

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **2002-04-01** | Period of Report: **2001-12-31**

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### FILER

#### **CEDAR FAIR L P**

CIK: **811532** | IRS No.: **341560655** | State of Incorporation: **DE** | Fiscal Year End: **1231**

Type: **10-K** | Act: **34** | File No.: **001-09444** | Film No.: **02596274**

SIC: **7990** Miscellaneous amusement & recreation

Business Address

*P O BOX 5006*

*SANDUSKY OH 44871*

*4196260830*

**FORM 10 - K**

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE**

**SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended **December 31, 2001**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE**

**SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 1-9444

**CEDAR FAIR, L.P.**

(Exact name of Registrant as specified in its charter)

**DELAWARE**

**34-1560655**

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification No.)

**One Cedar Point Drive, Sandusky, Ohio 44870-5259**

(Address of principal executive offices) (zip code)

Registrant's telephone number, including area code **(419) 626-0830**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on which registered

(Representing Limited Partner Interests)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of Registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ X ]

The aggregate market value of Depository Units held by non-affiliates of the Registrant based on the closing price of such units on January 31, 2002 of \$24.29 per unit was approximately \$1,165,000,000.

Number of Depository Units representing limited partner interests outstanding as of January 31, 2002: 50,513,599.

\*\*\*\*\*

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**CEDAR FAIR, L.P.**

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## **PART I**

### **ITEM 1.**

#### **BUSINESS.**

Cedar Fair, L.P. and its affiliated companies (the "Partnership") is a publicly traded Delaware limited partnership managed by Cedar Fair Management Company, an Ohio corporation owned by members of the Partnership's executive management (the "General Partner").

The Partnership owns and operates six amusement parks: Cedar Point, located on Lake Erie between Cleveland and Toledo in Sandusky, Ohio; Knott's Berry Farm, located near Los Angeles in Buena Park, California; Dorney Park & Wildwater Kingdom ("Dorney Park"), located near

Allentown in South Whitehall Township, Pennsylvania; Valleyfair, located near Minneapolis/St. Paul in Shakopee, Minnesota; Worlds of Fun in Kansas City, Missouri; and Michigan's Adventure near Muskegon, Michigan. The parks are family-oriented, with recreational facilities for people of all ages, and provide clean and attractive environments with exciting rides and entertainment. The Partnership also owns and operates separate-gated water parks near San Diego and in Palm Springs, California, and adjacent to Cedar Point, Knott's Berry Farm and Worlds of Fun. All principal rides and attractions at the parks are owned and operated by the Partnership and its affiliated companies. The Partnership also operates Camp Snoopy, a 7-acre indoor amusement park at the Mall of America in Bloomington, Minnesota, under a management contract that expires in 2012.

The Partnership's five seasonal parks are generally open daily from 9:00 a.m. to 7:00-12:00 p.m. from early May until Labor Day, after which they are open during weekends in September and, in some cases, October. As a result, virtually all of the operating revenues of these parks are derived during an approximate 130-day operating season. Knott's Berry Farm is open daily from 9:00-10:00 a.m. to 6:00-12:00 p.m. on a year-round basis. Each park charges a basic daily admission price, which allows unlimited use of most rides and attractions with the exception of RipCord, go-kart tracks, miniature golf and rock climbing attractions at several of the parks.

The demographic groups that are most important to the parks are young people ages 12 through 24 and families. Families are believed to be attracted by a combination of rides and live entertainment and the clean, wholesome atmosphere. Young people are believed to be attracted by the action-packed rides. During their operating seasons, the parks conduct active television, radio, and newspaper advertising campaigns in their major market areas.

## CEDAR POINT

Cedar Point, which was first developed as a recreational area in 1870, is located on a peninsula in Sandusky, Ohio bordered by Lake Erie and Sandusky Bay, approximately 60 miles west of Cleveland and 100 miles southeast of Detroit. Cedar Point is believed to be the largest seasonal amusement park in the United States, measured by the number of rides and attractions and the hourly ride capacity, and has been named the Best Amusement Park in the World for four consecutive years by *Amusement Today's* international survey. It serves a six-state region in the Midwestern United States, which includes nearly all of Ohio and Michigan, western Pennsylvania and New York, northern West Virginia and Indiana, and southwestern Ontario, Canada. The park's total market area includes approximately 26 million people, and the major areas of dominant influence in this market area, which are Cleveland, Detroit, Toledo, Akron, Columbus, Flint, Saginaw and Youngstown, include approximately 15 million people.

The main amusement areas of Cedar Point consist of over two miles of midways, with more than 65 rides and attractions, including "Wicked Twister," the world's tallest and fastest "double-impulse" roller coaster, which is scheduled to open in 2002; "Millennium Force," a 310-foot-tall, world-record-breaking roller coaster; "Magnum XL-200," "Raptor," "Mantis" and "Mean Streak," which are among the world's tallest steel, inverted, stand-up and wooden roller coasters, respectively; nine additional roller coasters; "Power Tower," a 300-foot-tall thrill ride; four theaters featuring live entertainment shows performed by talented college students; "Snake River Falls," one of the world's tallest water flume rides; "Camp Snoopy," a family play-land themed around the popular "PEANUTS" comic strip characters; and "Snoopy Rocks! On Ice," a family-oriented ice show featuring Snoopy and the other "PEANUTS" characters, which is scheduled to open in June of 2002. In addition, there are more than 50 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas.

Located adjacent to the park is "Soak City" water park, an extra-charge attraction that features more than 20 water rides and attractions, including "Zoom Flume," a large water slide raft ride, twelve additional water slides, two river rafting rides, two children's activity areas, and a giant wave pool, as well as food and merchandise shops. "Challenge Park," an extra-charge attraction area that includes "RipCord," a free-fall ride from a height of more than 15 stories, a 36-hole themed miniature golf course and two go-kart tracks, is also located adjacent to the park.

Cedar Point also owns and operates four hotel facilities. The park's largest hotel, the historic Hotel Breakers, has more than 600 guest rooms, including 230 in the 10-story Breakers Tower. Hotel Breakers has various dining and lounge facilities, a private beach, lake swimming, a conference/meeting center and two outdoor pools. Breakers Tower has 18 tower suites with spectacular views, an indoor pool, and a TGI Friday's restaurant. Located near the Causeway entrance to the park is Breakers Express, a 350-room, limited-service seasonal hotel. In addition to the Hotel Breakers and Breakers Express, Cedar Point offers the lakefront Sandcastle Suites Hotel, which features 187 suites, a private beach, lake swimming, a courtyard pool, tennis courts and the Breakwater Cafe, a contemporary waterfront restaurant. The park's only year-round hotel is the Radisson Harbour Inn, a 237-room full-service hotel with a pool and meeting/banquet facilities, located at the Causeway entrance to the park, with an adjoining TGI Friday's restaurant.

Cedar Point also owns and operates the Cedar Point Marina and Camper Village. Cedar Point Marina is one of the largest full-service marinas on the Great Lakes and provides dockage facilities for over 650 boats, including floating docks and full guest amenities. Camper Village includes campsites for approximately 225 recreational vehicles and Lighthouse Point, an upscale camping area designed in a nautical New England style, which features 50 lakefront cottages, 10 cabins and 59 full-service recreation vehicle campsites.

The Partnership, through a wholly owned subsidiary, owns and operates the Cedar Point Causeway across Sandusky Bay. This Causeway is a major access route to Cedar Point. The Partnership also owns dormitory facilities located near the park that house up to 3,100 of the park's approximately 4,000 seasonal employees.

## **KNOTT'S BERRY FARM**

Knott's Berry Farm, located near Los Angeles in Buena Park, California, first opened in 1920 and was acquired by the Partnership late in 1997. The park is one of several year-round theme parks in Southern California and serves a total market area of approximately 20 million people centered in Orange County, and a large national and international tourism population.

Knott's Berry Farm is comprised of six distinctively themed areas, including "Ghost Town," "Wild Water Wilderness," "The Boardwalk," "Indian Trails," "Fiesta Village" and "Camp Snoopy." The park offers more than 40 rides and attractions, including "Xcelerator," a new world-class roller coaster scheduled to open in 2002; "Supreme Scream," a 300-foot-tall thrill ride; "Ghost Rider," one of the tallest, longest and fastest wooden roller coasters in the West; four additional roller coasters; "Bigfoot Rapids," a white water raft ride; "Timber Mountain Log Ride," one of the first log flume rides in the United States; a nostalgic train ride; an antique Dentzel carousel; an old-fashioned ferris wheel; a 2,100-seat theatre; a children's activity area themed with the popular "PEANUTS" comic strip characters; live entertainment shows in 22 indoor and outdoor theatre venues; and "Independence Hall," an authentic replica of the Philadelphia original, complete with a 2,075 pound Liberty Bell. In addition, there are more than 30 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas in the park, as well as Knott's California Marketplace, a dining and shopping area that is located just outside the park's gates and is available free of charge.

The park is also renowned for its seasonal events, including a special Christmas promotion, "Knott's Merry Farm," and a Halloween event called "Knott's Scary Farm," which celebrated its 29<sup>th</sup> year in 2001 and is widely acknowledged as one of the best in the industry.

Adjacent to the park is "Knott's Soak City-Orange County," an extra-charge seasonal water park that features 21 separate water rides and attractions, including 16 high-speed water slides, a wave pool, a lazy river, a children's activity area, food and merchandise shops, and a second story sundeck available for public dining and catered events. Just south of San Diego in Chula Vista, California is another Cedar Fair water park, "Knott's Soak City -San Diego," which offers its guests more than 20 water rides and attractions, including 16 water slides, a wave pool and a children's activity area, as well as food and merchandise shops. In May of 2001, the Partnership acquired Oasis Water Park located in Palm Springs, California, which is being renamed "Knott's Soak City-Palm Springs" for the 2002 season. This 16-acre seasonal water park offers more than 20 separate water rides and attractions, including 13 water slides, a giant wave pool, a lazy river inner tube ride and a children's activity area, as well as various food and merchandise shops.

Knott's Berry Farm also owns and operates the Radisson Resort Hotel, a 320-room, full-service hotel with a pool, tennis courts and meeting/banquet facilities, located adjacent to the park.

## **DORNEY PARK & WILDWATER KINGDOM**

Dorney Park, located near Allentown in South Whitehall Township, Pennsylvania, was first developed as a summer resort area in 1884, and was acquired by the Partnership in 1992. Dorney Park is one of the largest amusement parks in the Northeast and serves a total market area of approximately 35 million people. The park's major markets include Philadelphia, New Jersey, New York City, Lancaster, Harrisburg, York, Scranton, Wilkes-Barre, Hazleton and the Lehigh Valley.

Dorney Park features more than 50 rides and attractions, including "Talon," one of the tallest and fastest inverted roller coasters in the world; "Dominator," a 200-foot-tall thrill ride; "Steel Force," one of the tallest and fastest roller coasters in the world; five additional roller coasters; "White Water Landing," one of the world's tallest water flume rides featuring a guest splash basin; "Thunder Canyon," a white-water rafting ride; "Camp Snoopy," a family play-land themed around the popular "PEANUTS" comic strip characters; live musical shows featuring talented college students; an antique Dentzel carousel carved in 1921; and an extra-charge attraction called "SkyScraper," which stands 85 feet tall and spins passengers seated at opposite ends of a long vertical arm at speeds of more than 50 mph. Included in the price of admission is "Wildwater Kingdom," one of the largest water parks in the United States, which features twelve water slides, including the "Pepsi Aquablast," one of the longest elevated water slides in the world, a giant wave pool and two children's activity areas. In addition, there are more than 30 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas.

## **VALLEYFAIR**

Valleyfair, which opened in 1976 and was acquired by the Partnership's predecessor in 1978, is located near Minneapolis-St. Paul in Shakopee, Minnesota, and is the largest amusement park in Minnesota. Valleyfair's market area is centered in Minneapolis-St. Paul, which has a population of approximately two million, but the park also draws visitors from other areas in Minnesota and surrounding states with a combined population of eight million.

Valleyfair offers more than 35 rides and attractions, including "Power Tower," a 275-foot-tall thrill ride; "Wild Thing," one of the tallest and fastest roller coasters in the world; five additional roller coasters; a water park named "Whitewater Country," which includes "Hurricane Falls,"

a large water slide raft ride, and "Splash Station," a children's water park; "Berenstain Bear Country," which is an indoor/outdoor children's activity area; a 430-seat indoor theatre for live show presentations; and "Challenge Park," an extra-charge attraction area which includes "RipCord," a free-fall ride from a height of more than 15 stories, a Can-Am-style go-kart track and a 36-hole themed miniature golf course. In addition, there are more than 20 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas. Admission to "Whitewater Country" water park is included in admission to the amusement park.

## **WORLDS OF FUN**

Worlds of Fun, which opened in 1973, and Oceans of Fun, the adjacent water park that opened in 1982, were acquired by the Partnership in 1995. Located in Kansas City, Missouri, Worlds of Fun serves a total market area of approximately seven million people centered in Kansas City, but also including most of Missouri, as well as portions of Kansas and Nebraska.

Worlds of Fun is a traditional amusement park themed around Jules Verne's adventure book *Around the World in Eighty Days*. The park offers more than 50 rides and attractions, including "Boomerang," a 12-story-tall steel roller coaster; "Mamba," one of the tallest and fastest roller coasters in the world; "Timber Wolf," a world-class wooden roller coaster; two additional roller coasters; "Detonator," a 185-foot-tall thrill ride, which launches riders straight up its twin-tower structure; "Camp Snoopy," a family play-land featuring the popular "PEANUTS" comic strip characters; "RipCord," an extra-charge attraction which lifts riders to a height of more than 15 stories before dropping them back to earth in a free fall; "Monsoon," a water flume ride; "Fury of the Nile," a white-water rafting ride; a 4,000-seat outdoor amphitheater; and live musical shows. In addition, the park offers more than 25 restaurants, fast food outlets and refreshment stands, and a number of gift shops, novelty shops and game areas.

Oceans of Fun, which requires a separate admission fee, is located adjacent to Worlds of Fun and features a wide variety of water attractions including "Hurricane Falls," a large water slide raft ride; "The Typhoon," one of the world's longest dual water slides; a giant wave pool; and several children's activity areas, including "Crocodile Isle," as well as food and merchandise shops.

## **MICHIGAN'S ADVENTURE**

Michigan's Adventure, which was acquired by the Partnership in late May of 2001, is the largest amusement park in Michigan. Located near Muskegon, Michigan, the park serves a total market area of approximately five million people, principally from central and western Michigan and eastern Indiana.

Michigan's Adventure offers guests more than 40 rides and attractions, including "Shivering Timbers," one of the world's highest rated wooden roller coasters; the "Wolverine Wildcat" wooden coaster; four additional roller coasters; the "Giant Gondola Wheel," an eight-story-tall Ferris wheel; "Adventure Falls" water ride; "RipCord," an extra-charge attraction that lifts riders to a height of more than 15 stories before dropping them back to earth in a free fall, which is scheduled to open in 2002; and "Wild Water Adventure," a water park featuring more than 20 water rides and attractions, including two wave action pools, a surf pool, a 612-foot-long water slide adventure, the "Mineshaft" inner tube ride and a lazy river. Admission to "Wild Water Adventure" water park is included in admission to the amusement park.

## **WORKING CAPITAL AND CAPITAL EXPENDITURES**

The Partnership carries significant receivables and inventories of food and merchandise during the operating season. Seasonal working capital needs are met with a revolving credit facility.

The Partnership believes that annual park attendance is influenced to some extent by the investment in new attractions from year to year. Capital expenditures are planned on a seasonal basis with the majority of such capital expenditures made in the period from October through May, just prior to the beginning of the peak operating season. Capital expenditures made in a calendar year may differ materially from amounts identified with a particular operating season because of timing considerations such as weather conditions, site preparation requirements and availability of ride components, which may result in accelerated or delayed expenditures around calendar yearend.

## **COMPETITION**

In general, the Partnership competes with all phases of the recreation industry within its primary market areas of Cleveland, Detroit, Los Angeles, San Diego, Philadelphia, New Jersey, Minneapolis-St. Paul, and Kansas City, including several other amusement/theme parks in the Partnership's market areas. The Partnership's business is subject to factors generally affecting the recreation and leisure market, such as economic conditions, changes in discretionary spending patterns and weather conditions.

In Cedar Point's major markets, its primary amusement park competitors are Six Flags Worlds of Adventure near Cleveland and Paramount Kings Island in southern Ohio.



In Southern California, Knott's Berry Farm's primary amusement/theme park competitors are Disneyland and Disney's California Adventure, which are approximately 10 minutes away, Universal Studios, approximately 40 minutes away, and Six Flags Magic Mountain, approximately 75 minutes away. The San Diego Zoo and Sea World-San Diego are located approximately 90 minutes from Knott's. LEGOLAND, a children's park, is located approximately 70 minutes away in Carlsbad, California.

Dorney Park faces significant competition, with Hershey Park in central Pennsylvania and Six Flags Great Adventure in New Jersey being the major competitors in its market area.

In Worlds of Fun's major markets, its primary amusement park competitors are Six Flags Over Mid-America in eastern Missouri and Silver Dollar City in southern Missouri.

Adventureland, a theme park in Des Moines, Iowa, is located approximately 250 miles from Valleyfair and Worlds of Fun.

Michigan's Adventure competes in northern Indiana with Six Flags Great America, which is located approximately 250 miles away in Gurnee, Illinois, and with Cedar Point.

The principal competitive factors in the amusement park industry include the uniqueness and perceived quality of the rides and attractions in a particular park, its proximity to metropolitan areas, the atmosphere and cleanliness of the park, and the quality and variety of the food and entertainment available. The Partnership believes that its amusement parks feature a sufficient quality and variety of rides and attractions, restaurants, gift shops and family atmosphere to make them highly competitive with other parks.

## **GOVERNMENT REGULATION**

All rides are run and inspected daily by both the Partnership's maintenance and ride operations personnel before being put into operation. The parks are also periodically inspected by the Partnership's insurance carrier and, at Cedar Point, Knott's Berry Farm, Dorney Park, Worlds of Fun and Michigan's Adventure, by state ride-safety inspectors.

## **EMPLOYEES**

The Partnership has approximately 1,400 full-time employees. During the operating season, Cedar Point, Dorney Park, Valleyfair, Worlds of Fun and Michigan's Adventure have approximately 4,000, 1,500, 1,800, 2,000 and 900 seasonal employees, respectively, most of whom are high school and college students. Knott's Berry Farm hires approximately 3,000 seasonal employees for peak periods and 1,200 part-time employees who work year-round. Approximately 3,100 of Cedar Point's seasonal employees and 500 of Valleyfair's seasonal employees live in dormitories owned by the Partnership. The Partnership maintains training programs for all new employees and believes that its relations with its employees are good.

## **ITEM 2.**

### **PROPERTIES.**

Cedar Point is located on approximately 365 acres owned by the Partnership on the Cedar Point peninsula in Sandusky, Ohio. The Partnership also owns approximately 80 acres of property on the mainland adjoining the approach to the Cedar Point Causeway. The Breakers Express hotel, the Radisson Harbour Inn and adjoining TGI Friday's restaurant and two seasonal-employee housing complexes are located on this property.

The Partnership controls, through ownership or an easement, a six-mile public highway and owns approximately 38 acres of vacant land adjacent to this highway, which is a secondary access route to Cedar Point and serves about 250 private residences. The roadway is maintained by the Partnership pursuant to deed provisions. The Cedar Point Causeway, a four-lane roadway across Sandusky Bay, is the principal access road to Cedar Point and is owned by a subsidiary of the Partnership.

Knott's Berry Farm is situated on approximately 160 acres, virtually all of which have been developed. Knott's Soak City-San Diego is located on 65 acres, of which 33 acres have been developed and 32 acres remain available for future expansion. Knott's Soak City-Palm Springs is located on 21 acres, of which 16 acres have been developed and 5 acres remain available for future expansion.

Dorney Park is situated on approximately 200 acres, of which 170 acres have been developed and 30 acres remain available for future expansion.

At Valleyfair, approximately 125 acres have been developed, and approximately 75 additional acres remain available for future expansion.

Worlds of Fun is located on approximately 350 acres, of which 235 acres have been developed and 115 acres remain available for future expansion.

Michigan's Adventure is situated on approximately 250 acres, of which 100 acres have been developed and 150 acres remain available for future expansion.

The Partnership, through its subsidiary Cedar Point of Michigan, Inc., owns approximately 450 acres of land in southern Michigan.

All of the Partnership's property is owned in fee simple without encumbrance. The Partnership considers its properties to be well maintained, in good condition and adequate for its present uses and business requirements.

### **ITEM 3.**

#### **LEGAL PROCEEDINGS.**

The Partnership is involved in various claims and routine litigation incidental to its business. The Partnership believes that these claims and proceedings are unlikely to have a material adverse effect on the Partnership's financial statements.

### **ITEM 4.**

#### **SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.**

None.

