



*The mission of OCFEC is...*

**CELEBRATION OF ORANGE COUNTY'S  
COMMUNITIES, INTERESTS, AGRICULTURE AND HERITAGE**  
*(with results justifying resources expended)*

**NOTICE OF MEETING**

32<sup>ND</sup> District Agricultural Association  
OCFEC Board of Directors  
**Thursday, March 25, 2010**  
10 a.m.

Administration Building  
Orange County Conference Room  
OC Fair & Event Center  
88 Fair Drive  
Costa Mesa, California

Board of Directors  
Kristina Dodge, Board Chair  
David Ellis, Vice Chair

Gary Hayakawa, Member  
Mary Young, Member  
Dale Dykema, Member  
David Padilla, Member  
Joyce Tucker, Member

Those persons wishing to attend the meeting and who may require special accommodations pursuant to the provisions of the Americans with Disabilities Act are requested to contact the office of the 32<sup>nd</sup> District Agricultural Association (714) 708-1500, at least five working days prior to the meeting to insure the proper arrangements can be made.

At the discretion of the Board of Directors, all items appearing on this Agenda, whether or not expressly listed for action, may be deliberated and may be subject to action by the Board of Directors. The Board may convene to closed session pursuant to Government Code section 11126, subdivisions (a) and (e) to consider personnel evaluation and/or possible litigation. Items may not necessarily be taken up in the order shown on this Agenda.

This agenda, and all notices required by the Bagley-Keene Open Meeting Act are available on the Internet at:  
[www.ocfair.com](http://www.ocfair.com)

## AGENDA

**1. CALL TO ORDER**

All matters noticed on this agenda, in any category, may be considered for action as listed. Any item not so noticed may not be considered. Items listed on this Agenda may be considered in any order, at the discretion of the chairperson.

**2. THE MISSION OF OCFEC IS...**Celebration of Orange County's Communities, Interests, Agriculture and Heritage (with results justifying resources expended).

**3. PLEDGE OF ALLEGIANCE**

**4. ROLL CALL (Policy Reference: 4.5.2.B)**

**5. MATTERS OF PUBLIC COMMENT** - Speakers are requested to sign in prior to the start of the meeting and are limited to three minutes. Public comment is allowed on issues NOT on the current Agenda. However, no debate by the Board shall be permitted on such public comments, and no action will be taken on such public comment items at this time, as law requires formal public notice prior to any action on a docket item.

Comments will be accepted on Agenda items during the meeting. Speakers wishing to address the Board on items on the agenda are requested to sign in prior to the start of the meeting and identify the agenda item[s] on which you desire to address the Board. Speakers are limited to three minutes.

**6. MINUTES:**

Board Meeting held February 25, 2010 and March 11, 2010

**7. CONSENT CALENDAR: (Policy Reference: 4.3.4)**

All matters listed under Consent Calendar are operational matters about which the Board has governing policies, implementation of which is delegated to the CEO. They will be enacted in one motion by category in the order listed below. There will be no discussion of these items prior to the time the Board of Directors votes on the motion, unless members of the board, staff or public request specific items to be discussed separately and/or removed from this section.

Any member of the public who wishes to discuss Consent Calendar items should notify the Chair of the Board, at the time requested and be recognized by invitation of the Chair to address the Board.

AGREEMENTS:

A. Standard Agreements: SA-46-10GE; SA-47-10YE; SA-48-10GA; SA-49-10GA; SA-50-10GA; SA-51-10GE; SA-52-10GE; SA-53-10YE; SA-54-10FT; SA-55-10GE; SA-56-10GE; SA-57-10GE; SA-58-10PA; SA-59-10PA; SA-60-10PA; SA-61-10PA; SA-62-10PA; SA-63-10PA; SA-64-10GE; SA-65-10PS; SA-66-10AB; SA-67-10PS; SA-68-10PS

B. Amendments: none

C. Interagency Agreements: none

D. Rental Agreements: R-001-10; R-011-10; R-017-10; R-022-10; R-023-10; R-024-10;

R-030-10; R-037-10; R-039-10; R-041-10; R-044-10; R-045-10; R-050-10; R-051-10;  
R-062-10; R-063-10; R-064-10; R-066-10; R-069-10; R-070-10; R-071-10; R-072-10;  
R-073-10; R-076-10; R-077-10; R-084-10

E. Interstate Travel Requests:

- i. Jerry Eldridge, Jason Jacobsen, Ruben Vigil and Raimundo Dominguez to attend Public Assembly Facility Management School at Oglebay in Wheeling, West Virginia, June 5-11, 2010.

F. Letter of Understanding with International Alliance of Stage Employees Local 504

*-End of Consent Calendar-*

**8. GOVERNANCE PROCESS**

**A. Installation and monthly service for security system at CEO's home**

Action Item

**B. Review and consider amendment of governance policies and procedures of the 32nd District Agricultural Association**

Action Item

**C. Review and Approve OCFEC Ticket Policy**

Action Item

**D. Status of Sale of Fairgrounds and Report on the CEO meeting with Governor's office and Potential Board Action with Respect Thereto**

Action Item

**9. CLOSED SESSION (CLOSED TO PUBLIC)**

A) Pursuant to the provisions of Government Code section 11126(a)(1) the Board of Directors will meet in closed executive session to consider the evaluation of performance of a public employee. (Policy Reference 3.4)

**10. CEO'S OPERATIONAL UPDATE**

**11. BOARD OF DIRECTORS MATTERS OF INFORMATION**

**12. NEXT BOARD MEETING: APRIL 22, 2010**

**13. ADJOURNMENT**

Respectfully submitted,  
OC Fair & Event Center



Steve Beazley  
President & CEO

Date of notice: 5:00 p.m. March 15, 2010

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING  
HELD FEBRUARY 25, 2010**

**1. CALL TO ORDER:**

Board Chair Dodge called the meeting to order at 10:02 a.m.

**2. MISSION STATEMENT:**

Board Chair Dodge recited the OCFEC Mission Statement.

**3. PLEDGE OF ALLEGIANCE:**

The Pledge of Allegiance was recited by Director Tucker and roll call taken.

**4. DIRECTORS PRESENT:**

Board Chair Dodge, Vice Chair Ellis, Director Hayakawa, Director Tucker, Director Young and Director Padilla.

**DIRECTORS ABSENT/EXCUSED:**

Director Dykema

**OTHERS PRESENT:**

Steve Beazley, President and CEO; Dena Heathman, VP of Finance; Doug Lofstrom, VP of Events; Jerome Hoban, VP of Operations; Robin Wachner, OCFEC Communications Director; Marlene Apodaca, court reporter; Larry Sasson; Allan Roeder, Costa Mesa City Manager; Stewart Suchman; David Batistelli; Lisa Sabo; Reggie Mundekis; Sandra Genis; Theresa Sears; Jeanine Robbins; Joy Williams; Greg Ridge; Erik Lackey, Ryan Miller; Bob Mosley; Don Murphy; Steve Edwards; Roger Grabel; Ellen Pak, OC Register; Mona Shadia, Daily Pilot; Nicol Shefmire; and Tom Skane.

**5. MATTERS OF PUBLIC COMMENT:**

Lisa Sabo requested that the board ask the governor to stop the sale of the fairgrounds.

Theresa Sears read into the record a list of those legislators, cities, agencies and groups who have opposed the sale of the property: Lou Correa, Tom Harman, Mark Wyland, Curt Hagman, Hector de la Torre, Diane Harkey, Jeff Miller, Pedro Nava, Jim Silva, Jose Solorio, Van Tran, Mary Hayashi, Mike Eng, Ed Hernandez, Jerry Hill, John Perez, Ira Ruskin, Bill Emmerson, Connie Conway, Roger Niello, Cameron Smyth, Kevin De Leon, Tom Ammiano, Steve Bradford, Charles Calderon, Joe Coto, Mike Davis, Felipe Fuentes, Isadore Hall, Jim Nielson, Nancy Skinner, Tom Torlakson, Brea, Buena Park, Costa Mesa, Cypress, Dana Point, Fountain Valley, Fullerton, Huntington Beach, Irvine, La Habra,

Laguna Beach, Laguna Niguel, Lake Forest, Mission Viejo, Newport Beach, Orange, San Clemente, San Juan Capistrano, Santa Ana, Seal Beach, Westminster, Villa Park, Yorba Linda, Coast Community College, Mesa Consolidated Water District, Costa Mesa Sanitary District, Student Senate of Orange Coast College, Orange County League of Cities, Orange County Board of Supervisors, and 50,000 members of the public. She then asked that the board admit they made a mistake and ask the governor to stop the sale.

Sandra Genis read a Proclamation of the OC Fair Preservation Society.

Chair Dodge then moved to Item 9 on the agenda.

## **9. CEO'S OPERATIONAL UPDATE**

Steve Beazley, OCFEC President & CEO, announced the hiring of legal counsel Manatt, Phelps and Phillips.

Director Padilla asked why OCFEC hired outside counsel instead of reconciling with the Attorney General's office.

Vice Chair Ellis explained that the Attorney General's office would not represent OCFEC until the resolution of the fairground's sale and in the meantime it would be prudent to hire legal counsel.

Discussion ensued.

Beazley discussed the commencement of ticket sales for the Summer Concert Series and Vice President Jerome Hoban announced the 2010 OC Fair theme. Hoban also presented the 2009 Visual Arts Winners booklet.

## **6. CONSENT CALENDAR**

### MINUTES:

A. Board Meeting held January 21, 2010

### AGREEMENTS:

A. Standard Agreements: SA-22-10PS; SA-23-10GE; SA-24-10GE; SA-25-10GE; SA-26-10GE; SA-27-10GE; SA-28-10PS; SA-29-10GE; SA-30-10FT; SA-31-10CS; SA-32-10PS; SA-33-10YE; SA-34-10YE; SA-35-10YE; SA-36-10YE; SA-37-10YE; SA-38-10PS; SA-39-10PS; SA-40-10IE; SA-41-10GE; SA-42-10GE; SA-43-10GE; SA-44-10GE;

SA-45-10PS

- B. Amendments: SA-124-08WC; SA-79-06RD; SA-76-08WD
- C. Correspondence: 2010 Budget Approval Letter

Greg Ridge commented on whether the Board should be spending money on capital improvements and suggested they plan on resigning.

