

**ANNUAL SHAREHOLDERS' MEETING**

**PISMO COAST VILLAGE, INC.**

**SATURDAY, JANUARY 18, 2020**

Pursuant to notices properly mailed to shareholders, the 2020 Annual Shareholders' Meeting of Pismo Coast Village, Inc. was held Saturday, January 18, 2020, at the South County Regional Center, 800 West Branch Street, Arroyo Grande, California.

President Terris Hughes called the meeting to order at 9:00 a.m. He started the meeting by asking those persons who have served or are currently serving in the military to stand for a round of thankful applause. Then, as a patriotic salute, a video of "God Bless America," performed by Lee Greenwood was shown.

Director Dennis Hearne led the Pledge of Allegiance. Director Ronald Nunlist gave the invocation.

In Vice-President-Secretary George Pappi, Jr.'s absence, Mr. Hughes called on Director Gary Willems to declare a quorum present, in both person and by proxy, for today's meeting. Except for Mr. Pappi, all members of the Board of Directors were present. As roll was called, and the directors came on stage and took their seats.

Mr. Hughes welcomed the shareholders, directors, and staff to the meeting. He commented that it was an honor and a privilege to serve as President and Chair of the Board last year. He thanked the directors, as well as their spouses, for their support and commitment. He also thanked the Resort management and staff for all their hard work and efforts. He encouraged shareholders interested in serving on the Board of Directors to contact the Corporate Office for the director application packet.

Mr. Hughes asked if everyone in the audience had enjoyed last night's Shareholder Wine Reception. He thanked Marios Pouyioukkas from Pismo Coast Village Grill for the appetizers. Two hundred guests attended the event, and it was a great opportunity for the Director's to interact with the shareholders.

Mr. Hughes introduced Chief Executive Officer/General Manager Jay Jamison and the staff members present at today's meeting. He introduced our attorney, Joseph Look, Ryan Nielsen of Brown Armstrong Accountancy Corporation (who is acting as inspector of election for today's meeting) and Austin Petty, Jim Walker and Kirk Vaughn of Pacific Premier Bank.

Mr. Hughes then introduced Mr. Nelson, who gave the Personnel & Compensation/Benefits Committee Report. Mr. Nelson introduced the members of the Committee: Wayne Hardesty, Terris Hughes, Ronald Nunlist, George Pappi Jr., Rodney Enns, and Jerry Roberts. The Personnel & Compensation/Benefits Committee's responsibilities include negotiating the employment contract with the Chief Executive Officer/General Manager, reviewing the Chief Executive Officer/General Manager's goals, objectives and performance, setting compensation for major staff, reviewing the employee benefits program, and monitoring the Company's 401(k) Plan. All meetings were held in joint session with the Executive Committee. The members of the Executive Committee are Terris Hughes, Garry Nelson, Wayne Hardesty, George Pappi Jr., Rodney Enns and Ronald Nunlist. The two Committees jointly met six times during 2019. The functions and responsibilities of the Executive Committee include reviewing the monthly business and current financial statements with the Chief Executive Officer/General Manager and to provide support as needed. Mr. Nelson thanked the members of the two Committees for their work during the year.

Mr. Hardesty, Finance Committee Chair, gave the Finance Committee Report. He introduced the members of the Committee: William Fischer, Marcus Johnson, Dwight Plumley, Brain Skaggs, and Jack Williams. Mr. Hardesty thanked the Committee for all the work that was done during the past year. The Committee's primary duties are to review monthly financial statements, draft the three-year forecast of finances, draft the one-year operating budget,

prioritize capital expenditures, monitor completion of capital projects, recommend to the Board changes in the rate schedule, and to submit the annual report of the financial condition of the corporation to the shareholders. The Committee met five times in 2019.

Mr. Enns, Operations Committee Chair, introduced the Committee: David Bessom, Sam Blank, Ronald Nunlist, Jerry Roberts, and Gary Willems. The primary duties of the Operations Committee include reviewing and recommending changes to the rules and policies of the Resort, updating and recommending changes to the Employee Handbook, reviewing and recommending changes to the Shareholders' Information Manual/Calendar, and implementing Board policy and procedures. He thanked the Committee for their hard work this past year. The Committee met five times in 2019.

