

McAlester City Council
NOTICE OF MEETING



Regular Meeting Agenda
Thursday, April 2, 2026 - 5:15 PM
McAlester City Hall – Council Chambers
28 E. Washington

Attending in Person

Justin Few	Mayor
Levi Gilmore	Ward One
Robin Woodley	Ward Two
Chris Stone	Ward Three
Randy Roden	Ward Four
Billy J. Boatright	Ward Five
Kevin Beaty-Vice Mayor	Ward Six
Ken Wimer	Interim City Manager
Cora M. Middleton	City Clerk
John T. Hammons	City Attorney

This agenda has been posted at the McAlester City Hall, distributed to the appropriate news media, and posted on the City website: www.cityofmcalester.com within the required time frame.

The Mayor and City Council request that all cell phones and pagers be turned off or set to vibrate. Members of the audience are requested to step outside the Council Chambers to respond to a page or to conduct a phone conversation.

The McAlester City Hall is wheelchair accessible. Sign interpretation or other special assistance for disabled attendees must be requested 48 hours in advance by contacting the City Clerk's Office at 918.423.9300, Extension 4956.

Official action can only be taken on items which appear on the agenda. The public body may adopt, approve, ratify, deny, defer, recommend, amend, strike, or continue any agenda item. When the public body desires more information on an item, the public body may refer the matter to City staff or back to a committee. Under certain circumstances, items may be deferred to a specific date or stricken from the agenda entirely.

CALL TO ORDER

Announce the presence of a Quorum.

ROLL CALL

PUBLIC HEARING

All persons interested in any ordinance listed under Scheduled Business shall have an opportunity to be

heard in accordance with Article 2, Section 2.12(b) of the City Charter.

A. AN ORDINANCE OF THE CITY OF MCALESTER, OKLAHOMA, AUTHORIZING THE CONVEYANCE OF REAL PROPERTY, PROVIDING FOR SEVERABILITY, NON-CODIFICATION, REPEALER, AND DECLARING AN EMERGENCY.

SCHEDULED BUSINESS

1. Discussion and possible action to approve an ordinance of the City of McAlester, Oklahoma, authorizing the conveyance of real property, providing for severability, non-codification, repealer, and declaring an emergency. *(Billy Sumner, Economic Development Director)*
2. Discussion and possible action to authorize the Interim City Manager to complete the sale of property and building, located at 103 Steven Taylor Blvd, to Kreb's Brewery at the agreed upon conditions outlined in the OK Department of Commerce letter dated March 12th, 2026. *(Billy Sumner, Economic Development Director)*

RECESS COUNCIL MEETING

CONVENE AS MCALESTER ECONOMIC DEVELOPMENT AUTHORITY

Majority of a Quorum required for approval

1. Concur with action taken on City Council Agenda Item No. 1, approval of an ordinance of the City of McAlester, Oklahoma, authorizing the conveyance of real property, providing for severability, non-codification, repealer, and declaring an emergency. *(Billy Sumner, Economic Development Director)*
2. Concur with action taken on City Council Agenda Item No. 2, authorizing the Interim City Manager to complete the sale of property and building, located at 103 Steven Taylor Blvd, to Kreb's Brewery at the agreed upon conditions outlined in the OK Department of Commerce letter dated March 12th, 2026. *(Billy Sumner, Economic Development Director)*

RECONVENE COUNCIL MEETING

ADJOURNMENT

CERTIFICATION

I certify that this Notice of Meeting was posted on this _____ day of _____ 2025 at _____ a.m./p.m. as required by law in accordance with Section 303 of the Oklahoma Statutes and that the appropriate news media was contacted. As a courtesy, this agenda is also posted on the City of McAlester website: www.cityofmcalester.com.

Cora M. Middleton, City Clerk



McAlester City Council AGENDA REPORT



Meeting Date: Thursday, April 2, 2026
Department: Economic Development
Prepared By: Billy Sumner, Economic Development Director
Date Prepared: 03/30/2026

Account Code:
Budgeted Amount:

Subject:

1. Discussion and possible action to approve an ordinance of the City of McAlester, Oklahoma, authorizing the conveyance of real property, providing for severability, non-codification, repealer, and declaring an emergency. *(Billy Sumner, Economic Development Director)*

Recommendation:

A motion to approve the ordinance.

Discussion:

Approved By:	Initial	Date
Department Head:	BDS	3/30/26
City Manager:	kjw	31 Mar 26

Exhibits:

KB - Conveyance Ordinance

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY OF MCALESTER, OKLAHOMA, AUTHORIZING THE CONVEYANCE OF REAL PROPERTY, PROVIDING FOR SEVERABILITY, NON-CODIFICATION, REPEALER, AND DECLARING AN EMERGENCY.

NOW THEREFORE, BE IT ORDAINED BY the City Council of the City of McAlester, Oklahoma:

SECTION 1. Pursuant to Section 2.11(7) of the McAlester City Charter, the City Council does hereby authorize the City Manager to convey to Krebs Brewing Co., Inc., the following property in Pittsburg County, Oklahoma, described as follows:

A TRACT OF LAND CONTAINING 12.30 ACRES MORE OR LESS IN LOT C-3 OF STEVEN W. TAYLOR INDUSTRIAL PARK, PITTSBURG COUNTY, OKLAHOMA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NE CORNER OF LOT C-3; THENCE S 42°33'04" E ALONG THE EAST LINE OF LOT C-3 A DISTANCE OF 232.82 FEET TO THE POINT OF BEGINNING; THENCE S 77° 13'09" W A DISTANCE OF 816.22 FEET; THENCE N 67°39'12" E ALONG THE SOUTH LINE OF LOT C-3 A DISTANCE OF 103.00 FEET; THENCE N 89°22'49" E ALONG THE SOUTH LINE OF LOT C-3 A DISTANCE OF 900.00 FEET TO THE SE CORNER THEREOF: THENCE ALONG THE EAST - LINE OF LOT C-3 THESE COURSES: THENCE ON A NON-TANGENT CURVE TO THE LEFT WITH A RADIUS OF 471.90 (CHD=N 21°34'07" W, 337.72) A DISTANCE OF 345.39 FEET: THENCE N 42°33'04" W A DISTANCE OF 401.81 FEET TO THE POINT OF BEGINNING.

