

RECORDING REQUESTED BY

CITY OF NAPA
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Government Code 27383

WHEN RECORDED MAIL TO:

CITY CLERK
CITY OF NAPA
P.O. Box 660
Napa, CA 94558

SPACE ABOVE THIS LINE FOR RECORDER'S USE

APN: 003-062-030

"MILLS ACT" HISTORICAL PROPERTY PRESERVATION AGREEMENT

(Government Code Sections 50280 et seq.)

**1727 Main Street
(The Hennessey House)**

THIS AGREEMENT by and between Naresh Soni, Prafulla Soni, Saloni Soni, and Mitun Balusamy, Collective Members of ModCircle, LLC ("Owner"), and the City of Napa, a California charter city ("City") is effective as of the date last signed by the City, which is identified on the signature page as the "Effective Date."

RECITALS

WHEREAS, Owners own certain real property, together with associated historic structures and improvements thereon, located at 1727 Main Street, in the City of Napa, Napa County ("the Property"), more particularly described in Exhibit "A", attached hereto and made a part hereof; and

WHEREAS, the Property is a "qualified historical property" as defined in California Government Code Section 50280.1; and

WHEREAS, both Owners and City desire to protect and preserve the Property so as to retain its characteristics of historical significance;

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises, declarations, covenants and agreements of the parties set forth herein, and the substantial public benefit derived therefrom, the parties agree as follows:

1. Authority. This Agreement is made under authority of Government Code Sections 50280 et seq. ("Historical Property Contracts").

2. Term of Agreement. This Agreement shall be effective commencing on the Effective Date, and shall remain in effect for a minimum period of ten years therefrom. Each year on the anniversary of the Effective Date, the term will automatically be extended by a year as provided in Paragraph 5 of this Agreement.

3. Limitations on Land Use. During the term of this Agreement, the Property shall be subject to the following provisions, requirements, and restrictions:

(a) Owners shall preserve and maintain the Property, as a qualified historic property, in no less than equal to the condition of the Property as of the date hereof.

(i.) A Site Plan of the location of all buildings on the Property is detailed in Exhibit "B" attached hereto and incorporated herein by reference. Any proposed work to be performed on the Property, including any restoration, rehabilitation or preservation, must be reviewed and processed by the City in compliance with Napa Municipal Code Chapter 15.52, "Historic Preservation."

(ii.) Owners shall, when necessary, restore and rehabilitate the Property to conform to the rules and regulations of the Office of Historic Preservation of the Department of Parks and Recreation, the United States Secretary of the Interior's Standards for Rehabilitation and the State Historical Building Code as articulated in the Attached *Ten Year Rehabilitation Plan* (Exhibit "C") or as confirmed through a Certificate of Appropriateness approved by the City in accordance with Napa Municipal Code Chapter 15.52. Additionally, Owners shall provide whatever information shall be required by City to determine the Property's continuing eligibility as a qualified historic property.

(b) All buildings, structures, yards and other improvements shall be maintained in a manner which does not detract from the appearance of the immediate neighborhood. The following conditions are prohibited:

(i.) Dilapidated, deteriorating, or unrepaired structures and components, such as fences, roof, doors, walls and windows;

(ii.) Scrap lumber, junk, trash or debris;

(iii.) Abandoned, discarded or unused objects or equipment, such as automobiles, automobile parts, furniture, stoves, refrigerators, can containers, or similar items;

(iv.) Stagnant water or excavations, including in pools or spas; and

(v.) Any device, decoration, design, structure or vegetation which is unsightly by reason of its height, condition, or its inappropriate location.

(c) Owners shall provide for the periodic examinations of the interior and exterior of the premises by the Office of the Napa County Assessor, the Department of Parks and Recreation, the State Board of Equalization, and the City, as may be necessary to determine the Owners' compliance with this Agreement.

4. Successors in interest. The Owners hereby voluntarily subjects the Property to the covenants, conditions and restrictions set forth in this Agreement. City and Owners hereby declare their specific intent that the covenants, conditions and restrictions as set forth herein shall be deemed covenants running with the land and shall be binding upon and inure to the benefit of, all successors and assigns in title or interest of the Owners. A successor in interest shall have the same rights and obligations under this Agreement as the original Owners who entered into this Agreement.