**ACTION:** Vice Chair Ellis motioned and Director Hayakawa seconded to approve the Consent Calendar. **MOTION PASSED UNANIMOUSLY.**

**7. GOVERNANCE PROCESS:**

**A. Board of Directors' Strategic Planning Related to the Proposed Sale of the Fairgrounds**

Action Item

Chair Dodge read a prepared statement addressing the Board's position on the Governor's plan to sell the property: The Fair Board's commitment is and always will be the preservation of the OC Fair and the improvement of Fair governance through local control. The Board's first desire is absolutely for it (the fairgrounds) to remain at its current location. If the realities of the economy or other factors make that impractical, the Board remains committed to the continuation of the OC Fair.

Beazley outlined four basic points to consider for strategic planning:

1. We have to acknowledge that there is a budget shortfall; 2. We acknowledge that everyone wants to preserve the Fair; 3. Work towards local control of the organization; 4. Work towards making the property "highly utilized."

Director Padilla read the following prepared remarks:

"Having seen that I am on the agenda to make a presentation for today's meeting, I have tried to organize my thoughts on the situation that the fair and our fair board currently face. I hope you won't mind if I read my brief assessment.

"I start with the vote we took on July 14 to both support the State's sale of the Orange County fairgrounds and endorse a proposal by the City of Costa Mesa aimed at creating a local, non-profit corporation, which would acquire the property and perpetuate its use as a fairgrounds and events center. At that time, since we had no public discussion on this

issue, I assumed -- and perhaps some of my fellow board members assumed -- that we were voting to explore this idea and that we could "back out" at any time. In the following days and weeks, as I looked more closely at the issues, I came to the conclusion that selling the fairgrounds and attempting to place it in the position of a public non-profit would not be good public policy, a point that I expressed at the time to some of you.

"In the intervening months, as the process played out, my opposition to the sale grew and I publically endorsed the Solorio/Tran Bill that attempted to stop the sale. Today, as an appointee of Governor Schwarzenegger, the only additional comment I would like to make regarding the possible sale of the fairgrounds is to apologize to the Governor for having a role in handing him such a mess.

"So, rather than proposing a board resolution that would likely be viewed as last minute posturing, I instead want to direct the board's attention to a more basic issue, an issue I believe that contributed to the difficulty we are in.

"On December 11, 2008, the 32nd District Agricultural Association adopted new governing policies for this organization. At that meeting, we fundamentally redefined the role of our board and we eliminated a long-standing system of board committees, committees that were made up of three or more members. We replaced that committee system with a subcommittee system and determined that each subcommittee would consist of two members, a composition that does not trigger Bagley-Keene requirements for public notice and for public-record keeping.

"The intention of this new policy may have been entirely good -- to simplify and streamline the management of the fair. But in the year since we made that governance change, it has become clear to me that we were mistaken. Unfortunately, our decision greatly narrowed the potential for board members to communicate regularly with each other on important public policy issues. It also had the result of shrinking our public oversight function while stripping the organization of an adequate level of public transparency. I believe this new governance plan weakened our public accountability and damaged the confidence that the public has in our subsequent actions.

"If, rather than surprising the public with an unanticipated resolution to sell the fairgrounds, we had allowed this idea to be thoroughly reviewed in the light-of-day, our traditional committee system and this organization would have had the opportunity to hear and benefit from the ideas of the public before we took that vote.

“But the sale of the fairgrounds is not the only example of the problems that have arisen under this new governance policy:

- A full committee system with greater public transparency might have prevented the unfortunate misunderstandings that occurred last summer regarding the price our vendors were paying for space at the fair.
- And even on today’s agenda, there are items that I believe should have been vetted by a board committee, prior to being presented to the full board. For example, we are being asked to approve a \$200,000 contract for Manatt, Phelps & Phillips, LLC to provide the board with legal services, yet to my knowledge the selection of this firm has not been discussed or publically reviewed by board members. Today, also, we are receiving the final financials for the 2009 Fair. I am a member of the so-called financial subcommittee, and I know that the subcommittee has not reviewed these financials. Without casting any aspersions, I can only say as a member of that subcommittee, that I cannot attest to the accuracy of these numbers.

“To put it simply, I believe that the new governance procedures that we approved in December 2008 are faulty. These new procedures have precluded us from adequately performing our responsibilities as appointed directors of the 32nd District Agricultural Association. They have prevented us from contributing to the guidance that I believe our staff deserves. These procedures have greatly limited the access of the public to the business of this organization.

“So, madam chair, now that we have operated under these new governance procedures for slightly over a year, I believe our board has a responsibility to fully assess this new governance policy, to openly discuss the strengths and weaknesses that we have seen and to make whatever revisions are necessary to restore an adequate level of participation, interaction and transparency to the governance of the Orange County Fair.

“I would like to make a motion that, over the next several weeks, our board and staff leadership work together to develop a process for the review and updating of our current governance procedures. At our next meeting, I would like our leadership to present a process and a schedule for our fair board to review and improve the governance procedures of the 32nd Agriculture Association.



“I hope that one of my board colleagues will second that motion so that it can be fully discussed and voted upon today. Regardless, I appreciate your putting my issues on today’s agenda and I thank you for giving me the opportunity to express these opinions.”

Vice Chair Ellis pointed out the fact the Board had reviewed the governance policies at the November Board meeting and Director Padilla did not attend that portion of the meeting.

Chair Dodge reiterated Ellis’ point and offered that the Board could once again review the governance policies or Director Padilla could contact the governance consultant directly to discuss any questions he may have.

Director Hayakawa seconded Director Padilla’s motion as a discussion item stating that while reinstating three member committees might be positive, for years no one attended these meetings which contributed to the decision to streamline the process.

Discussion ensued.

Roger Grable advised that the Board was discussing a motion that was not on the agenda and suggested tabling the item and including it on a future agenda.

Director Padilla stated that while he felt the governance issue relates to the strategic future of the sale of the Fair.

**ACTION:** Director Ellis motioned and Director Hayakawa seconded to approve to table the motion until March Board meeting. **MOTION PASSED WITH DIRECTOR PADILLA VOTING NO.**

Beazley asked whether the board would like staff to prepare an alternative plan to the sale of the property that could be presented to the Governor’s office and whether staff should schedule a Board meeting as soon as the calendar permits.

Director Tucker clarified that the Board and staff were proposing the creation of a plan to present to the Governor that would provide an alternative to the sale of property. Tucker stated that she didn’t think the sale of the property has gone as anticipated and it was never intended to uproot the Fair.

Joy Williams repeated opposition to the sale and asked the Board to vote in support or opposition to the sale of the fairgrounds. She then

asked that the board agenda her video presentation for next board meeting. Williams finished her comments by reading a "Wanted" flyer.

Sandra Genis explained the nature of the California Performance Review stating that it is a list of over 500 recommendations that were not necessarily accepted by the Governor. She stated that a DGS report attached to the CPR indicated that between five and ten years of study would be necessary before the disposal of any property. She was not sure any such study every occurred. She also explained that, while the report advocated local control for Fairs, the property would be held in trust by the State.

Reggie Mundekis explained two definitions of the term under utilized regarding real estate. The Board is operating under the definition that states increased usage will further utilize the property, whereas DGS is operating under the definition of high density development. She then asked the Board to ask the governor to stop the sale of the property

Jeanine Robbins accused the attorneys of shutting down Director Padilla. She then discussed the definition of volunteerism. Finally, she asked the board to take a stand against the sale of the property.

Lisa Sabo quoted Diane Harkey. She asked the Board to admit they were wrong in supporting the sale of the fairgrounds. She asked to stop the sale and reorganize.

Theresa Sears talked about her trip to Sacramento and asked the Board to come out against the sale.

**ACTION:** Chair Dodge motioned and Vice Chair Ellis seconded to approve direction to staff to present a strategic plan as complete as possible with finances attached at the next scheduled Board meeting.  
**MOTION PASSED UNANIMOUSLY**

Chair Dodge then requested that Item 7C been presented at this point.

**C. OCFEC Business Planning 2010 Vision: Expanding OCFEC Recreational, Entertainment and Educational Programs in Service of the Orange County Community**  
Action Item

Beazley presented the item.

At the January Board of Directors meeting, Chair Dodge, asked staff to begin putting together the framework of a Strategic Plan that would center on maximizing use of the OCFEC campus.

In the past two years, OCFEC has invested over \$12 million dollars in capital improvements and approximately \$3 million dollars in deferred maintenance. These improvements have set the stage to expanding programming at OCFEC.

Beazley presented a list of potential programs and areas that could be used to expand programming on the property including expanding the Pacific Amphitheatre season, construction of a proposed Maloof Skate Park, an OCFEC produced New Year's Eve event, utilization of the Hangar as a sports viewing venue, an OCFEC produced winter fair, expanded programming at the equestrian Center, and an educational observation tower ride.

Beazley distributed a letter from Tim McFerrin of the Maloof Money Cup expressing interest in creating a permanent Maloof skate park at OCFEC.

Vice Chair Ellis commended the Maloof Money Cup on their operation and highlighted a statement from the letter about pressure to move their event. Ellis stressed the urgency of making a decision regarding their proposal to create a permanent skate park.

Ellis then discussed the operation of Pacific Amphitheatre. Ellis motioned to instruct staff to create a request for information about utilizing the amphitheatre in a higher manner.

Sandra Genis expressed support for expansion of equestrian programming but had concerns about the observation tower.

Reggie Mundekis supported the idea of a winter fair and improving the equestrian center but expressed concern about the observation tower.

Beazley invited Mundekis to be a member of a committee that will study equestrian center expansion. She consented.

Lisa Sabo spoke in support of the equestrian center.

Joy Williams expressed concern about the location of the proposed Maloof Skate Park and spoke in support of the Orange County Market Place.

**ACTION:** Vice Chair Ellis motioned and Director Young seconded to direct staff to place urgency in investigating the Maloof Skate Park proposal and to issue a Request For Information as soon as possible

regarding the Pacific Amphitheatre. **MOTION PASSED  
UNANIMOUSLY**

**B. 2009 Year End Financial Report**

Discussion Item

Vice President Dena Heathman presented the item.

In 2009, OCFEC cash flow from operations was \$2.2 million, compared with the budget of \$2.8 million. In 2009, OCFEC had cash outflows for capital expenditures of \$16.9 million, with a net decrease in cash for 2009 of \$14.7 million. She noted that operations generated a positive cash flow exceeding \$2 million and OCFEC's investment in capital expenditures caused decrease in reserves.

Heathman explained that the Fair Business Unit direct revenues exceeded expenses by \$5.1 million in 2009, which were budgeted at \$4.9 million.

The Events Business Unit contributed \$1.9 million in 2009, which fell short of the budgeted \$2.1 million.

