

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 November 9, 2013, by President Ronald Nunlist at 10:01 a.m.

INVOCATION

Dr. Eudaly gave the invocation.

ROLL CALL

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

PRESIDENT'S MESSAGE

Mr. Nunlist welcomed the shareholders to the meeting. He was pleased to report that the Company had completed another successful year, and he asked that Mr. Jamison inform the staff that the Board really appreciates the work that they do to make this happen.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, reported that the Company had a great year, and thanked staff for their efforts. Fiscal Year occupancy was up slightly over last fiscal year's figures. Storage revenue is up due to an increase in storage customers, and we are currently at 85% occupancy. We have two local companies that are temporarily renting storage space for RVs for their sales inventory, rental fleet units and consignment trailers. He reported that the Board approved an increase in the nightly site rate for next year and projections look good. The operator of Pismo Coast Village Grill has leased the restaurant space for the next year, which creates another source of revenue for the Company. We also have the income from the lease for the Verizon cell phone tower in Storage Lot K, and we are in negotiations for another Verizon cell phone tower lease in Storage Lot D.

He reported that this year the Company experienced a significant increase in our water and sewage bills from the City of Pismo Beach. Earlier this year, the City replaced the manifold, main gate valves and two meters which feed our water system. Since the equipment was replaced, our water bill has tripled in cost. To verify that the increase is a result of the new meters, we will pick a day in December when occupancy is at its lowest, and we will shut down all restrooms and turn off all water spigots at the campsites. We will then check the meters to see if water is still flowing to try to verify if we have underground leaks.

The replacement of Restroom #2 is planned for this fiscal year. We hope to have the plans ready to submit to the State Department of Housing in Riverside next week. This project required additional changes to comply with FEMA requirements, and, because of the second floor on the building, additional oversight by the City of Pismo Beach. Mr. Jamison reported that road paving and work on the entryway will be done this year, and the truck used by the Security Department will be replaced.

Mr. Jamison gave an update on the plans to install a pedestrian bridge across Pismo Creek and said that the public comment period ended a week ago. Mr. Jamison spoke to the biologist for the State Department of Parks and Recreation and was told that there were public comments made regarding the belief that this was a public access request from a private entity (i.e., Pismo Coast Village). The biologist is asking for proof that we provide access to the beach through our property for pedestrians not staying at our resort and that the bridge would not be just for our guests. He acknowledged that there will be other public comment opportunities. Discussion ensued regarding getting signed affidavits from long-term Board members and from neighboring local residents who use our property to access the beach.

PRIOR MINUTES REVIEWED

Mr. Pettibone moved that the minutes of the Board of Directors' Meeting held September 21, 2013, be accepted as submitted. Mr. Hearne seconded; the motion carried.

EXECUTIVE COMMITTEE REPORT

Mr. Nunlist, Chair, said that the Committee met jointly yesterday with the Personnel and Compensation/Benefits Committee. Discussion at the meeting with the Plan Advisor included the new regulations and changes to the Company's 401(k) Plan.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, reported that the Committee met this morning and discussed the financial report for the fiscal year ended September 30, 2013. The Company had an excellent year, and we are looking forward to another good year.

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, reported that the Committee met this morning and continued their discussion on the replacement of the perimeter fence along Dolliver Street/Highway One. The Committee also discussed the Resort's rules and regulations, and comments received from a shareholder about pets in the resort and guests cutting through campsites. The Committee will present some items during Closed Session.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, reported that the Committee met yesterday by conference call with the lead auditors from our accounting firm, Brown Armstrong CPA, to discuss the results of their annual external audit. Also present at that meeting were Mr. Jamison and Accounting Manager Kitty Karstetter. The auditors reported that there were no significant exceptions found in the current financial report. Ms. Karstetter also gave the Committee a report on the accounting process for advance deposits.

