

## ADMINISTRATIVE AGREEMENT

This agreement (the "Agreement") is made and entered into as of the 1st day of January, 2016, by and between the **Community Development Corporation of Brownsville**, a Texas not-for-profit corporation, (herein called "Agent"), and the **Rio Grande Valley Multibank and its subsidiary Community Loan Center**, a Texas for-profit corporation (herein called "RGVMB/CLC"), both of whom have their principal offices located in Brownsville, Texas.

### WITNESSETH:

**WHEREAS**, RGVMB/CLC is a multi-bank community development financial institution created primarily for the purpose of providing financial assistance for affordable housing, small businesses and small dollar consumer lending in the counties of Cameron, Willacy, Starr, and Hidalgo; and

**WHEREAS**, Agent has been created for similar and other purposes and is engaged in financing and development activities in the four (4) counties of the Rio Grande Valley; and

**WHEREAS**, Agent has or will have professional staffing capabilities with extensive experience in financial analysis and administrative management of public and quasi-public sector financial programs; and

**WHEREAS**, RGVMB/CLC wishes to avail itself of the management expertise and administrative capabilities of the Agent without duplicating expenses; and

**WHEREAS**, Agent is willing to make its management and administrative personnel and facilities available to RGVMB/CLC;

**NOW, THEREFORE**, in consideration of the mutual promises and covenants herein contained, RGVMB/CLC and Agent agree as follows:

**1. Appointment and Term.** RGVMB/CLC hereby appoints Agent and vests in it the sole and exclusive authority to administer RGVMB/CLC for a term commencing on the date of this Agreement, and, subject to the provisions of paragraph 7, continuing until December 31, 2016, unless extended or terminated as hereinafter provided. Thereafter, this Agreement shall be reviewed annually and renewed upon the mutual agreement of Agent and RGVMB/CLC subject to the terms herein.

**2. Acceptance.** Agent hereby accepts such appointment and agrees to be the sole and exclusive party responsible for the administration of RGVMB/CLC and to perform such services, in all respects and at all times, during the term hereof.

**3. Powers, Responsibilities and Duties of Agent.** RGVMB/CLC hereby authorizes and delegates to Agent the following authority, powers, and duties, and Agent agrees to diligently exercise and perform the same;

**A. General Administrative Services.** Agent shall have full authority and responsibility for the administration of RGVMB/CLC subject to the general policy guidelines established from time to time by RGVMB/CLC's Board of Directors. Agent shall perform all of its duties in an efficient and economical manner. Agent agrees to provide RGVMB/CLC with adequate staff to manage the administrative services of RGVMB/CLC, including professional and clerical services which include, but in no way are limited to:

- (1) Providing general assessments as to the Corporation's eligibility for financial assistance;

- (2) Rendering or causing to be rendered all accounting services;
  - (3) Advising and negotiating for the engagement of consultants, such as attorneys and accountants, as may be required;
  - (4) Collecting and accounting for the repayment of all loans and/or investments;
  - (5) Enforcing all legal obligations owing to RGVMB/CLC;
  - (6) Implementing such lending and other transactions duly authorized from time to time by RGVMB/CLC's Board of Directors or properly delegated Committee;
  - (7) Ensure that preparation of all federal & other tax returns and reports;
  - (8) Provide for assemblage of meeting agendas and information packages & ensure distribution to Board members; and
  - (9) Advise Board of other resources (federal, state, local) that might assist the Corporation in achieving its goals.
- B. **Personnel.** All personnel associated with the management of RGVMB/CLC shall be furnished by the Agent. Agent shall have full authority and responsibility for all personnel and shall use reasonable care in their selection, hiring, firing, training, development, and supervision.
- C. **Safeguarding Assets.** Agent shall exercise reasonable diligence to maintain, safeguard, and preserve any assets belonging to RGVMB/CLC.
- D. **Compliance with Laws.** Agent shall be responsible to see that the operation of RGVMB/CLC complies with all applicable laws, ordinances, rules and regulations, and Agent shall take such action as may be necessary to comply with such.
- E. **Operating Expenses.** Agent is authorized to incur all necessary and proper operating costs and expenses on behalf of RGVMB/CLC within the parameters of an annual budget to be approved by RGVMB/CLC's Board of Directors.

#### 4. **Records, Reports, and Budget.**

- A. **Records.** Agent shall maintain true and complete records of RGVMB/CLC, included therein shall be appropriate financial records of (i) all income received by RGVMB/CLC; (ii) all costs and expenses incurred by RGVMB/CLC; (iii) all bills and other disbursements made for RGVMB/CLC; and (iv) such other matters as RGVMB/CLC may reasonably request, all adhering to a system of classification of accounting entries whereby actual and budgeted figures, and monthly and yearly calculations may be readily compared and contrasted.
- B. **Reports.** On a monthly basis, Agent shall furnish RGVMB/CLC with financial statements, in a form acceptable to RGVMB/CLC, showing the financial condition of RGVMB/CLC and the results of its current operations. All records and other documents required by this Agreement, or otherwise necessary or desirable for the management of RGVMB/CLC shall be available to the offices of the Agent, or at such other location as RGVMB/CLC may specify.

