



The mission of OCFEC is...

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

NOTICE OF MEETING

32ND District Agricultural Association
OCFEC Board of Directors
Thursday, February 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 Dale Dykema, Member
Mary Young, 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 32nd 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 executive 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

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. **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.

MINUTES:

A. Board Meeting held January 21, 2010

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

AMENDMENTS: SA-124-08WC; SA-79-06RD; SA-76-08WD

CORRESPONDENCE: 2010 Budget Approval Letter

-End of Consent Calendar-

7. GOVERNANCE PROCESS:

- A. Board of Directors' Strategic Planning Related to the Proposed Sale of the Fairgrounds**
Action Item
- B. 2009 Year End Financial Report**
Discussion Item
- C. OCFEC Business Planning**
2010 Vision:
Expanding OCFEC Recreational, Entertainment and Educational Programs in Service of the Orange County Community
Action item
- 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

8. EXECUTIVE 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)

9. CEO'S OPERATIONAL UPDATE

10. BOARD OF DIRECTORS MATTERS OF INFORMATION

11. NEXT BOARD MEETING: MARCH 25, 2010

12. ADJOURNMENT

Respectfully submitted,
OC Fair & Event Center



Steve Beazley
President & CEO

Date of notice: 3:30 p.m. February 12, 2010

**MINUTES OF OCFEC BOARD OF DIRECTORS MEETING
HELD JANUARY 21, 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 Dykema and roll call taken.

A moment of silence was observed for Ron Young.

4. DIRECTORS PRESENT:

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

DIRECTORS ABSENT/EXCUSED:

Director Young

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; Kristopher J. Cutting; Reggie Mundekis; Quorine Harwood; Lisa Sabo; Mike Robbins; Chuck Fry; Vern Nelson; Greg Ridge; Sandra Genis; Laura Thomas; Janice Posnikoff; Sharon Gerstenzang

5. MATTERS OF PUBLIC COMMENT:

Kristopher Cutting, Associated Student Body President at Orange Coast College, spoke of the impact of the sale upon OCC and others who have agreements with the District. He urged the Board to advocate against the sale of the property.

Reggie Mundekis, Quorine Harwood, Lisa Sabo, Chuck Fry, Laura Thomas, and Janice Posnikoff asked the Board to contact the Governor and ask him to stop the sale.

Mike Robbins asked the Board to be fair.

Vern Nelson asked the Board to either contact the Governor to stop the sale or to resign.

Greg Ridge encouraged the Board to strongly state their opposition to the sale of the property and support AB1590.

Sandra Genis urged the Board to use their influence to stop the sale and to increase transparency.

Chair Dodge mentioned that Costa Mesa Council member Katrina Foley asked to Board to pass a resolution supporting AB1590 but it was too late to be included on the agenda. Dodge suggested the Liaison Task Force meet with Foley.

Director Padilla asked that the Board schedule an emergency meeting to adopted a resolution asking the Governor to stop the sale of the property.

Discussion ensued.

Chair Dodge decided to schedule the February Board meeting on February 2 to expedite the discussion of responding to the sale of the property.

6. CONSENT CALENDAR

MINUTES:

A. Board Meeting held November 12, 2009

AGREEMENTS:

- A. Standard Agreements: SA-218-09MA; SA-01-10GE; SA-02-10GE; SA-03-10GE; SA-04-10GE; SA-05-10GE; SA-06-10TR; SA-07-10CS; SA-08-10GE; SA-09-10GE; SA-10-10GE; SA-11-10GE; SA-12-10GE; SA-13-10GE; SA-14-10GE; SA-15-10GE; SA-16-10SP; SA-17-10IA; SA-18-10GE; SA-19-10PS; SA-20-10GE; SA-21-10GE
- B. Amendments: SA-02-06MC; SA-06-06SH; SA-22-07TD; SA-11-06FA; SA-217-09SH; SA-227-08SC; SA-122-08AB; SA-127-09SH
- C. Interagency Agreements: OCF-01-10IA; OCF-02-10IA
- D. Rental Agreements: R-002-10; R-003-10; R-004-10; R-007-10; R-009-10; R-010-10; R-013-10; R-014-10; R-016-10; R-021-10-A; R-021-10-B; R-021-10-C; R-025-10; R-028-10; R-029-10; R-031-10; R-033-10; R-035-10; R-036-10; R-038-10; R-040-10-A; R-040-10-B; R-040-10-C; R-043-10-A; R-043-10-B; R-043-10-C;

R-044-10-A; R-045-10-A; R-046-10; R-047-10; R-048-10;
R-049-10; R-052-10; R-053-10; R-054-10; R-055-10-A;
R-055-10-B; R-055-10-C; R-056-10-A; R-056-10-B; R-056-10-C;
R-057-10; R-059-10-A; R-059-10-B; R-059-10-C; R-060-10; |
R-061-10; R-068-10

E. Interstate Travel Requests:

- i. Steve Beazley, Doug Lofstrom, Teresa Mason and any or all OCFEC Board members to attend the Western Fairs Association Convention and Trade Show in Reno, Nevada, January 24-27, 2010.
- ii. Steve Beazley, Doug Lofstrom, Jeff Davis, Jerry Eldridge, Javier Alcantar, Jason Jacobson, Ruben Vigil, Rob Castagnoli and any or all OCFEC Board members to attend the Barrett-Jackson Auto Auction in Scottsdale, AZ, January 18-24, 2010.

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

7. **GOVERNANCE PROCESS:**

A. Approval of Merit Salary Adjustment Raise for OCFEC President & CEO

Action Item

Vice President Heathman presented the item. In accordance with State guidelines, the board may authorize a salary increase to CEO Beazley, effective retroactive to May 1, 2009. The maximum allowable salary increase is 5.17%, to an annual salary of \$119,616. The 20% differential results in a total salary of \$143,539.

Vice Chair Ellis read the following prepared resolution:

The Board of Directors has one employee, the CEO; and it maintains the right to hire and fire and evaluate his or her performance. It is the intention of the Board to consider a yearly merit salary adjustment at this time.

And whereas the Board may grant an upward adjustment not greater than ten percent, so that as long as the adjustment falls within the Department of Personnel Administration pay range for class seven CEOs; and whereas the 32nd Agricultural District is self-supporting and that its operations and programs, including the annual Fair, are

paid for by customers, not the California General Fund; and whereas the performance period considered is September 1, 2008 to September 1, 2009; and whereas the CEO has satisfactorily submitted to the Board all required monitoring reports set forth in the Orange County Fair and Exhibit Center Policy Governance Manual; and whereas the CEO has hit the targets for the 2009 operating budget; and whereas the CEO led the expansion of the OC Fair from 21 to 23 days, resulting in the attendance of almost 1.1 million people, placing the Fair for the first time in history in the top ten largest fairs in the United States; whereas the CEO turned around Pacific Amphitheatre from a program that ran in the red in 2008 to nearly a \$700,000 profit in 2009.

Additionally, the 2009 season achieved the highest net profits since the venue opened in 2003. And whereas the CEO successfully opened the three-year project called Al's Brain, which was viewed by over a quarter of a million fairgoers; and whereas the CEO successfully recruited the gold standard of car auctions, Barrett-Jackson, to produce a new event in 2010, whose profits to the District is anticipated to net over a quarter of a million dollars.

Now therefore be it resolved that the 32nd Agricultural District Board of Directors considers the salary adjustment in the amount of up to a maximum 5.17 percent for its CEO and are, by virtue of agendaizing the item on the January Fair Board meeting, able to take action on this item.

Further be it resolved this resolution will be distributed to the Governor, Orange County Legislative Delegation and other private and agencies, as deemed necessary.

Discussion ensued.

Director Padilla expressed his opposition to the motion citing all OCFEC management and staff being required to take three furlough days per month and his concern about public criticism.

Sandra Genis voiced opposition to motion stating that she believed it to be a form of pension spiking.

Greg Ridge stated his opposition to the motion.

Dr. Sharon Gerstenzang asked the Board to help stop the sale.

ACTION: Director Dykema motioned and Vice Chair Ellis seconded to approve the merit salary adjustment raise of OCFEC President & CEO.
MOTION PASSED WITH DIRECTOR PADILLA VOTING NO.

B. Board of Directors' Strategic Planning Related to the Proposed Sale of the Fairgrounds
Action Item

Chair Dodge asked that the Board form a Business Plan Task Force comprised of Steve Beazley, Dena Heathman and Mary Young to oversee strategic planning for the future.

Discussion ensued.

Dr. Janice Posnikoff asked the Board to use this motion to take action opposing the sale of the property.

ACTION: Director Dykema motioned and Vice Chair Ellis seconded to approve the appointment of Beazley, Heathman and Young to comprise a task force to develop a comprehensive business plan.
MOTION PASSED UNANIMOUSLY

8. EXECUTIVE SESSION

No executive session.

9. CEO'S OPERATIONAL UPDATE

Vice President Jerome Hoban discussed the progress of the Hanger Building. The project should come in eight percent under budget and be completed in March. Additionally, due to problems with the initial completion date, CCA will be providing at \$150,000 administrative rebate to the District.

Discussion ensued regarding other projects including the Main Mall renovation.

10. BOARD OF DIRECTORS MATTERS OF INFORMATION

Director Padilla asked about the status of the District's legal counsel.

Beazley explained that the District had interviewed four candidates and had narrowed the field to two. A decision is expected by the February Board meeting.

Hayakawa, Ellis, Dykema, Tucker and Dodge had no comments.

11. NEXT BOARD MEETING: FEBRUARY 2, 2010

12. ADJOURNMENT

Meeting adjourned at 11:16 a.m.

Kristina Dodge, Board Chair

Steve Beazley, President & CEO

CONTRACTS FOR BOARD APPROVAL

Contract #	Contractor	Description	Type	Amount
SA-22-10PS	Sectran Security, Inc.	Armored Car Service	1 Year	\$10,975.00
SA-23-10GE	Victor J. Hulet	Grounds Entertainment	EXP	\$4,800.00
SA-24-10GE	Terry Donaldson (Sparkles the Clown)	Grounds Entertainment	EXP	\$4,364.00
SA-25-10GE	Diego Barquinero	Grounds Entertainment	EXP	\$4,800.00
SA-26-10GE	Pauline C. Francis dba Sugarbabe the Clown	Grounds Entertainment	EXP	\$4,364.00
SA-27-10GE	Denis Martinez	Grounds Entertainment	EXP	\$4,364.00
SA-28-10PS	CPS Human Resources Services	Personnel & Consultation Services	1 Year	\$25,000.00
SA-29-10GE	All Alaskan Racing Pigs	Grounds Entertainment	EXP	\$21,850.00
SA-30-10FT	Animal Adventures Unlimited, Inc.	Grounds Entertainment	EXP	\$21,850.00
SA-31-10CS	Redpoint Consulting Group, LLC	Pacific Amphitheatre Consulting Services	EXP	\$99,000.00
SA-32-10PS	The O'Hagan Group, Inc.	Public Relations - Fair	EXP	\$30,500.00
SA-33-10YE	Gale Webb (Gale Webb Extreme Sports & Air Shows)	Youth Expo Entertainment	EXP	\$3,400.00
SA-34-10YE	Rhonda Renee Ross (Ag Magic Show)	Youth Expo Entertainment	EXP	\$1,600.00
SA-35-10YE	Imagination Gallery, Inc.	Youth Expo Entertainment	EXP	\$3,400.00
SA-36-10YE	Rebecca Goodyear (Pickles the Clown)	Youth Expo Entertainment	EXP	\$1,000.00
SA-37-10YE	Heavenly Ponies and Critters	Youth Expo Entertainment	EXP	\$1,800.00
SA-38-10PS	mPRm,LLC	Public Relations - Fair	EXP	\$50,000.00
SA-39-10PS	Fairplex	EBMS Consulting & Training Services	EXP	\$4,950.00
SA-40-10IE	Brand Special Events, Inc./s/o Mike Brown Grandstands, Inc.	Grandstand Bleachers Rental	EXP	\$62,258.00
SA-41-10GE	Chackhouse Productions	Grounds Entertainment	EXP	\$1,000.00
SA-42-10GE	Ziad Afana	Grounds Entertainment	EXP	\$2,500.00
SA-43-10GE	Common Sense	Grounds Entertainment	EXP	\$1,850.00
SA-44-10GE	Hernandez Productions, Inc.	Grounds Entertainment	EXP	\$22,000.00
SA-45-10PS	Manatt, Phelps & Phillips, LLP	Legal Services	EXP	\$200,000.00
<u>Amendments</u>				
SA-124-08WC	Lopez Works Incorporated	Parking Lot Sweeping & Venue Clean up	EXP	\$617,622.00
SA-79-06RD	Ware Disposal	Diposal Services	EXP	\$138,627.00
SA-76-08WD	Jerry Liu & Associates	Web Development Services	EXP	\$73,600.00



