CATAWBA REGIONAL COUNCIL OF GOVERNMENTS
REGULAR MEETING

Catawba Regional Center
Rock Hill, South Carolina
March 9, 2023

A regular quarterly meeting of the Catawba Regional Council of Governments was called to order at 4:00 p.m. on Thursday, March 9, 2023. Notice of the meeting was sent to the local newspaper and posted on the Council's website.

The following members were present:

Chester
Nettie Archie (in person)
Joe Branham (in person)
Jim Fuller (in person)

Lancaster
Sean Corcoran (Zoom)
Alston DeVenny (in person)
Charlene McGriff, Vice-Chair (Zoom)
Russell Patrick (in person)

Union
Harold Thompson (in person)
Leroy Worthy (in person)

York
Mike Fuesser (in person)
Derrick Lindsay (in person)
Todd Lumpkin (Zoom)
Stacey Moore (in person)
David O'Neal (in person)
Bump Roddey (in person)
P. N. Saksena (in person)
Chad Williams (in person)
Robert Winkler, Chair (in person)
Laura Ullrich (Zoom)

CRDC
Dwight Neese (in person)
Jim Bennett (in person)
Janet Graham (Zoom)
Grier Sandifer (in person)
David Turner (Zoom)

The following members were absent:

Chester
Rep. Randy Ligon
Wanda Stringfellow

Lancaster
Steve Harper
Eddie Moore
Rep. Brandon Newton

Union
Rep. Doug Gilliam
Phillip Russell
Margaret Holloway

York
Paul Basha
Wes Burton
Dean Faile
Brandon Guffey
Tom Hyslip
Scott Patterson
Guynn Savage
Wes Spurrier

CRDC
Kevin Blackwood
Jim Johnson
Kelley Morabito
Tony Pope
Steve Sherrill

Others present were:

Guest

Sara Pincelli
Robin Cooley
Ann Sloan
Mike Shealy
Gregory Graham

Staff

Randy Imler
Steve Allen
Ed Brock
Grazier Rhea
Jessica Sawyers
Amy Chitwood
Marty Little
Tyler Lewis
Erika Stahl

Following the Call to Order and Invocation, a motion was made to approve the minutes of the September 8, 2022, COG Board Meeting. The motion was duly seconded, and the minutes were approved unanimously as written.

I. Presentation of FY22 CRCOG Audit and 12/31/2022 (six-month interim) Financial Statements

Ms. Chitwood reviewed the audited financial results for fiscal year 2022 (FY22) and the six-month interim operating results for FY23. Burkett, Burkett & Burkett, CPA, P.A. auditor's report showed an unmodified or "clean" opinion on CRCOG's FY22 Financial Statements. In FY22, the governmental funds balance sheet included total assets of $18,259,812. Fund balances totaled $17,698,520, an increase of $5,074,057 from the prior year. Total revenues for FY22 were $10,188,786, including over $5 million generated from the COVID RLF grant. Ms. Chitwood indicated that this grant has had a significant impact on the Council's fund balance growth over the past two years. The auditors did not identify any deficiencies in internal controls, and there were no reported instances of noncompliance.

Ms. Chitwood reviewed the fund balances from 2009-2022. The unrestricted fund balance increased from $913,156 in FY09 to $1,156,040 in FY22, an increase of 26.6%, or an average of 1.9% per year. The total fund balances increased from $4,421,422 in FY09 to $17,698,520 in FY22, an increase of 300%, or an average of 21.4% per year.

As of December 31, 2022 (six-month interim), operating revenues were $1,574,743, and operating expenses were $1,382,373. Workforce Innovation and Opportunity Act (WIOA) passthrough revenues and expenses were $1,210,663. The interim revenues over expenses were $192,370.

II. Presentation regarding the GetConnectedSC Broadband Initiative

Mr. Mike Shealy, Director of Statewide Leadership Development & Special Projects for the SC Department of Administration, provided an overview about the GetConnectedSC Broadband and Digital Equity Initiative. Public engagement surveys are being distributed by the State Broadband

Office. The three primary steps to implementing the planning phase of the process are a survey (online https://www.getconnectedsc.org/ and via distributed paper copies), regional meetings for the governmental stakeholders, and listening sessions in areas that have unserved or underserved populations. The SC COGS, under MOU with the Department of Administration, will be distributing surveys throughout each region. Mr. Imler expressed the state's goal to exceed 30,000 completed surveys by May 31, 2023, and encouraged Board Members to share the surveys in order to generate insightful data for this statewide initiative.

