

**ANNUAL SHAREHOLDERS' MEETING**

**PISMO COAST VILLAGE, INC.**

**SATURDAY, JANUARY 18, 2014**

Pursuant to notices properly mailed to shareholders, the 2014 Annual Shareholders' Meeting of Pismo Coast Village, Inc. was held Saturday, January 18, 2014, at the South County Regional Center, 800 West Branch Street, Arroyo Grande, California.

President Ronald Nunlist called the Annual Shareholders' Meeting of Pismo Coast Village, Inc. to order at 9:02 a.m. and welcomed the shareholders. Director Terris Hughes led the Pledge of Allegiance. Director Douglas Eudaly gave the invocation.

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

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

Mr. Nunlist asked the audience if they enjoyed the Wine Reception held yesterday evening. This comment resulted in a round of applause. Mr. Nunlist thanked Gary Willems, who was responsible for organizing the band that played in the Square during the event. Everyone seemed to enjoy the music.

He was pleased to report that 2013 was the best year that Pismo Coast Village has ever had. Revenue was up, and occupancy was up for both shareholders and general public guests. Our property is in excellent shape. Over the past ten years, the Company has upgraded all of the campsites and replaced underground utilities. All but one of the restrooms have been renovated, and he was pleased to say that the project to replace Restroom #2 would begin next week. The outlook for next year looks great. Financial reports show that the Company is up for the first quarter compared to last year. He was extremely proud to report that all of the expenses for the projects and upgrades to the resort were paid for with cash on hand. We do have long term debt for the purchase of property we are using for RV storage, however, these properties do bring in revenue to offset that expense. He said that we do have storage space available, and encouraged shareholders and the general public to become our storage customers.

Mr. Nunlist said that he believes that the state of our corporation is excellent, and he is very proud to be part of the Company which will celebrate its 40-year anniversary in April 2015. He expressed his appreciation to Mr. Jamison and his staff, and the board of directors for all that they do. He also thanked the shareholders for their support.

Mr. Nunlist gave the Executive Committee Report. He introduced the members of his committee: Wayne Hardesty, Terris Hughes, Jerald Pettibone, Dwight Plumley, and Gary Willems. 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 four times during 2013. He thanked the members of the committee for their hard work.

Mr. Hardesty, Finance Committee Chair, gave the Finance Committee Report. He introduced the members of the Committee: Dennis Hearne, Garry Nelson, George Pappi, Jr., and Jerald Pettibone. Mr. Hardesty 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 2013.

Mr. Plumley, Operations Committee Chair, introduced his committee: Rodney Enns, William Fischer, R. Elaine Harris, and Jerry Roberts. He explained that one of the tasks the Committee handles is to address guest and shareholder questions, 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 Shareholders' Information Manual/Calendar, and implementing Board policy and procedures. He thanked the Committee for their hard work this past year and also thanked the shareholders for their support. The Committee met five times in 2013.

Mr. Enns, Audit Committee Chair, introduced the members of his committee: Kurt Brittain, Douglas Eudaly, Glenn Hickman, and Jack Williams. The functions of the Audit Committee include coordinating with the Company's independent accountants in the preparation of annual financial reports and audits, reviewing actions to be taken to comply with the auditors recommendations to management and performing random reviews of selected accounting procedures of the company. The Audit Committee met five times during 2013. 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. The Audit Committee charter, adopted by the Board, sets out responsibilities, authority for and specific duties of the audit committee. The Audit Committee has reviewed and discussed the audited financial statements with management, and has discussed with representatives of independent auditor Brown Armstrong Accountancy Corporation matters required by SAS61 regulations. The Audit Committee received the written disclosures and letter from the independent auditors, Brown Armstrong Accountancy Corporation, required by independent standard board standard #1, and has discussed with the independent accountants the independent accountant's independence. Based on the review and discussion, the Audit Committee recommended to the Board that the audited financial statements be included in the Company's annual report. He expressed his appreciation to Mr. Jamison for his support during the year, and also thanked Reservations Supervisor Darrell Sisk and Accounting Manager Kitty Karstetter for all of their help.

Mr. Buchaklian, Environmental, Health and Safety Advisory Committee Chair, introduced the members of his committee: Kurt Brittain and Jerry Roberts. 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. Mr. Buchaklian thanked the members of his committee for their work. The Committee met five times in 2013.