Physical Address: 103 Steven Taylor Boulevard, McAlester, OK 74501

The terms of such conveyance shall be in accordance with that certain Purchase and Sale Agreement dated even herewith.

SECTION 2. NON-CODIFICATION. The City Clerk is hereby directed to not codify this ordinance in the Code of Ordinance of the City McAlester, Oklahoma.

SECTION 3. SEVERABILITY. If any provision, paragraph, word, section of article of this Ordinance is invalidated by any court of competent jurisdiction, the remaining provisions, paragraphs, words, sections and chapters shall not be affected and shall continue in full force and effect.

SECTION 4. REPEALER. All other Ordinances and parts of other Ordinances inconsistent or conflicting with any part of this Ordinance are hereby repealed to the extent of such inconsistency or conflict.

SECTION 5. EMERGENCY. It being necessary for the preservation of the public health, safety, and welfare, this ordinance shall take effect immediately after its publication as provided by law.

PASSED AND APPROVED BY THE COUNCIL OF THE CITY OF MCALESTER, OKLAHOMA on THIS _____ DAY OF _____, 20_____.

**CITY OF MCALESTER, OKLAHOMA
A Municipal Corporation**

Justin Few, Mayor

ATTEST:

Cora Middleton, City Clerk

APPROVED AS TO FORM AND LEGALITY this _____ day of _____, 20_____.

John Tyler Hammons, City Attorney



McAlester City Council AGENDA REPORT



Meeting Date: Thursday, April 2, 2026
Department: Economic Development
Prepared By: Billy Sumner, Economic Development Director
Date Prepared: 03/30/2026

Account Code:
Budgeted Amount:

Subject:

2. Discussion and possible action to authorize the Interim City Manager to complete the sale of property and building, located at 103 Steven Taylor Blvd, to Krebs Brewery at the agreed upon conditions outlined in the OK Department of Commerce letter dated March 12th, 2026. *(Billy Sumner, Economic Development Director)*

Recommendation:

Motion to approve and authorize the Interim City Manager to complete the sale to Krebs Brewery property and building and agreed upon conditions outlined within the OK Department of Commerce letter dated March, 12, 2026.

Discussion:

This item was previously approved by council during the Sept. 23rd, 2025 council meeting, however Krebs Brewing Company elected to delay exercising its purchase option while they reevaluated a potential brand expansion. Since then, Krebs Brewing Company has renewed its interest in acquiring the property. Since this was a project partially funded by a Community Development Block Grant (CDBG), staff reached out to the Oklahoma Department of Commerce to review and approve the sale, as well as determine the amount required to pay back the unamortized portion of the grant. Permission was received on March 12th, 2026 and stipulated that the unamortized option to buy price would now be \$520,833.35 plus \$100.00 for the right to purchase, bringing the total sale price to \$520,933.35.

Approved By:	Initial	Date
Department Head:	BDS	3/30/26
City Manager:	kjw	31 Mar 26

Exhibits:

Krebs Brewery Sale - April 2026, Attachment 1 - Excerpt from City Council Meeting 6.25.19,

Attachment 2 - Krebs Brewery Lease 1.20.17, Attachment 3 - Letter from OK Commerce - Kellon Dixon - 3.12.26

PURCHASE AND SALE AGREEMENT

THIS PURCHASE AND SALE AGREEMENT (this "Agreement") is made by and between Krebs Brewing Co., Inc. (the "Purchaser") and City of McAlester (the "Seller") effective as of the signed below. Purchaser and Seller are sometimes individually referred to as a "party" and collectively referred to as the "parties."

FOR GOOD AND VALUABLE CONSIDERATION RECEIVED, the parties hereby agree as follows:

1. **PROPERTY.** The Purchaser hereby agrees to purchase and the Seller agrees to sell the following property in Pittsburg County, Oklahoma, located at 103 Steven Taylor Boulevard, McAlester, Pittsburg County, OK 74501 (the "Property"), described more particularly as follows:

A TRACT OF LAND CONTAINING 12.30 ACRES MORE OR LESS IN LOT C-3 OF STEVEN W. TAYLOR INDUSTRIAL PARK, PITTSBURG COUNTY, OKLAHOMA, MORE PARTICULARLY DESCRIBED AS FOLLOWS: COMMENCING AT THE NE CORNER OF LOT C-3; THENCE S 42°33'04" E ALONG THE EAST LINE OF LOT C-3 A DISTANCE OF 232.82 FEET TO THE POINT OF BEGINNING; THENCE S 77° 13'09" W A DISTANCE OF 816.22 FEET; THENCE N 67°39'12" E ALONG THE SOUTH LINE OF LOT C-3 A DISTANCE OF 103.00 FEET; THENCE N 89°22'49" E ALONG THE SOUTH LINE OF LOT C-3 A DISTANCE OF 900.00 FEET TO THE SE CORNER THEREOF; THENCE ALONG THE EAST - LINE OF LOT C-3 THESE COURSES: THENCE ON A NON-TANGENT CURVE TO THE LEFT WITH A RADIUS OF 471.90 (CHD=N 21°34'07" W, 337.72) A DISTANCE OF 345.39 FEET; THENCE N 42°33'04" W A DISTANCE OF 401.81 FEET TO THE POINT OF BEGINNING.