III. Presentation regarding the Economic Development Administration (EDA) Grant Programs and Agency Overview

Ms. Robin Cooley, EDA's Economic Development Representative (EDR) for South Carolina, provided an update regarding EDA and its grants programs. The EDA, part of the federal Department of Commerce, funds grants for infrastructure, revolving loan funds, planning, and other economic development activities/purposes. Before 2020, EDA's annual appropriations were approximately $200 million for grant funding. Over the past two years, federal CARES Act and ARP Act funding has increased the EDA's annual budget to $3 billion. Ms. Cooley reviewed the FY20-22 grant production and continuing funding opportunities for local governments and special purpose districts in the Catawba Region.

IV. Transportation Items

Mr. Allen presented an overview of the proposed amendments to the Rural Planning Work Program (RPWP) and the 2015-2040 Long-Range Transportation Plan (LRTP) to adopt the FY2022-2023 Statewide Safety Targets. The proposed documents and amendments were reviewed and endorsed by the COG's Transportation Advisory Committee (TAC) on December 1, 2022 and the COG Executive Committee on January 11, 2023. These actions are required by the SC Department of Transportation.

The RPWP is developed every two years and identifies the transportation planning activities and studies to be performed by staff and local jurisdiction members and reflects the federal planning requirements with local priorities. The original planning grant budget of $106,250 was increased to $156,250, due to an increased contract amount from SC DOT. The proposed Long Range Transportation Plan (LRTP) update included the annual adoption of state 2019-2023 Safety Targets. The motion to endorse proposed amendments to the RPWP and LRTP came from the COG Executive Committee. Following discussion, the motion passed unanimously.

V. Consideration of Legacy Revolving Loan Fund Guidelines and Lending Parameters

Mr. Imler presented the Legacy Revolving Loan Fund (LRLF) guidelines and lending parameters. The guidelines were approved by the CRDC Board on December 21, 2022, and the COG Executive Committee on January 11, 2023, with the Committee bringing a motion for adoption by the full COG Board. The Board received this information and following discussion, the motion to approve the Legacy Revolving Loan Fund Guidelines and Lending Parameters passed unanimously.
A copy of the Legacy RLF Guidelines and Lending Parameters is attached as a permanent part of these minutes.

VI. Director's Report: National Association of Development Organizations NADO 2022 Impact Awards

Mr. Imler provided a brief update regarding the National Association of Development Organizations (NADO) Impact Awards. In 2022, the Council won two Aliceann Wohlbruck Impact Awards. One award was for the South Carolina Business Loan Fund (C-19 EDA RLF), and the second award was for the Catawba Regional Brownfields Coalition Assessment Project.

VII. Other Business

There being no further business, the meeting adjourned at 5:20 p.m.

Respectfully submitted,

Randy Imler

Randy Imler
Executive Director

FINAL – APPROVED 3-9-23 by COG BOARD

Catawba Regional Council of Governments (CRCOG)

Legacy Revolving Loan Fund (LRLF) – Capital Use Guidelines and Lending Parameters

Background

Catawba Regional Council of Governments' (CRCOG) legacy Revolving Loan Fund (LRLF) was de-federalized by the U.S. Economic Development Administration (EDA) in March of 2022. At the time of de-federalization, CRCOG reported to EDA that the de-federalized grant funds were being utilized as a business revolving loan fund. Loans were eligible to be made in 29 South Carolina counties in the following regions: Catawba, Central Midlands (Richland and Fairfield counties only), Pee Dee, Santee Lynches, Lowcountry, Lower Savannah, and Waccamaw.

As of 6/30/22, the fund balance of the LRLF was approximately $7.2 million. The LRLF generates approximately $200-250M of interest and fee revenue, annually. This amount can increase or decrease depending upon the interest rate environment and the amount of cumulative principal deployed.

Before de-federalization--and when the LRLF was still subject to EDA rules and regulations-- CRCOG had to operate under a Board and EDA-approved lending plan that specified geographic coverage areas, types of eligible loans and borrowers, and lending limits/total corporate exposure by borrower category. Prior to the COVID-19 pandemic, EDA also required that the fund meet private leveraging targets, establish that other credit was unavailable elsewhere, and meet job creation/preservation targets on a portfolio basis as established in the lending plan.

