

## ECONOMIC OPPORTUNITY LAW REPORT

Property: 105 W. 6<sup>th</sup> Street, Beaumont, CA 92223 (APN 417-064-001)

**The following report has been prepared in accordance with the California Government Code Section 52201.**

The cost of the proposed Purchase and Sale Agreement is as follows:

Purchase Price:	\$338,500
Loan or financing costs:	\$0

**Total cost:                      \$338,500**

### Creation of economic opportunity:

The acquisition of the property will allow for renovation of the building and the eventual establishment of a new commercial business in a building which has been vacant since 2021.

After the project is operating at full capacity and implementation, the total number of jobs at the facility may meet the one full-time equivalent job for every \$35,000 invested in the project. The project and the work conducted within the building may create, retain or expand over 9 jobs at the project location.

The sale agreement, potential lease agreements, and investments and improvements to the project at full implementation when compared to the year prior to the property being acquired by the City of Beaumont will likely result in an increase of at least 15 percent of total property tax.

A copy of the proposed Purchase and Sale Agreement has been attached to this report as “Exhibit A”.

**Exhibit A**

# Purchase and Sale Agreement

105 W. 6<sup>th</sup> Street, Beaumont, CA 92223

**AGREEMENT FOR PURCHASE AND SALE  
AND ESCROW INSTRUCTIONS**

THIS AGREEMENT FOR PURCHASE AND SALE AND ESCROW INSTRUCTIONS (this "Agreement") is dated as of February \_\_\_\_, 2024, and is entered into by and between the THE CITY OF BEAUMONT, a general law city ("Buyer"), and David P. & Emeline Schuelke ("Seller").

**RECITALS**

- A. Seller is the owner of the real property consisting of approximately .14 acres improved with a 1,281 sf building described on Exhibit "A" (the Property). Said Property is commonly referred to as 105 W. 6th Street (APN 417-064-001).
- B. Buyer wishes to acquire the Property for the purpose of economic development as provided in government Code 52200 et. seq.
- C. Buyer desires to purchase the Property from Seller and Seller desires to sell the Property to Buyer.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual terms and covenants hereinafter set forth, and the Independent Consideration described in Section 1.2.2 below, and for other consideration, the sufficiency of which is hereby acknowledged, Buyer and Seller hereby agree as follows:

1. SALE AND PURCHASE PRICE.

1.1 Sale and Purchase. Seller agrees to sell the Property to Buyer and Buyer agrees to purchase the Property upon the terms and conditions hereafter set forth.

1.2 Purchase Price; Consideration for Agreement; Deposit.

1.2.1 The purchase price ("Purchase Price") for the Property shall be Three Hundred Eighty-Eight Thousand Five Hundred Dollars (\$338,500.00).

1.2.2 Notwithstanding anything in this Agreement to the contrary, upon execution of this Agreement by Buyer, Ten and No/100 Dollars (\$10.00) shall be delivered by Buyer to Escrow Agent for delivery to Seller as non-refundable independent contract consideration (the "Independent Consideration"), which is in addition to the Purchase Price, and which amount has been bargained for and agreed to as consideration for Seller's execution and delivery of this Agreement and for the rights and privileges granted to Buyer herein, including, without limitation, any and all rights granted to Buyer to terminate this Agreement during certain periods hereunder. If Buyer elects to terminate this Agreement for any reason other than Seller's default, Seller shall retain the Independent Consideration. The Independent Consideration shall not be applicable towards the Purchase Price.

1.2.3 Within five (5) business days after the date on which escrow is opened under Section 4.1 below, Buyer shall deliver Ten Thousand Dollars (\$10,000.00), to the

Escrow Holder to be deposited in an interest-bearing account and held as an earnest money deposit under the Escrow pursuant to the terms and provisions hereof (which earnest money deposit, together with the interest thereon, is herein called the “**Deposit**”). The Deposit shall be: (i) applicable to the Purchase Price upon the close of escrow; (ii) refunded to Buyer if the Close of Escrow does not occur due to a failure of a condition to closing or termination by Buyer permitted by this Agreement (including a termination under Section 16 below), or if Seller defaults and Buyer does not elect the remedy of specific performance; and (iii) retained by the Seller as liquidated damages in accordance with the following if Buyer defaults.

