

**ANNUAL SHAREHOLDER'S MEETING**

**PISMO COAST VILLAGE, INC.**

**SATURDAY, JANUARY 19, 2013**

Pursuant to notices properly mailed to shareholders, the 2013 Annual Shareholder's Meeting of Pismo Coast Village, Inc. was held Saturday, January 19, 2013, at the South County Regional Center, 800 West Branch Street, Arroyo Grande, California.

President Ronald Nunlist called the 39th Annual Shareholder's Meeting of Pismo Coast Village, Inc. to order at 9:02 a.m. and welcomed the shareholders. Director Garry Nelson led the Pledge of Allegiance. Mr. Nunlist then introduced Miss Cheyanne Welch, who sang the National Anthem. Director Douglas Eudaly gave the invocation.

Mr. Nunlist then called on Mr. Willems, Vice President-Secretary, who called roll for the members of the Board of Directors in attendance. Mr. Willems declared a quorum present, in both person and by proxy, for today's meeting.

Mr. Nunlist introduced our attorney, Joseph Look; Darren Williams of Brown Armstrong Accountancy Corporation (the designated Inspector of Election); and John Hansen and Brooks Wise of Mission Community Bank. He introduced the members of the Board and their spouses. He then introduced Chief Executive Officer/General Manager Jay Jamison and the staff members present at today's meeting.

Mr. Nunlist was pleased to report that Pismo Coast Village RV Resort's physical assets and the financial condition of the Company were in really good shape. We were now in the last phase of the campsite renovation project which should be completed by Spring Break 2013. He spoke about the Wine Reception held last evening, and commented about the nice job that Marios Pouyioukkas, owner/operator of Pismo Coast Village Grill, did with the appetizers that were served during the event. He asked that questions and comments for the Company be written on a Question Form and given to any director or staff member for response later in the meeting.

Mr. Nunlist spoke briefly about the complexity of running Pismo Coast Village RV Resort, which, among other things, includes enforcing policies and rules, maintaining the resort property and utilities, and dealing with the many different local and governmental entities that are needed for the day-to-day operation of the resort.

Mr. Nunlist thanked the members of the Board of Directors for all that they do, as well as Mr. Jamison and his staff. He asked that anyone with concerns or questions about the operation speak to Mr. Jamison or Charles Amian (Operations Manager), who will do their best to find a way to make your stay as enjoyable as possible or find a solution to a problem.

Mr. Nunlist gave the Executive Committee Report. He introduced the members of his committee: William Fischer, Jerald Pettibone, Dwight Plumley, Gary Willems, and Jack Williams. The functions of the Committee are to review the monthly business with the CEO/General Manager, review the financial statements, and to discuss any other items which may arise during the months that the full Board does not meet. The Committee met five times during 2012.

Mr. Williams, Finance Committee Chair, gave the Finance Committee Report. He introduced the members of the Committee: Douglas Eudaly, Glenn Hickman, Garry Nelson, and Jerald Pettibone. Mr. Williams thanked the Committee for their work this year. The Committee's primary duties are to review monthly financial statements, review the three-year forecast, review 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 2012.

Mr. Nunlist invited director Jerald Pettibone and his wife Bunty to come to the front of the stage. He spoke about Mr. Pettibone's service as President of the Company from January 1997 to January 2012 and some of the accomplishments during that time. He was pleased to present Mr. Pettibone with a plaque commemorating his service. A bouquet of roses was presented to Mrs. Pettibone. Mr. Pettibone spoke about his service on the board and thanked everyone for their support.

Mr. Plumley, Operations Committee Chair, introduced his committee: Louis Benedict, Rodney Enns, R. Elaine Harris, and Terris Hughes. He explained that one of the tasks the Committee handles is to address guest and shareholder comments and concerns. Some of the Committee's duties 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 Shareholder's 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 2012.

Mr. Hardesty, Audit Committee Chair, introduced the members of his committee: Kurt Brittain, Harry Buchaklian, Dennis Hearne, and George Pappi, Jr. He thanked the members of his committee for their help in completing the Audit Committee's objectives. He explained that all five members serving on the Committee are deemed to be independent directors in accordance with the prescribed standards of independence. The Audit Committee reports to the Board of Directors and is responsible for overseeing and monitoring financial accounting and reporting, the system of internal controls established by management, and the audit process of Pismo Coast Village.