Each and every contract, deed or other instrument hereinafter executed, covering or conveying the Property, or any portion thereof, shall conclusively be held to have been executed, delivered and accepted subject to the covenants, conditions and restrictions expressed in this Agreement whether or not such covenant, conditions and restrictions are set forth in such contract, deed or other instrument.

5. Renewal.

(a) Each year on the anniversary of the Effective Date of this Agreement one year shall automatically be added to the term of this Agreement, unless notice of non-renewal is given as provided in this paragraph. On the fifth anniversary of the Effective Date, and every five years thereafter, the Owners shall arrange with the City to inspect the interior and exterior of the Property to determine the Owners' continued compliance with this Agreement. If Owners or City desire in any year not to renew this Agreement, that party shall serve written notice of non-renewal of this Agreement on the other party in advance of the annual renewal date of this Agreement. Unless the notice is served by the Owners at least 90 days prior to the renewal date, or by the City at least 60 days prior to the renewal date, one year shall automatically be added to the term of this Agreement.

(b) Upon receipt by the Owners of a notice from City of non-renewal, the Owners may make a written protest of the notice of non-renewal. City may, at any time prior to the renewal date, withdraw the notice of non-renewal.

(c) If City or Owners serve a notice of intent in any year not to renew this Agreement, this Agreement shall remain in effect for the balance of the period remaining since the original execution or the last renewal of this Agreement, as the case may be.

6. Cancellation for Breach. Following a noticed public hearing as required by Government Code Section 50285, City may cancel this Agreement if it determines that Owners have breached any of the conditions of this Agreement, or have allowed the Property to deteriorate to the point that it no longer meets the standard for a qualified historic property. City may also cancel this Agreement if it determines that Owners have failed to restore or rehabilitate the Property in the manner specified in this Agreement. If the City determines that performance of this Agreement has become infeasible due to damage to the Property caused by force majeure (such as flood, tornado, lightening, or earthquake), this Agreement may be cancelled upon the Owners' application without payment of the cancellation fee, to the extent that non-payment is permitted by law.

7. Cancellation Fee. If this Agreement is cancelled pursuant to paragraph 6 above, Owners shall pay a cancellation fee equal to 12 ½ % of the current fair market value of the Property, as determined by the Office of the Napa County Assessor as though the Property were free of the restrictions set forth in this Agreement. The cancellation fee shall be paid to the Office of the Napa County Auditor ("County Auditor"), at the time and in the manner that the County Auditor shall prescribe, and shall be allocated by the County Auditor to each jurisdiction in the tax rate area in which the Property is located in the same manner as the auditor allocates the annual tax increment in that tax rate area in that fiscal year.

8. Notice and Recordation.

(a) All notices required or contemplated by this Agreement shall be in writing and shall be delivered to the respective party as set forth in this section. Communications shall be deemed to be effective upon the first to occur of: (a) actual receipt by a party's Authorized Representative, or (b) actual receipt at the address designated below, or (c) three working days following deposit in the United States Mail of registered or certified mail sent to the address designated below. The Authorized Representative of either party may modify their respective contact information identified in this section by providing notice to the other party.

To: City of Napa
Attn: Community Development Director
City of Napa
P.O. Box 660
Napa, CA 94559

To: Owner,
Naresh Soni, Prafulla Soni, Saloni Soni,
and Mitun Balusamy, Collective Members
of ModCircle, LLC
11566 Parkhurst Square
San Diego, CA 92130

(b) No later than 20 days after City enters into this Agreement with Owners, the City Clerk shall record a copy of this Agreement with the Office of the Napa County Recorder, which shall describe the Property. From and after the time of the recordation, this Agreement shall impart a notice thereof to all persons as is afforded by the recording laws of the State of California.

(c) Owners shall provide written notice of this Agreement to the Office of Historic Preservation within six months of entering into this Agreement and attention to:

Julianne Polanco, State Historic Preservation Officer
State of California Office of Historic Preservation
1725-23rd Street, Suite 100
Sacramento, CA 95816

9. Prevailing Party. The prevailing party in any action to interpret or enforce this Agreement shall be entitled to recover its reasonable attorney's fees.

