DEVELOPMENT AGREEMENT
27 S. Frederick Ave., Oelwein, Iowa
Approved by Resolution _____-2025

COMES NOW, the City of Oelwein, Iowa ("City") and Paul A. Schemmel and Sharon M. Schemmel. ("Developer"), City and Developer hereinafter referred to as "Parties", on this 28th day of July, 2025 ("Effective Date") and do hereby agree to the following terms and provisions related to the sale of 27 South Frederick Ave. ("Property") by City to Developer.

WHEREAS, during the summer of 2025 the City of Oelwein demolished the building located at the Property, leaving a vacant lot between two structures located on adjacent lots, 25 and 29 S. Frederick Avenue, 25 S. Frederick being owned by Developer, and

WHEREAS, City desires to sell Property to Developer and Developer desires to purchase Property from City, for purposes of the expansion of Developer's building and business located at 25 S. Frederick.

NOW, THEREFORE, In furtherance of the above and foregoing, City and Developer hereby agree to the following terms and provisions:

1. **City Obligations**
   a. Sell and transfer Property to Developer in return for the payment of $1.00, and agreement by Developer to the terms of this Agreement.
   b. To provide an updated Abstract of Title to the Property for review by Developer legal counsel.
   c. To prepare and provide transfer documents and Right of Reversion Agreement with Limited Power of Attorney for review and approval by Developer.

2. **Developer Obligations**
   a. Developer shall provide a financing commitment form Developers' lender, confirming availability of funds or financing of an adequate amount to perform as required herein.
   b. Developer shall submit to the City a signed agreement with a contractor to perform agreed upon project improvements as generally set forth and described within the "Proposal for Condemned Property – 27 S. Frederick Ave. – Oelwein – IA" ("Improvements") submitted by Developer, and appended hereto, estimated cost of improvements, and at timeline associated therewith.
   c. Developer agrees to the construction/installation of Improvements on the Property:
      i. Installation of a temporary fence or wall immediately adjacent to the sidewalk to the west of the Property during construction and prior to construction of proposed wall, per proposed Improvements.
      ii. Construction of Improvements on Property, substantially consistent with the proposal received by City from Developer "Improvements",

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      iii. Surveying of the Property and 25 S. Frederick, so that same are combined into one taxable parcel.

    d. Improvements shall commence within six (6) months of the Effective Date of this Agreement and be completed within twenty-four (24) months of the Effective date.

    e. Developer agrees to execute and deliver the Right of Reversion Agreement with Limited Power of Attorney to the City at or before transfer of Property by City to Developer. (The Right of Reversion Agreement shall be appended hereto, and is, by this reference, incorporated in this Agreement as if same had been set forth fully verbatim herein.)

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: Paul A. Schemmel and Sharon M. Schemmel
   25 South Frederick
   Oelwein, Iowa 50662

   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 particular part, term or provisions held to be illegal or invalid.

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 the Real Estate owned by Developer.
      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 referred to herein occurs and is continuing, City, as specified below, may take any one or more of the following actions after the giving of written notice by City 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 Event of Default, but only if the Event of Default has not been cured within thirty (30) days following such notice, or if the Event of Default cannot be cured within thirty (30) days and Developer does not provide assurances to City that the Event of Default will be cured as soon as reasonably possible thereafter:
      i. City may suspend its performance under this Agreement until it receives assurances from the Developer deemed adequate by City, that the Developer will cure its default and continue its performance under this Agreement;
      ii. City may cancel and rescind this Agreement;
      iii. 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.
      iv. City may exercise its rights of reversion under the Reversion Agreement separately signed by the Parties and filed with the Fayette County Recorder.

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.

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

Developer

_____
Paul A. Schemmel

_____
Sharon M. Schemmel

State of Iowa   )
)§
County of Fayette   )

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

                            _____
                            Notary Public, State of Iowa