Mr. Hardesty reported that the Audit Committee met five times during 2012. The first three meetings in the year concerned auditing procedures of the Company, which included a review of the process for tracking shareholder time usage, testing a day's receipts for the Company's revenue producing activities and follow-through into the bank account, and review of the procedures in place for the collection of vendor-type income such as the laundromat, video games, and rental income. The Committee also reviewed the inventory procedures used by the RV Shop and General Store. No areas of concern were found in any of the subject reviews. In September, the members of the Committee met with Mr. Williams, V.P. - Finance/Chief Financial Officer, and Mr. Jamison, CEO/General Manager, to review the financial statements for the first eleven months of the year. The Committee found no areas of concern. In November, the Committee held a conference call meeting with the lead auditor of Brown Armstrong, the Company's outside accounting firm, to discuss the year end audit and the information contained in the draft of the 10-K report. No material areas were noted by the auditors, nor any specific needs to strengthen the internal controls, and there were

no negative footnotes in the audit report. Based upon this information, the Audit Committee recommended to the Board of Directors that the audited financial statements be included in the Company's annual report. Mr. Hardesty reported that, based upon these reviews and audits, it appears that the financial systems of internal control are being adhered to by management; this is a commendation to the Mr. Jamison and his extremely competent staff.

Mr. Buchaklian, Environmental, Health and Safety Advisory Committee Chair, introduced the members of his committee: Terris Hughes and George Pappi, Jr. The Committee's responsibilities include performing environmental-related duties, health and safety reviews, and giving recommendations to the President and CEO/General Manager on matters relative to environmental and safety concerns. During the year, the Committee regularly met with Operations Manager Charles Amian for review of all guest and employee accidents, and the Committee expressed their appreciation for his participation. Mr. Buchaklian also thanked Mr. Hughes, whose occupation is as a safety advisor for Aera Energy, and Mr. Jamison for initiating a safety interview program which involves management meeting with employees individually to discuss safety concerns. Mr. Buchaklian thanked the members of his committee for their work this year. The Committee met five times in 2012.

Mr. Hearne, Chairman of the Nominating Committee, explained that the 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 annual shareholder's meeting on January 21, 2012. Mr. Hearne introduced and thanked the members of his committee, Rodney Enns, R. Elaine Harris, and Garry Nelson, for their hard work during the year. The Committee met five times during 2012.

The Nominating Committee submitted its recommendations for the slate of nominees for today's annual meeting at the November Board of Director's meeting. Mr. Hearne stated that individuals wanting to be considered as nominees or wishing to nominate an individual for membership on the Board are requested to notify the Nominating Committee in writing. He expressed his appreciation to the applicants that have taken the necessary steps to be considered for Board membership.

Mr. Hearne then presented the Nominating Committee's recommendation of the following shareholders to serve as directors for Pismo Coast Village, Inc. for 2013: Louis Benedict, Kurt Brittain, Harry Buchaklian, Rodney Enns, Douglas Eudaly, William Fischer, Wayne Hardesty, R. Elaine Harris, Dennis Hearne, Glenn Hickman, Terris Hughes, Garry Nelson, Ronald Nunlist, George Pappi Jr., Jerald Pettibone, Dwight Plumley, Gary Willems, and Jack Williams.

Mr. Willems, Vice President - Secretary, 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/she intends to vote cumulatively. Mr. Hearne placed the candidate's names in nomination. 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 with an "x" or marking other than a written number will not be considered properly voted and will not be counted. He asked shareholders holding proxy cards to exchange them for ballots at the 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 fifteen-minute voting period at 9:45 a.m. A recess was called, allowing those present to cast their votes.

Mr. Jamison called the meeting back to order at 9:59 a.m., and declared the polls closed. The ballot box was removed and taken to the vote counting room.