Mrs. King, Audit Committee Chair, introduced and thanked the members of the Committee: Sam Blank, Dennis Hearne, Brian Skaggs, and Jack Williams. Together with staff, the Audit Committee works to ensure accounting procedures supported by internal controls are working as designed, and they challenge the staff to continue seeking opportunities for process improvement. The functions of the Audit Committee include coordinating with the Company's independent accountants in the preparation of annual financial reports and audits, and performing random reviews of selected accounting procedures of the Company. The Audit Committee reports to the Board of Directors and is responsible for overseeing and monitoring financial accounting and reporting. The Audit Committee met five times during 2019.

Mr. Skaggs, Environmental, Health and Safety Advisory Committee Chair, introduced the Committee members: David Bessom, Harry Buchaklian, William Fischer, and Marcus Johnson. He thanked the Committee for all their efforts throughout the year. The Committee's responsibilities include performing environmental-related duties, health and safety reviews, and making recommendations to the President and Chief Executive Officer/General Manager on matters related to environmental and safety concerns. The Committee annually reviews the Pismo Coast Village Tsunami Evacuation Plan. The Committee also reviews updates of employee and guest related injuries given by Charles Amian, Operations Manager. There were no injuries to report for 2019. The Committee conducts employee interviews regarding environmental, health and safety issues applicable to employee positions. They review the status of the EHSA Advisory List and what advisories have been completed by the Resort. They also set up review of the various Pismo Coast Village facilities to develop new advisories of items of concern. Mr. Skaggs expressed his appreciation to Mr. Amian for attending meetings and supporting the Committee's work during the year. The Committee met five times in 2019.

Mr. Hearne, Chair of the Nominating Committee, explained that the Nominating Committee, which considers the qualifications and composition of the Board of Directors of the Company, was elected at a meeting of the Board held following the January 19, 2019 Annual Shareholders' Meeting. Mr. Hearne introduced the Committee: William Fischer, Karen King, Ronald Nunlist, and Gary Willems. The Committee met five times during 2019.

The Nominating Committee submitted its recommendations for the slate of nominees for today's annual meeting at the November 9, 2019 Board of Directors' meeting. Mr. Hearne requested that individuals who would like to be considered as nominees or to nominate an individual for membership on the Board notify the Nominating Committee in writing. He thanked the applicants that have taken the necessary steps to be considered for Board membership.

In November, the Nominating Committee duly nominated, and the Board unanimously approved to appoint shareholder Marcus Johnson to fill the vacancy on the Board created by the resignation of director Jerald Pettibone. Mr. Hearne introduced Mr. Johnson, who was invited to come to the podium to introduce himself to the shareholders.

Mr. Hearne then presented the Nominating Committee's recommended slate of nominees for director of the Pismo Coast Village, Inc. Board for 2020: David Bessom, Sam Blank, Harry Buchaklian, Rodney Enns, William Fischer, Wayne Hardesty, Dennis Hearne, Terris Hughes, Marcus Johnson, Karen King, Garry Nelson, Ronald Nunlist, George Pappi Jr., Dwight Plumley, Jerry Roberts, Brian Skaggs, Gary Willems, and Jack Williams.

Mr. Willems explained the process of cumulative voting within the State of California under California Corporate Law. California law states that, before cumulative voting can occur, two things must be done. First, all candidates' names must be placed in nomination prior to the commencement of voting, and secondly, one shareholder must give notice that he or she intends to vote cumulatively. Mr. Hearne placed the candidates' names in nomination by presenting the proposed slate. Mr. Willems stated that he was now declaring his intention to vote cumulatively. He then explained the procedure for properly casting votes using a ballot. With cumulative voting, for each share owned, the shareholder has eighteen votes which may all be cast for one candidate or split among two or more. The ballot must be marked with the number of votes being cast for a specific candidate in the box next to the candidate's name. Those marked with an "x" or with any mark other than a written number are not be deemed properly voted and are not counted. He asked shareholders holding proxy cards to exchange them for ballots at the voter registration area.

Mr. Willems then asked that the ballot box be checked to see if it was empty, and Mr. Boyle, the Resort's Security Department Supervisor, confirmed that it was. Mr. Willems declared the polls open for a ten-minute voting period at 9:42 a.m. A recess was called, allowing those present to cast their votes.

Mr. Hughes called the meeting back to order at 9:53 a.m., and declared the polls closed. The ballot box was removed and taken to the vote counting room.

Mr. Hughes introduced Mr. Hardesty. Mr. Hardesty then presented the Chief Financial Officer's Report. For fiscal years 2014 to 2019, slides compared total occupancy for general public and shareholders, total revenue and expenses, revenue categories, storage revenue, insurance expenses, utility expenses, and capital expenditures. Occupancy was down for 2019 due to weather related incidents.