The Market Place Business Unit in 2009 contributed \$2.3 million, a shortfall from the budgeted \$2.5 million. This can be attributed to the rent reduction negotiated in 2009.

The Pacific Amphitheatre Business Unit made \$600,000. It must be noted that while revenues went down by \$700,000, expenditures also were reduced by \$1.8 million.

Service and Support, which is composed of overhead including outreach and education, came in at \$7.5 million which is better than the \$7.7 million budgeted.

Ellis asked about OCFEC's contribution to Centennial Farm and After School Program and asked about the contribution of the equestrian center to OCFEC.

Heathman answered that OCFEC contributes \$900,000 for education, and the equestrian center revenues to OCFEC in 2009 were \$37,000.

Director Padilla asked about cash investments, capital expenditures, and depreciation schedules.

**D. Exercising an Exclusive Use Weekend September 18-19, 2010 as Provided for in the Second Amendment of the Contract with Orange County Market Place**

Action Item

Beazley presented the item.

Don Murphy, president of Sand Sports Super Show, addressed the Board thanking them for considering his proposal and explained his business history.

Vice Chair Ellis asked how an expanded Sand Sports Super Show can be successful in this economic climate. While Murphy couldn't guarantee success, his experience and relationships with vendors as well as being unique in the Orange County market are positive indicators.

Director Hayakawa asked whether the sales tax stayed in Costa Mesa. Murphy answered yes.

David Batiselli read a prepared statement in opposition to the motion accusing the board of a personal vendetta against the Market Place.

Stewart Suchman stressed that while the Board has the right to exercise this use of the weekend, it doesn't mean they should do it. He then accused the Board of acting in bad faith.

Allan Roeder, City Manager of Costa Mesa, asked that the Board include a stipulation to insure all sales are recorded in Costa Mesa.

Explaining his opposition to the motion, Director Padilla said he understood the renegotiated lease was an attempt to aid the Market Place but taking these weekends seems to hurt the Market Place.

**ACTION:** Director Hayakawa motioned and Director Tucker seconded to approve Exercising an Exclusive Use Weekend September 18-19, 2010 as provided for in the Second Amendment of the Contract with Orange County Market Place with the stipulation that all transactions be recorded in the City of Costa Mesa. **MOTION PASSED WITH DIRECTOR PADILLA VOTING NO**

Director Young stressed her support of the Market Place.

**8. EXECUTIVE SESSION**

None

**10. BOARD OF DIRECTORS MATTERS OF INFORMATION**

Director Hayakawa stated his enthusiasm for Youth Expo.

Director Ellis promoted the bus sponsorships.

Director Tucker hoped that the organization can resolve the sale of the fairgrounds and work towards the future.

Director Padilla, Director Young and Chair Dodge made no comments.

**11. NEXT BOARD MEETING: MARCH 25, 2010**

**12. ADJOURNMENT**

Meeting adjourned at 12:41 p.m.

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Kristina Dodge, Board Chair

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Steve Beazley, President & CEO

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING  
HELD MARCH 11, 2010**

**1. CALL TO ORDER:**

Board Chair Dodge called the meeting to order at 10:00 a.m.

**2. MISSION STATEMENT:**

Board Chair Dodge recited the OCFEC Mission Statement.

**3. PLEDGE OF ALLEGIANCE:**

The Pledge of Allegiance was recited by Director Padilla and roll call taken.

**4. DIRECTORS PRESENT:**

Board Chair Dodge, Vice Chair Ellis, Director Hayakawa, Director Tucker and Director Padilla.

**DIRECTORS ABSENT/EXCUSED:**

Director Dykema and Director Young.

**OTHERS PRESENT:**

Steve Beazley, President and CEO; Dena Heathman, VP of Finance; Doug Lofstrom, VP of Events; Jerome Hoban, VP of Operations; Jerry Eldridge, OCFEC Facilities Director; Dan Gaines, OCFEC Entertainment Director; Jason Jacobsen, OCFEC Technology Director; Sabrina Sakaguchi, OCFEC; Tom Hatch, City of Costa Mesa; Marlene Apodaca, court reporter; Larry Sasson; Chuck Dugan; Juan Quintero; Kevin Coy; Stewart Suchman; Chris Sam; Lisa Sabo; Reggie Mundekis; Sandra Genis; Theresa Sears; Joy Williams; Erik Lackey, Ryan Miller; Bob Mosley; Roger Grabel; Mona Shadia, Daily Pilot; and Tom Skane.

**5. MATTERS OF PUBLIC COMMENT:**

Reggie Mundekis requested that the Board ask the Governor to cancel the sale of the property and to cooperate with the City of Costa Mesa and the County of Orange to achieve this goal.

Joy Williams read a selection of quotes from Assembly members at the Business and Professions Committee on January 12 regarding the sale of property.

**6. GOVERNANCE PROCESS:**

**A. Strategic Plan Presentation: FUTURE FAIR: A COMMUNITY CONTRIBUTION PLAN**

Action Item

Steve Beazley, OCFEC President & CEO, presented the item.

Beazley discussed how the idea of selling the fairgrounds and shifting the Fair to local control has been around for decades and will continue to be talked about into the future.

Beazley summarized the 2004 California Performance Review (CPR) recommendations regarding restructuring of county fairs. He then discussed the varying models of Fair governance throughout the state and the fact that alternate forms of governance exist and could be considered for this property and organization.

Beazley stated that there is a general consensus that the Fair is more valuable if it owned and operated by the local community.

Director Padilla disputed this assertion.

Vice Chair Ellis stated that he has seen no indication that anyone thinks the Fair is better run by Sacramento than by the local community.

Beazley stated that the CPR suggests that fairs reorganize in a way that best meets the needs of the local community.

Beazley discussed the option of a Joint Powers Authority.

Vice President Heathman presented information regarding the Citrus Fruit Fair model.

Director Hayakawa said that the Board first must address the sale of the property before recommending changes in governance.

Vice Chair Ellis stated that when this process began, the board had three goals: local control, retain the fair at this site, and take care of the employees, and the Board has not waived from those goals. Ellis asked whether staff is recommending that the Board endorse the Citrus Fruit Fair model or reaffirm their goal of local control.

Beazley answered that the recommendation is to endorse the ideas presented in the CPR.

Vice Chair Ellis asked Beazley how much state money is used for the operation of the OC Fair, if any, and how the organization is funded?



Beazley answered that the Fair has not been eligible for an allocation from the state for four years and has not accepted the allocation for almost 10 years when it was eligible.

Vice Chair Ellis affirmed that it is false to say that the OC Fair is funded by the general fund or is run on tax payer dollars.

Director Padilla asked why staff was recommending to the Board, who are trustees for the 32<sup>nd</sup> DAA, the creation of a separate entity to run the Fair.

Vice Chair Ellis reiterated that the recommendation is to endorse the CPR not a specific business model.

Director Tucker stated that this is all contingent upon the Governor stopping the sale.

Director Hayakawa said it is the Boards responsibility to investigate options. Hayakawa also stated that it is important to protect employee retirements.

Beazley stated that the time may have come where fairs can no longer be revenue neutral but revenue contributors.

Director Tucker asked if we present this idea to the governor are we also asking for the governor to stop the sale.

Beazley said we have to give the Governor a better option to the sale of the property.

Reggie Mundekis stated that the DAA model works well. She then asked how the OC Fair would become a Citrus Fruit Fair when OC doesn't have citrus industry. She then asked what steps the Board has taken regarding looking into the Citrus Fruit Fair model.

Sandra Genis stated that she believes the CPR has been misrepresented. She stated that the people making the recommendations in the CPR were not actually experts in the areas they reviewed. She stressed that the form a JPA, the Board would have to stay a government agency and she didn't believe the agency could qualify to become a Citrus Fruit Fair. She then stated that she did not believe the current Fair Board members represented the local community.

Vice Chair Ellis stressed that experts were involved in the CPR process concerning Fair governance and, regardless, the ideas presented in this section were good ideas.

Director Hayakawa stated that the current Secretary of Agriculture supported the CPR recommendation and many people involved in this particular recommendation were involved in the Fair industry or California agriculture.

**ACTION:** Chair Dodge motioned and Vice Chair Ellis seconded to endorse the recommendation of the 2004 California Performance Review of fairs restructuring in order to establish a greater level of local control. **MOTION PASSED WITH DIRECTOR PADILLA ABSTAINING**

**7. CEO'S OPERATIONAL UPDATE**

None.

**10. BOARD OF DIRECTORS MATTERS OF INFORMATION**

Director Padilla asked Beazley about his meeting with the Governor's staff on March 10. Beazley stated that he was preparing a report to the Board for the March 25 meeting.

Chair Dodge, Vice Chair Ellis, Director Hayakawa and Director Tucker had no comments.

**11. NEXT BOARD MEETING: MARCH 25, 2010**

**12. ADJOURNMENT**

Meeting adjourned at 10:59 a.m.

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Kristina Dodge, Board Chair

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Steve Beazley, President & CEO

## CONTRACTS FOR BOARD APPROVAL

Contract #	Contractor	Description	Type	Amount
SA-46-10GE	Sway dba Marshalltown	Grounds Entertainment	EXP	\$1,500.00
SA-47-10YE	Cristina Francois	Youth Expo Entertainment	EXP	\$1,000.00
SA-48-10GA	Sunnyside Promotions	Grandstand Arena Entertainment	EXP	\$28,000.00
SA-49-10GA	Sunnyside Promotions	Grandstand Arena Entertainment	EXP	\$20,500.00
SA-50-10GA	Orange County Police Canine Association	Grandstand Arena Entertainment	EXP	\$12,500.00
SA-51-10GE	Andy Singer	Grounds Entertainment	EXP	\$3,800.00
SA-52-10GE	Dragon Knights, Inc.	Grounds Entertainment	EXP	\$31,050.00
SA-53-10YE	Hart's Livestock	Youth Expo Entertainment	EXP	\$2,200.00
SA-54-10FT	James Victor	Cheese Sculptor - Fair	EXP	\$21,850.00
SA-55-10GE	Phil Shane	Grounds Entertainment	EXP	\$3,750.00
SA-56-10GE	Hapa World Music, LLC	Grounds Entertainment	EXP	\$10,000.00
SA-57-10GE	New Frontier Management, Inc. dba The Grascals	Grounds Entertainment	EXP	\$8,000.00
SA-58-10PA	Sharon's Rose, Inc. f/s/o Marina McBride	Pacific Amphitheatre Entertainment	EXP	\$250,000.00
SA-59-10PA	Trainline Touring, LLC dba Train	Pacific Amphitheatre Entertainment	EXP	\$100,000.00
SA-60-10PA	The Fab Four Corp	Pacific Amphitheatre Entertainment	EXP	\$20,000.00
SA-61-10PA	3.O.C. Music Inc. f/s/o Blue Oyster Cult	Pacific Amphitheatre Entertainment	EXP	\$20,000.00
SA-62-10PA	Noisy S.O.D. Inc f/s/o Foghat	Pacific Amphitheatre Entertainment	EXP	\$20,000.00
SA-63-10PA	TMB Productions, LLC f/s/o STYX	Pacific Amphitheatre Entertainment	EXP	\$75,000.00
SA-64-10GE	The Paramount Organization, Inc. f/s/o Paramount Laser Spectacular	Grounds Entertainment	EXP	\$22,000.00
SA-65-10PS	Richard J. Coulter & Associates, Inc.	Ride Safety Inspection Services	1 Year w/One 1-Year Option & One 3-Year Option	\$49,500.00 2010 \$51,000.00 2011 \$163,000.00 2012 - 2014
SA-66-10AB	Pacific Commerce Group, LLC	Al's Brain Exhibit	EXP	\$74,500.00
SA-67-10PS	Fairplex	Shuttle Rental	EXP	\$25,243.77
SA-68-10PS	Andies Toybox	Fabrication & Painting Services	EXP	\$50,000.00