Mr. Williams presented the Chief Financial Officer's Report, which was a PowerPoint presentation of financial information. For the period of 2005 to 2012, slides compared total occupancy for general public and shareholders, total revenue and expenses, revenue categories, storage revenue, insurance expenses, utility expenses, and capital expenditures.

Mr. Williams then introduced Mr. Jamison, who gave the Chief Executive Officer/General Manager's Report. Mr. Jamison used a slide show to enhance his topics of discussion.

Mr. Jamison commented that it was great to interact with everyone at last evening's Wine Reception. Mr. Jamison spoke briefly about the current operator of the Pismo Coast Village Grill restaurant facility and encouraged everyone to support the business. Mr. Jamison pointed out the poster displays around the room which showed some of the accomplishments and projects and encouraged everyone to check out the boards. He spoke about the Pismo Coast Village Honorary and Memorial Scholarship awarded annually to a student with a recreation major at Cal Poly University, pointing out that there were two poster boards in the room showing the history of the donations and thank you letters from some of the scholarship recipients.

He then asked Larry Boyle, Security Department Supervisor, to come on stage. Mr. Jamison spoke briefly about Mr. Boyles' history and contributions to the company, and with Mr. Nunlist's assistance, presented a personalized watch to Mr. Boyle commemorating his ten years of service with the Company.

Mr. Jamison thanked staff for their efforts in the day-to-day challenges of maintaining and operating the resort. He congratulated the shareholders for another year of achieving happy campers, fiscal success and industry respect.

He reported that Pismo Coast Village is doing well. Fiscal year occupancy for 2012 was up 1,748 nights over 2011. For Fiscal Year 2013, occupancy to date is down 1,289 nights, primarily because Martin Luther King, Jr. Day fell differently compared to last year and because we started the campsite renovation project a month sooner than last year's project. Storage occupancy has grown 5.3%, and we are now storing approximately 1,712 units. At the end of February, we will be vacating the lease on Storage Lot F, and at that time our overall capacity for storage will be 2,475 units.

Mr. Jamison reviewed some of accomplishments for 2012, which included renovation of campsites 51 to 97, upgrade of the wireless internet system, upgrade to the Restaurant and Clubhouse facilities, road paving, the purchase and installation of the ADA-required pool-lift, the leasing of a new Hino trailer moving truck, replacement of the gate valves where the City water comes in and both of the fresh and irrigation water meters, and replacement of the control box for the sewer system.

He was pleased to report that there has been no change to our directory ratings with Good Sams (formerly Woodalls and Trailer Life). We continue to be an A-rated park with Guest Reviews, and received another award last November. Some of the events that we participated in this past year were the Special Olympics' Torch Handoff Ceremony and the Special Children's Christmas Party. We will again host the Trail Along to Pismo Vintage Trailer Rally in May 2013.

Mr. Jamison spoke briefly about the state of the RV industry, including international news and trends, and media exposure. For the future, occupancy trends look good and we are carrying waiting lists for people wanting reservations for sold out holiday dates, RV groups are sustaining last year's levels, the camping trend continues strong, and RV storage is up. There are still concerns about the current trend for flat revenue in ancillary areas, the long-term impact of the down economy on the camping industry as a whole, new government regulations and attitude toward business, and the increasing cost of health care insurance.

Capital projects for 2013 include renovation of campsites 1 - 50, high definition TV for four channels, continuation of wi-fi system improvements, and street paving. These items were all presented to the Board of Directors for approval and inclusion in the budget. He reported that next week there will be a hearing with the San Luis Obispo County Planning Commission for the permit to install a Verizon cell phone tower in Storage Lot K. Other goals for the year include taking advantage of social media opportunities, to continue promoting self-access storage facility, staff training in human resources and safety, and to continue efforts to work on the Pismo Creek lagoon with state agencies.

Mr. Jamison asked shareholders to stop by his office with comments and questions, then thanked the Board and shareholders for their ongoing support.

Mr. Nunlist then returned to the stage and read the questions, suggestions and comments submitted on the Question Forms.

