

Village Board Meeting Minutes of January 2, 2018

Present: Mayor Lee, Trustees Gates, Speer, Zabelny
Village Manager/Clerk Shari Pearce,
DPW Superintendent, Mike McHenry
Village Treasurer, Maryalice Edwards
Code Enforcement Officer, Mike Lissow
Deputy Clerk, Amy Harter

Absent: Trustee Burritt

Guests: Tom Venniro, Recreation Director

Mayor Lee called the meeting to order at 5 p.m. with the pledge of allegiance followed by a moment of silence.

Recreation Report

Tom Venniro gave his report including upcoming events. The department will be hosting their annual winter event on 1/27/18 at the Community Center.

Code Enforcement Report

Flood Smart: Mike Lissow reported a grant has been approved to conduct an engineering study of Salmon Creek from 135 South Avenue to Village II Apartments, 120 South Avenue. The purpose of this study is to research solutions to erosion along the creek bank.

Marple Lane: Recently, many cars have been parked on Archer Drive. Mike Lissow found out that the tenants of Creek Crossing had been told Archer Drive is an alternate location for parking. Mike has cleared this up with the administration of Creek Crossing.

Community Disaster Plan: At the December meeting, Mike Lissow reported the shelter location has been changed to the Merton Williams Middle School. He met with school officials who determined this building is better suited to allow a shelter while continuing to operate classes during an emergency. The plan will be updated to reflect this change.

E-Code: A meeting was held with Village Attorney, Larry Schwind, Trustee Gates, Shari Pearce and Mike Lissow, regarding the finalization of the Village Code. There are some minor amendments to be done. A Public Hearing will be set after General Code finalizes the changes. A resolution on the agenda for setting the Public Hearing is tabled.

Treasurer's Report

Resolution: In accordance with Section 802 (A) (4) of the Employee Handbook for health insurance, the Village Board hereby establishes that for calendar year 2018, the Village of Hilton will contribute 80% of the annual deductible amount for active full time employees. The Treasurer is authorized to deposit the Village's share into the employee's health saving accounts according to the following schedule: Within the first week of January the employees shall receive a pro-rated share for the months of January through May 31st; within the first week of June, the employees shall receive the balance of the Village's contribution, Debbie Jones to receive 100% in January. Trustee Speer made the motion, seconded by Trustee Zabelny. Carried unanimously 4-0.

Public Works Report

Elevator: Mike McHenry reported the elevator in the Community Center failed on three occasions in December. Each time, a repairman has been called. The company feels it has been rectified, if it continues to have problems, the next step will be to replace the mother board.

Electric Service: Mike has received design plans for this project. He will review the plans with Keith Brown and keep the board updated.

Employee Raise: DPW Andrew Steiger has reached his two year employment anniversary, Mike McHenry is recommending a .50/hour wage increase.

Resolution to authorize a wage increase of .50/hour for DPW employee Andrew Steiger, he has reached his two year anniversary. Motion made by Trustee Zabelny, seconded by Trustee Gates. Carried unanimously 4-0.

Street Lighting: The contract for maintenance, repairs and LED light replacement expired as of December 31st. Mike is seeking authorization to advertise a Request for Proposal for a new contract on January 6, 2018 and an opening on January 25, 2018 at 2 p.m.

Resolution to authorize the DPW Superintendent to obtain a proposal (RFP) for the maintenance, repairs and LED streetlight replacement contract. The motion was made by Trustee Gates, seconded by Trustee Zabelny. Carried unanimously, 4-0.

Manager's Report

Holiday Schedule: Shari Pearce provided the 2018 Holiday Schedule to the board for approval.

Resolution to approve the 2018 Holiday schedule as presented. Motion made by Trustee Speer, seconded by Trustee Zabelny. Carried unanimously, 4-0.

Service Awards: Shari noted the current policy for service awards only includes employees with 30 years of service. She is recommending adding the following: Employees with 35 years of service shall receive a \$150 gift card, 40 years receive a \$200 gift card.

Resolution to add two categories for service awards: Employees with 35 years of service shall receive a gift card of \$150 and employees with 40 years of service receive shall receive a gift card of \$200. Trustee Zabelny, seconded by Trustee Speer. Carried unanimously 4-0.

Resolution to authorize the Village Manager to attend the NYCOM Winter Legislative meeting in Albany on February 11th -13th; this is a budgeted item. Trustee Zabelny, seconded by Trustee Speer. Carried unanimously 4-0.

Post Office Lease: Shari provided a final draft for the sale of the post office. Shari and Mayor Lee will be working with Larry Schwind on the final revisions, if any. The draft is also being reviewed by the buyer's attorney. Shari is seeking authorization for Mayor Lee to sign the lease documents.

Resolution Trustee Gates to authorize the Mayor to sign the post office lease documents as presented, PLACE LEASE IN MINUTES: seconded by Trustee Zabelny. Carried unanimously, 4-0.

Special Police: Shari reported the next organizational meeting is scheduled for Wednesday, January 3rd.

