

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 18, 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 also welcomed the two newest directors, Sam Blank and Karen King, to the meeting. He thanked everyone for their support, and his reelection to serve as president for another year. He asked Mr. Jamison to extend the Board's appreciation to staff for all the work that was done for the Annual Shareholders' Meeting and Wine Reception events.

ROLL CALL

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

PRIOR MINUTES REVIEWED

Mr. Hearne moved that the minutes of the Board of Directors' Reorganizational Meeting held January 21, 2017, be accepted as submitted. Mr. Williams seconded, and the motion carried.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, reported that, even with all of the rain, the resort is doing well. Fiscal-year-to-date compared to last year, we are down 1,129 general public and up 286 shareholder site nights. March occupancy looks good.

We were just notified that Verizon is going out to bid for the construction of the A-Lot cell tower, and they expect to start construction within the next sixty days. Also in A-Lot, the City of Pismo Beach has gone out to bid for the construction of the new sewer lift station for the City of Pismo Beach. In conjunction with the lift station, the City will be installing a new sewer line along Dolliver Street in front of the Resort this summer. The pier in Pismo Beach was recently closed down for a refurbishment project, which is expected to take approximately three years at a cost of \$8,500,000. The Oceano Community Services District's drainage project, which should help to reduce the flooding that occurs in Oceano during heavy storms, will affect Storage Lots B and E, and is still planned for Fall 2017.

The drainage problem that we had with the plans for the new RV Shop location in Oceano has been mitigated with retention ponds and sub-grade retention tubes. These changes have added time and expense to the permitting process. We hope to get approval soon to start construction on the new building.

The storm that we had on February 17, 2017, was very windy and rainy, and we had eight second-generation trees come down. Thankfully, none of them came down on RVs. However, a tree from the State Campground did fall onto our property and damaged the roof of a trailer parked on a campsite along our south side fence.

Work is in progress for the upgrade of our basketball court and the adjacent parking area. A new wall will be put in that will allow the parking area to move forward seven feet, new asphalt will be put down on the parking area, and a new fence will be put in around the basketball court. The basketball court will be resurfaced as a multipurpose sport court for both basketball and pickle ball play.

Some holes developed in the fiberglass floor of the swimming pool. Our goal was to have the pool re-fiberglassed by the end of March, but, because the contractor was available sooner, we were able to get the work done prior to the end of February.

The new Pismo Coast Village website is up and running, we also have some new photographs that will be added to the website. Also in production is the next edition of the AGS Visitors' Guide that is distributed to guests at check in. Next week AT&T will be upgrading the speed of the fiber optics for our Wi-Fi system from 250 megabytes per second to 400 megabytes per second.

Mr. Jamison expressed his appreciation for the cards and donations to the scholarship fund made in memory of his father who passed away in February.

#### 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. Hardesty, all of the committee members were present. Also attending were Mr. Jamison and Accounting Manager Kitty Karstetter. At that meeting, discussion centered around the Company's 401(K) Plan. At 2:40 PM, the committees met by conference call with a representative from PayChex, who gave a web presentation on Paychex's program for administering 401(K) programs. Following the presentation, the Committees discussed the Paychex presentation and previous presentations by other possible plan administrators. Mr. Jamison also gave the committees an update on the resort.

#### FINANCE COMMITTEE REPORT

Due to the absence of Mr. Hardesty, Chair, Mr. Williams chaired the committee meeting this morning and gave the report. The Finance Committee reviewed the financial statement for February 2017. He noted that there was a slight loss for the month of February, resulting from the decline in occupancy due to rain and three unusual items. Overall, the balance sheet is healthy and the financial status of the Company is strong.

#### OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. The Committee reviewed the draft of the 2018 Shareholder Information Manual/Calendar. They will continue their discussion on the draft at their May meeting, prior to presenting the document for approval and adoption by the Board. Also reviewed were the guest comments received since the last meeting.

### AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday; all committee members were present. The Committee discussed the Brown Armstrong CPA Engagement Letter and other items that will be addressed during this year.

### ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mrs. Buchaklian, Chair, reported that the Committee met yesterday. At that meeting, Charles Amian, Operations Manager, gave the Committee an update on accidents and injuries to guests and employees. Mr. Buchaklian asked that the committee members be given a copy of the Company's Tsunami Evacuation Plan, which will be discussed at their meeting in May, and Mr. Amian provided the requested copies. Mr. Amian also gave the committee a tour of the storage lots. Mr. Buchaklian expressed his thanks to Peter Ward, Retail Supervisor, for allowing the committee to use his van for the tour.

### NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said the Committee met yesterday. The Committee reviewed and discussed interview procedures, the Active Board Application Packet Log, and letters that are sent as a follow-up to active board candidates. At their meeting, the Committee also interviewed one prospective candidate for Board membership.

### SHAREHOLDERS' COMMENTS

A shareholder commented about the Mens' handicap facility at Restroom 4, and said that the faucet is reversed. When you turn on the hot water, it is actually cold water. He asked that this be fixed. He also said that our restrooms are very nicely maintained.

A shareholder asked if there had been any recent discussion on resurfacing the campsites. During the recent storms, there was considerable flooding and water that accumulated under trailers, etc., resulting in mud. She suggested adding some gravel to the sites to help with the problem.

Mr. Hughes recessed the meeting at 10:26 AM, asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:41 AM.

There being no further business, the meeting was adjourned at 11:23 AM.

The above minutes of the March 18, 2017, Board of Directors' Meeting are correct and accepted as presented.

*George Pappi, Jr.*

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George Pappi, Jr., V. P. – Secretary

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