

**265—46.5(16) Financial agreements.**

**46.5(1) *Project requirements.*** All projects financed under the program shall meet the following requirements:

- a.* The project owner shall be responsible for obtaining all necessary permits;
- b.* All eligible costs shall be documented to the satisfaction of the authority before proceeds may be disbursed;
- c.* The recipient shall maintain records that document all costs associated with the project. The recipient shall provide access to these records to the authority upon request. The recipient shall retain such records and documents for inspection and audit purposes for a period of three years from the date of the final disbursement of funds; and
- d.* The recipient shall agree to provide the authority, the department of natural resources, and the department of agriculture and land stewardship or their agents access to the project site at all times during the construction process to verify that the funds are being used for the purpose intended and that the construction work meets applicable state and federal requirements.

**46.5(2) *Loan requirements.*** All loans made by the authority to finance projects under the program shall meet the following requirements:

- a.* The loan shall be accompanied by an enforceability opinion of counsel in a form acceptable to the authority;
- b.* Repayment must begin within 30 days after project completion or by the date specified in the loan agreement; and
- c.* The loan shall be secured by a first lien upon the dedicated source of repayment which may rank on a parity basis with other obligations or, with the approval of the executive director of the authority, may be subordinate in right of payment to one or more of the recipient's other outstanding revenue obligations.

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