### Amendments

### Interagency Agreements



RA #	SHOW/EVENT	TYPE OF EVENT	FACILITY(IES)	DATE(S)	Date Sent
R-001-10	SCOTTISH FESTIVAL	Cultural festival	ALL GROUNDS	MAY 27-31, 2010	
R-011-10	International City Racing	Car Show	All Grounds Event	April 28 - May 3, 2010	
R-017-10	Gem Faire (May)	TRADE SHOW	Bldg 10, POP	May 5-9, 2010	
R-024-10	Good Guys	Car Show	All Grounds Event	March 18-21, 2010	
R-039-10	Rock Harbor Easter	Easter	Pac Amp	March 31 - April 4, 2010	
R-044-10-B	Farmer's Market	Farmer's Market	SEE EXHIBITS	April 1, 2010- June 30,2010	
R-045-10-B	California Highway Patrol	PD	SEE EXHIBITS	April 1, 2010- June 30,2010	
R-051-10	OCWS PYOL	Party	POP	24-Apr-10	
R-062-10	Socal Pentecostal Church	Church Camp	Campgrounds & Hanger	August 23-28 2010	
R-064-10	OCWS- Auction	Auction	16	April 24-2010	
R-076-10	Thread Show	Fashion/Boutique Show	Building 12	1-May-10	
R-077-10	American Research Architects	Research & Developm	Building 12	March 3-7, 2010	
R-084-10	Real Time Logistics	Driving training	Lot 1	April 18-22	



March 19, 2010

This constitutes a Letter of Understanding (LOU) between the 32<sup>nd</sup> District Agricultural Association (32<sup>nd</sup> DAA) and the International Alliance of Theatrical Stage Employees, Local 504 (IATSE) for the purpose of providing stagehands for the Pacific Amphitheatre from March 22, 2010 to December 31, 2010.

This agreement is contingent upon the approval of the 32<sup>nd</sup> District Agricultural Association Board of Directors and the Executive Board of the IATSE Local 504.

#### RECITALS

The Board of Directors of the 32<sup>nd</sup> DAA and the IATSE agree that between March 22, 2010 and December 31, 2010, IATSE will be the sole source of stagehands for the Pacific Amphitheatre in conjunction with contracted fair vendors and event crew.

Due to the 32<sup>nd</sup> DAA being in the master planning phase of program and facility development for the Amphitheatre, negotiations, execution and implementation of a collective bargaining or term agreement between the 32<sup>nd</sup> DAA and IATSE prior to the commencement of the 2010 Pacific Amphitheatre season is premature and shall be made part of the master planning process.

#### AGREEMENT

The parties agree that payment for stagehands provided by IATSE for Pacific Amphitheatre concerts and events held during the 2010 calendar year in the Pacific Amphitheatre shall be as follows:

- a. Riggers \$28.89 per hour with a 4 hour minimum.
- b. Lead Department Head \$30.95 per hour with an 8 hour minimum, except for the purposes of a maintenance call where the minimum call shall be 4 hours.
- c. Department Head \$28.89 per hour with an 8 hour minimum, except for the purposes of a maintenance call, where the minimum call shall be 4 hours.
- d. Stagehand \$22.33 per hour with a 4 hour minimum.
- e. All of the positions set forth in subparagraphs (a) through (d) inclusive will receive time-and-a-half after 8 hours of work performed in a day, and after 40 straight

- time hours of worked performed in week defined as Monday through Sunday.  
All time in excess of the minimum call shall be billed in one-half hour increments.
- f. Health and Welfare benefits will be paid at \$3.00 per hour.
  - g. Retirement benefits will be paid at 10% of wages.

The 32<sup>nd</sup> DAA shall have the right to select the heads of the Carpentry, Props, Sound, Electric, and Video departments. Pending availability, it is requested that these IATSE personnel who have served in the past be assigned to Pacific Amphitheatre for 2010: Tom Lane, Gregg Snider, Eric Groff, Bill Clark, and Joe Donofrio.

#### MEALS

A meal will be served between the 2<sup>nd</sup> and 5<sup>th</sup> hours worked. In order to meet this obligation, 32<sup>nd</sup> DAA will provide a lunch that can be a “grab and go” served no later than 2:30 pm, and a “grab and go” (i.e., pizza or sandwiches) for a late night meal, should the need arise.

Furthermore, any stagehand that works up to six hours and is released for the day shall not be required to receive a meal break.

Unless specifically expressed or modified in this LOU, California State law shall be the prevailing law in the interpretation and performance of this agreement.

#### TERMINATION

In the event that the OCFEC facility is sold during the term of this LOU, the 32<sup>nd</sup> DAA reserves the right to terminate this agreement by giving IATSE notice in writing at least thirty (30) days prior to the date when such termination shall become effective, which would be no earlier than the date that a new owner would take ownership of the property.

Accepted and agreed:

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Steven Beazley  
President & CEO  
OC Fair & Event Center

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Leslie A. Blanchard  
Business Representative  
IATSE Local 504



## **Board of Directors Agenda Report**

MEETING DATE: MARCH 25, 2010      ITEM NUMBER: 8A

**SUBJECT:**      Installation and monthly service for security system at CEO's home

**DATE:**            March 18, 2010

**FROM:**            Kris Dodge, Board Chair

**PRESENTATION BY:** Kris Dodge, Board Chair

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**RECOMMENDATION:** Installation of a security system at CEO's home.

**BACKGROUND:** Since July 2009 four acts of vandalism and defamation have targeted the home and family of Steve Beazley, OC FEC President & CEO.

1 & 2) Distribution of two different flyers at Beazley's home and throughout his Costa Mesa neighborhood falsely naming Beazley as a convicted perpetrator of heinous crimes against children and women. In both instances the Costa Mesa Police Department were called and reports were filed. The first flyer used the OC Sheriff's Department logo/masthead and the second the logo of Social Services. Both agencies denied authenticity of the flyers and confirmed the claims to be erroneous

3) Beazley's home was hit with a several eggs. This incident was not reported to police.

4) Beazley's front porch was hit with a vile of noxious liquid whose odor permeated his home as well as his immediate neighbors' homes. This was reported to the Costa Mesa Police Department and an incident report was filed.

Beazley has reported to the Board these incidents have adversely affected his wife and two children, who have, of late, been experiencing significant stress reactions one of which requiring a doctor's care.

**FISCAL IMPACT:** estimated \$3000

**CONCLUSION:** The Board is proposing to intervene on this issue as a way to restore the safety and security of their employee, OC FEC CEO, and his family.





## **Board of Directors Agenda Report**

MEETING DATE: MARCH 25, 2010      ITEM NUMBER: 8B

**SUBJECT:**      Review and consider amendment of governance policies and procedures of the 32nd District Agricultural Association

**DATE:**            March 18, 2010

**FROM:**            Steve Beazley, President & CEO

**PRESENTATION BY:** Steve Beazley, President & CEO

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**RECOMMENDATION:** Pursuant to the Board dialogue from the last two meetings and the comments entered into the record by Director Padilla, discussion of the policies is recommended.

**BACKGROUND:** On October 17 & 18, 2008, the Board of Directors convened for a two-day retreat on the topic reviewing and updating OCFEC governance policies. The Board Chair introduced governance consultant, Bill Charney, whose expertise is working with public boards. Mr. Charney led the Board through the principles of the Policy Governance model originated by Dr. John Carver. Director Carona did not attend these meetings.

Subsequent to legal review by Deborah Fletcher, the Board of Directors adopted the revised bylaws and governance policies unanimously on Dec. 11, 2008. Director Padilla and Director Carona did not attend this meeting.

In late October, 2009, at the request of Director/Chair Dodge, consultant Charney administered a survey of Board members to assess progress made, and areas requiring attention. At the Nov. 12, 2009 Board of Directors meeting, the Directors held a study session with consultant Bill Charney to review the responses from the seven Directors who responded (Vandermost, Dodge, Ellis, Dykema, Young, Hayakawa and Tucker) as well as the policies. At this point, no changes to policies were recommended by the Board. Director Vandermost and Director Padilla excused themselves from this portion of the Board meeting.

Based upon specific concerns expressed at the Feb. 25 Board of Directors meeting regarding the governance policies, this report calls out two sections that may be of particular relevance:

### **Policy 4.1 – GOVERNING STYLE & VALUES**

5.      Although the Board may change its governing policies at any time, it will

conscientiously observe those currently in effect.

#### **Policy 4.6 – BOARD COMMITTEE PRINCIPLES**

Board committees, when used, have one essential role—to strengthen and support the work of the Board as a whole. Board committees are not to interfere with delegation from Board to the CEO, or from the CEO to other staff.

Accordingly:

1. Board committees may be established to help the Board do its job, not to help, advise or exercise authority over staff.
2. Board committees most commonly assist the Board by undertaking activities not delegated to the CEO, by preparing policy alternatives and implications for Board deliberation, or by performing specific monitoring functions.
3. Board committees may not speak or act for the Board except when formally given such authority for specific and/or time-limited purposes. The Board will carefully state its expectations and committee authority (in the “Board Committee Structure” policy) in order not to conflict with authority delegated to the CEO.
4. Because the CEO works for the full Board, he or she will not be expected to obtain approval of a Board committee before an executive action.
5. This policy applies to any group formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members. This policy does not apply to committees formed under the authority of the CEO.

