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December 23, 2010

Via Facsimile (213) 897-1071 and E-mail

Michael Witmer
Deputy Attorney General
300 South Spring Street
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Re: *Advanced Real Estate Services, et al. v. Superior Court of Orange County
Appellate Court Case No. G044596*

Dear Counsel:

This will confirm my telephone call with you this morning. Steve Beazley, President and CEO of the 32nd District Agricultural Association has noticed a special meeting of the Orange County Fair Board for 4:30 on January 1, 2011. The agenda includes as item 6B the following: "At the Direction of the State Consumer Services Agency, the Board will consider approval of a quit claim deed conveying certain properties from the 32 Ag District to the 32A Ag District."

The property referred to in item 6B is clearly the Orange County Fairgrounds. In addition to the specific provisions of the notice highlighting that the meeting is being held at the request of the State and Consumer Services Agency, we have been told by a number of people that officials from DGS had called, instructing the Orange County Fair Board to meet for the purpose of transferring title to the fairgrounds to the 32A District. Whether the action directing that a meeting be held has been taken by Mr. Diedrich or other officials of DGS or by Fred Aguiar or other officials of State and Consumer Services agency, such action violates the explicit terms of the temporary restraining order extended by the trial court until 4:30 on December 21st, 2010 and the terms of the stay ordered by the Court of Appeal mid-afternoon on December 21st. Both orders prohibit DGS from taking any steps to further the sale of the Orange County Fairgrounds. Directing the Orange County Fair Board to meet to transfer title subjects Mr. Diedrich and Mr. Aguiar to a motion finding them in contempt of court and imposing penalties. Code of Civil Procedures section 1209(a)(5).

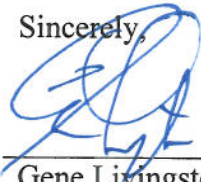
Moreover, any action taken in violation of the court order is subject to being set aside. In particular, having the Orange County Fair Board transfer title to the Orange County Fairgrounds to the 32A District would be invalid. Any transfer of property by a fair board is subject to approval of DGS. If approval has been granted, that would constitute a further

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violation of the court order. If approval has not been granted, it cannot be granted because of the court order, rendering any attempted transfer a nullity. Food & Agriculture Code section 4051.

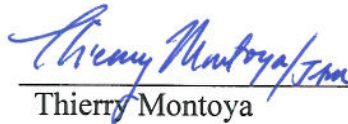
We prefer not to have to seek a finding of contempt against Mr. Diedrich or Mr. Aguiar, however, it is our intent to fully protect the court's order. We will do whatever is necessary to accomplish that purpose. Accordingly, I urge you to have Mr. Diedrich or Mr. Aguiar contact Mr. Beazley at once to inform him that the direction to the Orange County Fair Board has been rescinded and that no meeting should be held to consider transferring title to the Orange County Fairgrounds to the 32A District or any other entity. Please let me know no later than close of business December 27th whether the direction to the Orange County Fair Board has been rescinded or not.

Sincerely,



Gene Livingston

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Cc: Fred Aguiar