



SOUTH DAKOTA
GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

September 19, 2013

VIA EMAIL to bollenj@sdrc-eb5.com
CERTIFIED MAIL, RETURN RECEIPT REQUESTED
& FIRST CLASS MAIL

SDRC, Inc.
ATTN: Mr. Joop Bollen
416 Production Street North
Aberdeen, SD 57401

RE: SDRC, Inc. Consulting Contract Termination

Dear Joop:

This is to advise you that GOED is terminating the Amended and Restated Consulting Contract between SDRC, Inc. ("SDRC"), and GOED (formerly the Department of Tourism and State Development) dated December 22, 2009, (the "Contract"), for cause, effective immediately.

Demand is hereby made that SDRC turn over to GOED all books, records and reports required to be kept by it under the Contract within ten business days.

Pursuant to paragraph 8 of the Contract, SDRC is also directed (and demand is hereby made) to immediately turn over to GOED, payable to the South Dakota State Treasurer, the balances of the Expense Fund and Indemnification Fund One (as defined and described in the Contract).

Demand is also hereby made that you immediately take steps to take down or modify any websites or other advertisements or promotional materials to remove any reference to SDRC, Inc., acting as the operator or manager of the regional center or any other references to SDRC, Inc.'s affiliation with the Governor's Office of Economic Development or the State of South Dakota arising out of or related to the Contract.

As provided by the Contract, the obligation to maintain the existing insurance or obtain "tail" coverage if the existing insurance is claims-made, the obligation to maintain and fund

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Indemnification Fund One and Indemnification Fund Two and GOED's security interest in Indemnification Fund One and Indemnification Fund Two survive termination of the Contract. As to Indemnification Fund Two, we have determined that SDRC did not provide the account number for Fund Two at the time the Deposit Account Control Agreement was signed. Accordingly, a further demand is hereby made that SDRC immediately execute and return to me the enclosed Amended and Restated Deposit Account Control Agreement that includes Indemnification Fund Two.

Sincerely,

South Dakota Governor's Office of
Economic Development



J. Pat Costello
Commissioner

PC:nl:kd

Enclosure

cc: Tim Engel
Jeff Sveen