## **PART II**

### **ITEM 5. MARKET FOR REGISTRANT'S DEPOSITARY UNITS AND RELATED**

#### **UNITHOLDER MATTERS.**

Cedar Fair, L.P. Depositary Units representing limited partner interests are listed for trading on The New York Stock Exchange under the symbol "FUN" (CUSIP 150185 10 6). As of January 31, 2002, there were approximately 10,000 registered holders of Cedar Fair, L.P. Depositary Units, representing limited partner interests, including 4,000 participants in the Partnership's distribution reinvestment plan. The cash distributions declared and the high and low prices of the Partnership's units are shown in the table below:

| 2001        | Distribution | High    | Low     |
|-------------|--------------|---------|---------|
| 4th Quarter | \$.410       | \$25.00 | \$18.69 |
| 3rd Quarter | .410         | 22.99   | 17.80   |

|             |              |         |         |
|-------------|--------------|---------|---------|
| 2nd Quarter | .390         | 23.50   | 19.70   |
| 1st Quarter | .390         | 22.25   | 17.95   |
| 2000        | Distribution | High    | Low     |
| 4th Quarter | \$.390       | \$19.50 | \$17.63 |
| 3rd Quarter | .390         | 19.63   | 17.44   |
| 2nd Quarter | .375         | 20.69   | 18.38   |
| 1st Quarter | .375         | 20.88   | 17.50   |

## ITEM 6. SELECTED FINANCIAL DATA.

|   | For the years ended December 31, |           |           |           |           |
|---|----------------------------------|-----------|-----------|-----------|-----------|
|   | 2001(1)                          | 2000(2)   | 1999      | 1998      | 1997(3)   |
| (In thousands except per unit and per capita amounts) |                                  |           |           |           |           |
|   |                                  |           |           |           |           |
| <b>Operating Data</b>                                 |                                  |           |           |           |           |
| Net revenues  | \$477,256                        | \$472,920 | \$438,001 | \$419,500 | \$264,137 |
| Operating income                                      | 98,557                           | 115,516   | 116,755   | 112,608   | 76,303    |
| Income before taxes                                   | 74,414                           | 94,159    | 101,384   | 97,948    | 68,458    |
| Net income  | 57,894                           | 77,806    | 85,804    | 83,441    | 68,458    |
| Per limited partner unit (7)                          | 1.13                             | 1.50      | 1.63      | 1.58      | 1.47      |
|   |                                  |           |           |           |           |
| <b>Financial Position</b>                             |                                  |           |           |           |           |

|   |           |           |           |           |           |
|---|-----------|-----------|-----------|-----------|-----------|
| Total assets                            | \$810,231 | \$764,143 | \$708,961 | \$631,325 | \$599,619 |
| Working capital (deficit)               | (69,832)  | (88,646)  | (62,375)  | (56,264)  | (40,472)  |
| Long-term debt                          | 373,000   | 300,000   | 261,200   | 200,350   | 189,750   |
| Partners' equity                        | 308,250   | 330,589   | 349,986   | 341,991   | 285,381   |
|   |           |           |           |           |           |
| <b>Distributions declared</b>           |           |           |           |           |           |
| Per limited partner unit                | \$1.60    | \$1.53    | \$1.425   | \$1.29    | \$1.265   |
|   |           |           |           |           |           |
| <b>Other Data</b>                       |           |           |           |           |           |
| Depreciation and amortization           | \$42,486  | \$39,572  | \$35,082  | \$32,065  | \$21,528  |
| Adjusted EBITDA (8)                     | 152,704   | 162,915   | 151,837   | 144,673   | 97,831    |
| Capital expenditures                    | 47,801    | 93,487    | 80,400    | 68,055    | 44,989    |
| Combined attendance (9)                 | 11,890    | 11,703    | 11,224    | 11,450    | 7,405     |
| Combined guest per capita spending (10) | \$34.41   | \$34.75   | \$33.72   | \$32.38   | \$31.38   |

|   |                                  |         |      |         |         |
|---|----------------------------------|---------|------|---------|---------|
|   | For the years ended December 31, |         |      |         |         |
|   | 1996                             | 1995(4) | 1994 | 1993(5) | 1992(6) |
| (In thousands except per unit and per capita amounts) |                                  |         |      |         |         |
|   |                                  |         |      |         |         |
| <b>Operating Data</b>                                 |                                  |         |      |         |         |

|  |           |           |           |           |           |
|--|-----------|-----------|-----------|-----------|-----------|
| Net revenues                               | \$250,523 | \$218,197 | \$198,358 | \$178,943 | \$152,961 |
| Operating income                           | 81,121    | 73,013    | 68,016    | 57,480    | 49,111    |
| Income before taxes                        | 74,179    | 66,136    | 62,825    | 61,879    | 42,921    |
| Net income                                 | 74,179    | 66,136    | 62,825    | 61,879    | 42,921    |
| Per limited partner unit (7)               | 1.59      | 1.45      | 1.40      | 1.38      | 0.98      |
|  |           |           |           |           |           |
| <b>Financial Position</b>                  |           |           |           |           |           |
| Total assets                               | \$304,104 | \$274,717 | \$223,982 | \$218,359 | \$209,472 |
| Working capital (deficit)                  | (27,511)  | (27,843)  | (25,404)  | (22,365)  | (19,028)  |
| Long-term debt                             | 87,600    | 80,000    | 71,400    | 86,800    | 89,700    |
| Partners' equity                           | 169,994   | 151,476   | 115,054   | 99,967    | 81,333    |
|  |           |           |           |           |           |
| <b>Distributions declared</b>              |           |           |           |           |           |
| Per limited partner unit                   | \$1.20    | \$1.1375  | \$1.0625  | \$0.9625  | \$0.8625  |
|  |           |           |           |           |           |
| <b>Other Data</b>                          |           |           |           |           |           |
| Depreciation and amortization              | \$19,072  | \$16,742  | \$14,960  | \$14,473  | \$12,421  |
| EBITDA (8)                                 | 100,193   | 89,755    | 82,976    | 71,953    | 61,532    |
| Capital expenditures                       | 30,239    | 28,520    | 19,237    | 23,813    | 15,934    |
| Combined attendance (9)                    | 7,445     | 6,783     | 6,148     | 5,761     | 5,049     |
| Combined guest<br>per capita spending (10) | \$30.59   | \$29.07   | \$29.23   | \$27.94   | \$27.21   |

NOTE 1 - The 2001 operating results include non-cash accounting charges for unit options granted to employees in prior years. In addition, operating results for Michigan's Adventure and Oasis Water Park are included for the periods subsequent to their respective acquisition dates in 2001.

NOTE 2 - The 2000 operating results include a non-recurring cost to terminate general partner fees of \$7.8 million, or \$0.15 per unit.

NOTE 3 - Knott's Berry Farm is included in 1997 data only for the three days subsequent to its acquisition on December 29, 1997.

NOTE 4 - Worlds of Fun/Oceans of Fun is included in 1995 data for the period subsequent to its acquisition on July 28, 1995.

NOTE 5 - The 1993 operating results include a non-recurring credit for deferred taxes of \$11.0 million, or \$0.25 per unit.

NOTE 6 - Dorney Park & Wildwater Kingdom is included in 1992 data for the period subsequent to its acquisition on July 21, 1992.

NOTE 7 - Net income per limited partner unit is computed based on the weighted average number of units outstanding and equivalents outstanding - assuming dilution.

NOTE 8 - Adjusted EBITDA represents earnings before interest, taxes, depreciation and amortization, and non-cash and non-recurring costs.

NOTE 9 - Combined attendance includes attendance figures from the six amusement parks and the five separate-gated water parks.

NOTE 10 - Combined guest per capita spending includes all amusement park, water park, causeway tolls and parking revenues for the amusement park and water park operating seasons. Revenues from marina, hotel, campground and other out-of-park operations are excluded from these statistics.

## ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The table below presents certain financial data expressed as a percent of total net revenues and selective statistical information for the periods indicated.

|                             | For the years ended December 31, |       |       |
|-----------------------------|----------------------------------|-------|-------|
|                             | 2001                             | 2000  | 1999  |
|                             |                                  |       |       |
| Net revenues:               |                                  |       |       |
| Admissions                  | 50.2%                            | 49.9% | 49.7% |
| Food, merchandise and games | 40.4%                            | 41.1% | 42.1% |
| Accommodations and other    | 9.4%                             | 9.0%  | 8.2%  |

|  |        |        |        |
|--|--------|--------|--------|
| Total net revenues                                       | 100.0% | 100.0% | 100.0% |
|  |        |        |        |
| Costs and expenses:                                      |        |        |        |
| Operating costs and expenses                             | 68.0%  | 65.6%  | 65.3%  |
| Depreciation and amortization                            | 8.9%   | 8.3%   | 8.0%   |
| Total costs and expenses                                 | 76.9%  | 73.9%  | 73.3%  |
|  |        |        |        |
| Operating income before non-cash and non-recurring costs | 23.1%  | 26.1%  | 26.7%  |
| Non-cash and non-recurring costs                         | 2.4%   | 1.7%   | -      |
| Operating income   | 20.7%  | 24.4%  | 26.7%  |
|  |        |        |        |
| Interest expense   | 5.1%   | 4.5%   | 3.5%   |
| Provision for taxes                                      | 3.5%   | 3.5%   | 3.6%   |
| Net income   | 12.1%  | 16.4%  | 19.6%  |
|  |        |        |        |
| Selective Statistical Information:                       |        |        |        |

|  |          |          |          |
|--|----------|----------|----------|
| Amusement park attendance (in thousands) | 10,588   | 10,553   | 10,600   |
| Amusement park per capita spending       | \$ 36.28 | \$ 36.45 | \$ 34.58 |
| Water park attendance (in thousands)     | 1,302    | 1,150    | 624      |
| Water park per capita spending           | \$ 19.13 | \$ 19.22 | \$ 19.24 |

### Business Overview

The Partnership generates its revenues primarily from sales of (1) admission to its parks, (2) food, merchandise and games inside its parks, and (3) hotel rooms, food and other attractions outside its parks. The Partnership's principle costs and expenses, which include salaries and wages, advertising, maintenance, operating supplies, utilities and insurance, are relatively fixed and do not vary significantly with attendance. The fixed nature of these costs makes attendance a key factor in the profitability of each park. Results of operations for 2001 include the results of Oasis Water Park and Michigan's Adventure since their acquisition in late May of 2001.

### Results of Operations

Net revenues for the year ended December 31, 2001 were \$477.3 million, a 1% increase over the year ended December 31, 2000. This followed an 8% increase in 2000, when revenues rose to \$472.9 million from \$438.0 million in 1999. Net revenues for 2001 reflect a 2% increase in combined attendance across the eleven properties (to 11.9 million from 11.7 million in 2000) and a 4% increase in out-of-park revenues, offset somewhat by a 1% decrease in combined in-park guest per capita spending. In-park spending was relatively flat in 2001, due to more aggressive promotions offered during the year at several of the parks, as well as the mix of attendance among the parks. On a same park basis, net revenues decreased 2% between years, on a 4% increase in out-of-park revenues, a slight increase in combined in-park guest per capita spending, and a 3% decrease in combined attendance.

In 2001, the contribution of Michigan's Adventure, along with a record year at Dorney Park, offset attendance declines at the Partnership's other four parks resulting from the weak economy and the lack of a major new attraction. Much improved weather, together with the very successful debut of Talon, contributed to Dorney's record performance. Combined attendance at the six amusement parks finished the year at 10.6 million, up slightly from 2000. Meanwhile, combined attendance at the Partnership's five water parks increased 13% to 1.3 million guests, in part due to the contribution of Oasis Water Park.

In 2000, attendance increases at Cedar Point and Valleyfair nearly offset an attendance decline at Dorney Park caused by very poor weather throughout much of the season, and combined attendance at the five amusement parks finished the year at 10.6 million, almost even with 1999. Meanwhile, combined attendance at the Partnership's four water parks nearly doubled to 1.2 million, with the two new California water parks accounting for the increase. Combined guest per capita spending in 2000 increased 3%.

Operating costs and expenses, excluding depreciation, amortization and non-cash or non-recurring charges, increased 5% to \$324.6 million in 2001 from \$310.0 million in 2000 and \$286.2 million in 1999, largely due to the inclusion of



the daily operations of Michigan's Adventure and Oasis Water Park in 2001, and the new Breakers Express Hotel and two new California water parks in 2000. The consolidated EBITDA margin declined to 32.0% from 34.4% in 2000 and 34.7% in 1999, largely due to the acquisition of several lower-margin operations in recent years.

In connection with the termination of the prior general partner fee and executive compensation systems in 2000, 2.3 million variable-price unit options were granted to senior management. These options must be "marked to market" over their vesting period (see Note 5). After depreciation, amortization and an \$11.7 million non-cash accounting charge for these unit options, operating income in 2001 decreased 15% to \$98.6 million, following a 1% decrease in 2000 and a 4% increase in 1999.

Operating results in the current year were significantly impacted by the \$11.7 million non-cash charge, and in 2000 by \$7.8 million of non-recurring costs incurred in eliminating the Partnership's previous general partner fee and executive compensation systems. Excluding these charges, operating income decreased 11% from \$123.3 million to \$110.2 million in 2001, principally the result of decreases in attendance at the Partnership's two largest parks. In 2000, operating income, before non-recurring costs, increased 6% as the result of increases in guest per capita spending at each of the parks and additional revenues generated by two new California water parks and a new hotel at Cedar Point.

Net income for 2001, after the \$11.7 million, or \$.23 per unit, non-cash charge and higher interest expense, decreased to \$57.9 million compared to \$77.8 million in 2000 and \$85.8 million in 1999. In 2001, interest expense rose due to increased borrowings from recent acquisitions and large unit repurchases under the Partnership's unit buy-back program.

For 2002, the Partnership plans to invest approximately \$42 million in capital improvements at its eleven properties, including the addition of a double-impulse roller coaster, called Wicked Twister, and a PEANUTS-themed family ice show at Cedar Point; and the construction of the 205-foot-tall Xcelerator roller coaster at Knott's Berry Farm. The Partnership is optimistic that these investments, as well as other improvements at each of the parks, will generate a high level of public interest and acceptance. However, stable population trends in the parks' market areas and uncontrollable factors, such as weather, the economy, and competition for leisure time and spending, preclude management from anticipating significant long-term increases in attendance at the parks. Historically, Cedar Fair has been able to improve its profitability by continuing to make substantial investments in its parks and resort facilities. This has enabled the Partnership to maintain consistently high attendance levels, as well as steady increases in guest per capita spending and revenues from guest accommodations, while carefully controlling operating and administrative expenses.

### **Impact of September 11, 2001**

In the weeks that followed the terrorist attacks of September 11, attendance at the Partnership's parks was understandably below normal levels, although the effect on full-year results was not significant, with the peak season already concluded at the its seasonal parks and only Knott's Berry Farm open on a daily basis. Security efforts at the parks were immediately increased after September 11 and those measures will continue into the future. Management does not expect the cost of increased security at the parks to be material to the Partnership's overall results. In addition, although the insurance market hardened considerably following September 11, the Partnership was able to renew coverage at adequate levels for 2002, with premium increases kept to a manageable level.

### **Partnership Financial Condition**

The Partnership ended 2001 in sound financial condition in terms of both liquidity and cash flow. The negative working capital ratio of 3.6 at December 31, 2001 is the result of the Partnership's highly seasonal business and careful management of cash flow. Receivables and inventories are at normally low seasonal levels and credit facilities are in place to fund current liabilities and pre-opening expenses as required. The Partnership has no significant off-balance sheet financing arrangements.

In 2001, cash generated from operations totaled \$125.0 million and new term loan borrowings totaled \$50.0 million. The Partnership used \$47.8 million for capital expenditures, \$80.2 million for distributions to the general and limited partners, \$32.3 million to repurchase limited partnership units and \$14.9 million to pay down revolving credit borrowings. Distributions in 2002, at the current annual rate of \$1.64 per unit, would total approximately \$83 million, 3% higher than the distributions paid in 2001.

The Partnership has \$150 million of fixed-rate term debt and commitments for another \$100 million in place (see Note 9), as well as a \$275 million revolving credit facility, which is available through November 2004. Borrowings under the revolving credit facility totaled \$233 million as of December 31, 2001, of which \$125 million has been converted to fixed-rate obligations for a period of 1-4 years by use of interest rate swap agreements. Credit facilities and cash flow from operations are expected to be adequate to meet seasonal working capital needs, planned capital expenditures and regular quarterly cash distributions.

## ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

### Report of Independent Public Accountants

To the Partners of Cedar Fair, L.P.: We have audited the accompanying consolidated balance sheets of Cedar Fair, L.P. (a Delaware limited partnership) and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations, partners' equity and cash flows for each of the three years in the period ended December 31, 2001. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cedar Fair, L.P. and subsidiaries as of December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States.

As explained in Note 4 to the financial statements, effective January 1, 2001, the Partnership changed its method of accounting for derivative financial instruments.

ARTHUR ANDERSEN LLP

Cleveland, Ohio,

January 23, 2002 (except with respect to the matter discussed in Note 9, as to which the date is February 8, 2002).

### **CEDAR FAIR, L.P.**

### **CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands except per unit data)

|                                  |      |      |      |
|----------------------------------|------|------|------|
| For the years ended December 31, | 2001 | 2000 | 1999 |
|----------------------------------|------|------|------|

|                                     |  |            |  |            |            |
|-------------------------------------|--|------------|--|------------|------------|
|                                     |  |            |  |            |            |
| Net Revenues:                       |  |            |  |            |            |
| Admissions                          |  | \$ 239,762 |  | \$ 236,145 | \$ 217,499 |
| Food, merchandise and games         |  | 192,768    |  | 194,245    | 184,190    |
| Accommodations and other            |  | 44,726     |  | 42,530     | 36,312     |
|                                     |  | 477,256    |  | 472,920    | 438,001    |
| Costs and Expenses:                 |  |            |  |            |            |
| Cost of products sold               |  | 52,425     |  | 51,758     | 49,404     |
| Operating expenses                  |  | 211,833    |  | 203,680    | 185,907    |
| Selling, general and administrative |  | 60,294     |  | 54,567     | 50,853     |
| Depreciation and amortization       |  | 42,486     |  | 39,572     | 35,082     |
| Non-cash unit option expense        |  | 11,661     |  | -          | -          |
| Non-recurring cost to terminate     |  |            |  |            |            |
| general partner fees                |  | -          |  | 7,827      | -          |
|                                     |  | 378,699    |  | 357,404    | 321,246    |
| Operating Income                    |  | 98,557     |  | 115,516    | 116,755    |

|   |  |           |  |           |  |           |
|---|--|-----------|--|-----------|--|-----------|
| Interest Expense  |  | 24,143    |  | 21,357    |  | 15,371    |
| Income Before Taxes   |  | 74,414    |  | 94,159    |  | 101,384   |
| Provision for Taxes   |  | 16,520    |  | 16,353    |  | 15,580    |
| Net Income  |  | \$ 57,894 |  | \$ 77,806 |  | \$ 85,804 |
| Net Income Allocated to General Partner   |  | 58        |  | 78        |  | 429       |
| Net Income Allocated to Limited Partners  |  | \$ 57,836 |  | \$ 77,728 |  | \$ 85,375 |
|   |  |           |  |           |  |           |
| Earnings per limited partner unit:  |  |           |  |           |  |           |
| Weighted average limited partner units<br>outstanding - basic                   |  | 50,745    |  | 51,369    |  | 51,928    |
| Net income per limited partner unit -<br>basic                                  |  | \$ 1.14   |  | \$ 1.51   |  | \$ 1.64   |
|   |  |           |  |           |  |           |
| Weighted average limited partner units<br>and equivalents outstanding - diluted |  | 51,113    |  | 51,679    |  | 52,390    |
| Net income per limited partner unit -<br>diluted                                |  | \$ 1.13   |  | \$ 1.50   |  | \$ 1.63   |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**CEDAR FAIR, L.P.**

**CONSOLIDATED BALANCE SHEETS**

(In thousands)

|                                       |  |           |  |          |
|---------------------------------------|--|-----------|--|----------|
| December 31,                          |  | 2001      |  | 2000     |
| <b>ASSETS</b>                         |  |           |  |          |
| Current Assets:                       |  |           |  |          |
| Cash                                  |  | \$ 2,280  |  | \$ 2,392 |
| Receivables                           |  | 4,715     |  | 5,270    |
| Inventories                           |  | 14,116    |  | 13,358   |
| Prepays                               |  | 5,757     |  | 4,358    |
| Total current assets                  |  | 26,868    |  | 25,378   |
| Land, Buildings, Rides and Equipment: |  |           |  |          |
| Land                                  |  | 148,742   |  | 136,564  |
| Land improvements                     |  | 122,411   |  | 112,927  |
| Buildings                             |  | 249,786   |  | 238,446  |
| Rides and equipment                   |  | 495,241   |  | 466,545  |
| Construction in progress              |  | 12,988    |  | 10,918   |
|                                       |  | 1,029,168 |  | 965,400  |

|   |  |            |  |            |
|---|--|------------|--|------------|
| Less accumulated depreciation           |  | (257,250)  |  | (236,481)  |
|   |  | 771,918    |  | 728,919    |
| Intangibles, net of amortization        |  | 11,445     |  | 9,846      |
|   |  | \$ 810,231 |  | \$ 764,143 |
| <b>LIABILITIES AND PARTNERS' EQUITY</b> |  |            |  |            |
|   |  |            |  |            |
| Current Liabilities:                    |  |            |  |            |
| Short-term borrowings                   |  | \$ -       |  | \$ 38,550  |
| Current maturities of long-term debt    |  | 10,000     |  | -          |
| Accounts payable                        |  | 21,206     |  | 16,562     |
| Distribution payable to partners        |  | 20,732     |  | 19,837     |
| Accrued interest                        |  | 4,398      |  | 3,474      |
| Accrued taxes                           |  | 15,368     |  | 14,293     |
| Accrued salaries, wages and benefits    |  | 11,158     |  | 9,776      |
| Self-insurance reserves                 |  | 11,500     |  | 10,156     |
| Other accrued liabilities               |  | 2,338      |  | 1,376      |

|   |  |         |  |         |
|---|--|---------|--|---------|
| Total current liabilities                                   |  | 96,700  |  | 114,024 |
|   |  |         |  |         |
| Other Liabilities   |  | 32,281  |  | 19,530  |
| Long-Term Debt:   |  |         |  |         |
| Revolving credit loans                                      |  | 233,000 |  | 200,000 |
| Term debt, less current portion                             |  | 140,000 |  | 100,000 |
|   |  | 373,000 |  | 300,000 |
|   |  |         |  |         |
| Partners' Equity:   |  |         |  |         |
| Special L.P. interests                                      |  | 5,290   |  | 5,290   |
| General partner   |  | 85      |  | 110     |
| Limited partners, 50,514 and 50,813 units outstanding as of |  |         |  |         |
| December 31, 2001 and 2000, respectively                    |  | 297,397 |  | 325,189 |
| Limited partnership unit options                            |  | 11,661  |  | -       |
| Accumulated other comprehensive loss                        |  | (6,183) |  | -       |
|   |  | 308,250 |  | 330,589 |

|  |  |            |  |            |
|--|--|------------|--|------------|
|  |  | \$ 810,231 |  | \$ 764,143 |
|--|--|------------|--|------------|

The accompanying Notes to Consolidated Financial Statements are an integral part of these balance sheets.

