DEVELOPMENT AGREEMENT
Matt Construction Inc
201 9th Ave. SW, Oelwein, Iowa
Approved by Resolution _____-2025

COMES NOW, the City of Oelwein, Iowa ("City") and Matt Construction Inc. ("Developer"), City and Developer hereinafter referred to at times individually as "Party" and jointly as "Parties", on this 8th day of December, 2025 ("Effective Date") and do hereby agree to the following terms and provisions related to of this Development Agreement ("Agreement") related to the construction of three townhomes by on 201 9th Ave SW which will be sold to the Developer. ("Property")

WHEREAS, The Developer will build three townhomes on the property that will consist of three bedrooms, two bathrooms, and a two-car garage,("Project") and

WHEREAS, City desires to encourage the construction of homes, and City finds it appropriate to consider the transfer of City Property to Developer as an economic development incentive, along with a cash incentive of $15,000 per unit, and

WHEREAS, City finds that the transfer of a parcel of City owned Property, 201 9th Ave SW, in return for the payment of $1.00 and other good and valuable consideration, being the property for the home construction, and the benefits to be derived by the City, including but not limited to additional property taxes and housing units, and

WHEREAS, the City wants assurances that Developer will proceed with the Project as proposed, Developer agrees that assurances are appropriate, with the Parties mutually agreeing that said assurances should include an agreement by Developer

NOW, THEREFORE, In furtherance of the above and foregoing, City and Developer hereby agree as follows:

1. **Transfer of City Property to Developer:**
   a. City agrees to transfer City Property to Developer for purposes of the Project, subject to Developer Obligations set forth herein, in addition:
      i. City Property, agreed by the Parties to have a Market Value of $10,000.00 for purposes of this Agreement, will be transferred to Developer for the total sum of $1.00, subject to additional terms set forth herein related to Developer compliance with this Agreement.
      ii. The City shall provide $15,000 for each housing unit. The cash incentive will be provided by check upon a certificate of occupancy for each unit

2. **Developer Obligations:**
   a. Developer shall undertake Project and see to Project completion under and

consistent with the following deadlines:

    i. Within eighteen (18) months of the transfer of City Property to Developer, the Developer will have completed the Project and received an occupancy permit from the City.

    ii. "Project" Shall be defined to include all activities and other obligations to be performed by or on behalf of Developer as prescribed herein, to accomplish the following objectives.

        1. Completion of three townhomes

        2. The townhomes shall have three bedrooms, two bathrooms, and a tow car garage

            a. Should the developer want to change the layout for a buyer, the developer should provide the reason for the change in writing to the City so both parties can agree to the change

b. Developer shall provide a signed contract with a licensed contractor detailing the work to be performed to complete the Project in addition to Estimated Project costs and timeline.

c. Developer shall provide a financing commitment letter from a Bank or Credit Union ("Lender") evidencing the availability of necessary funding to complete the Project, in an amount equal to 100% of the Estimated Project costs plus 10% contingency.

Developer will perform its obligations under this Agreement in accordance with the material terms of this Agreement, and all applicable local, state and federal laws and regulation. Developer further acknowledges that the Property and Building must be improved to a condition that is fully compliant with all City Code requirements.

d. Upon Project completion:

    i. Developer will provide a report to the City, detailing Project improvements.

    ii. Developer will allow the City, or its' contractor or agent, to fully inspect the Building and Property for completion of improvements and Code compliance prior to City issuance of an Occupancy Permit.

e. Developer agrees that in the event of a Default under this Agreement by Developer that is not cured upon notice and opportunity to cure as provided in Paragraph 5 below, that City may take action to may cancel and terminate this Agreement, in addition to other legal remedies as permitted by Paragraph 5 below, and make immediate demand for the following payments from Developer that will be due within thirty (30) days of said demand.

