

MINUTES
OF THE
MEETING OF THE BOARD OF DIRECTORS

CALL TO ORDER

The regular Meeting of the Board of Directors of Pismo Coast Village, Inc. was called to order July 15, 2017, by President Terris Hughes at 10:00 AM.

PLEDGE OF ALLEGIANCE AND INVOCATION

Mr. Hughes led the Pledge of Allegiance. Mr. Plumley gave the invocation.

PRESIDENT'S MESSAGE

Mr. Hughes welcomed the shareholders and directors to the meeting. He thanked the members of the Board for their support and the work that they do for the Corporation. Mr. Hughes congratulated Jay Jamison and Terri Braun (recording secretary) for reaching twenty years and twenty-six years of employment with the Company, respectively.

ROLL CALL

Mr. Pappi called roll. With the exception of Mr. Hickman, all members of the Board of Directors were present. Mr. Pappi declared a quorum.

PRIOR MINUTES REVIEWED

Mr. Williams moved that the minutes of the Board of Directors' Meeting held May 20, 2017, be accepted as submitted. Mr. Buchaklian seconded. Mr. Nunlist abstained from voting due to his absence from the May meeting. A vote was taken; the motion carried.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, commented that fiscal-year-to-date, occupancy is comparable to last year. Considering that there were more days with rain this year than last, we are doing well. We should be very close to matching last year's record for total occupancy.

The Fourth of July fireworks event went well with the fog dissipating just prior to the start of the show. The renovation of the Pismo pier is ahead of schedule, but it will still be a couple of years before the work is completed. We are having a difficult time finding staff to work in our Housekeeping and Maintenance Departments and at our RV Shop. Being short-staffed does affect our operation and meeting customer service needs.

Mr. Jamison showed a poster with a picture of the campersApp logo, stating that the free smart phone application can be downloaded from Google Play or the App Store. Pismo Coast Village has set up a site with the app that has information about the resort, its amenities and local attractions, which can be accessed by logging in with "pcrvr".

He gave an update on the new RV shop location in Oceano, stating that everything that was needed has been submitted to the County. SLO County Public Works Department has stated that their requirements have been satisfied. We are now waiting for a hearing date on the project.

Last week, he spoke to the representatives for the Verizon cell tower being erected in Storage Lot A. They were waiting to get confirmation that Pismo Coast Village received their check. The project should start in the next few weeks. The cell tower will be installed on the northeast corner of our property. Also planned for A-Lot is the new lift station for the City of Pismo Beach, however, this project has been delayed because bids for the project came in significantly higher than budgeted. They are making adjustments to the project and seeking additional funds. The project is now tentatively planned for Fall/Winter 2017/2018. The same is true for the Oceano Community Services District's drainage project, with the bidding coming in higher than budgeted. This project has been delayed until the summer of 2018.

He reported on the recent change to the resort's satellite television system, and said that everything is operational with the exception of one detail. The issue we are having now is with our channel lineup not matching what we have published. The Public Broadcasting Channel (PBS) is not the feed that we expected, and we are trying to resolve that issue. We also have an issue with guests with older television sets that do not accept high-definition channels as well as new televisions do. Staff is spending considerable time assisting guests with reprogramming the television with the guest's remote. Mr. Jamison also stated that televisions and other electronic equipment should not be disposed of in trash dumpsters as they are considered hazardous waste and must be recycled appropriately.

EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEE REPORT

Mr. Nelson, Chair of the Personnel and Compensation/Benefits Committee, reported that there was a joint meeting held yesterday. With the exception of Mr. Pappi, all committee members were present. At the meeting, they discussed the status of the resort. The Committee reviewed and approved the annual review proposals for two of Mr. Jamison's direct report employees. Also discussed was the Company's 401(K) Plan. Mr. Nelson reported that we are still in discussions with PayChex and Merrill Lynch on their proposals to provide 401(K) Plan services for the Company. The Executive and Personnel & Compensation/Benefits Committees will meet with representatives from PayChex and Merrill Lynch at their meeting to be held August 18, 2017. The Committee will have a recommendation to present to the Board during Closed Session today pertaining to long-term disability coverage as part of the Company's benefit program.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said that the Finance Committee met this morning. The Committee reviewed the financial statement for June 2017 and found nothing out of the ordinary. A review of the balance sheet showed it to be very strong. The completed capital expenditures were reviewed, as were those projects that were not completed and will be carried over to next year. Also reviewed were the second drafts of the operating and capital expenditure budgets for fiscal year 2017/2018. The Committee will present a motion to pay down the existing loan debt during Closed Session.

