BOARD OF DIRECTORS REGULAR MEETING
Thursday, May 10, 2018 - 3:30pm
Guam Visitors Bureau – Main Conference Room

BOARD OF DIRECTORS PRESENT:
Director Milton Morinaga
Director Brad Kloppenburg
Director Theresa Arriola
Director William Nault
Director Robert Hofmann
Director Eduardo "Champ" Calvo
Director Young Hong
Director Katarina Sgro
Director Bartley Jackson
Director Tatsuo Takano

BOARD OF DIRECTORS TELEPHONICALLY:

BOARD OF DIRECTORS ABSENT:
Director Samuel Shinohara
Director Monte Mesa
Director Satoru Murata

GVB MANAGEMENT & STAFF PRESENT:
Jon Nathan Denight
Brian Borja
Nico Fujikawa
Regina Nedlic
Mark Mangiona
Maura Yi
June Sugawara
Colleen Cabello
Elaine Pangin
Maria San Nicolas
Rose Q. Cunliffe
Karida Brennan
Josh Tyquiengco
Breeana Garrido

GVB MANAGEMENT & STAFF TELEPHONICALLY:

GUESTS:
Joseph Mesngon - Office of Senator Dennis Rodriguez
Tricee Limtiaco - Guam Power Authority

I. CALL TO ORDER

Chairman Morinaga called the meeting of the board to order at 3:53 pm.

II. MINUTES OF THE PREVIOUS MEETING

Director Arriola made a motion, seconded by Director Jackson, to approve the minutes of the previous board of directors meeting dated April 26, 2018. Motion unanimously approved (Subject to minor revisions)

III. CHAIRMAN’S REPORT

Chairman Morinaga reported having a good meeting with Korean Consul General Lim, Director Jackson, Director Hong, and President Denight in efforts to grow and support the Korean market.

IV. PRESIDENT & CEO’S REPORT
Calendar Year to Date 2018

<table>
<thead>
<tr>
<th>% Market Mix</th>
<th>Origin</th>
<th>2017</th>
<th>2018</th>
<th>% to LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>38.9%</td>
<td>Japan</td>
<td>244,438</td>
<td>199,668</td>
<td>-18.4%</td>
</tr>
<tr>
<td>47.1%</td>
<td>Korea</td>
<td>231,880</td>
<td>231,274</td>
<td>13.3%</td>
</tr>
<tr>
<td>1.0%</td>
<td>Taiwan</td>
<td>13,718</td>
<td>8,866</td>
<td>-36.1%</td>
</tr>
<tr>
<td>1.4%</td>
<td>China</td>
<td>8,833</td>
<td>7,488</td>
<td>-15.0%</td>
</tr>
<tr>
<td>5.7%</td>
<td>US/Hawaii</td>
<td>72,010</td>
<td>20,176</td>
<td>117.3%</td>
</tr>
<tr>
<td>0.4%</td>
<td>Hong Kong</td>
<td>8,016</td>
<td>2,016</td>
<td>-74.5%</td>
</tr>
<tr>
<td>1.1%</td>
<td>Philippines</td>
<td>4,708</td>
<td>6,033</td>
<td>27.7%</td>
</tr>
<tr>
<td>0.8%</td>
<td>Russia</td>
<td>1,365</td>
<td>1,799</td>
<td>42.0%</td>
</tr>
</tbody>
</table>

Fiscal Year to Date 2018

<table>
<thead>
<tr>
<th>% Market Mix</th>
<th>Origin</th>
<th>2017</th>
<th>2018</th>
<th>% to LY</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.7%</td>
<td>Japan</td>
<td>426,830</td>
<td>224,761</td>
<td>-47.8%</td>
</tr>
<tr>
<td>49.2%</td>
<td>Korea</td>
<td>372,016</td>
<td>430,291</td>
<td>17.2%</td>
</tr>
<tr>
<td>1.2%</td>
<td>Taiwan</td>
<td>23,431</td>
<td>10,111</td>
<td>-57.2%</td>
</tr>
<tr>
<td>1.3%</td>
<td>China</td>
<td>15,617</td>
<td>11,553</td>
<td>-25.4%</td>
</tr>
<tr>
<td>5.4%</td>
<td>US/Hawaii</td>
<td>44,917</td>
<td>48,046</td>
<td>7.3%</td>
</tr>
<tr>
<td>0.4%</td>
<td>Hong Kong</td>
<td>11,513</td>
<td>4,078</td>
<td>-64.0%</td>
</tr>
<tr>
<td>1.4%</td>
<td>Philippines</td>
<td>12,315</td>
<td>12,268</td>
<td>0.4%</td>
</tr>
<tr>
<td>0.3%</td>
<td>Russia</td>
<td>2,212</td>
<td>2,947</td>
<td>33.3%</td>
</tr>
</tbody>
</table>

