

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 March 15, 2014, by President Ronald Nunlist at 10:00 a.m.

INVOCATION

Dr. Eudaly gave the invocation.

ROLL CALL

Mr. Pappi, Vice President - Secretary, called roll. All of the directors were present. A quorum was declared.

PRIOR MINUTES REVIEWED

Mr. Williams moved that the minutes of the Board of Directors' Reorganizational Meeting held January 18, 2014, be accepted as submitted. Mr. Buchaklian seconded, and the motion carried.

PRESIDENT'S MESSAGE

Mr. Nunlist welcomed the shareholders to the meeting. He was pleased to report that, year-to-date, revenue is increased over last year's figures. Expenses are slightly increased over last year, but are less than the budgeted amounts. Advance reservations are up for both general public and shareholders. The Corporation is doing well and our facilities are in great shape.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, reported that occupancy is up almost 5% over last year, and this may be a record year. New equipment for Playground #3 is expected to be delivered in approximately six weeks. A new Toyota pickup for the Security Department was put into service in January. Some paving and isolated road repairs will be done in the Resort April 28, 29 and 30. He reported that the 7th Annual Vintage Trailer Rally is scheduled to be in the Resort during the May 17, 2014, weekend.

The contract with Verizon for the cell phone tower location in Storage Lot D has been completed. They have already done a site visit with their engineers. We do not yet know what cell tower shape will be erected. We are also looking into setting up security camera surveillance in Storage Lots A, B, C, D and E, and we have asked for a bid from the same vendor that installed the camera system in Storage Lot K.

Mr. Jamison exchanged emails with the representative from the Department of State Parks and Recreation regarding the proposed bridge across Pismo Creek. Mr. Jamison was told that there were no updates on the project, however, the representative was hoping to have a meeting with the California Coastal Commission before the end of March.

Mr. Jamison reported on the status of the construction of Restroom#2. The City of Pismo Beach represents FEMA in our area, and he has been working with them to resolve the challenges with FEMA requirements. We received permission to proceed with the project yesterday. We hope to have an inspection of the footings next Tuesday, and to pour the foundation by the end of the week. Mr. Jamison reviewed an incident involving the local Air Pollution Control District. We unknowingly demolished Restroom #2 without complying with the ten-day waiting period after the filing of the application. The representative came to inspect the job site after the demolition and met with Mr. Jamison. They discussed the requirements, and Mr. Jamison was told to write a letter to the agency explaining that we did not follow protocol. The final ruling on this was that we were not fined, but we must write a letter to CalARVC to notify other association members that they need to follow the proper guidelines when doing demolition work on their property. He was also asked to write a letter to the Department of Housing and Community Development, the agency that issues project permits, to ask that they include in all their plans the requirement that operators that do demolition must comply with the guidelines.

Yesterday Mr. Jamison spoke with the Public Works Director for the City of Pismo Beach regarding their proposal to change Ocean View and Stimson streets to one-way traffic to facilitate RV movements around town. There will be a public workshop at the Pismo Beach City Council chambers on April 2, 2014, to gather information on this proposal. The Director also asked Mr. Jamison if the Board of Directors had approved the agreement for the 35 by 35 foot easement for the lift station vault and pump equipment space in Storage Lot A. Mr. Jamison asked that discussion on the agreement be added to today's Closed Session. In conjunction with the new lift station, the replacement of the six-inch sewer line down Dolliver Street/Highway One is planned for this Summer, however, he hopes that they will reconsider this timing.

EXECUTIVE COMMITTEE REPORT

Mr. Nunlist reported that the Executive Committee met jointly with the Personnel and Compensation/Benefits Committee yesterday afternoon. The main topics of discussion at the meeting were the employee health insurance program and the 401(k) plan. Some changes may need to be considered for these programs later this year.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said his committee met this morning and reviewed the financial statement for the five-month period ended February 28, 2014. He was pleased to report that, year-to-date, we are well ahead of last year's revenue. We are looking forward to a good Summer.

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. At the Board's January Reorganizational Meeting, the Committee was tasked with reviewing the reservation system for Clubhouse bookings with the intent of setting policy to better utilize the space. After discussion, the Committee recommended to Mr. Jamison that the Clubhouse space is to be reserved in four hour time blocks, with a \$25 refundable reservation deposit.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. The Committee received an update on some of the changes made to the advance deposit procedures, and the Committee will continue monitoring this item. The Committee reviewed some of the documentation from the Brown Armstrong audit report, and also discussed some of the items to be reviewed during the year.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said the Committee met yesterday. He introduced the other members of his Committee who were elected at the January Reorganizational Meeting. The Committee discussed and set goals for the 2014 year. At their meeting, the Committee interviewed two candidates for Board membership.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Buchaklian, Chair, reported that the Committee met yesterday. At that meeting, Charles Amian, Operations Manager, gave the Committee an update on accident and workers' compensation insurance claims for guests and employees, and employee safety training classes from 2011 to the present date. The Committee also did a tour of the Handicap Restrooms and updated the List of Advisories.

SHAREHOLDERS' COMMENTS

A shareholder asked if the Board had considered the increase in foot traffic through the resort when the pedestrian bridge is installed over Pismo Creek. He also asked if the Board had a projected date for an adequate wireless service, and asked that the password system be required again to access the internet. Discussion ensued regarding the problems guests were having with the password log-in and the challenges of bandwidth.

A shareholder reported that his RV was damaged by a fire involving an RV parked outside of one of our storage lots in Oceano. One of our security staff happened to be checking the storage lot, noticed the fire, and contacted the fire department. The fire was put out, however, the heat from the fire caused damaged to three RVs stored in our lot. He expressed his appreciation to Charles Amian who had called him to report the incident.

A shareholder asked about the construction of the new Restroom # 2 building, and whether it would have been easier to make it a remodel rather than a rebuild project. Discussion ensued about the condition of the Restroom 2 structure prior to the demolition. The shareholder also asked if e-mailing shareholders had ever been considered to solicit participation in matters such as public comments on beach access. Mr. Jamison said that we frequently post items on our Facebook page requesting input on items.

Jeanne Sousa, owner/broker of Pismo Coast Investments, reported that this morning she sold the last share she had for \$30,000. She does not currently have any shares available.

Mr. Nunlist recessed the meeting at 10:49 a.m., asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 11:02 a.m.

There being no further business, the meeting was adjourned at 11:17 a.m.

The above minutes of the March 15, 2014, Board of Directors' Meeting are correct and accepted as presented.

George Pappi, Jr.

George Pappi, Jr., V. P. - Secretary

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