

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 May 16, 2015, by President Ronald Nunlist at 10:00 a.m.

INVOCATION

Dr. Eudaly gave the invocation.

ROLL CALL

Mr. Nunlist affirmed that, with the exception of Mr. Fischer, 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 March 21, 2015, be accepted as submitted. Mr. Hearne seconded, and the motion carried.

PRESIDENT'S MESSAGE

Mr. Nunlist welcomed the shareholders to the meeting. He reported that, year-to date, we are well ahead of revenue for last fiscal year. The Company's financial statement looks great, which allows the Company to do improvements and other projects such as purchasing property to build a new RV repair facility.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, reported that we are having a great year. Last year's occupancy was the best year ever for the Company, and we are on track to do even better this year. Fiscal-year-to-date, we are up 4,440 general public and 1,072 shareholder site nights compared to the same period last year. He expressed his appreciation to staff for handling the extra activity that results from increased occupancy. He thanked shareholders and guests for being tolerant of the noise and disruption while we completed this year's capital projects. We have had many compliments on our new fence from shareholders, guests and people in the local community.

The Vintage Trailer Rally is this weekend, and we have more than 300 units participating this year. The group is already booking reservations for next year's rally. A film crew from the Flippin' RVs television show is in the resort to film this event for a future episode. Mr. Jamison encouraged everyone to attend the Open House event today and to participate in the voting for the people's choice awards that Pismo Coast Village is sponsoring.

Last week, the City of Pismo Beach held a meeting for a discussion about bike lanes along Dolliver Street/Highway One being obstructed by parked vehicles. He reviewed some of the details from that meeting.

We, along with other local hotel, resort and campground operators, have had several meetings with Pismo Beach's City Manager and Public Works Director for discussion of water conservation and compliance with State and City mandates for reduction of water usage. As part of our effort to reduce water usage in the Resort, we have ordered more waterless urinals, reduced irrigation of lawns, put up signage to encourage conservation, and turned down flush valves on restroom toilets. Also being considered is replacing existing shower valves with push button or token operated valves.

Last week the CEO of KOA Campgrounds, Jim Rogers, was at Cal Poly University to speak as a "CEO in Residence" to students and faculty. Mr. Rogers spent a lot of time with students that are Recreation Parks and Tourism administration majors. He was also involved with a reception where he spoke about being on the "Undercover Boss" television show disguised as a new employee at a KOA campground. Mr. Rogers made two visits to Pismo Coast Village last week to see our operation.

Mr. Jamison reported that the paperwork for the Verizon cell tower planned for Storage Lot D is almost completed, and it is possible that construction will begin this summer. There is no new information on the cell towers proposed for A-Lot or in the Resort by the Registration Office.

JOINT MEETING OF THE EXECUTIVE AND PERSONNEL & COMPENSATION/ BENEFITS COMMITTEES

Mr. Hughes, Personnel & Compensation/Benefits Committee Chair, reported that the two Committees met yesterday. In addition to the members of the committees, Mr. Jamison, Accounting Manager Kitty Karstetter, and 401(K) Plan Advisor Edward Hinds III attended the meeting. Mr. Hinds provided the committees with insight and recommendations on our 401(K) Plan's performance, in addition to the potential changes he recommended for consideration. The Committee also conducted the annual review of two direct report employees to the CEO/General Manager, and reviewed correspondence from two shareholders.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said his committee met this morning and reviewed the financial statement for the seven-month period ended April 30, 2015. He was pleased to report that, overall, the financials are positive, and the status of the Company is financially sound. The Finance Committee discussed the pay down of the outstanding debt, and a decision was made to delay the action in lieu of some additional expenses. The Committee reviewed the first draft of the operating budget for fiscal year 2015/2016 and Mr. Jamison also presented the proposed capital expenditures budget for 2015/2016.

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. The Committee reviewed and discussed the draft of the 2016 Shareholders Information Manual/Calendar and the proposed revisions to the verbiage in the document.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday with Accounting Manager Kitty Karstetter. The Committee reviewed inventory procedures and inventory training documents with Ms. Karstetter. The Committee also reviewed the financial statement, and planned the agenda for their July committee meeting.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said the Committee met yesterday. At the meeting, the Committee interviewed one prospective candidate for Board membership, and scheduled an interview with a new prospective candidate for their July meeting. The Committee received a renewal application from an applicant, and an interview will be set with that person later in the year. The Committee also reviewed their list of active candidates.

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 accidents and injuries to guests and employees. The Committee was informed that five bicycles were recently stolen, with one being recovered. The Committee recommended that Security should have one of the guards patrolling the resort while one mans the gatehouse. The Committee received some information on solar energy, which will be reviewed at a future meeting. Mr. Amian escorted the Committee on a tour of the storage lots, and the Committee was pleased to see that the lots were clean and well maintained. The Committee recommended that pictures be taken and mailed to the owners of the units that are in poor condition or dirty so that they know the status of their property.

SHAREHOLDERS' COMMENTS

A shareholder reported that he has witnessed many people climbing over the new fence and noticed that there was a loose top rail that needs to be secured. He asked if the Prime Time Conversion Dates could be printed in the Shareholder Information Manual/Calendars as it had been in the past.

A shareholder complimented the Board on the new perimeter fence. He also commented about the water that accumulates around the Corporate Office after a rain, and suggested that something be done to improve the drainage in that area. He also commented that the 5/31/2015 date was left off of the calendar page in the 2015 Shareholders' Information Manual.

A shareholder asked if there was an update on the pedestrian bridge proposed for Pismo Creek. Mr. Jamison reported that there was no new information on the bridge, primarily because the State Department of Parks and Recreation is focusing on the air quality control issue on the dunes.

Mr. Nunlist recessed the meeting at 10:41 a.m., asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:54 a.m.

There being no further business, the meeting was adjourned at 11:28.m.

The above minutes of the May 16, 2015, Board of Directors' Meeting are correct and accepted as presented.

George Pappi, Jr.

George Pappi, Jr., V. P. – Secretary