

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 18, 2019, by President Terris Hughes at 9:59 AM.

PLEDGE OF ALLEGIANCE AND INVOCATION

Mr. Hughes led the Pledge of Allegiance. Mr. Nunlist gave the invocation.

PRESIDENT'S MESSAGE

Mr. Hughes welcomed the shareholders and Directors to the meeting. He reported that two Board members were absent today: Mr. Hearne is attending his grandson's graduation ceremony, and Mr. Nelson is attending his 50th high school reunion. Mr. Hughes thanked Mr. Jamison and asked him to extend the Board's appreciation to staff for the work that was done for this weekend's 12th Annual Vintage Trailer Rally.

ROLL CALL

Mr. Pappi called roll. Except for Mr. Hearne and Mr. Nelson, 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 16, 2019, be amended to state that the three motions presented during Closed Session on Page 5 (approval of an increase in the stock transfer fee, approval to increase the Capital Expenditures Budget for Fiscal Year 2018/2019, and approval to liquidate the Principal Financial Group Inc. shares owned by the Company) were motions out of committee. Mr. Buchaklian seconded the motion to amend the minutes. A vote was taken, and the motion carried.

Mr. Williams moved to accept the Minutes of the Board of Directors' Meeting held March 16, 2019, as amended. Dr. Blank seconded the motion. A vote was taken, and the motion carried.

CHIEF EXECUTIVE OFFICER/GENERAL MANAGER'S REPORT

Mr. Jamison, Chief Executive Officer/General Manager, stated that we have had a considerable amount of rain this winter, which has resulted in our fiscal-year-to-date occupancy being down 3,110 total site nights compared to the same period last year. Even though occupancy is down compared to last year, which was the highest occupancy year ever for the Company, he expects that it will still be a good year.

He reported that the program booklet for this weekend's 12th Annual Vintage Trailer Rally was prepared by staff, and staff has been very busy handling reservations, and preparing for and accommodating the group's needs. KSBY has broadcast several news segments about the event on their channel. Pismo Coast Village is sponsoring the awards for the Rally, with rally participants, guests and visitors casting votes for the different categories. The winners will be announced at an awards event later today. The Boy Scouts, as a fundraiser for their Club, are parking cars today in A-Lot during the Rally's Open House event.

Mr. Jamison provided an update on the new RV Shop project in Oceano, stating that the project is almost halfway done. The building shell is almost finished. The primary contractor on the project has temporarily pulled off the job to allow the windows to be installed by another contractor. The siding for the building should be completed by the end of May. The electrician is currently working at the job site and the company that will install the fire sprinkler system will start work next week. The carpenter will begin constructing the stairwell and mezzanine at the end of the month.

He reported on the City of Pismo Beach's new sewer lift station in A-Lot, stating that the project is getting close to having the construction area reduced. The contractor has had containers and large equipment at the site to collect groundwater, etc. These items were removed a few days ago. The contractor is about two months away from completing the project, which will include connecting Pismo Coast Village's sewer system with the new system sometime in the next few weeks. During the connection process, which will require our sewer system to be shut off, it will require having a pumper truck on standby. Once the lift station is finished, new fencing will be built along the front of A-Lot.

Next week, Storage Lots A, B and E will be treated with dust-control product to reduce the debris that becomes airborne when our trucks drive through the lots. Following that, we will schedule the same work in Lots C, D and K.

Mr. Jamison reviewed the upgrades to the Resort's surveillance camera system. Installation of the posts and electrical wiring was completed and the backhaul equipment has been mounted for the next phase. In the next two weeks, we expect to have the cameras installed. Phase Three, which will add five or six more cameras to the system, is planned for next fiscal year.

The Good Sam representatives were in the Resort for their annual inspection of our facilities a few weeks ago, and Mr. Jamison was pleased to report that there were no changes in our ratings with them. The new edition of the AGS Visitors Guide has arrived and is being distributed to guests at check-in. Shareholder Lynn Pass is responsible for taking the photo of the Pismo Beach sunset that was used as the cover for this year's guide.

Mr. Jamison reported that, several weeks ago, we were contacted by a coordinator from the Missouri/Kansas office of the Make-A-Wish Foundation, on behalf of a young woman whose wish is to do an RV road trip to Pismo Beach. He contacted the coordinator and has offered to have Pismo Coast Village host the family of five's stay at our Resort during the first week of June. He has also been working to set up donations for other local attractions and activities to enhance the young woman's visit to our area.

EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEE REPORT

Mr. Pappi, acting Secretary for the Personnel and Compensation/Benefits Committee, reported that there was a joint meeting held yesterday with the Executive Committee. Except for Mr. Nelson, all committee members were present. Mr. Jamison attended the meeting and provided an update on the status of the Resort and activities. The Committee also discussed housekeeping topics in preparation for today's Board meeting.

FINANCE COMMITTEE REPORT

Mr. Hardesty, Chair of the Finance Committee, reported that the Committee met this morning. All committee members were present, with Mr. Hughes and Mr. Jamison also attending. The Committee reviewed the financial statement for April 2019, and Mr. Jamison gave explanations on the unique items. The Committee reviewed the status of Fiscal Year 2018/2019 Capital Projects, which primarily consists of the new RV Shop, the financial status of the RV Shop project and its estimated cost. Also reviewed were the first drafts of the Operating and Capital Expenditures Budgets for Fiscal Year 2019/2020.