**CEDAR FAIR, L.P.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

| For the years ended December 31,                                   | 2001     | 2000     | 1999      |
|--|----------|----------|-----------|
|  |          |          |           |
| <b>CASH FLOWS FROM (FOR) OPERATING ACTIVITIES</b>                  |          |          |           |
| Net income   | \$57,894 | \$77,806 | \$ 85,804 |
| Adjustments to reconcile net income to net cash from               |          |          |           |
| operating activities:  |          |          |           |
| Depreciation and amortization                                      | 42,486   | 39,572   | 35,082    |
| Non-cash unit option expense                                       | 11,661   | -        | -         |
| Change in assets and liabilities, net of effects from acquisitions |          |          |           |
| (Increase) in inventories  | (274)    | (1,407)  | (1,661)   |
| Decrease (increase) in current and other assets                    | (2,760)  | 1,894    | (1,789)   |
| Increase (decrease) in accounts payable                            | 4,146    | (5,001)  | 4,384     |



|  |  |          |  |          |  |          |
|--|--|----------|--|----------|--|----------|
| Increase (decrease) in accrued taxes                     |  | 926      |  | (5,883)  |  | 1,220    |
| Increase in self-insurance reserves                      |  | 1,344    |  | 785      |  | 1,197    |
| Increase (decrease) in other current liabilities         |  | 2,977    |  | (1,963)  |  | 284      |
| Increase (decrease) in other liabilities                 |  | 6,568    |  | 8,314    |  | (537)    |
| Net cash from operating activities                       |  | 124,968  |  | 114,117  |  | 123,984  |
| <b>CASH FLOWS FROM (FOR) INVESTING ACTIVITIES</b>        |  |          |  |          |  |          |
| Capital expenditures                                     |  | (47,801) |  | (93,487) |  | (80,400) |
| Acquisition of Michigan's Adventure:                     |  |          |  |          |  |          |
| Land, buildings, rides and equipment acquired            |  | (27,959) |  | -        |  | -        |
| Negative working capital assumed                         |  | 358      |  | -        |  | -        |
| Acquisition of Oasis Water Park:                         |  |          |  |          |  |          |
| Land, buildings, rides and equipment acquired            |  | (9,311)  |  | -        |  | -        |
| Acquisitions of Buena Park Hotel and White Water Canyon: |  |          |  |          |  |          |
| Land, buildings, rides and equipment acquired            |  | -        |  | -        |  | (29,026) |
| Negative working capital assumed                         |  | -        |  | -        |  | 21       |

|  |  |          |  |          |  |           |
|--|--|----------|--|----------|--|-----------|
| Net cash (for) investing activities                      |  | (84,715) |  | (93,487) |  | (109,405) |
| <b>CASH FLOWS FROM (FOR) FINANCING ACTIVITIES</b>        |  |          |  |          |  |           |
| Net borrowings (payments) on revolving credit loans      |  | (14,861) |  | 77,350   |  | 31,845    |
| Term debt borrowings                                     |  | 50,000   |  | -        |  | -         |
| Distributions paid to partners                           |  | (80,163) |  | (77,518) |  | (72,485)  |
| Repurchase of limited partnership units                  |  | (32,267) |  | (26,566) |  | (3,443)   |
| Reduction of general partner interest                    |  | -        |  | (1,000)  |  | -         |
| Issuance of units for vested deferred compensation       |  | -        |  | 8,858    |  | -         |
| Acquisition of Michigan's Adventure:                     |  |          |  |          |  |           |
| Issuance of 1,250,000 limited partnership units          |  | 27,613   |  | -        |  | -         |
| Acquisition of Oasis Water Park:                         |  |          |  |          |  |           |
| Borrowings on revolving credit loans                     |  | 9,311    |  | -        |  | -         |
| Acquisitions of Buena Park Hotel and White Water Canyon: |  |          |  |          |  |           |
| Borrowings on revolving credit loans                     |  | -        |  | -        |  | 29,005    |
| Net cash (for) financing activities                      |  | (40,365) |  | (18,876) |  | (15,078)  |

|  |  |          |  |          |          |
|--|--|----------|--|----------|----------|
| <b>CASH</b>                            |  |          |  |          |          |
| Net increase (decrease) for the period |  | (112)    |  | 1,754    | (499)    |
| Balance, beginning of period           |  | 2,392    |  | 638      | 1,137    |
| Balance, end of period                 |  | \$ 2,280 |  | \$ 2,392 | \$ 638   |
| <b>SUPPLEMENTAL INFORMATION</b>        |  |          |  |          |          |
| Cash payments for interest expense     |  | \$23,219 |  | \$20,672 | \$15,736 |
| Interest capitalized                   |  | 551      |  | 1,839    | 400      |
| Cash payments for income taxes         |  | 7,409    |  | 7,127    | 14,360   |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

**CEDAR FAIR, L.P.**

**CONSOLIDATED STATEMENTS OF PARTNERS' EQUITY**

(In thousands except unit and per unit amounts)

|                                  |  |          |  |          |  |          |
|----------------------------------|--|----------|--|----------|--|----------|
| For the years ended December 31, |  | 2001     |  | 2000     |  | 1999     |
|                                  |  |          |  |          |  |          |
| <b>SPECIAL L.P. INTERESTS</b>    |  | \$ 5,290 |  | \$ 5,290 |  | \$ 5,290 |
| <b>GENERAL PARTNER'S EQUITY</b>  |  |          |  |          |  |          |
| Beginning balance                |  | 110      |  | 549      |  | 492      |

|   |  |          |  |          |  |          |
|---|--|----------|--|----------|--|----------|
| Net income                                      |  | 58       |  | 78       |  | 429      |
| Partnership distributions declared              |  | (83)     |  | (78)     |  | (372)    |
| Reduction of general partner interest           |  | -        |  | (439)    |  | -        |
|   |  | 85       |  | 110      |  | 549      |
|   |  |          |  |          |  |          |
| <b>LIMITED PARTNERS' EQUITY</b>                 |  |          |  |          |  |          |
| Beginning balance                               |  | 325,189  |  | 344,147  |  | 336,209  |
| Net income                                      |  | 57,836   |  | 77,728   |  | 85,375   |
| Partnership distributions declared              |  | (80,974) |  | (78,417) |  | (73,994) |
| (2001 - \$1.60; 2000 - \$1.53;                  |  |          |  |          |  |          |
| 1999 - \$1.425 per limited partner unit)        |  |          |  |          |  |          |
| Repurchase of limited partnership units         |  | (32,267) |  | (26,566) |  | (3,443)  |
| (2001 - 1,549,600; 2000 - 1,474,447;            |  |          |  |          |  |          |
| 1999 - 182,335 per limited partner unit)        |  |          |  |          |  |          |
| Issuance of 1,250,000 limited partnership units |  | 27,613   |  | -        |  | -        |
| for acquisition of Michigan's Adventure         |  |          |  |          |  |          |

|  |  |         |  |         |         |
|--|--|---------|--|---------|---------|
| Issuance of 489,798 units for vested             |  |         |  |         |         |
| deferred compensation                            |  | -       |  | 8,858   | -       |
| Reduction of general partner interest            |  | -       |  | (561)   | -       |
|  |  | 297,397 |  | 325,189 | 344,147 |
|  |  |         |  |         |         |
| <b>L.P. UNIT OPTIONS</b>                         |  |         |  |         |         |
| Beginning balance                                |  | -       |  | -       | -       |
| Vested value of limited partnership unit options |  | 11,661  |  | -       | -       |
|  |  | 11,661  |  | -       | -       |
|  |  |         |  |         |         |
| <b>ACCUMULATED OTHER COMPREHENSIVE LOSS</b>      |  |         |  |         |         |
| Beginning balance                                |  | -       |  | -       | -       |
| Cumulative effect of change in accounting        |  |         |  |         |         |
| as of January 1, 2001                            |  | (1,239) |  | -       | -       |
| Unrealized loss on interest rate swap agreements |  | (4,944) |  | -       | -       |
|  |  | (6,183) |  | -       | -       |

|   |  |           |  |           |           |
|---|--|-----------|--|-----------|-----------|
|   |  |           |  |           |           |
| <b>Total Partners' Equity</b>                   |  | \$308,250 |  | \$330,589 | \$349,986 |
|   |  |           |  |           |           |
| <b>SUMMARY OF COMPREHENSIVE INCOME</b>          |  |           |  |           |           |
| Net income                                      |  | \$ 57,894 |  | \$ 77,806 | \$ 85,804 |
| Other comprehensive loss on interest rate swaps |  | (6,183)   |  | -         | -         |
| <b>Total Comprehensive Income</b>               |  | \$ 51,711 |  | \$ 77,806 | \$ 85,804 |
|   |  |           |  |           |           |

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

## Notes To Consolidated Financial Statements

### (1) Partnership Organization:

Cedar Fair, L.P. (the "Partnership") is a Delaware limited partnership that commenced operations in 1983 when it acquired Cedar Point, Inc., and became a publicly traded partnership in 1987. The Partnership's General Partner is Cedar Fair Management Company, an Ohio corporation owned by the Partnership's executive management (the "General Partner"). The General Partner owns a 0.1% interest in the Partnership's income, losses and cash distributions, except in defined circumstances, and has full control over all activities of the Partnership. At December 31, 2001, there were 50,513,599 outstanding limited partnership units registered on The New York Stock Exchange, net of 1,276,584 units held in treasury. The 1,250,000 limited partnership units issued in 2001 in connection with the acquisition of Michigan's Adventure, as discussed in Note 8, have not been registered with the Securities and Exchange Commission, and are subject to certain trading restrictions.

In August 2000, the Partnership obtained approval at a special meeting of its limited partners to revise its general partner fee and executive compensation systems, retroactive to January 1, 2000. After this transaction, the Partnership's limited partner units represent, in the aggregate, a 99.9% interest in income, losses and cash distributions of the Partnership, compared with a 99.5% interest in prior periods. The Partnership Agreement was also amended to eliminate the fees paid by the Partnership to the General Partner, retroactive to January 1, 2000. In previous years the General Partner earned a fee equal to .25% of the Partnership's net revenues, as defined, and also earned incentive compensation when quarterly distributions exceeded certain levels as defined in the Partnership Agreement. The General Partner earned approximately \$7.5 million of total fees in 1999 under prior arrangements.

In connection with terminating the prior general partner fee and executive compensation systems, non-recurring costs totaling approximately \$7.8 million were incurred by the Partnership in 2000. In addition, all deferred limited partnership units outstanding under the prior compensation program were immediately vested and issued to senior management. The General Partner was also paid \$1.0 million to reduce its interest in the Partnership to 0.1% effective January 1, 2000.

The General Partner may, with the approval of a specified percentage of the limited partners, make additional capital contributions to the Partnership, but is only obligated to do so if the liabilities of the Partnership cannot otherwise be paid or there exists a negative balance in

its capital account at the time of its withdrawal from the Partnership. The General Partner, in accordance with the terms of the Partnership Agreement, is required to make regular cash distributions on a quarterly basis of all the Partnership's available cash, as defined.

## **(2) Summary of Significant Accounting Policies:**

The following policies are used by the Partnership in its preparation of the accompanying consolidated financial statements.

### **Principles of Consolidation**

The consolidated financial statements include the accounts of the Partnership and its wholly owned subsidiaries. All significant intercompany transactions and balances are eliminated in consolidation.

### **Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during each period. Actual results could differ from those estimates.

### **Inventories**

The Partnership's inventories primarily consist of purchased products, such as merchandise and food, for sale to its customers. All inventories are valued at the lower of first-in, first-out (FIFO) cost or market.

### **Depreciation and Amortization**

The Partnership's policy is to provide depreciation on a straight-line basis over the estimated useful lives of its assets. The composite method is used for the group of assets acquired as a whole in 1983, as well as for the groups of like assets of each subsequent business acquisition. The unit method is used for all individual assets purchased.

Under the composite depreciation method, assets with similar estimated lives are grouped together and the several pools of assets are depreciated on an aggregate basis. Gains and losses on the retirement of assets, except those related to abnormal retirements, are credited or charged to accumulated depreciation. Accumulated gains and losses on asset retirements under the composite depreciation method have not been significant.

Under the unit method of depreciation, individual assets are depreciated over their estimated useful lives, with gains and losses on all asset retirements recognized currently in income.

The weighted average useful lives combining both methods are approximately:

|                   |                 |
|-------------------|-----------------|
| Land improvements | 24 Years        |
| Buildings         | 30 Years        |
| Rides             | <b>20 Years</b> |
| <b>Equipment</b>  | 10 Years        |

Goodwill is amortized on a straight-line basis over a 40-year period at approximately \$300,000 per year.

### **Segment Reporting**

The Partnership is in the single business of operating amusement and water parks with accompanying resort facilities.

### **Income Taxes**

Because of its legal structure, the Partnership is not subject to regular corporate income taxes; rather, the Partnership's tax attributes (except those of its corporate subsidiaries) are to be included in the individual tax returns of its partners. Neither the Partnership's financial reporting income, nor the cash distributions to unitholders, can be used as a substitute for the detailed tax calculations that the Partnership must perform annually for its partners. Net income from the Partnership is not treated as "passive income" for federal income tax purposes. As a result, partners subject to the passive activity loss rules are not permitted to offset income from the Partnership with passive losses from other sources.

The tax returns of the Partnership are subject to examination by state and federal tax authorities. If such examinations result in changes to taxable income, the tax liability of the partners could be changed accordingly.

Federal and state tax legislation in 1997 provided a permanent income tax exemption to existing "publicly traded partnerships," such as Cedar Fair, L.P, with new taxes levied on partnership gross income (net revenues less cost of products sold) beginning in 1998. The Partnership recorded provisions of \$16.5 million, \$16.4 million and \$15.6 million for these federal and state taxes in 2001, 2000 and 1999, respectively.

### Unit-Based Compensation

The Partnership accounts for unit options and other unit-based compensation awards using the intrinsic value method prescribed by Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees."

### Earnings Per Unit

The Partnership has presented earnings per unit amounts for all periods to conform with Statement of Financial Accounting Standards (SFAS) No.128, "Earnings per Share." For purposes of calculating the basic and diluted earnings per limited partner unit, no adjustments have been made to the reported amounts of net income. The unit amounts used are as follows:

|  | 2001   | 2000   | 1999   |
|--|--------|--------|--------|
| <i>(In thousands except per unit data)</i> |        |        |        |
| Basic weighted average units outstanding   | 50,745 | 51,369 | 51,928 |
| Effect of dilutive units:                  |        |        |        |
| Unit options                               | 368    | -      | -      |
| <b>Deferred units</b>                      | -      | 310    | 422    |
| Contingent units - Knott's acquisition     | -      | -      | 40     |
| Diluted weighted average units outstanding | 51,113 | 51,679 | 52,390 |
| Net income per unit - basic                | \$1.14 | \$1.51 | \$1.64 |



|                               |        |        |        |
|-------------------------------|--------|--------|--------|
| Net income per unit - diluted | \$1.13 | \$1.50 | \$1.63 |
|-------------------------------|--------|--------|--------|

### (3) Long- Term Debt:

At December 31, 2001 and 2000, long-term debt consisted of the following:

|                        | 2001       | 2000       |
|------------------------|------------|------------|
| <i>(In thousands)</i>  |            |            |
| Revolving credit loans | \$ 233,000 | \$ 200,000 |
| Term debt              | 140,000    | 100,000    |
|                        | \$ 373,000 | \$ 300,000 |

**Revolving Credit Loans** In November 2001, the Partnership entered into a new credit agreement with eight banks under which it has available a \$275 million revolving credit facility through November 2004. Borrowings under this credit facility were \$233.0 million as of December 31, 2001, at an average interest rate of 2.8%. The maximum outstanding revolving credit balance during 2001 was \$346.6 million under the prior credit facility.

Borrowings under the new agreement bear interest at LIBOR plus 0.775% per annum, with other favorable rate options. The agreement requires the Partnership to pay a commitment fee of up to 0.225% per annum on the daily unused portion of the credit. The Partnership, at its option, may make prepayments without penalty and reduce the loan commitments.

The Partnership's policy is to capitalize interest on major construction projects. Interest of \$551,000, \$1,839,000 and \$400,000 on such projects was capitalized in 2001, 2000 and 1999, respectively.

### Term Debt

The Partnership has outstanding \$50 million in senior notes with an interest rate of 8.43%, which require annual repayments of \$10 million in August 2002 through August 2006. At December 31, 2001, \$10 million is classified as a current liability under the terms of the agreement.

The Partnership borrowed another \$50 million in senior notes at an interest rate of 6.68%, which require annual repayments of \$10 million in August 2007 through August 2011.

In August 2001, the Partnership entered into a third note agreement for the issuance of an additional \$50 million in 6.40% senior notes to refinance a portion of its limited partnership unit repurchase program. These notes require annual repayments of \$10 million in August 2004 through August 2008.

The fair value of the aggregate future repayments on term debt at December 31, 2001, as required by SFAS No.107, would be approximately \$158.8 million, applying a discount rate of 6.0%. The Partnership may make prepayments on any of these notes with defined premiums

### Covenants

Under the terms of the debt agreements, the Partnership, among other restrictions, is required to maintain a specified level of partners' equity, and comply with certain cash flow, interest coverage, and debt to net worth levels. The Partnership was in compliance with these covenants as of December 31, 2001.

#### (4) Derivative Financial Instruments:

Effective January 1, 2001, the Partnership adopted Statement of Financial Accounting Standards (SFAS) No. 133, "Accounting for Derivative Instruments and Hedging Activities" and related amendments. This statement requires that all derivative instruments be recorded on the balance sheet at their fair values. Changes in the fair values of derivatives that effectively hedge a business transaction are recorded each period in an equity account called "other comprehensive income (loss)."

The Partnership has only limited involvement with derivative financial instruments and does not use them for trading purposes. They are only used within the Partnership's overall risk management program to manage certain interest rate and foreign currency risks from time to time.

In 2000, the Partnership entered into several interest rate swap agreements as a means of converting a portion of its variable-rate bank debt into fixed-rate debt. Cash flows related to these interest rate swap agreements are included in interest expense over the terms of the agreements, which range from one to four years in maturity. At December 31, 2001, the Partnership had outstanding interest rate swap agreements with notional amounts totaling \$125 million, at an average rate of 5.71%. The fair market value of all interest rate swap agreements, which was obtained from broker quotes, was a net liability of \$6.2 million at December 31, 2001.

#### (5) Partners' Equity:

##### Special L.P. Interests

In accordance with the Partnership Agreement, certain partners were allocated \$5.3 million of 1987 and 1988 taxable income (without any related cash distributions) for which they received Special L.P. Interests. The Special L.P. Interests do not participate in cash distributions and have no voting rights. However, the holders of Special L.P. Interests will receive in the aggregate \$5.3 million upon liquidation of the Partnership.

##### Unit Options

In August 2000, the Partnership's unitholders approved the establishment of a new Equity Incentive Plan allowing the award of up to 4.8 million unit options and other forms of equity as an element of compensation to senior management and other key employees, including the grant of 2,330,000 unit options, with a variable exercise price, in connection with the termination of the Partnership's general partner fee and executive compensation systems. As of December 31, 2001, the Partnership has granted 2,328,700 variable options outstanding and 478,600 fixed options outstanding under the plan. All options vest over a five-year period and have a maximum term of ten years. The variable-price options have an exercise price that declines by the value of cash distributions declared on the underlying limited partnership units.

Under APB Opinion No. 25, the variable-price options must be "marked to market" over their vesting period when their exercise price is lower than the market price of limited partnership units. As of December 31, 2001, the weighted average exercise price of the outstanding variable-price options was \$17.26, and approximately \$11.7 million in non-cash compensation expense, with an offsetting credit to partners' equity, has been recognized in the accompanying consolidated financial statements. No compensation expense was recognized in 2000, as the exercise price of the variable-price options was higher than the market price of the limited partnership units at yearend.

Had compensation expense for the plans been determined using the estimated fair value of option grants under SFAS No.123, "Accounting for Stock-Based Compensation," the Partnership's net income and earnings per unit would have been the following pro forma amounts:

| Years Ended December 31,                    |             | 2001     | 2000     |
|---|-------------|----------|----------|
| <i>(In thousands, except per unit data)</i> |             |          |          |
| Net income:                                 | As reported | \$57,894 | \$77,806 |

|                            |             |        |        |
|----------------------------|-------------|--------|--------|
|                            | Pro forma   | 64,064 | 73,254 |
| Diluted earnings per unit: | As reported | \$1.13 | \$1.50 |
|                            | Pro forma   | 1.26   | 1.42   |

The weighted average fair value of options granted during 2001 and 2000 was \$2.16 and \$11.61, respectively. No unit options were outstanding prior to 2000. The fair value of each option was estimated at the date of grant using a binomial option-pricing model with the following weighted average assumptions:

|                             | 2001     | 2000     |
|-----------------------------|----------|----------|
| Risk free interest rate     | 6.0%     | 7.6%     |
| Expected distribution yield | 7.6%     | 8.2%     |
| Expected volatility factor  | 21.5%    | 21.3%    |
| Expected life               | 10 years | 10 years |

Option activity during 2001 and 2000 was as follows:

|                                  | 2001      |  | 2000      |  |
|----------------------------------|-----------|--|-----------|--|
|                                  | Units     | Weighted<br>Average<br>Exercise<br>Price | Units     | Weighted<br>Average<br>Exercise<br>Price |
| Outstanding at beginning of year | 2,415,100 | \$18.83                                  | -         | -  |
| Granted                          | 463,600   | 20.61                                    | 2,415,100 | \$19.93                                  |

|                            |           |         |           |         |
|----------------------------|-----------|---------|-----------|---------|
| Exercised                  | (4,300)   | 18.08   | -         | -       |
| Forfeited                  | (67,100)  | 18.01   | -         | -       |
| Outstanding at end of year | 2,807,300 | \$17.81 | 2,415,100 | \$18.83 |
| Exercisable at end of year | 690,940   | \$17.45 | -         | -       |

The following table summarizes information about unit options outstanding at December 31, 2001:

|          |                          | <u>Options Outstanding</u> |   |                                 | Options Exercisable |                                 |
|----------|--------------------------|----------------------------|---|---------------------------------|---------------------|---------------------------------|
| Type     | Range of Exercise Prices | Number Outstanding         | Weighted Average Remaining Contractual Life | Weighted Average Exercise Price | Number Exercisable  | Weighted Average Exercise Price |
| Variable | \$16.27 - \$17.28        | 2,328,700                  | 8.2 years                                   | \$17.26                         | 649,740             | \$17.26                         |
| Fixed    | \$17.85 - \$20.70        | 478,600                    | 8.9 years                                   | 20.51                           | 41,200              | 20.68                           |
|          | \$16.27 - \$20.70        | 2,807,300                  | 8.3 years                                   | \$17.81                         | 690,940             | \$17.45                         |

### Unit Repurchase Program

The Board of Directors has authorized the Partnership to repurchase through open market or privately negotiated transactions up to \$75.0 million of its limited partnership units. In June 2001, the Partnership reacquired 1,440,000 limited partnership units in a private transaction, which had been originally issued in the acquisition of Worlds of Fun and Oceans of Fun in 1995. The units were repurchased at a cost of approximately \$30.2 million and were immediately retired. As of December 31, 2001, 1,276,984 additional units were held in treasury at an approximate cost of \$23.3 million.

### (6) Retirement Plans:

The Partnership has trustee, noncontributory retirement plans for the majority of its employees. Contributions are discretionary and were \$3,414,000 in 2001, \$3,373,000 in 2000, and \$3,340,00 in 1999. These plans also permit employees to contribute specified percentages of their salary, matched up to a limit by the Partnership. Matching contributions approximated \$1,227,000 in 2001, \$1,249,000 in 2000, and \$1,162,000 in 1999.

In addition, approximately 160 employees are covered by union-sponsored, multi-employer pension plans for which approximately \$520,000, \$503,000, and \$462,000 were contributed for the years ended December 31, 2001, 2000, and 1999, respectively. The Partnership believes that, as of December 31, 2001, it would have no withdrawal liability as defined by the Multiemployer Pension Plan Amendments Act of 1980.

#### **(7) Contingencies:**

The Partnership is a party to a number of lawsuits arising in the normal course of business. In the opinion of management, these matters will not have a material effect in the aggregate on the Partnership's financial statements.

#### **(8) Acquisitions:**

The Partnership acquired two businesses during 2001 and two others in 1999. Effective June 1, 2001, Michigan's Adventure amusement park, located near Muskegon, Michigan, was acquired for 1,250,000 unregistered limited partnership units valued at approximately \$27.6 million. On May 29, 2001, Oasis Water Park, located in Palm Springs, California, was acquired for a cash purchase price of \$9.3 million.

On December 7, 1999, the Partnership acquired White Water Canyon, a water park located near San Diego in Chula Vista, California, for a cash purchase price of \$11.6 million. On February 19, 1999, the 320-room Buena Park Hotel, which is located adjacent to Knott's Berry Farm in Buena Park, California, was acquired for a cash purchase price of \$17.5 million.

The purchase price of each acquisition has been allocated to assets and liabilities acquired based on their relative fair values at the date of acquisition, and their assets, liabilities and results of operations are included in the accompanying consolidated financial statements since the respective acquisition dates.

#### **(9) Subsequent Event:**

In February 2002, the Partnership entered into a new note agreement for the issuance of \$100 million in senior notes at a weighted average interest rate of 6.44%. The Partnership is required to make annual repayments of \$20 million in February 2007 and February 2012 through February 2015, and may make prepayments with defined premiums. The proceeds will be used to reduce revolving credit borrowings.