3. **Assurances:**

a. The Parties hereby represent and warrant to one another, that to the best of their knowledge:

    i. The Parties have each obtained all necessary approvals and consents for their execution, delivery and performance of this Agreement and each has full power and authority to execute, deliver and perform its obligations

under this Agreement. This Agreement, upon execution and delivery by the Parties is a valid and legally binding contract, as of and after the Effective Date, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, reorganization or other laws relating to or effecting creditor's rights generally.

ii. The Parties agree to exercise their best efforts to cooperate with one another in the development process as specifically provided for herein.

iii. The Parties agree to exercise their best efforts to resolve any disputes mutually and reasonably between them that may arise during the development process in a reasonable and prompt fashion.

iv. The Parties acknowledge that the City has communicated to Developer, that the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, and the fulfillment of or compliance with the terms and conditions of this Agreement are not prevented by, limited by, in conflict with, or result in a violation or breach of, the terms, conditions or provisions of the charter of City, any evidence of indebtedness, agreement or instrument of whatever nature to which City is now a party or by which it or its property is bound, or constitute a default under any of the foregoing, and Developer has communicated to City that Developer is not a corporation, limited liability company, other entity, that the Developer is the persons signing this Agreement, and that they have full authority to execute and agree to the terms hereof.

v. The Parties acknowledge that there are no actions, suits or proceedings pending or threatened against or affecting them, in any court or before any arbitrator or by any governmental body in which there is a reasonable possibility of an adverse decision which could materially affect the financial position or operations of either Party or which affects the validity of this Agreement or either Party's ability to perform its obligations under this Agreement.

4. **General Terms and Provision**.
   a. "Notices and Demands" Whenever this Agreement requires or permits any notice or written request by one party to another, it shall be deemed to have been properly given if and when delivered in person or three (3) business days after having been deposited in any U.S. Postal Service and sent by regular or certified mail, postage prepaid, addressed as follows:

   If to Developer:
   Matt Construction Inc.
   203 Y Ave, Sumner, IA 50674

   If to City:
   City of Oelwein
   Attn: Dylan Mulfinger City Administrator

20 2nd Ave. SW Oelwein, IA 50662

or at such other address with respect to either party as that party may, from time to time designate in writing and provide to the other party.

b. "Binding Effect" This Agreement shall be binding upon and shall inure to the benefit of City and Developer and their respective successors and assigns.

c. "Execution By Scanning or Electronic Signature" The parties agree that this Agreement may be transmitted between them by scanning or electronic signature. The parties intend that the scanned or electronic signatures constitute original signatures and that such scanned or electronically signed Agreement containing the signatures (original, scanned, or e-signed) of all the parties is binding on the parties.

d. "Maintenance of Insurance" Developer shall maintain the Property in good repair and condition, ordinary wear and tear excepted, and shall not suffer or commit waste or damage upon the Property. Developer shall pay for and maintain insurance in an amount not less than the full insurable value of the project property.

e. "Responsibilities" Subject to the terms of this Agreement, Developer will be solely responsible for completing all work on the Project. Neither party will be considered an agent of the other for purposes of this Project, and each will hold harmless and indemnify the other for any damages suffered by any person or entity as a result of its own or its agents' acts or failures to act in performance of its obligations under this Agreement.

f. "Assignment of Agreement" The Parties may not assign, transfer or convey in whole or in part this Agreement, without the consent of each Party. Consent shall not be unreasonably withheld.

g. "Amendments" No change, modification, or termination of any of the terms, provisions or conditions of this Agreement shall be effective unless made in writing and signed by the Parties.

h. "Entire Agreement" This Agreement contains the entire understanding between the City and the Developer with respect to the Project.

i. "Laws Ordinances and Regulations" Developer shall comply with all laws, rules and regulations relating to its businesses, other than laws, rules and regulations the failure to comply with which or the sanctions and penalties resulting therefrom, would not have a material adverse effect on the business, property, operations, financial or otherwise, of Developer.

j. "Governing Law / Jurisdiction" This Agreement shall be governed by Iowa law with jurisdiction in the Fayette County District Court.

k. "Building Permits" Developer agrees to apply for, obtain, and otherwise follow all laws and regulations related to the issuance of necessary Permits for the Project.