OPERATIONS COMMITTEE REPORT

Mr. Enns, Chair, said that the Operations Committee met this morning; all committee members were present. He reported that the Committee finalized the verbiage for the three-share rule and other changes for the 2020 Shareholder Information Manual/Calendar. The Committee reviewed guest comments from the car pass comments and the online survey and discussed agenda items for their next committee meeting.

AUDIT COMMITTEE REPORT

Mrs. King, Chair, said the Committee met yesterday. Except for Mr. Hearne, all Committee members were present. Mr. Hughes, Reservations Supervisor Darrell Sisk, and Accounting Manager Kitty Karstetter also attended the meeting. The focus of discussion at the meeting pertained to the system for advance reservations, and the Committee had a suggestion for a three-step plan to be tried as a different procedure for addressing adjustments at month end.

ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Skaggs, Chair, reported that the Committee met yesterday. Except for Mr. Buchaklian, all Committee members were present. Also present were Mr. Hughes and Operations Manager Charles Amian. At the meeting, Mr. Amian gave an update on health and safety of guests and employees. There were no injuries to employees since the Committee's last meeting, however, there were minor injuries to guests, which were reviewed. The Committee interviewed Lynn from the Trailer Movers Department, who provided the Committee with some suggestions on improving safety for our truck drivers and the storage lots. Mr. Amian distributed the Company's Tsunami Evacuation Plan, which the Committee reviewed; they had no recommended changes. At a future meeting, the Committee would like to meet with a representative from Pismo Beach CalFire to discuss some items, which may include the Resort's emergency evacuation plan. Mr. Amian provided the Committee with his update on the List of Advisories. Mr. Skaggs expressed his appreciation for Mr. Amian arranging to have golf carts available for the Committee to conduct their tour of the Resort to further update the List of Advisories.

NOMINATING COMMITTEE REPORT

Mr. Nunlist, who was substituting for Mr. Hearne, Nominating Committee Chair, said that the Committee met yesterday. Except for Mr. Hearne, all Committee members were present. The Committee discussed the applicants scheduled for interviews later this year, possible revisions to form letters that are sent to candidates, and the Active Board Application Packet Log Report.

SHAREHOLDERS' COMMENTS

E. Anne Julian stated that she has been a shareholder since 1988, and, since making her RV her permanent home, she has been fortunate to stay in the Resort approximately four months during each of the last three years. She commented that every member of the staff that she has dealt with has been wonderful. She also stated she would love to be in the Resort fulltime, however, she does not want the policy limiting the amount of time that a shareholder can be in the Resort to change from what it is currently. She feels that having sites occupied by full-time residents could negatively impact the visual appearance and atmosphere of our Resort.

Denise Roberts commented that she is enjoying all the new plantings and flowers in the Resort, and everything is gorgeous.

Steven Jackson asked about the results of operations for the second quarter of the fiscal year, commenting that first quarter was not stellar, with a decline in revenue and a 6% increase in costs. Mr. Jamison responded that one of the main reasons for the increase in costs during that quarter was that there was an \$80,000 expense for doing road sealing on half of the roads in the Resort. Mr. Jamison also stated that the most recent detailed reporting of the Company's financial status would be available in our quarterly and annual reports posted on the Securities and Exchange Commission website, www.sec.gov, or on www.pismocoastvillage.com.

Mr. Hughes recessed the meeting at 10:29 AM, asking the shareholders to leave the meeting room. He reconvened the meeting in Closed Session at 10:45 AM.

FINANCE COMMITTEE REPORT

The Finance Committee recommended, Mr. Hardesty moved, and the Board unanimously approved the following resolution:

RESOLUTION # 1232/1211

Resolved to increase the nightly site fees by \$5 per night, with the nightly site fee rate being based on a maximum of eight (8) people per site, effective January 1, 2020.

Site Fees

Non-Prime Weekday (Sun. – Thurs.)	\$59 per night, plus tax
Non-Prime Weekend (Fri. & Sat.)	\$63 per night, plus tax
Prime Time	\$69 per night, plus tax
Summer Prime	\$76 per night, plus tax
Group Rates (10 or more RVs)	
Winter Non-Prime	\$2 discount on the appropriate nightly rate

OPERATIONS COMMITTEE REPORT

Mr. Enns, Chair, distributed materials pertaining to the Operations Committee's recommended changes to the draft of the 2020 Annual Shareholders Information Manual/Calendar. He brought up the issue of shareholders, who already own the maximum of three shares in their name, that have the intention of purchasing more shares by putting them in other family members' names, and then being listed on the Certificate of Family Form to allow additional share time usage. Mr. Enns then reviewed each of the Committee's recommendations, the reason for the change, with discussion following the presenting of the items. The recommended changes are:

SHAREHOLDER BENEFITS/POLICIES heading, immediately following Paragraph 1, addition of the following verbiage: *The PCV Bylaws state in Article 7.5.1, "no shareholder may own more than three (3) shares of the Company's common stock." Shareholder shall have their name on no more than three (3) shares, either as a shareholder or as a family member on the Certificate of Family use form.*

SHAREHOLDER BENEFITS/POLICIES heading, Paragraph 5, would be amended to read: *Shareholders can neither transfer free time to other shareholders for any consideration, or as a gift, not solicit free time from other shareholders. Violators will have their RVs removed from the Resort.*

SITE USE/RESERVATIONS heading, Paragraph 19, would be amended to read: *Shareholders with trailers in storage who fail to cancel their reservation before the trailer has been spotted, or who are “no-shows”, will be billed the spotting fee for their trailer.*

GUEST SAFETY heading, Paragraph 2, would be amended to read: *The use of SKATES, SKATEBOARDS, LONGBOARDS, ROLLER BLADES, GAS-POWERED SCOOTERS, and HOVERBOARDS is strictly forbidden in the Resort. Bicycles and scooters may be ridden on the streets only. They are not allowed on walkways, access ramps, sidewalks or the Square area.*

GUEST SAFETY heading, Paragraph 3, would be amended to read: *No double-riding on any bike, scooter, or electric scooters is allowed in the Resort. Parents or Guardians are responsible for supervising the use of helmets or other safety equipment riders need to wear.*

SERVICE AND HOURS OF OPERATION HEADING, Swimming Pool data, would be amended to read: *Children under 14 years of age must be accompanied by an adult.*

The Operations Committee recommended, and Mr. Enns moved, that the Board adopt these changes to the 2020 Shareholders Information Manual/Calendar. A vote was taken. The motion carried, with one negative vote being cast.

Mr. Enns then presented a proposed change to the 2020 Shareholders Information Manual/Calendar pertaining to the information published under the PETS heading. The information would be amended to read: ** All pets outside of RVs must be kept on leashes (maximum of six (6) feet in length) and under control at all times. All pets are to be kept inside at night and are never to be left unattended. Pets are prohibited in the Resort’s restrooms, showers, pool area, playgrounds, and buildings. * Three (3) quiet, well-mannered pets are allowed per site. Pet enclosures are not allowed on the grass. All pets must be licensed and vaccinations current. While PCV considers itself a pet-friendly environment, all pet owners with pets that exhibit aggressive, potentially dangerous, or uncontrolled behavior, including personal injury or property damage, risk removal and forfeiture of time or monies. Pismo Coast Village management has sole discretion when any determination is made. * All pet owners upon registration sign an acknowledgement that they are to follow all the resort rules including maintaining control of their pets and cleaning up. Pet waste bags are located throughout the Resort for your convenience. By California law you are strictly liable for injuries caused by your pet. Loose animals will be turned over to the SPCA or other authority.*

The Operations Committee recommended, and Mr. Enns moved, that the Board adopt the changes to the Pets rule published in the 2020 Shareholders Information Manual/Calendar. A vote was taken, and the motion carried.

STOCK REPORT

Mr. Pappi reported that he and Mr. Jamison, Assistant Corporate Secretary, had been in communication regarding the stock transfers shown on the Stock Transfers List dated May 18, 2019, and these transfers have met the criteria for changing ownership and have been approved for transfer.

401(k) PLAN

Mr. Williams moved, Mr. Plumley seconded, and the Board unanimously passed the following resolution:

RESOLUTION # 1233/1212

Resolved to continue without change the Pismo Coast Village Safe Harbor 401(k) Plan for the employee benefit's program.

Further resolved to continue paying the employee's quarterly enrollment fees for the 401(k) Plan.

Further resolved to reaffirm the policy that the Corporation shall match each participating employee's 401(k) Plan contribution at 100% of each dollar up to a maximum of 4% of the employee's compensation.

APPROVAL OF THE 2020 SHAREHOLDERS INFORMATION MANUAL/CALENDAR

Mr. Williams made a motion to adopt the 2020 Shareholder Information Manual/Calendar as amended, Mr. Buchaklian seconded. A vote was taken, and the motion carried.

LIQUIDATION OF PRINCIPAL FINANCIAL GROUP, INC. SHARES

Mr. Johnson moved, Mr. Plumley seconded, and the Board unanimously approved the following resolution:

RESOLUTION # 1234

Resolved to approve the liquidation of the shares of Principal Financial Group Inc. owned by Pismo Coast Village Inc., and to authorize Jay Jamison, CEO/General Manager, to facilitate the sale of the shares at the current market price.

OLD BUSINESS

Mr. Hughes reported that, due to time constraints, he electronically signed two checks to expedite delivery of funds. As required by resolution, a report must be made to the Board. He reviewed the checks that he had signed electronically as: \$51,826 to the City of Pismo Beach, and \$32,990 to Ted Sloan Electric for electrical work done at the new RV Shop facility.

There being no further business, the meeting was adjourned at 11:31 AM.

The above minutes of the May 18, 2019, Board of Directors' Meeting are correct and accepted as presented.

George Pappi, Jr.

George Pappi, Jr., V. P. – Secretary

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