. However, the long-term value of public land for sportsmen is almost always better than relatively short-term leases of private lands. In addition, GFP

is required to pay the full amount of local property taxes just like any landowner in our State.

GF&P land managers have demonstrated the ability to manage these lands based upon the needs of those willing to pay through the purchase of licenses to hunt and fish. GFP Department Staff have a good record of land stewardship aimed at satisfying needs for game and non-game species alike, while also meeting the demands of weed control, fencing and working with adjoining and local landowners to provide best management practices.

These are but a few of the reasons why we fully support the purchase of more public land from willing sellers to be used and managed as GPA's. Thank you for your time and attention, and please continue with your work to increase the acreage of publicly owned land in the state.

Rich Widman, President, SD wildlife federation, Brookings, reiterate letter and shared importance of purchase of public lands.

DIVISION OF PARKS AND RECREATION Roy Lake State Park Concession Lease

Sean Blanchette, Concessions Manager detailed the status of the concession lease at Roy Lake. Blanchette stated a prospectus for sale of the resort was advertised in April 2015 with no proposals received. Resort owner Jan Pitzl is allowed to establish the asking price because she operates under the old concession lease rules. Pitzil has submitted another letter of intent requesting authorization to issue a prospectus for sale at a reduced price of \$975,000. A new concession lease will also need to be advertised. One new term in the advertised concessions lease is use of gross receipts for maintenance and repairs at 2% which is common. If approved staff would draft the prospectus to advertise. At this time staff are requesting Commission approval to issue a prospectus containing the proposed settlement agreement.

Motioned by Peterson with second by Spies TO APPROVE THE SETTLEMENT AGREEMENT WITH JAN PITZL AS PROPOSED (Appendix B); AND TO FURTHER AUTHORIZE THE DEPARTMENT TO ISSUE AND ADVERTISE A PROSPECTUS FOR THE SALE OF ROY LAKE. The motion carried unanimously.

Oahe Downstream Concession Lease

Blanchette provided history of the Oahe Maria and Resort Concession Agreement. Blanchette indicated Steve Rounds issued an intent to sell and noted he operates under 2005 rules requiring the price to be set by an appraisal. At this time they are requesting to issue prospectus at same price of \$641,000 and same settlement agreement as issued in 2014.

Motioned by Spies with second by Sather TO APPROVE THE SETTLEMENT AGREEMENT WITH STEVE ROUNDS AS PROPOSED (Appendix C); AND TO FURTHER AUTHORIZE THE DEPARTMENT TO ISSUE AND ADVERTISE A REQUEST FOR PROPOSAL TO PURCHASE AND OPERATE THE OAHE MARINA AND RESORT CONCESSION AT OAHE DOWNSTREAM RECREATION AREA

UNDER A TEN-YEAR LEASE WHICH INCLUDES THE LEASE STANDARDS AS DISCUSSED WITH THE COMMISSION. The motion carried unanimously.

Angostura and Shadehill Seasonal Cabin/Trailer Fees

Information on the fees established for cabins and trailers at Angostura and Shadehill were provided by Blanchette. At this time the consumer price index is -0.7 therefor an increase is not being proposed. Blanchette noted Bureau of Reclamation rules require a fair market value be assessed. At this point a market rent survey/appraisal has been conducted and staff will be meeting with the Bureau of Reclamation to review appraisals and determine how to handle options for implementation.

Custer State Park Resort Facilities Update

Al Nedved, assistant director, provided a brief update on the Custer State Park improvements project. Nedved indicated a guaranteed maximum price has been submitted and approved by the building committee and accepted for site and utility work. Slides of the artist rendering were shown. Most of the projects have a completion date of June 1 to allow for public use. The visitor center is on schedule and interior should begin soon. Work continues with Split Rock Studio on some of the interpretive items to be completed by May of next year.

Good Earth Development Update

Nedved stated site work began last week roughing in the roads and parking lot. Some archeological findings have been identified so we are working through options. Currently we are putting together an RFP for production of interpretive video to be viewed at the Onsite Theater. Staff is working with the tribes and the state of Iowa to make sure the story is told correctly and consistently.

Parks Revenue, Camping and Visitation Reports

Bob Schneider provided a year to date revenue comparison by item. For the month of October revenue was up 33% from last year. The comparison show motorcoach numbers are down, but it's probably just because revenue has not been deposited yet. Schneider indicated every park was up in revenue some in double digits and camping units were up 40% compared to last October. Year-to-date, revenue is up 11% and camping units are up 8%. Schneider stated these are significant numbers and are a result of staff who work hard to provide quality facilities, nice grounds and clean parks.

Schneider noted it was reported last month that the Black Hills Tourism Association recognized Custer State Park with special achievement award for the Buffalo Roundup. It was also mentioned that Doug Hofer received the man of the year award, distinguished service award, and was inducted into SD Parks and Recreation hall of fame.

DIVISION OF WILDLIFE

Cutler Acquisition – Brown County

Paul Coughlin, program administrator provided the current land acquisition and disposal report to the Commission.

The Cutler property is 320 acres located three miles northwest of Claremont in Brown County and would be utilized as a game production area.

Motion by Spies with second by G. Jensen TO ADOPT RESOLUTION 15-18 (Appendix D). Motion carried.

Land Acquisition Projects

Coughlin provided information on future land acquisition projects. The Franzen addition in Day County would provide 400 acres for wildlife habitat management and public hunting to the Hedman game production area. It was noted these acres contain very little farm ground which would be put into food plot shares rotation and/or nesting cover or sometimes a more permanent habitat.

The Department of Transportation - Big Sioux River Water Access Area is currently in the process of being declared as surplus. This land would provide a water access area and allow for a more structured development such as a ramp.

Turn-In-Poachers report

Andy Alban, program administrator provided the Commission an overview and year end stats on the Turn In Poachers program. Alban noted the hotline maned 24 hours a day by public safety staff at Huron state radio then calls are dispatched directly to officers. Money utilized for rewards comes from the license application check off from purchase of small game and fishing license as well as donations from private citizens and sentencing fines through magistrate courts. The goal of the program is to inform and actively investigate reports and protect the states fish and wildlife for future hunters and anglers.

Missouri River Fishery Update

Senior wildlife biologist's Mark Fincel and Chris Longhenry provide survey results for all four reservoir of the Missouri River. Key results noted were long term averages by types of fish, specifically abundance, length distribution, and condition.

Waterfowl Hunting Zones

An update on the duck zones was presented by Rocco Murano, senior wildlife biologist via powerpoint. Murano mentioned public meetings were held and it has been determined that no changes will be proposed at this time.

Big Game Action Plan Update

Kirschenmann provided an update on the big game action plan prepared by the department from the Wildlife Management Institute review. The handout provided indicates the adjustments made to dates on the current action plan. Areas to see extended timeframes are the Deer and Turkey Management Plans. This will allow staff to obtain and utilize additional data.