10. Amendments. This Agreement may be amended, in whole or in part, only by a written recorded instrument executed by the parties hereto.

11. Signatures. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity, and authority to enter into and execute this Agreement on behalf of the respective legal entities of the Owners and the City. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

12. Indemnification. To the full extent permitted by law, Owners will indemnify, hold harmless, release, and defend the City (including its officers, elected or appointed officials, employees, volunteers, and agents) from and against any and all liability or claims (including actions, demands, damages, injuries, settlements, losses, or costs [including legal costs and attorney's fees]) (collectively, "Liability") of any nature, arising out of, pertaining to, or relating to Owners' acts or omissions under this Agreement. Consistent with Civil Code Section 2782, Owners will not be obligated to indemnify City for the proportionate share of the Liability caused by the City's active negligence, sole negligence, or willful misconduct. Owners' indemnification obligations under this Agreement are not limited by any limitations of any insurance held by Owners, including, but not limited to, workers' compensation insurance.

13. Severability. If any term of this Agreement (including any phrase, provision, covenant, or condition) is held by a court of competent jurisdiction to be invalid or unenforceable, the Agreement will be construed as not containing that term, and the remainder of this Agreement will remain in full force and effect; provided, however, this section will not be applied to the extent that it would result in a frustration of the parties' intent under this Agreement.

14. Governing Law, Jurisdiction, and Venue. The interpretation, validity, and enforcement of this Agreement will be governed and interpreted in accordance with the laws of the State of California. Any suit, claim, or legal proceeding of any kind related to this Agreement will be filed and heard in a court of competent jurisdiction in the County of Napa.

15. Counterparts. This Agreement may be executed in counterparts, each one of which is deemed an original, but all of which together constitute a single instrument.

16. Entire Agreement. This Agreement, including all documents incorporated herein by reference, comprises the entire integrated understanding between the parties concerning the subject matter hereof. This Agreement supersedes all prior negotiations, agreements, and understandings regarding this matter, whether written or oral. The documents incorporated by reference into this Agreement are complementary; what is called for in one is binding as if called for in all. If any provision in any document attached or incorporated into this Agreement conflicts or is inconsistent with a provision in the body of this Agreement, the provisions in the body of this Agreement will control over any such conflicting or inconsistent provisions.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF NAPA:

Community Development Director

Date: _____
"Effective Date"

COUNTERSIGNED:

Risk Manager

OWNERS:

Naresh Soni, Prafulla Soni, Saloni Soni, and
Mitun Balusamy, Collective Members of
ModCircle, LLC

By: _____
Naresh Soni

Prafulla Soni

Saloni Soni

Mitun Balusamy

Address: 11566 Parkhurst Square
San Diego, CA 92130

APPROVED AS TO FORM:

City Attorney

BUDGET CODE: _____

*Corporation, partnership, limited liability corporation, sole proprietorship, etc. Unless corporate resolution delegates an individual to sign contracts, an agreement with a corporation shall be signed by the President or Vice President and the Secretary or Treasurer of the corporation. A general partner shall sign on behalf of a general partnership. The managing member, if authorized, may sign on behalf of a limited liability corporation.

SIGNATURES MUST BE NOTARIZED

EXHIBIT "A"
PROPERTY

The land referred to is situated in the County of Napa, City of Napa, State of California, and is described as follows:

PARCEL ONE:

Commencing at a point on the Eastern line of Brown (formerly North Brown) Street, distant thereon 180 feet Northerly from the point of intersection with the Northern line of Yount Street, and running thence Northerly along said line of Brown Street, 60 feet; thence at right angles Easterly 118 feet and 6 inches; thence at right angles Southerly 60 feet; thence at right angles Westerly 118 feet and 6 inches to the point of commencement.

Being a portion of Lot Number 8 in Block Number 20 of Lawley's Addition to Napa City, so-called.