If Buyer breaches any obligation hereunder which Buyer is to perform prior to the close of escrow, and Buyer fails to cure such breach within ten (10) business days after delivery of written notice from Seller, then Seller may terminate this Agreement and the Escrow by giving written notice of such termination to Buyer and Escrow Holder, and the Deposit shall then be retained by Seller as liquidated damages for Buyer’s uncured default, as Seller’s sole and exclusive remedy for Buyer’s uncured default.

**IF CLOSING FAILS TO OCCUR SOLELY BECAUSE OF BUYER’S UNCURED DEFAULT, SELLER WILL BE DAMAGED AND WILL BE ENTITLED TO COMPENSATION FOR THOSE DAMAGES, BUT SUCH DAMAGES WILL BE EXTREMELY DIFFICULT AND IMPRACTICAL TO ASCERTAIN. BUYER DESIRES TO LIMIT THE AMOUNT OF DAMAGES FOR WHICH BUYER MIGHT BE LIABLE SHOULD BUYER BREACH THIS AGREEMENT. BOTH BUYER AND SELLER WISH TO AVOID THE COSTS AND LENGTHY DELAYS THAT WOULD RESULT IF SELLER FILED A LAWSUIT TO COLLECT ITS DAMAGES FOR A BREACH OF THIS AGREEMENT. IF CLOSING FAILS TO OCCUR BECAUSE OF BUYER’S UNCURED DEFAULT, THEN THE DEPOSIT SHALL BE DEEMED TO CONSTITUTE A REASONABLE AND FINAL ESTIMATE OF SELLER’S DAMAGES AND SHALL BE RETAINED BY SELLER AS LIQUIDATED DAMAGES AS SELLER’S SOLE AND EXCLUSIVE REMEDY. SELLER AND BUYER ACKNOWLEDGE THAT THEY HAVE READ AND UNDERSTAND THE PROVISIONS OF THIS SECTION AND BY THEIR INITIALS IMMEDIATELY BELOW AGREE TO BE BOUND BY ITS TERMS.**

**THE PARTIES ACKNOWLEDGE THAT THE PAYMENT OF SUCH LIQUIDATED DAMAGES IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 OR 3369, BUT IS INTENDED TO CONSTITUTE LIQUIDATED DAMAGES TO SELLER PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677. THIS SECTION SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.**

\_\_\_\_\_  
BUYER’S INITIALS

  
\_\_\_\_\_  
SELLER’S INITIALS

2. TITLE.

2.1 General. Title to the Property shall be conveyed by a grant deed in the form attached hereto as Exhibit “B” and shall be evidenced by the issuance to Buyer of a CLTA Standard Coverage Form of Owner’s Policy of Title Insurance (or an ALTA Extended Coverage Form Policy, if Buyer elects such coverage as provided in Section 2.3 hereof) (“Title Policy”),

cost of the Title Policy shall be borne by Seller as described in Section 4.9 below. The Title Policy shall be issued by First American Title\_ (“Title Company”), with liability in the full amount of the Purchase Price, insuring title to the Property as vested in Buyer, free and clear of all liens and encumbrances and other matters affecting title to the Property, except the lien for assessments not yet due, and title exceptions which Buyer has approved in writing (which shall constitute “Approved Title Exceptions”).

2.2 Acts After Date of Agreement. During the period from the date of this Agreement through the Close of Escrow, Seller shall not record or permit to be recorded any document or instrument relating to the Property without the prior written consent of the Buyer, which consent may be withheld in Buyer’s sole and absolute discretion.

2.3 Possession; Removal of Personal Property. Possession of the Property shall be delivered to Buyer upon the Close of Escrow. Seller shall remove all personal property prior to the Close of Escrow. Seller shall have no obligation to terminate the tenancies of any tenants on the property nor shall it have any obligation to retain such tenant.

