

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 November 12, 2022, by President Garry Nelson at 10:00 AM.

PLEDGE OF ALLEGIANCE AND INVOCATION

Mr. Skaggs led the Pledge of Allegiance and Mr. Nunlist gave the invocation.

PRESIDENT'S MESSAGE

Mr. Nelson welcomed the Directors and shareholders to the meeting. He expressed his support and appreciation for our veterans. Mr. Nelson paid tribute to Pismo Coast Village CEO/General Manager retiree, Jay Jamison, who received the National Association of RV Parks and Campgrounds 2022 Award for Excellence and Pioneer Award. Leslie Marr has now taken over full General Manager responsibilities. Mr. Nelson also thanked Mr. Pappi and Mr. Hughes for substituting for him during his absence at the last Board meeting due to travel.

ROLL CALL

Ms. King called roll. All members of the Board of Directors were present except Mr. Johnson. Ms. King declared a quorum.

PRIOR MINUTES REVIEWED

Mr. Hardesty moved that the minutes of the Board of Directors' Meeting held September 17, 2022, be accepted as submitted. Mr. Buchaklian seconded, and the motion carried unanimously.

GENERAL MANAGER'S REPORT

Ms. Marr, General Manager, began her Manager's Report by giving a brief review of the Company's revenue stats for FY2021/2022 which indicated an actual net income of \$2,042,828 to a budget of \$1,584,354 compared to the prior year of \$2,415,335 making FY2021/2022 the second highest profitable year. Fiscal month YTD2022/2023, as of 10/31/2022 occupancy was 7,920 for paid site nights and 3,052 for shareholder site nights totaling 10,972 site nights. Fiscal YTD occupancy comparing 2023 to 2022, is down -4% for paid site nights and down -10% for shareholder site nights. As of 10/31/2022, advanced deposits were \$456,272.55 down -3% from the prior year. Ms. Marr stated that the RV industry is seeing a reset to pre-COVID numbers, due to high gas prices, inflation, and children returning to sports and activities. General Store sales revenue was down \$6,822.68 due to store closings for repairs, limited apparel, a reduction of open hours to 6:00 PM, and having 600 more group site nights compared to 2021. RV Service revenue was down \$7,098.31 for October 2022 compared to the same time the prior year. The direction to address these department challenges is to promote the recently hired General Store Supervisor to Retail Manager and have her oversee both the General Store and RV Store retail, taking that responsibility off the RV Service Manager.

Ms. Marr then gave an update on staffing, Resort activities and general operations. The Company is currently recruiting for RV techs, maintenance staff and an accounting clerk to alleviate the workload of the Accounting Manager. Billable hour tracking will be implemented along with securing outside recruitment assistance for staffing. Ms. Marr stated that staff

participated in a Halloween potluck and costume contest. She commented on the success of the 2022 Halloween activities that took place in the Resort, indicating a high level of guest satisfaction expressed in person and on social media. Positive feedback was also received from shareholders and guests regarding the appearance of the Resort. Ms. Marr stated that staff had expressed their gratitude for the year-end bonuses that were received in October and the heartfelt letter they received from Mr. Jamison.

Improvements and additions to the Resort operations were reported, including the successful implementation of the new Point-of-Sale (POS) system, the purchase of the new forklift and box scraper, and upgrades to the employee break area. Drone photography and video footage was completed 11/11/2022 for marketing updates to the Resort website implementing the theme of "Making Memories" and promoting a nostalgic and family-oriented environment. General Store staff have completed their food handling training to implement soft serve in the store. Inspection and reissuance of the food handling license from the City of Pismo Beach still needs to be completed before the soft serve can be sold. To address the Company's Worker's Comp MOD rate, a safety training program for staff has been implemented.

Ms. Marr then presented the upcoming planned projects which include the continuing transition of the Company's IT system to CIO which will migrate the departments to Office 365, the remodeling of the guard house and the storage room behind the General Store, the refresh of the Corporate office, and Company marketing and website rebranding. She also gave an overview and timeline of capital expenditures including the installation of RV storage cameras, the purchase of three golf carts for Maintenance and Security, the purchase of a low boy tilt trailer for moving equipment, and the redesign and upgrades for the sport courts.

#### EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEE REPORT

Mr. Pappi, Chair, reported that a joint meeting was held on Friday, November 11 at 2:30 PM. All Committee members were present, along with General Manager, Leslie Marr. Ms. Marr presented an overview of Resort activities, including financials, staffing deficiencies and projects. She discussed the successful Halloween event as well as the upgrades to the Resort website, the CIO IT system, the Corporate office, and the guard house. A Motion out of Committee will be presented during Closed Session. The meeting adjourned at 3:30 PM.

#### FINANCE COMMITTEE REPORT

Mr. Williams, Chair, reported that the Committee met this morning, November 12 at 8:30 AM. All Committee members were present, along with Leslie Marr, General Manager, and Gary Nelson. Bill Fischer attended via conference phone. The Committee discussed the September 2022 financial statements for the fiscal year end and reviewed the October 2022 financial statements. All accounts were explained, and two departmental questions were answered. The Committee reviewed the status and expected timelines for Fiscal Year 2022/2023 Capital Expenditures. The meeting adjourned at 8:55 AM.

#### OPERATIONS COMMITTEE REPORT

Mr. Enns, Chair, reported that the Committee met this morning, November 12 at 8:30 AM. All Committee members were present except Mr. Johnson. The Committee reviewed the Shareholder Information Manual language for the shareholder site usage, which will be forwarded to management for review. Updates to the manual will be presented at the March 2023 Board meeting. There were no patron comments to be reviewed. The meeting adjourned at 9:30 AM.

### AUDIT COMMITTEE REPORT

Mr. Roberts, Chair, reported the Committee met Friday, November 11 at 2:30 PM. All Committee members were present, except for Mr. Johnson. The Committee reviewed the walk-through documentation prepared by the external auditors, Brown Armstrong, relating to: Expenditures, accounts payable, check request documents, and payroll, authorization and processing as well as cash receipts from Reservations and the RV Storage Department, the capital asset expenditure process, and the debts of the Corporation with only a \$500k letter of credit; the Committee reviewed our external auditor's information requests, and management responses to most of the requests; the Committee also reviewed our legal counsel's representation as to Pismo Coast Village legal matters. Due to the workload of the Accounting Department, the Committee was unable to receive answers to questions from the September 2022 Audit Committee meeting, and detailed trial balance and adjustment journal entries from 09.30.2022. Information will be forwarded to all Committee members when it becomes available. A call was placed to Melissa Cabezzas, Accounting Manager of Brown Armstrong, to confirm that there are no outstanding issues with our external audit. The Committee concluded by discussing possible modifications to the 2023 Audit Committee. The meeting adjourned at 3:30 PM.

### ENVIRONMENTAL, HEALTH & SAFETY ADVISORY COMMITTEE REPORT

Mr. Skaggs, Chair, reported that the Committee met Friday, November 11 at 8:30 AM. All Committee members were present, except Charles Amian, Operations Manager. Mr. Blank attended via conference phone. The Committee reviewed the Guest Injury Report, with no new incidents reported since the last meeting. The Committee interviewed Dan Hollander, Maintenance Supervisor, for his input on the Maintenance Department's operation and safety issues. He had no new issues to report. Mr. Skaggs stated that Mr. Hollander and his Maintenance staff have been helpful and attentive in completing the List of Advisories from the Committee. The Committee reviewed a copy of the EH&SA List of Advisories and conducted a field review of the RV Store and Maintenance yards. No new advisories were added following the Field Reviews. The meeting adjourned at 10:30 AM.

### NOMINATING COMMITTEE REPORT

Mr. Willems, Chair, reported that the Committee met Friday, November 11 at 1:00 PM. All Committee members were present. Bill Fischer attended via conference phone. The Committee reviewed all current applications and established a tentative interview schedule for 2023. The Committee reviewed the current 2023 slate of nominees and finalized the voting slate for January 2023. The Committee also created a timeline to present to the 2023 Committee for Board member review. Two Motions out of Committee will be presented during Closed Session. The meeting adjourned at 1:30 PM.