CALIFORNIA DEPARTMENT OF
FOOD & AGRICULTURE

A. G. Kawamura, Secretary

January 19, 2010

Steve Beazley, CEO
32nd DAA, Orange County Fair
88 Fair Drive
Costa Mesa, CA 92626

Dear Mr. Beazley:

The Division of Fairs & Expositions (F&E) has completed its review and approval of your 2010 budget and is enclosing a signed copy.

Please provide copies of this letter to your board of directors and acknowledge it in the minutes of your next scheduled board meeting.

On behalf of Secretary A.G. Kawamura and F&E, we would like to extend our best wishes for a great fair season!

Sincerely,

Michael Treacy, Director
Division of Fairs & Expositions

Enclosure





Board of Directors Agenda Report

MEETING DATE: FEB. 25, 2010

ITEM NUMBER: 7A

SUBJECT: Board of Directors' Strategic Planning Related to the Proposed Sale of the Fairgrounds (Policy Reference 3.4)

DATE: February 16, 2010

FROM: Steve Beazley, President & CEO

PRESENTATION BY: Director David Padilla

RECOMMENDATION: There is no staff recommendation. Should a recommendation come forward, it will be out of the Board discussion on the item.

BACKGROUND

The Board has continued this item from the January agenda.

FISCAL IMPACT

None

CONCLUSION

The item will be discussed at the February 25 Board meeting.



Board of Directors Agenda Report

MEETING DATE: FEB. 25, 2010

ITEM NUMBER: 7B

SUBJECT: 2009 Year End Financial Report

DATE: February 16, 2010

FROM: Dena Heathman, Senior Vice President, Finance

PRESENTATION BY: Dena Heathman, Senior Vice President, Finance

An overview of OCFEC's year-end 2009 financial reports will be presented. The financial reports are included in the Operational Update section of the meeting materials.



Board of Directors Agenda Report

MEETING DATE: FEB. 25, 2010

ITEM NUMBER: 7C

SUBJECT: OCFEC Strategic Planning
2010 Vision:
Expanding OCFEC Recreational, Entertainment and Educational Programs in Service of the Orange County Community

DATE: February 16, 2010

FROM: Steve Beazley, President & CEO

PRESENTATION BY: Steve Beazley, President & CEO

RECOMMENDATION: Adoption of a conceptual plan for further study and solicit additional concepts from Board, staff and stakeholders.

BACKGROUND

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.

Pacific Amphitheatre:

Use the 2003 marketing study commissioned by OCFEC to begin identifying alternatives for an expanded season. May include creating a public-private relationship for both program and facility development

Malooof Skate Park:

Enter into negotiations with the Malooof organization to build a skate park on the facility that could accommodate the annual Malooof Money Cup as well as a year round public skate park. The Malooofs are building a 1.8 million permanent park in New York scheduled to open on June 5, 2010 and would like to do the same at OCFEC summer 2011.

New Year's Eve Event:

With the Hangar Building coming on-line next month, we can now begin envisioning events that will use those new facilities. The generation of a business plan for a new self-produced New Year's Eve event tentatively scheduled for December 31, 2011 will be a first step in identifying new and exciting uses of the building.

Sports Viewing Venue:

Similar to the New Year's Eve event, the Hangar will be studied for its feasibility of being a large indoor-outdoor entertainment venue featuring the broadcast of major sporting events viewed on the OCFEC owned 40 foot movie screen using accompanying projectors, both used for the AI's Brain exhibit. The Super Bowl, World Series, NBA Finals would all be among the possible events to be broadcast to over 1,000 people in the Hangar Building.

Winterfest:

Explore the feasibility of a Holiday event that could run from Thanksgiving to New Years Eve that would be a winter fair of sorts. This could be an all grounds event that could be primarily evening based and run both weekdays and weekends. The event could include anywhere from holiday retail items to a snow field to a festival of lights. This would be a family event to celebrate the holidays.

Equestrian Center:

Study in this area may result in a business plan for expanding the programmatic uses of the facility with an emphasis on horse shows. Large major permanent agricultural exhibits (i.e. history of plow horse, pony rides, etc) and other celebrates OCFEC's agricultural heritage may increase patronage of the equestrian center.

Educational Observation Tower Ride:

Loosely called "20 stories over OC," this ride would take people 20 stories high to view the Orange County skyline and landscape while telling 20 stories of influential Orange County residents, past and present. The project blends the two basic elements of a society: people and land. It would also serve as an iconic landmark creating a compelling anchor to the destination point of OCFEC.

This list is merely a primer for engagement of all interested to submit their creative ideas to expand the programs offered by OCFEC

FISCAL IMPACT

Research and Development funds may need to be invested to survey the market on initiatives as well as constructing proformas and business plans. An initial budget would be set at \$100,000.

CONCLUSION

There exists a widely held sentiment that the programming potential for the OCFEC stretches for beyond its current activity. Upon nearing completion of the two year, over 12 million dollar capitol investment plan, it is time to begin articulating concepts and ideas to vision a greater set of entertainment, recreational and educational opportunities for the residents of Orange County.



Board of Directors Agenda Report

MEETING DATE: FEB. 25, 2010

ITEM NUMBER: 7D

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

DATE: February 16, 2010

FROM: Steve Beazley, President & CEO

PRESENTATION BY: Steve Beazley, President & CEO

RECOMMENDATION:

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

BACKGROUND

In February 2009, Tel-Phil Enterprises approached OCFEC requesting rent relief for their weekend operated swap meet. The OCFEC Board Chair and CEO honored the request made by Tel-Phil Enterprises and entered into negotiations.

It was important to establish with Tel-Phil Enterprises that while there was a willingness to negotiate, for rent relief to be granted, it was essential that OCFEC receive an equitable exchange for any amended rent structure. In other words, consideration must be offered by Tel-Phil lest OCFEC be criticized for giving a gift of public funds.

The first idea for consideration was OCFEC become an all paid parking facility. OCFEC is one of the last event centers in So. Cal that does not collect upon the very typical and financially profitable revenue stream of paid parking. That revenue would be used to off-set any lost revenue from a restructured Tel-Phil Enterprises contract.

The second idea for rent relief consideration was the right for OCFEC to designate weekends where the market place would not operate and OCFEC could book mega events who would rent the whole facility. Similar to the paid parking concept, booking mega events would help recoup the revenue lost in the reduction of rent Tel-Phil Enterprises would be required to pay for use of the property.

Tel-Phil Enterprises agreed to the exclusive use weekend model as an equitable exchange for reduced rent payments.

The final terms and conditions agreed upon was that Tel-Phil Enterprises' rent would be reduced 10 percentage points from 35% to 25% of gross sales which equated to a 29% rent reduction. This reduction would provide OCFEC the ability to "purchase" four weekends from Tel-Phil where they would agree that exclusive use of the property be granted to OCFEC. The language of the contract appears below.

"The District will have the option to designate up to four (4) additional operating weekends per calendar year (in addition to the five weekend run of the OC Fair) for the District's exclusive use of the full property, including the Premises, for District events. The District will provide written notice to Lessee within 30 days of contracting an outside-promoted event, or approval of a self-produced event; and in all events the District will provide to Lessee at least six months' written notice in advance of the weekend[s] designated by the District for its exclusive use of the full property, including the Premises. The District and Lessee agree that the exercise of this option will not exceed the following limitations, unless mutually agreed to by the parties:

(1) A maximum of two additional weekends may be designated by the District in the six-month period commencing January 1 through and including June 30 of each calendar year; provided, however, no more than one weekend per month may be designated in the months of May and June.

(2) A maximum of two additional weekends may be designated by the District in the six-month period commencing July 1 through and including December 31 of each calendar year; provided, however, no more than one weekend may be designated in the month of December."

The second amendment to the lease between OCFEC and Tel-Phil Enterprises, which included granting of the five year option period as a courtesy to Tel-Phil Enterprises was signed and approved by the OCFEC Board of Directors effective April 1, 2009.

The current proposal was submitted by Don Murphy, President of Sand Sport Super Show. Mr. Murphy's full proposal is attached at the end of this report.

FISCAL IMPACT

Current revenue to OCFEC by Tel-Phil Enterprises for the third weekend of September:

\$40,000

Current revenue paid to OCFEC by Sand Sport Super Show for the third weekend of September (3 day show)

\$268,000

Proposed revenue paid to OCFEC by Sand Sport Super Show for exclusive use for the third weekend of September (proposed 5 day show)

\$380,000

CONCLUSION

By exercising the contractual provision for exclusive use of this designated weekend, the Sand Sport Super Show will be allowed to expand into a mega show, both in space and time and bring an enhanced revenue stream to OCFEC in the amount of an estimated \$112,000.

This will allow OCFEC to fill the revenue gap left by the rent relief granted to Tel-Phil Enterprises.



Proposal to support Mega show September 2010

Doug,

February 10, 2010

First, thank you for the opportunity and for your confidence in our team to present a mega event at the OC Fair & Event Center. In order to justify that confidence and to sell the idea to the management staff of the OC Fair & Event Center as well as the Board the following is an outline of what we are proposing for a mega show the week of September 13 – 20, 2010. Based on our history of providing a first class, nationally recognized event for more than a decade at the OC Fair & Event Center we propose the following.

Our objective is to utilize our current contacts and relationships to offer an event that creates synergies for our anchor show the Sand Sports Super Show. In effect we would be having three shows in one with Sand Sports being the main attraction and the other two shows complimenting the primary event.

Taking advantage of our history and success within the Orange County community as well as the recreational vehicle market we propose turning the Carnival lot into a Recreational Vehicle Super Show. This event would not only enhance our overall position as the largest and best attended Off Road show in the country but would also begin to establish the OC Fair & Event Center as one of the largest Recreational Vehicle shows in the State.

We believe in time the OC Fair & Event Center could possibly rival the success that the Fairplex in Pomona has enjoyed for over fifty seven years with their California RV Show.