While the EDA granted the LRLF funds to the Catawba Regional Council of Governments (CRCOG), CRCOG has authorized and empowered its affiliated lending entity, the Catawba Regional Development Corporation (CRDC), to make all lending decisions for all Catawba Regional loan programs, regardless of which organization is the de facto lender. The CRDC Board (comprised of experienced financial industry and community representatives) is elected by the CRCOG Board, and a governance relationship exists between the two organizations.

Affirmations, Limitations, Prohibitions and LRLF Purposes in Conformity with PWEDA

Under de-federalization terms, some of the aforementioned EDA regulations are neither applicable nor required going forward. Eligible uses of LRLF principal and interest are activities authorized under the federal Public Works and Economic Development Act (PWEDA) of 1965, and as amended in 2004. There is no geographic limitation for where capital may be deployed. The de-federalization agreement identifies that the recipient (i.e. CRCOG) shall adhere to the following affirmations, limitations, and prohibitions:

A. Recipient shall not use Award Funds to construct schools, community centers, municipal buildings, or otherwise use Award Funds to carry out activities outside of the economic development purposes of PWEDA, nor shall Recipient use Award Funds to pay general costs of government.
B. Recipient shall not transfer Award Funds to a natural person, for-profit entity, or other entity ineligible for award under sections 3(4) and 209 of PWEDA (42 U.S.C. § 3122(4) and § 3149). For the sake of clarity, Award Funds may be used to contract with for-profit entities for goods and

services for one or more activities that continue to carry out the economic development purposes of PWEDA and to operate an RLF that makes loans to for-profit organizations.

C. Award Funds must be used in a manner consistent with EDA's non-relocation policy. Specifically, Recipient shall not use Award Funds to induce the relocation of existing jobs within the U.S. that are located outside of a jurisdiction to within that jurisdiction in competition with other U.S. jurisdictions for those same jobs.
D. Award Funds must be used in accordance with section 602 of PWEDA (42 U.S.C. § 3212). Specifically, Recipient shall ensure that all laborers and mechanics employed by contractors or subcontractors on projects assisted by Award Funds shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor as provided by section 602 of PWEDA or as it may be amended in the future.
E. Recipient shall use Award Funds in accordance with applicable federal, state, and local law, including applicable non-discrimination law. Recipient may not use Award Funds for any purpose that would be prohibited by the Establishment Clause of the U.S. Constitution if the Award Funds were expended directly by the Federal Government.
F. Recipient is not required by the terms of this Agreement to seek EDA approval or permission to use Award Funds for one or more activities that continue to carry out the economic development purposes of PWEDA but that differ from the activities described in the defederalization request.
G. Recipient shall provide timely and accurate responses to EDA inquiries regarding Recipient's use of the Award Funds. Following the release of EDA's federal interest, EDA remains interested in working with Recipient to promote Recipient's RLF or other activities that continue to carry out the economic development purposes of PWEDA.

The PWEDA states that:

> ....the goal of Federal economic development programs is to raise the standard of living for all citizens and increase the wealth and overall rate of growth of the economy by encouraging communities to develop a more competitive and diversified economic base by– (A) creating an environment that promotes economic activity by improving and expanding public infrastructure; (B) promoting job creation through increased innovation, productivity, and entrepreneurship; and (C) empowering local and regional communities experiencing chronic high unemployment and low per capita income to develop private sector business and attract increased private-sector capital investment.
>
> PWEDA further elaborates that: (1) assistance...should be made available to both rural- and urban distressed communities; (2) local communities should work in partnership with neighboring communities, the States, Indian tribes, and the Federal Government to increase the capacity of the local communities to develop and implement comprehensive economic development strategies to alleviate economic distress and enhance competitiveness in the global economy; (3) whether suffering from long-term distress or a sudden dislocation, distressed communities should be encouraged to support entrepreneurship to take advantage of the development opportunities afforded by technological innovation and expanding newly opened global markets; and (4) assistance should be made available to promote the productive reuse of abandoned industrial facilities and the redevelopment of brownfields.

With these guiding affirmations, limitations, prohibitions and general purposes in mind, uses of LRLF capital (principal, interest, and net program income) should conform to the above, and any use of capital should be able to be tied to the aforementioned goals and purposes.