2. **OPTION/PURCHASE PRICE.** Purchaser is exercising its option to purchase the Property from Seller in accordance with the terms of the parties' Lease Agreement dated January 20, 2017 permitting the Purchaser, for consideration of \$100.00, to exercise its option to purchase the Property. Thus, subject to the approval of Purchaser's lender, Purchaser agrees to pay for the Property the amount of Five Hundred Twenty Thousand Nine Hundred Thirty-Three and 35/100 Dollars (\$520,933.35) (the "Purchase Price") on an "as-is" basis. The parties will close on the Property within ____ (___) days after the execution of this Agreement (the "Closing"). On or before the Closing, Purchaser shall cause to be delivered to the mutually selected escrow agent, for the benefit of Seller, the Purchase Price for deposit of immediately available funds to the account of escrow agent. At Closing, Seller will convey marketable title to Purchaser and the escrow agent will release to Seller the Purchase Price.

3. **TITLE.** Seller will convey to the Purchaser a marketable title to the Property to be conveyed by general warranty deed with the usual covenants such as any nationally recognized title company will insure, free and clear of liens or encumbrances.

4. **REPRESENTATIONS AND WARRANTIES OF SELLER.** Seller acknowledges, represents, and warrants to Purchaser that the following are true as of the Agreement date and will be true as of the Closing, and that in entering into this Agreement Purchaser is relying upon, the following:

- a. Seller owns the Property;
- b. There is no litigation, investigation, or proceeding pending or threatened which could affect the Property or Seller's ability to Close (other than the pending litigation between the parties which was dismissed by the Court);
- c. Seller will provide Purchaser signed tenant estoppels, if any;
- d. Because Seller is a municipality, Seller warrants that all necessary governmental approvals (including any necessary approvals by the City Council and the Oklahoma Department of Commerce) have taken place and the Seller is permitted to sell the Property to the Purchaser;
- e. There are no circumstances that have given rise to or will give rise to claims for prescriptive easement or adverse possession of any portion of the Property;
- f. There are no taxes, assessments (special, general, or otherwise), or bonds of any nature affecting the Property;
- g. Seller has not received written notice of any violation of any law applicable to the Property;
- h. Seller has received no notice of, and is not aware of, any violation of any hazardous waste laws with respect to the Property; and,
- i. Seller shall not further encumber the Property or allow an encumbrance upon the title to the Property.

5. **CLOSING.** The consummation and final purchase and sale of the Property shall take place at Escrow Agent's office or as agreed otherwise. Possession of the Property shall be delivered to Purchaser on the date of Closing.

6. **COSTS.** The Seller agrees to be responsible for the expenses of an up-to-date survey. All general and special assessments by any governmental authority which are a lien on the Property as of Closing and which are not collected as part of the property tax assessment shall be paid by Seller in full at the Closing. Regular property taxes shall be prorated between the parties as of Closing.

Purchaser agrees to be responsible for expenses of land transfer, deed, documentary stamp, and other similar fees and taxes, as well as costs associated with Seller's removal of monetary liens or response to any title objection, if any. Purchaser agrees to pay the escrow fees, title insurance premium, as well as costs of abstracting, deed preparation, all costs of clearing title, real estate transfer taxes, real estate property taxes and any other taxes assessed against the Property or the Seller up to the date of Closing (except as prorated in accordance with the terms of this Agreement), and Purchaser shall pay all recording costs, all costs associated with its due diligence, and costs associated with any loan to Purchaser, its lender's due diligence, if any, and any lender title policy premium. Each party shall pay its own attorneys' fees.

7. **DEFAULT; TERMINATION RIGHT.** Either party shall be entitled to terminate this Agreement for convenience and for any reason or no reason on or prior to the date of Closing.

8. **BROKERAGE FEES.** Neither party is aware of any brokerage being entitled to any commission or fees related to this Agreement or Property.

9. **OTHER.** This Agreement constitutes the entire agreement among the Parties. This Agreement is to be construed according to the applicable laws of the State of Oklahoma. In entering into this Agreement, each Party represents that it has relied upon, or has had the opportunity to rely upon, the legal advice of its own attorneys. This Agreement may be executed in counterparts, each of which shall be deemed an original. Time is of the essence in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Purchase and Sale Agreement as of the date listed below.

PURCHASER:
Krebs Brewing Co., Inc.

SELLER:
City of McAlester

Zach Prichard, Manager

Kenneth Wimer, Interim City Manager

Date: April , 2026_____

Date: April , 2026_____

Council Chamber
Municipal Building
June 25, 2019

The McAlester City Council met in a Regular session on Tuesday, June 25, 2019, at 6:00 P.M. after proper notice and agenda was posted, June 21, 2019 at 10:07 A.M.

1. Consider and act upon, authorizing the Mayor to sign a Resolution approving CDBG Grant #16765 CDBG ED 16 and accepting the project as complete. (Millie Vance, Grant Administrator)

Executive Summary Motion to authorize the Mayor to sign the Resolution and accept CDBG Grant #16765 CDBG ED 16 as complete.

Millie Vance addressed the Council explaining that all grant and matching funds had been spent and all requirements of the Grant had been met.

After a brief discussion on how the creation of jobs was verified, a motion to approve RESOLUTION NO. 19-11, closing out, approving and accepting CDBG Grant #16765 CDBG ED 16 as complete was made by Councilman Smith. The motion was seconded by Councilman Read, and the vote was taken as follows:

AYE: Councilmembers Smith, Read, Brown, Harrison & Mayor Browne

NAY: None

ABSTAIN: Vice-Mayor Stevens (counted as a no vote)

Mayor Browne declared the motion carried.

Attachment 2

Triple Net Real Property Lease Agreement
Between the City of McAlester and Krebs Brewing Co., Inc.

THIS TRIPLE NET REAL PROPERTY LEASE AGREEMENT (the "Lease") made this 20th day of January 2017 by and between the City of McAlester (hereinafter referred to as the "Landlord"), and Krebs Brewing Co., Inc., (hereinafter referred to as the "Tenant").