### **ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.**

None.

## **PART III**

### **ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF REGISTRANT.**

Cedar Fair Management Company, an Ohio corporation owned by members of the Partnership's executive management, is the General Partner of the Partnership and has full responsibility for the management of the Partnership. For additional information, attention is directed to Note 1 to the consolidated financial statements on page 19 of this Report.

#### **Directors:**

| Name | Age | Position with General Partner |
|------|-----|-------------------------------|
|      |     |                               |

|                          |    |   |
|--------------------------|----|---|
| Richard L. Kinzel        | 61 | President and Chief Executive Officer, Director since 1986                        |
| Richard S. Ferreira *    | 61 | Director since 1997   |
| Terry C. Hackett *       | 53 | Director since 1997   |
| Bruce A. Jackson         | 50 | Corporate Vice President-Finance and Chief Financial Officer, Director since 2000 |
| Mary Ann Jorgenson #     | 61 | Director since 1988   |
| Michael D. Kwiatkowski # | 54 | Director since 2000   |
| Donald H. Messinger #    | 58 | Director since 1993   |
| Thomas A. Tracy *        | 70 | Director since 1993   |

\* Member of Audit Committee.

# Member of Compensation Committee.

The Board of Directors of the General Partner has a Compensation Committee and an Audit Committee. The Compensation Committee reviews the Partnership's compensation and employee benefit policies and programs and recommends related actions, as well as executive compensation decisions, to the Board of Directors. The Audit Committee selects and meets periodically with the Partnership's independent auditors, reviews the activities of the Partnership's internal audit staff, considers the recommendations of the independent and internal auditors, and reviews the quarterly financial statements each quarter and the annual financial statements upon completion of the audit.

Each director of the General Partner is elected for a one-year term.

#### Executive Officers:

| Name                   | Age | Position with General Partner                                     |
|------------------------|-----|---|
| Richard L. Kinzel      | 61  | President and Chief Executive Officer since 1986                  |
| John R. Albino         | 55  | Vice President & General Manager-Dorney Park since 1995           |
| H. Philip Bender       | 45  | Vice President & General Manager-Worlds of Fun since 2000         |
| Richard J. Collingwood | 62  | Corporate Vice President-Administration since 2000                |
| Jacob T. Falfas        | 50  | Vice President & General Manager-West Coast Operations since 2000 |

|                      |    |   |
|----------------------|----|---|
| Bruce A. Jackson     | 50 | Corporate Vice President-Finance and Chief Financial Officer since 1992 |
| Camille Jourden-Mark | 35 | Vice President & General Manager-Michigan's Adventure since 2001        |
| Daniel R. Keller     | 52 | Vice President & General Manager-Cedar Point Resort since 2000          |
| Larry L. MacKenzie   | 46 | Vice President & General Manager-Valleyfair since 2001                  |
| Charles M. Paul      | 48 | Vice President & Corporate Controller since 2000                        |

## **BUSINESS EXPERIENCE.**

### **Directors:**

Richard L. Kinzel has served as president and chief executive officer since 1986. Mr. Kinzel has been employed by the Partnership or its predecessor since 1972, and from 1978 to 1986 he served as vice president and general manager of Valleyfair.

Richard S. Ferreira is a retired executive vice president and chief financial officer of Golf Hosts, Inc. (developer and owner of nationally recognized resorts in Colorado and Florida) and a past member of its Board of Directors. Mr. Ferreira was associated with Golf Hosts for more than 26 years.

Terry C. Hackett is a business attorney and President of Hackett Management Corporation (real estate management) and previously served on the Board of Directors of Knott's Berry Farm from 1981 to 1997. Mr. Hackett was elected a director in 1997 as a representative of the Knott family following the Partnership's acquisition of Knott's Berry Farm.

Bruce A. Jackson has served as Corporate Vice President-Finance and Chief Financial Officer since 1992. Mr. Jackson is a certified public accountant.

Mary Ann Jorgenson is a partner in the law firm of Squire, Sanders & Dempsey L.L.P., the Partnership's General Counsel, and has been associated with the firm since 1975. She is also a director of Women's Golf Unlimited, Inc. (manufacturer and distributor of golf clubs and bags) and Anthony & Sylvan Pools Corporation (manufacturer and installer of concrete in-ground swimming pools), and is Corporate Secretary of Ferro Corporation.

Michael D. Kwiatkowski has been a consultant in the food service industry since 1996, prior to which he served as Chairman of PCS, which owned and operated a chain of 11 restaurants, from 1986 to 1996. He has more than 30 years of experience in amusement parks and branded restaurant operations.

Donald H. Messinger is a partner in the law firm of Thompson Hine LLP and has been associated with the firm since 1968.

Thomas A. Tracy is a business consultant and was a partner in the public accounting firm of Arthur Andersen LLP from 1966 until his retirement in 1989.

### **Executive Officers:**

Richard L. Kinzel. See "Directors" above.

John R. Albino has served as Vice President & General Manager of Dorney Park & Wildwater Kingdom since 1995.

H. Philip Bender has served as Vice President & General Manager of Worlds of Fun / Oceans of Fun since the end of 2000. Prior to that, he had served as Vice President-Retail Operations of Worlds of Fun since the beginning of 2000, and Director-Retail Operations of Worlds of Fun from 1995 to 2000.

Richard J. Collingwood has served as Corporate Vice President-Administration since the end of 2000. Prior to that, he had served as Corporate Vice President-General Services since 1992.

Jacob T. Falfas has served as Vice President & General Manager of West Coast Operations since the end of 2000. He served as Vice President & General Manager of Knott's Berry Farm from December 1997 through 2000. From 1993 to 1997, he served as Vice President-Park Operations of Cedar Point.

Bruce A. Jackson. See "Directors" above.

Camille Jourden-Mark was promoted to Vice President & General Manager of Michigan's Adventure at the end of 2001. Prior to that, she served under previous ownership as General Manager of the park for more than five years.

Daniel R. Keller has served as Vice President & General Manager of Cedar Point Resort since the end of 2000. Prior to that, he served as Vice President & General Manager of Worlds of Fun / Oceans of Fun since 1995.

Larry L. MacKenzie was promoted to Vice President & General Manager of Valleyfair at the end of 2001. He served as interim General Manager of Michigan's Adventure for several months subsequent to its acquisition in late May 2001. Prior to that, he served as Vice President-Revenue Operations of Dorney Park from 1997 to 2001.

Charles M. Paul has served as Vice President & Corporate Controller since 2000. Prior to that, he had served as Corporate Controller from 1996 to 2000. Mr. Paul is a certified public accountant.

## COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Section 16(a) of the Securities Exchange Act of 1934 requires the Registrant's directors, executive officers and persons who own more than ten percent of its Depositary Units ("Insiders") to file reports of ownership and changes in ownership, within 10 days following the last day of the month in which any change in such ownership has occurred, with the Securities and Exchange Commission and The New York Stock Exchange, and to furnish the Partnership with copies of all such forms they file. The Partnership understands from the information provided to it by these individuals that all filing requirements applicable to the Insiders were met for 2001.

## ITEM 11. EXECUTIVE COMPENSATION.

### SUMMARY COMPENSATION TABLE

|     |     | Annual Compensation |     |     | Long-Term Compensation |     |     |
|-----|-----|---------------------|-----|-----|------------------------|-----|-----|
| (a) | (b) | (c)                 | (d) | (e) | (f)                    | (g) | (i) |



|                                  |      |         |         | Other               |                        | Securities         |                        |
|----------------------------------|------|---------|---------|---------------------|------------------------|--------------------|------------------------|
|                                  |      | Salary  | Bonus   | Annual Compensation | Restricted Unit Awards | Underlying Options | All Other Compensation |
| Name and Principal Position      | Year | (\$)    | (\$)    | (\$)                | (\$)                   | (#)                | (\$)                   |
|                                  |      |         |         |                     |                        |                    |                        |
| Richard L. Kinzel,               | 2001 | 839,231 | 336,000 | -                   | -                      | 230,000            | 17,150                 |
| President and Chief              | 2000 | 799,979 | 412,933 | 1,590,336           | -                      | 720,000            | 16,450                 |
| Executive Officer                | 1999 | 341,539 | 882,148 | -                   | 698,523                | -                  | 16,281                 |
|                                  |      |         |         |                     |                        |                    |                        |
| Bruce A. Jackson, Corporate      | 2001 | 411,769 | 164,800 | -                   | -                      | 70,000             | 17,150                 |
| Vice President-Finance           | 2000 | 399,991 | 205,130 | 592,356             | -                      | 255,000            | 16,450                 |
| and Chief Financial Officer      | 1999 | 185,961 | 349,929 | -                   | 277,062                | -                  | 16,281                 |
|                                  |      |         |         |                     |                        |                    |                        |
| Jacob T. Falfas, Vice President  | 2001 | 362,750 | 99,825  | -                   | -                      | 20,000             | 16,923                 |
| and General Manager-             | 2000 | 349,706 | 180,986 | 386,376             | -                      | 205,000            | 15,650                 |
| West Coast Operations            | 1999 | 209,615 | 408,321 | -                   | 142,574                | -                  | 13,676                 |
|                                  |      |         |         |                     |                        |                    |                        |
| John R. Albino, Vice President   | 2001 | 309,808 | 147,250 | -                   | -                      | 12,000             | 17,150                 |
| and General Manager- Dorney      | 2000 | 299,994 | 154,704 | 483,840             | -                      | 205,000            | 16,450                 |
| Park & Wildwater Kingdom         | 1999 | 170,961 | 320,838 | -                   | 162,007                | -                  | 16,281                 |
|                                  |      |         |         |                     |                        |                    |                        |
| Daniel R. Keller, Vice President | 2001 | 324,711 | 89,375  | -                   | -                      | 17,500             | 17,150                 |
| and General Manager-Cedar        | 2000 | 302,302 | 159,704 | 481,957             | -                      | 205,000            | 16,450                 |

|              |      |         |         |   |         |   |        |
|--------------|------|---------|---------|---|---------|---|--------|
| Point Resort | 1999 | 170,961 | 320,838 | - | 162,007 | - | 16,281 |
|              |      |         |         |   |         |   |        |

**Notes To Summary Compensation Table:**

Column (e) Other Annual Compensation. One-time payments made in 2000 in connection with eliminating the Partnership's previous General Partner fee and executive compensation systems.

Column (i) All Other Compensation. Comprises amounts accrued under the Partnership's Savings and Profit Sharing Plan, except for Mr. Falfas, who is covered under a separate plan for Knott's Berry Farm employees.

**UNIT OPTIONS GRANTED IN 2001**

|                   |                            |                          |                        |                 |                          |
|-------------------|----------------------------|--------------------------|------------------------|-----------------|--------------------------|
|                   |                            |                          |                        |                 |                          |
|                   |                            |                          |                        |                 |                          |
| (a)               | (b)                        | (c)                      | (d)                    | (e)             | (f)                      |
|                   |                            | % of Total               |                        |                 |                          |
|                   | Number of Securities       | Options Granted to       |                        |                 |                          |
| Name              | Underlying Options Granted | Employees in Fiscal Year | Exercise or Base Price | Expiration Date | Grant Date Present Value |
|                   |                            |                          |                        |                 |                          |
| Richard L. Kinzel | 230,000                    | 50%                      | \$20.60                | 3/7/2011        | \$2.16                   |
|                   |                            |                          |                        |                 |                          |
| Bruce A. Jackson  | 70,000                     | 15%                      | \$20.60                | 3/7/2011        | \$2.16                   |
|                   |                            |                          |                        |                 |                          |
| Jacob T. Falfas   | 20,000                     | 4%                       | \$20.60                | 3/7/2011        | \$2.16                   |

|                  |        |    |         |          |        |
|------------------|--------|----|---------|----------|--------|
|                  |        |    |         |          |        |
| John R. Albino   | 12,000 | 3% | \$20.60 | 3/7/2011 | \$2.16 |
|                  |        |    |         |          |        |
| Daniel R. Keller | 17,500 | 4% | \$20.60 | 3/7/2011 | \$2.16 |
|                  |        |    |         |          |        |

Column (e) Expiration Date. These unit options vest over a four to five-year period and have a maximum term of ten years.

Column (f) Grant Date Present Value. The fair value of each unit option was estimated at the date of grant using a binomial option-pricing model with the following weighted average assumptions: a risk-free interest rate of 6.0%, a distribution yield of 7.6%, a volatility factor of 21.5% and a weighted-average expected life of 10 years.

**UNIT OPTIONS EXERCISED IN 2001  
AND DECEMBER 31, 2001 OPTION VALUES**

|                   |                                      |                           |                                      |  |
|-------------------|--------------------------------------|---------------------------|--------------------------------------|--|
|                   |                                      |                           |                                      |  |
|                   |                                      |                           |                                      |  |
| (a)               | (b)                                  | (c)                       | (d)                                  | (e)                                      |
|                   |                                      |                           | Number of<br>Units<br>Underlying     | Value of<br>Unexercised In-<br>the-Money |
|                   | Number of                            |                           | Options at 12/<br>31/2001            | Options at 12/<br>31/2001                |
| Name              | Units Acquired<br>on Exercise<br>(#) | Value<br>Realized<br>(\$) | Exercisable/<br>Unexercisable<br>(#) | Exercisable/<br>Unexercisable<br>(\$)    |
|                   |                                      |                           |                                      |  |
| Richard L. Kinzel | -                                    | -                         | 160,000                              | 1,148,480                                |

|                  |   |   |         |           |
|------------------|---|---|---------|-----------|
|                  |   |   | 790,000 | 5,222,420 |
|                  |   |   |         |           |
| Bruce A. Jackson | - | - | 55,000  | 399,770   |
|                  |   |   | 270,000 | 1,808,580 |
|                  |   |   |         |           |
| Jacob T. Falfas  | - | - | 42,000  | 312,100   |
|                  |   |   | 183,000 | 1,311,250 |
|                  |   |   |         |           |
| John R. Albino   | - | - | 41,400  | 309,586   |
|                  |   |   | 175,600 | 1,280,244 |
|                  |   |   |         |           |
| Daniel R. Keller | - | - | 41,500  | 310,005   |
|                  |   |   | 181,000 | 1,302,870 |
|                  |   |   |         |           |

#### COMPENSATION OF DIRECTORS.

The Board of Directors establishes the fees paid to Directors and Board Committee members for services in those capacities. The current schedule of such fees is as follows:

1. For service as a member of the Board, \$15,000 per annum, payable quarterly, plus \$1,000 for attendance at each meeting of the Board;
2. For service as a Board Committee member, \$250 for attendance at each Committee meeting held on the same date on which the Board of Directors meets and \$1,000 for attendance at any additional Committee meeting held on a date other than a date on which the Board of Directors meets; and
3. For service as Chairman of a Committee of the Board, a fee of \$2,500 per annum.

These fees are payable only to non-management Directors. Management Directors receive no additional compensation for service as a Director. All Directors receive reimbursement from the Partnership for expenses incurred in connection with service in that capacity.

In addition, each non-management Director received 1,500 unit options in 2001, which vest over 5 years and are exercisable through March 7, 2011, at a price of \$20.60.

## **EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE-IN-CONTROL ARRANGEMENTS.**

### **Severance Compensation.**

All regular, full-time, non-union affiliated employees, including the named executive officers, who have been employed by the Partnership for at least one year are eligible for severance compensation under the Cedar Fair, L.P. Severance Pay Plan. Under the Plan, employees are generally eligible for severance pay if their employment is terminated due to the elimination of the job or position, a mutually agreed-upon separation of the employee due to performance, or a change in ownership which results in replacement of the employee by the new owner. Upon termination of employment where severance compensation is payable under the Plan, the employee is entitled to receive a payment based on the following schedule:

| <u>Length of Service</u> |         |          | <u>Severance Pay</u>   |
|--------------------------|---------|----------|--|
| 1 year                   | through | 10 years | One week of pay for each full year of service                                      |
| 11 years                 | through | 30 years | Ten weeks' pay plus two weeks of pay for each full year of service in excess of 10 |
| 31 years                 | or more |          | Fifty-two weeks of pay   |

In addition, nine executive officers of the Partnership, including all five of the executive officers named in the Summary Compensation Table, are entitled to severance payments and continuation of existing insurance benefits if their employment is terminated within 24 months after any change in control occurs, as defined in a plan approved by the Board of Directors in 1995. Such severance payments and benefits range from 1.6 times the last five years' average cash compensation and 24 months of continued insurance benefits for park General Managers to three times the last five years' average cash compensation, less \$1, and 36 months of continued insurance benefits, for the President and Chief Executive Officer.

### **Supplemental Retirement Benefits.**

Supplemental retirement benefits represent the named executive officer's right to receive cash benefits from the Partnership upon retirement at age 62 or over, with a minimum of 20 years' service to the Partnership, its predecessors and/or successors. Amounts were allocated in prior years among the executive officers out of General Partner fees as approved by the Compensation Committee of the Board. Each officer's account accrues interest at the prime rate as established from time to time by the Partnership's lead bank. Executive officers leaving the employ of the Partnership prior to reaching age 62 or with less than 20 years of service will forfeit their entire balance. In the event of death, total disability, retirement at age 62 or over with at least 20 years' service, or removal of the General Partner (unless resulting from reorganization of the Partnership into corporate form), all amounts accrued will become immediately and fully vested and payable to the executive officers. In the event of a "change-in-control" (as defined), all amounts accrued will become fully vested and will be funded in a trust, for the benefit of the executive officers when they reach age 62, die, or become totally disabled, whichever occurs first. At each executive officer's option, the accrued balance may be distributed in a lump sum or in a number of future payments over a period not to exceed 10 years.

The amount of supplemental retirement benefits accrued to Messrs. Kinzel, Jackson, Falfas, Albino and Keller as of December 31, 2001, were \$1,252,977, \$62,591, \$14,391, \$146,982, and \$0, respectively.

# ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

## A. Security Ownership of Certain Beneficial Owners.

According to information obtained by the Partnership from Schedule 13G filings with the Securities and Exchange Commission concerning the beneficial ownership of its units (determined in accordance with the rules of the Securities and Exchange Commission), there were no parties known to the Partnership to own more than 5 percent of its Depositary Units representing limited partner interests as of January 31, 2002.

## B. Security Ownership of Management.

The following table sets forth the number of Depositary Units representing limited partner interests beneficially owned by each Director and named executive officer and by all officers and Directors as a group as of January 31, 2002.

|                                 | Amount and Nature of Beneficial Ownership |                         |               |                     |               |                 |
|---------------------------------|---|-------------------------|---------------|---------------------|---------------|-----------------|
|                                 | Beneficial                                | <u>Investment Power</u> |               | <u>Voting Power</u> |               | Percent         |
| <u>Name of Beneficial Owner</u> | <u>Ownership</u>                          | <u>Sole</u>             | <u>Shared</u> | <u>Sole</u>         | <u>Shared</u> | <u>of Units</u> |
|                                 |   |                         |               |                     |               |                 |
| Richard L. Kinzel (1)           | 842,830                                   | 420,762                 | 422,068       | 420,762             | 422,068       | 1.7             |
| Richard S. Ferreira             | 3,220                                     | 440                     | 2,780         | 440                 | 2,780         | *               |
| Terry C. Hackett (2)            | 477,167                                   | -0-                     | 477,167       | -0-                 | 477,167       | *               |
| Bruce A. Jackson                | 111,610                                   | 109,610                 | 2,000         | 109,610             | 2,000         | *               |
| Mary Ann Jorgenson (3)          | 764,864                                   | 488                     | 764,376       | 488                 | 764,376       | 1.5             |
| Michael D. Kwiatkowski          | -0-                                       | -0-                     | -0-           | -0-                 | -0-           | *               |
| Donald H. Messinger             | 3,100                                     | 2,700                   | 400           | 2,700               | 400           | *               |
| Thomas A. Tracy                 | 10,175                                    | 8,088                   | 2,087         | 8,088               | 2,087         | *               |
| John R. Albino                  | 58,166                                    | 58,166                  | -0-           | 58,166              | -0-           | *               |
| Jacob T. Falfas                 | 43,759                                    | 37,877                  | 5,882         | 37,877              | 5,882         | *               |
| Daniel R. Keller (1)            | 459,620                                   | 76,600                  | 383,020       | 76,600              | 383,020       | *               |

|   |           |         |           |         |           |     |
|---|-----------|---------|-----------|---------|-----------|-----|
| All Directors and officers<br>as a group (16 individuals) | 2,536,379 | 855,025 | 1,681,354 | 855,025 | 1,681,354 | 5.0 |
|---|-----------|---------|-----------|---------|-----------|-----|

\* Less than one percent of outstanding units.

(1) Includes 383,020 units held by a corporation of which Messrs. Kinzel and Keller, together with certain current and former executive officers of the General Partner, are shareholders and, under Rule 13d-3 of the Securities and Exchange Commission, are deemed to be the beneficial owners of these units by having shared investment and voting power. Messrs. Kinzel and Keller disclaim beneficial ownership of 331,400 and 346,886, respectively, of these units. The units owned by the corporation have been counted only once in the total of the directors and executive officers as a group.

(2) Excludes 5,386,002 units held by other members of the Knott family.

(3) Includes 763,976 units held by certain trusts of which Mrs. Jorgenson and two other partners of Squire, Sanders & Dempsey L.L.P. are trust advisors, as to which Mrs. Jorgenson disclaims beneficial ownership.

## ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

Attention is directed to Note 1 to the consolidated financial statements on page 19 of this Report.

## PART IV

## ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K.

### A. 1. Financial Statements

With respect to the consolidated financial statements of the Registrant set forth below, attention is directed to pages 14-24 of this Report.

- (i) Consolidated Balance Sheets - December 31, 2001 and 2000.
- (ii) Consolidated Statements of Operations - Years ended December 31, 2001, 2000, and 1999.
- (iii) Consolidated Statements of Partners' Equity - Years ended December 31, 2001, 2000, and 1999.
- (iv) Consolidated Statements of Cash Flows - Years ended December 31, 2001, 2000, and 1999.
- (v) Notes to Consolidated Financial Statements - December 31, 2001, 2000, and 1999.
- (vi) Report of Independent Public Accountants.

## A. 2. Financial Statement Schedules

All Schedules are omitted, as the information is not required or is otherwise furnished.

## A. 3. Exhibits

The exhibits listed below are incorporated herein by reference to prior SEC filings by Registrant or are included as exhibits in this Form 10-K.

