

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 16, 2016, by President Terris Hughes at 9:58 a.m.

INVOCATION

Mr. Plumley gave the invocation.

PRESIDENT'S WELCOME

Mr. Hughes welcomed the shareholders and directors to the meeting. He thanked the members of the Board for their attendance, participation in committee meetings, and their efforts to make the Company successful. He pointed out that Kurt Brittain, who recently retired from the Board, was in the audience and welcomed him to the meeting.

ROLL CALL

Due to the absence of V. P. – Secretary, George Pappi, Assistant Corporate Secretary, Jay Jamison, called roll. With the exception of Mr. Buchaklian, Mr. Nunlist and Mr. Pappi, all members of the Board of Directors were present. He declared a quorum.

PRIOR MINUTES REVIEWED

Mr. Williams moved that the minutes of the Board of Directors' Meeting held May 21, 2016, be accepted as submitted. Mr. Hardesty seconded, and the motion carried.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, reported that, fiscal-year-to-date, occupancy is increased over last year. We are currently up 333 general public and 293 shareholder site nights, and expect to be very close to or exceed last fiscal year's total occupancy, which was the highest occupancy year ever for the company.

Javier, from the Maintenance Department, will be retiring in August. On behalf of the Board, Mr. Hughes asked that Mr. Jamison thank Javier for his more than twenty years of service with the Company and to extend our best wishes on his future endeavors.

We recently signed a new seven-year agreement with Wash, the company that supplies all of the equipment in our laundromat. The existing equipment will be removed on September 6, 2016, and new washers and dryers will be installed on September 8, 2016. On September 7th, our staff will paint and do upgrades to the interior of the Laundromat. A decision was made to remain with the coin operating system rather than changing to the credit card system as Wash had recommended, because the changeover would have resulted in a reduction of our commission.

Mr. Jamison reported that the construction of the new RV shop location is still in the permit process. We received a response from the County asking about drainage plans, and they are aware that we want to do a waiver application for curbs, gutters and sidewalks on 21st Street. He recently attended a meeting of the Oceano/Halcyon Advisory Council and did a presentation on the project, which was well received. Currently our property is being used as temporary storage area for asphalt grindings for road paving work that is being done by the City of Grover Beach.

All of the underground work has been completed and equipment installed in the enclosure for the flagpole cell tower that will be erected by the Reservations Office. The contractor is still waiting for the final fabrication of the flagpole, which we expect to arrive in mid-August. The eucalyptus tree shaped cell tower in storage lot K has been in operation for several years. The new magnolia tree shaped cell tower in D-Lot was completed two months ago and should be live now. We have completed the agreement with the City of Pismo Beach for the easement in A-Lot for their new lift station location; however, we have not received the \$28,000 payment for the easement property.

We received a visit from an inspector from the San Luis Obispo County Environmental Health Department, at which time they found that someone had disposed of a television in a dumpster at the RV Shop. A television is considered hazardous e-waste. As a result, we received a citation and fine. A week ago, the inspector returned and toured the Maintenance Yard and RV Shop to verify that we had acted to prevent that type of thing from happening again. The hearing for the citation was at the County offices last week, which allowed us the opportunity to show proof of our efforts to mitigate the infraction with signage, staff training, communication, etc. He was pleased to report that the infraction was reduced from a major to a minor event, and the fine was reduced from \$10,000 to \$4,325. He stated that it is important that our guests be aware of what can be thrown in our dumpsters and what items must be disposed of as hazardous e-waste.

EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEES' REPORT

Mr. Nelson, Chair of the Personnel & Compensation/Benefits Committee, reported that a joint meeting was held yesterday. In addition to the members of the committees, Mr. Jamison, Accounting Manager Kitty Karstetter, and 401(K) Plan Advisor Edward Hinds III were present. Mr. Hinds updated the committees and outlined actions that the Company will need to take to meet the requirements of the Department of Labor's new regulations on 401(K) Plans, which will take effect August 2017. Mr. Hinds reviewed the investments that are currently in place with the Plan, and, based on the discussion, it was proposed to move some C Growth Funds to R3 Funds. The Committees will present a motion on this proposal during Closed Session. The Committee also discussed the annual reviews for two direct report employees and Mr. Jamison gave an update on the Resort.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said his Committee met this morning. They reviewed the June 2016 financial statement and no significant issues were noted. The Balance Sheet remains strong. The Committee also reviewed the second drafts of the operating and capital expenditures budgets for Fiscal Year 2016/2017

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. The Committee discussed the issue of implementing a dog fee and updating the policy on dogs in the Resort. After discussion, it a consensus of opinion of the Committee that it was not feasible to implement a fee for dogs. The committee had no other recommendations.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. Also in attendance were Reservations Supervisor Darrell Sisk and Accounting Manager Kitty Karstetter. The Committee reviewed the procedures used by the Reservations and Accounting Offices for cancellation of reservations by general public guests.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said the Committee met yesterday. All Committee members were present with the exception of Mr. Nunlist. The Committee reviewed their candidate interview format and the Committee's Top Candidate Log. An interview has been scheduled with a prospective Board candidate for the September committee meeting.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Due to the absence of the Committee Chairman, Mr. Buchaklian, Mr. Fischer gave the report. He welcomed Mr. Skaggs, who was appointed to the Board in May, as a new member of the committee. The Committee met yesterday morning, and the first item addressed was to interview Alan from the Trailer Movers Department regarding his comments on health and safety issues. Alan told the Committee that one of the most challenging things that occurs during his work day is with the behavior of guests at the campsites as the trailer movers are working to spot and set up the units. Charles Amian, Operations Manager, updated the committee on accidents and injuries to guests and employees. Mr. Amian also gave the committee a tour of the storage lots.

SHAREHOLDERS' COMMENTS

A shareholder expressed his appreciation for having some of the trees removed; he was able to watch the fireworks show from his campsite this year.

A shareholder asked what guests should do when they see a pitbull in the resort, which are not allowed. Mr. Jamison asked that the guest call the Security Department so that they can address the matter with the dog's owner.

A shareholder said that she appreciated having the yoga class offered as part of our summer recreation program.

Jeanne Sousa, owner/broker of Pismo Coast Investments, commented that shares of Pismo Coast Village Inc. stock have been selling for \$35,000 and are much in demand.

A shareholder commented that the Board is doing a great job.

A shareholder said that she has been able to use the Wi-Fi system with no problem.

Mr. Hughes recessed the meeting at 10:35 a.m., asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:45 a.m.

There being no further business, the meeting was adjourned at 11:43 AM.

The above minutes of the July 16, 2016, Board of Directors' Meeting are correct and accepted as presented.

Jay Jamison

George Pappi, Jr.

Jay Jamison, Assistant Corporate Secretary

George Pappi, Jr., V. P. – Secretary

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