While the size of its task forces/committees has and remains a prerogative of the Board, the guiding principle of the new structure is to INCREASE flexibility, not to decrease flexibility or transparency in any way. It is also designed to centralize information and decision-making at the full board level, using task forces to assist the Board in making effective decisions, and reducing redundant information being presented multiple times. Further, the structure enhances the Board’s ability to hold the CEO accountable by codifying the chain of command from Board to staff.

When developing its refined structure, the Board chose and currently has 9 two-member task forces which were created to support the board in its duties. These task forces may be used in any way that the task force members find helpful for the performance of their duties and decision-making. When the task force members determine that it would be beneficial for a task force to meet in order to review issues or make recommendations to the full board, the task force may be convened in these formats or any other format that the task force deems appropriate to the situation:

- Two-person task force holding a noticed, formal public meeting, soliciting feedback from the public

- Two-person task force holding an operationally based overview discussion with staff, not in a public meeting, with no decisions made
- Two-person task force inviting any or all other board members to a noticed, formal public meeting
- Two-person task force invites staff or public who may lend expertise to a specific issue to a public or non-public meeting

**FISCAL IMPACT:** None.

**CONCLUSION:** Based upon current OCFEC Governance Policy, the Board of Directors may recommend and approve changes to these policies at any time. Additionally, Task Force meetings are scheduled at the discretion of the Task Force members and the Governance Policy allows Task Force members to schedule open, public meetings as they deem appropriate.



## **Board of Directors Agenda Report**

MEETING DATE: MARCH 25, 2010      ITEM NUMBER: 8C

**SUBJECT:** Fair/Hospitality Task Force recommendation regarding revisions to the 2010 OC Fair Neighbor Ticket Program

**DATE:** March 11, 2010

**FROM:** Fair/Hospitality Task Force

**PRESENTATION BY:** Jerome Hoban, Vice President, Operations

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**RECOMMENDATION:** Revise existing Neighbor Ticket Program to allow neighbors to purchase up to twenty (20) OC Fair admission tickets for \$1 each and to discontinue free Lot E parking passes.

**BACKGROUND:** In previous years, in appreciation of community support, OCFEC has provided free admission and parking to residents in neighborhoods that are adjacent to the fairgrounds. In 2009, neighbors received 20 complimentary admission tickets and 10 parking passes. The parking passes were good for free parking at Lot E at Orange Coast College where complimentary shuttle service is provided.

State law limits courtesy admission to 4% of total paid admission from the previous year's Fair.

In 2009, neighbors redeemed a total of 26,244 admission tickets. This total accounts for 79% of all complimentary tickets redeemed and of the four percent allowed by law.

**FISCAL IMPACT:** Potential additional revenue to OCFEC of approximately \$20,000.

**CONCLUSION:** This revision allows these tickets to be allocated towards other marketing efforts including charitable outreach, improving our efforts to attract new competitive entry participants, and outreach to new members of the community who may not be familiar with the OC Fair. Additionally, this revision brings the Neighbor Ticket Program inline with previous changes to OCFEC's practices regarding the distribution of complimentary tickets.



## **Board of Directors Agenda Report**

MEETING DATE: MARCH 25, 2010      ITEM NUMBER: 8D

**SUBJECT:**      **Status of Sale of Fairgrounds and Report on the CEO meeting with Governor's office and Potential Board Action with Respect Thereto**

**DATE:**            March 18, 2010

**FROM:**            Steve Beazley, President & CEO

**PRESENTATION BY:** Steve Beazley, President & CEO

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**RECOMMENDATION:** Continue to monitor the sale of the property and take appropriate action as needed.

**BACKGROUND:** On Thursday, March 4, at 3:30 pm, I participated in a conference call with Chair Dodge and Vice Chair Ellis. We discussed the upcoming Board meeting on March 11 and how the discussion on the sale of the property might be framed in the meeting. We agreed that getting a status report from the Governor's office may help the full Board discuss the issue.

I recommended to Chair Dodge that we try to get a meeting with the Governor's office, namely Fred Aguiar, before March 11. If Mr. Aguiar had new information, it would be good to share with the Board. Chair Dodge supported the idea of a meeting.

After the conference, I spoke to Vice Chair Ellis and he recommended that in view of the short time frame, our best chance to set the meeting with Fred Aguiar would be through Dick Ackerman who has a personal relationship with Mr. Aguiar. I spoke to Dick Ackerman who said he would be in Sacramento on Wednesday leading a group of his Berkeley students on a 10 a.m. tour of the capitol.

Mr. Ackerman agreed to facilitate a meeting as a courtesy to the Board and at no cost in order to meet the March 11 timeframe. I did not, however, communicate Mr. Ackerman's role to the Board Chair or other members of the Board other than Vice Chair Ellis.

On Wednesday, March 10 at 8:30 a.m. I was able to meet with Mr. Aguiar and asked him for any information he could give me on the status of the sale. Dick Ackerman attended our meeting but did not participate in the discussion.

Mr. Aguiar offered the following information:

- 1) The State remains committed to selling the property as allowed by ABx4 22
- 2) The Governor's office and DGS are still analyzing the situation and had not made any decisions.
- 3) He realized all in Orange County were very vigilant on this issue.
- 4) He was aware and sensitive that there is a current employee group that could be affected by any decision that was made. He expressed commitment from the Governor's office that should a sale occur, the State would make every effort to address the employee's situation.

I brought the California Performance Review on restructuring Fairs into the discussion and asked if he had read the 2004 Report. He said it had been some time and I asked if I could leave him a copy to consider whether the report had any place in the discussion of the sale. He retained the copy.

At that point, Mr. Aguiar and I agreed to keep each other apprised of any pertinent information that may arise as this process continues and to foster open communication between the Governor's office and the OCFEC Board of Directors.

I thanked him for his time and thanked Mr. Ackerman for making the introduction and the meeting was adjourned at 8:50 a.m.

Upon my return to Orange County, I phoned the Board Chair and briefed her on these points and hoped Mr. Aguiar would take a moment and read the California Performance Review for any relevance to the situation.

Because the meeting took place one day before the March 11 Board meeting and no significant information came out of the meeting, I felt the information could be disseminated in a CEO Operational update report to the Board.

**FISCAL IMPACT:** Travel expenses to Sacramento

**CONCLUSION:** The meeting with the Governor's office was informational and demonstrated that Mr. Aguiar was intent on being thoughtful on the issue of the sale.



The following financial reports as of February 28, 2010 are enclosed for your reference.

#### Statement of Cash Flows

As of February 28, 2010, OC FEC's cash on hand is \$7,323,535, an increase of \$256,711 during 2010. Operating activities have resulted in a net cash outflow of (\$617,373) to date, while investing activities in the form of capital expenditures have resulted in a net inflow of \$874,084 to date. The unusual cash inflow from capital expenditures resulted from the return of funds previously sent to California Construction Authority (CCA) for capital projects.

#### Balance Sheet

Deferred Revenue has increased by \$619,059 since the beginning of the year. This is primarily due to the invoicing of upcoming event rental contracts and sales of 2010 fair tickets.

#### Income Statement

Year-to-date expenses exceed revenues by (\$1,416,209), which is favorable to the budgeted deficit to date of (\$1,512,364). Due to the seasonality of OC FEC's operations, it is typical to be in an operating income deficit through the first half of the year.

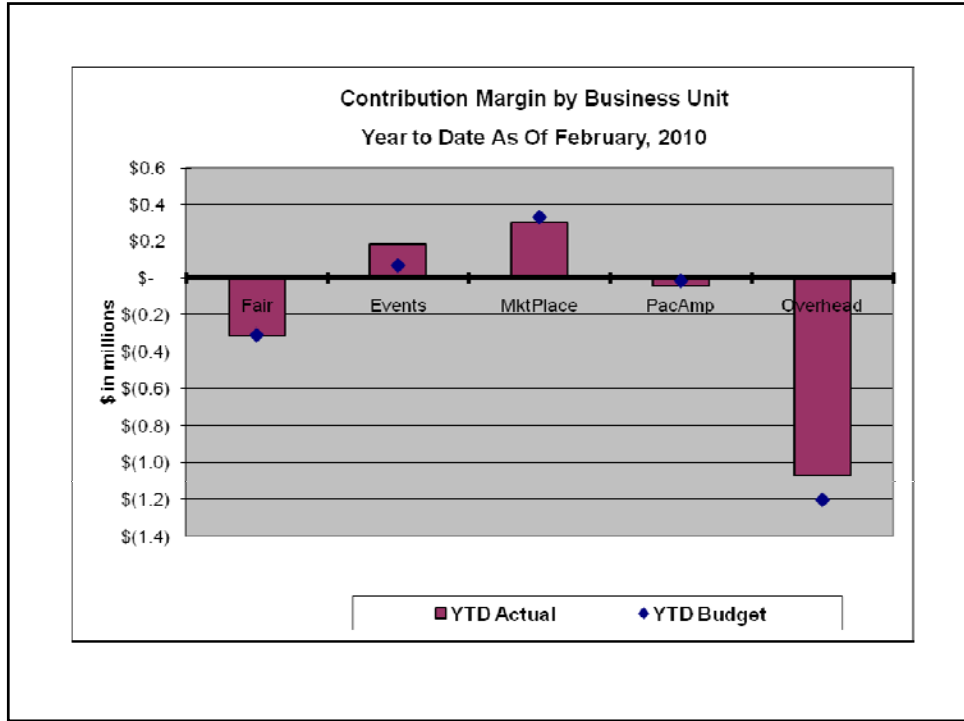
Total revenues of \$821,000 are unfavorable to budget by \$753. Market Place revenue of \$305,000 is below budget by \$30,000. Equestrian Center revenue of \$6,000 is below budget by \$10,000. Event Rental revenue is favorable to budget by \$56,000, due to higher than anticipated revenue for several shows.

Total expenses of \$2.2 million are favorable to budget by \$97,000. Expenses in most major categories are below or close to budget at this time. Facility and Related expense currently exceeds budget by \$39,000 due to higher than anticipated utilities expense and equipment purchases. Publicity and Related expense exceeds budget by \$12,000 due to some media buys for fair occurring earlier than planned.