Strategic Plan for Education

Division staff specialist's Jason Kool and Lynn Somper provided a powerpoint presentation detailing the programs and special events education staff is responsible for in each division. The next step will be for the divisions to work together in developing an education strategic plan to determine if the education being provided is effective and consistent with the mission of the agency. The first meeting will this group will be in early December.

Limited license drawings report

Simpson explained the recommendation of the deer survey last December was to increase the chance of drawing a license depending on number of preference points. The solution was to add additional categories for landowners and for those with 2 years or more preference points. As a result of the change everyone with two years or more preference points were successful in drawing a license in most but not all hunting units. Simpson provided results for each region.

License sales report

Simpson provided the license sales report as of October 27 for residents and nonresidents. It was noted that these are close to year end numbers because staff will begin selling 2016 licenses in December. Resident numbers show fishing and small game have shifted to purchasing combination licenses and a slip in migratory bird, but overall all are consistent with last year at this time. Nonresident licenses are currently up especially in fishing sales.

Shikar-Safari Wildlife Officer of the Year Award

Secretary Hepler and Andy Alban presented the wildlife officer of the year award to Evan Meyer, Conservation Officer from Howard, SD. Meyer was recognized for his outstanding work as a conservation officer, quality landowner relationship and sense of community.

Miscellaneous Updates

Kirschenmann provided an update on the pheasant opener. Per the opening weekend press release perspective the majority of the birds were found as you travel to the central part of the state. In general hunters were successful across the state. The average harvest was half to one bird. As harvest comes to an end and the weather gets colder we will continue to see more hunter success.

It was discussed that staff are working to further determine the economic impact based on number of hunters and information from the 5 year survey as well as info from upland game hunting

Director Tony Leif and regional supervisor Scott Lindgren discussed the ongoing issues with access to waters and use of right-of-ways in a few townships in Day County. A trial was held in September for Troy township and one in October for Butler and Valley townships. In Butler and Valley both sides have filed briefs with the court and we are waiting for a decision from the judge within the next couple months.

Chairman Cooper noted the traditional uses and laws for vehicular travel on section lines is for hunting and transportation and that the current issue is about fishing and fishing access.

Adjourn

Motioned by Phillips with second by Jensen to adjourn the meeting. Motion carried unanimously and meeting adjourned at 10:00 a.m.

Appendix A

RESOLUTION 15 – 19

WHEREAS, Damar Dore of Aberdeen, South Dakota, submitted a Petition to the Game, Fish and Parks Commission (Commission) dated October 11, 2015, requesting that the Game, Fish and Parks Commission amend ARSD 41:07:03:03 to add a Tournament License (Bass Pass) for Black Bass that removes the slots on certain lakes within South Dakota for tournament bass fishing as long as live release is being followed for the reasons more fully set out in the Petition (hereinafter referred to as “the Petition”); and

WHEREAS, all members of the Commission have been furnished with and have reviewed a copy of the Petition; and

WHEREAS, the Commission has been advised that a copy of the Petition has been served on all members of the Interim Rules Review Committee and Director of the Legislative Research Council as required by SDCL § 1-26-13; and

WHEREAS, the Commission has been advised that SDCL 1-26-13 requires that within thirty (30) days of submission of a Petition the Commission shall either “deny the petition in writing (stating its reasons for the denials) or shall initiate rule-making proceedings in accordance with SDCL 1-26-4.”; and

WHEREAS, the Commission has been advised and is of the opinion that a hearing on the Petition is neither statutorily required nor necessary; and

WHEREAS, the Commission has reviewed and carefully considered the requirements and procedures set out in SDCL 1-26-13 and the contents of the Petition, including the reasons advanced by Petitioner in support of his request to amend ARSD 41:07:03:03 to add a Tournament License (Bass Pass) for Black Bass that removes the slots on certain lakes within South Dakota for tournament bass fishing as long as live release is being followed; and

WHEREAS, fishing regulations are essential to proper management of fisheries resources; and

WHEREAS, the Commission and the Department rely on a system of fair and equitable distribution of fisheries resources and a corresponding equitable burden in complying with fishing laws and regulations; and

WHEREAS, exempting anglers participating in an event from compliance with fishing regulations would be contrary to proper management and good public policy.

NOW, THEREFORE, BE IT RESOLVED, that the Commission does hereby deny the Petition for the reasons hereinabove stated in this Resolution, which said Resolution

as adopted by the Commission shall constitute the Commission's written denial of the Petition and its reasons therefore.

BE IT FURTHER RESOLVED that the Petition, a record of the Commission's discussions concerning same, and this Resolution be made a part of the Minutes of the Commission meeting at which this Resolution is adopted, and further, that the Department be and it is hereby authorized and directed in compliance with SDCL 1-26-13 to serve a copy of an extract of that portion of the Commission minutes which pertain to the Commission's discussion of the Petition and its adoption of this Resolution, including a copy of the Resolution, on all members of the Interim Rules Review Committee and Director of the Legislative Research Council with copies also to be provided to the Petitioner, Damar Dore of Aberdeen, South Dakota.

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 30th day of October, 2015, by and between the State of South Dakota, Department of Game, Fish and Parks (hereinafter "GFP"), of 523 East Capitol, Pierre, SD 57501, and Roy Lake Resort, LLC (hereinafter "Concessionaire") of 11571 Northside Drive, Lake City, SD 57247.

WHEREAS, Concessionaire is the concessionaire under an existing concession lease agreement with GFP, for the operation of resort facilities and concessions at Roy Lake State Park, which said concession lease will expire on December 30, 2018; and

WHEREAS, the Concessionaire has expressed its intent to sell all rights, title and interests in Roy Lake Resort as well as relinquish all rights under the concession lease agreement upon sale or transfer; and

WHEREAS, the Parks and Recreation Division of GFP is presently in the process of developing a Prospectus for the issuance of a new ten year concession lease at Roy Lake State Park (hereinafter "New Concession Lease"); and

WHEREAS, the parties desire to enter into an agreement in advance to resolve issues that may arise in connection with the Prospectus, solicitation of bids and awarding of the New Concession Lease and to anticipate the possibility of transfer of the operations and assets at Roy Lake Resort to a new concessionaire;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter made by and between the parties hereto, the parties agree as follows:

1. The parties hereby agree that the Prospectus which is currently being developed in connection with soliciting bids for the new Roy Lake State Park concession lease will provide for the following:
 - a. That a new concessionaire shall be required to purchase the following at a price of \$975,000:
 - i. Concessionaire's interest in Concessionaire Facilities and associated personal property as more fully explained and itemized on the "Asset List" attached hereto as Exhibit "A" and incorporated herein by this reference; and
 - ii. Concessionaire's intangibles used in providing concession services as itemized on the "Intangible Listing" attached hereto as Exhibit "B" and incorporated herein by this reference
 - b. Closing is anticipated to take place prior to March 1, 2016. The closing site shall be a neutral site such as a title insurance company or bank in

South Dakota. Any escrow closing costs shall be the expense of the new concessionaire. Concessionaire shall cooperate with all reasonable closing requirements which are necessary to close the transaction in a business-like manner. Concessionaire will upon full payment for all such property on the appraisal, provide a Bill of Sale to the new concessionaire at closing.