Parking Tickets: Shari explained she will be meeting with the Town of Parma Justices to discuss the next steps in the near future. A new Town Justice has recently been appointed which pushed later than expected.

Part Time Holiday pay: Shari explained she would like to recommend offering some additional benefits for the part time employees. Currently, they are not entitled to any holiday pay but are expected to work on a number of days that are considered holidays to full time staff. Shari provided a draft proposal for the board to review. This will be an ongoing discussion.

Public Forum

Mayor Lee declared the meeting for public comment at 6:00 p.m. There being no one present, the public forum was promptly closed.

Clean Energy: Trustee Zabelny asked Shari to research NYSERDA's Clean Energy Community Designation. NYSERDA offers grant money to the communities that are designated. She provided information from pertaining to the necessary requirements. To become designated the Village must complete 4 out of 10 High Impact Actions. The board is interested in continuing with this possibility.

Fire Department Parade: This year the kiddie parade is being moved from Wednesday to Saturday, 7/14/2018 at 11:45 am. The grand parade will be held on Thursday, 7/12/2018 at 7:00 p.m.

Resolution Trustee Speer made the motion, seconded by Trustee Zabelny. Carried unanimously, 4-0.

52 Henry Street: This property, Garner Automotive, has sold and expects to close on 1/12/2018. The board agreed to an easement, which the buyer will have forwarded for our attorney to approve.

Antenna Proposal: Mike McHenry has been contacted by Mobile Lite to install an antenna to improve cell coverage. They are interested in the area of TOPS on Village II Drive. Mike recommends the east entrance of TOPS. Mike is expecting to receive a proposal that will include financial compensation to the Village.

Vouchers

Resolution: Trustee Speer made the motion to approve the vouchers with the following additions and one deduction: (\$6,797.50) Verdin Company, \$241.25 Rochester Paint, \$30.00 NYS Fire Marshals, \$95.00 Hilton Chamber, \$58.40 Home Depot, \$288.19 Carol Gursslin, \$45.48 Neal Senglaub, \$32.50 Margaret Driscoll, seconded by Trustee Zabelny. Carried unanimously 4-0.

Prepaid	\$ 8,604.79
T&A	\$ 24,964.66
General	\$ 63,527.34
Water	\$ 28,563.51
Sewer	<u>0.00</u>
Total	\$125,660.30

Minutes

Resolution to approve the meeting minutes of December 5, 2017 as presented. Motion made by Trustee Gates, seconded by Trustee Speer. Carried unanimously 4-0.

Village Board Liaison Reports

Mayor Lee would like to thank the entire DPW Department for their efforts to plow on Christmas Day. The board appreciates their dedication to the community.

Adjournment

Motion to adjourn the meeting at 6:40 p.m. was made by Trustee Speer, seconded by Trustee Zabelny. Carried unanimously, 4-0.

RECORD AND RETURN TO:
Harter Secrest & Emery LLP
1600 Bausch & Lomb Place
Rochester, New York 14604
Attn: Sarah A. Pellerin

ASSIGNMENT AND ASSUMPTION OF LEASE AND LESSOR CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF LEASE AND LESSOR CONSENT (this "Assignment") is made as of the 25 day of January, 2018 (the "Effective Date") by and between GRANITE HILTON VILLAGE HOLDINGS, LLC, a New York limited liability company with an address of 4675 Macarthur Court, Suite 1550, Newport Beach, California 92660 (the "Assignor"), HPO NET LEASE LLC, a New York limited liability company with an address of 141 Grosvenor Rd, Rochester, NY 14610 (the "Assignee") and the VILLAGE OF HILTON, a New York municipal corporation with an address of 59 Henry Street, Hilton, New York 14468 (the "Lessor"). Assignor and Assignee are sometimes collectively referred to herein as the "Parties" and each individually as a "Party".

WITNESSETH:

WHEREAS, the Lessor and HPO, LLC, as the "Lessee", entered into a certain Ground Lease Agreement dated August 8, 1996, a memorandum of which was recorded in the Monroe County Clerk's Office on December 5, 1996 in Liber 8814 of Deeds at page 563, as amended by that certain Amendment of Ground Lease dated November 19, 1996 and recorded in the Monroe County Clerk's Office on December 5, 1996 in Liber 8814 of Deeds at page 568 (collectively, the "Lease"), a copy of which is attached hereto as EXHIBIT "A" and made a part hereof; and

WHEREAS, HPO, LLC assigned its interest in the Lease to VHCP, LLC, a Nevada limited liability company ("VHCP") and Lessor consented to such assignment pursuant to that certain Assignment and Assumption of Ground Lease Agreement dated December 13, 2006 and recorded in the Monroe County Clerk's Office on February 4, 2014 in Liber 11355 of Deeds at page 469; and

WHEREAS, VHCP assigned its interest in the Lease to Assignor and Lessor consented to such assignment pursuant to that certain Assignment of Lease and Landlord Consent dated December 22, 2016 and recorded in the Monroe County Clerk's Office on December 23, 2016 in Liber 11801 of Deeds at page 10; and

WHEREAS, pursuant to the terms of the Lease, Assignor leases certain real property located at 23, 25 and 27 South Avenue in the Village of Hilton, County of Monroe and State of New York as more particularly described in the Lease (the "Premises"); and

WHEREAS, Assignor desires to assign and transfer to Assignee all of Assignor's right, title and interest in and to the Lease and Assignee desires to accept and assume all of Assignor's right, title and interest in and to the Lease; and

WHEREAS, pursuant to the terms of the Lease, Lessor's consent to assign the Lease from Assignor to Assignee is required and Lessor wishes to execute this Assignment for the purpose of acknowledging its consent to such Assignment.