**Year to Date  
Business Unit Financial Results**

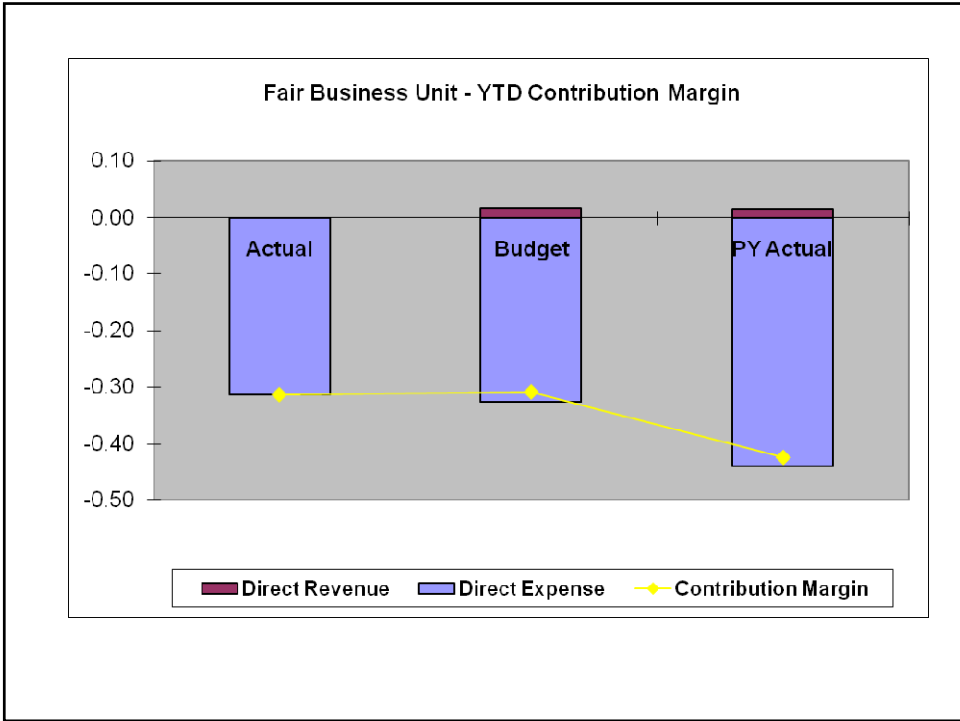
**As Of February 28, 2010**





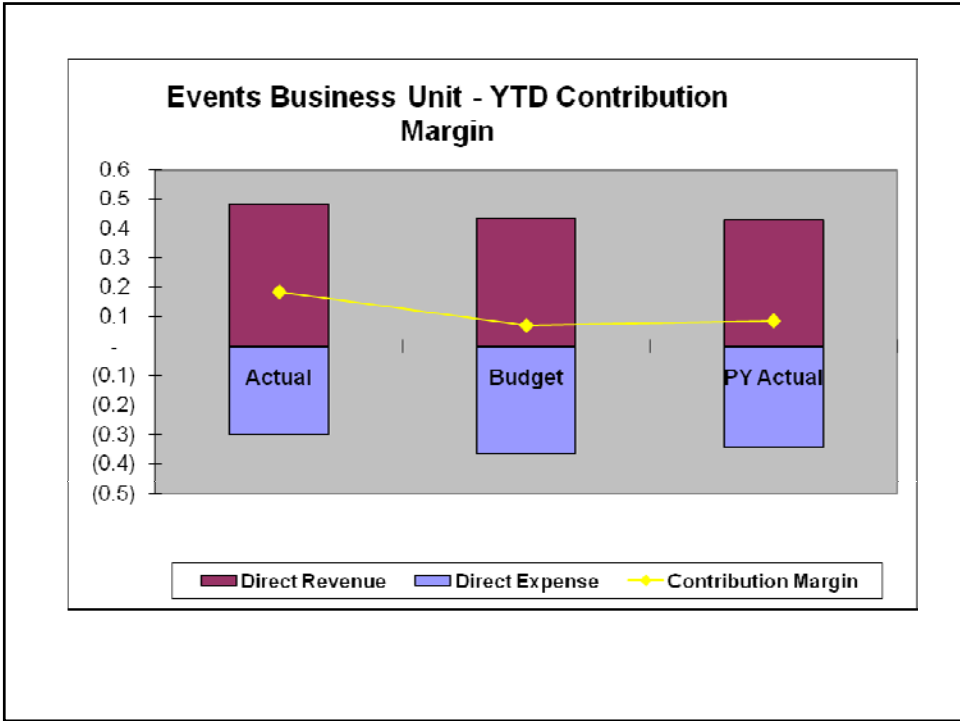
**OC Fair & Event Center**  
**Cash Flow Summary by Business Unit**  
Year to Date As Of February, 2010

	2010 Year to Date Actual	2010 Year to Date Budget	2009 Year to Date Actual	2010 Full Year Budget
<b>Contribution Margins:</b>				
Fair Business Unit	\$ (0.3)	\$ (0.3)	\$ (0.4)	\$ 5.8
Events Business Unit	0.2	0.1	0.1	1.9
MarketPlace Business Unit	0.3	0.3	0.5	2.0
Pacific Amphitheatre Business Unit	(0.0)	(0.0)	(0.1)	0.5
<b>Total Business Unit Contribution Margin</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>	<b>10.2</b>
Net Overhead Expense (Cash)	(1.2)	(1.2)	(0.9)	(7.8)
<b>Net Cash Provided (Used) Subtotal</b>	<b>(1.0)</b>	<b>(1.1)</b>	<b>(0.8)</b>	<b>2.4</b>
Capital Expenditures	0.9		(2.2)	(1.0)
Balance Sheet Changes	0.4		0.5	0.0
<b>Net Increase (Decrease) in Cash</b>	<b>\$ 0.3</b>	<b>\$ (1.1)</b>	<b>\$ (2.5)</b>	<b>\$ 1.4</b>



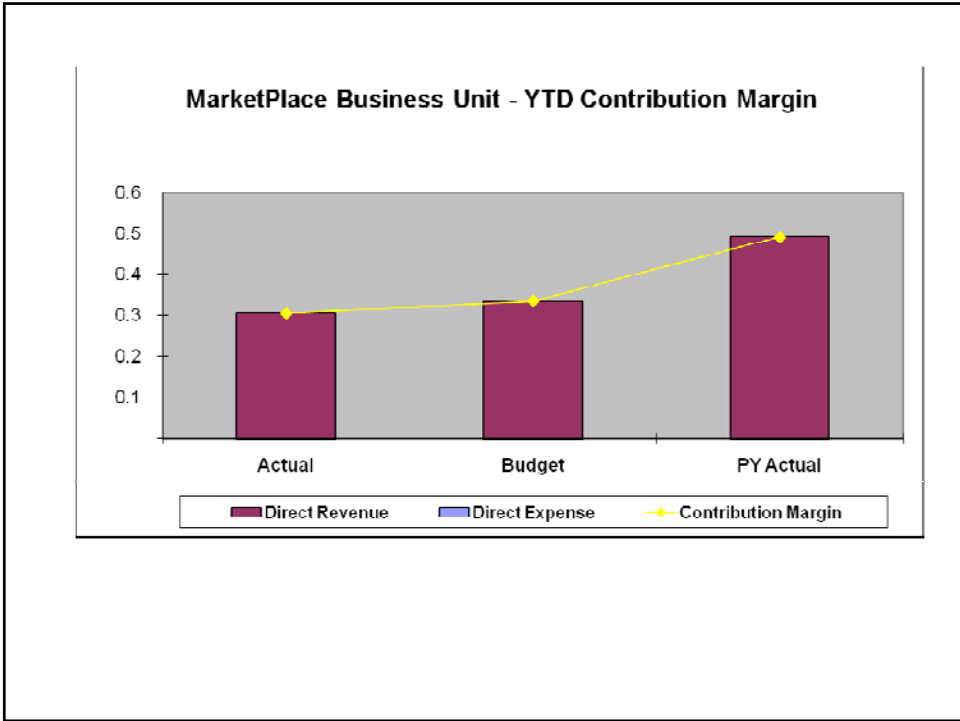
**Fair Business Unit  
Contribution Margin Statement  
Year To Date As Of February, 2010**

	2010 Year to Date Actual	2010 Year to Date Budget	2009 Year to Date Actual	2010 Full Year Budget
Concessions	\$ -	\$ -	\$ -	\$ 5.9
Concessions	-	-	-	3.9
Carnival	-	-	-	1.8
Sponsorships	-	-	-	0.9
Commercial Space	-	-	-	1.6
Parking	-	-	-	1.6
Other Revenue	-	0.0	0.0	0.7
<b>Total Direct Revenue</b>	<b>-</b>	<b>0.0</b>	<b>0.0</b>	<b>16.4</b>
Payroll/Related	0.2	0.3	0.2	3.8
Outside Services	0.0	0.0	0.1	1.8
Marketing/Related	0.0	0.0	0.0	1.5
Supplies/Equipment/Rentals	0.0	0.0	0.0	1.5
Attractions	-	-	-	1.0
Other Expense	0.0	0.0	0.0	1.1
<b>Total Direct Expense</b>	<b>0.3</b>	<b>0.3</b>	<b>0.4</b>	<b>10.7</b>
<b>Contribution to Overhead and CapEx</b>	<b>\$ (0.3)</b>	<b>\$ (0.3)</b>	<b>\$ (0.4)</b>	<b>\$ 5.8</b>



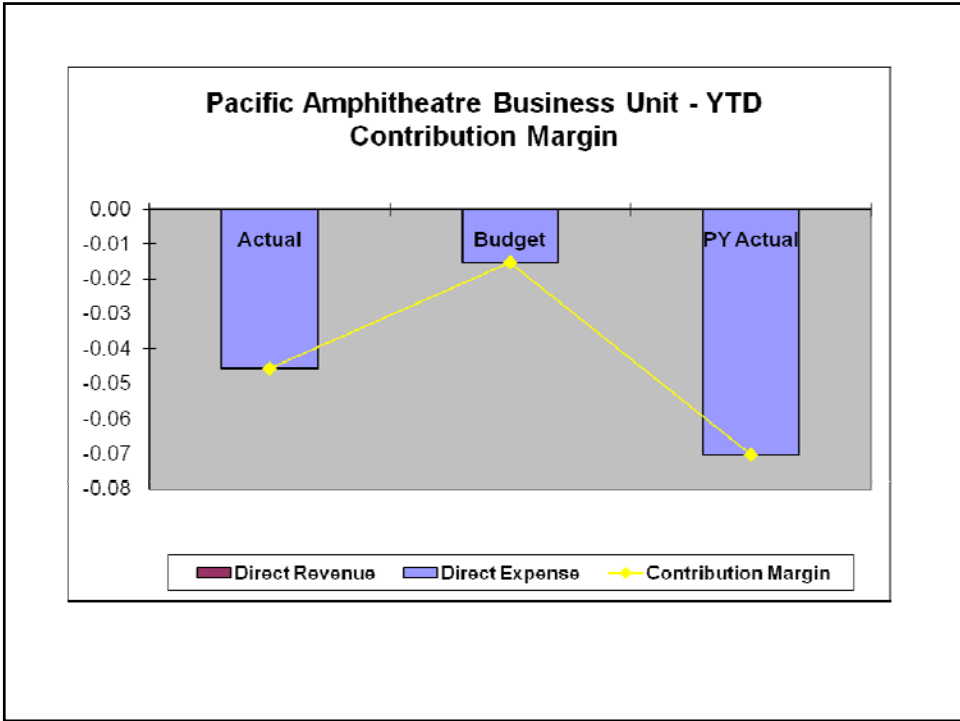
### Events Business Unit Contribution Margin Statement Year To Date As of February, 2010

