
Prepared by:	Douglas D. Herman Lynch Dallas, PC PO Box 2457 Cedar Rapids, Iowa 52406-2457 Telephone: 319-365-9101 Facsimile: 319-365-9512	Taxpayer/Return Address: Paul and Sharon Schemmel 25 S. Frederick Oelwein, IA 50662
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REAL ESTATE REVERSION AGREEMENT

For good and valuable consideration as more fully described below, the CITY OF OELWEIN IOWA, an Iowa Municipal Corporation, hereinafter referred to as “City”, and PAUL A. SCHEMMEL AND SHARON M. SCHEMMEL, hereinafter referred to as “Grantor”, with City and Grantor being hereinafter collectively referred to as the “Parties”, and do hereby agree to the following terms and provisions related to the following real estate, locally known as 27 S. Frederick Ave., Oelwein, Iowa 50662, Parcel No. 1821401009, and legally described as follows:

**LOT 17 (EXCEPT THE SOUTH 44 INCHES OF THE WEST 70 FEET THEREOF),
BLOCK 1, OELWEIN, FAYETTE COUNTY, IOWA**

Hereinafter referred to as the “Property”.

WHEREAS, City and Developer have agreed upon terms and provisions related to the sale of Property to Grantor, and

WHEREAS, after a Public Hearing held on August 11, 2025, the Council approved Resolution No. 5779-2025, approving the sale of the Property to Grantor, subject to the execution of a Development Agreement (“Development Agreement”) and this Reversion Agreement, a signed copy of the Development Agreement to be appended hereto and by this reference, incorporated herein as if same had been set forth fully verbatim herein.

WHEREAS, City’s agreement to sell the property to Grantor was tied to the execution and approval of a Reversion Agreement, therefore the sale of the property to Grantor is consideration for this agreement, and

NOW THEREFORE, IN CONSIDERATION OF THE ABOVE AND FOREGOING,
the Parties agree as follows.

1. **RIGHT OF REVERSION.** Notwithstanding anything herein to the contrary, and as consideration for the transfer by City to Grantor of Property, Grantor agrees to comply with all terms of the Development Agreement, with the understanding and agreement that Grantor failure to do so may result in Reversion to the City of the Property in accordance with the Paragraph 2 of this Agreement, set forth below.
2. **EXERCISE OF REVERSION RIGHTS.** In the event Grantor fails to perform as agreed, the City may exercise its' right of reversion as follows:
 - a. To exercise the City's right of reversion the City shall issue Buyers a written notice to cure ("Cure Notice") providing Buyers thirty (30) days to come into compliance. Should Buyers fail to comply with City's written Cure Notice, or request a hearing to contest the Cure Notice, Buyers agrees to execute and deliver to City, within thirty (30) days of the expiration of Buyers cure period, a Quit Claim Deed and any other documents necessary to convey title to the Property to City. Buyers further agree to take all reasonable steps to ensure City acquires marketable title to the Property, including without limitation satisfying any lien, mortgage, or other similar debt obligation encumbering the Property. Buyers acknowledge and understand the exercise of City's right of reversion shall entitle City to ownership of the Property, as improved by Buyers, including all improvements and betterments including fixtures attached to the Property with no remuneration to Buyers.
 - b. Buyers further agree, that should they fail to satisfy the defaults identified in the Cure Notice and further fail to transfer Property to City as required by Paragraph 2(a) above, that the City may execute and deliver to itself a Deed, executing the Deed as the Grantor by virtue of authority granted by Buyers to the City by way of the "Limited Power of Attorney" for said purpose, attached hereto as Exhibit A.
 - c. City reserves the right to enforce the terms of this Agreement, including the right of reversion, by instituting a legal action for specific performance and/or to quiet title in City. City shall be entitled to compensation for attorney fees and court costs in such an action.
 - d. City's reversionary rights with respect to the Property shall terminate and be of no further force and effect upon the completion of the agreed upon improvements by Grantor and Grantor's receipt of an Occupancy Permit from City.
 - e. Any transfer/sale of the property by Grantor to any other person or entity must be approved by the City in advance of said transfer/sale. The terms and provisions of this Reversion Agreement will apply to any such transfer with any

amendments hereto being subject to City Council approval, to be granted or denied in their sole discretion.

- f. This agreement will be recorded at City expense with the County Recorder. Upon satisfaction of the terms hereof, the City will file a Satisfaction of Reversion Agreement with the County Recorder acknowledging that the terms of the Reversion Agreement have been met and are no longer applicable to the Property.