The event would open on Wednesday the 15th at twelve noon and all events would close on Sunday the 19th at four in the afternoon. There by adding a significant number of additional days for parking, concessions and all the other reimbursable. In addition to an RV Super Show we are also suggesting a Boating and Recreational Super Show where by we bring to one location all the products that our consumers covet for their recreational pastimes.

The Sand Sports Super Show would then begin to move in on Wednesday and open up Friday morning for the first time in it's twelve years exhibiting at the OC Fair & Event Center giving the show a full three days that would increase parking sales, concessions, etc. Not only would it increase the parking sales due to additional hours but it would

replace all the non paying customers that attend the market place on Saturday and Sunday.

In addition to additional hours / days we also have to consider the number of hours that a single guest now stays on site due to increased options their by increasing the potential for additional sales for concessions, they would have the additional benefit of attending not only Sand Sports but also two other events extending there stay from an average of 3.5 hours to potentially 5.5 or even 6 hours. I have put some estimates together with the help of the OCFEC Staff that outlines a comparison of our current three day show compared to running a three show event for five days. (Please See Below)

As you well know this is not a new concept and due to the economy as well as many other factors many shows today combine their events at a single venue to increase overall attendance figures as well as cross pollination of customers.

I will conclude with the fact that I'm sure we can make this a successful event in 2010 and of course continue to build upon this first year success to make it continue to grow to be the elite show in the state and maybe even the country when it comes to outdoor recreational activities for the entire family.

Donald Murphy
President, Sand Sports Super Show

Worksheet

In working with Fair staff, I have been able create some estimated projections a Mega Show event could generate in revenues for the Fair as compared to my current event.

Current revenue to OCFEC (3 days):

Reimbursable and rentals:	\$141,000
Concessions:	\$ 90,000
Parking:	\$ 37,000
Total	\$ 268,000

Mega Show revenue to OCFEC (5 days)

Reimbursable and rentals:	\$ 200,000
Concessions:	\$ 120,000
Parking:	\$ 60,000
	\$ 380,000

Net difference: \$112,000



The following financial reports as of December 31, 2009 are enclosed for your reference. These reports are preliminary and unaudited.

Statement of Cash Flows

As of December 31, OCFEC's cash on hand is \$7,066,824, a decrease of (\$14,721,584) during 2009. Operating activities have resulted in a net cash inflow of \$2,221,179 to date, while investing activities in the form of capital expenditures have resulted in a net outflow of (\$16,942,763) to date.

Balance Sheet

Deferred Revenue has decreased from \$910,898 at 12/31/08 to \$164,101 at 12/31/09 due to a change in recording event contracts. At the end of 2008, many tentative contracts for 2009 events were recorded in Deferred Revenue (offset to Accounts Receivable) but in 2009, event contracts are being posted only upon receipt of the first contractual payment. This is merely a timing difference which affects only the balance sheet.

Income Statement

2009 revenues exceed expenses by \$225,155, which is slightly unfavorable to the budgeted net proceeds of \$240,714.

Revenues of \$28.4 million are unfavorable to budget by (\$2.0 million). Fair revenue of \$21.4 million is unfavorable to budget by \$158k. Admissions revenue is below budget as less general admission tickets were sold than anticipated. Attractions revenue exceeds budget by \$1.1m as more Pacific Amphitheatre tickets were sold than planned. In the Miscellaneous Revenue category, Sponsorship Revenue is below budget by \$586k due to the effects of economic conditions on past and potential sponsors. Livestock auction receipts are below budget by \$113k, but this is offset by a corresponding expense savings. Parking revenue is below budget by \$93k.

Year-Round Revenue of \$6.8 million is below budget by \$1.7 million. Within the year-round revenue category, MarketPlace revenue of \$2.3m is unfavorable to budget by \$1.2m. Building rentals are below budget by \$524k due to cancellations as well as price reductions and refunds due to construction issues. Interest revenue is below budget by \$231k due primarily to lower than expected interest rates.

Operating expenses of \$25.9 million are favorable to budget by \$1.7 million. Expenses in most major categories are below or close to budget at this time due to cost monitoring efforts during the fair and throughout the year. Facility

and related expense exceeds budget by \$67k due primarily to business interruption expenses caused by construction delays. Fair attractions expense is over budget by \$584k, which is offset by the revenue overage pertaining to the Pacific Amphitheatre. Talent expense was higher than expected, which was offset by higher ticket prices and by exceeding ticket sales goals.

Business Unit Results

2009 was a positive year for most of the Business Units. Nearly all met their goals and improved their results over 2008.

The Fair Business Unit exceeded its 2009 target and improved over 2008 results. This business unit generated a contribution margin of \$5.1m compared with a budget of \$4.9m and 2008 results of \$5.0m.

The Events Business Unit fell short of its 2009 target, but improved significantly over 2008 results. The actual 2009 contribution margin was \$1.9m against a budget of \$2.1m and 2008 results of \$1.3m.

The MarketPlace Business Unit fell short of its 2009 target as well as its 2008 results. The 2009 contribution margin of \$2.3m was below the target of \$3.5m and 2008 results of \$3.3m. This was due to the restructuring of the operator's agreement resulting in a lower percentage rent and a lower minimum annual rent.

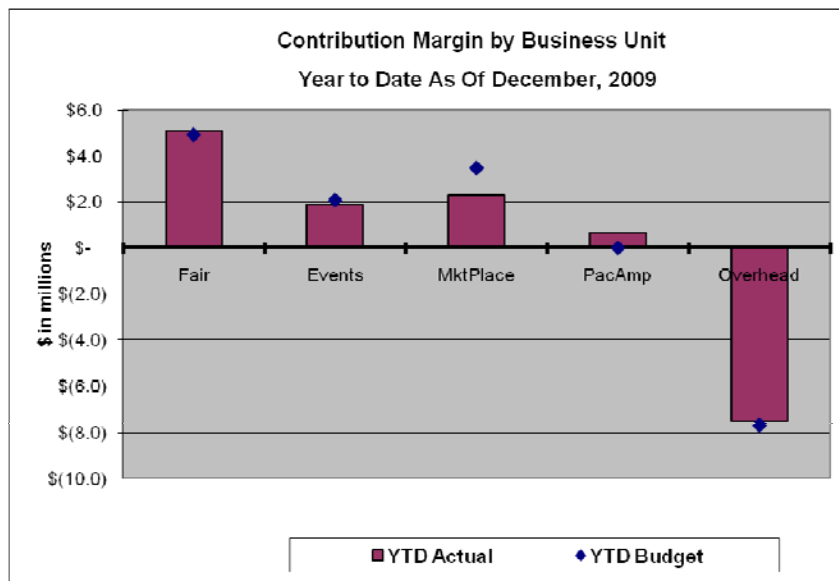
The Pacific Amphitheatre Business Unit's 2009 contribution margin of \$0.6m exceeded its budget target of \$0 and its 2008 results of negative (\$0.4m).

Net overhead and outreach expenses of \$7.5m in 2009 were favorable to budgeted net expenses of \$7.7m. However, net expenses exceeded 2008's total of \$6.5m, primarily due to a reduction in interest revenue caused by lower than anticipated interest rates. This category includes education and outreach program expenditures of \$879,000 during 2009.

(Contribution Margin represents the excess of direct revenues for the business unit over its direct expenses.)

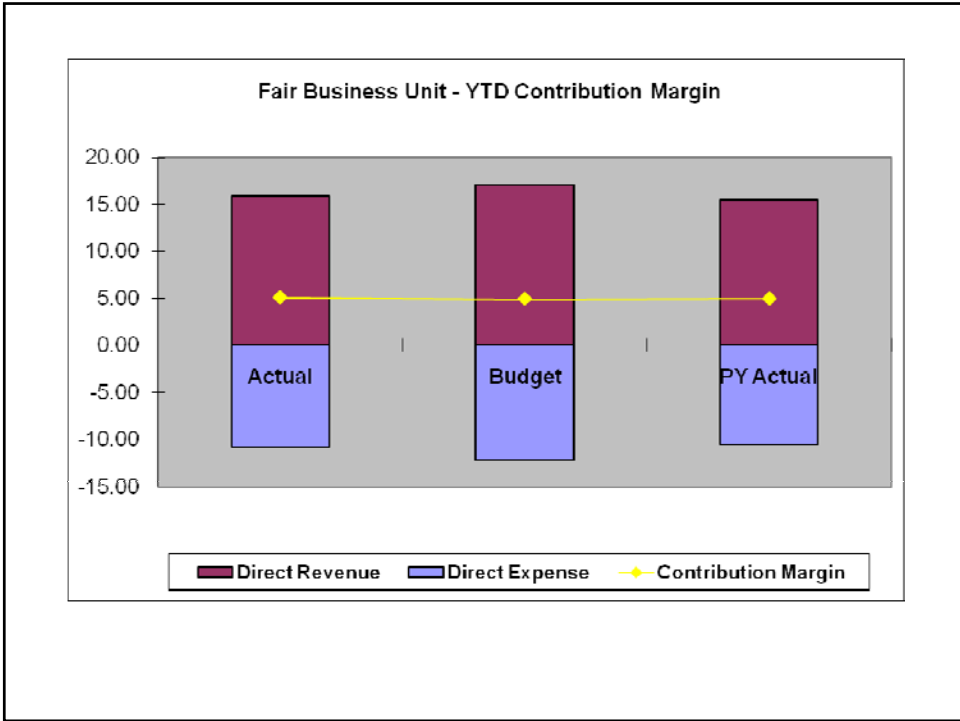
Year to Date
Business Unit Financial Results

As Of December 31, 2009



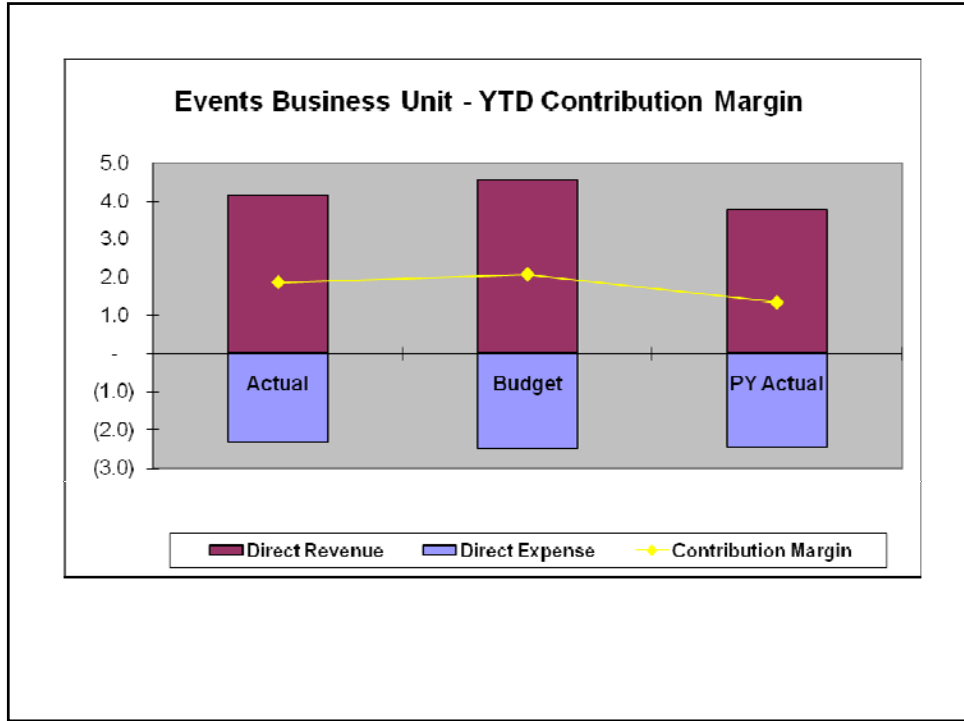
OC Fair & Event Center
Cash Flow Summary by Business Unit
Year to Date As Of December, 2009