HPO Net Lease LLC
PO Box 10644
Rochester NY 14610
+
return

The covenants and agreements herein contained shall bind and inure to the benefit of and be binding upon the Parties hereto and their respective heirs, legal representatives, successors and assigns. This Assignment shall be governed by and construed in accordance with the laws of the State of New York. This Assignment may be executed in multiple counterpart copies, each of which shall constitute an original and all of which, together, shall constitute one and the same agreement. Each of the Parties hereto covenants and agrees, at its own expense, to execute and deliver, at the reasonable request of the other Party, such further instruments of transfer and assignment and to take such other action as such other Party may reasonably request to more effectively consummate the transactions contemplated by this Assignment. This Assignment may be executed in counterparts, which when taken together shall constitute one and the same instrument.

[The remainder of this page is intentionally left blank and signature pages follow.]

IN WITNESS WHEREOF, duly authorized representatives of the Parties hereto have executed and delivered this Assignment as of the Effective Date.

LESSOR:

VILLAGE OF HILTON

By: Joseph M Lee
Name: Joseph M Lee
Title: Mayor

STATE OF NEW YORK)
COUNTY OF Monroe ss.:

On the 24th day of January in the year 2018 before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph M Lee, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

SHARI PEARCE
Notary Public, State of New York
No. 01PE6054834
Qualified in Monroe County
My Commission Expires 2-12-2019

Shari Pearce
NOTARY PUBLIC

IN WITNESS WHEREOF, duly authorized representatives of the Parties hereto have executed and delivered this Assignment as of the Effective Date.


ASSIGNOR:

GRANITE HILTON VILLAGE HOLDINGS, LLC

a New York limited liability company

By: Sabal Financial Group, L.P.

Its: Manager

By: 
Name: Boyega O. Adelekan
Title: Vice President & General Counsel

[See Attached Page for Notary Block]

IN WITNESS WHEREOF, duly authorized representatives of the Parties hereto have executed and delivered this Assignment as of the Effective Date.

LESSOR:

VILLAGE OF HILTON

By: Joseph M Lee
Name: Joseph M Lee
Title: Mayor

STATE OF NEW YORK)
COUNTY OF Monroe ss.:

On the 24th day of January in the year 2018 before me, the undersigned, a Notary Public in and for said State, personally appeared Joseph M Lee, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

SHARI PEARCE
Notary Public, State of New York
No. 01PE6054834
Qualified in Monroe County
My Commission Expires 2-12-2019

Shari Pearce
NOTARY PUBLIC

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Name: Boyega O. Adelekan
Title: Vice President & General Counsel

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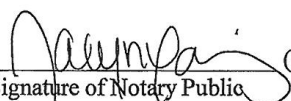
"A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document."

STATE OF CALIFORNIA)
COUNTY OF ORANGE) ss.:

On JAN 23 2018, 2018, before me, Jaclyn Mary Lanning, Notary Public, personally appeared Boyega O. Adelekan, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he/~~she~~ executed the same in his/~~her~~ authorized capacity, and that by his/~~her~~ signature on the instrument, the person, or the entity upon behalf of which the person acted, executed the upon behalf of which the individual 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)
Signature of Notary Public



IN WITNESS WHEREOF, duly authorized representatives of the Parties hereto have executed and delivered this Assignment as of the Effective Date.

ASSIGNEE:

HPO NET LEASE LLC

By: Brendon Bascom
Name: Brendon Bascom
Title: Managing Member

STATE OF NEW YORK)
COUNTY OF MONROE) ss.:

On the 25 day of January in the year 2018 before me, the undersigned, a Notary Public in and for said State, personally appeared Brendon Bascom, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her capacity, and that by his/her signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

Steven J. Pheterson
NOTARY PUBLIC

STEVEN J. PHETERSON
Notary Public, State of New York
Qualified in Monroe County
Commission Expires August 31, 2021

Acknowledgment of Leasehold Financing

THIS ACKNOWLEDGMENT OF LEASEHOLD FINANCING (referred to herein as the "Acknowledgment") is being made and entered into as follows:

DATE: January 25, 2018

LANDLORD: The Village of Hilton, a New York Municipal Corporation
59 Henry Street, Hilton, NY 14468

TENANT: HPO Net Lease LLC
P.O. Box 10644, Rochester, NY 14610

LENDER: MidSouth Retirement Services, LLC f/b/o James A. Whalen IRA
P.O. Box 155 Penfield, NY 14526

FINANCED AMOUNT: \$441,000.00

LEASED PREMISES: 23, 25 and 27 South Avenue, Hilton New York, 14468, and as more particularly described in Exhibit 1, attached hereto and made part of.