l. "Non-Discrimination" In carrying out the Project, Developer shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, sexual orientation, national origin, age or disability. Developer further

agrees to not discriminate upon the basis of race, religion, color, sex, sexual orientation, national origin, age or disability in the sale, lease, rental, use or occupancy of the Property or any improvements erected or to be erected thereon, or any part thereof (however, Developer shall not have any liability to City to the extent that a successor in interest shall breach this covenant and City shall seek enforcement of this covenant directly against the party in breach of same).

m. "Conflict of Interest" Developer agrees that no member, officer or employee of City, or its designees or agents, nor any consultant or member of the governing body of City, and no other public official of City who exercises or has exercised any functions or responsibilities with respect to the project during his or her tenure, or who is in a position to participate in a decision-making process or gain insider information with regard to the project, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed in connection with the Project, or in any activity, or benefit therefrom, which is part of this Project at any time during or after such person's tenure. In connection with this obligation, Developer shall have the right to rely upon the representations of any party with whom it does business and shall not be obligated to perform any further examination into such party's background.

n. "Construction" Words and phrases herein, including acknowledgement hereof, shall be construed as in the singular or plural number, and as masculine, feminine, or neuter gender according to the context. The captions preceding the Sections are inserted only as a matter of convenience and for reference purposes and should not be considered substantive or relied upon in interpreting any provision of this Agreement. This Agreement shall be considered to have been jointly drafted by the Parties.

o. "Captions" The captions preceding the Sections are inserted only as a matter of convenience and for reference purposes and should not be considered substantive or relied upon in interpreting any provision of this Agreement

p. "Severability" If any part, term or provision of this Agreement is held to be illegal, in conflict with any law or otherwise invalid, the remaining portion or portions shall be considered severable and not be affected by such determination, and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the illegal or invalid part, term, or provision.

q. "Acknowledgement" The Parties, by signing this Agreement, acknowledge having carefully read the same, having had an opportunity to consult with counsel concerning the legal effect of this Agreement and its various terms and conditions, and have signed the Agreement voluntarily and without duress or coercion.

5. **Events of Default and Remedies**.
   a. Events of Default Defined" The following shall be "Events of Default" under this Agreement and the term "Event of Default" shall mean, whenever it is used in this Agreement, any one or more of the following events:
      i. Failure by Developer to pay or cause to be paid, before delinquency, all real property taxes assessed with respect to Developer's Property.
      ii. Failure by Developer to substantially observe or perform any other

material covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

b. "Remedies on Default by Developer" Whenever any Event of Default is alleged to have occurred the City may take any one or more of the following actions after giving written notice to Developer (and the holder of any mortgage encumbering any interest in the Property of which City has been notified of in writing) of the alleged Default, but only if the alleged Default has not been cured within thirty (30) days following such notice, or if the Default cannot be cured within thirty (30) days and Developer does not provide adequate assurances, found acceptable to City, that the Event of Default will be cured as soon as reasonably possible thereafter:

    i. City may cancel and terminate this Agreement and make immediate demand of Developer to pay the City the following sums within thirty (30) days of said demand:

        1. Should Matt Construction Inc. not build, this agreement is void
        2. City may take any action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

c. "No Remedy Exclusive" No remedy herein conferred upon or reserved to City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. Should the City have to take legal action to collect any sums due from the Developer or the Guarantors, the Developer and the Guarantors shall be liable for City's legal expenses and costs.

d. "No Implied Waiver" In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

6. **"Personal Guaranty" and "Legal Expenses and Costs"**
    a. The principals of the Developer agree to personally guarantee project completion consistent with the terms of this Agreement, as outlined in the Personal Guaranty attached hereto as Exhibit A. The Parties agree that the execution of the Personal Guaranty by the principals of the Developer is part of the consideration supporting this Development Agreement. Should the City have to take legal action to collect any sums due from the Developer or the Guarantors, the Developer and the Guarantors shall be liable for City's legal expenses and costs.