Japan Marketing News

Air Service Development Meetings
- Japan Air Lines
  - April 27 in Tokyo, Japan
  - Agenda: Second daily flight operation, sales support, and opportunities for winter period
- HIS
  - April 27 in Tokyo, Japan
  - Agenda: Charter flights, sales plan
  - Support from GVB, current market situation and VIP Pan Tour

Ogawara Citizens Delegation
- 23-year-old Ogawara, Japan visited Guam from May 6-8, 2018 as part of a friendship agreement signed in 2010 by Governor Felix Camacho and former Mayor of Ogawara, Shigoro Takiya
- VIP guests
  - The Honorable Maya Ono, Mayor of Ogawara
  - Mr. Nobuke Hayashi, Chairman of Ogawara City Council
  - Mr. Katsumi Ito, Choir director of the Ogawara Symphony Orchestra
- Itinerary
  - Dinner reception hosted by GVB
  - Guam Micronesia Island Fair
  - Courtesy call to Consul General of Japan and University of Guam
  - Various national parks, natural lakes, and cultural attractions
Korea Marketing News

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401 Pale San Vitores Road | Tumon, Guam 96913 | Ph: (671) 646-5278 | Fax: (671) 646-8861 | www.visitguam.com

Regular Board Meeting – May 10, 2018 (5/18)

Korea Marketing News

New Balance Kids Photo Shoots

Period: May 8 – 11, 2018

Objective: To promote Guam as a family friendly destination through portrait, lifestyle & media exposure in China with one of the biggest consumer / e-commerce platforms.

New Balance Kids targeting the 2018 season.

Promotions: Exclusive digital shopping experience through New Balance online store with 10% off through New Balance online store (10% off in Korea) and pranks (websites, etc.)

Korea Marketing News

2018 Korea Tour International Travel Show

Period: June 7 – 10, 2018

Objective: To encourage Guam local partners for tourism & promote Guam products and package

Operations:

- Confide the participating Guam local partners
- Local media & Guam package exchange

2018 KTOFA – the 23rd Korea Travel Fair Seoul

Period: June 14 – 17, 2018

Objective:

- Introduce Guam destinations and to promote Guam food & culture by presenting Guam local partners
- To provide an opportunity to network with Guam local partners and make new travel partner & media in Seoul and to extend an opportunity to Guamendors (delegates)

China Marketing News

3 Month Airlift Forecast

<table>
<thead>
<tr>
<th>Month</th>
<th>Forecast Fax</th>
<th>Last Year</th>
<th>%Change</th>
<th>Best Forecast ’18</th>
<th>Best Date ’17</th>
<th>% Change Fax</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>5128</td>
<td>5314</td>
<td>-2.9%</td>
<td>5184</td>
<td>5270</td>
<td>-1.9%</td>
</tr>
<tr>
<td>June</td>
<td>5184</td>
<td>5314</td>
<td>-2.9%</td>
<td>5184</td>
<td>5270</td>
<td>-2.9%</td>
</tr>
<tr>
<td>Jul</td>
<td>5184</td>
<td>5314</td>
<td>-2.9%</td>
<td>5184</td>
<td>5270</td>
<td>-2.9%</td>
</tr>
</tbody>
</table>

China Marketing News

Shanghai Radio 101 Media Fam

May 25 - May 30, 2018

- Cooperated media fan trip with Korean Air (KE)
- Target: Young generation
- Through the cooperation with one of the top radio programs in Shanghai, we are aiming to increase destination awareness in Shanghai and Eastern China markets and highlight the local outdoor offerings in Guam and the GIM event
- KE Shanghai General Manager Hong will accompany the group along with top KE Trade partners
Regular Board Meeting - May 10, 2018 (6/18)

China Marketing News

New Products Launch after United Pulling Out

April-May 2018
- In cooperation with Korean Air and Philippine Airlines, key TOS in Eastern Market (Osaka and Nagoya) launched new products targeting low seasons and early summer.