- c. All payments required under this Agreement and under the Prospectus to Concessionaire by the new concessionaire or GFP shall be made in full at the time of closing.
2. The parties agree that upon transition of management and operations from Concessionaire to a new, as yet to be identified or selected concessionaire at the termination of the current concession agreement, it may be necessary for purposes of purchase by a new concessionaire to conduct an inventory of equipment, personal property and perishable items maintained in stock and in the possession of Concessionaire at the termination of the concession agreement. Values and compensation for inventoried items shall be inventoried and valued as agreed upon by Concessionaire and the new Concessionaire.
3. The parties agree that upon transition of management and operations from Concessionaire to a new, as yet to be identified or selected concessionaire at the termination of the current concession agreement, it will be necessary for new concessionaire to obtain licenses for various services such as food service, lodging, etc. Current licenses held by Concessionaire may be transferred to or purchased by new concessionaire, where allowable, as agreed upon by Concessionaire and the new concessionaire. In any event, it shall be the responsibility of the new concessionaire to obtain and secure all applicable licenses.
4. Concessionaire agrees to cooperate with GFP in scheduling and providing staff to assist with an initial site visit by prospective prospectus bidders. The Concessionaire may conduct site visits for interested parties on a walk-in basis only, provided, however, that GFP shall be provided immediate notice of such site visit as well as contact information for the party involved and a listing of any information or documentation disclosed by Concessionaire to the party involved which is not already disclosed in the prospectus. Concessionaire acknowledges that any information it discloses to any such walk-in party shall also be disclosed by GFP to all identified interested parties of record. Additional site visits may be coordinated by either GFP or Concessionaire, and arrangements for such additional site visits shall be made by mutual written agreement at least twenty-four (24) hours in advance to keep to a minimum any disruption to Concessionaire or resort guests. Concessionaire agrees to waive any claim for compensation for the time of its principals or staff in participating in site visits of the premises. Concessionaire agrees that it will not independently respond to information inquiries or documentation requests received from potential prospectus bidders. In the event it receives such inquiries, Concessionaire agrees to advise any potential prospectus bidders that any inquiries

must be made in writing directed to GFP. If GFP is unable to provide a satisfactory response to such inquiries, it will forward such inquiries to Jan Pitzl as Concessionaire's designated representative, who shall within seven (7) days of his receipt thereof provide GFP with Concessionaire's reasonable written response to such inquiries. Upon its receipt of Concessionaire's responses, GFP will forward responses to inquiries to all Prospectus bidders. In addition, Concessionaire agrees to waive any claim for compensation for the time of its principals or staff spent in participating in a tour of the premises and reasonable review of the property with a prospective or new concessionaire.

5. Concessionaire agrees to cooperate with GFP in compiling any pertinent financial information and statements as may be reasonably requested by potential bidders. Concessionaire further understands that any information provided pursuant to a request from a potential bidder will be provided to all potential bidders who have made an information request. Existing financial information provided to and on file with GFP as required by the existing Concession Agreement may be disclosed to potential bidders. Any financial information disclosed to potential bidders will be under letter of confidentiality.
6. Concessionaire, its officers, and authorized representatives, agrees to take no actions or make representations of any kind which are designed or intended to discourage or influence interested parties from bidding for the new Roy Lake State Park Concession Lease or to influence the amount of the bid by a prospective concessionaire. Concessionaire will not misrepresent any matters concerning the resort facilities or concessions to a prospective concessionaire.
7. Following selection of the new concessionaire, Concessionaire shall provide the new concessionaire and GFP with a lodging reservation summary as of the last day of the month prior to the selection of the new concessionaire and thereafter update it on a monthly basis. The reservation summary shall include, for each lodging facility, a summary of the dates of stay, estimated rates, and amounts of advanced deposits received. The names of the guest, guests' addresses, contact information and dates of stay by guests or slip renters will be held by the Concessionaire until closing unless an earlier agreement is reached between Concessionaire and a new concessionaire. At closing, Concessionaire shall provide a new concessionaire with a complete accounting of receipts for advance reservations and advance deposits received prorated to the date of possession. Concessionaire shall retain an amount equal to the lodging fee for the first night's stay for each customer reserved in advance by Concessionaire. The remainder of the advanced deposits will be paid over to the new concessionaire at the time of closing. Concessionaire agrees not to make any reservations at an amount less than the full normal rate.
8. The parties agree that upon execution of a new concession lease and transfer of Concessionaire's Possessory Interest in Concessionaire Facilities and intangibles to a successor, the Concessionaire shall be required to provide GFP with satisfactions of all collateral assignments, financing statements and mortgages which Concessionaire

has provided to any financial institution in connection with the property interests being sold and transferred to the new concessionaire.

9. This Agreement reflects the complete and final expression of the parties' agreement, superseding all prior negotiations or agreements, whether written or oral. This agreement may not be modified or amended except in writing executed by both parties.
10. Any reference in this agreement to a party shall be construed to include that party and its officers and directors, shareholders, members, successors, assigns, heirs, devisees, administrators, parents and subsidiaries, affiliates, employees, and agents. This Agreement is binding upon and inures to the benefit of each party to this agreement, and to all officers, directors, shareholders, members, successors, assigns, devisees, administrators, parents and subsidiaries, affiliates, employees, and agents.
11. This Agreement may be executed in identical counterparts. Each counterpart shall be deemed an original of this Agreement.
12. The parties agree to execute, file and deliver such additional documents and instruments, and to perform such additional acts as are necessary, appropriate, or reasonably requested to effectuate, consummate, or perform and of the terms, provisions or conditions of this agreement.
13. The parties each warrant and represent that they have read this Agreement and have been fully informed and have full knowledge of the terms, conditions, and effects of this Agreement, and they have either personally or through their attorneys, fully investigated to their full satisfaction the facts surrounding the various issues and matters sought to be addressed and resolved herein, and understand and are satisfied with the terms and effects of this Agreement, which are contractually binding. The parties agree that no promise or inducement had been offered or made except as herein set forth, and that this Agreement is executed of their own free act and deed without reliance on any statement or representation except as herein set forth.
14. Any interpretation or construction of the terms and conditions set forth in this agreement shall be governed by the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.
15. Concessionaire hereby designates Jan Pitzl as its authorized representative for all purposes under this Agreement including but not limited to the authority to execute same on behalf of Concessionaire. GFP hereby authorizes Douglas Hofer as its authorized representative for all purposes under this Agreement including but not limited to the authority to execute same on behalf of GFP. The parties warrant that they have taken or will take within a reasonable period of time, all action necessary in order to authorize and/or ratify the making and execution of this Agreement and will

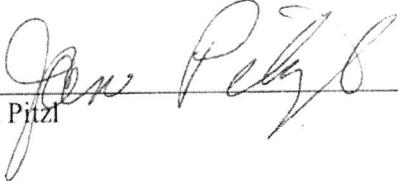
verify the same with authenticated copies of corporate and commission resolutions appropriate for the same.