WITNESSETH:

The said Landlord does hereby lease to Tenant and Tenant does hereby lease from Landlord the following described premises (hereinafter referred to as the "Premises"):

Address: 103 Steven Taylor Boulevard. McAlester, OK 74501

Legal Description: (17.30 acres more or less total)

A tract of land containing 10.23 acres more or less in Lot C-3 in the Steven W. Taylor Industrial Park, in Pittsburg County, State of Oklahoma, more particularly described as follows: Commencing at the NE corner of Lot C-3; thence S42°33'04"E along the Easterly line of Lot C-3 a distance of 232.82 feet to the Point of Beginning; thence S42°33'04"E along the Easterly line of Lot C-3 a distance of 401.81 feet; thence S80°06'14"W a distance of 810 feet; thence S78°06'14"W a distance of 677.13 feet; thence N25°11'12"W a distance of 304.68 feet; thence N77°13'09"E a distance of 1351.96 feet to the Point of Beginning, except all the oil, gas and other minerals lying thereunder.

-AND-

A tract of land containing 7.07 acres more or less in Lot C-3 in the Steven W. Taylor Industrial Park, in Pittsburg County, State of Oklahoma, more particularly described as follows: Beginning at Southeast corner of said Lot C-3; thence S 89°22'49" W along the South line of said Lot C-3 a distance of 900.00 feet; thence S 67°39'12" W along the South line of said Lot C-3 a distance of 358.09 ft.; thence N 22°25'14" W a distance of 254.43 feet; thence N 78°06'14" E a distance of 415.00 feet; thence N 80°06',14" E a distance of 810.00 feet to a point on the easterly line of said lot C-3 on a curve to the right with a Delta Angle of 41°55'53" right and a length of 345.39 feet to the Point of Beginning.

Together with all appurtenances thereto and with easements of ingress and egress necessary and adequate for the conduct of Tenant's business as hereinafter described, for the term of two hundred forty (240) months, running from and including January 20th, 2017 up to and including January 20th, 2037 for use in Tenant's regular business.

Employment Covenant

1. Tenant shall create and employ not less than 30 new full time regular jobs (the "New Jobs") within 36 months from the date of the Community Development Block Grant- Economic Development Infrastructure Financing (CDBG-EDIF) Grant Agreement is executed with the Oklahoma Department of Commerce; provided that such New Jobs will include health insurance benefits to which the Tenant shall financially contribute 50% of the cost for the employee and not less than 16 of the New Jobs will be made available to persons qualifying as low/moderate income under standards established by the U. S. Department of Housing and Urban Development.

determined or submitted after the termination of the Lease, and Tenant covenants and agrees to timely pay all such statements or invoices.

Tenant's Alterations, Additions, Installations, and Removal Thereof

7. Tenant may at its own expense, either at the commencement of or during the term of this Lease, make such alterations in and/or additions to the leased Premises without prejudice to the generality of the foregoing as may be necessary to fit the same for its business, upon first obtaining written approval of the McAlester City Manager if the total cost of alterations and/or additions is \$25,000 or less and the City Council of the City of McAlester if the total cost of alterations and/or additions exceeds \$25,000, as to the materials to be used and the manner of making such alterations and/or additions (Landlord covenants not to unreasonably withhold approval of alterations and/or additions proposed to be made by Tenant). Tenant may also at its own expense, install such counters, racks, shelving fixtures, fittings machinery and equipment upon or within the leased Premises as Tenant may consider to the conduct of its business. At any time prior to the expiration or termination of this lease, Tenant may remove any or all such alterations; additions or installations in such a manner as will not substantially injure the leased premises. In the event Tenant shall elect to make such removal, Tenant shall restore the Premises, or the portion or portions affected by such removal, to the same condition as existed prior to the making of such alterations, additions or installations; ordinary wear and tear, damage or destruction by fire, flood, storm, civil commotion accepted,

All alterations, additions or installations not so removed by Tenant shall become the property of Landlord without liability on Landlord's part to pay for the same.

Maintenance and Cleaning Of Leased Premises

- 8.1 Tenant, at its sole cost and expense, shall keep the foundation, the exterior walls and roof of the Building in good repair.
- 8.2 Tenant, at its sole cost and expense, shall keep the Leased Premises, including, without limitation, plate glass, windows, doors and other exterior openings, door frames, molding, closure devices, locks and hardware, special store fronts, lighting, heating, air conditioning, plumbing, upkeep and maintenance of sewer and water lines, and other electrical and mechanical installation equipment and fixtures, signs, placards, decorations or other advertising media of any type, and interior painting or other treatment of interior walls, in good, clean and habitable condition, Tenant further agrees to maintain all landscaping and lawn care of the property as well. Without limiting the coverage of the previous sentence, it is understood that Tenant's responsibilities therein include the repair and replacement of all such foregoing items and also include all utility repairs in ducts, conduits, pipes and wiring, and any sewer stoppage located in, under and above or serving the Leased Premises, regardless of when or how the defect or other cause for repair or replacement occurred or became apparent.

Observance of Laws

9. Landlord and Tenant shall duly obey and comply with all public laws, ordinances, rules or regulations relating to the use of the leased Premises.

Termination by Default

10. In the event that either of the parties hereto shall fail to perform any covenant required to be performed by such party under the terms and provisions of this lease, including Tenant's covenant to pay rent, and such failure shall continue unremedied or uncorrected for a period of fifteen (15) days after the service of written notice upon such party by the other party hereto, specifying such failure, this lease may be terminated, at the option of the party serving such notice, at the expiration of such period of fifteen (15) days. PROVIDED, however, that such termination shall not relieve the party so failing from liability to the other party for such damages as may be suffered by reason of such failure.

Assignment

11. This lease may not be assigned, or the premise sublet, without prior written approval from the City Council of the City of McAlester which approval will not be unreasonable withheld.