WHEREAS, Landlord and Tenant have entered into a certain ground lease, as amended, for the above described leased premises (hereinafter "Lease"), and

WHEREAS, Tenant has requested that the Lender lend the Financed Amount to Tenant secured by Tenant's leasehold interest in the above described leased premises, and

WHEREAS, Lender in connection with the loan referred to herein has required that Landlord and Tenant acknowledge the Leasehold Financing, consisting of a loan from Lender to Tenant of the Financed Amount, as set forth herein (hereinafter "Leasehold Financing").

NOW THEREFORE, in consideration of the covenants, representations, warranties and agreement contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree as follows:

1. Landlord hereby authorizes the Tenant to enter into the Leasehold Financing. Any notice requirement, restriction or prohibition contained in the Lease dealing with Tenant's right to enter into the Leasehold Financing has been deemed satisfied;
2. Landlord hereby expressly authorizes the Tenant to assign the Lease to Lender. In addition, Landlord expressly authorizes and recognizes that Tenant hereby irrevocably assigns to Lender the right, if any, to exercise any and all renewal option or options provided for under the Lease. Any notice requirement, restriction or prohibition contained in the Lease affecting Tenant's right to assign to Lender the Lease or to assign the renewal option or options contained in the Lease, if any, as set forth herein, are hereby expressly satisfied.
3. The property secured by the Lease is further described in Exhibit 1 attached hereto and made a part hereof. There have been no amendments or modifications of the Lease, either oral or written, except as provided to Lender in the Amendment dated 1-25, 2018 made in conjunction with this Leasehold Financing (the "Amendment").
4. The Tenant is not in default under the Lease.

[000032-000031/3443039/1] Page 1 of 5


Lender may require immediate payment in full of all Sums Secured by this Security Instrument if all or any part of the Property, or if any right in the Property, is sold or transferred without Lender's prior written permission. If Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred without Lender's prior written permission, Lender also may require immediate payment in full. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

If Lender requires immediate payment in full under this Section 18, Lender will give me a notice which states this requirement. The notice will give me at least 30 days to make the required payment. The 30-day period will begin on the date the notice is given to me in the manner required by Section 15 of this Security Instrument. If I do not make the required payment during that period, Lender may act to enforce its rights under this Security Instrument without giving me any further notice or demand for payment.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED.

HPO Net Lease LLC

By:  (Seal)
Brendon Bascom, Managing Member


Brendon Bascom, Individually as Guarantor

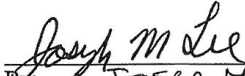
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herewith, and all out-of-pocket costs and expenses, including reasonable attorneys fees and legal expenses, incurred by Lender in connection with the enforcement of this Acknowledgment. In addition, Tenant agrees to pay, and hold Lender harmless, from all liability for any stamp or other taxes that may be payable in connection with the execution or delivery of this Acknowledgment including but not limited to the recording of any Financing Statements or any other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection with this Acknowledgment. All obligations provided for in this paragraph shall survive any termination of this Acknowledgment.

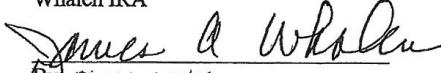
15. Landlord and Tenant have executed this Acknowledgment to acknowledge their agreement to be bound by all terms, covenants, and conditions applicable to or binding upon them under this Acknowledgment and agree to execute or re-execute such documents or instruments during the term of the Leasehold Financing, as are necessary to carry out this Acknowledgment.
16. This Acknowledgment is being executed and delivered and is intended to be performed, in the State of New York, and the laws of such state shall govern the construction, validity, enforcement and interpretation of this Acknowledgment;
17. This Acknowledgment shall be binding upon Landlord, Tenant, Lender, and their respective successors, assigns and distributees, and shall inure to the benefit of the Landlord, Tenant, Lender and the successors and assigns of the Lender.
18. Lender acknowledges the terms of the Amendment and the duty of Lender to comply with the terms therein, including but not limited to the Landlord reviewing and approving of: a) any new lease or sublease of the Leased Premises; and b) any modification to the Sublease with the U.S. Postal Service (the "Sublease"), and the right of the Landlord to review and approve of any assignment or assumption of the Lease or Sublease.
19. This Acknowledgment may be executed in any number of counterparts, each of which shall be deemed to be an original for all purposes.

EXECUTED as of the day and year first above written.