Specifically, PWEDA authorizes the following:

1. **Public Works and Economic Development:**

Eligible Uses: grants to fund the (1) acquisition or development of land and improvements for use for a public works, public service, or development facility; and (2) acquisition, design and engineering, construction, rehabilitation, alteration, expansion, or improvement of such a facility, including related machinery and equipment.

2. **Planning and Administrative Expenses:**

Eligible Uses: grants to pay the costs of economic development planning and the administrative expenses of organizations that carry out the planning. Specifically, plans shall be for the following: (1) analyzing local economies; (2) defining economic development goals; (3) determining project opportunities; and (4) formulating and implementing an economic development program that includes systematic efforts to reduce unemployment and increase incomes. Furthermore, any overall economic development planning shall be a part of a comprehensive planning process that shall consider the provision of public works to– (A) promote economic development and opportunity; (B) foster effective transportation access; (C) enhance and protect the environment; (D) assist in carrying out the workforce investment strategy of a State; (E) promote the use of technology in economic development, including access to high-speed telecommunications; and (F) balance resources through the sound management of physical development.

3. **Training, Research and Technical Assistance**

Eligible Uses: grants for training, research, and technical assistance, including grants for program evaluation and economic impact analyses, that would be useful in alleviating or preventing conditions of excessive unemployment or underemployment. Grants may be used for– (A) project planning and feasibility studies; (B) demonstrations of innovative activities or strategic economic development investments; (C) management and operational assistance; (D) establishment of university centers; (E) establishment of business outreach centers; (F) studies evaluating the needs of, and development potential for, economic growth of areas that have substantial need for the assistance; (G) studies that evaluate the effectiveness of coordinating projects funded...with projects funded under other (sources) Acts; and (H) assessment, marketing, and establishment of business clusters.

4. **Economic Adjustment**

Eligible Uses: Grants that fund the development of public facilities, public services, business development (including funding of a revolving loan fund), planning, technical assistance, training, and any other assistance to alleviate long-term economic deterioration and sudden and severe economic dislocation and further the economic adjustment objectives of PWEDA.

(1) the project will help the area to meet a special need arising from– (A) actual or threatened severe unemployment; or (B) economic adjustment problems resulting from severe changes in economic conditions; and

(2) the area for which a project is to be carried out has a comprehensive economic development strategy and the project is consistent with the strategy, except that this paragraph shall not apply to planning projects.

PARTICULAR COMMUNITY ASSISTANCE.– Assistance may include assistance provided for activities identified by communities, the economies of which are injured by– (1) military base closures or realignments, defense contractor reductions in force, or Department of Energy defense-related funding reductions, for help in diversifying their economies through projects to be carried out on Federal Government installations or elsewhere in the communities; (2) disasters or emergencies, in areas with respect to which a major disaster or emergency has been declared under the Robert T. Stafford Disaster Relief and 13 Emergency Assistance Act (42 U.S.C. § 5121 et seq.), for post-disaster economic recovery; (3) international trade, for help in economic restructuring of the communities; (4) fishery failures, in areas with respect to which a determination that there is a commercial fishery failure has been made under section 312(a) of the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. § 1861a(a)); or (5) the loss of manufacturing jobs, for reinvesting in and diversifying the economies of the communities.

LRLF Capital Use Guidelines and Lending Parameters

The following capital use guidelines and general lending parameters are being established to guide normal operations and uses of LRLF principal, interest, and net program income. These guidelines and lending parameters may be revised from time to time as approved by the Catawba Regional Development Corporation (CRDC) Board of Directors; exceptions may be made on a case by case basis by an affirmative vote by a majority of the CRDC Board, subject always to the provisions and allowed eligibility provisions of the de-federalization agreement and the PWEDA.

LRLF Interest and Fees:

LRLF interest and fees may be used first to cover staff and/or LRLF consultants/professionals costs (i.e. legal, appraisal, etc.) for time, fringe, and indirect costs related to LRFL loan origination, servicing, and other direct and indirect expenses (accounting, marketing, fringe/indirect costs related to direct time charged, etc.) related to the LRLF loan program. Any residual interest, fee, or net program income may be used for any of the following: 1) PWEDA eligible activities identified above; 2) to establish and/or maintain an acceptable loan loss reserve (not to exceed a cumulative 5% of total capital) for the LRLF; and/or 3) to re-capitalize and add to principal/fund balances of the LRLF.

