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December 23, 2010

Via Facsimile (714) 371-2550 and E-mail

Tom Umberg
Manatt, Phelps & Phillips, LLP
Park Tower
695 Town Center Drive
14th Floor
Costa Mesa, CA 92626

Re: *Advanced Real Estate Services, et al. v. Superior Court of Orange County
Appellate Court Case No. G044596*

Dear Mr. Umberg:

We are writing to you because you are counsel to the 32nd District Agricultural Association. As you know, 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 and 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.

You no doubt are aware that actions pertaining to the sale, transfer, assignment, pledge, or any other disposal of the Orange County Fairgrounds were restrained specifically by an order of the Superior Court and are stayed currently by an order of the Court of Appeal. The Superior Court order was in effect until 4:30, December 21, 2010. The Court of Appeal order was entered mid-afternoon on the 21st and has been in effect since then. Both orders prohibit any step being taken toward the sale of the Orange County Fairgrounds. Clearly, the execution of a quit claim deed to the 32A District is a major step toward the sale of the Fairgrounds. Be advised the Board is admittedly acting at the behest of State and Consumer Services agency, the umbrella agency for the Department of General Services, and in so doing subjects itself to legal action.

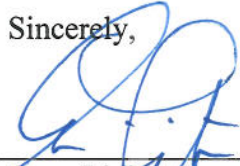
We prefer not to have to pursue additional legal action against the Board, including seeking an order from the court that Mr. Beazley and members of the Fair Board are acting contrary to either the temporary restraining order or the stay order. However, it is our intent to protect fully the order issued by the court, and we will take whatever action is necessary to accomplish that intent.

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To protect our clients' interest and the integrity of the court's order, we are prepared to apply to the court to prevent the Board from acting on item 6B on January 1, 2011. Accordingly, we urge you to let us know no later than the close of business Monday, December 27th whether the Board is cancelling its specially noticed meeting or is proceeding with the meeting to consider item 6B.

Sincerely,



Gene Livingston

Attorney for Petitioners
Advanced Real Estate
Services, Inc., American
Fairs & Festivals, Inc., Tel
Phil Enterprises, Inc. and
Jeffrey Teller



Thierry Montoya

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