Another shareholder wrote, "I noticed two competitive RV repair companies in the park. Does our RV person need to advertise more or are we not competitive? What about trailer washing, why don't we do it?" Mr. Nunlist responded that part of the Operations Committee's goals is to see if it would be feasible for us to put in a portable wash system. Currently we can only wash RVs at the RV shop. Guests staying in the resort would like to have their rigs washed, so they call in mobile companies. He suggested supporting Company services rather than those of our competitors. Mr. Jamison said that our Company has two RV technicians, and with the business they get from storage customers, guests in the resort, and outside customers, there are times when, due to prior scheduled appointments, they are backed up with work orders and are unable to respond for several days. To keep our customers and guests happy, we will recommend other companies.

A shareholder asked, "Can a person who has two shares stay 90 days and then pay the going rate for a site? Are they able to stay year-round?" Mr. Nunlist responded that no one is allowed to stay year round. The shareholder could use his/her 90 days and then stay another 29 days as a general public and pay the going rate.

A shareholder commented that the speed bumps in the resort need to be repainted, and said that we need more lighting on the walkways between the streets.

Another shareholder commented about the food at the wine reception last night. They really enjoyed it and thought that Marios did a good job.

Another shareholder wrote, "We see improvements every year, and the park is great. Thank you!"

A shareholder suggested, "Have a golf tournament to raise funds for the Children's Christmas Party." Mr. Nunlist responded that this had been looked at once before. There was not enough interest to put one together, but maybe if it was advertised a little more or in a mailing, it might be possible.

A shareholder asked, "Is the annual audit required by law? If not, why is this cost part of Pismo Coast Village's expenses?" Mr. Nunlist said that the audit is required by law because we are a publicly-held corporation governed by the Securities and Exchange Commission. For oversight, Pismo Coast Village actually has two accounting firms.

A shareholder wrote, "Is a spa in the near future?" Mr. Nunlist responded that we get this question every year, and, so far, it is not planned for the future.

A shareholder asked, "Will PCV be involved with the Fathers' Day weekend hot rod show?" Mr. Nunlist said that we usually are and Pismo Coast Village sponsors a trophy each year. Someone from the audience asked about the "cruise" through the resort which had happened a few times in the past. Mr. Jamison said that the cruise through the resort did not happen last year, which was their decision, not ours.

Another shareholder asked a question about the high definition channels on the cable television system. Mr. Nunlist said that this was addressed during Mr. Jamison's presentation. We are working on that amenity and next year we will have four channels with high definition reception.

Mr. Nunlist 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:

Benedict, Louis	618
Brittain, Kurt	656
Buchaklian, Harry	680
Enns, Rodney	637
Eudaly, Douglas	924
Fischer, William	630
Hardesty, Wayne	621
Harris, R. Elaine	835
Hearne, Dennis	674
Hickman, Glenn	617
Hughes, Terris	639
Nelson, Garry	630
Nunlist, Ronald	759
Pappi, Jr., George	638
Pettibone, Jerald	646
Plumley, Dwight	1,005
Willems, Gary	669
Williams, Jack	628

The result of Proposal 2, the ratification of Brown Armstrong Accountancy Corporation to serve as our independent accounting firm for Fiscal Year 2012 - 2013 passed with 706 votes in favor, 2 against and 24 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. Nunlist thanked the shareholders for attending and adjourned the meeting at 11:17 a.m.

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Respectfully submitted,

*Gary S. Willems*  
Gary S. Willems, V. P. - Secretary

*Glenn Hickman*  
Glenn Hickman

*Kurt Brittain*  
Kurt Brittain

*Terris Hughes*  
Terris Hughes

*Harry Buchaklian*  
Harry Buchaklian

*Garry Nelson*  
Garry Nelson

*Rodney Enns*  
Rodney Enns

*Ronald Nunlist*  
Ronald Nunlist

*Douglas Eudaly*  
Douglas Eudaly

*George Pappi, Jr.*  
George Pappi, Jr.

*William Fischer*  
William Fischer

*Jerald Pettibone*  
Jerald Pettibone

*Wayne Hardesty*  
Wayne Hardesty

*Dwight Plumley*  
Dwight Plumley

*R. Elaine Harris*  
R. Elaine Harris

*Jack Williams*  
Jack Williams

*Dennis Hearne*  
Dennis Hearne