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 January 19, 2013 annual shareholders' meeting. Mr. Hearne introduced and thanked the members of his committee, Rodney Enns, William Fischer, R. Elaine Harris, and Garry Nelson, for their hard work during the year. The Committee met five times during 2013, and interviewed five prospective candidates for Board membership during that time.

The Nominating Committee submitted its recommendations for the slate of nominees for today's annual meeting at the November Board of Directors' 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 explained that, due to the retirement of Louis Benedict in January of last year, shareholder Jerry Roberts was duly nominated and elected by the Board to fill the vacant seat. He then introduced Mr. Roberts, who spoke about his education, background and work experience.

Mr. Hearne then presented the Nominating Committee's recommendation of the following shareholders to serve as directors for Pismo Coast Village, Inc. for 2014: 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, Jerry Roberts, 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 or 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 ten-minute voting period at 9:38 a.m. A recess was called, allowing those present to cast their votes.

Mr. Nunlist 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. Nunlist asked director Louis Benedict to come on stage. He spoke about Mr. Benedict's service as a member of the Board from November 2002 to January 2013 and was pleased to present him with a plaque recognizing his service to the Company.

Mr. Hardesty then presented the Chief Financial Officer's Report, which was a PowerPoint presentation of financial information. For the period of 2007 to 2013, 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. Nunlist 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. He expressed his appreciation to staff for their efforts to make this weekend's events happen, as well as for their work during the year to make the company successful. Mr. Jamison encouraged everyone to check out the poster boards around the room which showed some of the accomplishments, projects and other information.

He reviewed occupancy statistics for the current year and was pleased to report that both general public and shareholder occupancy are increased over last year's numbers. RV storage growth this past year was 12.3%, and we are currently storing 1,924 units in our storage facilities. Estimated capacity for the 45 acres is 2,350 units, so we still have room for growth. Some of the accomplishments this past year were: renovation of campsites 1 - 50, a new slide for Playground #2, the addition of high-definition channels for the resort's television system, a new control panel for the sewer lift station, new cabinets and shelves for the Clubhouse, the purchase of a metal storage container to store company records, a new server for the computer system, the purchase of a mobile wash unit for washing RV units for the RV Service Department, an enhanced security system for Storage Lot K which is monitored at night by a contracted security company, and the application of a dust control material in K-Lot.

Mr. Jamison showed a slide of the new Verizon cell tower located in Storage Lot K, which is shaped like a eucalyptus tree. The contract is currently for a five-year period, and we receive \$1,900 each month for the lease, which is substantially more revenue than we would get if the same space were being used as RV storage space. Verizon has approached us with a request for another cell tower location. This one would be in Storage Lot D, and we are still in the preliminary phase of negotiating the lease.

He was pleased to report that there has been no change to our directory ratings with Good Sam. We continue to be an A-rated park with Guest Reviews, one of eight properties in California, and received another award. 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. 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 2014.

Mr. Jamison spoke briefly about the state of the RV industry. 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, RV storage is up, and the camping trend continues to be strong. There are still concerns about government regulations and attitude toward business, and the increasing cost of health care insurance and the overall economy.

Capital projects for 2014 include the replacement of Restroom #2, installation of a new playground by Restroom #4, purchase of a new truck for the Security Department, continuation of wi-fi system improvements, street paving, and possible enhancement to the miniature golf course. Other goals include social media opportunities, continuing promotion of self-access storage facilities, staff training in human resources and safety, and continuing efforts to work on the lagoon with the State agencies,

Mr. Jamison said that in September we received a 125-page report from the State on a proposal to install a seasonal pedestrian bridge across Pismo Creek. He spoke briefly about the events leading up to the preparation of the report. The proposal is for an eight-foot wide by 350-foot long bridge which would be removed during inclement weather seasons. The bridge would be purchased by Pismo Coast Village, however, it would be built, managed, monitored and stored by the Oceano Dunes District. He spoke briefly about the public review period for the proposal, and the concern now is about the number of comments from the California Coastal Commission about the thought that the bridge would be to benefit one entity.

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 asked the members of the Board to return to the stage. He then read the questions, suggestions and comments submitted on the Question Forms.

A shareholder wrote, "We love our park! Fence should be dog proof for the safety of any dogs that might get loose in the park. More light on the dog walk area, so we can see to pick up after them at night."

