

**AGREEMENT FOR COMPLIANCE WITH PUBLIC LAW 31-118
(ARTS IN PUBLIC BUILDINGS AND BUILDINGS
SUPPORTED BY PUBLIC FUNDS LAW)**

BETWEEN THE

**COUNCIL OF ARTS AND HUMANITIES,
A DIVISION OF THE DEPARTMENT OF CHAMORRO AFFAIRS,**

THE

GUAM ECONOMIC DEVELOPMENT AUTHORITY,

AND THE

**GUAM HEALTHCARE DEVELOPMENT, INC.
DBA GUAM REGIONAL MEDICAL CITY**

This AGREEMENT is hereby made and entered into by and between the **COUNCIL OF ARTS AND HUMANITIES, A DIVISION OF THE DEPARTMENT OF CHAMORRO AFFAIRS**, whose address is P.O. Box 2950, Hagatna, Guam 96932; and the **GUAM ECONOMIC DEVELOPMENT AUTHORITY**, a public corporation whose address is 590 S. Marine Corps, Dr. Suite 511 ITC Bldg., Tamuning, Guam 96913; and the **GUAM HEALTHCARE DEVELOPMENT, INC. DBA GUAM REGIONAL MEDICAL CITY**, whose address is P.O. Box 3830 Hagatna, Guam 96932.

RECITALS

WHEREAS, Guam Healthcare Development, Inc. dba Guam Regional Medical City (“the Corporation”) is the beneficiary of that certain Qualifying Certificate (“QC”) No. 252 issued by the Guam Development and Economic Agency (“GEDA”) and signed by the Governor of Guam on January 9, 2015; and

WHEREAS, Guam Public Law 31-118, Title 1 Guam Code Annotated Article 2 (ARTS IN PUBLIC BUILDINGS AND BUILDINGS SUPPORTED BY PUBLIC FUNDS LAW or “the Arts Law”) mandates that buildings supported by government of Guam subsidies which contain public areas where the total cost of construction, remodeling or renovation exceeds the sum of One Hundred Thousand Dollars (\$100,000) shall contain provisions for the inclusion of works of art, by local artists if available, including, but not limited to, sculptures, paintings, murals or objects relating to or consisting of native art. The owner of the building shall also have the option of allotting at least one percent (1%) of the

overall construction, remodeling or renovation cost of a building to the Guam Council on the Arts and Humanities Agency (“CAHA”) in lieu of the inclusion of works of art. [1 G.C.A. § 852(a)]; and

WHEREAS, the Corporation warrants and represents the cost of the overall construction, remodeling, or renovation of the hospital building known as the Guam Regional Medical City (GRMC) is \$150 million, of which one percent (1%) is \$1.5 million; and

WHEREAS, the Corporation has thus far paid an estimated \$200,000 dollars towards artwork which is now displayed in the hospital, thereby leaving a balance remaining of \$1.3 million; and

WHEREAS, before issuance of the occupancy permit for construction, remodeling or reconstruction the owner of the building subject to the Arts Law must obtain clearance from CAHA that the provisions of the Arts Law are being complied with. [1 G.C.A. § 852(b)]; and

WHEREAS, GEDA is required to assure that all QC program beneficiaries are in compliance with the Arts Law. [1 G.C.A. § 852(h)(2)]; and

WHEREAS, as a condition precedent to receiving the benefits of the QC, the Corporation agreed to comply with all of the laws, rules and regulations of Guam; and

WHEREAS, by entering into this Agreement, the Corporation has complied with, among other things, the Arts Law; and

WHEREAS, the Corporation has proposed a 24-month schedule to allot the remaining balance of \$1.3 million, which CAHA and GEDA find to be acceptable; and

NOW THEREFORE, in consideration of the above, the parties hereto do AGREE as follow:

1. As authorized by Title 1 G.C.A. Section 852(a), the Corporation elects the option of allotting at least one percent (1%) of the overall construction, remodeling or renovation cost of the GRMC hospital building to CAHA in lieu of the inclusion of works of art.
2. Within twenty-four (24) months after the Effective Date of this Agreement (the “Payment Term”), the Corporation will complete and fulfill its obligation to allot one percent (1%) of the overall cost of the GRMC hospital building, equivalent to \$1.5 million, by remitting the balance remaining of \$1.3 million to CAHA as follows:

- a. Eight Hundred Thousand Dollars (\$800,000) in cash, payable in eight (8) equal quarterly installments of One Hundred Thousand Dollars (\$100,000.00) per quarter commencing in April 2016 and ending in January 2018:

Installment No.	Amount	Payment Due Date
1	\$100,000.00	April 15, 2016
2	\$100,000.00	July 15, 2016
3	\$100,000.00	October 14, 2016
4	\$100,000.00	January 16, 2017
5	\$100,000.00	April 14, 2017
6	\$100,000.00	July 14, 2018
7	\$100,000.00	October 14, 2018
8	\$100,000.00	January 15, 2018
<i>TOTAL</i>	<i>\$800,000.00</i>	

- b. *Plus*, Five Hundred Thousand Dollars (\$500,000) for programs, goods and services that benefit local arts and culture, provided in more or less equal increments over the same two year-period. In determining the extent of the benefit of the programs, goods and services to local arts and culture, the Corporation shall consult with CAHA pursuant to the Arts Law. The Corporation shall provide CAHA and GEDA with written verification and back-up documentation certifying the cost of any such programs, goods, and services provided pursuant to this subsection.
- c. In the event of any dispute regarding the payments due under Paragraph 2.b, the dispute shall be resolved in accordance with Paragraph 4 of this Agreement.
3. The Corporation shall continue to receive all tax rebate and abatement benefits of the QC during the Payment Period provided that the payments in Section 2.a are made as scheduled and the art contributions in Section 2.b are also made. Upon full settlement of the \$1.3 million as provided in Section 2.a. and 2.b above, the Corporation's obligations under this Agreement shall be completed and fully satisfied. In the event of a non-payment under Section 2.a, DCA will give the Corporation a fifteen (15) day written notice to cure. If payment is not made before the end of the 15-day notice period, then DCA shall notify GEDA and the Corporation's tax rebates and abatements shall be suspended. The Corporation agrees that the term of this Agreement is 24-months from the Effective Date and that there shall be no renewals or extensions of time given. If the Corporation fails to fully meet all of its obligations under Section 2.a and Section 2.b of this Agreement within 24 months after the Effective Date, and provided that such delay is not

due to delays; acts and/or omissions by CAHA, GEDA or any other Government of Guam agency, branch or department, GRMC will be subject to penalties under 12 G.C.A. § 58111(b) for failure to comply with the Arts Law. Nothing in this agreement shall be construed or deemed a waiver of GRMC's rights under Guam law or the QC.

4. The parties shall attempt in good faith to resolve any dispute arising out of or relating to Section 2.b of this Agreement promptly by negotiation between the Director of CAHA and the CEO of the Corporation to settle the controversy. Any party may give the other party written notice of any dispute not resolved in the normal course of business. Within 15 days after delivery of the notice, the receiving party shall submit to the other a written response. The notice and response shall include with reasonable particularity (a) a statement of each party's position and a summary of arguments supporting that position, and (b) the name and title of the executive who will represent that party and of any other person who will accompany the executive. Within 30 days after delivery of the notice, the executives of both parties shall meet at a mutually acceptable time and place. Unless otherwise agreed in writing by the negotiating parties, the above-described negotiation shall end at the close of the first meeting of executives described above ("First Meeting"). Such closure shall not preclude continuing or later negotiations, if desired.
5. In consideration of the warranties, commitments and assurances given by the Corporation herein, and in good faith, upon the effective date of this Agreement, CAHA's clearance for the issuance to the Corporation by the Department of Public Works of a full occupancy permit for the GRMC hospital building shall be deemed to have been given, and CAHA will execute any and all necessary documents required to complete the issuance of the occupancy permit
6. Time is of the essence concerning the provisions of this Agreement.
7. This Agreement is made under and shall be governed and construed in accordance with the laws of Guam, and the courts of Guam shall have jurisdiction over any and all disputes.
8. If any provision of this Agreement shall be deemed by a court of competent jurisdiction to be invalid or unenforceable, then such provision shall be deemed stricken and the Agreement shall be enforced according to its valid and subsisting terms and provisions.
9. The Effective Date of this Agreement shall be the date that it is signed by the Governor of Guam.

**GUAM HEALTHCARE DEVELOPMENT, INC.
DBA GUAM REGIONAL MEDICAL CITY**

By: 

MARGARET A. BENGZON
Chief Executive Officer

Dated: 2/15/16

**DEPARTMENT OF CHAMORRO AFFAIRS,
COUNCIL OF ARTS AND HUMANITIES**

By: 

JOSEPH ARTERO-CAMERON
President

Dated: 2/16/2016

GUAM ECONOMIC DEVELOPMENT AUTHORITY

By: 

MANA SILVA TAJERON

Dated: 2/18/16

APPROVED:

By: 

EDDIE BAZA CALVO
Governor of Guam

Dated: **FEB 19 2016**