NOMINATING COMMITTEE

Mr. Hearne, Chair, reported that the Nominating Committee met yesterday. The Committee interviewed one candidate for board membership. In addition, the Committee also received two more applications, and those persons will be scheduled for interviews in 2014. The Committee will present their recommended slate of Board nominees for the 2014 annual meeting during Closed Session.

ENVIRONMENTAL, HEALTH AND SAFETY ADVISORY COMMITTEE REPORT

Mr. Buchaklian, Chair, reported that the Committee met yesterday. Charles Amian, Operations Manager, attended the meeting and give an update on accident and workers' compensation insurance claims for guests and employees. The Committee discussed whether there were suggestions for areas of improvement and had no recommendations. The Committee also toured the handicap restroom facilities and found that there might be an issue with the hot and cold water temperatures in the faucets. The Committee also updated the List of Advisories.

SHAREHOLDER COMMENTS

A shareholder asked who would be responsible for the liability aspect of the proposed bridge across Pismo Creek. Mr. Jamison said that the State of California would be the responsible party, however, we will most likely have insurance to help with the investment that we have in the bridge itself. The shareholder congratulated the company on a great fiscal year.

A shareholder asked if the Resort's Beach Access Gates will still close at 10:00 p.m. when the bridge is in place. Mr. Jamison confirmed that they will close at 10:00 p.m., unless we learn otherwise.

A shareholder asked whether the Affordable Care Act will have an effect on the expenses for the health insurance program for staff. Mr. Jamison confirmed that it would, and said that we just received a letter outlining four new taxes for the premium for the medical insurance. The Board has decided to maintain the current program through 2014, and, at that point, the Board will consider making decisions on the program which are in the best interest of the employees.

A shareholder thanked the Board for allowing shareholders to attend the meeting. He commented about the cleaning of the restrooms during the day, when guests are wanting to use the facilities, rather than at night when there is less demand. Mr. Jamison spoke about the scheduling of staff, cleaning of the facilities, etc.

A shareholder reported that the lock on the Women's side of Restroom #3 is not working properly. She also asked how the classification of Prime and Non-Prime days is determined. Mr. Nunlist reported that the Operations Committee determines Prime and Non-Prime days for the Shareholders' Information Manual and Calendar. She has been here for the last three weeks and has had difficulty staying connected to the internet with the wi-fi system. She suggested that we consider contacting Cal Poly to see if their computer science department might be willing to take on our wi-fi system as a project. Mr. Jamison thanked her for the suggestion. Discussion ensued regarding the wi-fi system. Another shareholder's son said that he owns a technology company in Bakersfield, and that he may be able to offer some assistance. Mr. Jamison suggested that he talk to Darrell Sisk, Reservations Supervisor.

A shareholder commented that, since the password to access the wi-fi system was removed, it has created more of an issue for those trying to use the system. He recommended that the use of the code be reimplemented. He also commented about the Creek water entering the resort at the Outfall Structure and suggested that something be done. Mr. Jamison said that the issue has to do with the elevation of the sand where the Creek breaches through to the ocean, and, unfortunately, we cannot do anything with the beach property. The shareholder suggested that we file a complaint with the State stating that it is interfering with our business.

A shareholder commented that this is a beautiful area, and the resort and swimming pool have been getting better and better in the years that they have been staying here. The shareholder recommended that the perimeter fence along Dolliver Street/Highway One be replaced with a block wall fence. Mr. Nunlist reported that this project is being proposed for fiscal year 2015.

A shareholder suggested that the hours for cleaning the restrooms be posted at the facilities so that guests will know the schedule. He also commended Larry, Tommy and Tom for their assistance when he and his wife were having problems with the slide out on their unit.

Mr. Nunlist recessed the meeting at 10:56 a.m., asking the shareholders to leave the meeting room. He reconvened the meeting in **Closed Session** at 11:10 a.m.

There being no further business, the meeting was adjourned at 12:17 p.m.

The above minutes of the November 9, 2013, Board of Directors' Meeting are correct and accepted as presented.

Gary S. Willems

Gary S. Willems, V. P. - Secretary

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