3. **PROHIBITION ON SALE.** BUYER shall not sell the property to a third-party until BUYER has received from SELLER a signed release of SELLER'S reversion rights and said release has been recorded with the Fayette County Recorder, or SELLER has otherwise agreed, in writing, to the proposed sale, said agreement to also be recorded with the Fayette County Recorder.
4. **NOTICE.** Any notice under this Agreement shall be in writing and be deemed served when it is delivered by personal delivery or mailed by certified mail, addressed to the parties at the addresses given below.
5. **GENERAL PROVISIONS.** In the performance of each part of this Agreement, time shall be of the essence. Failure to promptly assert rights herein shall not, however, be a waiver of such rights or a waiver of any existing or subsequent default. This Agreement shall apply to and bind the successors in interest of the parties. This Agreement shall survive the closing. This Agreement contains the entire agreement of the parties and shall not be amended except by a written instrument duly signed by City and Grantor. Paragraph headings are for convenience of reference and shall not limit or affect the meaning of this Agreement. Words and phrases herein shall be construed as in the singular or plural number, and as masculine, feminine or neuter gender according to the context. If any provision hereof is found to be illegal or otherwise unenforceable, it shall be severed from the Agreement with the balance of the Agreement terms to remain in full force and effect unless the severed term or provision renders the Agreement unenforceable, in which case the term(s) considered for severance shall be modified in such a way to make said term(s) legal and enforceable, and the Agreement shall thereafter continue in full force and effect subject to said modified term(s).
6. **APPROVAL BY CITY COUNCIL.** This Agreement shall be expressly contingent upon approval of the City of Oelwein City Council.
7. **EXECUTION.** When and if executed by both City and Grantor, this Agreement shall become a binding contract.

GRANTOR
MENTE CONSTRUCTION, CO.

CITY
CITY OF OELWEIN, IOWA,
an Iowa Municipal Corporation

Dated this _____ day of _____ 2025.

Dated this 11th day of August 2025.

By: _____
Paul A. Schemmel

By: _____
Brett DeVore, Mayor

Sharon M. Schemmel

Attest:

Dylan Mulfinger, City Administrator

Address: Paul and Sharon Schemmel
25 S. Frederick
Oelwein, IA 50662

Address: City Hall
20 2nd Ave. SW
Oelwein, Iowa 50662

State of Iowa)
)§
County of Fayette)

On this ____ day of _____, 2025, before me, the undersigned Notary Public in and for the State of Iowa, personally appeared Paul A. Schemmel and Sharon M. Schemmel, known to me to be the identical persons named herein, who swore and affirmed that they executed the above and foregoing voluntarily, as an expression of their voluntary act and deed.

Notary Public, State of Iowa

State of Iowa)
)§
County of Fayette)

On this 11th day of August, 2025, before me, the undersigned Notary Public in and for the State of Iowa, personally appeared Brett DeVore and Dylan Mulfinger, in their respective capacities as Mayor and City Administrator for the City of Oelwein, Iowa, known to me to be the identical persons named herein, who swore and affirmed that they executed the above and foregoing voluntarily, as an expression of their voluntary act and deed, at the direction and with the authority of the Oelwein City Council.

Notary Public, State of Iowa

Exhibit A



IOWA STATUTORY POWER OF ATTORNEY LIMITED

1. LIMITED POWER OF ATTORNEY

This power of attorney authorizes your agent, the City of Oelwein, Iowa, ("Agent") to make decision(s) concerning the transfer of Real Estate, located at 27 S. Frederick Ave., Oelwein, Iowa, owned by you, to the City of Oelwein, Iowa if it is determined by your Agent that you have not met your responsibilities and obligations as set forth within the Real Estate Reversion Agreement to which this Limited Power of Attorney is attached as Exhibit A.

The only power granted your Agent herein is the right, power, and ability to transfer the following described property to itself, the City of Oelwein, Iowa, after following Cure Notice provisions of the Real Estate Reversion Agreement.