	2009 Year to Date Actual	2009 Year to Date Budget	2008 Year to Date Actual	2009 Full Year Budget
Contribution Margins:				
Fair Business Unit	\$ 5.1	\$ 4.9	\$ 5.0	\$ 4.9
Events Business Unit	1.9	2.1	1.3	2.1
MarketPlace Business Unit	2.3	3.5	3.3	3.5
Pacific Amphitheatre Business Unit	0.6	0.0	(0.4)	0.0
Total Business Unit Contribution Margin	9.9	10.5	9.2	10.5
Net Overhead Expense (Cash)	(7.5)	(7.7)	(6.5)	(7.7)
Net Cash Provided (Used) Subtotal	2.4	2.8	2.7	2.8
Capital Expenditures	(16.9)		(6.0)	(14.4)
Balance Sheet Changes	(0.2)		0.4	0.0
Net Increase (Decrease) in Cash	\$ (14.7)	\$ 2.8	\$ (3.0)	\$ (11.6)



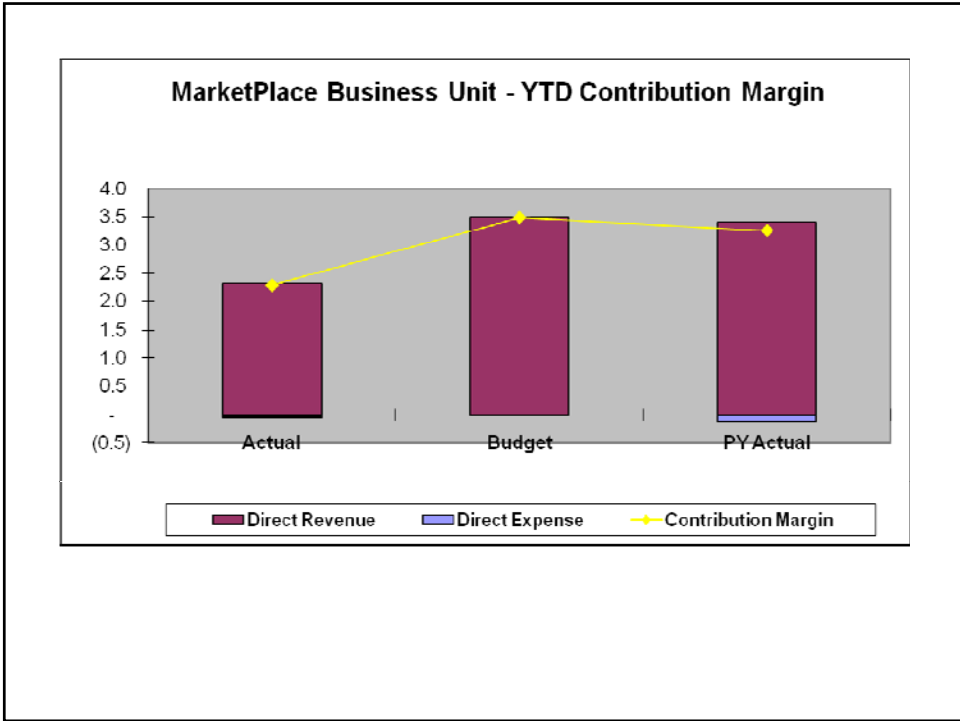
**Fair Business Unit
Contribution Margin Statement
Year To Date As Of December, 2009**

	2009 Year to Date Actual	2009 Year to Date Budget	2008 Year to Date Actual	2009 Full Year Budget
Admissions	\$ 5.8	\$ 6.3	\$ 5.8	\$ 6.3
Concessions	3.9	3.8	3.6	3.8
Carnival	1.8	2.0	2.0	2.0
Sponsorships	0.8	1.3	1.2	1.3
Commercial Space	1.7	1.5	1.0	1.5
Parking	1.2	1.3	1.2	1.3
Other Revenue	0.6	0.9	0.7	0.9
Total Direct Revenue	16.0	17.1	15.5	17.1
Payroll/Related	3.8	3.8	3.6	3.8
Outside Services	2.1	2.2	2.0	2.2
Marketing/Related	1.4	1.8	1.6	1.8
Supplies/Equipment/Rentals	1.6	2.0	1.3	2.0
Attractions	0.9	1.0	0.8	1.0
Other Expense	1.1	1.4	1.2	1.4
Total Direct Expense	10.8	12.2	10.5	12.2
Contribution to Overhead and CapEx	\$ 5.1	\$ 4.9	\$ 5.0	\$ 4.9

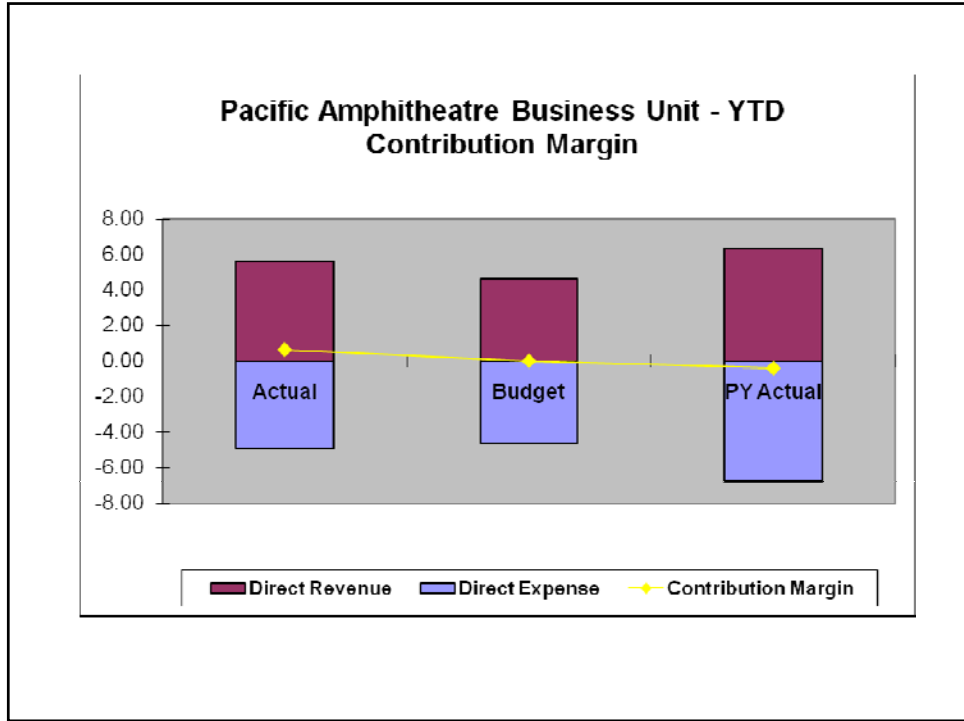


Events Business Unit Contribution Margin Statement Year To Date As of December, 2009

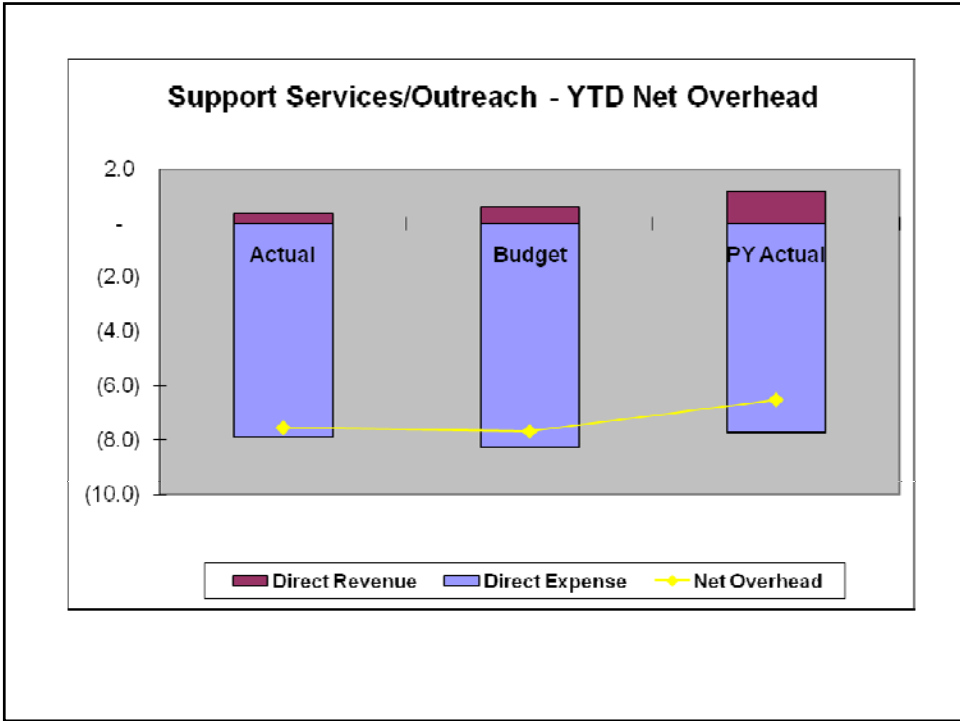
	2009 Year to Date Actual	2009 Year to Date Budget	2008 Year to Date Actual	2009 Full Year Budget
Rental of Facilities	\$ 1.1	\$ 1.6	\$ 1.4	\$ 1.6
Personnel Services	0.9	0.9	1.0	0.9
Concessions	0.7	0.8	0.7	0.8
Equipment Rentals	0.4	0.4	0.3	0.4
Admissions/Parking	1.0	0.8	0.3	0.8
Other Revenue	0.1	0.1	0.1	0.1
Total Direct Revenue	4.2	4.6	3.8	4.6
Payroll/Related	1.7	1.9	1.8	1.9
Outside Services	0.2	0.2	0.1	0.2
Supplies/Equipment/Rentals	0.1	0.1	0.2	0.1
Facility/Related	0.2	0.3	0.2	0.3
Marketing/Related	0.0	0.0	0.1	0.0
Other Expense	(0.0)	0.0	0.1	0.0
Total Direct Expense	2.3	2.5	2.4	2.5
Contribution to Overhead and CapEx	\$ 1.9	\$ 2.1	\$ 1.3	\$ 2.1



MarketPlace Business Unit Contribution Margin Statement Year to Date As Of December, 2009				
	2009 Year to Date Actual	2009 Year to Date Budget	2008 Year to Date Actual	2009 Full Year Budget
Rental of Facilities	\$ 2.3	\$ 3.5	\$ 3.4	\$ 3.5
Other Revenue	-	-	-	-
Total Direct Revenue	2.3	3.5	3.4	3.5
Marketing/Related	0.0	-	0.1	-
Other Expense	0.0	0.0	0.0	0.0
Total Direct Expense	0.0	0.0	0.1	0.0
Contribution to Overhead and CapEx	\$ 2.3	\$ 3.5	\$ 3.3	\$ 3.5