Early Summer Holiday
Series group by Spring Tour

Taiwan Marketing News

3 Month Airlift Forecast

<table>
<thead>
<tr>
<th>Month</th>
<th>Forecast</th>
<th>Last Year</th>
<th>Week 1</th>
<th>Week 2</th>
<th>Week 3</th>
<th>Week 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>2,167</td>
<td>2,061</td>
<td>3,400</td>
<td>1,885</td>
<td>40.1%</td>
<td></td>
</tr>
<tr>
<td>June</td>
<td>2,455</td>
<td>2,358</td>
<td>3,410</td>
<td>3,410</td>
<td>42.4%</td>
<td></td>
</tr>
<tr>
<td>July</td>
<td>2,441</td>
<td>1,976</td>
<td>709%</td>
<td>3,255</td>
<td>33.2%</td>
<td></td>
</tr>
</tbody>
</table>

Taiwan Marketing News

Golf Promotion
- Targeting high-yield niche market
- A fam tour was held on 3/24-28 to meet with Guam’s golf courses and sites for inspection.
- Pacific Links International (PLI) Taiwan plans to have a 504N golf tour in Guam around BOPAX & media in August as first promotional group (after the promotional group, PLI will have more material to promote Guam golf courses).
- A fam tour for PLI Taiwan will be held in May for more detailed planning.

Taiwan Marketing News

MICE Group

<table>
<thead>
<tr>
<th>Group</th>
<th>Date</th>
<th>Number of People</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biomedical Company</td>
<td>Jan. 5</td>
<td>36</td>
</tr>
<tr>
<td>Construction Company</td>
<td>Jan. 20</td>
<td>40</td>
</tr>
<tr>
<td>Shanghai International</td>
<td>Jan. 21</td>
<td>14</td>
</tr>
<tr>
<td>AIA</td>
<td>Feb. 10-15</td>
<td>100</td>
</tr>
<tr>
<td>Biomedical Company</td>
<td>Feb. 20</td>
<td>30</td>
</tr>
<tr>
<td>News Image Asia</td>
<td>Mar 9 &amp; 10</td>
<td>220</td>
</tr>
<tr>
<td>Luck Cat Micro-enterprise</td>
<td>Mar. 27</td>
<td>10</td>
</tr>
<tr>
<td>System Co. Ltd.</td>
<td>Sept. 11 or 18</td>
<td>124</td>
</tr>
<tr>
<td>(BIC) - Michelin Tires</td>
<td></td>
<td>Total PAX: 670</td>
</tr>
</tbody>
</table>

Taiwan Marketing News

New Taipei City Government Joint Wedding
- Will provide two 6DSN hotel+flight packages as the grand prize of the event.
- Obtained sponsorship of 6-days car rental in Guam from Avia Taiwan on the grand prize and several discounts for all participated couples, and 5-days hotel sponsorship from Nikko Hotel Guam, Lotte Hotel Guam, Pacific Star Resort Spa, The Westin Resort Guam, and Dust Trani Guam Resort.
- Attended the press conference on 4/2 and issued NR receiving 19 coverages and attracted more couples to inquire about the grand prize.
- On the event rehearsal on 5/6, will introduce Guam and strongly promote CTG’s Summer Flight and sponsors to the chosen couples.

China Marketing News

Aviation Development Updates

- In discussion with Quiv.com to increase air capacity from China to Guam.
- Option A: Quiv is currently operating charters from HK to Saloan, making stop over on Guam and reschedule seats for Guam.
- Option B: Launch scheduled charters from National Day Holiday (Oct. 1) to Chinese New Year (Feb.)
- Dalian agent - Shenyang Overseas International Travel
- Inquired with UA for charters for summer and October.
- UA unable to provide service.
- GVB China office will draft incentive program to attract Chinese carriers to fly to Guam.
- Reach out to Chinese airports which provide monetary support for new international flights.
Hong Kong Marketing News

3 Month Visitor Forecast

<table>
<thead>
<tr>
<th>Month</th>
<th>Forecast Day</th>
<th>Last Year</th>
<th>%Change</th>
<th>Real Forecast</th>
<th>Real Days %</th>
<th>% Change Guest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apr</td>
<td>715</td>
<td>1124</td>
<td>-35%</td>
<td>2822</td>
<td>4442</td>
<td>-38%</td>
</tr>
<tr>
<td>May</td>
<td>640</td>
<td>2012</td>
<td>-62%</td>
<td>2822</td>
<td>4442</td>
<td>-38%</td>
</tr>
<tr>
<td>June</td>
<td>647</td>
<td>1246</td>
<td>-56%</td>
<td>2822</td>
<td>4442</td>
<td>-36%</td>
</tr>
</tbody>
</table>

TV Program "Fun Abroad"