LRLF Principal:

- LRLF Principal shall be used to fund loans to businesses of various form (LLC, S-Corporation, C-Corporation, Professional Association, Individual d/b/a, etc.), non-profits (i.e. 501C3 entities, etc.), and political subdivisions (municipalities, counties, special purpose districts, etc.) of the state of South Carolina. Borrowers shall demonstrate primary capacity to repay through historical and/or projected operations, and secondary fallback in the form of personal and corporate guarantees and/or adequately margined and perfected interest in title-insured loan collateral (real estate) and/or equipment. For small business loans, this shall include joint and several guarantees by any person or corporate entity holding greater than a 20% ownership interest in borrower, or where a principle is deemed to be an operator/key manager of the business. Corporate entities deemed to be affiliated by ownership and/or operating structure shall also generally be required to be guarantors. For non-profits and political subdivisions, pledges of general revenue and/or alternate project collateral, such as capital campaign funds and/or pledges, shall be considered as additional support for individual loans.

- Loans to small businesses and non-profits may fund working capital needs and fixed assets. Loans may not be used to acquire equity interests in another business/entity, or to replace equity with debt.
- Loans to non-profits, political subdivisions, or units of local government shall be for specific and compelling economic development purposes (job creation/preservation, to support new industry or infrastructure related to new industry, commercial cluster growth, etc.), including brownfield project cleanup and redevelopment.
- Loans to for-profit businesses may be made for any legal business purpose or enterprise, with the exception that no loans shall be made to fund costs/equipment/assets related to activities of a prurient nature or to businesses whose primary source of income and/or revenue is derived from activities of a prurient nature.
- Loan amortizations shall match the use of funds and generally shall be less than the economic life of the collateral (if secured by real property or equipment), but in no case shall an amortization period extend beyond 25 years. The term of each loan shall be consistent with the risk of the transaction, useful life of the collateral securing the debt, and/or the purpose of the loan. Loan terms (i.e. balloon periods of 2, 3, 5, or 7 years) shall be utilized when an amortization period of a loan is beyond 7 years.
- LRLF loans may be stand-alone or made in tandem with another lending source and may be secured by first or subordinate lien positions on acceptable collateral with acceptable loan to value. When made in tandem with an external lending source, the LRLF shall finance at least 33% of the total project costs. It shall be an exception, requiring specific Board approval, for the loan to value to exceed 100% of the total value of all properly discounted collateral securing the loan. Collateral values shall be determined by externally source (i.e. tax records, MAI appraisals, etc.) and specified in the credit approval memo.
- No permanent LRLF loan may exceed $500,000. Total corporate exposure when using the LRLF plus another CRCOG and/or CRDC source may not exceed $1,000,000.
- A loan-loss reserve of up to 5% may be established to support the pool of LRLF loans. Each loan shall be risk rated at inception and at least annually thereafter based upon payment performance and borrower financial information.
- Loans may be made in any South Carolina county, and capital shall be available based upon market demand.
- The minimum interest rate is 1%, and rate maximums shall conform to SC usury statute. When practical/possible, a commitment fee shall be charged for any loan commitment. Generally, one-half (50%) of commitment fees are due and payable at commitment acceptance, with the remaining half (50%) of commitment fees paid at closing. All commitment fees, regardless of whether or not a loan actually closes, are considered fully earned and payable to CRCOG.
- Refinance and/or restructure of existing debt is allowed, subject to a clear and compelling economic benefit to the borrower beyond the benefit of a lower interest rate (i.e. longer term, higher loan to value, etc.).