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. All committee members were present. The Committee discussed the comments submitted by shareholders and guests posted on the www.questreviews.com report, but would also like to receive a report with the comments that are submitted on the Resort's car passes. The Committee discussed a letter from a shareholder regarding Prime Time dates on the 2018 Shareholder Information Manual/Calendar. Also discussed was the current method of trash collection in the Resort, and they will continue discussion on this topic at a future meeting.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. All committee members were present with the exception of Mr. Hickman. The Committee discussed the engagement letter from the outside accounting firm, Brown Armstrong Accountancy Corporation, specifically reviewing the duties assigned and their performance on those items.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Buchaklian, Chair, reported that the Committee met yesterday. Charles Amian, Operations Manager, gave the Committee an update on accidents and injuries to guests and employees. The Committee interviewed RV Technician John (also known as "Jack") . The revised Tsunami Evacuation Plan was discussed and an additional change was made. The Committee also toured the Maintenance Yard and updated their List of Advisories.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said that the Nominating Committee met yesterday. All committee members were present. The Committee interviewed one returning candidate for Board membership, reviewed the Active Board Application Log, and the List of Interviewed Applicant's List.

SHAREHOLDERS' COMMENTS

A shareholder stated that she was concerned about the lighting in the Resort. She asked if the lighting at the palm trees is turned off, because it is dark at night by her campsite. The palm trees used to be lighted. Mr. Jamison said that this has been a problem because guests turn off the breaker at the pedestal by mistake. We are discussing isolating the switches to prevent this from happening.

A shareholder said that she had been looking forward to participating in the Recreation Department's Yoga classes. Unfortunately, the class was not offered this summer. Mr. Jamison said that, because the person that was qualified as a yoga instructor is no longer employed by the Company, the class was not offered this year.

A shareholder commented that he has staying in the Resort for more than thirty years, and is pleased with the improvements that have been completed. He thanked Mr. Jamison and staff for the great job that they do. He asked if the Encore television channel would be available in the future. Mr. Jamison said that the Encore channel is not in the channel packages that we are subscribed to, but could be considered when changes are made. The shareholder commented that it is getting more difficult to make reservations for the desired dates due to the resort being so busy.

A shareholder said that the landscaping company is not doing a good job with cutting the grass and weeds in many areas. Mr. Jamison stated that we are currently getting bids from potential landscaping companies to make a change in service providers.

A shareholder said that last week she saw a homeless person in her campsite at about 1 AM, and was quite concerned. She did not know how to get in touch with Security staff. She also stated that she was walking around the resort at about 10:30 PM, and there were lots of people riding bikes. She was under the impression that guests were not supposed to be riding bikes in the resort at night. They could not see her and she could not see them, and this is a safety issue.

Ron Nunlist asked why the rating on the www.questreviews.com report for the internet service had not gotten better. Mr. Jamison said that it had, however, the report is on a rolling twelve month cycle, so it will take awhile for the rating to reflect the improvement.

A shareholder said that she has enjoyed swimming in the pool every day. She asked some questions about the www.guestreviews.com survey, which Mr. Jamison commented on.

A shareholder said that he had received an email from Pismo Coast Village thanking him for making his reservation, which may actually have been a request to go to the www.guestreviews.com website and complete a survey about his recent stay.

Mr. Hughes recessed the meeting at 10:42 AM, asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:52 AM.

There being no further business, the meeting was adjourned at 12:11 PM.

The above minutes of the July 15, 2017, Board of Directors' Meeting are correct and accepted as presented.

George Pappi, Jr.

George Pappi, Jr., V. P. – Secretary

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