<table>
<thead>
<tr>
<th>Promo Period</th>
<th>May - July 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Format:</td>
<td></td>
</tr>
<tr>
<td>1. United Airlines will work together with GTA to promote Guam route with special fare.</td>
<td></td>
</tr>
<tr>
<td>2. TV Program &quot;Fun Abroad&quot; will send the crew for TV production from 30 April to 7 May.</td>
<td></td>
</tr>
<tr>
<td>Viewers per Air</td>
<td>97,000 seats</td>
</tr>
<tr>
<td>Cost</td>
<td>US$30,000</td>
</tr>
</tbody>
</table>

Taiwan Marketing News

2018 Taipei Tourism Expo

- Cooperated with MIATA and ITF to form the Micronesia Pavilion and launched the Ultimate Grand Prize - free vacation to Guam, Palau and Micronesia.
- Ms. Jeanette Camacho was invited to participate in the TCE ribbon cutting ceremony during the Opening.
- GVB Taiwan distributed press releases on both the TCE event press conference and TCE opening ceremony days.
- Held in-depth meeting with travel agencies to understand the front line needs and situation.

2018 Taipei Tourism Expo

- Maintained relationship with China Airlines and EVA Air by visiting their booth and office during TCE.
- A total of 43 Guam tour packages were sold by onsite travel agencies at the Micronesia Pavilion during TCE.
- Chamorro musical duo Jesse & Ruby performed at the TCE and Micronesia Pavilion Opening Ceremony and on the Micronesia Pavilion stage, even collaborated with Mariana & Palau performers.
- People were dancing all along during Jesse & Ruby's performances.

Russia Marketing News

GVB Media Fam Tour

May 2-4, 2018

The trip aimed to increase awareness of Guam as a visa-free tourism destination,日益 Guam's culture and uniqueness, and experience GVB.

Emma Savchenko is a Russian television presenter, host, and actress. In addition, she also acts as an anchor of TV and online programs in different countries.

Pacific Marketing News

PATA MICRONESIA CHAPTER 17TH TRI-ANNUAL MEETING
SAIPAN | APRIL 4-5, 2018

GUAM VISITORS BUREAU | SETSIION BISITAN GUAN
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Regular Board Meeting – May 10, 2018 (8/18)

MICRONESIAN ISLAND FORUM
SAIPAN | APRIL 6-8, 2018

ASIA DIVE EXPO – SINGAPORE
APRIL 3-8, 2018

FAM trip tentatively being planned for 1st week of June 2018.

2nd Quarter Summary
PTAA Travel and Tour Expo
February 8-11, 2018

- 7 members participated in B2B from Guam, Sheraton, Hilton, Pacific Star, Port, DFS, Guam Reef, PacTours, Tumon Sands
- Guam won Best Performance Award

Closure of Boracay Island
March to April 2018

- News about Boracay’s closure started mid-March
- PH Government made a decision to close Boracay starting April 26 for 6 months
- Travel Agents now looking at Guam to offer as an alternative destination

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**Toyo-Hiragawa Marathon 2018**

- Guam delegation represented the island and ran the Toyo-Hiragawa Half Marathon in Sapporo, Japan on May 5, 2018.
- Event is the sister race to the Ko'ko' Half Marathon with winners being sent to Guam to run the Ko'ko' Run in December 2018.
- Over 5,000 runners participated.
- Weather conditions ranged between 48-56°F.
- Miss Universe Guam 2017 Myana Welch gave a welcome speech in Japanese and invited runners to Guam, also running the 10K race.
- Guam Friend and veteran top.

**Guam Micronesia Island Fair**

- GVB celebrated 10th Guam Micronesia Island Fair from May 2-8 at Paseo de Susana in Hagåtña.
- Delegations from Chuuk, Kosrae, Marshall Islands, Palau, Pohnpei and Yap returned.
- Theme: "We are Micronesia".
- Estimated 50K people attended five-day event.
- Okinawa City delegation visited.
- Featured attractions included:
  - Food & Beverages / Food Trucks
  - Arts & Crafts
  - Storytelling & Live Art
  - Clinton House
  - Solmar-Chemcor w/ Marc Duyle
  - Free wi-fi courtesy of GVB
  - Mamanuca Beer Garden
  - Wall Garden
  - Games & Rides
  - Live cultural performances and local entertainment from our region.

**Beautiful Destinations Launch**

- GVB and Beautiful Destinations launched global campaign on Guam at 2 p.m. May 10, 2018.
- Beautiful Destinations is the award-winning creative agency behind one of the world's largest travel communities on social media, reaching 30 million people across 160 countries. They create and distribute social-first content for a mobile audience and were voted for FAST COMPANY as one of the world's most innovative companies in 2017.
- GVB will be re-posting directly from the BD channels taking the "GLOBAL" mindset approach to the authenticity of GVB's digital presence.