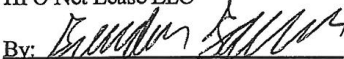
Landlord:
The Village of Hilton


By: Joseph M. Lee
Its: Mayor

Lender:
MidSouth Retirement Services, LLC f/b/o James A. Whalen IRA


By: James A. Whalen
Its: IRA

Tenant:
HPO Net Lease LLC

By: 
Brendon Bascom, Managing Member

RECEIVED
MAY 10 2011
MID-SOUTH RETIREMENT SERVICES, LLC
F/B/O JAMES A. WHALEN
IRA

Exhibit 1
Legal Description



Title No. NCS-873426-HHLV
AMENDED 11/3/2017 (ems)

SCHEDULE "A"

ALL THAT TRACT OR PARCEL OF LAND, SITUATE IN PART OF TOWN LOT 1, RANGE 5, SOUTH SECTION OF BRADDOCK'S BAY TOWNSHIP, TOWN OF PARMA, VILLAGE OF HILTON, COUNTY OF MONROE, STATE OF NEW YORK, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST RIGHT-OF-WAY OF SOUTH AVENUE, SAID POINT BEING 128.00 FEET SOUTH OF THE SOUTH RIGHT-OF-WAY OF MAIN STREET, RUNNING THENCE;

1. SOUTH ALONG THE WEST RIGHT-OF-WAY OF SOUTH AVENUE ON A BEARING OF SOUTH 02° 07' 26" EAST, A DISTANCE OF 126.50 FEET TO A POINT; THENCE,
2. WESTERLY ON A BEARING OF SOUTH 87° 12' 48" WEST, A DISTANCE OF 133.23 FEET TO A POINT; THENCE
3. NORTHERLY ON A BEARING OF NORTH 00° 22' 17" EAST, A DISTANCE OF 42.20 FEET TO A POINT; THENCE,
4. WESTERLY ON A BEARING OF SOUTH 85° 10' 30" WEST, A DISTANCE OF 27.36 FEET TO A POINT; THENCE,
5. NORTHERLY ON BEARING OF NORTH 03° 36' 55" WEST, A MEASURED DISTANCE OF 87.64 (RECORD DEED DISTANCE 87.73 FEET) TO A POINT; THENCE,
6. EASTERLY ON A MEASURED BEARING OF NORTH 85° 24' 43" EAST, A MEASURED DISTANCE OF 62.05 FEET (RECORD DEED BEARING NORTH 85° 19' 37" EAST, A RECORD DEED DISTANCE OF 62.06 FEET) TO A POINT; THENCE,
7. SOUTHERLY ON A BEARING OF SOUTH 02° 07' 26" EAST, A DISTANCE OF 2.50 FEET TO A POINT; THENCE,
8. EASTERLY ON A BEARING OF NORTH 88° 13' 21" EAST, A DISTANCE OF 99.00 FEET TO A POINT, SAID POINT BEING THE POINT AND PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

Assignment of Leases and Rents

THIS ASSIGNMENT, dated as of January 25, 2018 is given by HPO Net Lease LLC , having an address of P.O. Box 10644, Rochester, New York 14610, ("Borrower"), to the MidSouth Retirement Services, LLC f/b/o James A. Whalen IRA, having an address of PO Box. 155 Penfield, New York 14526 ("Lender").

RECITALS

WHEREAS, Borrower is the lessee of certain real property located at 25 South Avenue, Village of Hilton, County of Monroe, State of New York which is more particularly bounded and described in SCHEDULE "A" attached hereto (the "Premises"); and

WHEREAS, Borrower has applied to Lender for a loan in the principal amount of \$441,000.00 (the "Loan"); and

WHEREAS, the Loan will be evidenced by one or more Notes (collectively, the "Note") and will be secured by one or more UCC-1 Financing Statements and Security Agreement covering the Premises which are described in SCHEDULE "B" attached hereto (collectively, the "Financing Statements and Security Agreement"); and

WHEREAS, Lender is unwilling to make the Loan unless Borrower executes and delivers this Assignment which is intended to be recorded in the Monroe County Clerk's Office;

NOW, THEREFORE, in consideration of and as an inducement to Lender to make the Loan, BORROWER DOES HEREBY ASSIGN, TRANSFER, CONVEY AND SET OVER TO Lender all of the right, title and interest of Borrower in and to all leases, subleases, tenancies, subtenancies and occupancies now or hereafter affecting the leased Premises or any part thereof and all amendments, modifications, extensions and renewals thereof (collectively, the "Assigned Leases"), together with (1) all of the rents, issues and profits which may be or become due, or to which Borrower may now or hereafter become entitled, arising or issuing out of the Assigned Leases or from or out of the Premises or any part thereof and (2) all insurance proceeds heretofore and hereafter paid by reason of any use or occupancy loss, business interruption or interruption of rental payments under the Assigned Leases or any part thereof, which rents, issues, profits and insurance proceeds, together with any and all claims of Borrower with respect thereto, are hereby assigned to and pledged with Lender;

TO HAVE AND TO HOLD the same unto Lender, its successors and assigns until such time as the indebtedness evidenced by the Note and secured by the UCC-1 Financing Statements and Security Agreement has been paid in full.