	2010 Year to Date Actual	2010 Year to Date Budget	2009 Year to Date Actual	2010 Full Year Budget
Rental of Facilities	\$ 0.2	\$ 0.1	\$ 0.2	\$ 1.2
Personnel Services	0.1	0.0	0.1	0.8
Concessions	0.1	0.1	0.0	0.6
Equipment Rentals	0.0	0.0	0.0	0.4
Admissions/Parking	0.1	0.1	0.1	1.2
Other Revenue	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>
Total Direct Revenue	0.5	0.4	0.4	4.2
Payroll/Related	0.2	0.3	0.3	1.8
Outside Services	0.0	0.0	0.0	0.1
Supplies/Equipment/Rentals	0.0	0.0	0.0	0.1
Facility/Related	0.0	0.0	0.0	0.3
Marketing/Related	0.0	0.0	0.0	0.0
Other Expense	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Direct Expense	0.3	0.4	0.3	2.3
Contribution to Overhead and CapEx	<u>\$ 0.2</u>	<u>\$ 0.1</u>	<u>\$ 0.1</u>	<u>\$ 1.9</u>



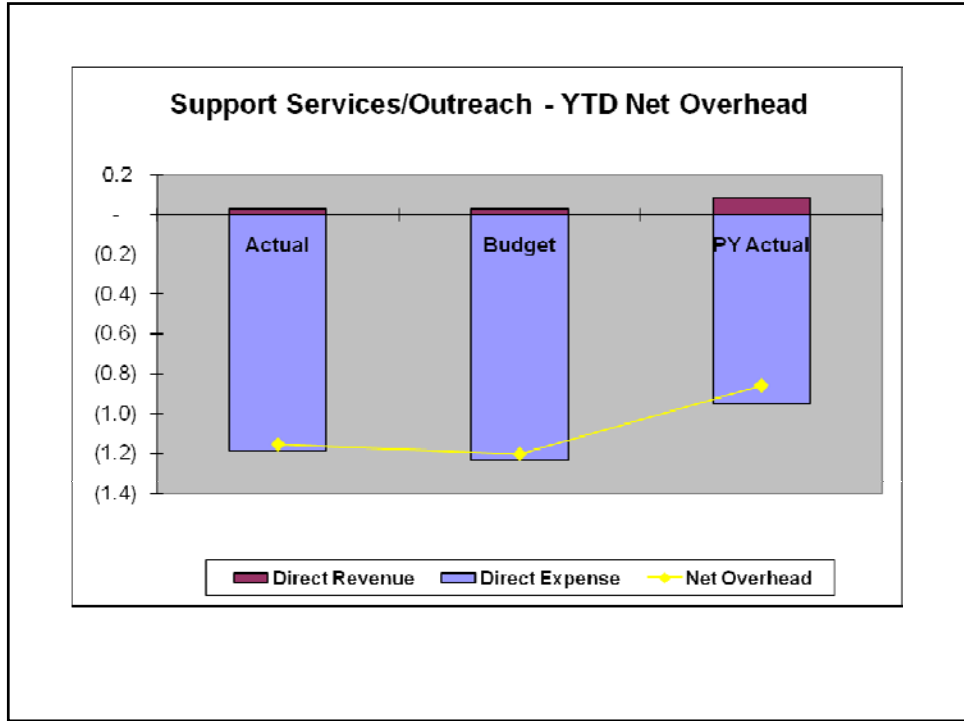
**MarketPlace Business Unit  
Contribution Margin Statement  
Year to Date As Of February, 2010**

	2010 Year to Date Actual	2010 Year to Date Budget	2009 Year to Date Actual	2010 Full Year Budget
Rental of Facilities	\$ 0.3	\$ 0.3	\$ 0.5	\$ 2.0
Other Revenue	-	-	-	-
Total Direct Revenue	<u>0.3</u>	<u>0.3</u>	<u>0.5</u>	<u>2.0</u>
Marketing/Related	-	-	-	-
Other Expense	-	-	-	0.0
Total Direct Expense	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.0</u>
Contribution to Overhead and CapEx	<u>\$ 0.3</u>	<u>\$ 0.3</u>	<u>\$ 0.5</u>	<u>\$ 2.0</u>



### Pacific Amphitheatre Business Unit Contribution Margin Statement Year to Date As Of February, 2010

	2010 Year to Date Actual	2010 Year to Date Budget	2009 Year to Date Actual	2010 Full Year Budget
Ticket Sales	\$ -	\$ -	\$ -	\$ 3.8
Facility Fee	-	-	-	0.5
Concessions	-	-	-	0.3
Parking	-	-	-	0.2
Sponsorship	-	-	-	0.1
Other Revenue	-	-	-	0.1
Total Direct Revenue	-	-	-	5.0
Performers' Fees	-	-	-	2.8
Outside Services	0.0	0.0	0.1	0.5
Marketing/Related	0.0	0.0	0.0	0.4
Supplies/Equipment/Rentals	0.0	0.0	0.0	0.4
Payroll/Related	0.0	0.0	0.0	0.2
Other Expense	0.0	0.0	(0.0)	0.3
Total Direct Expense	0.0	0.0	0.1	4.5
Contribution to Overhead and CapEx	<u>\$ (0.0)</u>	<u>\$ (0.0)</u>	<u>\$ (0.1)</u>	<u>\$ 0.5</u>



**Support Services/Outreach Business Unit  
Net Overhead Summary  
Year to Date As Of February, 2010**

	2010 Year to Date Actual	2010 Year to Date Budget	2009 Year to Date Actual	2010 Full Year Budget
Interest	\$ 0.0	\$ 0.0	\$ 0.1	\$ 0.1
Facility Rentals	0.0	0.0	0.0	0.1
Other Revenue	0.0	0.0	0.0	0.0
<b>Total Revenue</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>0.2</b>
Payroll/Related	0.8	0.8	0.7	5.1
Facility/Related	0.2	0.2	0.2	1.7
Supplies/Telephone/Postage	0.1	0.1	0.1	0.5
Outside Services	0.0	0.1	0.0	0.6
Insurance	0.1	0.1	0.1	0.2
Other Expense	0.0	0.0	(0.1)	(0.1)
<b>Total Expense</b>	<b>1.2</b>	<b>1.2</b>	<b>1.0</b>	<b>8.1</b>
<b>Net Overhead</b>	<b>\$ (1.2)</b>	<b>\$ (1.2)</b>	<b>\$ (0.9)</b>	<b>\$ (7.8)</b>
Non-Cash Expenses:				
Depreciation Expense	\$ 0.4	\$ 0.4	\$ 0.3	\$ 3.2
<b>Total Non-Cash Expense</b>	<b>\$ 0.4</b>	<b>\$ 0.4</b>	<b>\$ 0.3</b>	<b>\$ 3.2</b>

**Includes education/outreach program  
expenditures of \$116,000**

**32nd D A A - OC Fair & Event Center**  
**Income Statement (Unaudited)**  
**Year To Date as of February, 2010**

	2010 Year to Date Amount	Budget Year to Date Amount	Budget \$ Variance	Budget % Variance	2009 Year to Date Amount	Prior Year \$ Variance	Prior Year % Variance	Full 2010 Budget
<b>Revenues</b>								
Admissions to Grounds	\$ -	\$ -	\$ -	N/A	\$ -	\$ -	N/A	\$ 6,822,130
Commercial Space Rentals	-	-	-	N/A	-	-	N/A	1,567,000
Carnival and Concessions Revenue	-	-	-	N/A	-	-	N/A	5,989,941
Exhibits Revenue	-	-	-	N/A	(15)	15	-100.0%	57,540
Attractions Revenue	-	-	-	N/A	-	-	N/A	3,525,059
Miscellaneous Fair Revenue	100	17,000	(16,900)	-99.4%	15,400	(15,300)	-99.4%	3,321,261
<b>Total Summer Fair Revenue</b>	<b>100</b>	<b>17,000</b>	<b>(16,900)</b>	<b>-99.4%</b>	<b>15,385</b>	<b>(15,285)</b>	<b>-99.4%</b>	<b>21,282,931</b>
Rental of Facilities	479,875	477,480	2,395	0.5%	686,966	(207,091)	-30.1%	3,255,946
Other Event Revenues	317,113	294,046	23,067	7.8%	236,128	80,985	34.3%	3,115,640
Equestrian Center Revenue	6,270	16,670	(10,400)	-62.4%	21,020	(14,751)	-70.2%	100,000
Horse Show Revenues	-	-	-	N/A	-	-	N/A	-
Other Operating Revenues	10,213	4,140	6,073	146.7%	3,406	6,807	199.9%	104,307
<b>Total Year-Round Revenue</b>	<b>813,471</b>	<b>792,336</b>	<b>21,135</b>	<b>2.7%</b>	<b>947,520</b>	<b>(134,050)</b>	<b>-14.1%</b>	<b>6,575,893</b>
Interest Earnings	7,012	12,000	(4,988)	-41.6%	59,922	(52,910)	-88.3%	80,000
Grants	-	-	-	N/A	-	-	N/A	-
Sale of Assets	-	-	-	N/A	-	-	N/A	-
Other Non-Operating Revenues	-	-	-	N/A	-	-	N/A	-
Prior Year Revenue	-	-	-	N/A	4,000	(4,000)	-100.0%	-
<b>Total Non-Operating Revenue</b>	<b>7,012</b>	<b>12,000</b>	<b>(4,988)</b>	<b>-41.6%</b>	<b>63,922</b>	<b>(56,910)</b>	<b>-89.0%</b>	<b>80,000</b>
<b>Total Revenue</b>	<b>\$ 820,583</b>	<b>\$ 821,336</b>	<b>\$ (753)</b>	<b>-0.1%</b>	<b>\$ 1,026,827</b>	<b>\$ (206,244)</b>	<b>-20.1%</b>	<b>\$ 27,938,824</b>