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PARCEL TWO:

Commencing at a point on the Eastern line of Brown (formerly North Brown) Street, distant thereon 120 feet Northerly from the point of intersection with the Northern line of Yount Street, and running thence Northerly along said line of Brown Street, 60 feet thence at right angles Easterly 240 feet to the Western line of Main Street, thence Southerly along said line of Main Street 60 feet, and thence at right angles Westerly 240 feet to the point of commencement.

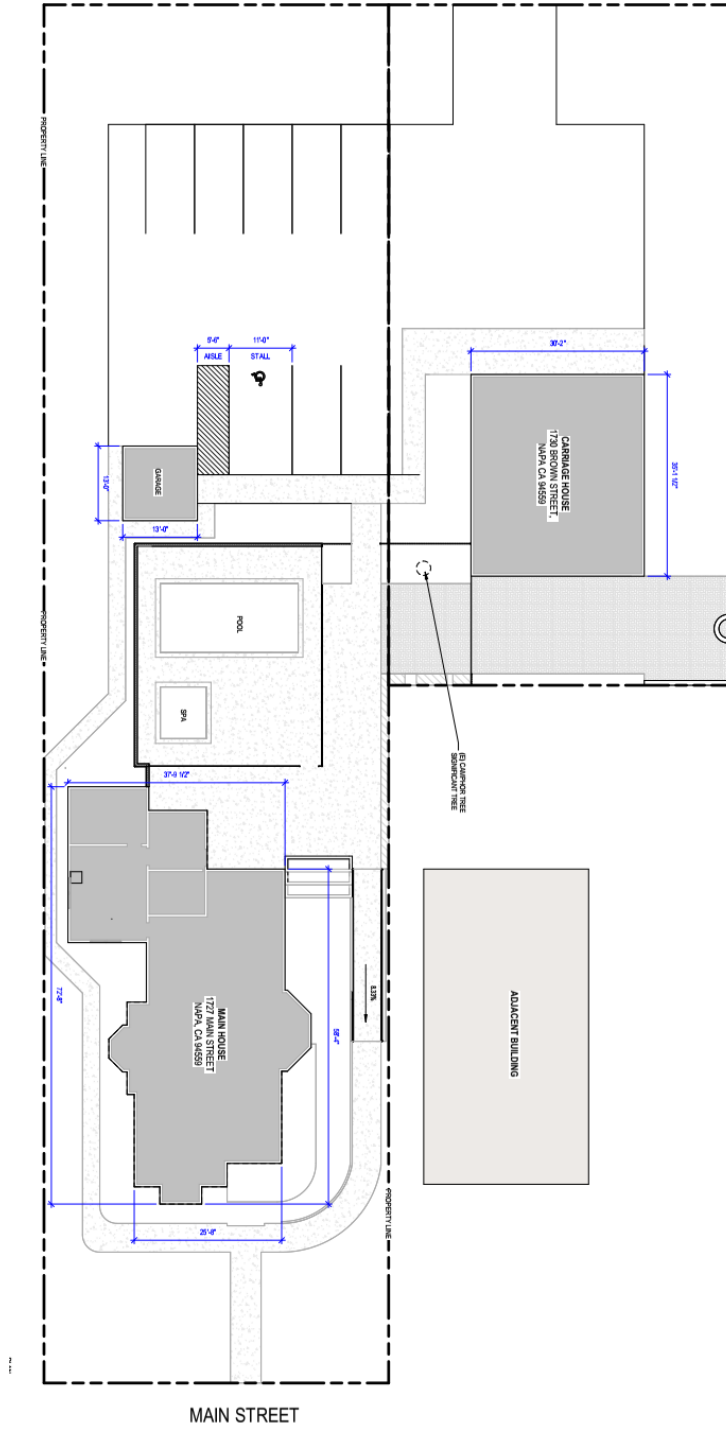
Being Lot Numbers 2 and 7 in Block number 20 of Lawley's Addition to Napa City, so called.

APN: 003-062-030

EXHIBIT "B"

SITE PLAN

BROWN STREET



Hennessey Estate - 10 Year Plan

This document outlines a 10-year plan of proposed preservation projects for the Hennessey Estate in support of the Mills Act contract application. The projects are designed to maintain, restore, and protect the historic character of the property in accordance with the Secretary of the Interior's Standards. All cost estimates are based on preliminary research for historic preservation work in the Napa region and are subject to formal bids.

