

**ANNUAL SHAREHOLDERS' MEETING**

**PISMO COAST VILLAGE, INC.**

**SATURDAY, JANUARY 15, 2022**

Pursuant to notices properly mailed to shareholders, the 2022 Annual Shareholders' Meeting of Pismo Coast Village, Inc. was held Saturday, January 15, 2022, as a virtual electronic meeting using Zoom video conferencing. Due to concerns regarding the coronavirus pandemic and to assist in protecting the well-being and health of our shareholders and employees, the meeting was held with a no physical in-person format excluding the Board of Directors. Technology was incorporated into the meeting to increase efficiency, allow for social distancing and provide for shareholder participation. In addition to online attendance, shareholders could hear all portions of the meeting, submit written questions via Zoom's Chat Box, vote by phone during the open poll portion of the meeting, and listen to live responses to shareholder questions.

President Garry Nelson called the meeting to order at 9:00 a.m. He started the meeting by welcoming the Board members, shareholders and staff to Pismo Coast Village's second virtual Zoom Annual Shareholders' Meeting. As a no physical in-person meeting, only the Board members were present as well as Ryan Nielsen from Brown Armstrong Accountancy Corporation who was attending to certify the election results, and Resort staff. Joe Look, Pismo Coast Village's Corporate legal counsel, was available via Zoom to answer any legal questions presented. The Shareholders' 2022 Wine Reception had been cancelled.

Mr. Nelson explained the logistics of the Zoom meeting to participating shareholders including how to submit questions during the meeting and how to vote by phone-in during the open poll portion of the meeting. He then gave a brief overview of the health of the Resort in 2021 in the midst of the Covid-19 pandemic and its variants which continues to affect travel and business throughout California. While the Resort adhered to the changing pandemic regulations put into place by the State of California and the County of San Luis Obispo throughout 2021, it experienced a very healthy year financially. Occupancy rates hit record levels in 2021, and RV storage flourished, remaining at 100% with a management tracked waiting list. Mr. Nelson recognized the dedication of the CEO/General Manager, the leadership team and staff during the past year and thanked them for their hard work and commitment to shareholders and guests.

Mr. Nelson called on Director and Vice-President-Secretary, Brian Skaggs, to declare a quorum present, in person, virtually and by proxy, for today's meeting. Mr. Skaggs called roll. All members of the Board were present with Directors Mrs. King and Mr. Roberts attending virtually. Mr. Skaggs declared a quorum present.

Mr. Skaggs 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. This was done, as the names of the directors were specified during roll call. Secondly, one shareholder must give notice that he or she intends to vote cumulatively. Mr. Skaggs 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. If shareholders were voting by phone-in during the open polls portion of the meeting, they could indicate to phone staff that they wanted one vote for each candidate on the ballot, or that they wanted to vote all 18 votes for one candidate, or that they wanted to split the votes among the candidates as they see fit. Mr. Skaggs instructed shareholders on how to use the phone-in voting format during the open polls portion of the meeting from 9:15-9:30 a.m. Mr. Skaggs declared the polls open for a fifteen minute voting period at 9:15 a.m.

Mr. Skaggs then introduced CEO/General Manager, Jay Jamison, to present the Chief Executive Officer/General Manager's Report. Mr. Jamison welcomed all the Board members and the forty-one shareholder Zoom participants, and thanked the shareholders that voted by proxy.

He began his report by recapping how Pismo Coast Village Inc. was impacted by the pandemic throughout fiscal year 2020/2021. The Resort closed from March 23-June 5, 2020 per the State mandate, and returned to full operations on June 12, 2020. August through November 2020 indicated record occupancy numbers which helped to recoup revenue that was lost during closure. He highlighted ongoing issues including the challenges of maintaining staffing levels, and the challenges with keeping staff and guests safe with following County Health Department Guidelines. Mr. Jamison extended his thanks and appreciation to all Resort staff that continued to work during the pandemic balancing their personal challenges with their work responsibilities. He then discussed the current Covid-19 practices being utilized within the Resort including the use of the San Luis Obispo County guidelines, the use of virtual resort registration to minimize person to person contact, and the encouraging of contact with office staff to be by phone or email. Masks continue to be required in all Resort buildings.

For fiscal years 2017 to 2021, Mr. Jamison presented slides that compared total occupancy for general public and shareholders, total revenue and expenses, and revenue categories. Total occupancy for 2021 was a new record by 29,046 nights over 2020, and 3,332 nights over the previous record year in 2018. The Resort saw six record occupancy months in fiscal year 2021. However, this number included very little international travel which usually accounts for 2,200-2,300 nights. The Resort had applied to the U.S. Small Business Administration for a Payroll Protection Program (PPP) loan in April 2020 totaling \$557,635. This loan was forgiven in 2021.

Mr. Jamison then continued discussing storage revenue, utility expenses, insurance expenses and capital expenditures. Storage capacity is 2,100 units with 2,039 units currently in storage. There are nine openings in self-storage and forty-three in regular storage for small units under 30'. There is a waiting list for larger RV units. The Resort has seen substantial increases in all utility expenses. Some are occupancy driven, but base rates are also increasing. In 2021, most lighting within the Resort was converted to LED, and the pool pumps and refrigeration equipment were upgraded to help the park become more energy efficient. Mr. Jamison expressed his thanks to staff and the worker's comp carrier for helping to reduce the Experience Mod Rate (EMR) which is a premium rating factor based on the company's historical cost of injuries and future risk chances. The EMR went from 168 in 2017 down to 77 in 2021. The cost of health benefits decreased and liability insurance has remained stable. Total revenue and expenses were reviewed. Revenue increased due to increased occupancy and rate increases, and expenses increased primarily due to payroll and utilities.