A shareholder asked, "Can we add one more movie channel (no commercials), i.e., HBO or Showtime. Cost can't be \$400 or \$500 more than the monthly cost."

A shareholder wrote, "Can the documents be scanned and stored instead of retaining the paper files? Or would it be more expensive to do so? On the evolution of the Wi-Fi poster board, if you could include the approximate dates when each change occurred, I think it would help everyone understand just what an amazing process it is to keep up with changing technology."

Another shareholder wrote, "How about adding Fox Sports channel?"

Another shareholder commented, "The park looks great! Wonderful staff! Great Friday night party!! Drop minimum fee on propane fill."

Another shareholder wrote, "We appreciate the hard work of the entire staff and board all year long, but especially at the annual meeting. Can we have an annual meeting every quarter?"

A shareholder asked, "How can we slow people down driving in the park? More signs? Reminders when they check in? Friday night wine reception was the best ever. What a treat to have the band playing and Baklava for dessert! A shareholder website for all newsletters to save on postage would be nice."

A shareholder wrote, "This is a classy place. The extremely dirty and unkempt trailers that are brought in from storage, can we request that they be at least hosed off before being allowed in the park? The band in the Square during the Summer was nice. We should continue this."

A shareholder asked, "What is the possibility of a hot tub/spa added to the pool area (adults only)? Hoping the continued push for a foot bridge from the RV resort to the beach will be a reality in the near future."

A shareholder wrote, "Would like to see some "healthy" snacks at the meeting: cut up fruit, bagels. Some of us are trying to stay healthy and would appreciate your accommodation. Enjoyed the meeting."

A shareholder commented, "When nearby campers found out we are shareholders, they specifically requested that we ask for "flowers" (for a pop of color) in the PCV planter at the entrance. While it seems small, she said it makes her feel like she's arrived at PCV. The other thing she mentioned is the fence along Dolliver, wishing it was in nicer condition, perhaps planted with a crawling vine."

A shareholder wrote, "The planter in front of the Square with the "PCV" letters would really look nice with plants that show off the beauty of the rest of the park. I would be willing to help plant and maintain. We love all the personnel here at PCV from the grounds keeper to our Jay, Charles, Jeanne, Theresa, Darrell, Larry, Josh, and so many more that have made every stay perfect!"

A shareholder asked. "Why did shareholder release dates change? Can we go back to 90/60/30 day release dates or even 90/30 day release dates? Do you take donations for scholarships, and how much are each one? Great park. Glad to come when I can and thank you for always getting a site close to the Square for me. Love the park."

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.

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:

Brittain, Kurt	703
Buchaklian, Harry	731
Enns, Rodney	672
Eudaly, Douglas	1,040
Fischer, William	677
Hardesty, Wayne	662
Harris, R. Elaine	842
Hearne, Dennis	702
Hickman, Glenn	672
Hughes, Terris	686
Nelson, Garry	669
Nunlist, Ronald	805
Pappi, Jr., George	696
Pettibone, Jerald	699
Plumley, Dwight	1,065
Jerry Roberts	670
Willems, Gary	697
Williams, Jack	682

The result of Proposal 2, the ratification of Brown Armstrong Accountancy Corporation to serve as our independent accounting firm for Fiscal Year 2013 - 2014 passed with 723 votes in favor, 5 against and 30 abstaining.

The result of Proposal 3, the proposal to approve a non-binding advisory vote to approve the compensation of the Company's named executive officer passed with 622 votes in favor, 43 against and 73 abstaining.

The result of Proposal 4, a proposal to approve a non-binding advisory vote to recommend whether the advisory shareholder vote on executive compensation should occur every one, two or three years was as follows:

One Year	167
Two Years	112
Three Years	358
Abstains	103

There being no further business, Mr. Nunlist thanked the shareholders for attending and adjourned the meeting at 11:09 a.m.

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Respectfully submitted,

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

*Jerald Pettibone*  
Jerald Pettibone

*William Fischer*  
William Fischer

*Jerry Roberts*  
Jerry Roberts

*Wayne Hardesty*  
Wayne Hardesty

*Dwight Plumley*  
Dwight Plumley

*R. Elaine Harris*  
R. Elaine Harris

*Gary Willems*  
Gary Willems

*Dennis Hearne*  
Dennis Hearne

*Jack Williams*  
Jack Williams