16. Both parties agree that a copy of this executed Agreement will be made a part of the Prospectus.

END OF AGREEMENT TEXT

Dated this 27th day of October, 2015.

ROY LAKE RESORT, LLC

By: 
Jan Pitzl

THE STATE OF SOUTH DAKOTA,
DEPARTMENT OF GAME, FISH AND PARKS

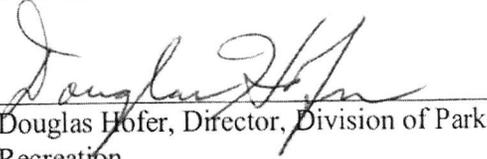
By: 
Douglas Hofer, Director, Division of Parks and
Recreation

EXHIBIT A
 SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 1 of 8

Roy Lake Resort and Lodge

Page 1

Asset List "B"

FF&E Breakdown of the four (4) Main Tangible Asset Categories- Main Lodge, Condos, Cabins, Vehicles and Boats
 List of major items that are included with the sale and their respected value minus building value

Main Lodge (Building A)

Restaurant, Front Desk, Retail, Housekeeping Dept., Maintenance Dept., Condos 14 & 15, Manager Residence, Office

Office

Item
 Computer Desk
 Document Shredder
 Computer Battery-Up
 Dell Multi-Function Laser Printer/Fax/Scanner/Copier
 3- 5 Drawer Vertical, Locking Filing Cabinets
 Bookcases
 2 Compartment Heavy Duty Digital Fire Safe w/Employee Drop
 19 inch Flat Screen TV
 Various Office Supplies (Staplers, Copy Paper etc.)

Notes

Office Computer will be exempt from sale and retained by current owner- All agreed upon files will be copied to a flash drive for buyer

Retail & Retail Inventory

Item
 Grocery Shelving Unit
 Dell Public All-In-One Windows 8.2 Computer and Printer
 Stand-up, Adjustable Computer Work Station
 Slot-Wall Display Prongs/Hooks
 RLR Promotional Items i.e. shirts, mugs, hats etc...
 RLR Promotional Item Display Case
 Angled Hanger Rack Display
 120 Gal Fresh Water Aquarium w/Roy Lake Pan Fish & all tools
 Glass/Stainless Steel Custom Sneeze Guard
 3 Size Disposable cup dispenser
 S/S Refrigerated Countertop Topping Merchandiser
 Food Warming Merchandiser
 Various Food/Display Racks
 Douwe Egbert Coffee Extract Machine
 Countertop Cabinets
 Custom Aquarium Stand
 50" Flat Screen Plasma TV & DVD player
 2 RLR Logo signs displayed on the side of building
 2 Highway RLR Logo Signs displayed on Hwy. 27 and Roy Lake Rd
 Storage Room Shelving Units
 All Retail Inventory for sale *Revolving Value*
 Corner Shelving Unit
 New LED Track Lighting Systems & Ceiling Fans
 Self-Contained 80 gal Freshwater Bait Aquarium for Retail Bait

Roy Lake Resort Asset List "B"

EXHIBIT A

SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 2 of 8

Roy Lake Resort and Lodge

Page 2

Retail & Retail Inventory continued from previous page-

- Vinyl Plank Floors
- Mini-Fridge for Retail Bait
- Taxidermy Proud Angler Fish- Yellow Perch, Bluegill,
- 17lb Northern Pike, Largemouth Bass

Notes:

*Taxidermy Deer Buck Head is on a no-cost loan from Dana Nelson- Lake City, SD
 A&W Single door and double door cooler merchandisers are owned by American Bottling Co. - On Loan
 Good Humor Ice Cream Bar Freezer is owned by Cass-Clay Creamery- On Loan*

Following items are exempt from sale and will be retained by current owner:

- Vintage Coca-Cola Cooler*
- Custom Metal Work- Walleye*
- Some Personal Photos at owner's discretion, Custom Painted Saws*

Front Desk

- | Item |
|---|
| Point-of-Sale Computer, Software & HP Printer |
| Front Desk |
| Baked Goods Merchandiser |
| Key Tags for Unit Keys/Keys |
| Brochures Inventory |
| Misc. Supplies and Equipment |
| 2- Wet Stone Countertop Water Features |
| 2- Computer Battery Back-ups |

Notes:

POS Software is setup for CC Processing under current owner's Account, buyer will need to have their own account previously set up for seamless transaction at date of sale or determined date. Current Software is ComCash.

Restaurant- Commercial Kitchen, Dining Room/Lounge, Outside Dining/Patio & Deck

- | Dining Room | Item |
|-------------|--|
| | 2- Couches w/matching pillows; Couch & Love Seat |
| | Taxidermy Mounts- Bass & Bluegill, 2- Walleye Mounts, Deer Butt Mount |
| | Unautographed TV Fishermen photos taken at RLR |
| | High Quality Synthetic Plants |
| | Geraniums |
| | Fireplace Bookshelf w/heat |
| | 55" Philips Flat Screen TV |
| | 2- 10 Gal Freshwater Aquariums w/small aquarium fish |
| | 5- 4 top Cherry Finished Tables (3 more in storage in Condo Utility Room) |
| | 20 matching chairs with black leather and cherry wood (12 more in storage) |
| | Washed stone/exposed stone concrete patio designed with footings in place |
| | Patio Furniture |
| | Wooden Deck <i>Included w/patio</i> |

Notes:

*Exempt from sale are the following personal items on loan and will be retained by owner:
 Autographed photos and military photos/flags, also plants, jade plant, coyote & pheasant mount, crapple mount, 2 duck mounts, paintings & painted saws, 2 vintage lounge chairs, 2- cherry narrow corner cabinets*

Roy Lake Resort Asset List "B"

