

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 September 16, 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 expressed his appreciation to Mr. Plumley for leading the employee appreciation barbecue yesterday, and he also thanked the members of the Board that assisted with food preparation and serving. On behalf of the Board, Mr. Hughes asked Mr. Jamison to let Tommy, Maintenance Lead, know how much the Board appreciated his efforts to make the event a success.

LETTER OF RESIGNATION

With regrets, Mr. Hughes announced that Mr. Hickman had submitted his letter of resignation from the Board of Directors, to be effective at the end of today's meeting. He read the letter and thanked Mr. Hickman for his service, which was met with a standing round of applause.

ROLL CALL

Mr. Pappi called roll. 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 July 15, 2017, be accepted as submitted. Mr. Hearne seconded. A vote was taken; the motion carried.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, thanked the Board for the employee appreciation barbecue yesterday; the event was very well attended, and the food was delicious. The new Hino truck for the Trailer Movers' fleet arrived last week and is in service. Last week the gas was shut down in the resort to repair a leak in the 1.5-inch steel pipe by the gas meter.

He reported that the summer season went well, even with staffing shortages in some departments. Last fiscal year was a record year for occupancy for the resort, with 121,698 site nights, and this year is looking like it may exceed that total. To date, we are at 115,626 site nights for the year.

The Verizon cell phone tower project in Storage Lot A is progressing. The broadleaf tree design cell tower will be erected in the very back corner of the lot. The construction started two weeks ago. During the work for the foundation, a bone fragment was found by the Native American monitors who are observing the project. The local police department was notified, and an archeologist was brought in. As a result, the project has been put on hold until it can be determined whether the bone is of human origin.

Also planned for A-Lot is the construction of the City of Pismo Beach's new sewer lift station. The City is still working on accepting bids for the job. This project will impact the traffic along Highway One/Dolliver Street with the construction of a new main line down the center of the highway. It looks like this will be a Spring/Summer 2018 project.

The Oceano drainage project, which will impact Lots B and E, has been put on hold. They are still working on getting bids for the project and it may be a Spring/Summer 2018 project.

On September 1, 2017, the minor use permit for our new RV Shop location in Oceano was approved by the County of San Luis Obispo. This week we received the final action from the County defining the conditions and notifying us that there were no appeals filed during the two-week appeal period. We have added a new architect, electrical engineer and civil engineer to our project team, and they are working on the plans. The next step will be to get the grading permit and building permit.

Several months ago, the Resort's satellite television system was switched from DirecTV to Dish. Some guests have had challenges receiving all the channels. The issue appears to be caused by televisions that do not have QAM tuners that are compatible with the system.

Mr. Jamison reported that he had lunch recently with Eric Howell, who is a member of the Pismo Beach City council and sits on the California Coastal Commission, to discuss projects being considered for the Resort. Mr. Jamison also has a meeting scheduled for next week with a project manager from the Department of State Parks and Recreation to discuss the projects that we are considering.

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 Executive Committee. All committee members were present. The committees have been reviewing companies to serve as the Company's 401(k) plan advisor and third-party administrator, and have narrowed their search. In August, the two committees met with the representatives from Merrill Lynch and PayChex to discuss their proposals. Mr. Nelson will present the committee's recommendation during Closed Session today. At their meeting yesterday, the committees also discussed the status of the resort and conducted the annual review for Mr. Jamison. Mr. Nelson commented that the Board is very appreciative of Mr. Jamison and what he has done for the Resort.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said that the Finance Committee met this morning. The Committee reviewed the financial statement and variances for August 2017, and found nothing out of the ordinary. They accepted the report. A review of the balance sheet showed it to be strong. The capital expenditures were reviewed, including the projects that were not completed this year and will be carried over to next year. Also reviewed were the proposed capital projects and final drafts of the operating and capital expenditure budgets for fiscal year 2017/2018. The Committee will present a motion to approve the budgets during Closed Session. The Committee also discussed the outstanding debt with Pacific Premier Bank, and will present a motion during Closed Session.