### Exhibit

| <u>Number</u> | <u>Description</u>   |
|---------------|--|
| 3.1*          | Form of Third Amended and Restated Certificate and Agreement of Limited Partnership of Cedar Fair, L.P. (included as Exhibit A to the Prospectus).   |
| 3.2           | Amendment No. 1 to Third Amended and Restated Agreement of Limited Partnership of Cedar Fair, L.P., dated as of December 31, 1988. Incorporated herein by reference to Exhibit 3.2 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2000.                        |
| 3.3           | Amendment No. 2 to Third Amended and Restated Agreement of Limited Partnership of Cedar Fair, L.P., dated as of December 31, 1992. Incorporated herein by reference to Exhibit 3.3 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2000.                        |
| 3.4           | Amendment No. 3 to Third Amended and Restated Agreement of Limited Partnership of Cedar Fair, L.P., dated as of July 1, 1997. Incorporated herein by reference to Exhibit 10.2 to Registrant's Quarterly Report on Form 10-Q for the quarter ended June 29, 1997.                          |
| 3.5           | Amendment No. 4 to Third Amended and Restated Agreement of Limited Partnership of Cedar Fair, L.P., dated as of August 25, 2000. Incorporated herein by reference to Exhibit A to Registrant's Proxy Statement dated July 26, 2000.  |
| 4*            | Form of Deposit Agreement.   |
| 4.1           | Contribution Agreement by and among Roger D. Jourden and Mary L. Jourden and the Registrant dated May 31, 2001. Incorporated herein by reference to Exhibit 4.01 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended June 24, 2001.                                    |
| 10.4          | Private Shelf Agreement with The Prudential Insurance Company of America dated August 24, 1994 for \$50,000,000, 8.43% Senior Notes Due August 24, 2006. Incorporated herein by reference to Exhibit 10.4 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1999. |
| 10.17         | Cedar Fair, L.P. Executive Severance Plan dated as of July 26, 1995. Incorporated herein by reference to Exhibit 10.17 to Registrant's Annual Report on Form 10-K for the year ended December 31, 2000.  |



- 10.19 Private Shelf Agreement with The Prudential Insurance Company of America dated January 28, 1998 for \$50,000,000, 6.68% Series B Notes Due August 24, 2011. Incorporated herein by reference to Exhibit 10.19 to Registrant's Annual Report on Form 10-K for the year ended December 31, 1998.
- 10.25 Cedar Fair, L.P. 2000 Equity Incentive Plan. Incorporated herein by reference to Exhibit B to the Registrant's Proxy Statement dated July 26, 2000.
- 10.26 Cedar Fair, L.P. 2000 Senior Executive Management Incentive Plan. Incorporated herein by reference to Exhibit C to the Registrant's Proxy Statement dated July 26, 2000.
- 10.27 Senior Series C Notes issued under the Private Shelf Agreement with The Prudential Insurance Company of America dated January 28, 1998 for \$50,000,000, 6.40% Series C Notes due August 24, 2008. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2001.
- 10.28 Credit Agreement dated as of November 26, 2001 between Cedar Fair, L.P. and Subsidiaries as co-borrowers, and KeyBank National Association and seven other banks as lenders.
- 10.29 First Amendment Agreement dated January 16, 2002 to the Credit Agreement dated November 26, 2001.
- 10.30 Note Purchase Agreement dated as of February 8, 2002 between Cedar Fair, L.P. and Subsidiaries and NY Life Insurance Company, NY Life Insurance and Annuity Corp., The Travelers Insurance Company, Teachers Insurance and Annuity Association of America and Jackson National Life Insurance Company.
- 21\* Subsidiaries of Cedar Fair, L.P.
- 99 Letter to Securities and Exchange Commission pursuant to Temporary Note 3T
- \* Incorporated herein by reference to the Registration Statement on Form S-1 of Cedar Fair, L.P., Registration No. 1-9444, filed April 23, 1987.

## **B. Reports on Form 8-K.**

Not applicable.

## **SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**CEDAR FAIR, L.P.**

(Registrant)

DATED: March 28, 2002

/S/ Richard L. Kinzel

Richard L. Kinzel

President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been executed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

|     | <u>Signature</u>       | <u>Title</u>                            | <u>Date</u>    |
|-----|------------------------|---|----------------|
|     |                        |   |                |
| /S/ | Richard L. Kinzel      | President and Chief Executive Officer,  | March 28, 2002 |
|     | Richard L. Kinzel      | Director                                |                |
|     |                        |   |                |
| /S/ | Bruce A. Jackson       | Corporate Vice President-Finance        | March 28, 2002 |
|     | Bruce A. Jackson       | (Chief Financial Officer), Director     |                |
|     |                        |   |                |
| /S/ | Charles M. Paul        | Vice President and Corporate Controller | March 28, 2002 |
|     | Charles M. Paul        | (Chief Accounting Officer)              |                |
|     |                        |   |                |
| /S/ | Richard S. Ferreira    | Director                                | March 28, 2002 |
|     | Richard S. Ferreira    |   |                |
|     |                        |   |                |
| /S/ | Terry C. Hackett       | Director                                | March 28, 2002 |
|     | Terry C. Hackett       |   |                |
|     |                        |   |                |
| /S/ | Mary Ann Jorgenson     | Director                                | March 28, 2002 |
|     | Mary Ann Jorgenson     |   |                |
|     |                        |   |                |
| /S/ | Michael D. Kwiatkowski | Director                                | March 28, 2002 |
|     | Michael D. Kwiatkowski |   |                |

|     |                     |          |                |
|-----|---------------------|----------|----------------|
|     |                     |          |                |
| /S/ | Donald H. Messinger | Director | March 28, 2002 |
|     | Donald H. Messinger |          |                |
|     |                     |          |                |
| /S/ | Thomas A. Tracy     | Director | March 28, 2002 |
|     | Thomas A. Tracy     |          |                |

# ANNUAL REPORT ON FORM 10-K

CEDAR FAIR, L.P.

For the Year Ended December 31, 2000

## EXHIBIT INDEX

|      | <u>Exhibit</u>  | <u>Page</u> |
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#### EXHIBIT INDEX (continued)

| <u>Exhibit</u> | <u>Page</u>  |
|----------------|--|
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| 21*            | Subsidiaries of Cedar Fair, L.P. *   |

- \* Incorporated herein by reference: see Item 14 (A)(3).

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**CREDIT AGREEMENT**  
**among**  
**CEDAR FAIR, L.P.,**  
**CEDAR FAIR,**  
**MAGNUM MANAGEMENT CORPORATION,**  
**KNOTT'S BERRY FARM,**  
*as Borrowers,*  
**THE FINANCIAL INSTITUTIONS NAMED HEREIN**  
*as Banks*  
**and**  
**KEYBANK NATIONAL ASSOCIATION,**  
*as Lead Arranger and Administrative Agent*

\_\_\_\_\_  
**dated as of**  
**November 26, 2001**  
\_\_\_\_\_

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This CREDIT AGREEMENT (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is made effective as of the 26<sup>th</sup> day of November, 2001, among:

(a) CEDAR FAIR, L.P., a Delaware limited partnership ("Cedar Fair LP");

(b) CEDAR FAIR, an Ohio general partnership ("Cedar Fair");

(c) MAGNUM MANAGEMENT CORPORATION, an Ohio corporation ("Magnum Management"), in its capacity as a Borrower (as hereinafter defined) and in its capacity as treasury manager (in such capacity as treasury manager, together with any successor appointed pursuant to Section 2.3 hereof, the "Treasury Manager");

(d) KNOTT'S BERRY FARM, a California general partnership ("Knott's Berry Farm"; and together with Cedar Fair LP, Cedar Fair, Magnum Management and each other Company that shall become a Borrower pursuant to Section 2.5 hereof, collectively, "Borrowers" and, individually, each a "Borrower");

(e) the banking institutions named in Schedule 1 hereto (collectively, "Banks" and, individually, each a "Bank"); and

(f) KEYBANK NATIONAL ASSOCIATION, as lead arranger and administrative agent for the Banks under this Agreement ("Agent").

WITNESSETH:

WHEREAS, Borrowers, Agent and the Banks desire to contract for the establishment of credits in the aggregate principal amounts hereinafter set forth, to be made available to Borrowers upon the terms and subject to the conditions hereinafter set forth;

NOW, THEREFORE, it is mutually agreed as follows:

I. DEFINITIONS

As used in this Agreement, the following terms shall have the following meanings:

"Acquisition" shall mean any transaction or series of related transactions for the purpose of or resulting, directly or indirectly, in (a) the acquisition of all or substantially all of the assets of any Person, or any business or division of any Person, (b) the acquisition of in excess of fifty percent (50%) of the stock (or other equity interest) of any Person, or (c) the acquisition of another Person (other than a Company) by a merger or consolidation or any other combination with such Person.

"Additional Commitment" shall have the meaning given to such term in Section 2.8(c) hereof.

"Additional Bank" shall mean a financial institution that shall become a Bank hereunder pursuant to Section 2.8(c) hereof.

"Additional Bank Assumption Agreement" shall mean an Assumption Agreement in form and substance satisfactory to Agent, wherein an Additional Bank shall become a Bank hereunder.

"Advantage" shall mean any payment (whether made voluntarily or involuntarily, by offset of any deposit or other indebtedness or otherwise) received by any Bank in respect of the Debt, if such payment results in that Bank having less than its pro rata share of the Debt then outstanding than was the case immediately before such payment.

"Affiliate" shall mean any Person, directly or indirectly, controlling, controlled by or under common control with a Company and "control" (including the correlative meanings, the terms "controlling", "controlled by" and "under common control with") shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Company, whether through the ownership of voting securities, by contract or otherwise.

"Agent Fee Letter" shall mean the Agent Fee Letter between Borrowers and Agent, dated as of the Closing Date, as the same may from time to time be amended, restated or otherwise modified.

"Applicable Facility Fee Rate" shall mean:

(a) for the period from the Closing Date through April 30, 2002, twenty-two and one-half (22.50) basis points; and

(b) commencing with the financial statements for the fiscal quarter ending December 31, 2001, the number of basis points set forth in the following matrix, based upon the result of the computation of the Consolidated EBITDA/Interest Ratio, shall be used to establish the number of basis points that will go into effect on May 1, 2002 and thereafter:

| <b>Consolidated EBITDA/<br/>Interest Ratio</b>                    | <b>Applicable Facility Fee Rate</b> |
|---|-------------------------------------|
| Greater than or equal to 8.00 to 1.00                             | 20.00 basis points                  |
| Greater than or equal to 6.00 to 1.00, but less than 8.00 to 1.00 | 22.50 basis points                  |
| Greater than or equal to 5.00 to 1.00, but less than 6.00 to 1.00 | 25.00 basis points                  |
| Less than 5.00 to 1.00  | 30.00 basis points                  |

Changes to the Applicable Facility Fee Rate shall be effective on the first day of the month following the date upon which Agent received, or, if earlier, should have received, pursuant to Section 5.3 (a) and (b) hereof, the financial statements of the Companies. The above matrix does not modify or waive, in any respect, the requirements of Section 5.7 hereof, the rights of Agent and the Banks to charge the Default Rate, or the rights and remedies of Agent and the Banks pursuant to Articles VII and VIII hereof.

"Applicable Margin" shall mean:

(a) for the period from the Closing Date through April 30, 2002, seventy-seven and one-half (77.50) basis points; and

(b) commencing with the financial statements for the fiscal quarter ending December 31, 2001, the number of basis points set forth in the following matrix, based upon the result of the computation of the Consolidated EBITDA/Interest Ratio, shall be used to establish the number of basis points that will go into effect on May 1, 2002 and thereafter:

| <b>Consolidated EBITDA/<br/>Interest Ratio</b> |  |
|--|--|
|--|--|

| Interest Ratio   | Applicable Margin   |
|--|---------------------|
| Greater than or equal to 11.00 to 1.00                             | 55.00 basis points  |
| Greater than or equal to 8.00 to 1.00, but less than 11.00 to 1.00 | 65.00 basis points  |
| Greater than or equal to 6.00 to 1.00, but less than 8.00 to 1.00  | 77.50 basis points  |
| Greater than or equal to 5.00 to 1.00, but less than 6.00 to 1.00  | 100.00 basis points |
| Less than 5.00 to 1.00   | 120.00 basis points |

Changes to the Applicable Margin shall be effective on the first day of the month following the date upon which Agent received, or, if earlier, Agent should have received, pursuant to Section 5.3 (a) and (b) hereof, the financial statements of the Companies. The above matrix does not modify or waive, in any respect, the requirements of Section 5.7 hereof, the rights of Agent and the Banks to charge the Default Rate, or the rights and remedies of Agent and the Banks pursuant to Articles VII and VIII hereof.

"Assignment Agreement" shall mean an Assignment and Acceptance Agreement in the form of the attached Exhibit H.

"Assumption Agreement" shall mean each of the Assumption Agreements executed by a Company that shall have become a Borrower pursuant to Section 2.5 hereof after the Closing Date, in the form of the attached Exhibit G, as the same may from time to time be amended, restated or otherwise modified.

"Base Rate" shall mean a rate per annum equal to the greater of (a) the Prime Rate or (b) one-half of one percent (½%) in excess of the Federal Funds Effective Rate. Any change in the Base Rate shall be effective immediately from and after such change in the Base Rate.

"Base Rate Loan" shall mean a Loan described in Section 2.1 hereof on which Borrowers shall pay interest at a rate based on the Base Rate.

"Business Day" shall mean a day of the year on which banks are not required or authorized to close in Cleveland, Ohio, and, if the applicable Business Day relates to any LIBOR Loan, on which dealings are carried on in the London interbank eurodollar market.

"Capital Distribution" shall mean a payment made, liability incurred or other consideration given for the purchase, acquisition, redemption, repurchase or retirement of any capital stock or other equity interest of any Company or as a dividend, return of capital or other distribution (other than any stock dividend, stock split or other equity distribution payable only in capital stock or other equity of the Company in question) in respect of any Company's capital stock or other equity interest.

"Cash Equivalents" shall mean (a) securities issued or directly and fully guaranteed or insured by the United States of America or any agency or instrumentality thereof (provided that the full faith and credit of the United States of America is pledged in support thereof) having maturities of not more than one year from the date of acquisition; (b) U.S. dollar denominated time deposits, certificates of deposit and bankers' acceptances of any Bank or any bank whose short-term commercial paper rating from Standard & Poor's is at least A-1, or the equivalent thereof, or from Moody's is at least P-1, or the equivalent thereof (any such bank, an "Approved Depository"), in each case with maturities of not more than one year from the date of acquisition; (c) commercial paper issued by any Bank or Approved Depository or by the parent company of any Bank or Approved Depository and commercial paper issued by, or guaranteed by, any industrial or financial company with a short-term commercial paper rating of at least A-1 or the equivalent thereof by Standard & Poor's or at least P-1 or the equivalent thereof by Moody's, or guaranteed by any industrial company with a long term unsecured debt rating of at least A or A2, or the equivalent of each thereof, from Standard & Poor's or Moody's, as the case may be, and in each case maturing within two hundred seventy (270) days after the date of acquisition; (d) investments in money market funds substantially all the assets of which are comprised of securities of the types described in subparts (a) through (c) above; and (e) investments in money market funds access to which is provided as part of "sweep" accounts maintained with a Bank or an Approved Depository.

"Change in Control" shall mean:

(a) any person or group (as such term is defined in section 13(d)(3) of the Securities Exchange Act of 1934, as then in effect), other than Cedar Fair LP, any trustee or other fiduciary holding securities under an employee benefit plan of the Companies or the Current Holder Group, shall acquire, directly or indirectly, beneficial ownership (within the meaning of Rule 13d-3 and 13d-5 of the Securities Exchange Act of 1934, as then in effect) of more than forty percent (40%), on a fully diluted basis, of the economic or voting interest in Cedar Fair LP's partnership interests;

(b) the Current Holder Group shall, for any reason, cease to have, directly or indirectly, beneficial ownership (within the meaning of Rule 13d-3 and 13d-5 of the Securities Exchange Act of 1934, as then in effect) of at least fifty percent (50%), on a fully diluted basis, of the economic or voting interest in the Managing General Partner's capital stock;

(c) the holders of partnership interests in Cedar Fair LP shall approve a merger or consolidation of Cedar Fair LP with any other Person, other than a merger or consolidation that would result in the partnership interests of Cedar Fair LP outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted or exchanged for voting securities of the surviving or resulting entity or its parent corporation) more than fifty-one percent (51%) of the Voting Power of the partnership interests or other voting securities of Cedar Fair LP or such surviving or resulting entity (or parent corporation) outstanding after such merger or consolidation;

(d) the holders of partnership interests in Cedar Fair LP shall approve the removal of Cedar Fair Management Company as the managing general partner of Cedar Fair LP;

(e) the holders of partnership interests in Cedar Fair LP shall approve a plan of complete liquidation of Cedar Fair LP or an agreement or agreements for the sale or disposition by Cedar Fair LP of all or substantially all of the assets of Cedar Fair LP; or

(f) Cedar Fair LP shall cease to own, directly or indirectly, or with another Borrower, one hundred percent (100%) of the beneficial ownership (within the meaning of Rule 13d-3 and 13d-5 of the Securities and Exchange Act of 1934, as then in effect) of the economic and voting interest of each other Borrower.

"Closing Commitment Amount" shall mean the principal amount of Two Hundred Seventy-Five Million Dollars (\$275,000,000).

"Closing Date" shall mean the effective date of this Agreement.

"Closing Fee Letter" shall mean the Closing Fee Letter among Borrowers, Agent and the Banks, dated as of the Closing Date.

"Code" shall mean the Internal Revenue Code of 1986, as amended, together with the rules and regulations promulgated thereunder.

"Commitment" shall mean the obligation hereunder of the Banks, during the Commitment Period, to make Loans and to participate in the issuance of Letters of Credit pursuant to the Revolving Credit Commitments, up to the Total Commitment Amount.

"Commitment Percentage" shall mean, for each Bank, the percentage set forth opposite such Bank's name under the column headed "Commitment Percentage", as listed in Schedule 1 hereto.

"Commitment Period" shall mean the period from the Closing Date to November 26, 2004, or such earlier date on which the Commitment shall have been terminated pursuant to Article VIII hereof.

"Company" shall mean a Borrower or Subsidiary.

"Companies" shall mean all Borrowers and Subsidiaries.

"Compliance Certificate" shall mean a certificate, substantially in the form of the attached Exhibit D.

"Confidential Information" shall mean any non-public information obtained by Agent or any Bank pursuant to the requirements of this Agreement that shall have been identified as such by the Treasury Manager, but does not include information (a) that was publicly available or otherwise known to Agent or such Bank at the time of disclosure (other than through disclosure by a Company), (b) that subsequently becomes publicly known through no act or omission by Agent or any Bank, or (c) that otherwise becomes known to Agent or such Bank, other than through disclosure by a Company or disclosure in violation of an obligation of confidence of which Agent or such Bank knows or should have known.

"Consideration" shall mean, in connection with an Acquisition, the aggregate consideration paid, including borrowed funds, cash, the issuance of securities or notes, the assumption or incurring of liabilities (direct or contingent), the payment of consulting fees or fees for a covenant not to compete and any other consideration paid for such purchase.

"Consolidated" shall mean the resultant consolidation of the financial statements of Cedar Fair LP in accordance with GAAP, including principles of consolidation consistent with those applied in preparation of the consolidated financial statements referred to in Section 6.13 hereof.

"Consolidated Depreciation and Amortization Charges" shall mean, for any period, the aggregate of all depreciation and amortization charges for fixed assets, leasehold improvements and general intangibles (specifically including goodwill) of Borrowers for such period, as determined on a Consolidated basis and in accordance with GAAP.

"Consolidated EBIT" shall mean, for any period, on a Consolidated basis and in accordance with GAAP, Consolidated Net Earnings for such period plus (a) the aggregate amounts deducted in determining such Consolidated Net Earnings in respect of (i) Consolidated Income Tax Expense, (ii) Consolidated Interest Expense, and (iii) extraordinary non-cash losses and charges and other non-recurring (with the understanding that unit option expense shall not constitute a recurring event) non-cash losses and charges, minus (b) gains on sales of assets (excluding sales in the ordinary course of business) and other extraordinary gains and non-recurring (with the understanding that unit option credits shall not constitute a recurring event) non-cash gains.

"Consolidated EBITDA" shall mean, for any period, on a Consolidated basis and in accordance with GAAP, Consolidated EBIT plus Consolidated Depreciation and Amortization Charges; provided that Consolidated EBITDA for any period shall (a) include the appropriate financial items for any Person or business unit that has been acquired by any Company for any portion of such period prior to the date of acquisition, and (b) exclude the appropriate financial items for any Person or business unit that has been disposed of by any Company, for the portion of such period prior to the date of disposition.

"Consolidated EBITDA/Interest Ratio" shall mean, at any time, for the most recently completed four fiscal quarters of Borrowers, on a Consolidated basis and in accordance with GAAP, the ratio of (a) Consolidated EBITDA (without giving effect to the proviso in the definition of Consolidated EBITDA) to (b) Consolidated Interest Expense.

"Consolidated Funded Indebtedness" shall mean, at any date, on a Consolidated basis, all Indebtedness of the Companies for borrowed money and capitalized leases, including, but not limited to, current, long-term and Subordinated Indebtedness, if any.

"Consolidated Income Tax Expense" shall mean, for any period, all provisions for taxes based on the gross or net income of Borrowers (including, without limitation, any additions to such taxes, and any penalties and interest with respect thereto), and all franchise taxes of Borrowers, as determined on a Consolidated basis and in accordance with GAAP.

"Consolidated Interest Expense" shall mean, for any period, the interest expense of Borrowers for such period, as determined on a Consolidated basis and in accordance with GAAP.

"Consolidated Net Earnings" shall mean, for any period, the net income (loss) of Borrowers for such period, as determined on a Consolidated basis and in accordance with GAAP.

"Consolidated Net Worth" shall mean, at any date, all amounts that, in accordance with GAAP, would be included under the caption "total partners' equity" (or any like caption) on the Consolidated balance sheet of Cedar Fair LP as of such date.

"Consolidated Total Capital" shall mean, at any date, the sum of (a) Consolidated Total Indebtedness, and (b) Consolidated Net Worth, for the most recently completed fiscal quarter.

"Consolidated Total Indebtedness" shall mean, at any date, on a Consolidated basis, all Indebtedness of Borrowers, including, but not limited to, current, long-term and Subordinated Indebtedness, if any.

"Controlled Group" shall mean a Company and each Person required to be aggregated with a Company under Code Sections 414(b), (c), (m) or (o).

"Current Holder Group" shall mean (a) those individuals who are officers and directors of Cedar Fair LP or the Managing General Partner on the Closing Date, (b) the spouses, heirs, legatees, descendants and blood relatives to the third degree of consanguinity of any such individual, (c) the executors and administrators of the estate of any such individual, and any court appointed guardian of any such individual, and (d) any trust for the benefit of any such individual referred to in the foregoing clauses (a) and (b) or any other individuals, so long as one or more members of the Current Holder Group has the exclusive right to control the voting and disposition of securities held by such trust.

"Debt" shall mean, collectively, all Indebtedness and other obligations incurred by Borrowers to Agent and the Banks pursuant to this Agreement and includes the principal of and interest on all Loans and the Letter of Credit Exposure and each extension, renewal or refinancing thereof in whole or in part, the facility fees, other fees and any prepayment fees payable hereunder.

"Default" shall mean an event or condition that constitutes, or with the lapse of any applicable grace period or the giving of notice or both would constitute, an Event of Default and that has not been waived by the Required Banks in writing.

"Default Rate" shall mean a rate per annum equal to two percent (2%) in excess of the Base Rate from time to time in effect.

"Derived LIBOR Rate" shall mean a rate per annum equal to the sum of the Applicable Margin (from time to time in effect) plus the LIBOR Rate.