This Assignment is delivered to and accepted by Lender upon the following terms and conditions:

1. **STATUS OF ASSIGNED LEASES:** Borrower represents and warrants to Lender that (a) there are no leases, subleases, tenancies, subtenancies or occupancies affecting the Premises or any part thereof presently in effect other than the assigned leases (b) each of the assigned leases is a valid and subsisting lease of the property therein described and purported to be demised thereby for the term therein set forth and is in full force and effect on the date hereof in accordance with its terms and has not been modified or amended from the date of its execution to the date hereof, (c) Borrower has duly and punctually performed all of its covenants and obligations under each of said leases, (d) neither Borrower nor any of the tenants under said leases is in default in any material respect in the performance or observance of any of their respective covenants or obligations under said leases, (e) there are no rights of off-set, abatement or reduction of rent presently accruing to any tenant under any of said leases by virtue of any provision of any of said leases or otherwise, (f) Borrower has not sold, assigned, transferred, mortgaged, pledged or otherwise encumbered any of the rents, issues or profits which may be or become due, or to which Borrower may now or hereafter become entitled, arising or issuing out of any of said leases or from or out of the Premises or any part thereof, and (g) no rents, issues or profits from any of said leases become due subsequent to the date hereof have been collected, nor has payment of the same been anticipated, waived, released, discounted or otherwise discharged or compromised.

2. **BORROWER'S COVENANTS:** Borrower covenants (a) to duly and punctually perform and observe all of its covenants and obligations as landlord under the Assigned Leases, (b) to enforce or secure the performance and observance of all of the covenants and obligations of each tenant under the Assigned Leases, (c) to promptly deliver to Lender a copy of (i) all notices of default which Borrower sends to any tenant under any Assigned Lease, (ii) all notices of the commencement of summary proceedings which Borrower brings against any tenant under any Assigned Lease and (iii) all notices of default which any tenant under any Assigned Lease sends to Borrower, and (d) to promptly obtain and deliver to Lender, upon its request, a certificate of estoppel of any tenant under any Assigned Lease.

3. **LENDER'S RIGHT TO CURE BORROWER'S DEFAULTS UNDER ASSIGNED LEASES:** In the event of any default by Borrower in the performance or observance of any of its covenants or obligations under any Assigned Lease, Lender shall have the right, but not the obligation, to enter the Premises at any time and from time to time for the purpose of curing such default, in which event the cost thereof, together with interest thereon at the highest rate set forth in the note or notes, but in no event in excess of the maximum rate permitted by law, shall be paid by Borrower to Lender on demand, shall be secured by the Mortgage, and this assignment, and shall be added to the judgment in any action, suit or proceeding brought by Lender against Borrower thereon.

4. **EXPIRATION OR TERMINATION OF ASSIGNED LEASE:** In the event of the expiration or other termination of any Assigned Lease during the term of the Mortgage, Borrower will use its best efforts to promptly relet the Premises or portion thereof affected thereby at the highest rental then obtainable and will use its best efforts to keep the Premises fully rented thereafter at all times during which this Assignment is in effect.

5. **BORROWER'S LICENSE TO COLLECT RENTS:** So long as no "Event of Default" has occurred under the terms of the Lease, Borrower shall have a license to manage and operate the Premises, to collect, receive and apply for its own account all rents, issues and profits accruing by virtue of the Assigned Leases or from or out of the Premises or any part thereof and to execute and deliver proper receipts and acquittances therefore.

6. **LENDER'S RIGHTS AFTER BORROWER'S DEFAULT UNDER SECURITY AGREEMENT:** Immediately upon the occurrence of any "Event of Default" under the terms of the Security Agreement the license referred to in Section 5 hereof shall terminate, and in such event Lender is hereby expressly and irrevocably authorized to enter upon and take possession of the Premises, without further notice, by force, ejectment, the appointment of a receiver or otherwise, as Lender may elect, and no further authorization shall be required. Following such entry and taking of possession and until such default shall have been completely cured to the satisfaction of Lender, Lender may

- (a) manage and operate the Premises or any part thereof;
- (b) lease the Premises or any part thereof for such periods of time and upon such terms and conditions as Lender may, in the exercise of its reasonable discretion, deem proper;
- (c) amend, modify, extend or renew any Assigned Lease or any other lease or sublease then or thereafter entered into affecting the Premises or any part thereof;
- (d) demand, collect, sue for, attach, levy, recover, receive, compromise and adjust, and make, execute and deliver receipts and releases for, (i) all rents, issues and profits which may then be or thereafter become due, owing or payable under any Assigned Lease and any other lease or sublease then or thereafter entered into affecting the Premises or any part thereof or from or out of the Premises or any part thereof and (ii) all insurance proceeds paid or thereafter to be paid by reason of any use or occupancy loss, business interruption or interruption of rental payments under the Assigned Leases or any part thereof or any other lease or sublease then or thereafter entered into affecting the Premises or any part thereof;
- (e) institute, prosecute to completion or compromise and settle all summary proceedings, actions for rent or for removing any and all tenants, subtenants or occupants of the Premises or any part thereof;

(f) enforce or enjoin or restrain the violation of any of the terms, provisions or conditions of any Assigned Lease or any other lease or sublease then or thereafter entered into affecting the Premises or any part thereof;