### SHAREHOLDER COMMENTS

Shareholder, Lucy Seereiter, questioned the operational status of the television satellite hookup and expressed connectivity issues at her site. Ms. Marr stated that the issue would be addressed.

Shareholder, Danny Estrada, expressed his concerns regarding the front entrance security gate remaining open while the guard house is unoccupied. He conveyed his concerns for the safety and security of the Resort during such times. Ms. Marr stated that she will discuss the issue with the Resort's Security Manager.

Shareholder, Dennis Hearne, questioned the discontinued reception of Channel 2 and issues with the TV guide. Ms. Marr stated that she would discuss the matter with Charles Amian,

Operations Manager. Mr. Hearne then conveyed gratitude to Marios of The Grill Restaurant for the outstanding condition of, and service provided by his establishment.

A shareholder then conveyed his appreciation of the exceptional quality and cleanliness of the bathrooms and general upkeep of the Resort. He also expressed concerns regarding decreased cellular reception on the north side of the Resort. He suggested converting the horseshoe pits into an alternative game site due to a perceived lack of use. Ms. Marr stated that a conversion is an active Capital Expenditures project. He also expressed a desire for the distribution of questionnaires or surveys specifically to Shareholders so that written concerns could be submitted to the Board for additions to the meeting agenda. Ms. Marr stated that resources for written feedback regarding the Resort are provided on the back of the Resort's Parking Pass and on the Comments page of the Resort website. She encouraged the verbal expression of feedback to her as often as possible. Mr. Willems encouraged attendance of the January 2023 Annual Shareholders' Meeting where shareholder concerns can be addressed.

Shareholder, Richard Heckendorf, questioned the structural integrity of the restrooms' hydraulic door closers, expressing concern regarding facility availability to potential transients and the homeless with the doors being left open. Ms. Marr stated that the above item was added to the List of Advisories and will soon be addressed.

A shareholder questioned whether additions of solar power and electric vehicle charging options are being explored or addressed by the Resort. Mr. Nelson stated that several companies specializing in solar power are in contact with Resort management, providing installation quotes that are actively being considered.

A shareholder questioned when the gravel would be replaced at her site. Ms. Marr stated that efforts to replace gravel at the Resort's sites are on a planned rotating schedule, and that site #76 will be addressed per the shareholder's request.

A shareholder complimented the responsiveness and efficiency of the Maintenance staff.

Mr. Nelson thanked the shareholders for their attendance and recessed the meeting at 10:35 AM. He reconvened the meeting in Closed Session at 10:45 AM.

#### OLD BUSINESS

Mr. Roberts asked for clarification to the nature of Jay Jamison's retirement gift from the Company that was presented to Mr. Jamison before stepping down as CEO/General Manager. Mr. Nelson stated that a gift certificate was given to Mr. Jamison to be used towards a family vacation of his choice in 2023.

#### NEW BUSINESS

#### STOCK REPORT

Ms. King reported that she had reviewed the stock transfers shown on the Stock Transfers List dated November 12, 2022, and these transfers have met the criteria for changing ownership and have been approved for transfer.

#### NOMINATING COMMITTEE REPORT

The Nominating Committee presented for Board approval its Motion Out of Committee to elect new Board Member, Suzanne Colvin beginning November 12, 2022, to fill the vacancy left by retired Board member Dennis Hearne. Nominating Committee Chair, Mr. Willems, introduced Ms. Colvin to the Board. Ms. Colvin gave a brief overview of her background and experience.

Ms. Colvin was excused from the meeting while the Board deliberated the Motion. A vote was taken, and the motion carried unanimously.