### 3. TITLE AND PHYSICAL INSPECTION DUE DILIGENCE; INSPECTION PERIOD.

3.1 Inspection Period. From the date of this Agreement until the date that is sixty (60) days after the Buyer’s receipt from Seller of a current title report for the Property issued by the Title Company (“Inspection Period”), Buyer may conduct, at Buyer’s sole expense, such inspections of the title report and title exceptions therein, including obtaining a survey, and inspections and testing of the Property, including any improvements thereon, soils and ground water, as Buyer may desire or deem appropriate, in Buyer’s sole discretion, to determine the suitability of the Property for Buyer’s intended use. Such tests and inspections shall include a Phase II soils test which will require borings in the floor of the premises for the purpose of taking soils samples to be tested for hazardous waste or contamination. In conducting such physical inspections and testing, the Buyer shall endeavor to minimize damage to the Property, and any improvements thereon, and shall, in the event escrow fails to close, return the Property, including the improvements thereon, if any, substantially to its condition prior to Buyer’s inspections and testing. Seller hereby grants to Buyer and its authorized employees, representatives, agents and contractors, permission and a license to enter upon the Property at all reasonable times prior to the end of the Inspection Period for the purpose of conducting such inspections and testing. In the event the Property is occupied by any person(s) other than Seller, Seller shall make arrangements with such person(s) to ensure access by Seller its authorized employees, representatives, agents and contractors in order to conduct the inspections and testing pursuant to this section. Buyer shall indemnify, protect, defend (with legal counsel reasonably acceptable to Seller) and hold Seller harmless from and against any and all claims, liabilities, losses, damages, costs and expenses arising from, related to or caused by, Buyer’s entry upon the Property or the performance of any inspection or test conducted by or at the request of Buyer or its contractors or agents. Notwithstanding the forgoing, Buyer shall have no liability whatsoever for the results of its testing including discovery of any defects with the Property including, but not limited to, soil contamination by hazardous substances. In the event Buyer determines the Property is not suitable, then Buyer may terminate this Agreement by written notice to Seller given prior to the end of the Inspection Period.

4. ESCROW.

4.1 Escrow Holder. The escrow shall be opened with Title Company (sometimes referred to herein in that capacity as “Escrow Holder”) using First American Title, Debbie Fitz, within five (5) business days after the execution of this Agreement by Buyer and Seller depositing an executed copy or executed counterparts of this Agreement with Escrow Holder. This document shall be considered as the escrow instructions between the parties, with such further instructions as Escrow Holder requires in order to clarify the duties and responsibilities of Escrow Holder or that are sent to Escrow Holder in writing by either party, but such unilateral escrow/closing instructions must be consistent with this Agreement.

4.2 Close of Escrow. For the purposes of this Agreement, “Close of Escrow” shall be the date on which a grant deed for the Property in favor of Buyer is recorded in the Official Records of the Riverside County Recorder’s Office. The closing shall take place within thirty (30) days after Buyer delivers notice of approval after the Inspection Period as defined in Section 3.1 above. All risk of loss or damage with respect to the Property shall pass from Seller to Buyer at the Close of Escrow.

Escrow Holder shall prepare a preliminary settlement statement for approval by Buyer and Seller prior to the Close of Escrow, showing the sources and uses of all funds, and all prorations and costs.

4.3 Seller Required to Deliver. Before the Close of Escrow, Seller shall deposit into escrow the following:

4.3.1 A grant deed conveying the Property to Buyer, in the form attached hereto as Exhibit “B”, duly executed by Seller and acknowledged (the “Grant Deed”);

4.3.2 A California 593 certificate and federal non-foreign affidavit (with respect to Seller); and

4.3.3 Any other documents reasonably required by Escrow Holder or the Title Company to be deposited by Buyer to carry out this escrow.

4.4 Buyer Required to Deliver. On or before the Close of Escrow, Buyer shall deposit into escrow the following (properly executed and acknowledged, if applicable):

4.4.1 An executed and acknowledged “Certificate of Acceptance” in the form attached to the Grant Deed (attached hereto as Exhibit ”B”);

4.4.2 The remainder of the Purchase Price; and

4.4.3 Any other documents reasonably required by Escrow Holder to be deposited by Buyer to carry out this escrow.

4.5 Conditions to the Close of Escrow. Escrow shall not close unless and until both parties have deposited with Escrow Holder all sums and documents required to be deposited as provided in this Agreement. Additionally, Buyer’s obligation to proceed with the transaction

contemplated by this Agreement is subject to the satisfaction of all of the following conditions precedent, which are for Buyer's benefit and may be waived only by Buyer:

4.5.1 Seller shall have performed all agreements to be performed by Seller hereunder.

4.5.2 Title Company shall have issued or shall have committed to issue the Title Policy to Buyer, for the amount of the Purchase Price, showing fee title to the Property to be vested in Buyer subject only to the Approved Title Exceptions.

If any of the conditions to Close of Escrow are not timely satisfied for a reason other than a default of Buyer or Seller under this Agreement, and this Agreement is terminated, then upon termination of this Agreement, Escrow Holder shall promptly return to Buyer all funds (and all interest accrued thereon) and documents deposited by Buyer in escrow and to return to Seller all funds and documents deposited by Seller in escrow and which are held by Escrow Holder on the date of the termination (less, in the case of the party otherwise entitled to such funds, however, the amount of any cancellation charges required to be paid by such party under Section 4.11 below).