Tenant's Liability Insurance and Indemnity

- 12.1 Tenant shall procure and maintain throughout the Lease Term a property insurance policy or policies of insurance causing the Building to be insured under special form property insurance and commercial general liability insurance equal to full replacement value of the improvements on the Premises against loss or damage by fire and the perils covered by an extended coverage or "all risk" insurance. All such insurance shall be payable jointly to the Tenant and to the Landlord as their interests may appear.
- 12.2 Tenant is also solely responsible to obtain property insurance for Tenant's personal property, contents or improvements in the Leased Premises, and any third parties' personal property located in the Building. The proceeds of any such policy(s) that become payable due to damage or loss shall be used by the Tenant for the repair or replacement thereof.
- 12.3 Tenant agrees to carry commercial casualty/general liability insurance covering any claim for damages due to death, bodily injury or property damage incident to the use of or resulting from any accident occurring in or about the Premises, which insurance shall be in the amount of not less than \$1 million per occurrence, \$2 million aggregate and \$100,000 each occurrence for property damage. Such policies shall be for the benefit of Landlord (as an additional insured) and Tenant as their interests may appear. Tenant further agrees to indemnify Landlord from any and all damages to the contents of any portion of the building herein leased, during the term granted and from any action or claim by any person arising from the maintenance, operation, or use by Tenant of the premises, or any conditions existing on said premises under the control of Tenant or which condition is the responsibility of tenant. In any suit or action for damages arising from alleged negligence of Tenant in which Landlord is included as a defendant, Tenant will assume all the burdens, costs, and expenses of the defense, thereof, including attorney's fees, and the costs of settlement or judgement obtained against Landlord by reason thereof.
- 12.4 Proof of Insurance. Each policy of insurance required of the Tenant by this Lease shall be a primary policy, issued by an insurance company and with a deductible reasonably satisfactory to the Landlord, with the real property insurance containing an endorsement requiring thirty (30) days' written notice from the insurer to the Landlord before cancellation. Certificates evidencing coverage shall be deposited with the Landlord at the Commencement Date and at the commencement of any renewal term.

Landlord's Right to Enter Premises

13. Tenant shall permit Landlord and Landlord's agents to enter at any reasonable times to view the state and condition of the premises or to make such alterations or repairs therein as may be necessary for the safety and preservation thereof, or for any other reasonable purposes, Tenant shall also permit Landlord or Landlord's agent's on or after sixty (60) days next preceding the expiration of the term of this lease, to show the premises to prospective tenants at reasonable times, and to place notices on the front of said Premises, or on any part thereof, offering the premises for lease or for sale.

Operations

14. Tenant agrees to conduct its business at all times in good faith, in a high grade and reputable manner. Tenant shall not use lease premises for any purpose which increases the rate of insurance premium cost, except by written agreement with City Council of the City of McAlester, or which would invalidate any policy of insurance covering or carried on the building in which leased premises are located, nor obstruct the sidewalks or common areas or use the same for business or display purposes, nor abuse walls, ceilings, partitions, floors, wood, stone, iron works; nor use plumbing for any purpose other than that for which constructed or make or permit any noise or odor objectionable to the public or to other occupants of the building to emit from the premises nor create, maintain or permit a nuisance thereon; nor do any act tending to injure the reputation of the premises; nor place or permit any radio or television antenna, loud speaker or sound amplifier, or similar devise at any place where the same may be seen or heard outside of Tenant's leased area.

Option to Purchase.

- 15.1. Grant of Option to Purchase. Subject to the approval of the Oklahoma Department of Commerce (hereafter "ODOC"), for and in consideration of the sum of \$100.00 and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord does hereby grant, bargain, and sell to Tenant the exclusive right and option to purchase the property in accordance with the terms and provisions herein contained.
- (a) Prior to consummation of any sale-purchase agreement, the Parties will so advise ODOC in advance of the proposed sale-purchase, and obtain ODOC's consent to the proposed sale-purchase and;
 - (b) Since Community Development Grant-Economic Development Infrastructure Financing program (hereafter "CDBG-EDIF") funds are being invested in the project, ODOC will need to review and approve the proposed sale-purchase to insure the Parties do not violate the underlying federal laws and regulations (the CDBG-EDIF funds will permanently retain their federal identity and therefore could impact the structure of the sale-purchase agreement and;
 - (c) In the event the City or its assigns sells the subject building/property to the company, lease payments the company has paid to date of sale are prohibited from being applied to the sales price of the building.
- 15.2. Exercise of Option. Provided that Tenant is not in default in this Lease, the option to purchase herein granted may be executed by Tenant on or after January 20th, 2027, by written notice from Tenant to Landlord, given in strict accordance with the Notice provisions of paragraph 21 herein below. For purposes of this agreement, the option period shall mean that period from January 20th, 2027 to and ending at 5:00 CST January 20th, 2037 (the "Option Period").

- 15.3. Failure or Refusal to Exercise Option, In the event Tenant does not exercise the option to purchase in the manner provided herein, then Tenant shall have no further right or option to purchase the Premises and the consideration for this option shall be retained by Landlord.
- 15.4. Agreement to Sell and Purchase. Upon the timely and proper exercise of the option herein granted, Landlord hereby agrees to sell and convey the property to Tenant; and Tenant hereby agrees to purchase and pay Landlord for the property.
- 15.5. Purchase Price. The purchase price to be paid by Tenant to Landlord for the property subject to credits and adjustments as provided herein, shall be as follows:

Option to Purchase Schedule

<u>After Lease Yr</u>	<u>Calendar Yr</u>	<u>Option Purchase Price</u>	<u>CDBG-EDIF Grant Payoff</u>
Year 10	2026	\$500,100.00	\$500,000.00
Year 11	2027	\$450,100.00	\$450,000.00
Year 12	2028	\$400,100.00	\$400,000.00
Year 13	2029	\$350,100.00	\$350,000.00
Year 14	2030	\$300,100.00	\$300,000.00
Year 15	2031	\$250,100.00	\$250,000.00
Year 16	2032	\$200,100.00	\$200,000.00
Year 17	2033	\$150,100.00	\$150,000.00
Year 18	2034	\$100,100.00	\$100,000.00
Year 19	2035	\$50,100.00	\$50,000.00
Year 20	2036	\$100.00	0

- 15.6. Payment of Purchase Price, The purchase price shall be paid by Tenant to Landlord at the closing in cash or by cashier's check.
- 15.7. Items to be Furnished, Landlord will furnish or cause to be furnished by delivery to Tenant each of the following items identified below.
- 15.8. Abstract of Title, Landlord shall, within 60 days from the date of exercise of the Option, deliver to Tenant an abstract of title to said premises, certified complete to date, showing merchantable title thereto in Landlord, and Tenant shall within 15 days after such delivery of abstract deliver to Landlord a report in writing approving or disapproving said title; provided that, if Tenant disapproves the title, Tenant shall in such written report point out all defects therein, and Landlord shall have a reasonable time thereafter to perfect such title. In event Landlord fails to perfect title in said time, this agreement shall, at the option of Tenant, become null and void, and said abstract of title returned to Landlord. Reservation of coal and asphalt, or easements, shall not be deemed to affect marketability of title unless specifically provided herein, or unless the existence thereof would be materially detrimental to the reasonable use or development of the property. It is agreed that Landlord at his option shall have the right to furnish Tenant Title Guaranty Insurance in amount of the full purchase price in lieu of merchantable title, and in such event the abstract will not be delivered to Tenant.

- 15.9. Date and Place of Closing. The closing hereunder shall take place in the office of the Liberty Closing, or at such other place as to which Landlord and Tenant may agree. The closing date shall be on or a date mutually agreeable to Landlord and Tenant.
- 15.10. Landlord's Deliveries: At closing and at Landlord's sole cost and expense, Landlord shall deliver the following to the Title Company:
- a. Deed. A General Warranty Deed duly executed and acknowledged by Landlord, conveying to Purchaser (i) with warranty of title, good and indefeasible fee simple title to the Real Estate and improvements, subject only to the Permitted Exceptions and (ii) without warranty, either express or implied, the Appurtenances (the "Deed");
 - b. Evidence of Authority. Authorizations authorizing the execution and delivery of all documents required hereunder, in form and content satisfactory to Tenant and title company.
 - c. Additional Documents. All additional documents and instruments the title company may require in order to issue the title policy or which Tenant's counsel and Landlord's counsel may mutually reasonably determine are necessary to the proper consummation of this transaction.

On the closing date, Landlord shall deliver possession of the property to Tenant, subject to the permitted exceptions, and instruct the title company to issue and deliver the title policy to Tenant once the Warranty Deed is recorded.

- 15.11. Tenant's Deliveries: At closing and at Tenant's sole cost and expense, Tenant shall deliver the following to the title company:
- a. Purchase Price. The purchase price, in immediately available funds, as required under Section 15.5 above.
 - b. Additional Documents. All additional documents and instruments the title company may require in order to issue the title policy or which Tenant's counsel and Landlord's counsel may mutually reasonably determine are necessary to the proper consummation of this transaction,

- 15.12. Adjustments at Closing: At the closing, all Real Estate Taxes, defined *infra*, relating to the property for the calendar year in which the closing date occurs, all utilities and all revenue attributable rental payments paid for the month in which the closing occurs, shall be paid by Tenant as of the closing date.

15.13 COSTS OF CLOSING.

Landlord agrees to pay:

- a. All charges for tax certificates;
- b. All charges incurred by Landlord for the preparation of the deed;
- c. All charges incurred by Landlord for the procurement, preparation and recording of any releases, waivers, or other instruments required to clear Landlord's title to the real estate and improvements in accordance with the provisions hereof;
- d. Landlord's attorneys' fees; and
- e. All other changes required to be paid by Landlord under this Agreement.

Tenant agrees to pay:

- a. Tenant's attorneys' fees;
- b. The Landlord's cost to update the Abstract of Title or the Landlord's cost for Title Guaranty Insurance;

- c. All charges incurred by Tenant for the procurement of any loan, the preparation and recording of any loan documents and the premium for issuance of any mortgagee policy of title insurance;
 - d. All recording fees to record the Deed;
 - e. All of the closing fees that are charged by the title company; and
 - f. All other charges required to be paid by Tenant under this Agreement, and other charges typically paid by a buyer in transactions of this nature in the county in which the property is located.
- 15.14. No Liens. Landlord has not and shall not create any liens, leases, encumbrances, exceptions, reservations, restrictions, limitations, easements or claims of third parties prior to closing.
- 15.15. Unpaid Bills. There will be at closing no unpaid bills for labor, services, or work performed or rendered upon the property at the direction of Landlord, or for materials or supplies furnished or delivered to the property at the direction of Tenant, either or all of which could result in the filing of mechanics', materialmen's' or laborers' liens upon the property.

Real Estate Taxes

- 16 Tenant shall be responsible for the payment of all Real Estate Taxes. For purposes of this Lease, the term "Real Estate Taxes" shall include ad valorem taxes, general and special assessments, parking surcharges, any tax or excise on rents, any tax or charge for governmental services (such as street maintenance or fire protection) and any tax or charge which replaces either wholly or in part, in substitution, or in lieu of, any of such above-described items, with respect to all portions of the property owned by Landlord; provided, however, that such Real Estate Taxes shall not be deemed to include any estate, franchise or inheritance tax.