Mr. Hughes then introduced Mr. Jamison, who gave the Chief Executive Officer/General Manager's Report.

Mr. Jamison welcomed everyone, and thanked the Resort staff for all their teamwork in preparation for the annual meeting. He also welcomed Jill Haney, the new Corporate Executive Secretary, and thanked her for her efforts. Photos of ten-year staff were presented, and Martha Olivera was recognized.

Mr. Jamison then congratulated everyone on another year of happy campers, fiscal success, and industry respect. He reported that occupancy was down 4,072 site nights below last year due to rain. But the rest of the season met our expectations. International tourism is having a positive impact on the RV industry. There were reservations from 43 countries with 2,150 from international visitors. Fiscal Year 2020 year-to-date occupancy is up 641 site nights compared to the same period last fiscal year. RV storage is working off of a waiting list, and as of the January 15, 2020, occupancy is 2,160.

Accomplishments and capital expenditures this past year included the new RV shop which is more than 70% completed, the new tow truck, and the Resort surveillance cameras.

He spoke about the national campground recognition, stating that in *Woodall's Campground Management Magazine*, Pismo Coast Village had a two-page article on the history of the operations of Pismo Coast Village RV Resort. *The Voice*, which is a magazine for our national trade organization, had an article on how Pismo Coast Village hosted the Thomas Fire evacuees last year. AGS (American Guide Service), who publishes the Visitors' Guide that is given to guests at check-in, did a story on how our Company used AGS's reward program for our staff. In addition, Pismo Coast Village was in the top three of twelve parks nationally that were nominated for ARVC's Park of the Year Award at the convention held in November at Knoxville, Tennessee. In the main lobby of the convention center was a display showing an enlarged photo of Pismo Coast Village taken by Justin, one of our trailer moving employees, that received 2<sup>nd</sup> place in last year's photo contest for the ARVC calendar. Also, at that convention, Charles Amian, Operations Manager, was elected to the executive committee and is serving now as our national treasure for Region 6, which represents the ten western states.

Mr. Jamison reported on our current ratings and customer reviews with Good Sam, TripAdvisor, [www.yelp.com](http://www.yelp.com), [www.rvparkreviews.com](http://www.rvparkreviews.com), and [www.guestreviews.com](http://www.guestreviews.com). Pismo Coast Village remains in the top 300 properties of 12,000 rated in the United States.

Pismo Coast Village supports local activities. This past year, funds were donated to the Monarch Butterfly Grove for an informational kiosk trailer. Also, five reservation nights were donated for Abigail's Make-A-Wish request. Being an avid watcher of RV travel shows it was her wish to take an RV trip to Pismo Beach. Local businesses became involved, and she was given a VIP tour of the Hearst Castle, Doc Bernstein's ice cream, a boat tour of Morro Bay, and Mayor for the Day certificate from the City of Pismo Beach at their City Council meeting.

Mr. Jamison then presented pictures from the 2019 Pismo Coast Village Halloween Costume Contest, and the Vintage Trailer Rally which was held in the Resort in May 2019. He also reviewed some of the training that our employees received during the year, and explained that some of these training sessions are done by representatives from Paychex, our payroll service provider, and our workers' compensation carrier. Some of the training included mandatory harassment prevention, flood response, customer service, conflict resolution, effective communication, diversity in the workplace, and fire safety.

The RV industry remains strong, and a popular recreation choice for families, retirees and outdoor enthusiasts. Millennials are becoming a major factor, and RVs are being designed specifically with them in mind. Alternative lodging units with activities have become very popular. In 2019, wholesale RV shipments decreased over the previous year by more than 17%. Projections for the coming year includes a decrease of an additional 3.5%. Trade associations, RVDA, RVIA, KOA, Jellystone Parks, National Parks, and vendors reported positive business in 2019, and have an optimistic outlook for 2020. The Harbor Terrace Campground Project in Avila Beach per Port San Luis Harbor District is having their groundbreaking January 21, 2020.

Occupancy projections look good. Our storage program is almost at full capacity, and there is a waiting list of trailer owners looking for storage space. Camping trends continue to be strong. The Company spends approximately \$46,000 each year on marketing, which includes exposure in the Good Sam Directory, Camp California Directory, San Luis Obispo Visitor Guide, SLO CAL, and Visit California. Another way we market Pismo Coast Village is by giving away between 75 and 80 gift certificates each year for two-night stays at the Resort. The donations are done in response to requests for support of school bands and clubs, PTAs, and charities. Marketing is also done at all the local campgrounds for our RV shop. Mr. Jamison showed the completed Pismo Coast Village marketing video from our website. He also discussed the impact of the closing of Oceano Dunes to vehicle traffic.