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. All Committee members were present. Charles Amian, Operations Manager, was also in attendance. The Committee and Mr. Amian discussed the application of the resort's rules and regulations, how we could better improve enforcement and adherence, and how Security staff can monitor those rules. The Committee will continue their discussion at their November meeting. The Committee also reviewed and discussed the comments submitted by shareholders and guests that were posted on the www.guestreviews.com report and on the resort's car passes.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. All Committee members were present. Mr. Jamison and Kitty Karstetter, Accounting Manager, also were in attendance. The Committee reviewed the book asset detail, which is the depreciation schedules. Also reviewed were the engagement letters for Glenn Burdette CPA, who prepare our quarterly statements and tax returns. The Committee also reviewed communications received from Brown Armstrong CPA.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Buchaklian, Chair, reported that the Committee met yesterday. Charles Amian, Operations Manager, gave the Committee an update on accidents and injuries to guests and employees. The Committee interviewed Kathy, General Store Lead, regarding safety issues. The revised Tsunami Evacuation Plan document was approved by the Committee. The Committee also revised their List of Advisories and toured the resort's restroom facilities.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said that the Nominating Committee met yesterday. All committee members were present. The Committee reviewed the Active Board Application Log, and had no recommended changes. The Committee received one new application for Board membership, and an interview has been scheduled for their November meeting. In addition, the Committee amended one question concerning computer knowledge and revised the format for the list of questions that are asked during applicant interviews.

SHAREHOLDERS' COMMENTS

A shareholder said that she and her husband come to the resort as much as they can; they love staying here. She is a storage customer, and commented that she does not understand why she must move and pay the in-park move fee to relocate to another campsite because someone else has requested and reserved her current campsite.

A shareholder said that he and his wife have enjoyed staying here for many years. They are very impressed with the management of the Resort. He suggested the implementation of a shareholders' only page on the resort's website with the current rules, shareholder calendar, meeting agendas and minutes, and the running balance of available share time available to the individual shareholder.

A shareholder agreed with the suggestion of the portal for shareholder information, especially having access to the running balance of shareholder time that each shareholder has remaining for the year. She also commented about trying to make reservations on a release date, calling in and being disconnected by the phone system. She recommended the phone system be reviewed for possible upgrade. She commented about the increasing demand for shareholder time, and suggested that some of the sites held for the general public guests be transferred to shareholders to allow more of them to visit the resort.

A shareholder commented that this is a great park, and the improvements done over the last 25 years are outstanding. He commented that shareholders can check with the Reservations Office for helpful hints on how to best use the Shareholder Information Manual/Calendar for making reservations. He complimented the Board and staff for the great job that they do.

A shareholder recommended that the Company continue to purchase shares to allow more shareholders to use share time.

A shareholder expressed her appreciation for the installation of the lids on the trash bins, however, the lids are now flipped back. She was told the reason that they are off is because kids throw the garbage bags on top of the bins rather than lifting the lids to deposit the trash inside. She commented about the good time that she and her husband had at the January Shareholder Wine Reception and encouraged everyone to attend.

A shareholder also suggested that the Company purchase back more shares, which would allow more shareholders to get in and possibly increase revenue with more paying customers.

Jeanne Sousa, owner/broker of Pismo Coast Investments, asked if the Company-owned shares would be voted. Mr. Hughes confirmed that the shares would not be voted, and had been retired to allow more shareholders to use the share time for those shares. Mr. Nunlist said that the Board has been authorized to purchase up to a maximum of thirty shares, and currently has purchased twenty-five shares. The Board, at their discretion and by Board action, could increase the maximum beyond the current thirty share limit. Mr. Nunlist stated that the Company does not actively solicit shares, but does consider purchasing back shares when a shareholder approaches the Company directly.

Mr. Hughes acknowledged the presence of former director Kurt Brittain who was sitting in the audience. This comment was met with a round of applause.

Mr. Hughes recessed the meeting at 10:46 AM, asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:58 AM.

There being no further business, the meeting was adjourned at 12:08 PM.

The above minutes of the September 16, 2017, Board of Directors' Meeting are correct and accepted as presented.

George Pappi, Jr.

George Pappi, Jr., V. P. – Secretary

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