Pacific Amphitheatre Business Unit Contribution Margin Statement Year to Date As Of December, 2009				
	2009 Year to Date Actual	2009 Year to Date Budget	2008 Year to Date Actual	2009 Full Year Budget
Ticket Sales	\$ 4.3	\$ 3.3	\$ 5.0	\$ 3.3
Facility Fee	0.6	0.6	0.5	0.6
Concessions	0.3	0.2	0.4	0.2
Parking	0.2	0.2	0.2	0.2
Sponsorship	0.0	0.2	0.2	0.2
Other Revenue	0.1	0.2	0.1	0.2
Total Direct Revenue	5.6	4.7	6.3	4.7
Performers' Fees	3.0	2.3	4.0	2.3
Outside Services	0.7	0.9	1.0	0.9
Marketing/Related	0.4	0.6	0.8	0.6
Supplies/Equipment/Rentals	0.4	0.5	0.6	0.5
Payroll/Related	0.2	0.2	0.2	0.2
Other Expense	0.3	0.1	0.2	0.1
Total Direct Expense	4.9	4.6	6.7	4.6
Contribution to Overhead and CapEx	\$ 0.6	\$ 0.0	\$ (0.4)	\$ 0.0



Support Services/Outreach Business Unit Net Overhead Summary Year to Date As Of December, 2009				
	2009 Year to Date Actual	2009 Year to Date Budget	2008 Year to Date Actual	2009 Full Year Budget
Interest	\$ 0.2	\$ 0.4	\$ 0.8	\$ 0.4
Facility Rentals	0.1	0.1	0.1	0.1
Other Revenue	0.1	0.1	0.3	0.1
Total Revenue	0.4	0.6	1.2	0.6
Payroll/Related	4.7	4.9	4.7	4.9
Facility/Related	1.8	1.7	1.7	1.7
Supplies/Telephone/Postage	0.5	0.5	0.6	0.5
Outside Services	0.7	0.7	0.5	0.7
Insurance	0.2	0.3	0.2	0.3
Other Expense	0.1	0.1	0.0	0.1
Total Expense	7.9	8.3	7.7	8.3
Net Overhead	\$ (7.5)	\$ (7.7)	\$ (6.5)	\$ (7.7)
Non-Cash Expenses:				
Depreciation Expense	\$ 2.1	\$ 2.6	\$ 1.8	\$ 2.6
Total Non-Cash Expense	\$ 2.1	\$ 2.6	\$ 1.8	\$ 2.6

Includes education/outreach program expenditures of \$879,000

32nd D A A - OC Fair & Event Center
Income Statement
Year To Date as of December, 2009

	2009 Year to Date Amount	Budget Year to Date Amount	Budget \$ Variance	Budget % Variance	2008 Year to Date Amount	Prior Year \$ Variance	Prior Year % Variance	Full 2009 Budget
Revenues								
Admissions to Grounds	\$ 6,914,600	\$ 7,598,105	\$ (683,505)	-9.0%	\$ 6,522,260	\$ 392,340	6.0%	\$ 7,598,105
Commercial Space Rentals	1,716,944	1,494,702	222,242	14.9%	1,044,247	672,698	64.4%	1,494,702
Carnival and Concessions Revenue	6,057,985	6,041,228	16,757	0.3%	6,001,799	56,186	0.9%	6,041,228
Exhibits Revenue	55,123	67,598	(12,475)	-18.5%	56,716	(1,593)	-2.8%	67,598
Attractions Revenue	3,974,142	2,919,867	1,054,275	36.1%	4,837,565	(863,423)	-17.8%	2,919,867
Miscellaneous Fair Revenue	2,634,668	3,390,375	(755,707)	-22.3%	3,173,706	(539,038)	-17.0%	3,390,375
Total Summer Fair Revenue	21,353,462	21,511,875	(158,413)	-0.7%	21,636,292	(282,830)	-1.3%	21,511,875
Rental of Facilities	3,497,298	5,194,470	(1,697,172)	-32.7%	4,871,623	(1,374,325)	-28.2%	5,194,470
Other Event Revenues	3,113,180	3,083,308	29,872	1.0%	2,450,063	663,117	27.1%	3,083,308
Equestrian Center Revenue	86,798	122,000	(35,202)	-28.9%	124,601	(37,803)	-30.3%	122,000
Horse Show Revenues	-	-	-	N/A	-	-	N/A	-
Other Operating Revenues	121,364	87,175	34,189	39.2%	167,381	(46,017)	-27.5%	87,175
Total Year-Round Revenue	6,818,640	8,486,953	(1,668,313)	-19.7%	7,613,669	(795,029)	-10.4%	8,486,953
Interest Earnings	203,785	435,000	(231,215)	-53.2%	796,233	(592,448)	-74.4%	435,000
Grants	-	-	-	N/A	175,231	(175,231)	-100.0%	-
Sale of Assets	-	-	-	N/A	15,535	(15,535)	-100.0%	-
Other Non-Operating Revenues	-	-	-	N/A	-	-	N/A	-
Prior Year Revenue	9,498	-	9,498	N/A	14,313	(4,815)	-33.6%	-
Total Non-Operating Revenue	213,283	435,000	(221,717)	-51.0%	1,001,311	(788,028)	-78.7%	435,000
Total Revenue	\$ 28,385,385	\$ 30,433,828	\$ (2,048,443)	-6.7%	\$ 30,251,272	\$ (1,865,887)	-6.2%	\$ 30,433,828

32nd D A A - OC Fair & Event Center
Income Statement
Year To Date as of December, 2009

	2009 Year to Date Amount	Budget Year to Date Amount	Budget \$ Variance	Budget % Variance	2008 Year to Date Amount	Prior Year \$ Variance	Prior Year % Variance	Full 2009 Budget
Expenses								
Payroll and Related	\$ 10,385,304	\$ 10,775,776	\$ 390,472	3.6%	\$ 10,282,650	\$ (102,654)	-1.0%	\$ 10,775,776
Professional Services	3,726,738	4,053,494	326,756	8.1%	3,663,211	(63,527)	-1.7%	4,053,494
Directors Expense	11,945	11,001	(944)	-8.6%	19,735	7,789	39.5%	11,001
Insurance Expense	204,959	280,000	75,041	26.8%	282,532	77,573	27.5%	280,000
Telephone & Postage	134,641	141,425	6,784	4.8%	149,699	15,058	10.1%	141,425
Supplies and Equipment	2,535,045	3,078,930	543,885	17.7%	2,486,858	(48,188)	-1.9%	3,078,930
Facility and Related	2,694,319	2,627,817	(66,502)	-2.5%	2,629,386	(64,933)	-2.5%	2,627,817
Publicity & Related	1,817,061	2,427,261	610,200	25.1%	2,630,661	813,600	30.9%	2,427,261
Fair Attractions	3,843,966	3,259,723	(584,243)	-17.9%	4,775,989	932,024	19.5%	3,259,723
Other Fair Expense	171,101	286,500	115,399	40.3%	283,404	112,302	39.6%	286,500
Premium Expense	129,842	123,157	(6,685)	-5.4%	112,795	(17,047)	-15.1%	123,157
Other Operating Expense	257,607	528,030	270,423	51.2%	260,801	3,194	1.2%	528,030
Total Operating Expense	25,912,529	27,593,114	1,680,585	6.1%	27,577,721	1,665,192	6.0%	27,593,114
Depreciation Expense	2,065,364	2,600,000	534,636	20.6%	1,787,002	(278,361)	-15.6%	2,600,000
F&E Funded Expenditures	-	-	-	N/A	-	-	N/A	-
Loss on Sale of Asset	81,913	-	(81,913)	N/A	-	(81,913)	N/A	-
Debt Service	-	-	-	N/A	-	-	N/A	-
Prior Year Expense	(109,544)	-	109,544	N/A	(5,610)	103,933	-1852.5%	-
Total Non-Operating Expense	2,037,733	2,600,000	562,267	21.6%	1,781,392	(256,341)	-14.4%	2,600,000
Equipment	-	-	-	N/A	-	-	N/A	-
Buildings & Improvements	206,354	-	(206,354)	N/A	-	(206,354)	N/A	-
Attendance & Parking Improvements	-	-	-	N/A	-	-	N/A	-
Carnival Improvements	3,614	-	(3,614)	N/A	27,888	24,274	87.0%	-
Capital Improvement Offset	-	-	-	N/A	-	-	N/A	-
Total Capital Expense	209,968	-	(209,968)	N/A	27,888	(182,080)	-652.9%	-
Total Expense	28,160,230	30,193,114	2,032,884	6.7%	29,387,001	1,226,770	4.2%	30,193,114
Net Proceeds	\$ 225,155	\$ 240,714	\$ (15,560)	-6.5%	\$ 864,271	\$ (639,116)	-73.9%	\$ 240,714

**32nd D A A - OC Fair & Event Center
Balance Sheet
December, 2009**

	<u>2009</u>	<u>2008</u>
Assets		
Cash	\$ 470,238	\$ 77,275
Investments	6,596,586	21,711,132
Accounts Receivable	318,029	885,152
Reserve for Bad Debt	(102,539)	(115,419)
Prepaid Assets	-	-
Current Assets	<u>7,282,314</u>	<u>22,558,140</u>
Deferred Expenses	24,835	35,964
Capital Projects in Process	19,654,185	6,260,668
Land	133,553	133,553
Buildings and Improvements	19,590,107	20,148,494
Equipment	2,741,674	781,275
Long Term Assets	<u>42,144,354</u>	<u>27,359,954</u>
Total Assets	<u><u>\$ 49,426,668</u></u>	<u><u>\$ 49,918,095</u></u>
Liabilities		
Accounts Payable	\$ 298,303	\$ 307,469
Deferred Revenue	164,101	910,898
Other Payroll Deductions	147,852	162,885
Deposits	38,090	38,800
Other Liabilities	-	-
Short Term Liabilities	<u>648,347</u>	<u>1,420,053</u>
Compensated Absence Liability	895,716	840,591
Long Term Debt	-	-
Long Term Liabilities	<u>895,716</u>	<u>840,591</u>
Total Liabilities	<u>1,544,062</u>	<u>2,260,643</u>
Resources		
Investment in Capital Assets	42,119,519	27,323,991
Net Resources - Designated Use	911,499	18,651,670
Net Resources Available for Operations	4,602,080	795,644
Net Resources - Auction Fund	24,353	21,876
	<u>47,657,451</u>	<u>46,793,180</u>
Net Proceeds from Operations	225,155	864,271
Total Resources	<u>47,882,606</u>	<u>47,657,451</u>
Total Liabilities and Net Resources	<u><u>\$ 49,426,668</u></u>	<u><u>\$ 49,918,095</u></u>

32nd District Agricultural Association - OC Fair & Event Center
Statement of Cash Flows (Unaudited)
Year-to-Date as of December 31, 2009

YTD 2009

Cash Flows from Operating Activities:

Net Proceeds	\$	225,155
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Non-Cash Expenses:

Depreciation Expense		2,065,321
Loss on Disposal of Assets		81,913

Balance Sheet Activity:

(Incr) Decr in Accounts Receivable		554,242
(Incr) Decr in Other Assets		11,129
Incr (Decr) in Accounts Payable		(24,199)
Incr (Decr) in Other Accrued Liabilities		(692,382)
Subtotal		(151,210)

**Net Cash Provided (Used) by
Operating Activities**

2,221,179

Cash Flows from Investing Activities:

(Incr) Decr in Buildings & Improvements		(1,087,352)
(Incr) Decr in Equipment		(2,461,894)
(Incr) Decr in Construction in Progress		(13,393,516)

**Net Cash Provided (Used) by
Investing Activities**

(16,942,763)

Net Increase (Decrease) in Cash		(14,721,584)
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Cash at Beginning of Period		21,788,407
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Cash at End of Period

	\$	7,066,824
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**32nd D A A - Orange County Fair
Capital Expenditures Spending
December, 2009**

Description	2009 Budget	2009 Spent	2009 Remaining
Buildings and Improvements			
Memorial Gardens Renovations	0.00	(377.52)	377.52
Bldg. 16 HVAC	0.00	(854.00)	854.00
Span - Bldg 14 & 16	2,185,000.00	40,245.73	2,144,754.27
Ticket Booth Electronics Upgrade	0.00	1,927.99	(1,927.99)
Server Room Office Build Out	0.00	1,035.98	(1,035.98)
Park Plaza Restroom Remodel	0.00	28,702.86	(28,702.86)
Administration Building	3,642,000.00	3,153,891.44	488,108.56
Blue Skies Main Mall Renovation	1,086,000.00	243,201.21	842,798.79
Decorative Lighting Plan & Renovation	0.00	62,953.37	(62,953.37)
Seal & Stripe Lot D	0.00	90,382.00	(90,382.00)
Sewer Pumps & Controls	0.00	5,947.80	(5,947.80)
Bilco Stage Doors	0.00	43,903.30	(43,903.30)
Corporation Yard	0.00	88,640.19	(88,640.19)
Hangar Building	4,910,000.00	5,793,719.96	(883,719.96)
Lighting Design/Centennial Farm	0.00	68,823.75	(68,823.75)
Berm Project	45,000.00	(8,330.00)	53,330.00
Gate 1 vehicle gate	10,000.00	7,043.65	2,956.35
Gate 10 vehicle gate	10,000.00	7,253.60	2,746.40
Green gate relocation/MP Village	324,000.00	183,969.81	140,030.19
Pac Amp wall retrofit	17,000.00	10,094.00	6,906.00
Pac Amp ADA service window	20,000.00	16,269.16	3,730.84
Slurry Lot A & H	250,000.00	0.00	250,000.00
Box Office Signage	60,000.00	34,691.51	25,308.49
Livestock Lane restroom	240,000.00	229,253.13	10,746.87
Paint Building 10	22,000.00	28,537.05	(6,537.05)
Landscape Lot F & Admin	34,000.00	37,932.92	(3,932.92)
Removal of Old Admin	120,000.00	206,731.92	(86,731.92)
Event Operations Build-out	57,000.00	64,688.95	(7,688.95)
Landscape gates 1 & 2	34,000.00	18,998.44	15,001.56
Misc. Capital Improvements CCA	0.00	(12,382.13)	12,382.13
Re-roof Pac Amp R/R's & Offices	0.00	37,459.02	(37,459.02)
EQC Campground	0.00	71,672.09	(71,672.09)
Pac Amp Trailer-Fire Sprinklers	0.00	12,343.64	(12,343.64)
Baja Blues Kitchen Repairs	0.00	7,900.00	(7,900.00)
Total Buildings and Improvements	13,066,000.00	10,576,270.82	2,489,729.18
Carnival Improvements			
Carnival Capital Improvements	0.00	3,614.00	(3,614.00)
Total Carnival Improvements	0.00	3,614.00	(3,614.00)

**32nd D A A - Orange County Fair
Capital Expenditures Spending
December, 2009**

Description	2009 Budget	2009 Spent	2009 Remaining
Equipment			
Exhibit Lighting System	0.00	108,107.59	(108,107.59)
Al's Brain	700,000.00	1,134,011.28	(434,011.28)
Admissions Cart	9,000.00	7,068.78	1,931.22
Technology Cart	7,000.00	7,111.50	(111.50)
DPS Cart	7,000.00	7,976.81	(976.81)
Parking Reader Board	30,000.00	24,734.10	5,265.90
Admin Furniture	100,000.00	0.00	100,000.00
Call Router	25,000.00	0.00	25,000.00
Public Address System	50,000.00	24,603.98	25,396.02
Surveillance System	50,000.00	79,173.45	(29,173.45)
Exhibit Walls	100,000.00	0.00	100,000.00
Theme Project	100,000.00	0.00	100,000.00
Fiber Runs	20,000.00	24,721.89	(4,721.89)
Property Marquees	150,000.00	7,110.75	142,889.25
Exhibit Theme	0.00	87,564.03	(87,564.03)
ESS Cart	0.00	9,837.58	(9,837.58)
Total Equipment	1,348,000.00	1,522,021.74	(174,021.74)
Total Capital Expenditures	14,414,000.00	12,101,906.56	2,312,093.44



The following financial reports as of January 31, 2010 are enclosed for your reference.

Statement of Cash Flows

As of January 31, 2010, OC FEC's cash on hand is \$7,516,909, an increase of \$450,085 during 2010. Operating activities have resulted in a net cash outflow of (\$525,940) to date, while investing activities in the form of capital expenditures have resulted in a net inflow of \$976,025 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 \$109,245 since the beginning of the year. This is primarily due to the invoicing of upcoming event rental contracts.

Income Statement

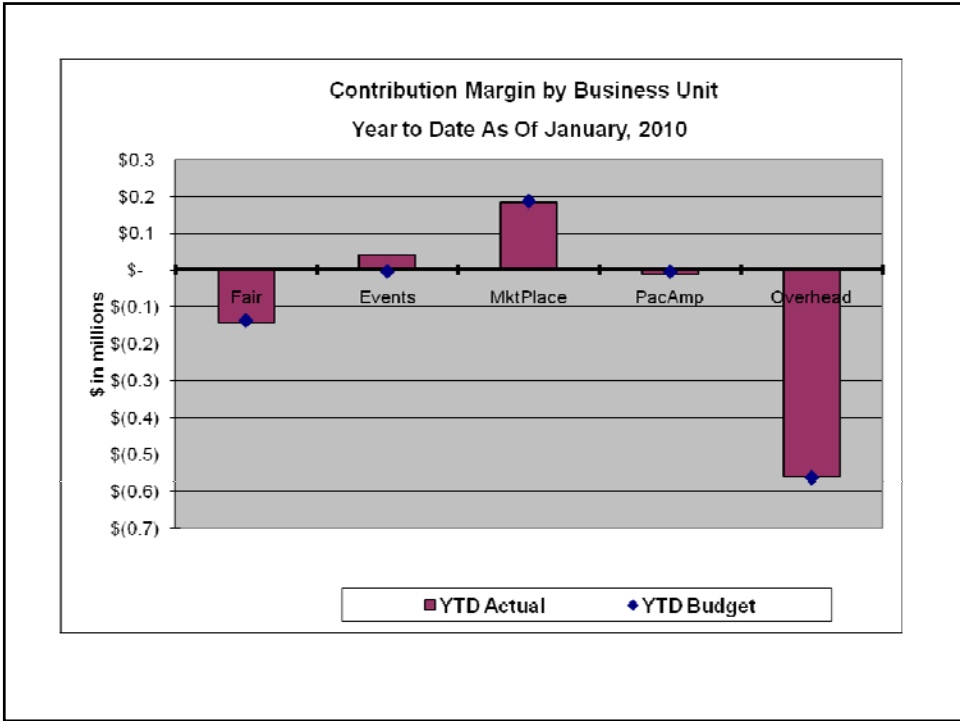
Year-to-date expenses exceed revenues by (\$683,185), which is favorable to the budgeted deficit to date of (\$718,095). Due to the seasonality of OC FEC's operations, it is typical to be in an operating deficit through the first half of the year.

Revenues of \$381,000 are unfavorable to budget by \$1,000. Market Place revenue is below budget by \$4,000.

Expenses of \$1.1 million are favorable to budget by \$36,000. Expenses in most major categories are below or close to budget at this time. Facility and Related expense currently exceeds budget by \$33,000 due primarily to trash/waste removal expenses exceeding budget by \$22,000.

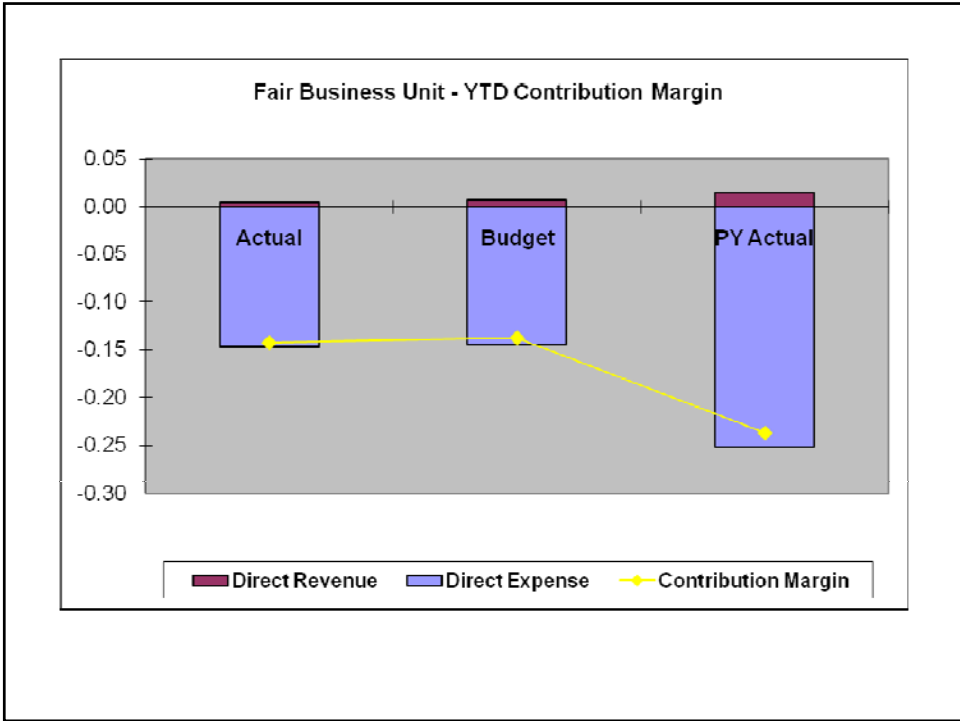
**Year to Date
Business Unit Financial Results**