**CALENDAR**

<table>
<thead>
<tr>
<th>Date</th>
<th>Channel</th>
<th>Asset</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>May 10</td>
<td>Instagram</td>
<td>Photo 1</td>
<td>First post directly from BD.</td>
</tr>
<tr>
<td>May 10</td>
<td>Instagram</td>
<td>Story 2</td>
<td>First post directly from BD.</td>
</tr>
<tr>
<td>May 11</td>
<td>Twitter</td>
<td>Photo 3</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>May 11</td>
<td>YouTube</td>
<td>Video 4</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>May 13</td>
<td>Facebook</td>
<td>Photo 5</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>May 13</td>
<td>Instagram</td>
<td>Story 6</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>May 15</td>
<td>Instagram</td>
<td>Hero Video 7</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>May 16</td>
<td>Instagram</td>
<td>Video 8</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>May 17</td>
<td>Instagram</td>
<td>Photo 9</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>May 18</td>
<td>Instagram</td>
<td>Photo 10</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>May 19</td>
<td>Instagram</td>
<td>Video 11</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>June 1</td>
<td>Instagram</td>
<td>Video 12</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>June 1</td>
<td>Instagram</td>
<td>Video 13</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>June 2</td>
<td>Instagram</td>
<td>Video 14</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>June 3</td>
<td>Instagram</td>
<td>Video 15</td>
<td>Share directly from BD.</td>
</tr>
<tr>
<td>June 4</td>
<td>Instagram</td>
<td>Video 16</td>
<td>Share directly from BD.</td>
</tr>
</tbody>
</table>

**Beautiful Destinations Launch**

- LOCAL LAUNCH:
  - Along with the release of the asset on MAY 10, Guam will release the following:
    - Press Release via GVB, Joshua Typpiyungco
    - Instagram/Guam: Shares/likes, photos and editorial versions of press release
    - UNO Digital (GVB): 3 to 5 video under our Instagram Campaign
    - Guam Week to re-post
    - Connect with other Guam influencers such as Juan Agon and Percal
    - Media tour to highlight Month and Global Collaboration

**NEXT STEPS**

Brand team to provide full 30 week content calendar to include release date, asset and caption.
V. TREASURER’S REPORT

Exhibit B

<table>
<thead>
<tr>
<th>FY 2018</th>
<th>Appropriation</th>
<th>Received to Date</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operations</td>
<td>$25,708,216.00</td>
<td>$9,958,958.14</td>
<td>$15,749,257.86</td>
</tr>
<tr>
<td>Sustaied Marketing - Korea</td>
<td>$4,000,000.00</td>
<td>$1,818,181.80</td>
<td>$2,181,818.20</td>
</tr>
<tr>
<td>Lesseon Development</td>
<td>$3,085,000.00</td>
<td>$2,464,494.46</td>
<td>$620,505.54</td>
</tr>
<tr>
<td>OIB Cruise Ship Industry Development Program</td>
<td>$50,000.00</td>
<td>$24,995.95</td>
<td>$25,004.05</td>
</tr>
<tr>
<td>Rainy Day Fund</td>
<td>$200,000.00</td>
<td>$99,999.99</td>
<td>$100,000.01</td>
</tr>
<tr>
<td>Culture &amp; Sports Ambassador Fund</td>
<td>$200,000.00</td>
<td>$99,999.99</td>
<td>$100,000.01</td>
</tr>
<tr>
<td>Pass-Through</td>
<td>$750,000.00</td>
<td>$298,999.99</td>
<td>$451,000.01</td>
</tr>
<tr>
<td>TOTAL RECEIVABLES FY 2018</td>
<td>$25,075,216.00</td>
<td>$12,587,807.54</td>
<td>$12,487,608.46</td>
</tr>
</tbody>
</table>

Accounts

RESTRICTED
- Bank of Guam - Rainy Day Fund $1,667,435.74
- Cultural & Sports Ambassador Fund $275,403.54
- OIB Cruise Ship Industry Development Program $12,033.50
- TOTAL RESTRICTED $1,965,872.80

UNRESTRICTED
- Bank of Guam - Operations $12,135,253.42
- First Hawaiian Bank - Membership $65,071.54
- Reserve $399,800.16
- Bank of Guam - TAF $520,692.49
- Raymond James - CD wire as of 3/31/2018 $2,548,374.54
- TOTAL UNRESTRICTED $15,815,728.45

TOTAL CASH as of 5/9/2018 $17,584,545.65

Current Payables
- Asatsu Invoices (JAN - MAR) $3,140,200.70
- Japan Invoices $150,750.38
- Guam Invoices $406,310.54
- Pass-Through $20,833.32
- Encumbered Contracts $2,877,553.70
- Encumbered Purchase Orders $153,352.11
- TOTAL PAYABLES as of 5/9/2018 $6,848,960.58

