

## **RESOLUTION NO. 2024-001**

### **RESOLUTION OF THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CORONA, CALIFORNIA, DECLARING ITS UNDERSTANDING THAT CERTAIN DOCUMENTS RECORDED AGAINST REAL PROPERTY PREVIOUSLY OWNED BY THE REDEVELOPMENT AGENCY OF THE CITY OF CORONA ARE TERMINATED BY OPERATION OF LAW**

**WHEREAS**, the City of Corona (“City”) and Rest Area, LLC (“Rest Area”) entered into that certain Agreement of Purchase and Sale and Joint Escrow Instructions dated May 9, 2024 (“Purchase Agreement”) for the acquisition by Rest Area of certain real property generally located west of South Ramona Avenue and identified as a portion of Assessor Parcel Number 117-191-019 (“Property”); and

**WHEREAS**, the Property was previously owned by the former Redevelopment Agency of the City of Corona (“Redevelopment Agency”) and was included within the Corona Downtown Redevelopment Project; and

**WHEREAS**, the Redevelopment Agency caused certain covenants, conditions, restrictions and easements to be recorded against the Property to implement the Corona Downtown Redevelopment Project; and

**WHEREAS**, in connection with the escrow under the Purchase Agreement, Rest Area objected to Title Exceptions 4 and 21 set forth in that certain Preliminary Title Report issued by First American Title Insurance Company dated May 3, 2024 (Order No. NCS-1198737-SA1) (“Title Report”), which exceptions pertain to the covenants, conditions, restrictions and easements recorded against the Property by the Redevelopment Agency to implement the Corona Downtown Redevelopment Project (“Title Exceptions 4 and 21”); and

**WHEREAS**, on or about July 8, 2024, the City, Rest Area and South Side Social Backyard, LLC, as Rest Area’s assignee, entered into that certain First Amendment to Agreement for Purchase and Sale and Joint Escrow Instructions whereby the City agreed to investigate and remove Title Exceptions 4 and 21 to the extent such removal is within the reasonable legal control or power of the City; and

**WHEREAS**, Health and Safety Code section 34172, as modified by the opinion of the Supreme Court of the State of California in *California Redevelopment Association, et al. v. Ana Matosantos, et al.*, Case No. S194861, provides that all redevelopment agencies, including the Redevelopment Agency of the City of Corona, were dissolved as of February 1, 2012; and

**WHEREAS**, Health and Safety Code section 34173 provides that successor agencies are designated as successor entities to all redevelopment agencies in order to wind down the operations of the redevelopment agencies, dispose of their assets, and pay their debts and

obligations, and that the city that authorized the creation of the redevelopment agency shall serve as the successor agency unless the city elects not to; and

**WHEREAS**, the City elected to serve as the successor agency to the Redevelopment Agency ("Successor Agency"), as provided in City Council Resolution No. 2012-004, dated January 11, 2012; and

**WHEREAS**, pursuant to California Health and Safety Code section 34172(a), the Redevelopment Agency has been dissolved and no longer exists as a public body, corporate and politic; and

**WHEREAS**, with the dissolution of the Redevelopment Agency, the Successor Agency understands that any encumbrances recorded by the Redevelopment Agency against real property, including the Property, for the purpose of implementing redevelopment projects such as the Corona Downtown Redevelopment Project are terminated by operation of law.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CORONA, CALIFORNIA, SERVING AS THE SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF CORONA, CALIFORNIA, AS FOLLOWS:**

**SECTION 1. Termination of Title Exceptions.** The Successor Agency hereby declares its understanding that the following title exceptions set forth in the Title Report have been terminated by operation of law as a consequence of the dissolution of the Redevelopment Agency as of February 1, 2012:

4. Covenants, conditions, restrictions and easements in the document recorded February 14, 1969 as Instrument No. 14660; March 05, 1969 as Instrument No. 21740; and re-recorded June 04, 1973 as Instrument No. 72014 and incorporated by reference thereto in document recorded June 26, 1975 as Instrument No. 75724 all of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Section 12955 of the California Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

21. Covenants, conditions, restrictions and easements in the document recorded July 26, 1975 as Instrument No. 75724 of Official Records, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap,

familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

**SECTION 2.** Further Actions. The City Manager is hereby authorized and directed, for and in the name and on behalf of the Successor Agency, to do any and all things and take any and all actions that are consistent with or in furtherance of the City Council’s direction provided herein. The City Clerk is hereby directed to provide a certified copy of this Resolution to Rest Area, LLC and/or South Side Social Backyard, LLC.

**SECTION 3.** Effective Date. This Resolution shall take effect immediately upon its adoption.

**PASSED, APPROVED AND ADOPTED** this 7<sup>th</sup> day of August 2024.

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Mayor of the City of Corona, California

ATTEST:

\_\_\_\_\_  
City Clerk of the City of Corona, California

**CERTIFICATION**

I, Sylvia Edwards, City Clerk of the City of Corona, California, do hereby certify that the foregoing Resolution was regularly introduced and adopted by the City Council of the City of Corona, California, at a regular meeting thereof held on the 7<sup>th</sup> day of August 2024, by the following vote of the Council:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAINED:**

**IN WITNESS WHEREOF**, I have hereunto set my hand and affixed the official seal fo the City of Corona, California this 7<sup>th</sup> day of August 2024.

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City Clerk of the City of Corona, California

(SEAL)