(Note: A significant restoration of the Hennessey Estate was completed in 2025. This work is documented in the attached addendum. It included crucial structural repairs to framing and floors, and comprehensive upgrades to the electrical and plumbing systems. The building's exterior envelope was fully restored with a new roof, historically appropriate windows and doors, siding, and a complete exterior paint job. Key interior features were also preserved, including the restoration of flooring, interior trim, and a distinctive tin ceiling, demonstrating a significant prior commitment to the property's historic character.)

Tax Year	Proposed Project	Estimated Cost
2026	Carriage House Barn Door Maintenance Complete maintenance of the main barn doors on the carriage house. Work includes making necessary wood repairs, ensuring smooth operation, and restoring or replicating original iron hardware where damaged. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting and clear sightlines to the house, as well as inspection and cleaning of the gutter system to prevent water damage to the historic eaves and foundation.	\$20,000
2027	Historic Tin Ceiling Maintenance Maintain the historic pressed tin ceilings in the formal dining room. This involves gentle cleaning, targeted repairs of dents or damaged panels, and repainting with a finish appropriate to the historic period. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting and clear sightlines to the house, as well as inspection and cleaning of the gutter system to prevent water damage to the historic eaves and foundation.	\$16,000
2028	Roof Maintenance Address any necessary repairs, such as replacing broken or missing shingles with historically compatible materials and securing flashing, to ensure the entire building envelope is watertight. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting	\$25,000

	and clear sightlines to the house, as well as inspection and cleaning of the gutter system to prevent water damage to the historic eaves and foundation.	
2029	Hardwood Maintenance Sand, repair, and refinish any damaged original hardwood floors. This includes repairing any damaged boards with salvaged, period-appropriate wood and applying a durable, low-sheen finish consistent with the home's historic character. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting and clear sightlines to the house, as well as inspection and cleaning of the gutter system to prevent water damage to the historic eaves and foundation.	\$15,000
2030	Historic Front Fence Maintenance Inspect the historic front fencing for deterioration. Make necessary repairs, such as replacing damaged irons, ensuring gate hardware is functional, and preparing the surface for repainting to match the historic color scheme. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting and clear sightlines to the house, as well as inspection and cleaning of the gutter system to prevent water damage to the historic eaves and foundation.	\$10,000
2031	Front Porch Maintenance Maintain the historic front porch, including repairing foundation piers, decking, and ensuring railings and columns are sound and historically accurate. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting and clear sightlines to the house, as well as inspection and cleaning of the gutter system to prevent water damage to the historic eaves and foundation.	\$25,000
2032	Plumbing System Inspection and Maintenance Conduct a comprehensive inspection of the property's plumbing systems. This includes addressing necessary repairs to prevent water damage to the historic structure and finishes. Conduct a full cyclical inspection of the property for the next planning cycle. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting and clear sightlines to the house, as well as inspection and cleaning of the gutter system to prevent water damage to the historic eaves and foundation.	\$20,000
2033	Interior Staircase and Railing Maintenance Restore the main interior staircase (original to the house), including repairing treads and risers, tightening and securing the historic railing and balusters, and refinishing with a period-appropriate finish. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting and clear sightlines to the house, as well as inspection and cleaning of the gutter	\$15,000

	system to prevent water damage to the historic eaves and foundation.	
2034	Exterior Paint Maintenance Complete preparation and touch up painting of both the main residence and carriage house, including scraping, repairs, priming, and applying two finish coats of historically appropriate paint. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting and clear sightlines to the house, as well as inspection and cleaning of the gutter system to prevent water damage to the historic eaves and foundation.	\$30,000
2035	Historic Window Maintenance Comprehensive restoration of all original wood, double-hung windows on the main residence. Work will include wood repair, reglazing where necessary, and restoring original sash cord mechanisms to ensure full functionality and weather resistance. Annual Preservation Maintenance Professional pruning of significant trees and shrubs to maintain the historic setting and clear sightlines to the house, as well as inspection and cleaning of the gutter system to prevent water damage to the historic eaves and foundation.	\$25,000