NOTES

NOTE 1
$1,667,435.74 Rainy Day Fund
$12,033.50 Cultural & Sports Ambassador Fund
$1,648,214.42 Rainy Day expenses 2018 - reimburse Operations
$1,473,203.20

NOTE 2
$275,403.54 Cultural & Sports Ambassador Fund
$150,750.38 Cultural & Sports Ambassador expenses - reimburse Operations
$424,953.91

NOTE 3
$2,548,374.54 Raymond James - CD
$61,160.00 (Paid) - OIB Cruise Ship Industry Development Program
$300,000.00 (Paid) - Sponsorship Guam Football Association
$2,000,000.00 (Paid) - GEDA Imagine Guam Masterplan Overlay
$62,563.46 (Paid) - Paseo San Vitores Road Bus Shelter Project
$126,781.53 (Paid) - Planning, Architectural and Engineering Services for Tumon Bay Improvement
$175,000.00 (Paid) - Sponsorship Guam International Marathon, May 2017 - Chamber Match
$10,000.00 (Paid) - Hagåtña maintenance and streetscape project for GMF
$87,217.15 (Paid) - Balance - Paseo San Vitores Road Bus Shelter Project
$18,740.00 (Paid) - Planning, Architectural and Engineering Services for Tumon Bay Improvement
$0

May 9, 2018

- President Denight reported March allotments have been received and the FY2019 Budget Request has been submitted to the Legislature.
VI. REPORT OF THE BOARD COMMITTEES

A. EXECUTIVE COMMITTEE

B. ADMINISTRATION & GOV'T RELATIONS

- GPA Presentation

WHY WE NEED A NEW POWER PLANT

<table>
<thead>
<tr>
<th>OLD BASELOAD</th>
<th>NEW BASELOAD</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Reliability &amp; Efficiency</td>
</tr>
<tr>
<td></td>
<td>Cost (O&amp;M)</td>
</tr>
<tr>
<td>Inadequate Capacity for Future Growth</td>
<td>Production</td>
</tr>
<tr>
<td>Not Compatible with Solar PV Systems</td>
<td>Renewable Energy</td>
</tr>
<tr>
<td>Capable of Fossil Fuel Burning Capability</td>
<td>Fossil</td>
</tr>
<tr>
<td>Not Non-Compliant with Tsunami, Storm Surge</td>
<td>Emissions</td>
</tr>
<tr>
<td>Vulnerability</td>
<td>No Risk</td>
</tr>
</tbody>
</table>

GPA Will Not Be Able To Meet Demand Without New Power Plant By 2021

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Annual Fuel Cost (S$/mcf)</th>
<th>Annual Emissions (MT CO2eq)</th>
<th>Annual O &amp; M (S$)</th>
<th>Annual Net Revenue (S$)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Existing</td>
<td>$196,610,108</td>
<td>18,283</td>
<td>22,522</td>
<td>262,355</td>
</tr>
<tr>
<td>US EPA Fossil CO2</td>
<td>$246,761,990</td>
<td>31,745</td>
<td>29,508</td>
<td>258,674</td>
</tr>
<tr>
<td>New Power Plant (LNG + 180 MW Renewable)</td>
<td>$189,339,938</td>
<td>16,785</td>
<td>16,785</td>
<td>205,838</td>
</tr>
</tbody>
</table>

Cost and Savings Per Scenario

*FIFO - average cost for 15 year forecast
**Why Build A New Power Plant in Ukudu?**

- Increased reliability
- Near existing GPA substation with many underground transmission lines
- Close to villages with largest population
- Not subject to tsunami, storm surge, sea level rise, and other climate change impacts
- Potential continuous plant operations through typhoons
- Quicker recovery for all customers after typhoons

**Environmental Benefits**
- Divert up to 3 million gallons daily of treated sewer water for plant cooling
- Does not impact the aquifer

**Compatible With Surrounding Land Uses**
- Industrial, commercial, residential and public uses already exist in the area
- The new plant's technology located throughout the US in many mixed-use developments without adverse community impacts

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**Overhead Transmission Lines**

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**Underground Transmission Lines**