"Derived Swing Loan Rate" shall mean a rate per annum equal to (a) Agent's costs of funds as quoted to the Treasury Manager by Agent and agreed to by the Treasury Manager, plus (b) the Applicable Margin (from time to time in effect), plus (c) the Applicable Facility Fee Rate.

"Determination of Taxability" shall mean any of the following:

(a) Cedar Fair LP shall elect, for Federal income tax purposes, to be treated as an association taxable as a corporation under Subchapter C of the Code;

(b) Cedar Fair LP shall have received from the Internal Revenue Service any written notice or other communication that questions the status or right of Cedar Fair LP to be treated as a partnership under the Code, and not as an association taxable as a corporation under Subchapter C of the Code, and within sixty (60) days following the receipt of any such notice or other communication Cedar Fair LP has not obtained, and provided to Agent a copy of, a written confirmation from the Internal Revenue Service that such notice or other communication is withdrawn and further confirming that the Internal Revenue Service recognizes that Cedar Fair LP is entitled to be treated as a partnership under the Code, and not as an association taxable as a corporation under Subchapter C of the Code; or

(c) any other event or circumstance shall occur or exist that, in the reasonable opinion of Agent, draws into question the status or right of Cedar Fair LP to be treated as a partnership under the Code, and not as an association taxable as a corporation under Subchapter C of the Code, and within thirty (30) days following the receipt by Cedar Fair LP of a written request therefor from Agent, Cedar Fair LP shall have failed to deliver to Agent a written opinion, reasonably satisfactory in form, scope and substance to Agent, of Squire Sanders & Dempsey L.L.P., or other nationally recognized independent tax counsel, to the effect that, in the opinion of such counsel, Cedar Fair LP should be treated for Federal income tax purposes as a partnership, and not as an association taxable as a corporation under Subchapter C of the Code, and covering such other matters related thereto as Agent may reasonably request.

"Environmental Laws" shall mean all provisions of law, statutes, ordinances, rules, regulations, permits, licenses, judgments, writs, injunctions, decrees, orders, awards and standards promulgated by the government of the United States of America or by any state or municipality thereof or by any court, agency, instrumentality, regulatory authority or commission of any of the foregoing concerning health, safety and protection of, or regulation of the discharge of substances into, the environment.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations promulgated pursuant thereto.

"ERISA Event" shall mean (a) the existence of a condition or event with respect to an ERISA Plan that presents a material risk of the imposition of an excise tax or any other liability on a Company or of the imposition of a Lien on the assets of a Company; (b) the engagement by a Controlled Group member in a non-exempt "prohibited transaction" (as defined under ERISA Section 406 or Code Section 4975) or a breach of a fiduciary duty under ERISA that could result in material liability to a Company; (c) the application by a Controlled Group member for a waiver from the minimum funding requirements of Code Section 412 or ERISA Section 302 or a Controlled Group member is required to provide security under Code Section 401(a)(29) or ERISA Section 307; (d) the occurrence of a Reportable Event with respect to any Pension Plan as to which notice is required to be provided to the PBGC; (e) the withdrawal by a Controlled Group member from a Multiemployer Plan in a "complete withdrawal" or a "partial withdrawal" (as such terms are defined in ERISA Sections 4203 and 4205, respectively); (f) the involvement of, or occurrence or existence of any event or condition that makes likely the involvement of, a Multiemployer Plan in any reorganization under ERISA Section 4241; (g) the failure of an ERISA Plan (and any related trust) that is intended to be qualified under Code Sections 401 and 501 to be so qualified or the failure of any "cash or deferred arrangement" under any such ERISA Plan to meet the requirements of Code Section 401(k); (h) the taking by the PBGC of any steps to terminate a Pension Plan or appoint a trustee to administer a Pension Plan, or the taking by a Controlled Group member of any steps to terminate a Pension Plan; (i) the failure by a Controlled Group member or an ERISA Plan to satisfy any material requirements of law applicable to an ERISA Plan; (j) the commencement, existence or threatening of a claim, action, suit, audit or investigation with respect to an ERISA Plan, other than a routine claim for benefits; or (k) any occurrence by or any expectation of the incurrence by a Controlled Group member of any material liability for post-retirement benefits under any Welfare Plan, other than as required by ERISA Section 601, et. seq. or Code Section 4980B.

"ERISA Plan" shall mean an "employee benefit plan" (within the meaning of ERISA Section 3(3)) that a Controlled Group member at any time sponsors, maintains, contributes to, has liability with respect to or has an obligation to contribute to such plan.

"Eurocurrency Reserve Percentage" shall mean, for any Interest Period in respect of any LIBOR Loan, as of any date of determination, the aggregate of the then stated maximum reserve percentages (including any marginal, special, emergency or supplemental reserves), expressed as a decimal, applicable to such Interest Period (if more than one such percentage is applicable, the daily average of such percentages for those days in such Interest Period during which any such percentage shall be so applicable) by the Board of Governors of the Federal Reserve System, any successor thereto, or any other banking authority, domestic or foreign, to which a Bank may be subject in respect to eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Federal Reserve Board) or in respect of any other category of liabilities including deposits by reference to which the interest rate on LIBOR Loans is determined or any category of extension of credit or other assets that include the LIBOR Loans. For purposes hereof, such reserve requirements shall include, without limitation, those imposed under Regulation D of the Federal Reserve Board and the LIBOR Loans shall be deemed to constitute Eurocurrency Liabilities subject to such reserve requirements without benefit of credits for proration, exceptions or offsets which may be available from time to time to any Bank under said Regulation D.

"Event of Default" shall mean an event or condition that shall constitute an event of default as defined in Article VII hereof.

"Federal Funds Effective Rate" shall mean, for any day, the rate per annum (rounded upward to the nearest one one-hundredth of one percent (1/100 of 1%)) announced by the Federal Reserve Bank of New York (or any successor) on such day as being the weighted average of the rates on overnight federal funds transactions arranged by federal funds brokers on the previous trading day, as computed and announced by such Federal Reserve Bank (or any successor) in substantially the same manner as such Federal Reserve Bank computes and announces the weighted average it refers to as the "Federal Funds Effective Rate" as of the Closing Date.

"Financial Officer" shall mean any of the following officers: chief executive officer, president, chief financial officer, controller or treasurer. Unless otherwise qualified, all references to a Financial Officer in this Agreement shall refer to a Financial Officer of Cedar Fair LP.

"Foreign Subsidiary" shall mean a Subsidiary that shall be organized outside of the United States.

"Fronting Bank" shall mean, as to any Letter of Credit transaction hereunder, Agent as issuer of the Letter of Credit, or, in the event that Agent shall be unable to issue a Letter of Credit, such other Bank as shall agree to issue the Letter of Credit in its own name, but on behalf of the Banks hereunder.

"GAAP" shall mean generally accepted accounting principles as then in effect, which shall include the official interpretations thereof by the Financial Accounting Standards Board, applied on a basis consistent with the past accounting practices and procedures of Borrowers.

"Guarantor" shall mean a Person that shall have pledged its credit or property in any manner for the payment or other performance of the indebtedness, contract or other obligation of another and includes (without limitation) any guarantor (whether of payment or of collection), surety, co-maker, endorser or Person that shall have agreed conditionally or otherwise to make any purchase, loan or investment in order thereby to enable another to prevent or correct a default of any kind.

"Guarantor of Payment" shall mean each of the Companies set forth on Schedule 2 hereof, that are each executing and delivering a Guaranty of Payment, or any other Person that shall deliver a Guaranty of Payment to Agent subsequent to the Closing Date.

"Guaranty of Payment" shall mean each Guaranty of Payment of Debt, in the form of Exhibit E hereto, executed and delivered on or after the Closing Date in connection herewith by the Guarantors of Payment, as the same may from time to time be amended, restated or otherwise modified.

"Hedge Agreement" shall mean any (a) hedge agreement, interest rate swap, cap, collar or floor agreement, or other interest rate management device, or (b) currency swap agreement, forward currency purchase agreement or similar arrangement or agreement designed to protect against fluctuations in currency exchange rates.

"Increased Commitment Amount" shall mean the principal amount of Three Hundred Fifty Million Dollars (\$350,000,000) (or such lesser amount or amounts as shall be determined pursuant to Section 2.8(b) or (c) hereof).

"Indebtedness" shall mean, for any Company (excluding in all cases trade payables payable in the ordinary course of business by such Company), without duplication, (a) all obligations to repay borrowed money, direct or indirect, incurred, assumed, or guaranteed, (b) all obligations for the deferred purchase price of capital assets, (c) all obligations under conditional sales or other title retention agreements, (d) all obligations (contingent or otherwise) under any letter of credit, banker's acceptance, currency swap agreement, interest rate swap, cap, collar

or floor agreement or other interest rate management device, (e) all synthetic leases, (f) all lease obligations that have been or should be capitalized on the books of such Company in accordance with GAAP, (g) all obligations of such Company with respect to asset securitization financing programs, (h) all obligations to advance funds to, or to purchase assets, property or services from, any other Person in order to maintain the financial condition of such Person, and (i) any other transaction (including forward sale or purchase agreements) having the commercial effect of a borrowing of money entered into by such Company to finance its operations or capital requirements.

"Intercreditor Agreement" shall mean the Intercreditor Agreement, in the form of Exhibit F hereto, dated as of the Closing Date among Agent, for the benefit of and on behalf of the Banks, and the Noteholders, as the same may from time to time be amended, restated or otherwise modified.

"Interest Adjustment Date" shall mean the last day of each Interest Period.

"Interest Coverage Ratio" shall mean, for the most recently completed four fiscal quarters of Borrowers, on a Consolidated basis and in accordance with GAAP, the ratio of (a) Consolidated EBIT to (b) Consolidated Interest Expense.

"Interest Period" shall mean, with respect to any LIBOR Loan, the period commencing on the date such LIBOR Loan is made and ending on the last day of such period, as selected by the Treasury Manager pursuant to the provisions hereof, and, thereafter, each subsequent period commencing on the last day of the immediately preceding Interest Period and ending on the last day of such period, as selected by the Treasury Manager pursuant to the provisions hereof. The duration of each Interest Period for any LIBOR Loan shall be one month, two months, three months or six months, in each case as the Treasury Manager may select upon notice, as set forth in Section 2.2 hereof, provided that (a) if the Treasury Manager fails to so select the duration of any Interest Period, the Treasury Manager, on behalf of the applicable Borrower, shall be deemed to have converted such LIBOR Loan to a Base Rate Loan at the end of the then current Interest Period; and (b) the Treasury Manager may not select any Interest Period for a LIBOR Loan that ends after any date when principal is due on such LIBOR Loan.

"Letter of Credit" shall mean any standby letter of credit that shall be issued by the Fronting Bank for the account of a Borrower or Guarantor of Payment, including amendments thereto, if any, and shall have an expiration date no later than the earlier of (a) one year after its date of issuance or (b) thirty (30) days prior to the last day of the Commitment Period.

"Letter of Credit Commitment" shall mean the Commitment of the Fronting Bank, on behalf of the Banks, to issue Letters of Credit in an aggregate face amount of up to Ten Million Dollars (\$10,000,000).

"Letter of Credit Exposure" shall mean the sum of (a) the aggregate undrawn face amount of all issued and outstanding Letters of Credit, and (b) the aggregate of the draws made on Letters of Credit that shall not have been reimbursed by Borrowers or converted to a Revolving Loan pursuant to Section 2.1C hereof.

"Leverage Ratio" shall mean, at any time, for the most recently completed four fiscal quarters of Borrowers, on a Consolidated basis and in accordance with GAAP, the ratio of (a) Consolidated Funded Indebtedness to (b) Consolidated EBITDA.

"LIBOR Loan" shall mean a Loan described in Section 2.1A hereof on which Borrowers shall pay interest at a rate based on the LIBOR Rate.

"LIBOR Rate" shall mean, for any Interest Period with respect to a LIBOR Loan, the quotient (rounded upwards, if necessary, to the nearest one one-hundredth of one percent (1/100th of 1%)) of (a) the per annum rate of interest, determined by Agent in accordance with its usual procedures (which determination shall be conclusive absent manifest error) as of approximately 11:00 A.M. (London time) two Business Days prior to the beginning of such Interest Period pertaining to such LIBOR Loan, as provided by Telerate Service of Bridge Information Services, Bloomberg's or Reuters (or any other similar company or service that provides rate quotations comparable to those currently provided by such companies as the rate in the London interbank market) for dollar deposits in immediately available funds with a maturity comparable to such Interest Period, divided by (b) a number equal to 1.00 minus the Eurocurrency Reserve Percentage. In the event that such rate quotation is not available for any reason, then the rate (for purposes of clause (a) hereof) shall be the rate, determined by Agent as of approximately 11:00 A.M. (London time) two Business Days prior to the beginning of such Interest Period pertaining to such LIBOR Loan, to be the average (rounded upwards, if necessary, to the nearest one one-hundredth of one percent (1/100th of 1%)) of the per annum rates at which dollar deposits in immediately available funds in an amount comparable to such LIBOR Loan and with a maturity comparable to such Interest Period are offered to the prime banks by leading banks in the London interbank market. The LIBOR Rate shall be adjusted automatically on and as of the effective date of any change in the Eurocurrency Reserve Percentage.

"Lien" shall mean any mortgage, security interest, lien (statutory or other), charge, encumbrance on, pledge or deposit of, or conditional sale, leasing, sale with a right of redemption or other title retention agreement and any capitalized lease with respect to any property (real or personal) or asset.

"Loan" or "Loans" shall mean the credit extended to Borrowers by the Banks in accordance with Section 2.1A or B hereof.

"Loan Documents" shall mean, collectively, this Agreement, each Note, each Guaranty of Payment, all documentation relating to each Letter of Credit, the Intercreditor Agreement, the Agent Fee Letter, the Closing Fee Letter and each Assumption Agreement, as any of the foregoing may from time to time be amended, restated or otherwise modified or replaced.

"Managing General Partner" shall mean Cedar Fair Management Company, an Ohio corporation, together with its successors and assigns.

"Material Adverse Effect" shall mean a material adverse effect on the business, operations, property, condition (financial or otherwise) or prospects of the Companies taken as a whole.

"Material Indebtedness Agreement" shall mean any debt instrument, lease (capital, operating or otherwise), guaranty, contract, commitment, agreement or other arrangement evidencing any Indebtedness of any Company or the Companies in excess of the aggregate amount of Five Million Dollars (\$5,000,000).

"Maximum Amount" shall mean, for each Bank, the respective amounts set forth on Schedule 1 hereto opposite such Bank's name under the columns headed "Maximum Amount other than during any Seasonal Commitment Decrease Period" or "Maximum Amount during Seasonal Commitment Decrease Period", as determined in accordance with Section 2.8(a) hereof.

"Maximum Commitment Amount" shall mean the principal amount of Two Hundred Seventy-Five Million Dollars (\$275,000,000) (or such other amount as shall be determined pursuant to Section 2.8(b) or (c) hereof).

"Moody's" shall mean Moody's Investors Service, Inc., or any successor to such company.

"Multiemployer Plan" shall mean a Pension Plan that is subject to the requirements of Subtitle E of Title IV of ERISA.

"Note" shall mean any Revolving Credit Note or any Swing Line Note, or any other note delivered pursuant to this Agreement.

"Note Agreements" shall mean, collectively, (a) the Prudential Note Agreements, and (b) any other note agreement that shall have been entered into in connection with the issuance of Indebtedness by the Companies in an underwritten public offering, Rule 144A offering or other private placement with one or more institutional investors subsequent to the Closing Date, so long as such note agreement shall meet the following requirements: (i) the aggregate principal amount of the Indebtedness incurred under such other note agreement or note agreements shall not exceed Seventy-Five Million Dollars (\$75,000,000) at any time, (ii) the maturity date of such note agreement shall be no earlier than the date that is ninety (90) days after the last day of the Commitment Period, and (iii) the holders of such Indebtedness shall, if requested by Agent and the Required Banks, have entered into an intercreditor agreement containing terms and conditions substantially similar to those set forth in the Intercreditor Agreement, as such note agreement may, in accordance with Section 5.25 hereof, from time to time be amended, restated or otherwise modified.

"Noteholders" shall mean The Prudential Insurance Company, as the holder of the senior notes issued pursuant to the Note Agreements, together with any other holder of any senior notes issued pursuant to the Note Agreements, and the respective successors and assigns of any of the foregoing.

"Notice of Loan" shall mean a Notice of Loan in the form of the attached Exhibit C.



"Obligor" shall mean (a) a Person whose credit or any of whose property is pledged to the payment of the Debt and includes, without limitation, any Guarantor, and (b) any signatory to a Related Writing.

"Organizational Documents" shall mean, with respect to any Person (other than an individual), such Person's Articles (Certificate) of Incorporation, or equivalent formation documents, and Regulations (Bylaws), or equivalent governing documents, and any amendments to any of the foregoing.

"PBGC" shall mean the Pension Benefit Guaranty Corporation, or its successor.

"Pension Plan" shall mean an ERISA Plan that is a "pension plan" (within the meaning of ERISA Section 3(2)).

"Permitted Investment" shall mean an investment of a Company in the stock (or other debt or equity instruments) of a Person (other than a Company), so long as (a) the Company making the investment is a Borrower or a Guarantor of Payment; and (b) the aggregate amount of all such investments of all Companies does not exceed, at any time, an aggregate amount equal to Thirty Million Dollars (\$30,000,000).

"Person" shall mean any individual, sole proprietorship, partnership, joint venture, unincorporated organization, corporation, limited liability company, institution, trust, estate, government or other agency or political subdivision thereof or any other entity.

"Prime Rate" shall mean the interest rate established from time to time by Agent as Agent's prime rate, whether or not such rate shall be publicly announced; the Prime Rate may not be the lowest interest rate charged by Agent for commercial or other extensions of credit. Each change in the Prime Rate shall be effective immediately from and after such change.

"Prudential Note Agreements" shall mean, collectively, (a) the Private Shelf Agreement, dated as of August 24, 1994, as amended, among Cedar Fair LP and the Noteholders named therein, and (b) the Note Purchase and Private Shelf Agreements, dated as of January 28, 1998, among Cedar Fair LP, Knott's Berry Farm and the Noteholders named therein, as any of the foregoing may, in accordance with Section 5.25 hereof, from time to time be amended, restated or otherwise modified.

"Related Writing" shall mean each Loan Document and any other assignment, mortgage, security agreement, guaranty agreement, subordination agreement, financial statement, audit report or other writing furnished by any Borrower, Subsidiary or Obligor, or any of their respective officers, to Agent or the Banks pursuant to or otherwise in connection with this Agreement.

"Reportable Event" shall mean a reportable event as that term is defined in Title IV of ERISA, except actions of general applicability by the Secretary of Labor under Section 110 of such Act.

"Required Banks" shall mean the holders of at least sixty-six and two-thirds percent (66-2/3%) of the Total Commitment Amount, or, if there shall be any borrowing hereunder, the holders of at least sixty-six and two-thirds percent (66-2/3%) of the aggregate principal amount of Loans outstanding (other than Swing Loans).

"Revolving Credit Commitment" shall mean the obligation hereunder, during the Commitment Period, of (a) each Bank to participate in the making of Revolving Loans up to the Maximum Amount for such Bank, (b) each Bank to participate in the issuance of Letters of Credit pursuant to the Letter of Credit Commitment, and (c) Agent to make Swing Loans pursuant to the Swing Line Commitment.

"Revolving Credit Exposure" shall mean, at any time, the sum of (a) the aggregate principal amount of all Revolving Loans outstanding, (b) the Swing Line Exposure, and (c) the Letter of Credit Exposure.

"Revolving Credit Note" shall mean a Revolving Credit Note executed and delivered pursuant to Section 2.1A hereof.

"Revolving Loan" shall mean a Loan granted to Borrowers by the Banks in accordance with Section 2.1A hereof.

"Seasonal Commitment Decrease Period" shall mean the period from August 15, 2002 through November 14, 2002, and the period from August 15 through November 14 of each year thereafter.

"Seasonal Reduced Commitment Amount" shall mean the principal amount of Two Hundred Twenty-Five Million Dollars (\$225,000,000) (or such other amount as shall be determined pursuant to Section 2.8(b) or (c) hereof).

"SEC" shall mean the United States Securities and Exchange Commission, or any governmental body or agency succeeding to any of its principal functions.

"Standard & Poor's" shall mean Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., or any successor to such company.

"Subordinated", as applied to Indebtedness, shall mean that the Indebtedness shall have been subordinated (by written terms or written agreement being, in either case, in form and substance satisfactory to Agent and the Required Banks) in favor of the prior payment in full of the Debt.

"Subsidiary" of a Borrower or any of its Subsidiaries shall mean (a) a corporation more than fifty percent (50%) of the Voting Power of which is owned, directly or indirectly, by a Borrower or by one or more other subsidiaries of a Borrower or by a Borrower and one or more subsidiaries of a Borrower, (b) a partnership or limited liability company of which a Borrower, one or more other subsidiaries of a Borrower or a Borrower and one or more subsidiaries of a Borrower, directly or indirectly, is a general partner or managing member, as the case may be, or otherwise has the power to direct the policies, management and affairs thereof, or (c) any other Person (other than a corporation) in which a Borrower, one or more other subsidiaries of a Borrower or a Borrower and one or more subsidiaries of a Borrower, directly or indirectly, has at least a majority interest in the Voting Power or the power to direct the policies, management and affairs thereof.

"Subsidiary Borrower" shall mean a Borrower hereunder that is also a Subsidiary of Cedar Fair LP.

"Swing Line" shall mean the credit facility established by Agent for Borrowers in accordance with Section 2.1B hereof.

"Swing Line Commitment" shall mean the commitment of Agent to make Swing Loans to Borrowers up to the maximum aggregate amount at any time outstanding of Fifteen Million Dollars (\$15,000,000) in accordance with the terms and conditions of the Swing Line.

"Swing Line Exposure" shall mean, at any time, the aggregate principal amount of all Swing Loans outstanding.

"Swing Line Note" shall mean the Swing Line Note executed and delivered pursuant to Section 2.1B hereof.

"Swing Loan" shall mean a Loan granted to Borrowers by Agent under the Swing Line.

"Swing Loan Maturity Date" shall mean, with respect to any Swing Loan, the earlier of (a) the date that is agreed to by Agent and the Treasury Manager with respect to such Swing Loan, but in no event later than thirty (30) days after the date such Swing Loan is made, or (b) the last day of the Commitment Period.

"Total Commitment Amount" shall mean either the Maximum Commitment Amount or the Seasonal Reduced Commitment Amount, as the case may be, as determined in accordance with Section 2.8(a) hereof, or such other amount as shall be determined pursuant to Section 2.8 hereof.

"Voting Power" shall mean, with respect to any Person, the exclusive ability to control, through the ownership of shares of capital stock, partnership interests, membership interests or otherwise, the election of members of the board of directors or other similar governing body of such Person, and the holding of a designated percentage of Voting Power of a Person means

the ownership of shares of capital stock, partnership interests, membership interests or other interests of such Person sufficient to control exclusively the election of that percentage of the members of the board of directors or similar governing body of such Person.

"Welfare Plan" shall mean an ERISA Plan that is a "welfare plan" within the meaning of ERISA Section 3 (l).

"Wholly-Owned Subsidiary" shall mean, with respect to any Person, any corporation, limited liability company or other entity, all of the securities or other ownership interest of which having ordinary voting power to elect a majority of the board of directors, or other persons performing similar functions, are at the time directly or indirectly owned by such Person.