As Of January 31, 2010



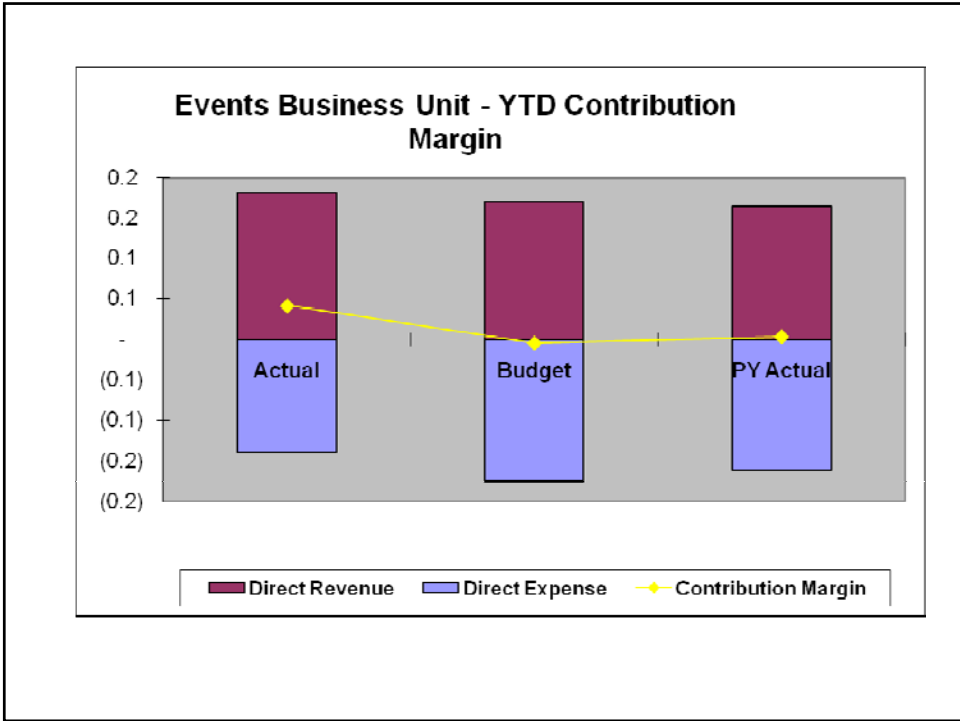
OC Fair & Event Center
Cash Flow Summary by Business Unit
Year to Date As Of January, 2010

	2010 Year to Date Actual	2010 Year to Date Budget	2009 Year to Date Actual	2010 Full Year Budget
Contribution Margins:				
Fair Business Unit	\$ (0.1)	\$ (0.1)	\$ (0.2)	\$ 5.8
Events Business Unit	0.0	(0.0)	0.0	1.9
MarketPlace Business Unit	0.2	0.2	0.3	2.0
Pacific Amphitheatre Business Unit	(0.0)	(0.0)	(0.0)	0.5
Total Business Unit Contribution Margin	0.1	0.0	0.0	10.2
Net Overhead Expense (Cash)	(0.6)	(0.6)	(0.3)	(7.8)
Net Cash Provided (Used) Subtotal	(0.5)	(0.5)	(0.3)	2.4
Capital Expenditures	1.0		(1.5)	(1.0)
Balance Sheet Changes	(0.0)		0.2	0.0
Net Increase (Decrease) in Cash	\$ 0.5	\$ (0.5)	\$ (1.5)	\$ 1.4



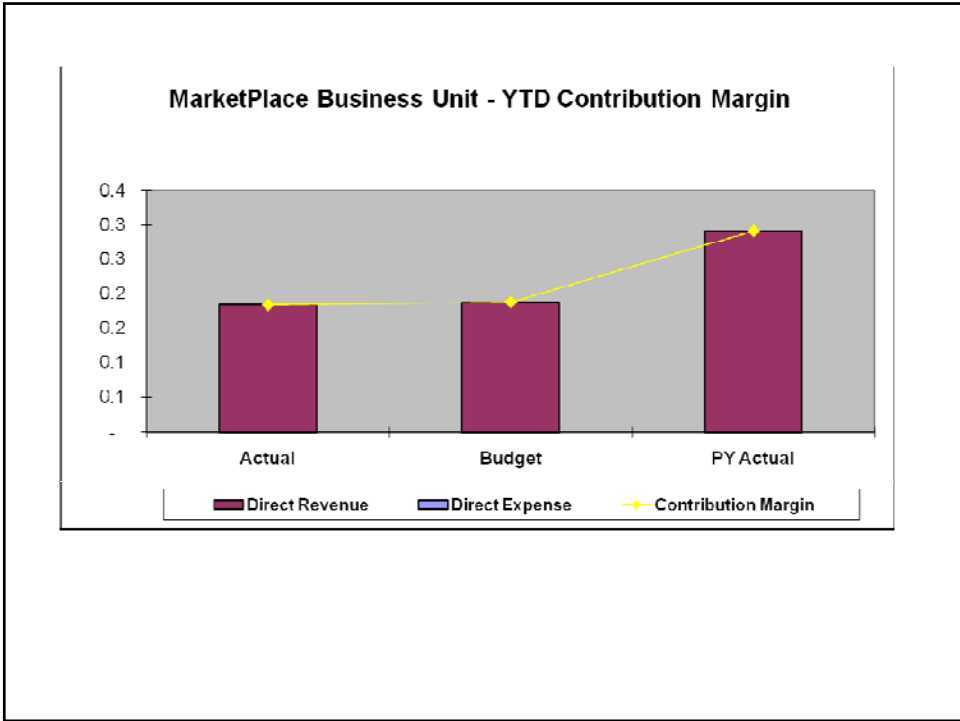
**Fair Business Unit
Contribution Margin Statement
Year To Date As Of January, 2010**

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



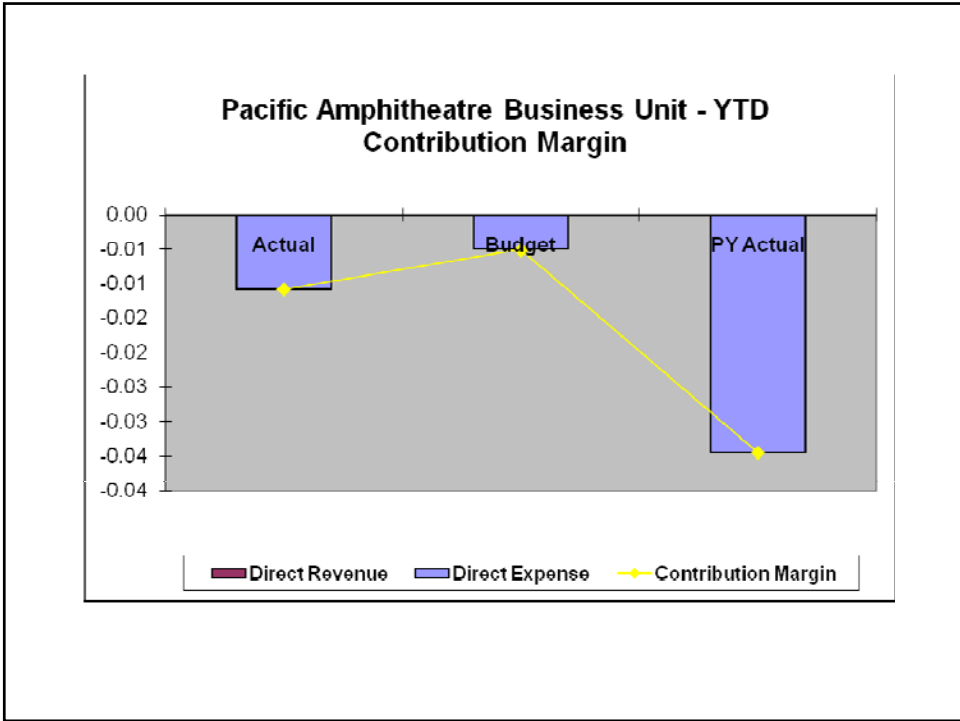
Events Business Unit Contribution Margin Statement Year To Date As of January, 2010

	2010 Year to Date Actual	2010 Year to Date Budget	2009 Year to Date Actual	2010 Full Year Budget
Rental of Facilities	\$ 0.1	\$ 0.1	\$ 0.1	\$ 1.2
Personnel Services	0.0	0.0	0.0	0.8
Concessions	0.0	0.0	0.0	0.6
Equipment Rentals	0.0	0.0	0.0	0.4
Admissions/Parking	0.0	0.0	0.0	1.2
Other Revenue	0.0	0.0	0.0	0.1
Total Direct Revenue	0.2	0.2	0.2	4.2
Payroll/Related	0.1	0.1	0.1	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
Other Expense	0.0	0.0	0.0	0.0
Total Direct Expense	0.1	0.2	0.2	2.3
Contribution to Overhead and CapEx	\$ 0.0	\$ (0.0)	\$ 0.0	\$ 1.9



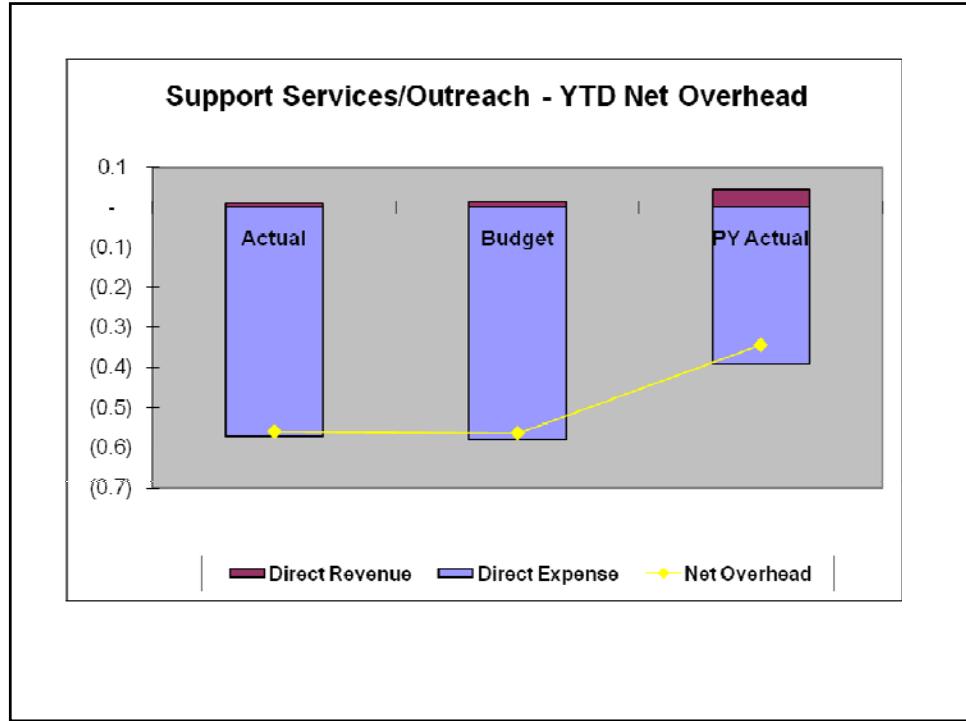
MarketPlace Business Unit Contribution Margin Statement Year to Date As Of January, 2010

	2010 Year to Date Actual	2010 Year to Date Budget	2009 Year to Date Actual	2010 Full Year Budget
Rental of Facilities	\$ 0.2	\$ 0.2	\$ 0.3	\$ 2.0
Other Revenue	-	-	-	-
Total Direct Revenue	0.2	0.2	0.3	2.0
Marketing/Related	-	-	-	-
Other Expense	-	-	-	0.0
Total Direct Expense	-	-	-	0.0
Contribution to Overhead and CapEx	\$ 0.2	\$ 0.2	\$ 0.3	\$ 2.0



Pacific Amphitheatre Business Unit Contribution Margin Statement Year to Date As Of January, 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	0.0	0.5
Marketing/Related	0.0	-	0.0	0.4
Supplies/Equipment/Rentals	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	0.0	4.5
Contribution to Overhead and CapEx	\$ (0.0)	\$ (0.0)	\$ (0.0)	\$ 0.5