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UKUDU IS THE BEST LOCATION

<table>
<thead>
<tr>
<th>Feature/Need</th>
<th>Rating</th>
<th>Cost/Benefit</th>
<th>Timeframe</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to 13.8 KV System (with n 5.5 kV)</td>
<td>EXCELLENT</td>
<td>5000</td>
<td>G5000</td>
<td>EXCELLENT</td>
</tr>
<tr>
<td>13.8 KV Interconnection Cost</td>
<td>LOW</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>HIGH</td>
</tr>
<tr>
<td>Tsunami and Storm Surge Risk</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>LOW</td>
<td>MEDIUM</td>
</tr>
<tr>
<td>Environmental Permitting</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>LOW</td>
<td>HIGH</td>
</tr>
<tr>
<td>All Up to Sense Coastal &amp; North Area Through/Postemissions After Typhoons</td>
<td>EXTREME</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>LOW</td>
</tr>
<tr>
<td>Access to Non-Gasified Fuel for Primary</td>
<td>EXTREME</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>LOW</td>
</tr>
<tr>
<td>Fuel Supply and Water</td>
<td>EXTREME</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>LOW</td>
</tr>
<tr>
<td>Space to Build Power Plant</td>
<td>EXTREME</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>LOW</td>
</tr>
<tr>
<td>Location Development Costs (Interconnection)</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>LOW</td>
<td>HIGH</td>
</tr>
<tr>
<td>Fuel Transport &amp; Soil Conditions</td>
<td>YES</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>YES</td>
</tr>
<tr>
<td>System Technical Grade</td>
<td>YES</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>YES</td>
</tr>
<tr>
<td>Physical Security Risk</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>LOW</td>
<td>HIGH</td>
</tr>
<tr>
<td>Fuel and Fuels/ICP Generators</td>
<td>EXTREME</td>
<td>HIGH</td>
<td>MEDIUM</td>
<td>LOW</td>
</tr>
</tbody>
</table>

Existing Macheche Power Plant using ULSD

Is the Plant Safe for the Community?

DEFINITELY YES!

• Efficient units burning much cleaner fuel
• 30 acres of buffer around the 30-acre plant
• Aesthetically built with maximum safety in mind for the community, environment and personnel

• The new plant can co-exist with GRMC hospital as it does in many other communities in the nation, especially since the power reliability needs of a hospital is critical to patient care

Being a Good Neighbor

Noise & Vibration
• Plant enclosed within building with noise reduction measures
• Plant will include a vibration monitoring system with central computer oversight
• Systems automatically and safely shut down equipment

Odor Emissions
• ULSD emissions virtually non-odorous
• Stack height dilutes odors
• Lower with natural gas

Fuel Fire & Spill Prevention & Control
• Sophisticated leak detection, spill containment, fire detection and protection and monitoring systems installed and operated

Medical Area Total Energy Plant (MATEP), Boston, MA

• 30% more energy from gas, making the dollars go further and the long-term benefits for the environment
• Site is already zoned for energy production

The hospital provides care to over 4,000 people, 365 days a year, at a state-of-the-art energy efficiency operation.
New Power Plant Contracting

Model

Under a Build Operate Transfer (BOT) Model where the IPP:

- Finances and Builds/Constructs the Whole Project Including:
  - Power Plant
  - Fiber Optic Communications
  - Fuel Storage Tanks
  - Natural Gas & LPG Fuel
  - Pipelines
  - Fuel/Steam Truck Garages
  - Power System Protection Systems Upgrades
  - Tunes Over to GPA All Completed Systems and Infrastructure
  Except the Actual Power Plant
  - Operates the Power Plant for a 25-Year Term with a Mutual 5-Year Negotiated Extension
  - Transfers Ownership of the Power Plant in Excellent Condition to GPA After the Contract Terminates

The New Plant Will Exceed All Clean Air Standards

<table>
<thead>
<tr>
<th>Pollutant</th>
<th>Current</th>
<th>Proposed Power Plant</th>
<th>National Standards</th>
<th>Emissions Improvement over NAAGS</th>
<th>Emissions Improvement over Current</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nitrogen Oxides</td>
<td>80.9</td>
<td>65.1</td>
<td>108</td>
<td>20.8%</td>
<td>124.5%</td>
</tr>
<tr>
<td>Sulfur Oxides</td>
<td>44.4</td>
<td>11.8</td>
<td>106</td>
<td>35.1%</td>
<td>107%</td>
</tr>
<tr>
<td>Particulate Matter</td>
<td>8.8</td>
<td>6.42</td>
<td>40.9%</td>
<td>42%</td>
<td>145%</td>
</tr>
<tr>
<td>Carbon Monoxide</td>
<td>25.9</td>
<td>3.54</td>
<td>0.1%</td>
<td>89.7%</td>
<td>99.9%</td>
</tr>
</tbody>
</table>

*Table shows the current and proposed emissions levels for the new power plant.