EXHIBIT A

SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 3 of 8

Roy Lake Resort and Lodge

Page 3

Restaurant- Commercial Kitchen, Dining Room/Lounge, Outside Dining/Patio & Deck

Commercial Kitchen	Item
	Commercial Range (48" Flat top/4 burner range/double oven) (LP)
	Vulcan 40 Gal Deep Fryer (LP)
	Countertop Charbroiler (LP)
	Broiler/Salamander (220V Infrared)
	Soft-Serve Ice Cream Machine
	2- Ice Cream Cone Dispenser
	2- Dry Topping Dispenser
	Microwave
	72" 3 door Beverage Counter Cooler
	48" 2 door cold prep/sald/pizza prep Beverage cooler
	Double Door Subzero S/S Reach-In Freezer
	Double Door Refrigerated Reach-In Cooler
	72" Deep Freeze Chest Freezer
	48" Deep Freeze Chest Freezer
	Single Door Upright Reach-In Freezer
	Residential Refer/Freezer
	S/S French Door Refer w/ bottom Double Drawer freezer
	Commercial Dry Storage Rack
	72" Double Overhead Shelf w/Vulcan Infrared Warmer
	1000-lb Scotsman Ice Maker/Bin
	18/0 Silverware and Serveware
	Plates, Misc. Holloware, platters, containers
	Baking and Cutlery
	12" Blade Power Meat Slicer
	Pots & Pans
	18" Deck Lincoln Impinger Conveyor Oven (LP)
	S/S Equipment Stand/Work Table
	S/S Shelving Units
	Hobart S/S Sanitizing Dish Washer (90 second wash)
	All Dry & Cold Storage Inventory Revolving Value
	Misc. Equipment (i.e. food processor, immersion blender etc...)
	Wine Glass Dishwashing racks
	Approx. 50 Red and White Long Stemmed Wine Glasses
	Employee Time Clock & Time Cards
	10ft Exhaust Hood w/Grease Traps and Exhaust Fan
	Commercial (Grease-Rated) Fire Suppression System

Notes:

*Exempt from sale are the following personal items on loan and will be retained by owner
 Previously discounted from the above totals: Misc. Equipment, cooking wares, pots & pans.*

Continued on next page-

Roy Lake Resort Asset List "B"

EXHIBIT A

SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 4 of 8

Roy Lake Resort and Lodge
 Housekeeping

Page 4

- | Item |
|--|
| 2- Front Loading Washing Machines- Main Building |
| 2- Front Loading Dryers- Main Building |
| Supplies & Inventory- All Buildings |
| Bedding for all units (Comforters, Blankets, Pillows, Sheets, Pads Etc.) |
| 2- Top-Loading Washing Machines- Condo Building |
| 2- Front-Loading Dryers- Condo Building |
| 2- Extra-Deep Utility Sinks- Condo Building |
| Dyson Animal Complete 65 Vacuum |
| ~4 Panasonic Commercial Vacuums |
| Storage Shelving Systems |
| Rug Doctor Carpet Cleaner/Shampooer |

Notes:

Maintenance/Grounds

- | Item |
|--|
| Tools (Hand tools and power tools, wrenches, sockets, saws etc.) |
| 2- Briggs & Stratton Motor Mowers 21inch decks |
| Weed/Edge Trimmer |
| 14- Heavy-Duty Commercial Picnic Tables |
| Touch Up Paints/Stain |
| Instant Hot Water Furnace (Electric) Heating Source |
| Main Lodge Hot Water Heater (LP) |
| 1- Garbage Dumpster |
| 4- Underground Septic Tanks & Lift Station |
| Briggs & Stratton Power Washer |

Notes:

All power tools and hand tools marked with "Thames" or "Charles Thames" are personal property and are not included in the sale

Manager's Residence

- | Item |
|---|
| 3 bedroom/1 bath residence with private walkout balcony and backyard. |
| Public and Private/Internal Server and Networks |
| Battery Backup System for Networks |
| Corner Cabinet and Network supplies |

Notes:

All property located in the Manager's Residence is exempt from sale with the exception of the items listed above

Condos 14 & 15

A total FF&E value will be assigned rather than a specific value for each individual item

All units have DirecTV® Satellite Programming with Boxes and Remotes

- | Item |
|--|
| Décor (All paintings/pictures/artwork) |
| 2- 48" LED Flat Screen TVs |
| 4- Mirrored Dressers |

Roy Lake Resort Asset List "B"

EXHIBIT A

SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 5 of 8

Roy Lake Resort and Lodge
 Continued from previous page-

Page 5

- Jacuzzi Jet Tub
- 2- Walk-In Showers
- 2- Microwaves
- 4- Full Size Reach-in Refrigerators
- Plates, Cups, Pots, Pans & Utensils
- 4 full-size Mattresses, frames, box springs
- 2- twin-size mattresses, frames, box springs
- King-Size Headboard
- 2- Black Leather Couches- Sofa and Love Seat
- 2- Electric ranges w/ovens
- 2-Cabinet Mounted Microwaves
- 2- Single Vanities w/Sinks
- 1- Large Double Vanity w/Sink
- Lighting Fixtures/HVAC
- 3- Standard Comodes
- 2- Private Walkout Balconies
- 2- Coffee Tables
- 7- Kitchen Tables and chairs
- 4- twin-size Rollaway Beds
- 2- Charcoal Grills
- Carpeting and Linoleum Floors
- 2- Hot Water Heaters (Electric)

Cabins 1-8 (Buildings B)

Cabins 1,2,5,6- 2bd 1ba; Cabins 3,4- 1bd 1ba, Cabins 7- 2bd 1ba w/four seasons; Cabin 8- 1bd 1ba w/four seasons
 All units have DirecTV® Satellite Programing with Boxes and Remotes

Cabins 1, 2, 5, 6

	Item
	8- Full-size mattress, frames, box springs
<i>*Cabins 1,2,5,6 are 2 Bedroom 1 Bath units with built on decks. Cabins 5 & 6 also have covered decks. All include Fire Pits.</i>	8- twin-size custom bunks, custom mattresses and covers
	New lighting fixtures
	New Floors in all units
	4 Sets- Full Kitchen Cabinets
	4- Microwave
	4 Sets- Kitchen tables and chairs
	4-LP/Electric Ignite 4 range and oven
	4- LP Furnaces; 4- Electric Hot Water Heaters
	Pots, Pans, Utensils & Appliances
	4- Charcoal Grills
	4- Full Size Reach-in Refrigerators
	4 Sets- Deck Furniture and Tables
	4- Custom Cherry Closet Systems
	4- A/C Units
	Décor- Paintings/Pictures/Lamps
	4- 24" Vizio 1080p HD Flat Screen TVs- Wall Mounted
	4 Sets- 3 Piece Bathroom

Roy Lake Resort Asset List "B"

EXHIBIT A
 SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 6 of 8

Roy Lake Resort and Lodge
 Cabins 3, 4

Page 6

	Item
	2- Full-size mattress, frames, box springs
*Cabins 3 & 4 are 1 Bedroom 1 Bath units with built on decks. All Include Fire Pits.	2- Twin-size custom bunks, custom mattresses and covers
	New lighting fixtures
	New Floors in all units
	2 Sets- Full Kitchen Cabinets
	2- Microwave
	2 Sets- Kitchen tables and chairs
	2-LP/Electric Ignite 4 range and oven
	2- LP Furnaces
	Pots, Pans, Utensils & Appliances
	2- Charcoal Grills
	2- Full Size Refrigerators
	2 Sets- Deck Furniture and Tables
	2- Electric Hot Water Heaters
	2- A/C Units
	2- Custom Cherry Closet Systems
	Décor- Paintings/Pictures/Lamps
	2- 24" Vizio 1080p HD Flat Screen TVs- Wall Mounted
	2 Sets- 3 Piece Bathroom

