

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 21, 2016, by President Terris Hughes at 10:00 a.m.

INVOCATION

Mr. Plumley gave the invocation.

PRESIDENT'S WELCOME

Mr. Hughes welcomed the shareholders and directors to the meeting. He reported that, due to personal reasons, director Kurt Brittain had regretfully submitted his resignation from the Board. Mr. Hughes briefly reported on Mr. Brittain's more than twenty-three years of service to the Company. Mr. Nunlist made a motion that the Board of Directors accept, with regret, the resignation of Mr. Brittain, but to also thank him for his years of service and dedication to the Corporation. Mr. Williams seconded, and the motion carried unanimously.

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 March 19, 2016, be accepted as submitted. Mr. Buchaklian seconded, and the motion carried.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, reported that this weekend the Vintage Trailer Rally is in the Resort, and he invited everyone to attend their Open House event today. The group has already made arrangement for their 2017 Rally. The event gives the Resort a strong positive national presence with the press releases that have been distributed nationally. The Flippin' RVs television show has filmed the event for the last two years, and may be filming again this weekend.

He was pleased to say that, fiscal-year-to-date, occupancy for this year is currently 785 site nights ahead of last year's occupancy, and last year was the best year for occupancy in the history of the Company.

Mr. Jamison gave an update on the Verizon cell tower projects. The construction of the cell tower in Storage Lot D in Oceano is in progress and will be a tree shape. The cell tower in A-Lot is in the permit process and will be placed at the back of the property. The cell tower location in the Resort will be a flagpole design and construction on this tower will begin next week. This project will be a two-phase project, with the first phase being the installation of the underground utilities and the building of an enclosure for the equipment. The second phase will be the installation of the flagpole, which will not be ready for approximately six weeks.

Mr. Jamison reported that, in January and again in March, the local area had extreme wind conditions during the night which resulted in eight trees coming down that damaged several RVs. Our arborist came in after the January storm and did a review of the trees in the Resort and recommended the removal of approximately thirty trees. Based on her recommendation, at the May meeting the Board made the decision to remove any large trees that could be potentially dangerous. Approximately 75 trees have been taken out since January. At the March Board meeting, arborist Carolyn Leach gave a presentation to the Board on the tree program used for the Resort over the last thirty years. Considerable time has been spent reviewing the different varieties of trees that could be planted in the resort to replace those that were removed and where to plant them. The intensive tree removal has affected the timing of other projects planned for this year. We are planning to plant a few new trees on the south side prior to the summer season. He expressed his appreciation for the patience and support of our directors, shareholders and guests that were affected during this project.

He gave an update on the easement for the City of Pismo Beach's new lift station location in Storage Lot A. It was recently determined that the financial institution that was going to be a signer on the agreement no longer has to be a signer, and we are working on a reconveyance of that property back to Pismo Coast Village. Once that is completed, we will sign the easement agreement. We expect that the City will probably move forward with the construction of the lift station next year.

Mr. Jamison acknowledged the twenty-five years of service to the Company by recording secretary Terri Braun. On behalf of the Board of Directors, Mr. Hughes congratulated her on her twenty-five years of service and dedication to the Company.

EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEES REPORT

Mr. Nelson, Chair of the Personnel and Compensation/Benefits Committee, reported that there was a joint meeting 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. The Committee reviewed and approved the annual review proposal for one of Mr. Jamison's direct report employees. Mr. Hinds spoke about the Company's 401(K) Plan and the potential regulatory changes that may affect the program prior to the end of this year. The Committee will work with Mr. Hinds to see if the Plan needs to be changed or if we can work with the current Plan if the new regulations become effective. A subcommittee has been established to work with Mr. Hinds on this matter. Mr. Jamison also gave the committees an update on the Resort.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said his Committee met this morning. They reviewed the April financial statement and the variances from the budget and the prior year, and found the differences to be valid. The balance sheet was reviewed and found to be very sound. The Committee discussed the pay down of the Company's outstanding debt, and proposed rate increases for site and towing fees. Motions from the Committee will be presented during Closed Session

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. The Committee reviewed the draft of the revised Employee Handbook and the proposed changes, as well as the draft of the 2017 Shareholder Information Manual/Calendar. The Committee will present their recommendations during Closed Session.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. Also in attendance was Reservations Supervisor Darrell Sisk. As a result of Brown Armstrong CPA's recommendation from their annual audit, the Committee reviewed IT (information technology) procedures with Mr. Sisk. Mr. Enns was pleased to report that Brown Armstrong's concerns were either addressed or are in the process of being resolved. The Committee will present their recommendations during Closed Session.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said the Committee met yesterday. All Committee members were present. Dr. Eudaly also attended the meeting. The Committee's meeting agenda was amended to include discussion of procedures used in selecting candidates for the Board of Directors for Pismo Coast Village, Inc. A motion will be presented during Closed Session for the Nominating Committee's recommendation to fill the current vacancy on the Board. At their meeting, the Committee interviewed one prospective candidate for Board membership. The Committee also briefly discussed the questions used by the Committee in candidate interviews and the candidate interview lists.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mrs. Harris, Chair, reported that the Committee did not meet yesterday.

SHAREHOLDERS' COMMENTS

David Bessom said that he concurred with Mr. Jamison's earlier comment about the work performance of Mrs. Braun.

Una Halford commented that she is very proud of our beautiful Resort

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 11:57 AM.

The above minutes of the May 21, 2016, Board of Directors' Meeting are correct and accepted as presented.

George Pappi, Jr., V. P. – Secretary

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