Mr. Jamison continued his presentation by acknowledging a few accomplishments that were made in 2021 including the publishing of two issues of the upgraded Corporate Chronicle in full color and the development of the shareholder portal tab on the Pismo Coast Village website by Corporate office staff. He also recognized long term staff member, Kitty Karstetter, Accounting/HR Manager, who retired in 2021. She had worked for the Resort for twenty-three years. Brandi Collins came onboard May 2021 as the new Accounting/HR Manager, and Dan Hollender started as the new Maintenance Supervisor in April 2021. Both have been a great addition to the Company.

Mr. Jamison paused the presentation to announce that the polls for phone-in voting had closed at 9:30 a.m.

Pictures of 2021 highlights were shown including the plaque that was installed on the Pismo Coast Village bench located at Lone Oak in the Pismo Preserve for the contribution that was made by Pismo Coast Village, the Halloween weekend event in the Resort that involved long time shareholders on Halloween Lane, and the staff Christmas luncheon held in the Clubhouse.

Capital Expenditures for 2021 were also reviewed including the installation of fencing and landscaping at the new RV Shop, phase one of the installation of additional surveillance cameras around the Resort, and the purchase of a street sweeper and new container for the garbage compactor. Expenditures for 2022 include a new backhoe, a new truck for RV shop and Security, phase two of the installation of surveillance cameras, and upgrading the Wi-Fi system with ten more receivers and broadcast points.

The 2021-2022 Cal Poly scholarship winner was Nicolette Collier. She received a \$1,500 scholarship. Mr. Jamison thanked those who donated so generously to the scholarship fund this past year.

The RV industry continues to remain very strong. For 2022, the RV lifestyle will continue to be a popular choice for families, retirees, and outdoor enthusiasts. COVID has driven interest and RV purchases to record levels. Millennials and Gen Zers are making RVing trendy again. The number of RV owners between the ages of 18 – 34 represents 22% of the current RV owners, according to the RVIA. Trade associations, RVDA, RVIA, KOA, Jellystone Parks, and vendors reported record business during 2021, and have an optimistic outlook for 2022.

Mr. Jamison discussed topics that the RV industry is anticipating for the future including corporations acquiring properties, dynamic pricing, challenges with electric vehicles including electric RVs, and the difficulties of getting RV sites. The Resort is not planning on building dynamic pricing into its current program or investing in the infrastructure in the near future to accommodate electric vehicle charging. Currently, electric vehicle charging is not permitted in the park. Guests are encouraged to charge their vehicles at local charging stations.

Occupancy projections for 2022 are looking strong. YTD, occupancy for October through December 2021 is down only 177 nights from last year's first quarter record. The January release date for July set a new record and beat last year by 17%. It was stated that RV groups are sustaining last year's levels, the Pismo Vintage Trailer Rally is set for third week of May 2022, and camping trends continue to stay strong. Mr. Jamison reported on our current positive ratings with Good Sam/Trailer Life. Pismo Coast Village remains in the top 300 parks of 12,000 rated in the United States.

Goals for 2022 were presented and included recruiting RV Service personnel, continuing the search for additional RV storage property, and upgrading the Wi-Fi by adding ten receivers. Mr. Jamison discussed the general plan to renovate the Clubhouse in the near future. A conceptual design of the Clubhouse was presented showing a three story rendition with possible uses of each floor. Currently, zoning laws in place south of Pismo Creek prevent a three story structure from being built due to a 24' height restriction. The City of Pismo Beach is in the process of updating their General Plan, with hopes that the height restrictions will be adjusted to 35'. The Clubhouse is in need of major repairs, and the renovation would prove to be of great value to the Resort with more flexibility for use.

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, and then thanked the Board, shareholders and staff for their ongoing support throughout the past year.

Mr. Nelson then read the questions that were submitted by shareholders.

A shareholder asked, “Does Pismo Coast Village plan on re-introducing recreation activities for 2022?” Mr. Nelson responded that as soon as the State of California changes the Covid mandates and Resort staffing challenges are met, recreational activities will resume.

A shareholder asked, “Will additional pickleball courts be built?” Mr. Nelson responded, that at this time, the Resort property does not have the space capability for additional courts.

Mr. Nelson thanked the shareholders for their questions, and then introduced Mr. Skaggs, 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	580
Blank, Sam	557
Buchaklian, Harry	593
Enns, Rodney	561
Fischer, William	553
Hardesty, Wayne	554
Hearne, Dennis	551
Hughes, Terris	579
Johnson, Marcus	560
King, Karen	562
Nelson, Garry	561
Nunlist, Ronald	577
Pappi, Jr., George	580
Plumley, Dwight	742
Roberts, Jerry	562
Skaggs, Brian	562
Willems, Gary	561
Williams, Jack	562

The result of Proposal 2, the ratification of Brown Armstrong Accountancy Corporation to serve as our independent accounting firm for Fiscal Year 2021/2022, passed with 592 votes in favor, 3 against and 13 abstaining.

There being no further business, Mr. Nelson thanked the shareholders for attending and adjourned the meeting at 9:57 AM.

Respectfully submitted,

*/s/ Brian J. Skaggs*

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Brian J. Skaggs - 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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William Fischer

*Wayne Hardesty*

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Wayne Hardesty

*Dennis Hearne*

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Dennis Hearne

*Terris Hughes*

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Terris Hughes

*Marcus Johnson*

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Marcus Johnson

*Karen King*

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Karen King

*Garry Nelson*

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Garry Nelson

*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

*Gary Willems*

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Gary Willems

*Jack Williams*

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Jack Williams