Lease Cancellation

17. Tenant, at its option, may cancel this Lease agreement if, at any time during the Term, Tenant determines or believes, due to any changes to, or interpretations of Applicable Law, that its continued operations on the Premises for the purposes declared herein is, or has become unlawful, for any reason

DEFINITIONS - Applicable Law: any statute, law, code, ordinance, formal or informal order, instruction or directive promulgated by a regulatory or governmental authority.

DEFINITIONS - Purpose of Business: Brewery and all operations ancillary thereto.

Damage or Destruction.

- 18.1 Tenant shall give immediate written notice to landlord of any damage caused to the Leased Premises by fire or other casualty.
- 18.2. In the event the Leased Premises shall be damaged or destroyed by fire or other casualty insurable under the Tenant's Insurance and Landlord does not elect to terminate this Lease as hereinafter provided, Landlord shall proceed with reasonable diligence to rebuild and repair the leased Premises with the insurance proceeds received. The obligation of the Landlord to rebuild or repair the leased Premise is strictly limited to the amount of insurance proceeds received. In the event (a) the Building is destroyed or substantially damaged by a casualty not covered by Tenant's Insurance or (b) such Building is destroyed or rendered untenable to an extent in excess of fifty percent

(50%) of the floor space by a casualty, then Landlord may elect either to terminate this Lease or to proceed to rebuild and repair the Leased Premises. Landlord shall give written notice to Tenant of such election within sixty (60) days after the occurrence of such casualty and, if it elects to rebuild and repair, shall proceed to do so with reasonable diligence.

- 18.3. Landlord's obligation to rebuild and repair under this Section 16 shall in any event be limited to restoring the Leased Premises to substantially the condition in which the same existed prior to such casualty. Tenant agrees that promptly after completion of such work by Landlord in the preceding paragraph, Tenant shall proceed with reasonable diligence and at Tenant's sole cost and expense to restore, repair and replace all other alterations, additions, improvements, fixtures, signs and equipment installed by Tenant.
- 18.4. Tenant agrees that during any period of reconstruction or repair of the Leased Premises, it shall continue the operation of its business within the Leased Premises to the extent practicable. During the period from the occurrence of the casualty until Landlord's repairs are completed, the Base Rent shall be equitably abated; provided, Base Rent shall not be abated or reduced so long as Tenant's continued occupancy of the leased Premises is not materially interrupted. Provided further, there shall be no abatement of the other charges provided for herein, nor shall any compensation be paid to Tenant by Landlord by reason of inconvenience, annoyance or injury to business arising from the necessity of repairing or restoring the Leased Premises or any portion of the Building, and Tenant agrees that the abatement of Rent provided by this Section 16 shall be the total compensation to which Tenant is entitled by reason thereof, Nothing herein to the contrary, in the event the Leased Premises or any other portion of the Building is damaged by any casualty resulting from the negligence or willful misconduct of Tenant or any of Tenant's employees, agents, contractors, customers, or invitees, Rent shall not abate and Tenant shall be liable to Landlord for the cost of repair and restoration of the Building and the Leased Premises to the extent such cost is not paid by insurance proceeds paid to Landlord,

Eminent Domain

- 19.1. If more than thirty percent (30%) of the floor space of the Leased Premises should be taken for any public or quasi-public use under any governmental law, ordinance or regulation or by right of eminent domain or by private purchase in lieu thereof, this Lease shall terminate and the Rent shall be abated during the unexpired portion of this Lease, effective on the date physical possession is taken by the condemning authority.
- 19.2. If however, less than thirty percent (30%) of the floor space of the Leased Premises should be taken as described above, this Lease shall not terminate; however, the Base Rent payable hereunder during the unexpired portion of this Lease shall be reduced in proportion to the area taken, effective on the date physical possession is taken by the condemning authority, Following such partial taking, Landlord shall make all necessary repairs or alterations within the scope of Landlord's Work required to make the remaining portions of the Leased Premises an architectural whole,
- 19.3. All compensation awarded for any taking (or the proceeds of private sale in lieu thereof) of the Leased Premises of Common Area shall be the property of Landlord, and Tenant hereby assigns its interest in any such award to Landlord provided, however, Landlord shall have no interest in any award made to Tenant for Tenant's moving and relocation expenses or for the loss of Tenant's fixtures and other tangible personal property if a separate award for such items is made to Tenant, so long as such separate award does not reduce the amount of the award that would otherwise be awarded to Landlord.

Additional Provisions

20. Quiet Enjoyment. Provided Tenant timely and fully pays Rent and fully performs all of its other covenants and agreements under this Lease, Tenant shall have the right to occupy and enjoy the Leased Premises without hindrance from Landlord or any person lawfully claiming through Landlord, subject to the terms of this Lease, all mortgages, insurance requirements and applicable law.
21. Notices. Any notice in this Lease provided for must, unless otherwise expressly provided herein, be in writing, and must, unless otherwise in this Lease expressly provided, be given or be served by depositing the same in the United States mail, postpaid and certified and addressed to the party to be notified, with return receipt requested, or by delivering the same in person to an officer of such party, or by prepaid overnight or express mail, or by prepaid overnight courier, when appropriate, addressed to the party to be notified at the address stated below:

If to Tenant:
Krebs Brewing Co., INC.
Attn: Zach Prichard
PO Box 66
Krebs, OK 74554

With a copy (*which will not constitute notice for any purpose*) to:
Brett D, Cable
CABLE LAW, PLLC
438 E Carl Albert Pkwy
McAlester, OK 74501

If to Landlord:
Cora Middleton, City Clerk
City of McAlester
P.O. Box 578
McAlester, OK 74502

With a copy (*which will not constitute notice for any purpose*) to:
Peter J. Stasiak, City Manager
City of McAlester
P.O. Box 578
McAlester, OK 74502

or to such other party or address, notice of which has been given to the other party. Notice deposited in the mail in the manner hereinabove described shall be effective from and after the expiration of three (3) days after it is so deposited. With respect to any notice in this Lease to Tenant, Landlord may satisfy the requirements of this Section by delivering such notice in person to any employee of Tenant at the Leased Premises. The parties hereto shall not refuse to accept delivery of any notice.

