

David C. Toland, Secretary

Laura Kelly, Governor

August 6, 2024

Peabody Main Street Association
300 N. Walnut
Peabody, KS 66866

RE: Notice of Default and Request for Payment

As you are aware, the Kansas Department of Commerce (Commerce) and Peabody Main Street Association (Peabody) entered into an American Rescue Plan Act BASE Grant Agreement dated March 25, 2023 (the Agreement). On July 25, 2024, Commerce provided Peabody a Notice of Default and Termination letter as it failed to provide the outstanding financial and narrative project reports as required under Section VIII and that it was out of compliance contrary to the terms of the Agreement as described in Section VII.

Despite the assurances from your organization that it would immediately remedy its noncompliance, Peabody has yet to provide substantial documentation that would demonstrate to Commerce that Peabody can abide by the terms of the Agreement. As such, Commerce is proceeding forward with its right to terminate the Agreement, pursuant to Section XI, and demands the return of the disbursed grant funds in the amount of \$740,000. Please remit payment in full **no later than August 21, 2024** and to the address below. If payment in full is not received by August 21, 2024, Commerce will pursue any and all legal alternatives to collect outstanding amounts due and associated costs, including payment for legal fees and expenses.

Kansas Department of Commerce
Attn: Legal
1000 SW Jackson, Suite 100
Topeka, Kansas 66612-1354

Thank you for your prompt attention to this matter. If you have any questions, please contact me at (785) 296-0135.

Sincerely,



Amber Cabrera
Attorney