Capital projects for 2020 include the completion of the RV Service facility by the second quarter. The concrete work, including curbs, gutters and sidewalks, is projected to be completed by the first week of March. Also included as part of the 2020 capital projects are a new Hino trailer tow-truck, the Resort's security surveillance upgrades, a lift for the new RV Service facility, and a new street sweeper.

Mr. Jamison reviewed the status of the construction of the RV Service facility. There is a high demand for roof repair. For fall protection, two out of the five bays in the RV Service facility will be equipped with rail systems with pullies for staff to be strapped into a harness while working on RV roofs. Our goals are to establish a professional quality reputation for the RV Shop, to employ four to five certified RV technicians, to take advantage of our customer base in both the guests that use the Resort and those that store their RVs with us, to have the RV Shop open on Saturdays, and continuing to develop preferred status relationships with rental companies, warranty companies, etc.

Other goals and priorities include social media opportunities, staff training in human resources and safety, continued efforts to be environmentally friendly, continued efforts to work on the dune and beach access with the Department of State Parks and Recreation, to maintain Securities and Exchange Commission compliance with our quarterly and annual reports, and fill key staff positions.

He reported that the renovation of the Pismo Beach Pier was completed in October 2019. The City is also working on developing the promenade area located by the pier's parking lot, and installing an area for outdoor events. The City is having discussions regarding the development of a new parking structure. The City's new sewer lift station, which occupies a front-corner of Storage Lot A, has been built. Improvements have been completed on Shell Beach Road. Improvements at the Pismo Beach Preserve have also been completed. It opens January 25, 2020. Pismo Coast Village gave a \$25,000 donation four years ago towards the improvements. A bench was installed by a tree at Lone Oak on the south side of the Preserve with a Pismo Coast Village plaque. The Resort can be seen from this bench.

In conclusion, Mr. Jamison read the Company's Mission Statement, and commented that the Company has done well in meeting the mission statement's goals. Mr. Jamison asked shareholders to stop by his office with concerns, comments and questions, then thanked the Board and shareholders and staff for their ongoing support.

Following that, Mr. Hughes requested that the members of the Board return to the stage. He then read the questions, suggestions and comments submitted on the Question Forms.

A shareholder asked, "Would it be possible to use the ramp on the north side of the General Store for handicapped access to the store and restaurant or build onto the ramp?" Mr. Hughes responded that this matter would be passed on to Mr. Jamison for review.

A shareholder wrote, "Will there be an area where guests could play bocce ball or pickle ball? Will the band for Wine Tasting night be brought back? Please bring back the party for our kids with special needs." Mr. Hughes said that the pickle ball court is already provided, and the request for bocce ball will be passed on to Mr. Jamison to see if this can be incorporated into the Resort's other activities. The plan is to bring the band back. Many dynamics resulted in the decision not to hold the Christmas party for the special needs children including a different set of criteria that the Resort could not meet.

A shareholder asked, "What qualifications and/or work experience do you consider for Board member candidates?" Mr. Hughes encouraged people who are interested in helping with Resort operations to fill out the director application packet and submit to the Nominating Committee.

The Committee reviews the candidate's agenda for the Resort, quality and characteristics that encompass good communication skills, and the knowledge that the candidate brings to the position. The candidate does not need a degree.

A shareholder asked, "It sure would be nice if the long-term campsites could have the larger gravel installed. Is this part of the future plans?" Mr. Hughes responded that this is part of the Resort's future plans to have every campsite with larger gravel. It is projected that 120 sites will have the larger gravel installed this year.

Two more shareholder questions were read regarding gravel installation, which Mr. Hughes addressed in his prior statement.

A shareholder wrote, "Please consider adding the following to your improvement project list: The northside pedestrian gate to Dolliver has a nice concrete ramp with handrail. The southside pedestrian gate has loose sand and no railing. Recently, when I was using this gate, I saw an elderly lady stumble and slip on the loose sand. There was no railing for her to grab. Please make the southside pedestrian accessway identical to the northside one." Mr. Hughes said that attention would be given to this matter as soon as possible to enhance the southside access.

A shareholder suggested, "Add a limit to how far a trailer or RV can extend over the common grass area. Some of the longer rigs have 6'-8' beyond their jacks, and they take up over half of the center area." Mr. Hughes stated that the Resort would look into this issue.

