

Premises Address: _____

County: _____

Tax Map Designation: Section _____; Block _____; Lot; _____

STATE AID GRANT LIEN

This State Aid Grant Lien, made the _____ day of _____, two thousand and _____, between _____, a not-for-profit corporation organized under the laws of the State of New York, and having a place of business located at: _____, hereinafter also referred to as "GRANT RECIPIENT", and The People of the State of New York acting by and through the New York State Office of Alcoholism and Substance Abuse Services, with an office for the transaction of business located at 1450 Western Avenue, Albany, New York 12203-3526, hereinafter also referred to as "OASAS".

WITNESSETH, that in order to secure the performance of certain obligations undertaken by the GRANT RECIPIENT, to wit, the acquisition, construction or renovation of an alcoholism or substance abuse program facility, as is more fully described in the Capital Agreement between OASAS and the Grant Recipient hereinafter referenced, and the provision of OASAS certified alcoholism or substance abuse services, in or upon the Premises described in Schedule A annexed hereto and made a part hereof, for a period of twenty (20) years from the date of this State Aid Grant Lien (Lien), GRANT RECIPIENT hereby grants unto OASAS a lien in and on GRANT RECIPIENT's interest in real property described in Schedule A (the Premises).

I. And the GRANT RECIPIENT covenants with OASAS as follows:

- A. That OASAS shall be entitled to possession of the Premises to the full extent of GRANT RECIPIENT's interest upon the happening of an event that constitutes default under the Capital Agreement between OASAS and GRANT RECIPIENT, bearing State Comptroller's Contract No. C-_____, in the amount of \$ _____ (Agreement), or the suspension or revocation of the OASAS Operating Certificate of Certificate of Approval to conduct the program described therein on the Premises.
- B. That OASAS shall be entitled to enforce this Lien by foreclosure to the full extent of GRANT RECIPIENT's interest in the Premises upon the happening of an event which constitutes default under the above referenced Agreement or the revocation of the GRANT RECIPIENT's Operating Certificate or Certificate of Approval for the conduct of the program on the Premises.

- C. That OASAS shall be entitled to the appointment of a receiver in an action to foreclose this Lien.
- D. That if the Grant Recipient is unable to continue providing OASAS certified alcoholism or substance abuse services in and upon the Premises, then in such event OASAS shall be entitled to the appointment of a receiver, acceptable to OASAS, in order to ensure continued program operation in and upon the Premises for a period of twenty (20) years from the date of this Lien.
- E. That GRANT RECIPIENT shall be subject to the trust fund provision of Section 13 of the Lien Law.
- F. That GRANT RECIPIENT shall not transfer, sell, assign, lease or encumber, in whole or in part, the Premises without the prior written approval of OASAS, which approval shall not be unreasonably withheld.
- G. That GRANT RECIPIENT warrants that it possesses a valid fee simple interest in the Premises. Such interest being more fully set forth and particularly described in an Opinion of Counsel, dated the _____ day of _____, 20____, by _____, Esq., of the firm of _____ attorney(s) for the GRANT RECIPIENT, submitted to OASAS for purposes of securing a State aid grant.
- H. That the execution of this Lien has been duly authorized by the Boards of Directors of the GRANT RECIPIENT, as evidenced by resolutions dated _____ and submitted to OASAS.

II. And OASAS covenants with the GRANT RECIPIENT as follows:

- A. That OASAS shall provide GRANT RECIPIENT reasonable notice of any default and a reasonable opportunity to cure same.
- B. That, in the sole discretion of the Commissioner of OASAS, GRANT RECIPIENT may repay the funds received pursuant to the herein referenced Agreement, provided that the GRANT RECIPIENT is not in default under said Agreement or any other agreement entered into with OASAS, and provided further that continued operation of the Premises as an alcoholism or substance abuse facility would impose an undue hardship on the GRANT RECIPIENT.
- C. That, in the sole discretion of the Commissioner of OASAS, GRANT RECIPIENT may substitute other real property of equal or greater value than the Premises if the client capacity of the substituted real property is equal to or greater than the approved/licensed capacity of the Premises and the substituted real property meets all requirements for OASAS approval under the Mental Hygiene Law and OASAS rules and regulations, provided

that GRANT RECIPIENT is not in default under the Agreement or any other agreement entered into with the Premises as an alcoholism or substance abuse facility would impose an undue hardship on the GRANT RECIPIENT. In the event of such approved substitution, GRANT RECIPIENT covenants and agrees to execute and record such documentation as may be required by OASAS.

D. That GRANT RECIPIENT shall not be considered to be in default of its obligation to provide services on the Premises for twenty (20) years if the State ceases to fund alcoholism or substance abuse services.

IN WITNESS WHEREOF this State Aid Grant Lien has been duly executed by OASAS and GRANT RECIPIENT.

New York State Office of Alcoholism and Substance Abuse Services (OASAS)

Date: _____ By: _____
Name: Jay Runkel, Director of Budget Management

Date: _____ By: _____
Name: _____
Title: _____

AND

Date: _____ By: _____
Name: _____
Title: _____

State of New York)
) ss:
County of Albany)

On this _____ day of _____, 20____, before me personally came Jay Runkel, to me known, who being by me duly sworn, did depose that he is an Administrative Officer with the NYS Office of Alcoholism and Substance Abuse Services, the Agency of the State of New York described herein and which executed the above instrument on behalf of The People of the State of New York, and that the foregoing instrument was executed with full authority.

Notary Public

State of New York)
) ss:
County of Albany)

On this _____ day of _____, 20____, before me personally came _____, to me known, who being by me duly sworn, did depose and that he/she resides at _____

_____, that he/she is the _____ of the _____ the corporation described herein and which executed the above instrument, and that the foregoing instrument was executed by order of the board of directors of said corporation and that he/she signed his/her name thereto by like order.

Notary Public

State of New York)
) ss:
County of _____)

On this _____ day of _____, 20____, before me personally came _____, to me known, who being by me duly sworn, did depose and that he/she resides at _____

_____, that he/she is the _____ of the _____ the corporation described in which executed the above instrument, and that the foregoing instrument was executed by order of the board of directors of said corporation and that he/she signed his/her name thereto by like order.

Notary Public

SCHEDULE A
LEGAL DESCRIPTION