Any accounting term not specifically defined in this Article I shall have the meaning ascribed thereto by GAAP.

The foregoing definitions shall be applicable to the singular and plurals of the foregoing defined terms.

## II. AMOUNT AND TERMS OF CREDIT

1. Amount and Nature of Credit. Subject to the terms and conditions of this Agreement, each Bank shall participate, to the extent hereinafter provided, in making Loans to Borrowers, and issuing Letters of Credit at the request of Borrowers, in such aggregate amount as Borrowers shall request pursuant to the Commitment; provided, however, that in no event shall the aggregate principal amount of all Loans and Letters of Credit outstanding under this Agreement be in excess of the Total Commitment Amount.

Each Bank, for itself and not one for any other, agrees to participate in Loans made and Letters of Credit issued hereunder during the Commitment Period on such basis that (a) immediately after the completion of any borrowing by Borrowers or the issuance of a Letter of Credit hereunder, the aggregate principal amount then outstanding on the Notes (other than the Swing Line Note) issued to such Bank or, if there is no Note, outstanding from such Bank, when combined with such Bank's pro rata share of the Letter of Credit Exposure, shall not be in excess of the Maximum Amount for such Bank, and (b) such aggregate principal amount outstanding on the Notes (other than the Swing Line Note) issued to such Bank or, if there is no Note, outstanding from such Bank, shall represent that percentage of the aggregate principal amount of Loans then outstanding under the Revolving Credit Commitment that shall be such Bank's Commitment Percentage.

Each borrowing (other than Swing Loans) from the Banks hereunder shall be made pro rata according to the respective Commitment Percentages of the Banks. The Loans may be made as Revolving Loans and Swing Loans, and Letters of Credit may be issued, as follows:

A. Revolving Loans. Subject to the terms and conditions of this Agreement, during the Commitment Period, the Banks shall make a Revolving Loan or Revolving Loans to Borrowers in such amount or amounts as Borrowers may from time to time request, but not exceeding in aggregate principal amount at any time outstanding hereunder the Total Commitment Amount, when such Revolving Loans are combined with the Revolving Credit Exposure. Borrowers shall have the option, subject to the terms and conditions set forth herein, to borrow Revolving Loans, maturing on the last day of the Commitment Period, by means of any combination of (a) Base Rate Loans, or (b) LIBOR Loans.

Borrowers shall pay interest on the unpaid principal amount of Base Rate Loans outstanding from time to time from the date thereof until paid at the Base Rate from time to time in effect. Interest on such Base Rate Loans shall be payable, commencing December 31, 2001, and on the last day of each succeeding March, June, September and December thereafter and at the maturity thereof.

Borrowers shall pay interest on the unpaid principal amount of each LIBOR Loan outstanding from time to time, fixed in advance on the first day of the Interest Period applicable thereto through the last day of the Interest Period applicable thereto (but subject to changes in the Applicable Margin) at the Derived LIBOR Rate. Interest on such LIBOR Loans shall be payable on each Interest Adjustment Date with respect to an Interest Period (provided that if an Interest Period shall exceed three months, the interest must be paid every three months, commencing three months from the beginning of such Interest Period).

At the request of Borrowers to Agent, subject to the notice and other provisions of Section 2.2 hereof, the Banks shall convert Base Rate Loans to LIBOR Loans at any time and shall convert LIBOR Loans to Base Rate Loans on any Interest Adjustment Date.

Upon request of any Bank, to evidence the obligation of Borrowers to repay the Base Rate Loans and LIBOR Loans made by each Bank and to pay interest thereon, Borrowers shall execute a Revolving Credit Note of Borrowers in the form of Exhibit A hereto, payable to the order of such Bank in the principal amount of its Revolving Credit Commitment, or, if less, the aggregate unpaid principal amount of Revolving Loans made hereunder by such Bank; provided, however that the failure of any Bank to request a Revolving Credit Note shall in no way detract from Borrowers' obligations to such Bank hereunder. Subject to the provisions of this Agreement, Borrowers shall be entitled under this Section 2.1A to borrow funds, repay the same in whole or in part and re-borrow hereunder at any time and from time to time during the Commitment Period.

B. Swing Loans. Subject to the terms and conditions of this Agreement, during the Commitment Period, Agent shall make a Swing Loan or Swing Loans to Borrowers in such amount or amounts as Borrowers may from time to time request; provided that Borrowers shall not request any Swing Loan hereunder if, after giving effect thereto, (a) the Revolving Credit Exposure would exceed the Total Commitment Amount, or (b) the Swing Line Exposure would exceed the Swing Line Commitment. Each Swing Loan shall be due and payable on the Swing Loan Maturity Date applicable thereto. Borrowers shall not request that more than two Swing Loans be outstanding at any time.

Borrowers shall pay interest, for the sole benefit of Agent (and any Bank that has purchased a participation in such Swing Loan), on the unpaid principal amount of each Swing Loan outstanding from time to time from the date thereof until paid at the Derived Swing Loan Rate applicable to such Swing Loan. Interest on each Swing Loan shall be payable on the Swing Loan Maturity Date applicable thereto. Each Swing Loan shall bear interest for a minimum of one day.

The obligation of Borrowers to repay the Swing Loans and to pay interest thereon shall be evidenced by a Swing Line Note of Borrowers substantially in the form of Exhibit B hereto, dated the Closing Date, and payable to the order of Agent in the principal amount of the Swing Line Commitment, or, if less, the aggregate unpaid principal amount of Swing Loans made hereunder by Agent. Subject to the provisions of this Agreement, Borrowers shall be entitled under this Section 2.1B to borrow funds, repay the same in whole or in part and re-borrow hereunder at any time and from time to time during the Commitment Period.

If Agent so elects, by giving notice to Borrowers and the Banks, Borrowers agree that Agent shall have the right, in its sole discretion, to require that any Swing Loan be refinanced as a Revolving Loan. Such Revolving Loan shall be a Base Rate Loan unless and until converted by Borrowers to a LIBOR Loan pursuant Section 2.1A and Section 2.2 hereof. Upon receipt of such notice by Borrowers, Borrowers shall be deemed, on such day, to have requested a Revolving Loan in the principal amount of the Swing Loan in accordance with Section 2.1A and Section 2.2 hereof. Each Bank agrees to make a Revolving Loan on the date of such notice, subject to no conditions precedent whatsoever. Each Bank acknowledges and agrees that such Bank's obligation to make a Revolving Loan pursuant to Section 2.1A when required by this Section 2.1B is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that its payment to Agent, for the account of Agent, of the proceeds of such Revolving Loan shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not such Bank's Revolving Credit Commitment shall have been reduced or terminated. Borrowers irrevocably authorize and instruct Agent to apply the proceeds of any borrowing pursuant to this paragraph to repay in full such Swing Loan.

If, for any reason, Agent is unable to or, in the opinion of Agent, it is impracticable to, convert any Swing Loan to a Revolving Loan pursuant to the preceding paragraph, then on any day that a Swing Loan is outstanding (whether before or after the maturity thereof), Agent shall have the right to request that each Bank purchase a participation in such Swing Loan, and Agent shall promptly notify each Bank thereof (by facsimile or telephone, confirmed in writing). Upon such notice, but without further action, Agent hereby agrees to grant to each Bank, and each Bank hereby agrees to acquire from Agent, an undivided participation interest in such Swing Loan in an amount equal to such Bank's Commitment Percentage of the aggregate principal amount of such Swing Loan. In consideration and in furtherance of the foregoing, each Bank hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to Agent, for its sole account, such Bank's ratable share of such Swing Loan (determined in accordance with such Bank's Commitment Percentage). Each Bank acknowledges and agrees that its obligation to acquire participations in Swing Loans pursuant to this Section 2.1B is absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or an Event



of Default, and that each such payment shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not such Bank's Revolving Credit Commitment shall have been reduced or terminated. Each Bank shall comply with its obligation under this Section 2.1B by wire transfer of immediately available funds, in the same manner as provided in Section 2.2 hereof with respect to Revolving Loans to be made by such Bank.

C. Letters of Credit. Subject to the terms and conditions of this Agreement, during the Commitment Period, the Fronting Bank shall, in its own name, on behalf of the Banks, issue such Letters of Credit for the account of Borrowers or a Guarantor of Payment, as Borrowers may from time to time request. Borrowers shall not request any Letter of Credit (and the Fronting Bank shall not be obligated to issue any Letter of Credit) if, after giving effect thereto, (a) the Letter of Credit Exposure would exceed the Letter of Credit Commitment, or (b) the Revolving Credit Exposure would exceed the Total Commitment Amount. The issuance of each Letter of Credit shall confer upon each Bank the benefits and liabilities of a participation consisting of an undivided pro rata interest in the Letter of Credit to the extent of such Bank's Commitment Percentage.

Each request for a Letter of Credit shall be delivered by the Treasury Manager to Agent (and the Fronting Bank if the Fronting Bank is a Bank other than Agent) not later than 11:00 A.M. (Cleveland, Ohio time) three Business Days prior to the day upon which the Letter of Credit is to be issued. Each such request shall be in a form acceptable to Agent and specify the face amount thereof, the account party, the beneficiary, the intended date of issuance, the expiry date thereof, and the nature of the transaction to be supported thereby. Concurrently with each such request, Borrowers, and any Guarantor of Payment for whose account the Letter of Credit is to be issued, shall execute and deliver to the Fronting Bank an appropriate application and agreement, being in the standard form of the Fronting Bank for such letters of credit, as amended to conform to the provisions of this Agreement if required by Agent. Agent shall give the Fronting Bank and each Bank prompt notice of each such request for a Letter of Credit.

In respect of each Letter of Credit and the drafts thereunder, if any, whether issued for the account of a Borrower or Guarantor of Payment, Borrowers agree (a) to pay to Agent, for the pro rata benefit of the Banks, a non-refundable commission based upon the face amount of the Letter of Credit, which shall be paid quarterly in arrears, on the last day of each succeeding December, March, June and September of each year, at the rate of the Applicable Margin (in effect on the date such payment is to be made) times the face amount of the Letter of Credit; (b) to pay to Agent, for the benefit of the Fronting Bank, an additional Letter of Credit fee, which shall be paid on each date that such Letter of Credit shall be issued or renewed at the rate of one-eighth percent (1/8 of 1%) of the face amount of such Letter of Credit; and (c) to pay to the Fronting Bank, for its sole account, such other issuance, amendment, negotiation, draw, acceptance, telex, courier, postage and similar transactional fees as shall be generally charged by the Fronting Bank under its fee schedule as in effect from time to time.

Whenever a Letter of Credit shall be drawn, Borrowers shall immediately reimburse the Fronting Bank for the amount drawn. In the event that the amount drawn shall not have been reimbursed by Borrowers within one Business Day of the drawing of such Letter of Credit, at the sole option of the Fronting Bank, Borrowers shall be deemed to have requested a Revolving Loan, subject to the provisions of Section 2.1A, in the amount drawn. Each Bank agrees to make a Revolving Loan on the date of such notice, subject to no conditions precedent whatsoever. Each Bank acknowledges and agrees that its obligation to make a Revolving Loan pursuant to Section 2.1A hereof when required by this Section 2.1C shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that its payment to Agent, for the account of the Fronting Bank, of the proceeds of such Revolving Loan shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not such Bank's Revolving Credit Commitment shall have been reduced or terminated. Borrowers irrevocably authorize and instruct Agent to apply the proceeds of any borrowing pursuant to this paragraph to reimburse, in full, the Fronting Bank for the amount drawn on such Letter of Credit. Each such Revolving Loan shall be deemed to be a Base Rate Loan unless otherwise requested by and available to Borrowers hereunder. Each Bank is hereby authorized to record on its records relating to its Loans such Bank's pro rata share of the amounts paid and not reimbursed on the Letters of Credit.

If, for any reason, the Fronting Bank shall be unable to or, in the opinion of Agent, it shall be impracticable to, convert any Letter of Credit to a Revolving Loan pursuant to the preceding paragraph, the Fronting Bank shall have the right to request that each Bank purchase a participation in the amount due with respect to such Letter of Credit, and Agent shall promptly notify each Bank thereof (by facsimile or telephone, confirmed in writing). Upon such notice, but without further action, the Fronting Bank hereby agrees to grant to each Bank, and each Bank hereby agrees to acquire from the Fronting Bank, an undivided participation interest in the amount due with respect to such Letter of Credit in an amount equal to such Bank's Commitment Percentage of the aggregate principal amount of the amount due with respect to such Letter of Credit. In consideration and in furtherance of the foregoing, each Bank hereby absolutely and unconditionally agrees, upon receipt of notice as provided above, to pay to the Fronting Bank such Bank's ratable share of the amount due with respect to such Letter of Credit (determined in accordance with such Bank's Commitment Percentage). Each Bank acknowledges and agrees that its obligation to acquire participations in the amount due under any Letter of Credit that is drawn but not reimbursed by Borrowers pursuant to this Section 2.1C shall be absolute and unconditional and shall not be affected by any circumstance whatsoever, including, without limitation, the occurrence and continuance of a Default or Event of Default, and that each such payment shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever and whether or not such Bank's Revolving Credit Commitment shall have been reduced or terminated. Each Bank shall comply with its obligation under this Section 2.1C by wire transfer of immediately available funds, in the same manner as provided in Section 2.2 with respect to Revolving Loans. Each Bank is hereby authorized to record on its records such Bank's pro rata share of the amounts paid and not reimbursed on the Letters of Credit.

2. Conditions to Loans and Letters of Credit. The obligation of the Banks to make a Loan, convert a LIBOR Loan or Base Rate Loan or continue a LIBOR Loan, and of Agent to make any Swing Loan, and of the Fronting Bank to issue any Letter of Credit, is conditioned, in the case of each borrowing, conversion, continuation or issuance hereunder, upon:

(a) with respect to the making of the first Loan or the issuance of the first Letter of Credit hereunder, all conditions precedent as listed in Article IV hereof shall have been satisfied;

(b) with respect to (i) Base Rate Loans, receipt by Agent of a Notice of Loan from the Treasury Manager, such notice to be received by 11:00 A.M. (Cleveland, Ohio time) on the proposed date of borrowing or conversion, and (ii) LIBOR Loans, receipt by Agent of a Notice of Loan from the Treasury Manager by 11:00 A.M. (Cleveland, Ohio time) three Business Days prior to the proposed date of borrowing, conversion or continuation. Agent shall notify each Bank of the date, amount and Interest Period (if applicable) promptly upon the receipt of such notice, and, in any event, by 2:00 P.M. (Cleveland, Ohio time) on the date such notice is received. On the date such Loan is to be made, each Bank shall provide Agent, not later than 3:00 P.M. (Cleveland, Ohio time), with the amount in federal or other immediately available funds, required of it. If Agent elects to advance the proceeds of such Loan prior to receiving funds from such Bank, Agent shall have the right, upon prior notice to the Treasury Manager, to debit any account of Borrowers or otherwise receive from Borrowers, on demand, such amount, in the event that such Bank fails to reimburse Agent in accordance with this subsection. Agent shall also have the right to receive interest from such Bank at the Federal Funds Effective Rate in the event that such Bank shall fail to provide its portion of the Loan on the date requested and Agent elects to provide such funds;

(c) with respect to Letters of Credit, satisfaction of the notice provisions set forth in Section 2.1C hereof;

(d) with respect to Swing Loans, receipt by Agent of a Notice of Loan from the Treasury Manager, such notice to be received by 11:00 A.M. (Cleveland, Ohio time) on the proposed date of borrowing;

(e) Borrowers' request for (i) a Base Rate Loan shall be in an amount of not less than Five Hundred Thousand Dollars (\$500,000), increased by increments of One Hundred Thousand Dollars (\$100,000), (ii) a LIBOR Loan shall be in an amount of not less than Five Million Dollars (\$5,000,000), increased by increments of One Million Dollars (\$1,000,000), and (iii) a Swing Loan shall be in an amount not less than One Hundred Thousand Dollars (\$100,000), increased by increments of Fifty Thousand Dollars (\$50,000);

(f) the fact that no Default or Event of Default shall then exist or immediately after the making, conversion or continuation of the Loan or issuance of the Letter of Credit would exist; and

(g) the fact that each of the representations and warranties contained in Article VI hereof shall be true and correct with the same force and effect as if made on and as of the date of the making, conversion or continuation of such Loan, or the issuance of the Letter of Credit, except to the extent that any thereof expressly relate to an earlier date.

At no time shall the Treasury Manager request that LIBOR Loans be outstanding for more than twelve different Interest Periods at any time, and, if Base Rate Loans are outstanding, then LIBOR Loans shall be limited to eleven different Interest Periods at any time.

Each request by the Treasury Manager for the making of a Loan, conversion of a LIBOR Loan or Base Rate Loan or continuation of a LIBOR Loan, or the issuance of a Letter of Credit hereunder shall be deemed to be a representation and warranty by Borrowers as of the date of such request as to the facts specified in (f) and (g) above.

Each request by the Treasury Manager or any Borrower for a LIBOR Loan shall be irrevocable and binding on Borrowers and Borrowers shall indemnify Agent and the Banks against any loss or expense incurred by Agent or the Banks as a result of any failure by Borrowers to consummate such transaction including, without limitation, any loss (including loss of anticipated profits) or expense incurred by reason of liquidation or re-employment of deposits or other funds acquired by the Banks to fund such LIBOR Loan. A certificate as to the amount of such loss or expense submitted by the Banks to the Treasury Manager shall be conclusive and binding for all purposes, absent manifest error.

### 3. Treasury Manager.

(a) Appointment. Each Borrower hereby irrevocably designates and appoints Magnum Management as the Treasury Manager to act as specified herein and in the other Loan Documents. Each Borrower hereby irrevocably authorizes the Treasury Manager, to take such action on its behalf under the provisions of this Agreement and the other Loan Documents and to exercise such powers (including, but not limited to, requesting a Loan or Letter of Credit for Borrowers hereunder) and perform such duties as are expressly delegated to the Treasury Manager by the terms of this Agreement and the other Loan Documents, together with such other powers as are reasonably incidental thereto, with all such actions by the Treasury Manager that purport to be on behalf of any Borrower being sufficient, without any further action or authorization by any Borrower, to bind all Borrowers. The Treasury Manager agrees to act as such upon the conditions set forth in this Section. All actions of the Treasury Manager taken in connection with the Loan Documents, whether so expressed or not, shall be deemed to be on behalf of, and shall bind, all Borrowers.

(b) Reliance by Agent and the Banks. Agent and the Banks shall be entitled to rely upon all statements, certificates, notices, consents, certificates, affidavits, letters, cablegrams, telegrams, facsimile transmissions, telex or teletype messages, orders or other documents or conversations furnished or made by the Treasury Manager pursuant to any of the provisions of this Agreement or any of the other Loan Documents, or otherwise in connection with the transactions contemplated by the Loan Documents, as being made or furnished on behalf of, and with the effect of irrevocably binding, Borrowers, without any duty to ascertain or to inquire as to the authority of the Treasury Manager in so doing.

(c) Successor Treasury Manager. The Treasury Manager may resign as the Treasury Manager upon twenty (20) days prior written notice to Agent and the Banks. Upon the resignation of the Treasury Manager pursuant to the preceding sentence, Borrowers shall appoint from among themselves a successor Treasury Manager for Borrowers who is willing to so act and who is acceptable to Agent, whereupon such successor manager shall upon notice by Agent to the Banks, succeed to the rights, powers and duties of the Treasury Manager, and the term "Treasury Manager" shall include such successor manager effective upon its appointment, and the resigning Treasury Manager's rights, powers and duties as the Treasury Manager shall be terminated, without any other or further act or deed on the part of such former Treasury Manager or any of the parties to this Agreement. Notwithstanding anything in this Section to the contrary, the resignation of a Treasury Manager pursuant to this Section shall not be effective until a successor Treasury Manager shall have been appointed pursuant to this Section.

### 4. Liability of Borrowers.

(a) Joint and Several Liability. Each Borrower acknowledges and agrees that Agent and the Banks are entering into this Agreement at the request of each Borrower and with the understanding that each Borrower is and shall remain fully liable, jointly and severally, for payment in full of the Debt. Each Borrower agrees that it is receiving or will receive a direct pecuniary benefit for each Loan made or Letter of Credit issued hereunder.

(b) Maximum Liability of Each Borrower. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, in no event shall the maximum liability of any Subsidiary Borrower exceed the maximum amount that (after giving effect to the incurring of the obligations hereunder and to any rights to contribution of such Subsidiary Borrower from other affiliates of such Subsidiary Borrower) would not render the rights to payment of Agent and the Banks hereunder void, voidable or avoidable under any applicable fraudulent transfer law.

### 5. Additional Borrowers.

(a) At the request of Borrowers, a Subsidiary of Cedar Fair LP that shall not then be a Borrower may become a Borrower hereunder, provided that all of the following requirements shall have been met to the satisfaction of Agent: (i) Borrowers shall have provided to Agent and the Banks a written request that such Subsidiary be designated as a Borrower pursuant to the terms of this Agreement; (ii) Agent and the Required Banks shall have consented, which consent shall be in the sole discretion of Agent and the Required Banks, to the addition of such Subsidiary as a Borrower under this Agreement, (iii) such Subsidiary shall be a Wholly-Owned Subsidiary of Cedar Fair LP; (iv) each Guarantor of Payment shall have guaranteed the obligations of such Subsidiary under this Agreement pursuant to the terms of a Guaranty of Payment; (v) such Subsidiary shall have executed an Assumption Agreement; (vi) such Subsidiary and the other Borrowers hereunder shall have executed and delivered to each Bank such replacement Notes as Agent shall deem appropriate, and (vii) Borrowers and such Subsidiary shall have provided to Agent such corporate governance and authorization documents and an opinion of counsel as may be deemed necessary or advisable by Agent.

(b) Upon satisfaction by Borrowers and any such Subsidiary of the requirements set forth in subpart (a) above, Agent shall promptly notify Borrowers and the Banks, whereupon such Subsidiary shall be designated a "Borrower" pursuant to the terms and conditions of this Agreement, and such Subsidiary shall become bound by all representations, warranties, covenants, provisions and conditions of this Agreement and each other Loan Document applicable to Borrowers as if such Subsidiary had been the original party making such representations, warranties and covenants.

### 6. Payment of Loans.

(a) Payments by Borrowers. All payments of principal, interest, facility and other fees shall be made to Agent in immediately available funds for the account of Agent or the Banks, as the case may be. All payments made by Borrowers hereunder shall be made without any offset, abatement, recoupment, counterclaim, withholding or reduction whatsoever. All payments shall be remitted to Agent at its main office not later than 11:00 A.M. (Cleveland, Ohio time) on the due date thereof in immediately available funds. Any such payments received by Agent after 11:00 A.M. (Cleveland, Ohio time) shall be deemed to have been made and received on the next following Business Day.

