

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 17, 2016, by President Terris Hughes at 9:58 a.m.

INVOCATION

Dr. Eudaly gave the invocation.

PRESIDENT'S WELCOME

Mr. Hughes welcomed the shareholders and directors to the meeting. He said that yesterday the Board held an Employee Appreciation Barbecue in the Maintenance Yard. He thanked Mr. Plumley for organizing the event, as well as the directors who assisted with the food preparation.

Mr. Pappi expressed his appreciation to everyone for the prayers, cards, and kind words following the passing of his father.

ROLL CALL

Mr. Pappi called roll. With the exception of Mrs. Harris, 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 16, 2016, be accepted as submitted. Mr. Plumley seconded, and the motion carried.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, expressed his appreciation to the members of the Board that helped with the barbecue in the Maintenance Yard. Staff has done a great job this year. Fiscal-year-to-date, occupancy is currently increased over the same period last year by 740 site nights, and we expect to exceed last fiscal year's total occupancy, which was the highest occupancy year ever for the Company.

The flagpole piece for the cell tower being erected by the Reservations Office will be installed next week; however, underground cables for the wiring still need to be run through the conduit. New washers and dryers were installed in the Laundromat as part of the renewal of the seven-year contract with Wash. The interior of the Laundromat was painted, and new shelving and countertops were installed. The new RV Shop location in Oceano is still in the permit process, and it looks like our efforts to get curbs, gutters and sidewalks waived on 21st Street will be approved.

He reported that Charles Amian, Operations Manager, just celebrated thirty years of employment with the Company. Javier, who recently retired, was acknowledged with a plaque at yesterday's barbecue for his twenty years of service in the Maintenance Department.

Mr. Jamison expressed his appreciation to everyone for the flowers, cards and donations made to the Pismo Coast Village Honorary and Memorial Scholarship Fund following the passing of his mother.

EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEES' REPORT

Mr. Nelson, Chair of the Personnel & Compensation/Benefits Committee, reported that a joint meeting was held yesterday. In addition to the members of the committees, Mr. Jamison and 401(K) Plan Advisor Edward Hinds III were present. Mr. Hinds gave a presentation on the 401(K) Plan and his plans for going forward, if he is to continue as Plan Advisor. Following Mr. Hinds' presentation, Mr. Nelson updated the Committees on a meeting that was held with Merrill Lynch Wealth Management, another company that would like to be our 401(K) Plan advisor. The ad hoc committee will also interview other companies and, based on what will be in the best interest of the employees of Pismo Coast Village, a decision will be made on a selection of the Advisor for the 401(K) Plan. The Committees met with Mr. Jamison for his annual performance review and discussion of his goals and objectives for next year. Mr. Jamison gave an update on the status of the Resort to the Committees. He also made a suggestion that some of the currently designated general public prime time spaces could be rolled over and used as time available for shareholders to allow more shareholder usage. If these spaces are not taken up by shareholder requests, those spaces could be sold to the general public.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair, said his Committee met this morning. All committee members were present. Mr. Jamison and Mr. Hughes were also in attendance. The Committee reviewed the August 2016 financial statement and variances and found all to be in order. Also reviewed was the Capital Expenditures Budget for the current year. The Committee reviewed the third drafts of the Operating Budget and Capital Expenditures Budget for Fiscal Year 2016/2017, and will present motions during Closed Session.

OPERATIONS COMMITTEE REPORT

Mr. Plumley, Chair, said that the Operations Committee met this morning. The Committee discussed some of the rules and regulations for possible revision and clarification of the verbiage. Following discussion, it was a consensus of the Committee to continue discussion of the rules at future committee meetings. Also reviewed were the guest comments received since the last meeting.

AUDIT COMMITTEE REPORT

Mr. Enns, Chair, said the Committee met yesterday. Also in attendance was Reservations Supervisor Darrell Sisk. The Committee audited the procedures for shareholder reservations, and discussed how many people were being turned away at both the first and second shareholder release dates. It was determined that most of the shareholders that were turned away on the first release date were able to make reservations on the second release date. He expressed his appreciation to the Reservations Department for their hard work in trying to accommodate shareholder reservation requests. The Committee also discussed the upcoming fiscal year end audit by Brown Armstrong CPA.