Support Services/Outreach Business Unit				
Net Overhead Summary				
Year to Date As Of January, 2010				
	2010	2010	2009	2010
	Year to Date	Year to Date	Year to Date	Full Year
	Actual	Budget	Actual	Budget
Interest	\$ 0.0	\$ 0.0	\$ 0.0	\$ 0.1
Facility Rentals	0.0	0.0	0.0	0.1
Other Revenue	0.0	0.0	0.0	0.0
Total Revenue	0.0	0.0	0.0	0.2
Payroll/Related	0.4	0.4	0.3	5.1
Facility/Related	0.1	0.1	0.1	1.7
Supplies/Telephone/Postage	0.0	0.0	0.0	0.5
Outside Services	0.0	0.0	0.0	0.6
Insurance	0.0	0.0	0.0	0.2
Other Expense	0.0	0.0	(0.1)	(0.1)
Total Expense	0.6	0.6	0.4	8.1
Net Overhead	\$ (0.6)	\$ (0.6)	\$ (0.3)	\$ (7.8)
Non-Cash Expenses:				
Depreciation Expense	\$ 0.2	\$ 0.2	\$ 0.1	\$ 3.2
Total Non-Cash Expense	\$ 0.2	\$ 0.2	\$ 0.1	\$ 3.2

Includes education/outreach program expenditures of \$58,000

32nd D A A - OC Fair & Event Center
Income Statement (Unaudited)
Year To Date as of January, 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
Revenues								
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	4,250	7,000	(2,750)	-39.3%	14,300	(10,050)	-70.3%	3,321,261
Total Summer Fair Revenue	4,250	7,000	(2,750)	-39.3%	14,285	(10,035)	-70.2%	21,282,931
Rental of Facilities	253,120	258,045	(4,925)	-1.9%	373,788	(120,668)	-32.3%	3,255,946
Other Event Revenues	109,814	100,525	9,289	9.2%	82,754	27,060	32.7%	3,115,640
Equestrian Center Revenue	6,270	8,337	(2,067)	-24.8%	10,107	(3,837)	-38.0%	100,000
Horse Show Revenues	-	-	-	N/A	-	-	N/A	-
Other Operating Revenues	3,899	2,074	1,825	88.0%	1,808	2,091	115.6%	104,307
Total Year-Round Revenue	373,102	368,981	4,121	1.1%	468,456	(95,354)	-20.4%	6,575,893
Interest Earnings	3,364	6,000	(2,636)	-43.9%	34,427	(31,064)	-90.2%	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	-	-	N/A	-
Total Non-Operating Revenue	3,364	6,000	(2,636)	-43.9%	34,427	(31,064)	-90.2%	80,000
Total Revenue	\$ 380,716	\$ 381,981	\$ (1,265)	-0.3%	\$ 517,169	\$ (136,453)	-26.4%	\$ 27,938,824

32nd D A A - OC Fair & Event Center
Income Statement (Unaudited)
Year To Date as of January, 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
Expenses								
Payroll and Related	\$ 599,872	\$ 665,529	\$ 65,657	9.9%	\$ 607,822	\$ 7,950	1.3%	\$ 10,820,116
Professional Services	36,551	51,221	14,670	28.6%	171,038	134,488	78.6%	2,980,362
Directors Expense	885	1,000	115	11.5%	-	(885)	N/A	12,000
Insurance Expense	39,887	38,855	(1,032)	-2.7%	40,510	623	1.5%	239,000
Telephone & Postage	5,876	9,031	3,155	34.9%	9,506	3,630	38.2%	138,694
Supplies and Equipment	45,849	48,126	2,277	4.7%	29,118	(16,731)	-57.5%	2,463,608
Facility and Related	117,657	85,086	(32,571)	-38.3%	70,102	(47,555)	-67.8%	2,678,572
Publicity & Related	195	1,040	845	81.3%	183	(12)	-6.4%	1,940,315
Fair Attractions	-	-	-	N/A	-	-	N/A	3,761,253
Other Fair Expense	0	-	(0)	N/A	-	(0)	N/A	172,845
Premium Expense	-	-	-	N/A	-	-	N/A	129,800
Other Operating Expense	7,633	4,918	(2,715)	-55.2%	10,452	2,819	27.0%	234,320
Total Operating Expense	854,404	904,806	50,402	5.6%	938,731	84,326	9.0%	25,570,884
Depreciation Expense	195,270	195,270	(0)	0.0%	147,855	(47,416)	-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	14,226	-	(14,226)	N/A	(100,664)	(114,890)	114.1%	-
Total Non-Operating Expense	209,497	195,270	(14,227)	-7.3%	47,191	(162,306)	-343.9%	3,232,000
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	-
Total Capital Expense	-	-	-	N/A	-	-	N/A	-
Total Expense	1,063,901	1,100,076	36,175	3.3%	985,922	(77,979)	-7.9%	28,802,884
Net Proceeds	\$ (683,185)	\$ (718,095)	\$ 34,910	-4.9%	\$ (468,753)	\$ (214,432)	45.7%	\$ (864,060)

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

	<u>2010</u>	<u>2009</u>
Assets		
Cash	\$ 909,814	\$ 286,771
Investments	6,607,096	19,963,669
Accounts Receivable	449,283	1,171,256
Reserve for Bad Debt	(102,539)	(115,419)
Prepaid Assets	-	-
Current Assets	<u>7,863,653</u>	<u>21,306,278</u>
Deferred Expenses	20,747	31,518
Capital Projects in Process	18,678,159	7,724,723
Land	133,553	133,553
Buildings and Improvements	19,455,312	20,022,323
Equipment	2,681,199	759,591
Long Term Assets	<u>40,968,970</u>	<u>28,671,708</u>
Total Assets	<u>\$ 48,832,623</u>	<u>\$ 49,977,987</u>
Liabilities		
Accounts Payable	\$ 282,920	\$ 274,352
Deferred Revenue	273,346	1,492,524
Other Payroll Deductions	146,416	145,458
Deposits	34,805	36,364
Other Liabilities	-	-
Short Term Liabilities	<u>737,486</u>	<u>1,948,698</u>
Compensated Absence Liability	895,716	840,591
Long Term Debt	-	-
Long Term Liabilities	<u>895,716</u>	<u>840,591</u>
Total Liabilities	<u>1,633,202</u>	<u>2,789,288</u>
Resources		
Investment in Capital Assets	40,948,223	28,640,191
Net Resources - Designated Use	911,499	18,651,670
Net Resources Available for Operations	5,998,531	343,715
Net Resources - Auction Fund	24,353	21,876
	<u>47,882,606</u>	<u>47,657,451</u>
Net Proceeds from Operations	(683,185)	(468,753)
Total Resources	<u>47,199,421</u>	<u>47,188,698</u>
Total Liabilities and Net Resources	<u>\$ 48,832,623</u>	<u>\$ 49,977,987</u>

32nd District Agricultural Association - OC Fair & Event Center
Statement of Cash Flows
Year-to-Date as of January 31, 2010

	YTD 2010
Cash Flows from Operating Activities:	
Net Proceeds	\$ (683,185)
Non-Cash Expenses:	
Depreciation Expense	195,270
Loss on Disposal of Assets	0
Balance Sheet Activity:	
(Incr) Decr in Accounts Receivable	(131,254)
(Incr) Decr in Other Assets	4,088
Incr (Decr) in Accounts Payable	(16,819)
Incr (Decr) in Other Accrued Liabilities	105,960
Subtotal	(38,025)
Net Cash Provided (Used) by Operating Activities	(525,940)
Cash Flows from Investing Activities:	
(Incr) Decr in Buildings & Improvements	0
(Incr) Decr in Equipment	(0)
(Incr) Decr in Construction in Progress	976,025
Net Cash Provided (Used) by Investing Activities	976,025
Net Increase (Decrease) in Cash	450,085
Cash at Beginning of Period	7,066,824
Cash at End of Period	\$ 7,516,909

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

Description	2010 Budget	2010 Spent	2010 Remaining
Buildings and Improvements			
Span - Bldg 14 & 16	0.00	32.73	(32.73)
Park Plaza Restroom Remodel	0.00	(495.00)	495.00
Administration Building	0.00	8,257.53	(8,257.53)
Livestock Lane restroom	0.00	16,155.41	(16,155.41)
Bird Abatement	15,000.00	0.00	15,000.00
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	14,188.97	5,811.03
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	6,695.00	5,305.00
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	0.00	17,000.00
Grandstand light towers	60,000.00	0.00	60,000.00
Misc. Capital Improv. CCA	0.00	(1,030,461.97)	1,030,461.97
Total Buildings and Improvements	835,000.00	(985,627.33)	1,820,627.33
Equipment			
Misting Stations (3)	15,000.00	1,483.00	13,517.00
Hydration Stations	15,000.00	0.00	15,000.00
Public Address System	25,000.00	5,717.88	19,282.12
Fiber Runs	40,000.00	400.56	39,599.44
Surveillance System	20,000.00	0.00	20,000.00
Exhibit Equipment	50,000.00	0.00	50,000.00
Property Marquees	0.00	2,000.00	(2,000.00)
Total Equipment	165,000.00	9,601.44	155,398.56
Total Capital Expenditures	1,000,000.00	(976,025.89)	1,976,025.89



EVENT CALENDAR

- Feb. 26-28** **Gem Faire**
Friday Noon-7 p.m.
Saturday 10 a.m.-6 p.m.
Sunday 10 a.m.-5 p.m.
Admission: \$5 weekend pass.
- March 11-13** **Sugar Plum Festival's "Arts & Crafts Show"**
Thursday and Friday, 10 a.m.-9 p.m.
Saturday, 9 a.m.-5 p.m.
Admission: Free
- March 17** **Apartment Association of Orange County**
Wednesday, 9 a.m.-4 p.m.
Admission: Free
- March 20-21** **34th Annual Home Remodeling and Decorating Show**
Saturday 10 a.m.-8 p.m.
Sunday 10 a.m.-6 p.m.
Admission: pending
- March 24** **Orange County's Largest Mixer VII®** +Friday and Saturday,
Wednesday 5 p.m.-9 p.m.
Admission: \$20
- March 27-28** **Crossroads of the West Gun Show**
Saturday, 9 a.m.-5 p.m.
Sunday, 9 a.m.-4 p.m.
Admission: \$14. Children 12 and under are free.
- April 9-10** **Youth Expo "Feed Your Brain"**
Friday, 9 a.m.-3 p.m.
Saturday, 10 a.m.-6 p.m..
Admission: Free
- April 10-11** **3rd Annual Marine Aquarium Expo**
Saturday and Sunday 10 a.m.-6 p.m.
Admission: General \$15, Senior (65+) \$10.
Children 12 and under are free.

April 16-18

America's Family Pet Expo

Friday, 10 a.m.-6 p.m.

Saturday, 10 a.m.-7 p.m.

Sunday, 10 a.m.-6 p.m.

Admission: General \$12, Senior (60+) \$10, Child (12-6) \$6.
Children under 6 are free.

March 27-28

Crossroads of the West Gun Show

Saturday, 9 a.m.-5 p.m.

Sunday, 9 a.m.-4 p.m.

Admission: \$14. Children 12 and under are free.

WEEKLY EVENTS:

Orange County Market Place

Hours: Saturday & Sunday, 7 a.m.-4 p.m.

Admission: General \$2. Children under 12 are free. **Parking:** Free.

Farmers Market

Hours: Thursday, 9 a.m.-1 p.m.

Admission and Parking: Free.

Centennial Farm

Hours: Monday - Friday, 1 p.m.-4 p.m.; Saturday & Sunday, 9 a.m.-4 p.m.

Admission: Free. During all-ground events, admission may be required. Check ocfair.com for more information.