IN WITNESS WHEREOF, City has caused this Agreement to be duly executed in its name and behalf by its Mayor and attested to by its City Administrator and Developer has caused this Agreement to be duly executed on or as of the first above written.

City of Oelwein, Iowa

By : _____
     Brett DeVore, Mayor

By : _____
     Dylan Mulfinger, City Administrator

Matt Construction Inc
Glen Loeffelholz

By: _____
     Matt Construction Inc

State of Iowa   )
)§
County of Fayette   )

Subscribed and sworn to me, the undersigned Notary Public, in and for the State of Iowa, by Chriss Matt, known to me to be the identical person named herein, who swore and affirmed that he executed the same in his capacity as Owner of Matt Construction Inc, Inc., with the authority and at the direction of the Corporation, by it and by him voluntarily entered.

                                    _____
                                    Notary Public, State of Iowa

Exhibit A
Personal Guaranty

The undersigned, as "Guarantors", in consideration of, and as inducement to the City of Oelwein ("City") entering into a certain Development Agreement dated _____, to which this Personal Guaranty is attached, by and between City and Matt Construction Inc ("Developer"), hereby agrees as follows:

1. <u>Consideration</u>. This Guaranty is made for good and valuable consideration and to induce City to enter into a Development Agreement with Developer. Guarantors have a substantial financial interest in Developer and Guarantors acknowledge the receipt and adequacy of the consideration received by Guarantors in connection with the aforementioned Development Agreement between City and Developer.

2. <u>Financial Guaranty</u>. Guarantors hereby will not receive payment should they fail to construct townhomes. By executing this Guaranty Agreement, Guarantors hereby acknowledges that Guarantors have reviewed the Development Agreement between City and Developer, have had sufficient opportunity to consult with legal counsel, and fully understands Guarantors financial obligations and exposure under this Guaranty Agreement.

3. <u>Payment by Guarantors</u>. Guarantors hereby agrees that in the event Developer becomes obligated to pay any sum to City under and consistent with the terms of the Development Agreement, that Guarantors will pay any such amounts in full to City within thirty (30) days of the mailing of written notice by City to Guarantors that such sums are due. Guarantors agree that all such notices shall be sent to Guarantors at the address shown by the Development Agreement, or at such other address or email address as Guarantors may from time to time provide to City in writing. Any such notice may be mailed by overnight mail or first-class mail, postage pre-paid, and/or sent via email, the thirty (30) day notice time frame shall be deemed to commence on the first day following mailing or emailing.

4. <u>Nature of Guarantors Liability</u>. Guarantors agree that Guarantors payment obligations under this Guaranty Agreement are an independent contractual undertaking on the part of Guarantors, and that Guarantors liability to City shall be joint and several with Developer's obligations and/or liability to City under the Development Agreement. Guarantors further agrees that City's remedies against Guarantors for breach of this Guaranty Agreement shall be separate and distinct from its remedies against Developer, and City may, at its sole option, proceed directly against Guarantors without first proceeding against Developer. Neither the failure of City in any particular instance to insist upon Guarantors strict performance, nor the granting by City of any particular indulgence, forbearance or concession to either Guarantors or Developer, shall operate as a waiver on the part of City to thereafter insist upon Guarantors strict performance of this Guaranty Agreement. Guarantors agree that, absent an express agreement in writing to the contrary signed by City, this Guaranty Agreement shall be irrevocable by Guarantors until such time as the Developer's obligations under the Development Agreement have been fully satisfied and the City has released Developer from any further

obligations thereunder.

5. <u>Governing Law and Venue</u>. Guarantors agree that the interpretation and enforcement of this Guaranty Agreement shall be governed by Iowa Law and jurisdiction shall be in the District Court in and for Fayette County, Iowa.

Signed and dated this _____ day of _____, 2025.

_____   _____

State of Iowa   )
)§
County of Fayette   )

Subscribed and sworn to me, the undersigned Notary Public, in and for the State of Iowa, by _____ and _____, known to me to be the identical persons named herein, who swore and affirmed that they executed the same as an expression of their voluntary act and deed.

_____
Notary Public, State of Iowa