NOMINATING COMMITTEE REPORT

Mr. Hearne, Chair, said the Committee met yesterday. All Committee members were present with the exception of Mrs. Harris. The Committee reviewed the list of questions used for candidate interviews. Following that, the Committee interviewed three candidates. Mr. Hearne said that the Committee would be meeting this afternoon at 1:00 PM to continue their unfinished business.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Buchaklian, Chair, reported that the Committee met yesterday morning. Charles Amian, Operations Manager, updated the Committee on accidents and injuries to guests and employees. The Committee interviewed Rodrigo from the Housekeeping Department regarding his comments on health and safety issues. Rodrigo told the Committee that one of the most challenging things that occurs during his work day is trying to close a restroom facility for one hour to clean and trying to keep guests from coming in during that time. In addition, he said that the walls in the restrooms have heavy condensation from the moisture that accumulates during showers. The Committee also toured the General Store and the Maintenance Yard, which resulted in new items being added to the List of Advisories.

Mr. Buchaklian expressed his appreciation to everyone for the phone calls and messages following his recent surgery.

SHAREHOLDERS' COMMENTS

A shareholder reported that, upon entering his RV for this stay, he found that a rat was also occupying his unit and had caused damage to his water line and in other places. The shareholder thanked Mr. Plumley for assisting with the challenge of cleaning up the damage and doing repairs.

A shareholder commented about the deck surface area at the swimming pool, and said that it is very slippery there and it is a safety hazard.

A shareholder commented that her family was here for the Fourth of July holiday. She complimented staff for the great job they did in keeping the Resort clean, and said that Security did a great job keeping things under control. She commented about the challenges of trying to make reservations for dates in August. She also said that the Reservations Office staff works hard and does a good job.

A shareholder suggested that a gate that shuts be installed at the pedestrian exit on the south side to deter people from entering the Resort that are not guests. He also asked if the City had any future plans to extend the beach boardwalk. He said that he heard a rumor that shares are being bought by directors to give more control to the Board. Mr. Nunlist explained that directors are not purchasing shares, but the Company itself is purchasing shares to allow shareholders an opportunity for more days in the Resort by taking the shares off of the market. To date, the Company has purchased 25 shares, which are kept in a safe deposit box and are not voted. Directors are held to the same three-share maximum that all shareholders must comply with. Discussion ensued regarding the initial plan for the Boardwalk and its current path.

A shareholder asked if there were plans for the remaining trees in the Resort, specifically those that create messes on trailers and/or cause safety issues. Mr. Jamison reported that seventy of the first-generation trees were removed this spring. Three hundred eucalyptus trees have been taken out over the last fifteen years. Because the two storms earlier this year exposed the fact that the trees had shallow roots, etc., at the advice of our arborist, we removed thirty trees year prior to the March Board meeting. In March, the Board gave the direction to remove all remaining first-generation trees. Five more trees, situated around the basketball court, and a large tree on the north side will be removed in October. The remaining trees in the Resort are not considered a safety issue. We have a plan in place for the replacement of trees with ones that are smaller and more appropriate for our soil type, wind conditions, etc.

A shareholder said that he swims every morning in the pool. He commented on what a special place the Resort is, and said that he appreciates that the Board is forward thinking and proactive on improving the facilities.

A shareholder commented that the Resort is beautiful. She likes the new curb that was put in along the road by the Corporate Office. She mentioned that birds are getting into the garbage dumpsters and pulling trash out, creating a mess. She asked if there was something that could be done to stop this from happening.

Dwight Plumley thanked Kurt Brittain for his help with the food preparation at the Employee Appreciation Barbecue.

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

There being no further business, the meeting was adjourned at 11:59 AM.

The above minutes of the September 17, 2016, Board of Directors' Meeting are correct and accepted as presented.

George Pappi, Jr.

George Pappi, Jr., V. P. – Secretary