- Ineligible Borrowers/Loan Purposes: Loans to wholly religious institutions (churches, synagogues, mosques, etc.), private clubs, country clubs, and other private membership organizations shall be ineligible for LRLF loans. No loans may be made to current CRDC or CRCOG Board members, or to former members within 2 years of the end of their term of service, or to entities in which a current or former Board member (within 2 years of the end of Board service) may have a 20%+ ownership interest in either the business operating entity or a related real estate holding company. Loans may not be made to any sitting members of City or County Councils, the SC General Assembly, or to any person holding federal elected office (U.S. Congressman, U.S. Senator), or to any former City or County Councilman, state, or federal office holder within 2 years of the end of their term of office, or to entities in which a current or former elected City or County Council member, state, or federal office holder (within 2 years of the end of their term of office) may have a 20%+ ownership interest in either the business operating entity or a related real estate holding company.
- Any conflict of interest with a member of staff or the CRDC or CRCOG Boards, whether real or apparent, shall be fully disclosed and handled according to SC Ethics laws.
- In general, construction loans shall not be made with LRLF principal; if, however, the CRDC Board determines that a construction loan is necessary and in the best interest of the LRLF, staff shall ensure that appropriate Davis-Bacon wage monitoring is conducted through the construction of the project, per the aforementioned defederalization requirement. Additionally, construction loan disbursements shall be actively managed (preferably by a third-party) to determine appropriate advances to be made throughout any construction process (i.e. AIA documents).
- All LRLF loans secured by commercial real estate shall have appropriate environmental risk assessments completed, preferably before loan approval, but always before loan closing. Phase I environmental assessments and acceptable SC DHEC environmental monitoring reports shall be required for any project with existing underground storage tanks (USTs).
- Borrowers and/or sponsors/guarantors of borrowers shall either be: 1) residents of the State of South Carolina and/or citizens or Lawful Permanent Residents of the United States; or 2) duly chartered entities in good standing with the respective Secretary of State in which the borrower is chartered; the project and/or business operations being financed must be physically located within the state of South Carolina. Prospective borrowers and guarantors must demonstrate acceptable personal and corporate credit histories. Loans may be declined due to pending litigation which might create a future adverse condition.
- Loan Agreements: All LRLF loans shall have a commitment letter with expiration date and date by which the loan must close, loan agreement, note, and satisfactory collateral and insurance documentation. All loan agreements shall include positive and negative covenants which may include the provision, among other things, of future financial statements, notification of any future adverse changes to the borrower and/or guarantors, hazard insurance, key person life insurance, etc. All commitment letters shall include a future adverse change clause which will make loan commitments null and void upon any material adverse change of borrower and/or personal or corporate guarantor prior to loan closing.
- With the exception of brownfield redevelopment projects, no real estate dependent loans shall be made in which a majority of cash flow for repayment is derived from the lease and/or sale of

commercial or residential property. Borrowers must occupy, on a permanent basis, at least 50% of any real estate which is being financed by the LRLF.

Loan Servicing and Workouts

In general, the LRLF will follow the processes and procedures outlined in the CRDC Lending Procedures and Internal Control Manual. Hazard and key person life insurance and federal tax returns and corporate financial statements are collected, spread, and risk ratings of LRFL loans shall be re-affirmed annually. If the loan is current and all required information has been received or evidence of an extension (i.e tax return) has been provided, site visits/collateral inspections shall be required every other year until the collateral advance rate is below a 50% cumulative loan to value. If required information has not been received and/or evidence of an extension (i.e. tax return) has not been provided, site visits/collateral inspections will be required annually regardless of cumulative loan to value. If the borrower is delinquent more than 60 days, a site visit and client meeting shall be held within 30 days. Any recovered loan principal (after write-down and/or charge-off) shall be considered as income in the current period, with eligible uses as identified under LRLF Interest and Fees above. The CRDC Board of Directors shall allocate, based upon the recommendation of staff, any reserves necessary to minimize the negative financial impact of impaired and/or charged-off loans.

Exceptions to Guidelines and Lending Parameters

The CRCOG Board delegates authority to the CRDC Board of Directors for all lending decisions and any exceptions to be made under these Guidelines and Lending Parameters. Exceptions may be made by vote of the CRDC Board with a majority of the members present voting in the affirmative to grant an exception. In no case shall any exception violate any of the restrictions and/or provisions of the EDA Defederalization Agreement or PWEDA.

Future Changes to Guidelines and Lending Parameters

If the CRDC Board believes, based upon a staff or other recommendations, that permanent change(s) in LRLF Guidelines and Lending Parameters are necessary and prudent for the fiscally sound and productive operation of the LRLF in the future, any of the aforementioned Guidelines and Lending Parameters may be modified with 75% of the CRDC Board members present voting in the affirmative to make a permanent change. In no case shall any modified Guideline or Lending Parameter violate or contravene provisions of the EDA Defederalization Agreement or PWEDA.