

Premises Address: [\_\_\_\_\_] , New York  
County: [\_\_\_\_\_]   
Tax Map Designation: Section: [\_\_\_\_]; Block: [\_\_\_\_]; Lot: [\_\_\_\_].

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**STATE AID GRANT LIEN**

This State Aid Grant Lien, is made the [\_\_\_\_] day of [\_\_\_\_\_], 2018 (the “**State Aid Grant Lien**” or “**Lien**”) by and between [\_\_\_\_\_], a not-for-profit corporation organized under the laws of the State of New York, having a place of business located at [\_\_\_\_\_], New York [\_\_\_\_\_], 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 Addiction Services and Supports, with an office for the transaction of business located at 1450 Western Avenue, Albany, New York 12203-3526, hereinafter also referred to as “**OASAS**”.

**WHEREAS**, GRANT RECIPIENT desires to acquire, construct and/or renovate a chemical dependence treatment program facility (the “**Facility**”) in or upon on the premises located at [\_\_\_\_\_], New York (the “**Premises**”) and as further described in **Schedule A** annexed hereto and made a part hereof (collectively, the “**Project**”);

**WHEREAS**, the GRANT RECIPIENT’s obligations to undertake the Project are more fully described and set forth in the Capital Agreement between OASAS and GRANT RECIPIENT bearing State Comptroller's Contract No. [C-\_\_\_\_\_] (the “**Contract**”);

**WHEREAS**, the maximum funding amount provided by OASAS for the Project shall be [\$\_\_\_\_\_] or 1.5X the amount authorized and set forth in the Contract, as the same may be amended and/or supplemented from time to time (the “**Grant**”);

**WHEREAS**, OASAS desires that the GRANT RECIPIENT utilize the Project and Premises in the provision of OASAS certified chemical dependence treatment services for a period of thirty (30) years from the date of this State Aid Grant Lien;

**NOW, THEREFORE**, in consideration of the mutual covenants and agreements of the parties hereto, and other good and valuable consideration, the sufficiency and receipt of which is hereby acknowledged, the GRANT RECIPIENT and OASAS hereby covenant and agree as follows:

I. To secure the performance of certain obligations undertaken by the GRANT RECIPIENT, to wit, the acquisition, construction and/or renovation of a chemical dependence treatment program facility pursuant to the Contract, to secure the provision of OASAS certified chemical dependence treatment services in or upon the Premises for a period of thirty (30) years from the date of this State Aid Grant Lien, and to secure the funding of the Grant, GRANT RECIPIENT hereby grants unto OASAS a lien in and on all of GRANT RECIPIENT's right, title and interest in and to the Project and the Premises.

II. 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 Contract, or the suspension or revocation of the GRANT RECIPIENT's Operating Certificate to conduct the program described therein on the Premises. The terms and conditions of the Contract are incorporated herein by reference and are made a part hereof.
- 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 Contract or the revocation of the GRANT RECIPIENT's Operating Certificate to conduct 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. The Premises shall, unless otherwise consented to by OASAS, only be utilized as a OASAS certified chemical dependence treatment facility for a period of thirty (30) years from the date of this Lien and should the GRANT RECIPIENT be unable to continue providing OASAS certified chemical dependence treatment 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 thirty (30) years from the date of this Lien.
- E. That GRANT RECIPIENT shall be subject to the trust fund provisions of Section 13 of the New York State Lien Law.
- F. That GRANT RECIPIENT shall not transfer, sell, assign, lease or encumber, in whole or in part, the Premises (except as specifically permitted by Section 13 and 16 of the loan agreement to be entered into between GRANT RECIPIENT and OASAS (the "Loan Agreement")) without the prior written approval of OASAS, which approval may be withheld in its sole and absolute discretion.
- G. That GRANT RECIPIENT warrants that it possesses valid fee simple interest in the Premises, and, in reliance on the Title Report #[\_\_\_\_\_] issued by [\_\_\_\_\_] dated [\_\_\_\_\_], warrants that this State Aid Grant Lien, upon recordation, will constitute a valid, first mortgage lien upon the real property contained in the Project subject only to permitted liens and encumbrances, approved by OASAS in its sole and absolute discretion, set forth therein.
- H. That the execution of this Lien has been duly authorized by the Board of Directors of the GRANT RECIPIENT, as evidenced by resolution dated [\_\_\_\_\_] submitted to OASAS.

III. 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 Contract, provided that the GRANT RECIPIENT is not in default under said Contract or any other agreement entered into with OASAS, and provided further that continued operation of the Premises as a chemical dependence treatment program 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 State Aid Grant Lien, Loan Agreement (if any) or any other agreement entered into with OASAS, and provided further that continued operation of the Premises as a chemical dependence treatment 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 thirty (30) years if New York State ceases to fund or otherwise appropriate funds necessary to operate chemical dependence treatment services for the Project.

IV. Upon completion of the Project, OASAS and the GRANT RECIPIENT may refinance the Grant with the proceeds of bonds issued by the Dormitory Authority of the State of New York (the “**Authority**”) the interest on which is intended to be excluded from the gross income of the owners thereof for Federal income tax purposes pursuant to Section 103 of the Internal Revenue Code, as amended (the “**Code**”). To the extent tax-exempt bonds are issued to refinance the Grant, the Authority and OASAS are obligated to comply with the provisions of the Code applicable to such bonds, including the provisions relating to the use, ownership and management of the Project improved with such proceeds. As such, the GRANT RECIPIENT and OASAS hereby agree that the Authority shall be a third-party beneficiary of this State Aid Grant Lien and is entitled to the rights and benefits conferred hereunder to OASAS and may enforce the provisions hereof as if a party hereto.

**[remainder of this page intentionally left blank]**

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

**NEW YORK STATE OFFICE ADDICTION SERVICES AND SUPPORTS (OASAS)**

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

**Name:** Vittoria Parry  
**Title:** Associate Commissioner, Division of Fiscal Administration  
**Date:**

[ \_\_\_\_\_ ]

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

**Name:**  
**Title:**  
**Date:**

**ACKNOWLEDGEMENT SOLELY FOR PURPOSES OF SECTION IV HEREOF:**

**DORMITORY OF THE STATE OF NEW YORK**

By: \_\_\_\_\_  
Authorized Officer



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

On this \_\_\_\_\_ day of \_\_\_\_\_, [20\_\_], before me, the undersigned, personally appeared \_\_\_\_\_, 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 s/he executed the same in his or her capacity and that by his or her signature on the instrument, the individual or the person upon behalf of which the individual acted, executed the instrument.

\_\_\_\_\_  
Notary Public

**SCHEDULE A**

**LEGAL DESCRIPTION**

# State Aid Grant Lien

From

[\_\_\_\_\_]

To

## NEW YORK STATE OFFICE OF ADDICTION SERVICES AND SUPPORTS

Premises Address: [\_\_\_\_\_] , New York  
County: [\_\_\_\_\_]   
Tax Map Designation: Section:[\_\_\_\_]; Block:[\_\_\_\_]; Lot:[\_\_\_\_];

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### Record and Return to:

Dormitory Authority of the State of New York  
Office of General Counsel  
515 Broadway  
Albany, New York 12207

Attention: Nellinia Woodard  
Confidential Legal Assistant

**D.A. Project Number: OASAS /C-[\_\_\_\_\_]**