4.6 Recordation of Grant Deed; Delivery of Funds and Possession. Upon receipt of the funds and instruments described in this Section 4, Escrow Holder shall cause the Grant Deed to be recorded in the office of the County Recorder of Riverside County, California. Thereafter, Escrow Holder shall deliver the proceeds of this escrow (less appropriate charges as shown on a preliminary Settlement Statement executed by Buyer and Seller) to Seller.

4.7 Prorations. Property taxes shall not be prorated as Buyer is exempt from property taxes; Seller shall pay all property taxes for the billing period in which the Close of Escrow occurs, and then may apply for a refund of the property taxes that are allocable to the period after the Close of Escrow, and Buyer shall reasonably cooperate therewith. All assessments shall be prorated between Buyer and Seller as of the Close of Escrow based on the latest available tax information. All prorations shall be determined on the basis of a 360-day year.

4.8 Costs of Escrow. Seller shall pay the premium for the Title Policy (excluding the cost of extended coverage and the cost of any survey obtained by Buyer in connection with such extended coverage), fifty percent (50%) of the escrow fees, and the recording costs (if any). Buyer shall pay for the cost of any extended title coverage and endorsements required by Buyer and for the other fifty percent (50%) of the escrow fees. Seller shall pay any other closing costs or charges not expressly provided for herein.

4.9 Brokers. Buyer and Seller represent to one another that no broker or finder has been engaged by it in connection with the transaction contemplated by this Agreement, or to its knowledge is in any way connected with such transaction except that one of the sellers, Emeline Schuelke is a licensed broker, but she will not charge a commission. Seller shall pay commissions to any broker engaged by Seller, in accordance with the agreement between Seller and such Broker. Each party covenants and agrees that any other broker fee or commission, which may be due or payable in connection with the closing of the transaction contemplated by this Agreement through its dealings with that party, shall be borne solely by that party. Each party agrees to defend,

indemnify and hold harmless the other party and its respective employees, agents, representatives, council members, attorneys, successors and assigns, from and against all claims of any agent, broker, finder or other similar party arising from or in connection with its activities relating to the sale of the Property to Buyer.

4.10 Escrow Cancellation Charges. In the event that this escrow shall fail to close by reason of the default of either party hereunder, the defaulting party shall be liable for all escrow and title cancellation charges. In the event that the escrow shall fail to close for any other reason, each party shall pay one-half (1/2) of all escrow and title cancellation charges.

5. NOTICES. All notices, requests, demands and other communication given or required to be given hereunder shall be in writing and sent by first class United States registered or certified mail, postage prepaid, return receipt requested, or sent by a nationally recognized courier service such as Federal Express, duly addressed to the parties as follows:

To Seller: David and Emeline Schuelke  
1350 Palm Avenue  
Beaumont, CA 92223

To Buyer: City of Beaumont  
550 E. 6th Street  
Beaumont, CA 92223  
Attn: Elizabeth Gibbs, City Manager

Delivery of any notice or other communication hereunder shall be deemed made on the date indicated in the return receipt or courier's records as the date of delivery or as the date of first attempted delivery, if sent by mail or courier service. Any party may change its address for purposes of this Section by giving notice to the other party as herein provided.

6. ASSIGNMENT. Neither this Agreement nor any interest herein may be assigned by either party without the prior written consent of the other party.

7. ENTIRE AGREEMENT. This Agreement contains all of the agreements of the parties hereto with respect to the matters contained herein, and all prior or contemporaneous agreements or understandings, oral or written, pertaining to any such matters are merged herein and shall not be effective for any purpose. No provision of this Agreement may be amended, supplemented or in any way modified except by an agreement in writing signed by the parties hereto or their respective successors in interest and expressly stating that it is an amendment of this Agreement.

8. COUNTERPARTS. This Agreement may be executed in any number of counterparts, each of which shall be an original, but all of which shall constitute one and the same instrument.

9. TIME OF THE ESSENCE. Time is of the essence of this Agreement.



10. THIRD PARTIES. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person, other than the parties hereto and their successors and assigns, any rights or remedies under or by reason of this Agreement.