Cabin 7

	Item
	2- Full-size mattress, frames, box springs
*Cabins 7 is a 2 bedroom 1 bath unit with a built on Four- Seasons Porch. Includes Fire Pit.	2- twin-size custom bunks, custom mattresses and covers
	New lighting fixtures
	New Floors in all units
	1 Sets- Full Kitchen Cabinets
	1- Microwave
	1 Sets- Kitchen tables and chairs
	1-LP/Electric Ignite 4 range and oven
	1- LP Furnaces
	Pots, Pans, Utensils & Appliances
	1- Charcoal Grills
	1- Full Size Refrigerators
	1 Set- Outside Furniture and Tables
	1- A/C Units
	Décor- Paintings/Pictures/Lamps
	1- 32" TV
	1- 3 Piece Bathroom

Continued on next page-

Roy Lake Resort Asset List "B"

EXHIBIT A

SETTLEMENT AGREEMENT ROY LAKE RESORT
 "ASSET LIST"
 Page 7 of 8

Roy Lake Resort and Lodge
 Cabin 8

Page 7

	Item
	1- Full-size mattress, frames, box springs
	2- twin-size custom bunks, custom mattresses and covers
<i>*Cabins 8 is a 1 bedroom 1 bath unit with a built on Four Seasons Porch. Includes Fire Pit.</i>	New lighting fixtures
	New Floors in all units
	1 Sets- Full Kitchen Cabinets
	1- Microwave
	1 Sets- Kitchen tables and chairs
	1-LP/Electric Ignite 4 range and oven
	1- LP Furnaces
	Pots, Pans, Utensils & Appliances
	1- Charcoal Grills
	1- Full Size Refrigerators
	1 Set- Outside Furniture and Tables
	1- A/C Units
	Décor- Paintings/Pictures/Lamps
	1- 32" TV
	1- 3 Piece Bathroom

Condominium Building (Building C)

Condos 9,10,11,12- 2 bedroom, 1 bath Condos with 2 Laundry Rooms and Utility/Furnace Room with Storage
 All units have DirecTV® Satellite Programming with Boxes and Remotes

Condos 9, 10, 11, 12

	Item
	16- Full-size mattress, frames, box springs
<i>*Cabins 9, 10, 11, 12 are 2 Bedroom 1 Bath units (2 full-size beds in ea. bedroom) with walkout balconies and terraces. All include Metal Ring Fire Pits.</i>	8- twin-size custom bunks, custom mattresses and covers
	4 Sets- Full Kitchen Cabinets
	4- Cabinet Mounted Microwave
	4 Sets- Kitchen tables and chairs
	4-LP/Electric Ignite 4 range and oven
	Baseboard Electric Heat w/individual Thermostats/Unit
	Pots, Pans, Utensils & Appliances
	4- Charcoal Grills
	4- Full Size Reach-In Refrigerators
	4 Sets- Deck Furniture and Tables
	4- Mitsubishi A/C Units
	Décor- Paintings/Pictures/Lamps
	4- 48" 1080p HD Flat Screen TVs- Wall Mounted
	4- Oak Bookcases
	4 Sets- 3 Piece Bathroom
	2- Large Electric Hot Water Heaters
	2- Housekeeping Top-Loading Washing Machines
	2- Housekeeping Top-Loading Dryers

Roy Lake Resort Asset List "B"

EXHIBIT A

SETTLEMENT AGREEMENT ROY LAKE RESORT
"ASSET LIST"
Page 8 of 8

Roy Lake Resort and Lodge

Page 8

Dock Systems, Boats & Vehicles

Outdoor Assets

Item	
EZ Dock Floating Dock Systems & Tools	
Shoremaster Floating Dock Systems & Tools	
Dock Parts and Replacement Parts	
Several Galvanized 4" Pilings and Augers	
3- 6HP Mercury Outboard Motors	
4- 14' Aluminum Boat Hulls	
1- TMC 13-Person Capacity Pontoon Boat w/40HP Merc. BigFoot Motor	
1- Pontoon Boat Lift	
1- Tandem Axle Pontoon Trailer	
1- 17' Lund Pro Angler Fishing Boat w/90HP Merc. Motor	
1- Single Axle Fishing Boat Trailer	
2007 Dodge Ram Pickup Truck 1500 Quad Cab 4X4	
EZ-GO Goff Cart (Gas Powered)	
Gas Dock/500 Gallon Gas Tank with Pumps & Hoses for Boat Gas Sales	
Gas Inventory	Revolving Value

EXHIBIT B

RECEIVED

OCT 29 2015

Dept. of Game, Fish & Parks
Pierre, SD 57501

SETTLEMENT AGREEMENT ROY LAKE RESORT
"INTANGIBLE LISTING"

The following is a list of intangible items relative to the operation of Roy Lake Resort which shall be transferred and provided to the successor concessionaire in accordance with Section 1.a.ii of the Settlement Agreement:

- All trademark, copyrights and other rights and title to the name "Roy Lake Resort", "Roy Lake Lodge" and "Roy Lake Resort and Lodge".
- All rights and ownership of the www.roylakeresort.com website
- Exclusive transfer of all administration rights to all Roy Lake Resort online social media accounts
- 6,500+ personal customer list (includes physical addresses and phone numbers)
- 1,000+ customer email marketing list
- All digital logos, business card designs, document templates associated with Roy Lake Resort including digitized photos
- Point of sale reports for previous 10 years of business
- All phone numbers currently listed for Roy Lake Resort will remain with the Resort after lease transfer.
- Beer and wine sales license

SETTLEMENT AGREEMENT

This Settlement Agreement is made and entered into this 2nd day of November ~~October~~ 2015, by and between the State of South Dakota, Department of Game, Fish and Parks (hereinafter "GFP"), of 523 East Capitol, Pierre, SD 57501, and Oahe Tailrace, LLC (hereinafter "Concessionaire") of P.O. Box 310, Fort Pierre, SD 57532.