**32nd D A A - OC Fair & Event Center**  
**Income Statement (Unaudited)**  
**Year To Date as of February, 2010**

	2010 Year to Date Amount	Budget Year to Date Amount	Budget \$ Variance	Budget % Variance	2009 Year to Date Amount	Prior Year \$ Variance	Prior Year % Variance	Full 2010 Budget
<b>Expenses</b>								
Payroll and Related	\$ 1,236,010	\$ 1,363,268	\$ 127,258	9.3%	\$ 1,239,112	\$ 3,102	0.3%	\$ 10,820,116
Professional Services	113,079	116,242	3,163	2.7%	269,226	156,147	58.0%	2,980,362
Directors Expense	2,354	2,000	(354)	-17.7%	113	(2,241)	-1990.2%	12,000
Insurance Expense	55,742	64,710	8,969	13.9%	68,329	12,587	18.4%	239,000
Telephone & Postage	12,488	17,861	5,373	30.1%	19,418	6,930	35.7%	138,694
Supplies and Equipment	105,417	127,295	21,878	17.2%	95,792	(9,625)	-10.0%	2,463,608
Facility and Related	269,917	231,264	(38,654)	-16.7%	190,923	(78,994)	-41.4%	2,678,572
Publicity & Related	21,299	9,775	(11,524)	-117.9%	17,245	(4,054)	-23.5%	1,940,315
Fair Attractions	-	-	-	N/A	-	-	N/A	3,761,253
Other Fair Expense	348	-	(348)	N/A	1,534	1,186	77.3%	172,845
Premium Expense	125	-	(125)	N/A	-	(125)	N/A	129,800
Other Operating Expense	10,423	10,746	323	3.0%	9,103	(1,321)	-14.5%	234,320
<b>Total Operating Expense</b>	<b>1,827,202</b>	<b>1,943,160</b>	<b>115,959</b>	<b>6.0%</b>	<b>1,910,793</b>	<b>83,591</b>	<b>4.4%</b>	<b>25,570,884</b>
Depreciation Expense	390,541	390,540	(1)	0.0%	295,710	(94,831)	-32.1%	3,232,000
F&E Funded Expenditures	-	-	-	N/A	-	-	N/A	-
Loss on Sale of Asset	-	-	-	N/A	-	-	N/A	-
Debt Service	-	-	-	N/A	-	-	N/A	-
Prior Year Expense	19,049	-	(19,049)	N/A	(106,289)	(125,338)	117.9%	-
<b>Total Non-Operating Expense</b>	<b>409,590</b>	<b>390,540</b>	<b>(19,050)</b>	<b>-4.9%</b>	<b>189,421</b>	<b>(220,169)</b>	<b>-116.2%</b>	<b>3,232,000</b>
Equipment	-	-	-	N/A	-	-	N/A	-
Buildings & Improvements	-	-	-	N/A	-	-	N/A	-
Attendance & Parking Improvements	-	-	-	N/A	-	-	N/A	-
Carnival Improvements	-	-	-	N/A	-	-	N/A	-
Capital Improvement Offset	-	-	-	N/A	-	-	N/A	-
<b>Total Capital Expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>	<b>-</b>	<b>N/A</b>	<b>-</b>
<b>Total Expense</b>	<b>2,236,792</b>	<b>2,333,700</b>	<b>96,909</b>	<b>4.2%</b>	<b>2,100,214</b>	<b>(136,578)</b>	<b>-6.5%</b>	<b>28,802,884</b>
<b>Net Proceeds</b>	<b>\$ (1,416,209)</b>	<b>\$ (1,512,364)</b>	<b>\$ 96,156</b>	<b>-6.4%</b>	<b>\$ (1,073,387)</b>	<b>\$ (342,822)</b>	<b>31.9%</b>	<b>\$ (864,060)</b>



**32nd D A A - OC Fair & Event Center  
Balance Sheet (Unaudited)  
February, 2010**

	<u>2010</u>	<u>2009</u>
<b>Assets</b>		
Cash	\$ 216,440	\$ 201,305
Investments	7,107,096	19,063,669
Accounts Receivable	641,107	1,223,425
Reserve for Bad Debt	(102,539)	(115,419)
Prepaid Assets	-	-
<b>Current Assets</b>	<u><b>7,862,104</b></u>	<u><b>20,372,979</b></u>
Deferred Expenses	25,440	27,719
Capital Projects in Process	18,780,100	8,470,869
Land	133,553	133,553
Buildings and Improvements	19,320,517	19,895,298
Equipment	2,620,723	737,908
<b>Long Term Assets</b>	<u><b>40,880,333</b></u>	<u><b>29,265,346</b></u>
<b>Total Assets</b>	<u><b>\$ 48,742,437</b></u>	<u><b>\$ 49,638,326</b></u>
<b>Liabilities</b>		
Accounts Payable	\$ 341,402	\$ 497,010
Deferred Revenue	783,160	1,532,157
Other Payroll Deductions	217,548	144,654
Deposits	38,214	39,850
Other Liabilities	-	-
<b>Short Term Liabilities</b>	<u><b>1,380,324</b></u>	<u><b>2,213,671</b></u>
Compensated Absence Liability	895,716	840,591
Long Term Debt	-	-
<b>Long Term Liabilities</b>	<u><b>895,716</b></u>	<u><b>840,591</b></u>
<b>Total Liabilities</b>	<u><b>2,276,040</b></u>	<u><b>3,054,261</b></u>
<b>Resources</b>		
Investment in Capital Assets	40,854,894	29,237,628
Net Resources - Designated Use	911,499	18,651,670
Net Resources Available for Operations	6,091,860	(253,722)
Net Resources - Auction Fund	24,353	21,876
	<u>47,882,606</u>	<u>47,657,451</u>
Net Proceeds from Operations	(1,416,209)	(1,073,387)
<b>Total Resources</b>	<u><b>46,466,397</b></u>	<u><b>46,584,065</b></u>
<b>Total Liabilities and Net Resources</b>	<u><b>\$ 48,742,437</b></u>	<u><b>\$ 49,638,326</b></u>

**32nd District Agricultural Association - OC Fair & Event Center**  
**Statement of Cash Flows (Unaudited)**  
**Year-to-Date as of February 28, 2010**

YTD 2010

**Cash Flows from Operating Activities:**

<b>Net Proceeds</b>	<b>\$</b>	<b>(1,416,209)</b>
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**Non-Cash Expenses:**

Depreciation Expense		390,541
Loss on Disposal of Assets		0

**Balance Sheet Activity:**

(Incr) Decr in Accounts Receivable		(323,078)
(Incr) Decr in Other Assets		(605)
Incr (Decr) in Accounts Payable		112,795
Incr (Decr) in Other Accrued Liabilities		619,183
Subtotal		408,295

<b>Net Cash Provided (Used) by Operating Activities</b>		<b>(617,373)</b>
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**Cash Flows from Investing Activities:**

(Incr) Decr in Buildings & Improvements		0
(Incr) Decr in Equipment		(0)
(Incr) Decr in Construction in Progress		874,084
		874,084

<b>Net Cash Provided (Used) by Investing Activities</b>		<b>874,084</b>
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<b>Net Increase (Decrease) in Cash</b>		<b>256,711</b>
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Cash at Beginning of Period		7,066,824
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<b>Cash at End of Period</b>	<b>\$</b>	<b>7,323,535</b>
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**32nd D A A - Orange County Fair  
Capital Expenditures Spending  
February, 2010**

<b>Description</b>	<b>2010 Budget</b>	<b>2010 Spent</b>	<b>2010 Remaining</b>
<b>Buildings and Improvements</b>			
Span - Bldg 14 & 16	0.00	2,957.29	(2,957.29)
Park Plaza Restroom Remodel	0.00	(495.00)	495.00
Administration Building	0.00	8,257.53	(8,257.53)
Hangar Building	0.00	12,958.00	(12,958.00)
Green gate relocation/MP Village	0.00	8,045.96	(8,045.96)
Livestock Lane restroom	0.00	37,065.47	(37,065.47)
Bird Abatement	15,000.00	14,826.00	174.00
Carnival Lot Sprinklers	14,000.00	0.00	14,000.00
Lot A-Asphalt	200,000.00	0.00	200,000.00
Lot H - Asphalt	50,000.00	0.00	50,000.00
Paint Boys Chorus Building	8,000.00	0.00	8,000.00
Paint Ranch Building	15,000.00	0.00	15,000.00
Automatic Door Lock Controls	25,000.00	0.00	25,000.00
Phase III Campground Infrastructure	60,000.00	0.00	60,000.00
Blue Gate Fence Phase I	20,000.00	14,304.56	5,695.44
Gate 4.5 Improvements	65,000.00	0.00	65,000.00
Pac Amp Color Seal	40,000.00	0.00	40,000.00
ADA Pac Amp - Terrace	70,000.00	0.00	70,000.00
ADA Pac Amp Top Orchestra	40,000.00	0.00	40,000.00
Centennial Farms Office	12,000.00	0.00	12,000.00
Centennial Farm Pig Pen	24,000.00	0.00	24,000.00
Tent Footing	100,000.00	0.00	100,000.00
Grounds Way Finding System	17,000.00	11,795.00	5,205.00
Grandstand light towers	60,000.00	0.00	60,000.00
Misc. Capital Improv. CCA	0.00	(1,100,114.97)	1,100,114.97
<b>Total Buildings and Improvements</b>	<b>835,000.00</b>	<b>(990,400.16)</b>	<b>1,825,400.16</b>
<b>Equipment</b>			
Misting Stations (3)	15,000.00	1,756.46	13,243.54
Hydration Stations	15,000.00	0.00	15,000.00
Public Address System	25,000.00	6,576.20	18,423.80
Fiber Runs	40,000.00	4,530.48	35,469.52
Surveillance System	20,000.00	175.33	19,824.67
Exhibit Equipment	50,000.00	0.00	50,000.00
Property Marquees	0.00	103,277.00	(103,277.00)
<b>Total Equipment</b>	<b>165,000.00</b>	<b>116,315.47</b>	<b>48,684.53</b>

**32nd D A A - Orange County Fair  
Capital Expenditures Spending  
February, 2010**

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Description	2010 Budget	2010 Spent	2010 Remaining
Total Capital Expenditures	<u>1,000,000.00</u>	<u>(874,084.69)</u>	<u>1,874,084.69</u>

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