#### EXECUTIVE AND PERSONNEL & COMPENSATION/BENEFITS COMMITTEE REPORT

The Executive and Personnel & Compensation/Benefits Committee presented for Board approval its Motion Out of Committee to change the 401(k) Plan employee matching rate from 4% to 5%. Mr. Pappi, Chair, led a discussion on the matter. A vote was taken, and the motion carried unanimously.

#### ANNUAL MEETING PREPARATION

The Nominating Committee presented for Board approval, its Motion Out of Committee finalizing the Committee's recommended slate of nominees for directors for 2023, and to include the slate as Management's recommendation in the Proxy Statement to be mailed to shareholders in December 2022. A vote was taken, and the motion carried unanimously.

Mr. Nunlist moved, Mr. Hughes seconded, and the Board unanimously adopted the following resolution:

#### RESOLUTION 1279/1262

Resolved that the Board accept the Nominating Committee's recommendation for the slate of nominees for directors for 2023 and to include the slate as Management's recommendation in the proxy statement to be mailed to shareholders. The recommended slate is as follows:

David Bessom	Karen King
Sam Blank	Garry Nelson
Harry Buchaklian	Ronald Nunlist
Suzanne Colvin	George Pappi, Jr.
Rodney Enns	Dwight Plumley
William Fischer	Jerry Roberts
Wayne Hardesty	Brian Skaggs
Terris Hughes	Gary Willems
Marcus Johnson	Jack Williams

Mr. Williams moved, Mr. Hughes seconded, and the Board unanimously adopted the following resolution:

#### RESOLUTION 1280/1263

Resolved that the Company hereby fixes December 1, 2022, as the record date to determine those shareholders entitled to notice of and the right to vote at the Annual Meeting of Shareholders to be held January 21, 2023.

Mr. Nunlist moved, Mr. Bessom seconded, and the Board unanimously approved the following resolution:

#### RESOLUTION 1281/1264

Resolved that the appropriate officers of the Company be, and they hereby are, authorized and directed to take any other action necessary or appropriate to facilitate the Annual Meeting of Shareholders to be held January 21, 2023.

Mr. Willems moved, Mr. Hughes seconded, and the Board unanimously approved the following resolution:

RESOLUTION 1282/1265

Resolved that the Form of Proxy Statement, Notice to Shareholders, Shareholder Transmittal Letter and Form of Proxy presented to the Board at this meeting are hereby approved, both as to form and content, and adopted, assuming the Form of Proxy is the same as last year's Form of Proxy with the exception of the proxy holders, and those proxy holders would be the current officers of the Corporation.

Resolved further, that the appropriate officers of the Corporation take any and all action necessary or appropriate to file necessary copies with all cognizant governmental agencies, and to distribute the Proxy materials, once approved by cognizant governmental agencies, to shareholders in anticipation of the Annual Shareholders' Meeting scheduled for January 21, 2023.

Resolved further that the appropriate officers of the Company, upon the advice of legal counsel, are hereby authorized and directed to make any further changes in the foregoing Proxy materials which may be required by any cognizant governmental agency in order to obtain their approval for the distribution of those materials to shareholders.

Mr. Hughes moved, Mr. Nunlist seconded, and the Board unanimously approved the following resolution:

RESOLUTION 1283/1241

Resolved that the Board of Directors ratifies the renewal of the contract with Jeanne Sousa for a three-year period beginning January 1, 2023, and ending December 31, 2025, at a lease price of \$500.00 per month for the term of the contract, and with no changes to the remainder of the lease agreement.

ANNUAL SHAREHOLDERS' MEETING

Mr. Nelson reported that he had received correspondence from Joe Look, the Company's corporate legal counsel, stating that Mr. Look will be unable to attend the 2023 Annual Shareholders' Meeting in person, but would be available to take legal questions via phone.

DIRECTOR'S YEARLY ROUNDTABLE

Each director was given an opportunity to express his/her desire to serve as an officer, chair of a committee, or committee member next year.

There being no further business, the meeting was adjourned at 11:32 AM.

The above minutes of the November 12, 2022, Board of Directors' Meeting are correct and accepted as presented.

/S/ Karen King

Karen King, V. P. – Secretary