11. SEVERABILITY. If any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein, unless such invalidity, illegality or unenforceability materially affects the economic terms of the transactions contemplated by this Agreement or the ability of either party to perform its obligations under this Agreement. In such case, either party may terminate this Agreement and the escrow upon written notice to the other party given no later than ten (10) business days after the party giving such notice becomes aware of such invalidity, illegality or unenforceability. In the event of such termination, all funds deposited with Escrow Holder by Buyer and any interest accrued thereon shall be returned to Buyer.

12. ADDITIONAL DOCUMENTS. Each party hereto agrees to perform any further acts and to execute, acknowledge and deliver any further documents that may be reasonably necessary to carry out the provisions of this Agreement.

13. REPRESENTATIONS BY SELLER. Seller hereby represents and warrants that:

- (i) Seller has disclosed to Buyer all material facts about the Property known to Seller;
- (ii) Seller is the owner of the Property and has full right/ power and authority to grant and convey the Property to Buyer and perform all of Seller's obligations under this Agreement;
- (iii) Seller has not granted any rights of possession of the Property to any person or entity, and has no knowledge of any such rights of possession of any of the Property, including subsurface rights.
- (iv) Seller has not performed any work on the Property that might give rise to any current mechanics liens or current materialmen's liens, and has no knowledge of any such work that could give rise to such liens.
- (v) Seller has no knowledge of any actions, suits or proceedings, pending or threatened, that would affect the Property or the right to occupy or use the Property.

If Seller becomes aware of any of the foregoing, Seller shall promptly notify Buyer in writing, and Buyer may then terminate this Agreement by written notice to Seller and the Deposit and all interest thereon shall be delivered to Buyer.

The above/foregoing representations and warranties shall survive the Close of Escrow.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**SELLER:**

By: David P. Schuelke  
David P. Schuelke

By: Emeline Schuelke  
EmelineSchuelke

**BUYER:**

CITY OF BEAUMONT

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_

**EXHIBIT "A"**

**LEGAL DESCRIPTION OF THE LAND**

Real property in the City of Beaumont, County of Riverside, State of California, described as follows:

**EXHIBIT "B"**

**FORM OF GRANT DEED**

(Attached.)

RECORDING REQUESTED BY,  
AND WHEN RECORDED RETURN TO:

THE CITY OF BEAUMONT

Attn: \_\_\_\_\_

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SPACE ABOVE FOR RECORDER'S USE ONLY

APNs:

THE UNDERSIGNED GRANTOR DECLARES AS FOLLOWS:

This Grant Deed is exempt from Recording Fees pursuant to California Government Code Section 27383.

Documentary Transfer Tax is \$0 (exempt; conveyance to a public entity).

**GRANT DEED**

FOR VALUABLE CONSIDERATION , receipt of which is hereby acknowledged \_\_\_\_\_, hereby grants to THE CITY OF BEAUMONT ("Grantee"), the land located in the City of Beaumont, County of Riverside, State of California, more particularly described on Exhibit "A" attached hereto, all improvements and fixtures thereon.

IN WITNESS WHEREOF, Grantor has executed this Grant Deed as of the date set forth below.

Dated: \_\_\_\_\_, 202\_

**GRANTOR:**

By: \_\_\_\_\_

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of the document.

STATE OF CALIFORNIA  
COUNTY OF \_\_\_\_\_

On \_\_\_\_\_, 20\_\_\_\_ before me, \_\_\_\_\_, Notary Public, personally appeared \_\_\_\_\_, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: \_\_\_\_\_

(affix seal in above space)

Exhibit "A"  
to Grant Deed

LEGAL DESCRIPTION

Real property in the City of Beaumont, County of Riverside, State of California, described as follows:

**CERTIFICATE OF ACCEPTANCE**  
(California Government Code Section 27281)

This is to certify that the interest in real property conveyed by that certain Grant Deed dated \_\_\_\_\_, 202\_\_, from \_\_\_\_\_, a \_\_\_\_\_, to THE CITY OF BEAUMONT, a general law city, is hereby accepted by the undersigned officer on behalf of THE CITY OF BEAUMONT pursuant to the authority conferred by action of the board of THE CITY OF BEAUMONT on \_\_\_\_\_, 202\_\_, and the grantee consents to recordation thereof by its duly authorized officer.

Dated: \_\_\_\_\_, 202\_\_

\_\_\_\_\_  
Elizabeth Gibbs, City Manager



A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California )  
County of \_\_\_\_\_ )

On \_\_\_\_\_, before me, \_\_\_\_\_,  
(insert name and title of the officer)

Notary Public, personally appeared \_\_\_\_\_,  
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature \_\_\_\_\_ (Seal)