WHEREAS, Concessionaire is the concessionaire under an existing concession lease agreement, as amended, with GFP, for the operation of resort facilities and concessions at Oahe Downstream Recreation Area, which said concession lease will expire on December 30, 2041; and

WHEREAS, the Concessionaire has expressed his intent to sell all rights, title and interests in Oahe Marina and Resort as well as relinquish all rights under the concession lease agreement, as amended, upon sale or transfer; and

WHEREAS, the Parks and Recreation Division of GFP is presently in the process of developing a Prospectus for the issuance of a new ten year concession lease at Oahe Downstream Recreation Area (hereinafter "New Concession Lease"); and

WHEREAS, the parties desire to enter into an agreement in advance to resolve issues that may arise in connection with the Prospectus, solicitation of bids and awarding of the New Concession Lease and to anticipate the possibility of transfer of the operations and assets at Oahe Marina and Resort to a new concessionaire;

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter made by and between the parties hereto, the parties agree as follows:

1. The parties hereby agree that the Prospectus which is currently being developed in connection with soliciting bids for the new Oahe Downstream concession lease will provide for the following:
 - a. That a new concessionaire shall be required to purchase the following at a price of \$641,000.00:
 - i. Concessionaire's interest in Concessionaire Facilities as more fully explained and itemized on the "Appraisal Report of the Leasehold Interest Held by Oahe Tailrace, LLC in Oahe Marina and Resort" dated October 1, 2014, attached hereto as Exhibit "A".
 - ii. Concessionaire's intangibles used in providing concession services as itemized on the "Intangible Listing" attached hereto and Exhibit "B" and incorporated herein by this reference

- b. The closing site shall be a neutral site such as a title insurance company or bank in Pierre, South Dakota. Any escrow closing costs shall be the expense of the new concessionaire. Concessionaire shall cooperate with all reasonable closing requirements which are necessary to close the transaction in a business-like manner. Concessionaire will upon full payment for all such property on the appraisal, provide a Bill of Sale to the new concessionaire at closing.
 - c. All payments required under this Agreement and under the Prospectus to Concessionaire by the new concessionaire or the Department shall be made in full at the time of closing.
 2. The parties agree that upon transition of management and operations from Concessionaire to a new, as yet to be identified or selected concessionaire at the termination of the current concession agreement, it may be necessary for purposes of purchase by a new concessionaire to conduct an inventory of equipment, personal property and perishable items maintained in stock and in the possession of Concessionaire at the termination of the concession agreement. Values and compensation for inventoried items shall be inventoried and valued as agreed upon by Concessionaire and the new Concessionaire.
 3. The parties agree that upon transition of management and operations from Concessionaire to a new, as yet to be identified or selected concessionaire at the termination of the current concession agreement, it will be necessary for new concessionaire to obtain licenses for various services such as alcohol sales, food service, lodging, etc. Current licenses held by Concessionaire may be transferred to or purchased by new concessionaire, where allowable, as agreed upon by Concessionaire and the new concessionaire. In any event, it shall be the responsibility of the new concessionaire to obtain and secure all applicable licenses.
 4. The parties acknowledge that an existing Repair and Maintenance Reserve obligation exists on the part of the Concessionaire pursuant to Section 15 of the Concession Lease Agreement and that in accordance with Section 15, any existing balance at the time of transfer shall be calculated to the date of transfer, then credited to the successor Concessionaire. The parties further agree that projects eligible for Repair and Maintenance fund use exist and may be carried out prior to the closing date only with prior written authorization from the Department. The Concessionaire agrees to submit to the Department any invoices for eligible projects as soon as they are received. The Department agrees to make a determination on the eligibility of submitted invoices and calculate a current Repair and Maintenance Reserve balance in as timely a manner as possible and provide written notice of such determination and adjusted balance. Concessionaire further agrees to either deduct any existing remaining balance from the purchase price at closing or reimburse the new concessionaire for the balance no longer than seven (7) days past the date of closing.

5. Concessionaire agrees to cooperate with GFP in scheduling and providing staff to assist with an initial site visit by prospective prospectus bidders. Concessionaire agrees to waive any claim for compensation for the time of its principals or staff in participating in the initial site visit of the premises. Additional site visits shall be permitted, provided, however, that such site visits shall be supervised by the Department, and need not involve Concessionaire, its principals or staff, and arrangements for such additional site visits shall be made by mutual agreement with Concessionaire at least twenty-four (24) hours in advance to keep to a minimum any disruption to Concessionaire or resort guests. Concessionaire agrees that it will not independently respond to inquiries received from potential prospectus bidders. In the event it receives such inquiries, Concessionaire agrees to advise any potential prospectus bidders that any inquiries must be made in writing directed to GFP. If GFP is unable to provide a satisfactory response to such inquiries, it will forward such inquiries to Steve Rounds as Concessionaire's designated representative, who shall within seven (7) days of his receipt thereof provide GFP with Concessionaire's reasonable written response to such inquiries. Upon its receipt of Concessionaire's responses, GFP will forward responses to inquiries to all Prospectus bidders. In addition, Concessionaire agrees to waive any claim for compensation for the time of its principals or staff spent in participating in a tour of the premises and reasonable review of the property with a prospective or new concessionaire.
6. Concessionaire, its officers, and authorized representatives, agrees to take no actions for make representations of any kind which are designed or intended to discourage or influence interested parties from bidding for the new Oahe Downstream Concession Lease or to influence the amount of the bid by a prospective concessionaire. Concessionaire will not misrepresent any matters concerning the resort facilities or concessions to a prospective concessionaire.
7. Following selection of the new concessionaire, Concessionaire shall provide the new concessionaire and the Department with a lodging reservation summary as of the last day of the month prior to the selection of the new concessionaire and thereafter update it on a monthly basis. The reservation summary shall include, for each lodging facility, a summary of the dates of stay, estimated rates, and amounts of advanced deposits received. The names of the guest, guests' addresses, contact information and dates of stay by guests or slip renters will be held by the Concessionaire until closing unless an earlier agreement is reached between Concessionaire and a new concessionaire. At closing, Concessionaire shall provide a new concessionaire with a complete accounting of receipts for advance reservations and advance deposits received prorated to the date of possession. The difference between advance lodging and marina deposits received by the Concessionaire which present unearned fees shall be paid over to the new concessionaire at the time of closing with the new concessionaire.
8. The parties agree that upon execution of a new concession lease and transfer of Concessionaire's Possessory Interest in Concessionaire Facilities and intangibles to a successor, the Concessionaire shall be required to provide to the Department

satisfactions of all collateral assignments, financing statements and mortgages which Concessionaire has provided to any financial institution in connection with the property interests being sold and transferred to the new concessionaire.

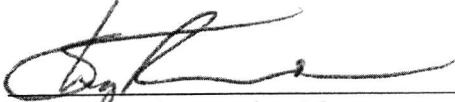
9. This Agreement reflects the complete and final expression of the parties' agreement, superseding all prior negotiations or agreements, whether written or oral. This agreement may not be modified or amended except in writing executed by both parties.
10. Any reference in this agreement to a party shall be construed to include that party and its officers and directors, shareholders, members, successors, assigns, heirs, devisees, administrators, parents and subsidiaries, affiliates, employees, and agents. This Agreement is binding upon and inures to the benefit of each party to this agreement, and to all officers, directors, shareholders, members, successors, assignees, devisees, administrators, parents and subsidiaries, affiliates, employees, and agents.
11. This Agreement may be executed in identical counterparts. Each counterpart shall be deemed an original of this Agreement.
12. The parties agree to execute, file and deliver such additional documents and instruments, and to perform such additional acts as are necessary, appropriate, or reasonably requested to effectuate, consummate, or perform and of the terms, provisions or conditions of this agreement.
13. The parties each warrant and represent that they have read this Agreement and have been fully informed and have full knowledge of the terms, conditions, and effects of this Agreement, and they have either personally or through their attorneys, fully investigated their full satisfaction the fact surrounding the various issues and matters sought to be addressed and resolved herein, and understand and are satisfied with the terms and effects of this Agreement, which are contractually binding. The parties agree that no promise or inducement had been offered or made except as herein set forth, and that this Agreement is executed of their own free act and deed without reliance on any statement or representation except as herein set forth.
14. Any interpretation or construction of the terms and conditions set forth in this agreement shall be governed by the laws of the State of South Dakota.
15. Concessionaire hereby designates Steve Rounds as its authorized representative for all purposes under this Agreement including but not limited to the authority to execute same on behalf of Concessionaire. GFP hereby authorizes Douglas Hofer as its authorized representative for all purposes under this Agreement including but not limited to the authority to execute same on behalf of GFP. The parties warrant that they have taken or will take within a reasonable period of time, all action necessary in order to authorize and/or ratify the making and execution of this Agreement and will verify the same with authenticated copies of corporate and commission resolutions appropriate for the same.