RGVMB/CLC shall retain the responsibility for the preparation of its federal and other tax returns and all other reports, except as otherwise provided herein.

- C. **Budget.** Agent shall prepare an annual operating and capital budget in a form acceptable to RGVMB/CLC and shall submit its proposed budget and all supporting documents to RGVMB/CLC for RGVMB/CLC's approval within thirty (30) days of this Agreement.
- 5. **Payment to Suppliers.** Agent shall promptly pay for all supplies, merchandise, materials, labor or other items ordered furnished or used by it for it in the performance of the duties of Agent hereunder.
- 6. **Compensation.**
  - A. The parties agree that Agent will compensated **\$260,709** for services rendered under this agreement, hereunder shall be shall be agreed upon between RGVMB/CLC and Agent and as incorporated in the annual operating budget by the RGVMB/CLC Board.
- 7. **Termination.** This Agreement may be terminated:
  - A. At any time by the non-defaulting party if either party shall fail to perform any duty hereunder involving the payment of money, and any such default or failure shall continue for a period of fifteen (15) days after delivery of written notice thereof by the other party;
  - B. At any time by RGVMB/CLC with cause upon not less than ninety (90) days prior written notice to Agent; or
  - C. At any time by Agent without cause upon not less than ninety (90) days prior written notice to RGVMB/CLC.

In addition to the right to terminate this Agreement, both parties shall have all other rights and remedies available at law or in equity and the exercise of one or more of such rights or remedies shall not be exclusive of any other of said rights or remedies.

8. **Indemnification.**

- A. RGVMB/CLC will indemnify, defend, and hold harmless the Agent and Agent's officers, directors, and agents from and against all claims, damages, losses, expenses, liabilities, actions, lawsuits, and other proceedings (including reasonable attorney's fees) arising, directly or indirectly, out of or in any way connected with or resulting from the negligence or willful misconduct of agents or the breach by RGVMB/CLC of any of its duties or obligations under this Agreement.
  - B. Agent will indemnify, defend, and hold harmless RGVMB/CLC and RGVMB/CLC's officers, directors, and agents from and against all claims, damages, losses, expenses, liabilities, actions, lawsuits, and other proceedings (including reasonable attorney's fees) arising, directly or indirectly, out of or in any way connected with or resulting from the negligence or willful misconduct of agents or the breach by Agent of any of its duties or obligations under this Agreement.
9. **Notices.** Any notice or other communications to be given in connection with this



Agreement must be in writing, and may be given by (a) actual delivery or (b) certified or registered mail and shall be deemed to have been given and received either (i) upon actual delivery (if delivered pursuant to subsection (a) above) or (ii) forty-eight (48) hours after a certified or registered letter containing such notice, properly addressed, with postage prepaid is deposited in the United States mail addressed as follows:

If to RGVMB/CLC:                      Chairperson  
Rio Grande Valley Multibank  
901 E. Levee  
Brownsville, Texas 78520

If to Agent:                              Mr. Nick Mitchell-Bennett, Executive Director  
Community Development Corp. of Brownsville  
901 East Levee Street  
Brownsville, Texas 78520

provided, however, that any party may at any time change the place of receiving notice following ten (10) days written notice of such change of address to the other party in accordance with the manner of giving notice described above.

**10. Subcontracting, Assignment, Binding Effect.** Agent shall have no right to subcontract, assign, or transfer this Agreement or any of its rights or duties hereunder except with the prior written consent of RGVMB/CLC. Subject to the limitations on the right of Agent to Assign or transfer this Agreement, this Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and assigns.

**11. Legal Relationship.** The relationship between the parties is that of principal and agent and nothing shall be construed as making the parties hereto partners of one another or joint ventures.

**12. Entire Agreement; Modification.** This Agreement embodies and constitutes the entire understanding between the parties with respect to the transactions contemplated herein and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged into this Agreement. Neither this Agreement nor any provision hereof except by an instrument in writing signed by the party against whom the enforcement of such waiver, modification, amendment, discharge, or termination is sought, and then only the extent set forth in such instrument.

**13. Applicable Law.** This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Texas.

**14. Severability.** In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other such provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

**15. Survival.** All of the agreements and indemnities of Agent and RGVMB/CLC, one to the other, contained in this Agreement, to the extent not performed as of the termination of the Agreement, but otherwise relating to and/or due and performable with regard to the period in time during which the Agreement remained in force, shall survive any termination of the Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first written above.

For Agent:

Community Development  
Corporation of Brownsville

Date: 1/15/16

By:  Nick Mitchell-Bennett

Title: Executive Director

For RGVMB/CLC:

Rio Grande Valley Multibank

Date: 1/15/16

By:  Lee Reed

Title: Chairman