Source: Guam Power Authority (GPA)
Other Notable Updates

**REBATES**
- $1.3M to date
- $1.5M additional budgeted

**GRID**
- 87.8% of grid is concrete & steel poles
- 25% of customers have underground secondary feed
- Within 5 years, the distribution system adjacent to San Vitores Rd area will be underground. Can run through streets?

**SCADA**
- New state-of-the-art SCADA system will be commissioned in October 2018

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130MW Award Solar PV Power Purchase Agreement (PPA) pending March 2018 PUC approval at 20.84$/kWh avg

460MW Solar PV with Load Shifting Batteries on 144 acres (non-bond lease) under procurement. Expected award Summer 2018

40MW Energy Storage Batteries to be commissioned August 2018

GPA Renewable Energy Targets:
- 25% of all energy production by 2021
- 50% of all energy production by 2025

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Other Revenue-Producing Initiatives

**Impact on Base Rates**

- **NONE**
- Base rates expected to stay at current levels through reduction of operating costs, and cost-savings initiatives

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GUAM VISITORS BUREAU | SETBISON BISITAN GUANAHAN
401 Pale San Vitores Road | Tumon, Guam 96913 | Ph: (671) 646-5278 | Fax: (671) 646-8861 | www.visitguam.com
Vacation rental and B&B fact sheet
- President Denight shared the draft for establishing a vacation rental and B&B fact sheet, which is being finalized with DRT for the community outreach program.

C. RESEARCH

D. DESTINATION MANAGEMENT
- Bus shelter presentation

Breakdown of Maintenance Costs

| MAINTENANCE COST | $65,239.00 | Cleaning, Collection & Disposal of Trash
| INSURANCE ESTIMATE | $19,229.39 | Coverage All Risks Including Typhoon, Earthquake, Flood, Deductible: Typhoon - 2% of Total Sum Insured per situation, Earthquake - 2% of Total Sum Insured per situation, All Others - $1000.00 per peril per situation, Co insurance 100%
| COST FOR DEVELOPMENT, PRINTING & INSTALLATION | $6,500.00 |
| TOTAL ANNUAL MAINTENANCE COST | $91,268.39 |

GVB Bus Shelter Maintenance Program Proposal
President Denight shared two maintenance proposals and the consensus was towards proposal #1 with the possibilities of hotels adopting a bus shelter to maintain and insure.

E. MEMBERSHIP & COMMUNITY OUTREACH

Director Kloppenburg reported the next quarterly membership meeting tentatively scheduled for mid June, details are forthcoming.

F. VISITOR SAFETY & SATISFACTION

Chairman Morinaga warned the board of individuals still stealing cars following the incident at Hilton.

G. CULTURAL & HERITAGE

Director Arriola gave a special thanks to President Denight, Destination Specialist Hernandez, Tropical Productions Inc., and GVB team for their hard work at the Guam Micronesia Island Fair.

H. SPORTS & EVENTS

Committee minutes dated April 11, 2018

I. NORTH AMERICA & PACIFIC MARKETS

Committee minutes dated May 2, 2018

GUAM FAIR 2018

Director Arriola made a motion on the floor, seconded by Director Jackson, to amend approved travel to replace NAP Committee Chairman with GVB Marketing Staff to attend the 1st Annual Guam Fair on May 2018 in Manila, Philippines. Motion passed as stated and amended.

J. GREATER CHINA

Committee minutes dated April 24, 2018
K. RUSSIA & NEW MARKETS

Committee minutes dated May 1, 2018

- Director Jackson reminded the board of the PITE 2018 trade show in Vladivostok, Russia.

L. KOREA

- Director Jackson reminded the board of the two big trade shows and food festival in Seoul, Korea next month.

M. JAPAN

- Director Nault announced United Airlines will be celebrating their 50th Anniversary with Guam and GVB will co-host a dinner reception for VIP Japanese travel agents next week.
- The team is finalizing the Treasure Hunt Campaign with industry supporters.

VII. OLD BUSINESS

VIII. NEW BUSINESS

IX. EXECUTIVE SESSION

X. ANNOUNCEMENTS

Upcoming Board Meetings:

- Thursday, May 24, 2018 at 3:30pm, GVB Main Conference Room
- Thursday, June 14, 2018 at 3:30pm, GVB Main Conference Room

XI. ADJOURNMENT

Director Arriola made a motion, seconded by Director Kloppenburg, to adjourn the meeting. Meeting adjourned at 5:09pm.

Motion unanimously approved

________________________
Mrs. Theresa C. Arriola, Secretary of the Board of Directors

________________________
Board Minutes respectively submitted by Maura Yi, Executive Secretary