16. Both parties agree that a copy of his executed Agreement will be made a part of the Prospectus.

END OF AGREEMENT TEXT

Dated this 2nd day of November, 2015.

OAHE TAILRACE, LLC

By: 
Steve Rounds, Member Manager

THE STATE OF SOUTH DAKOTA,
DEPARTMENT OF GAME, FISH AND PARKS

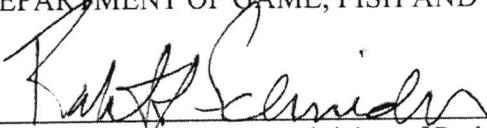
By: 
for Douglas Hofer, Director, Division of Parks and
Recreation

EXHIBIT B
SETTLEMENT AGREEMENT
OAHE MARINA AND RESORT
"INTANGIBLE LISTING"

The following is a list of intangible items relative to the operation of Oahe Marina and Resort which shall be transferred and provided to the successor concessionaire in accordance with Section 1.a.ii of the Settlement Agreement:

- All trademark, copyrights and other rights and title to the name "Oahe Marina and Resort".
- All phone numbers currently listed for the marina will remain with the marina after lease transfer
- All original copies of current slip leases and associated lessee contact information
- All marina slip and storage fee deposits collected in advance for future seasons
- Marina slip waiting list and all associated customer contact information

Appendix D

RESOLUTION 15 - 18

WHEREAS, the Department of Game, Fish, and Parks (GFP) has expressed an interest in acquiring real property presently owned by Terry Cutler and Jill Cutler, 1610 North Washington Street, Groton, SD 557445, which property is described as:

North Half (N½) of Section Twenty (20) in Township One Hundred Twenty-six North (T126N), Range Sixty West (R60W) of the 5th P.M. Brown County, South Dakota, containing 320 acres, more or less, and hereafter referred to as CUTLER PROPERTY; and

WHEREAS, said property is to be acquired by and utilized by GFP as a Game Production Area; and

WHEREAS, SDCL 41-4-1.1 requires that before GFP acquires and purchases property, GFP must notify owners of land located adjacent to the property sought to be acquired by publishing notice of the same once in each legal newspaper of the county in which the property to be purchased is located; and

WHEREAS, GFP has published the required legal notice at least thirty (30) days prior to the date of action by the Commission authorizing the intended purchases, which notice included the time and location of the meeting at which Commission action is expected and by giving notice of instructions for presenting oral and written comments to the Commission; and

WHEREAS, the Commission has reviewed any and all comments that may have been received relative to the intended purchase and after consideration of the same, the Commission approves the purchase of said property for use as a Game Production Area;

NOW, THEREFORE, BE IT RESOLVED, that GFP is authorized to complete negotiations for the purchase of the CUTLER PROPERTY and execute and consummate an agreement with Terry Cutler and Jill Cutler, which is acceptable to GFP to acquire by purchase, at the price of \$535,000.00, the CUTLER PROPERTY for use as a Game Production Area.

Public Hearing Minutes of the Game, Fish, and Parks Commission
November 5, 2015

The Public Hearing Officer Scott Simpson began the public hearing at 2:00 p.m. at the Ramada Inn Convention Center in Mitchell, South Dakota with Commissioners Cooper, Peterson, Jensen, Jensen, Phillips, Sather, and Spies present. Simpson indicated written comments were provided to the Commissioners prior to this time and will be reflected in the Public Hearing Minutes. Simpson then invited the public to come forward with oral testimony.

Park and Trail Fee Increase

No oral testimony was received.

Written testimony:

Michael Amick, Lead, SD, emailed, "I would like to register a NO for any increase to boat license fees. I prefer a more undeveloped approach to fishing, camping, etc. I would also register a NO for increase to Custer State Park fees, unless it is only for out of state registered vehicles. The GF&P needs to do what most people in SD do-live within their means and do without.

Boat License Fee Increase

No oral testimony was received.

Written testimony:

Darrin LaQua, Watertown, SD, emailed, "I am writing in regards to the tremendous fishing here in the state of SD. We have some of the best fisheries in all the surrounding states, but they are being threatened by the almost certain introduction of invasive species. I understand that the Commission is trying to increase revenue, by increasing SD boat license fees, in order to combat this problem and improve infrastructure. This is definitely not a point to be argued. My issue, and that of my fellow sportsmen, is that this burden of responsibility needs to be shared by EVERYONE who is accessing our fisheries. This includes out-of-staters who are the most capable of bringing in these invasive species. The burden of responsibility, as well as reaping the benefits of our resources, needs to be shared by ALL. Please consider raising out-of-state fishing license fees to help increase funding to upgrade and protect our valuable fisheries.

G Guidotti, Eureka, SD, emailed, " 1. My input is as follows: A. Instead of sticking it to state residents why not put it on out-of-state hunters and fishers. Since they use up our resources faster than residents do, especially hunting Pheasants and fishing for Walleye. B. The only reason they hunt in SD is because they have depleted or fouled up their own state game and fisheries. C. The only people that profit from non-residents are the local business and land owners, Other state residents get nothing from them in fact over the last couple years state hunters have been shut out of their traditional hunting areas that

were open to them previously. 2. Seems like the Politicians in SD are more interested in a fast buck for their buddy's in business than for the general populous (my opinion and not based on known facts).

Spring Turkey Hunting Season

No oral testimony was received.

Written testimony:

Scott Andal, Salem, SD, emailed, "My brother-in-laws and I have had the privilege of hunting land in Jackson County during the Spring Turkey season. We have been doing this for the past 4 years. We have seen a abundant number of Turkey's. I would recommend not to drop any tags for Jackson County. In fact they could bring back some Double Tags like they used to have in this County. We have harvested Turkey's every year and there were still a very large number in Jackson this past Spring.

Spring Light Goose Hunting Season

No oral or written testimony was received.

The Public Hearing concluded at 2:05 p.m.

Respectfully submitted,

Kelly R. Hepler, Department Secretary