22. Brokerage Commissions. Landlord and Tenant each covenant that they have not dealt with any real estate broker or finder with respect to this Lease and therefore no commissions are due.
23. Integrated Agreement. This Lease constitutes the entire agreement among the parties and supersedes all prior agreements and understandings (whether written or verbal) among the parties

relating to the Leased Premises. There are no agreements, understandings, restrictions, warranties or representations among the parties relating to the Leased Premises other than those set forth herein.


24. Amendment. This Lease may be amended or modified at any time and in all respects by an instrument in writing signed by all parties.
25. Invalidity. If any one or more of the provisions contained in this Lease shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the remaining provisions of this Lease and this Lease shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.
26. Counterparts. This Lease may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument.
27. Authority. The individual signing this Lease on behalf of the Tenant represents and warrants (i) that he or she has proper authorization to execute or attest and deliver this Lease on behalf of Tenant in accordance with the organizational documents of Tenant; (ii) that this Lease is binding upon the Tenant; and (iii) that the Tenant is properly organized and legally existing in the state of its organization, and is qualified to do business in the state of Oklahoma,
28. No Partnership. Nothing in this Lease shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of Rent, nor any other provision contained herein, nor any acts of the parties hereto, shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant. Further, nothing in this Lease shall cause the Landlord in any way to be construed as an employer, or to subject the Landlord to any obligation, loss, charge or expense connected with or arising from the Tenant's operation or use of the Premises.
29. Binding Effect. The terms, provisions and covenants contained in this Lease shall apply to, inure to the benefit of and be binding upon the parties hereto and their respective heirs, successors in interest and legal representatives except as otherwise herein expressly provided.
30. The law governing this agreement shall be the law of the State of Oklahoma. The venue governing any action arising from this agreement shall be the District Court of Pittsburg County, Oklahoma.
31. Nothing in this lease agreement is intended to create any rights in any third party, and nothing in this agreement is intended or should be construed to affect, or as a waiver of, the rights and protections of the City of McAlester, Oklahoma or its employees under the Oklahoma Governmental Tort Claims Act, Title 51 Okla. Stat. Secs 151 et seq.

AND IT IS MUTUALLY UNDERSTOOD AND AGREED that the covenants and agreements herein contained shall inure to the benefit of and be equally binding upon the respective executors, administrators, heirs, successors and assigns of the parties hereto.

IN WITNESSETH WHEREOF, the parties hereto have executed this lease the day and year first above written, and in so doing, do represent to have such authority as may be required in order to obligate said Tenant in this Agreement.

LESSOR/LANDLORD:
CITY OF McALESTER, OKLAHOMA
A Municipal Corporation

LESSEE/TENANT:

By: 

John Browne, Mayor



Zach Prichard
President, Krebs Brewing Company, Inc.

ATTEST:



Cora Middleton, City Clerk



900 N. Stiles Avenue
Oklahoma City, OK 73104, USA
405-815-5251 | Toll Free 800-588-5959
OKCOMMERCE.GOV

March 12, 2026

Billy Sumner,
Director, Economic Development
City of McAlester
P.O. Box 578
McAlester, OK 74502

RE: CDBG#16765 ED16

Dear Mr. Sumner,

Thank you for providing the requested update regarding the July 2025 potential sale of the City of McAlester-owned building and land currently leased by Krebs Brewing Company. We appreciate your communication with the Oklahoma Department of Commerce explaining that the sale did not proceed due to extenuating circumstances. Based on the updated status you provided, Krebs Brewing Company is now prepared to move forward with the purchase of the publicly owned building and land, and the City of McAlester is formally requesting approval for this sale.

Please let this letter be the City's approval for the sale of the publicly owned building and land funded by a Community Development Block Grant-Economic Development Infrastructure Financing (CDBG-EDIF) grant awarded to the City of McAlester for the benefit of Krebs Brewing Company prior to the required twenty year special condition set-forth in the City of McAlester's CDBG-EDIF contract with the Oklahoma Department of Commerce. The approval is subject to the following special contract conditions being met.

1. The city shall certify to the Oklahoma Department of Commerce that the building/property to be purchased with CDBG-EDIF resources will not be utilized to collateralize any loan, nor shall ownership transfer from the hands of the city or its assigned Authority. *In the event ownership changes or the building/property is used to collateralize a loan, the City will owe to the Oklahoma Department of Commerce the unamortized portion of the grant. The Oklahoma Department of Commerce will amortize the grant amount over twenty (20) years, with a value of \$0 at the end of the 20th year.*
2. *In the event that the City or its assigns sells the subject building/property to the company, lease payments the company has paid to date of sale are prohibited from being applied to the sales price of the building.*

With regards to the first Special Condition, the twenty (20) year amortization begins with the Contract start date of September 2016, and twenty years ending September 2036. The unamortized portion of the grant, which the City of McAlester will owe to the Oklahoma Department of Commerce, will begin in April 2026 and continue through September 2036, or ten (10) years, 5 months remaining for a total amount owed of **\$520,833.35** (\$50,000 per year and \$4,166.67 per month).

With regards to the second Special Condition, the City will certify to the Oklahoma Department of Commerce that the lease payments that the company has paid to the date of sale will not be applied to the sales price of the building. This certification shall be provided when submitting payment to the Oklahoma Department of Commerce.

If you have any additional questions, please contact Karen Adair of my staff at karen.adair@okcommerce.gov or 405-764-5164.

Sincerely,

A handwritten signature in black ink that reads "Kellon Dixon". The signature is written in a cursive, slightly slanted style.

Kellon Dixon
Director of CDBG Programs Planning
Oklahoma Department of Commerce, Community Development Division