§ 1163. Financing agreements. The corporation and any recipient having the power to contract with respect to the financing of an eligible project may enter into a loan or other financing agreement providing for the construction and financing of eligible projects. The corporation shall prepare each financing agreement, which shall include but is not limited to the following provisions:

1. A description of the eligible project;

2. An estimate of the eligible project cost;

3. A right of the corporation to approve any contracts for services and construction funded pursuant to a financing agreement, and to inspect and review the construction of eligible projects;

4. Notwithstanding the provisions of any other law, general, special or local, inconsistent with this section, a right of the corporation to invest proceeds of the corporation's bonds or notes, including proceeds of bonds or notes of the recipient, as provided in subdivision four of section twelve hundred eighty-four of the public authorities law and as provided in subdivision six of section twelve hundred eighty-five-m of the public authorities law.

Such right shall include the right to invest such monies together with any other monies held by the corporation pursuant to the provisions of section twelve hundred eighty-five-m of the public authorities law;

5. Remedies in the event of a recipient's failure to comply with the terms of a financing agreement;

6. An agreement by the corporation to:

(a) lend to the recipient for the construction of an eligible project a specified amount from the proceeds of the corporation's bonds or notes, not to exceed the estimated reasonable cost of construction of the eligible project established in the financing agreement, subject to the ability of the corporation to provide such financing, including any other approvals required by state or federal law and such other

conditions as the corporation shall determine necessary or desirable;

(b) use reasonable efforts to issue its bonds or notes in an amount sufficient to finance the estimated reasonable cost of the eligible project, including but not limited to costs of issuance, credit support fees, if any, trustees' fees, interest during construction, and such reserve funds, if any, as may be necessary to secure such bonds or notes;

(c) for any financial assistance made from the proceeds of the corporation's bonds or notes, establish an allocation and provide to the recipient an interest rate subsidy allocation for the eligible project in accordance with this title and section twelve hundred eighty-five-m of the public authorities law;

(d) in the alternative, provide financial assistance to the recipient for the construction of an eligible project in a specified amount from any moneys in or available for deposit in the fund, not to exceed the estimated reasonable cost of construction of the eligible project established in the loan or other financing agreement, as determined by the corporation;

(e) administer the investment of funds held in accordance with such agreement, including funds of the recipient;

7. An agreement by the recipient to:

(a) proceed expeditiously with and complete the eligible project in accordance with plans approved;

(b) commence operation of the eligible project on completion of the project, and not abandon, discontinue operation of, sell, transfer or otherwise dispose of the eligible project as long as a loan or other financial assistance to the recipient for such project remains outstanding, without approval of the commissioner; provided, however, that the commissioner shall not approve disposition of the eligible project without the concurrent approval of the corporation. None of the foregoing shall limit the commissioner's authority to terminate or impose conditions upon the operation of an eligible project pursuant to the provisions of this chapter and any implementing regulations thereto;

(c) operate and maintain the eligible project in accordance with applicable requirements of federal and state law;

(d) establish and maintain project accounts in accordance with the

financing agreement and generally accepted accounting standards;

(e) establish a dedicated source of revenue (which may include a general obligation of the recipient) providing for:

(i) operation and maintenance costs of the eligible project and equipment renewal and replacement; and

(ii) loan repayment regardless of whether the eligible project is in operation;

(f) notwithstanding the provisions of any other law, general, special or local, inconsistent with this section, delegate to the corporation the authority to invest proceeds of bonds or notes issued by the corporation or the recipient on behalf of the recipient; and

(g) permit any reviews or audits and provide assistance determined to be reasonable and necessary by the department or the corporation;

8. Such other agreements or covenants as may be deemed necessary or desirable in connection with the issuance by the corporation of its bonds or notes.