(g) make such repairs and alterations to the Premises as Lender may, in the exercise of its reasonable discretion, deem proper;

(h) pay, from and out of the rents, issues, profits and insurance proceeds collected by Lender hereunder, or from or out of any other funds, (i) any taxes, assessments, water charges, sewer rents or other governmental charges levied, assessed or imposed against the Premises or any part thereof, (ii) any premiums for fire, public liability and other insurance coverage affecting the Premises or any part thereof and (iii) any and all other costs, charges and expenses which it may be necessary or advisable for Lender to pay in the management, operation and maintenance of the Premises or any part thereof, including, but not limited to, costs of making repairs and alterations, commissions for renting the Premises or any part thereof, and legal expenses incurred in enforcing claims, preparing papers or any other services that may be required; and

(i) generally do, execute and perform any other act, deed, matter or thing whatsoever that ought to be done, executed and performed in and about or with respect to the Premises or any part thereof, all as fully and to the same extent as Borrower might do.

Lender shall apply the net amount of rents, issues, profits and insurance proceeds collected by it hereunder, after payment or reimbursement of all proper costs, charges and expenses (including any liability, loss, damage or expense covered by the indemnification provisions of Section 9 hereof), to the reduction and payment of the indebtedness secured by the Mortgage or otherwise as a court of competent jurisdiction may direct. Lender shall be accountable to Borrower only for the rents, issues, profits, insurance proceeds and other funds actually collected by it hereunder.

7. DIRECTION TO PAY RENT TO LENDER OR RECEIVER AFTER DEFAULT: Borrower hereby irrevocably directs each tenant under the Assigned Leases, upon demand and notice from Lender of the occurrence of any "Event of Default" under the terms of the Mortgage, to pay to Lender or to its receiver all rents accruing or due under the Assigned Leases from and after the receipt of such demand and notice. Borrower agrees that any tenant making such payment to Lender or to its receiver shall be under no obligation to inquire or determine the actual existence of any such default claimed by Lender.

8. LENDER NOT OBLIGATED TO PERFORM BORROWER'S OBLIGATIONS: Nothing contained herein shall operate or be construed to obligate Lender to perform or observe any of the covenants or obligations contained in any Assigned Lease, or otherwise to impose any obligation upon Lender with respect to any Assigned Lease, including, but not limited to, any obligation arising out of any covenant of quiet enjoyment therein contained in the event that the estate of any tenant, subtenant or occupant under any Assigned Lease is terminated in any action, suit or proceeding brought to foreclose the Mortgage, except that, by its acceptance of this Assignment, Lender agrees not to name or join as a party defendant in such action, suit or proceeding any tenant under any Assigned Lease to whom Lender has granted non-disturbance rights, and such tenant's possession or right to possession shall not be otherwise disturbed or affected by reason of such action, suit or proceeding, provided that such tenant is not then in default under any of the terms or provisions of its Assigned Lease beyond any applicable grace period contained therein. This Assignment shall not operate to place upon Lender any responsibility for the management, operation or maintenance of the Premises, and the execution of this Assignment by Borrower shall constitute conclusive evidence that all responsibility for the management, operation and maintenance of the Premises is and shall be that of Borrower.

9. INDEMNIFICATION PROVISIONS: Borrower hereby agrees to indemnify and hold Lender harmless from and against any and all liability, loss, damage and expense, including reasonable attorneys' fees, which Lender may or shall incur under any Assigned Lease or by reason of this Assignment, or by reason of any action taken by Lender hereunder, and from and against any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged undertaking on its part to perform or observe any of the covenants or obligations contained in any Assigned Lease.

MidSouth Retirement Services, LLC f/b/o James A. Whalen IRA

By: James A. Whalen

STATE OF NEW YORK)
) SS:
COUNTY OF MONROE)

On the 25th day of January, 2018, before me, the undersigned a notary public in and for the State of New York, personally appeared James A. Whalen, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

Kevin C. Hoyt
Notary Public

Kevin C. Hoyt
Notary Public, State of New York
Qualified in Monroe County
Commission Expires 11/25/18

18-4019

10. **LENDER'S RIGHT OF ASSIGNMENT:** Lender shall have the right to assign to any subsequent holder of the Mortgage, or to any person who may hereafter acquire title to the Premises, the right, title and interest of Borrower in and to any and all Assigned Leases, subject, however, to the provisions of Section 11 hereof. If Borrower shall hereafter become barred and foreclosed of all right, title and interest and equity of redemption with respect to the Premises, no assignee of the interest of the Borrower in any Assigned Lease shall be liable to account to Borrower for any rents, issues, profits or insurance proceeds thereafter paid or accruing.

11. **TERMINATION OF ASSIGNMENT:** Upon payment in full of the indebtedness secured by the Mortgage, this Assignment shall become and be void and of no further force and effect.

12. **FURTHER ASSURANCES:** Borrower agrees to execute and deliver to Lender, at any time or times during which this Assignment is in effect, such further instruments as Lender may deem necessary to make effective this Assignment and the various covenants, obligations and agreements of Borrower contained herein.