A shareholder wrote, "Despite the upgrades to the Wi-Fi, we were unable to stream Netflix on Wednesday and Thursday nights. We were in a space located right by a Wi-Fi hub. Is there a phone number that we can call at night to report this type of thing?" Mr. Hughes stated that this would be passed onto Mr. Jamison to get a contact number from the Reservations Supervisor, Darrell Sisk, that could be distributed to guests.

A shareholder wrote, "My grandkids and their friends say the arcade needs a remodel. A remodel would also increase cash flow. The games need to be updated." Mr. Hughes will pass this onto Mr. Jamison to discuss with his Recreation staff

A shareholder asked, "Does the Annual Meeting always take place on Martin Luther King holiday weekend? Schools are off for the holiday." Per Mr. Hughes, this comment has been addressed numerous times by the Board. The reason for the set date is due to the timing of publication for the proxy literature and receiving that material back. Discussions have taken place regarding trying to be more accommodating for the shareholders' reservation that holiday weekend for the annual meeting.

A shareholder asked, "Will there ever again be available "Pismo Coast Village" shareholder bumper stickers? We are proud shareholders, and would like to be able to display that with a sticker on our RV." Mr. Hughes stated that this would be handed over to Mr. Jamison for review.

A shareholder asked, "What is the status of the floating bridge/walk plank across the lagoon?" Mr. Hughes stated that Resort management has been in constant communication with the coastal community and the Coastal Commission. The Resort submitted bridge design ideas, but received notification from the Coastal Commission that they need to conduct further review of the idea.

A shareholder wrote, "Recommended change in reservations for special events: PCV has events in which waiting or standby lists are formed. When these lists are formed, there are normally few or no selections from the list. Give these shareholders some hope. Allow all

members on the standby list to be placed first on the following year's list. Very simple and fair." Mr. Hughes said that this recommendation would be forwarded onto Resort management.

A shareholder asked, "What is the projected cost of the new RV Shop, and when is the estimated completion date?" Mr. Hughes stated that the hope would be to have completion by the end of the first quarter, or in the second quarter at the latest. Estimated cost is roughly \$1,500,000.00. Reinvesting into the Resort is essential.

A shareholder commented, "Keep the summer activities for kids. Plan game evening for teens and adults at the Clubhouse like Yahtzee, card games and board games. Give a list of activities on paper at check in." Mr. Hughes thanked the writer for the comment.

Mr. Hughes thanked the shareholders for their comments and questions, then introduced Mr. Willems, who reported that the slate of nominated directors had been elected to the Board. He read the list of nominees and the total number of votes cast for each. The unaudited result of the election held at this meeting is as follows:

Bessom, David	599
Blank, Sam	582
Buchaklian, Harry	592
Enns, Rodney	598
Fischer, William	575
Hardesty, Wayne	578
Hearne, Dennis	580
Hughes, Terris	597
Johnson, Marcus	602
King, Karen	650
Nelson, Garry	579
Nunlist, Ronald	579
Pappi, Jr., George	583
Plumley, Dwight	744
Roberts, Jerry	636
Skaggs, Brian	587
Willems, Gary	605
Williams, Jack	610

The result of Proposal 2, the ratification of Brown Armstrong Accountancy Corporation to serve as our independent accounting firm for Fiscal Year 2019/2020, passed with 605 votes in favor, 6 against and 17 abstaining.

The result of Proposal 3, the advisory vote to approve Executive Compensation, passed with 529 votes in favor, 38 against and 68 abstaining.

Raffle tickets were drawn and ten gift bags containing Pismo Coast Village items were given away to the matching ticket holders. The plants on each table were given away to those holding properly marked tide books.

There being no further business, Mr. Hughes thanked the shareholders for attending and adjourned the meeting at 11:25 AM.

Respectfully submitted,

*/s/ Gary Willems*

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Gary Willems, Acting V. P. – Secretary

*David Bessom*

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David Bessom

*Sam Blank*

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Sam Blank

*Harry Buchaklian*

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Harry Buchaklian

*Rodney Enns*

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Rodney Enns

*William Fischer*

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*Wayne Hardesty*

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*Dennis Hearne*

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*Terris Hughes*

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*Marcus Johnson*

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*Karen King*

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*Garry Nelson*

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*Ronald Nunlist*

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Ronald Nunlist

*George Pappi Jr.*

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George Pappi Jr.

*Dwight Plumley*

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Dwight Plumley

*Jerry Roberts*

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Jerry Roberts

*Brian Skaggs*

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Brian Skaggs

*Jack Williams*

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Jack Williams