Property locally known as 27 S. Frederick Ave., Oelwein, Iowa 50662, Parcel No. 1821401009, and legally described as follows:

**LOT 17 (EXCEPT THE SOUTH 44 INCHES OF THE WEST 70 FEET THEREOF),
BLOCK 1, OELWEIN, FAYETTE COUNTY, IOWA**

1. Your Agent will be permitted to transfer the above-described property whether or not you are able to act for yourself.
2. This power of attorney does not authorize the Agent to do anything else, financially or otherwise, on your behalf
3. This power of attorney does not authorize the Agent to make health care decisions for you.
4. This power of attorney shall continue in effect until such time that the City of Oelwein, Iowa either files a Satisfaction of the Reversion Agreement or transfers the Property to itself under and consistent with the powers granted herein.
5. Your Agent is not entitled to compensation.
6. This form provides for designation of one Agent. (Subject to successor Mayor language noted below.)
7. This power of attorney becomes effective immediately upon signature and acknowledgment.
8. If you have questions about this power of attorney or the authority you are granting your Agent, you should seek legal advice before signing this form.

DESIGNATION OF AGENT

The undersigned, name the following City of Oelwein Official as agent:

Name of Agent: Brett DeVore, Mayor of the City of Oelwein, Iowa or successor Mayor if this Limited Power of Attorney remains in effect after the conclusion of Mayor DeVore's term, or any successive term as Mayor.

Agent's Address: Oelwein City Hall, 2nd Ave. SW, Oelwein, IA 50662

Agent's Telephone Number: (319) 283-5440

GRANT OF SPECIFIC AUTHORITY

The agent shall only be authorized to perform the following specific act for me.

_____. (Initial) The only power granted by this Limited Power of Attorney is the power to transfer the property described above to the City of Oelwein, Iowa, only after determining that the Corporation (Buyer of the above-described property) has not complied with the Real Estate Reversion agreement after receiving appropriate Cure Notice, opportunity to appeal said notice, and opportunity to cure as provided therein.

EFFECTIVE DATE

This Limited Power of Attorney is effective immediately upon signature and acknowledgment. The undersigned, as principals, hereby agree to not revoke this Limited Power of Attorney at any time, agreeing that same will remain in full force and effect until such time that the Corporation has met its obligations under the Real Estate Reversion Agreement and the City of Oelwein has either filed a Satisfaction of the Reversion Agreement or exercised its' rights as Agent hereunder, after which the City will agree to the revocation of this limited Power of Attorney.

RELIANCE ON THIS POWER OF ATTORNEY

Any person, including our Agent, may rely upon the validity of this power of attorney or a copy of it unless that person knows it has terminated or is invalid.

SIGNATURE AND ACKNOWLEDGMENT

Signed and dated this ____ day of _____, 2025.

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

AGENT'S DUTIES

When you accept the authority granted under this power of attorney, a special legal relationship is created between the principal and you. This relationship imposes upon you legal duties that continue until you resign or the power of attorney is terminated or revoked. You must do all of the following:

- Do what you know the principal reasonably expects you to do as described within the Limited Power of Attorney.

- Act in good faith.

- Do nothing beyond the authority granted in this power of attorney.

- Disclose your identity as an agent whenever you act for the principal by writing or printing the name of the principal and signing your own name as agent.

- Unless the Special Instructions in this power of attorney state otherwise, you must also do all of the following:

- Act loyally for the principal's benefit.

- Avoid conflicts that would impair your ability to act in the principal's best interest. Act with care, competence, and diligence.

- Keep a record of all receipts, disbursements, and transactions made on behalf of the principal.

- Cooperate with any person that has authority to make health care decisions for the principal to do what you know the principal reasonably expects or, if you do not know the principal's expectations, to act in the principal's best interest.

- Attempt to preserve the principal's estate plan if you know the plan and preserving the plan is consistent with the principal's best interest.

TERMINATION OF AGENT'S AUTHORITY

You must stop acting on behalf of the principal if you learn of any event that terminates this power of attorney or your authority under this power of attorney. Events that terminate a power of attorney or your authority to act under a power of attorney include any of the following:

- Death of the principal.

- The principal's revocation of the power of attorney or your authority.

- The occurrence of a termination event stated in the power of attorney.

- The purpose of the power of attorney is fully accomplished.

- If you are married to the principal, a legal action is filed with a court to end your marriage, or for your legal separation, unless the Special Instructions in this power of attorney state that such an action will not terminate your authority.

LIABILITY OF AGENT

The meaning of the authority granted to you is defined in the Iowa Uniform Power of Attorney Act, Iowa Code chapter 633B. If you violate the Iowa Uniform Power of Attorney Act, Iowa Code chapter 633B, or act outside the authority granted, you may be liable for any damages caused by your violation. If there is anything about this document or your duties that you do not understand, you should seek legal advice.