13. **NOTICES:** All notices and other communications pursuant to this Agreement shall be deemed given when personally delivered to the respective party or when deposited in the United States Mail, first class, postage paid, addressed to the last known address of the party.

14. **MODIFICATIONS, ETC.:** No modification, amendment, cancellation, release or discharge hereof, or of any part hereof, shall be valid unless Lender shall have consented thereto in writing.

15. **RECORDATION OF ASSIGNMENT:** Borrower covenants that it will record or cause this Assignment to be duly recorded in all offices where recordation thereof is necessary and that it will pay or cause to be paid any recording fees, mortgage recording taxes and additional mortgage recording taxes which may be or become due or payable in connection therewith.

16. **SUCCESSOR AND ASSIGNS:** The terms, covenants and conditions contained herein shall be binding upon Borrower, its successors and assigns and all subsequent owners, encumbrancers, tenants, subtenants and occupants of the Premises and shall inure to the benefit of Lender, its successors and assigns and all subsequent holders of this Security Agreement.

IN WITNESS WHEREOF, Borrower has caused this Assignment to be duly executed as of the day and year first above written.

Borrower:

By:

Brendon Bascom, Managing Member

STATE OF NEW YORK)

) SS:

COUNTY OF MONROE)

On the 25th day of January, 2018, before me, the undersigned a notary public in and for the State of New York, personally appeared Brendon Bascom, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(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 capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

STEVEN J. PHETERSON
Notary Public, State of New York
Qualified in Monroe County
Commission Expires August 31, 2021

Notary Public

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IN WITNESS WHEREOF, duly authorized representatives of the Parties hereto have executed and delivered this Assignment as of the Effective Date.

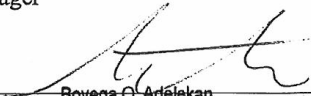
ASSIGNOR:

GRANITE HILTON VILLAGE HOLDINGS, LLC

a New York limited liability company

By: Sabal Financial Group, L.P.

Its: Manager

By: 
Name: Boyega O. Adelekan
Title: Vice President & General Counsel

[See Attached Page for Notary Block]

SCHEDULE A
(Leased Premises)

Title No. NCS-873426-HHLV
AMENDED 11/3/2017 (ems)

SCHEDULE "A"

ALL THAT TRACT OR PARCEL OF LAND, SITUATE IN PART OF TOWN LOT 1, RANGE 5, SOUTH SECTION OF BRADDOCK'S BAY TOWNSHIP, TOWN OF PARMA, VILLAGE OF HILTON, COUNTY OF MONROE, STATE OF NEW YORK, AND MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST RIGHT-OF-WAY OF SOUTH AVENUE, SAID POINT BEING 128.00 FEET SOUTH OF THE SOUTH RIGHT-OF-WAY OF MAIN STREET, RUNNING THENCE;

1. SOUTH ALONG THE WEST RIGHT-OF-WAY OF SOUTH AVENUE ON A BEARING OF SOUTH 02° 07' 26" EAST, A DISTANCE OF 126.50 FEET TO A POINT; THENCE,
2. WESTERLY ON A BEARING OF SOUTH 87° 12' 48" WEST, A DISTANCE OF 133.23 FEET TO A POINT; THENCE
3. NORTHERLY ON A BEARING OF NORTH 00° 22' 17" EAST, A DISTANCE OF 42.20 FEET TO A POINT; THENCE,
4. WESTERLY ON A BEARING OF SOUTH 85° 10' 30" WEST, A DISTANCE OF 27.36 FEET TO A POINT; THENCE,
5. NORTHERLY ON BEARING OF NORTH 03° 36' 55" WEST, A MEASURED DISTANCE OF 87.64 (RECORD DEED DISTANCE 87.73 FEET) TO A POINT; THENCE,
6. EASTERLY ON A MEASURED BEARING OF NORTH 85° 24' 43" EAST, A MEASURED DISTANCE OF 62.05 FEET (RECORD DEED BEARING NORTH 85° 19' 37" EAST, A RECORD DEED DISTANCE OF 62.06 FEET) TO A POINT; THENCE,
7. SOUTHERLY ON A BEARING OF SOUTH 02° 07' 26" EAST, A DISTANCE OF 2.50 FEET TO A POINT; THENCE,
8. EASTERLY ON A BEARING OF NORTH 88° 13' 21" EAST, A DISTANCE OF 99.00 FEET TO A POINT, SAID POINT BEING THE POINT AND PLACE OF BEGINNING.

THE policy to be issued under this report will insure the title to such buildings and improvements erected on the premises, which by law constitute real property.

FOR CONVEYANCING ONLY: TOGETHER with all the right, title and interest of the party of the first part, of in and to the land lying in the street in front of and adjoining said premises.

SCHEDULE B

Financing Statements and Security Agreement given by HPO Net Lease LLC to MidSouth Retirement Services, LLC f/b/o James A. Whalen IRA securing a Lien of \$441,000.00