(b) Payments Net of Taxes. All payments under this Agreement or any other Loan Document by a Borrower or any other Obligor shall be made absolutely without deduction or offset for, and altogether free and clear of, any and all present and future taxes, levies, deductions, charges and withholdings and all liabilities with respect thereto (other than taxes imposed on or measured by the income of any Bank, or franchise taxes imposed on such Bank, by any jurisdiction in which such Bank is organized or in which such Bank is resident or doing business) under the laws of the United States of America or any foreign jurisdiction (or any state or political subdivision thereof). If a Borrower or other Obligor shall be compelled by law to deduct any such taxes or levies (other than such excluded taxes) or to make any such other deductions, charges or withholdings, then such Borrower or Obligor, as the case may be, shall pay such additional amounts as may be necessary in order that the net payments after such deduction, and after giving effect to any United States or foreign jurisdiction (or any state or political subdivision thereof) income taxes required to be paid by the Banks in respect of such additional amounts, shall equal the amount of interest provided in Section 2.1 hereof for each Loan plus any principal then due.

(c) Payments to Banks. Upon Agent's receipt of payments hereunder, Agent shall immediately distribute to each Bank its ratable share, if any, of the amount of principal, interest, and facility and other fees received by it for the account of such Bank. Each Bank shall record any principal, interest or other payment, the principal amounts of Base Rate Loans and LIBOR Loans, all prepayments and the applicable dates, including Interest Periods, with respect to the Loans made, and payments received by such Bank, by such method as such Bank may generally employ; provided, however, that failure to make any such entry shall in no way detract from the obligations of Borrowers under this Agreement or any Note. The aggregate unpaid amount of Loans, types of Loans, Interest Periods and similar information with respect to such Loans set forth on the records of Agent shall be rebuttably presumptive evidence with respect to such information, including the amounts of principal and interest owing to each Bank.

(d) Timing of Payments. Whenever any payment to be made hereunder, including, without limitation, any payment to be made with respect to any Loan, shall be stated to be due on a day that shall not be a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall in each case be included in the computation of the interest payable with respect to any Loan; provided, however, that, with respect to any LIBOR Loan, if the next succeeding Business Day shall fall in the succeeding calendar month, such payment shall be made on the preceding Business Day and the relevant Interest Period shall be adjusted accordingly.

7. Prepayment.

(a) Right to Prepay.

(i) Borrowers shall have the right, at any time or from time to time, to prepay, on a pro rata basis for all of the Banks, all or any part of the principal amount of the Revolving Loans then outstanding, as designated by Borrowers, plus interest accrued on the amount so prepaid to the date of such prepayment; and

(ii) Borrowers shall have the right, at any time or from time to time, to prepay, for the benefit of Agent (and any Bank that has purchased a participation in such Swing Loan), all or any part of the principal amount of the Swing Loans then outstanding, as designated by Borrowers, plus interest accrued on the amount so prepaid to the date of such prepayment.

(b) Prepayment Fees.

(i) Prepayments of Base Rate Loans shall be without any premium or penalty;

(ii) In any case of prepayment of a LIBOR Loan, Borrowers agree to pay to each Bank, upon demand therefor, for any resulting loss, cost or expense of such Bank as a result thereof, including, without limitation, any loss incurred in obtaining, liquidating or employing deposits. In addition, Borrowers shall immediately pay directly to Agent or such Bank, the amount of any additional costs or expenses (including, without limitation, cost of telex, wires, or cables) incurred by Agent or such Bank in connection with the prepayment, upon receipt by the Treasury Manager of a written statement from Agent or such Bank therefor; and

(iii) In the case of prepayment of a Swing Loan, Borrowers agree to pay to Agent, on demand, for any resulting loss, cost or expense of Agent as a result thereof, including, without limitation, any loss incurred in obtaining, liquidating or employing deposits.

(c) Notice of Prepayment. The Treasury Manager shall give Agent written notice of prepayment of any Base Rate Loan by not later than 11:00 A.M. (Cleveland, Ohio time) on the Business Day such prepayment is to be made and written notice of the prepayment of any LIBOR Loan not later than 1:00 P.M. (Cleveland, Ohio time) three Business Days prior to the Business Day on which such prepayment is to be made. Each notice of prepayment by the Treasury Manager or any Borrower for a LIBOR Loan shall be irrevocable and binding on Borrowers and Borrowers shall indemnify Agent and the Banks against any loss or exposure incurred by Agent or the Banks as a result of any failure by Borrowers to consummate such transaction including, without limitation, any loss (including loss of anticipated profits) or expense incurred by reason of liquidation or re-employment of deposits or other funds acquired by the Banks to fund such LIBOR Loan. A certificate as to the amount of such loss or expense submitted by the Banks to the Treasury Manager shall be conclusive and binding for all purposes, absent manifest error.

(d) Minimum Amount. Each prepayment of a LIBOR Loan by Borrowers shall be in the aggregate principal amount of not less than Five Million Dollars (\$5,000,000), except in the case of a mandatory prepayment in connection with Section 2.11 hereof or Article III hereof.

8. Modifications to Commitment.

(a) Seasonal Adjustment of Commitment.

(i) Seasonal Decrease in Commitment. On the first day of each Seasonal Commitment Decrease Period, without notice of any kind to Borrowers, the Total Commitment Amount shall automatically be reduced to the Seasonal Reduced Commitment Amount. On such date the Maximum Amount for each Bank shall be decreased to the amount set forth opposite such Bank's name under the column headed "Maximum Amount during Seasonal Commitment Decrease Period." On the date of each such reduction, Borrowers shall have prepaid an aggregate amount of Loans, together with interest and facility and other fees accrued and unpaid thereon, so that the Revolving Credit Exposure shall not exceed the Total Commitment Amount as then in effect. The Total Commitment Amount shall remain reduced pursuant to this subpart (i) during the Seasonal Commitment Decrease Period unless and until increased pursuant to subpart (ii) below.

(ii) Seasonal Increase in Commitment. So long as no Default or Event of Default shall exist or immediately thereafter shall begin to exist, on the first day after the last day of each Seasonal Commitment Decrease Period, the Total Commitment Amount shall automatically be increased to the Maximum Commitment Amount. On such date the Maximum Amount for each Bank shall be increased to the amount set forth opposite such Bank's name under the column headed "Maximum Amount other than during any Seasonal Commitment Decrease Period." The Total Commitment Amount shall remain increased pursuant to this subpart (ii) until decreased pursuant to subpart (i) above.

(b) Voluntary Reduction of Commitment. Borrowers may at any time or from time to time permanently reduce in whole or ratably in part the Commitment to an amount not less than the then existing Revolving Credit Exposure, by giving Agent not fewer than three Business Days' notice of such reduction, provided that (i) any such partial reduction shall be in an aggregate amount for all of the Banks of Five Million Dollars (\$5,000,000), increased by increments of One Million Dollars (\$1,000,000), and (ii) any such partial reduction shall be effective as to both the Maximum Commitment Amount and the Seasonal Reduced Commitment Amount. Agent shall promptly notify each Bank of the date of such reduction and such Bank's proportionate share thereof. After each such reduction, the facility fees payable hereunder shall be calculated upon the Total Commitment Amount as so reduced. If Borrowers reduce in whole the Commitment, on the effective date of such reduction (Borrowers having prepaid in full the unpaid principal balance, if any, of the Loans, together with all interest and facility and other fees accrued and unpaid and provided that no Letter of Credit Exposure or Swing Line Exposure shall exist), all of the Notes shall be delivered to Agent marked "Canceled" and Agent shall redeliver such Notes to Borrowers. Any partial reduction in the amount of the Commitment shall be effective during the remainder of the Commitment Period.

(c) Increase in Commitment. At any time prior to November 26, 2003, Borrowers may request that Agent increase the Maximum Commitment Amount from the Closing Commitment Amount to the Increased Commitment Amount (with the understanding that the Seasonal Reduced Commitment Amount shall be increased as well in an amount equal to the Additional Commitments) by either (i) increasing, for one or more Banks, with their prior written consent, their respective Revolving Credit Commitments, or (ii) including one or more Additional Banks, each with a new Revolving Credit Commitment, as a party to this Agreement (collectively, the "Additional Commitment"). Prior to November 26, 2003, the Banks agree that Agent, in its sole discretion, may permit one or more Additional Commitments upon satisfaction of the following requirements: (A) each Additional Bank, if any, shall execute an Additional Bank Assumption Agreement, (B) Agent shall provide to each Bank a revised Schedule 1 to this Agreement at least three Business Days prior to the effectiveness of such Additional Commitments (each an "Assumption Effective Date"), and (C) Borrowers shall execute and deliver to Agent and the Banks such replacement or additional Revolving Credit Notes as shall be required by Agent. The Banks hereby authorize Agent to execute each Additional Bank Assumption Agreement on behalf of the Banks. On each Assumption Effective Date, the Banks shall make adjustments among themselves with respect to the Revolving Loans then outstanding and amounts of principal, interest, facility fees and other amounts paid or payable with respect thereto as shall be necessary, in the opinion of Agent, in order to reallocate among such Banks such outstanding amounts, based on the revised Commitment Percentages and to otherwise carry out fully the terms of this Section 2.8(c). Borrowers shall not request any increase in the Commitment pursuant to this Section 2.8(c) if a Default or an Event of Default shall then exist or immediately after giving effect to any such increase would exist.

(d) Prepayment Fees. Any prepayment of a LIBOR Loan or Swing Loan in connection with subparts (a) or (b) shall be subject to the prepayment fees set forth in Section 2.7 hereof.

9. Facility and Other Fees.

(a) Borrowers shall pay to Agent, for the ratable account of the Banks, as a consideration for the Commitment, a facility fee from the date hereof to and including the last day of the Commitment Period, at a rate per annum equal to (i) the Applicable Facility Fee Rate in effect on the date that such facility fee shall be due, times (ii) the average daily Total Commitment Amount in effect during such quarter. The facility fee shall be payable quarterly in arrears, on December 31, 2001 and on the last day of each succeeding March, June, September and December thereafter, and on the last day of the Commitment Period.

(b) Borrowers shall pay to Agent, for its sole benefit, the fees set forth in the Agent Fee Letter.

10. Computation of Interest and Fees; Default Rate. Interest on Loans and facility and other fees and charges hereunder shall be computed on the basis of a year having three hundred sixty (360) days and calculated for the actual number of days elapsed. Anything herein to the contrary notwithstanding, if an Event of Default shall occur hereunder, upon the election of the Required Banks (a) the principal of each Loan and the unpaid interest thereon shall bear interest, until paid, at the Default Rate; and (b) the fee for the aggregate undrawn face amount of all issued and outstanding Letters of Credit shall be increased by two percent (2%) in excess of the rate otherwise applicable thereto. In no event shall the rate of interest hereunder exceed the maximum rate allowable by law.

11. Mandatory Payment.

- (a) If, at any time, the Revolving Credit Exposure shall exceed the Total Commitment Amount as then in effect, Borrowers shall, as promptly as practicable, but in no event later than the next Business Day, prepay an aggregate principal amount of the Loans sufficient to bring the Revolving Credit Exposure within the Total Commitment Amount.
- (b) If, at any time, the Swing Line Exposure shall exceed the Swing Line Commitment, Borrowers shall, as promptly as practicable, but in no event later than the next Business Day, prepay an aggregate principal amount of the Swing Loans sufficient to bring the Swing Line Exposure within the Swing Line Commitment.
- (c) Unless otherwise designated by Borrowers, each prepayment pursuant to Section 2.11(a) shall be applied in the following order (i) first, on a pro rata basis among all of the outstanding Base Rate Loans, and (ii) second, on a pro rata basis among all of the outstanding LIBOR Loans, provided that if the outstanding principal amount of any LIBOR Rate Loan shall be reduced to an amount less than the minimum amount set forth in Section 2.2 hereof as a result of such prepayment, then such LIBOR Loan shall be converted into a Base Rate Loan on the date of such prepayment. Any prepayment of a LIBOR Loan or Swing Loan pursuant to this Section 2.11 shall be subject to the prepayment penalties set forth in Section 2.7 hereof.

XII. ADDITIONAL PROVISIONS RELATING TO LIBOR LOANS; INCREASED CAPITAL; TAXES.

1. Reserves or Deposit Requirements, Etc. If, at any time, any law, treaty or regulation (including, without limitation, Regulation D of the Board of Governors of the Federal Reserve System) or the interpretation thereof by any governmental authority charged with the administration thereof or any central bank or other fiscal, monetary or other authority shall impose (whether or not having the force of law), modify or deem applicable any reserve or special deposit requirement (other than reserves included in the Eurocurrency Reserve Percentage, the effect of which is reflected in the interest rate of the LIBOR Loan in question) against assets held by, or deposits in or for the amount of any LIBOR Loan by, any Bank, and the result of the foregoing is to increase the cost (whether by incurring a cost or adding to a cost) to such Bank of making or maintaining hereunder such LIBOR Loan or to reduce the amount of principal or interest received by such Bank with respect to such LIBOR Loan, then, upon demand by such Bank, Borrowers shall pay to such Bank from time to time on Interest Adjustment Dates with respect to such LIBOR Loan, as additional consideration hereunder, additional amounts sufficient to fully compensate and indemnify such Bank for such increased cost or reduced amount, assuming (which assumption such Bank need not corroborate) such additional cost or reduced amount was allocable to such LIBOR Loan. A certificate as to the increased cost or reduced amount as a result of any event mentioned in this Section 3.1, setting forth the calculations therefor, shall be promptly submitted by such Bank to the Treasury Manager and shall, in the absence of manifest error, be conclusive and binding as to the amount thereof. Notwithstanding any other provision of this Agreement, after any such demand for compensation by any Bank, the Treasury Manager, upon at least three Business Days' prior written notice to such Bank through Agent, may cause Borrowers to prepay any affected LIBOR Loan in full or convert such LIBOR Loan to a Base Rate Loan regardless of the Interest Period thereof. Any such prepayment or conversion shall be subject to the prepayment fees set forth in Section 2.7 hereof. Each Bank shall notify the Treasury Manager as promptly as practicable (with a copy thereof delivered to Agent) of the existence of any event that will likely require the payment by Borrowers of any such additional amount under this Section.
2. Tax Law, Etc. In the event that by reason of any law, regulation or requirement or in the interpretation thereof by an official authority, or the imposition of any requirement of any central bank whether or not having the force of law, any Bank shall, with respect to this Agreement or any transaction under this Agreement, be subjected to any tax, levy, impost, charge, fee, duty, deduction or withholding of any kind whatsoever (other than any tax imposed upon the total net income of such Bank) and if any such measures or any other similar measure shall result in an increase in the cost to such Bank of making or maintaining any LIBOR Loan or in a reduction in the amount of principal, interest or commitment fee receivable by such Bank in respect thereof, then such Bank shall promptly notify the Treasury Manager stating the reasons therefor. Borrowers shall thereafter pay to such Bank, upon demand from time to time on Interest Adjustment Dates with respect to such LIBOR Loan, as additional consideration hereunder, such additional amounts as shall fully compensate such Bank for such increased cost or reduced amount. A certificate as to any such increased cost or reduced amount, setting forth the calculations therefor, shall be submitted by such Bank to the Treasury Manager and shall, in the absence of manifest error, be conclusive and binding as to the amount thereof.

If any Bank shall receive such additional consideration from Borrowers pursuant to this Section 3.2, such Bank shall use reasonable efforts to obtain the benefits of any refund, deduction or credit for any taxes or other amounts on account of which such additional consideration shall have been paid and shall reimburse Borrowers to the extent, but only to the extent, that such Bank shall receive a refund of such taxes or other amounts together with any interest thereon or an effective net reduction in taxes or other governmental charges (including any taxes imposed on or measured by the total net income of such Bank) of the United States or any state or subdivision thereof by virtue of any such deduction or credit, after first giving effect to all other deductions and credits otherwise available to such Bank. If, at the time any audit of such Bank's income tax return is completed, such Bank determines, based on such audit, that it shall not have been entitled to the full amount of any refund reimbursed to Borrowers as aforesaid or that its net income taxes shall not have been reduced by a credit or deduction for the full amount of taxes reimbursed to Borrowers as aforesaid, Borrowers, upon demand of such Bank, shall promptly pay to such Bank the amount so refunded to which such Bank shall not have been so entitled, or the amount by which the net income taxes of such Bank shall not have been so reduced, as the case may be.

Notwithstanding any other provision of this Agreement, after any such demand for compensation by any Bank, the Treasury Manager, upon at least three Business Days' prior written notice to such Bank through Agent, may cause Borrowers to prepay any affected LIBOR Loan in full or convert such LIBOR Loan to a Base Rate Loan regardless of the Interest Period of any thereof. Any such prepayment or conversion shall be subject to the prepayment fees set forth in Section 2.7 hereof.

3. Eurodollar Deposits Unavailable or Interest Rate Unascertainable. In respect of any LIBOR Loan, in the event that Agent shall have determined that dollar deposits of the relevant amount for the relevant Interest Period for such LIBOR Loan are not available to Agent in the applicable eurodollar market or that, by reason of circumstances affecting such market, adequate and reasonable means do not exist for ascertaining the LIBOR Rate applicable to such Interest Period, as the case may be, Agent shall promptly give notice of such determination to the Treasury Manager and (a) any notice of a new LIBOR Loan (or conversion of an existing Loan to a LIBOR Loan) previously given by the Treasury Manager and not yet borrowed (or converted, as the case may be) shall be deemed to be a notice to make a Base Rate Loan, and (b) Borrowers shall be obligated either to prepay, or to convert to a Base Rate Loan, any outstanding LIBOR Loan on the last day of the then current Interest Period with respect thereto.
4. Indemnity. Without prejudice to any other provisions of this Article III, Borrowers hereby agree to indemnify each Bank against any loss or expense that such Bank may sustain or incur as a consequence of any default by Borrowers in payment when due of any amount hereunder in respect of any LIBOR Loan, including, but not limited to, any loss of profit, premium or penalty incurred by such Bank in respect of funds borrowed by it for the purpose of making or maintaining such LIBOR Loan, as determined by such Bank in the exercise of its sole but reasonable discretion. A certificate as to any such loss or expense shall be promptly submitted by such Bank to the Treasury Manager and shall, in the absence of manifest error, be conclusive and binding as to the amount thereof.
5. Changes in Law Rendering LIBOR Loans Unlawful. If, at any time, any new law, treaty or regulation, or any change in any existing law, treaty or regulation, or any interpretation thereof by any governmental or other regulatory authority charged with the administration thereof, shall make it unlawful for any Bank to fund any LIBOR Loan that it shall be committed to make hereunder with moneys obtained in the eurodollar market, the commitment of such Bank to fund such LIBOR Loan shall, upon the happening of such event forthwith be suspended for the duration of such illegality, and such Bank shall by written notice to the Treasury Manager and Agent declare that its commitment with respect to such LIBOR Loan shall have been so suspended and, if and when such illegality shall cease to exist, such suspension shall cease and such Bank shall similarly notify the Treasury Manager and Agent. If any such change shall make it unlawful for any Bank to continue in effect the funding in the applicable eurodollar market of any LIBOR Loan previously made by it hereunder, such Bank shall, upon the happening of such event, notify the Treasury Manager, Agent and the other Banks thereof in writing, stating the reasons therefor, and the Treasury Manager shall, on the earlier of (a) the last day of the then current Interest Period or (b) if required by such law, regulation or



interpretation, on such date as shall be specified in such notice, either convert such LIBOR Loan to a Base Rate Loan or cause Borrowers to prepay such LIBOR Loan to the Banks in full. Any such prepayment or conversion shall be subject to the prepayment fees described in Section 2.7 hereof.

6. Funding. Each Bank may, but shall not be required to, make LIBOR Loans hereunder with funds obtained outside of the United States.
7. Capital Adequacy. If any Bank shall have determined, after the Closing Date, that the adoption of any applicable law, rule, regulation or guideline regarding capital adequacy, or any change therein, or any change in the interpretation or administration thereof by any governmental authority, central bank or comparable agency charged with the interpretation or administration thereof, or compliance by any Bank (or its lending office) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on such Bank's capital (or the capital of its holding company) as a consequence of its obligations hereunder to a level below that which such Bank (or its holding company) could have achieved but for such adoption, change or compliance (taking into consideration such Bank's policies or the policies of its holding company with respect to capital adequacy) by an amount deemed by such Bank to be material, then from time to time, within fifteen (15) days after demand by such Bank (with a copy to Agent), Borrowers shall pay to such Bank such additional amount or amounts as shall compensate such Bank (or its holding company) for such reduction. Each Bank shall designate a different lending office if such designation will avoid the need for, or reduce the amount of, such compensation and will not, in the judgment of such Bank, be otherwise disadvantageous to such Bank. A certificate of any Bank claiming compensation under this Section and setting forth the additional amount or amounts to be paid to it hereunder shall be conclusive in the absence of manifest error. In determining such amount, such Bank may use any reasonable averaging and attribution methods. Failure on the part of any Bank to demand compensation for any reduction in return on capital with respect to any period shall not constitute a waiver of such Bank's rights to demand compensation for any reduction in return on capital in such period or in any other period. The protection of this Section shall be available to each Bank regardless of any possible contention of the invalidity or inapplicability of the law, regulation or other condition that shall have been imposed.

#### VIII. CONDITIONS PRECEDENT

The obligation of the Banks to make the first Loan, of the Fronting Bank to issue the first Letter of Credit and of Agent to make the first Swing Loan, shall be subject to Borrowers satisfying each of the following conditions:

1. Notes. Borrowers shall have executed and delivered to each Bank that shall have requested a Revolving Credit Note its Revolving Credit Note and shall have executed and delivered to Agent the Swing Line Note.
2. Guaranties of Payment of Debt. Each Guarantor of Payment shall have executed and delivered to Agent a Guaranty of Payment of Debt.
3. Intercreditor Agreement. The Intercreditor Agreement shall have been executed by all parties thereto and delivered to Agent and the Banks.
4. Officer's Certificate, Resolutions, Organizational Documents. Each Borrower and Guarantor of Payment shall have delivered to Agent an officer's certificate certifying the names of the officers of such Borrower or Guarantor of Payment authorized to sign the Loan Documents, together with the true signatures of such officers and certified copies of (a) the resolutions of the board of directors of each Borrower and Guarantor of Payment evidencing approval of the execution and delivery of the Loan Documents and the execution of other Related Writings to which such Borrower or Guarantor of Payment, as the case may be, is a party, and (b) the Organizational Documents of each Borrower and Guarantor of Payment.
5. Legal Opinion. Borrowers shall have delivered to Agent an opinion of counsel for each Borrower and Guarantor of Payment, in form and substance satisfactory to Agent and the Banks.
6. Good Standing and Full Force and Effect Certificates. Borrowers shall have delivered to Agent a good standing certificate or full force and effect certificate, as the case may be, for each Borrower and Guarantor of Payment, issued on or about the Closing Date by the Secretary of State in the state where such Borrower or Guarantor of Payment is incorporated or formed.
7. Closing, Agent and Legal Fees. Borrowers shall have (a) executed and delivered to Agent the Agent Fee Letter and shall have paid to Agent, for its sole account, the fees stated therein, (b) executed and delivered to Agent the Closing Fee Letter and paid to Agent, for the account of the Banks, the fees stated therein, and (c) paid all legal fees and expenses of Agent in connection with the preparation and negotiation of the Loan Documents.
8. Existing Credit Agreements. Borrowers shall have terminated (a) the Credit Agreement among Borrowers, the lenders named therein and KeyBank National Association, as administrative agent, dated as of December 19, 1997, as amended, and (b) the Credit Agreement among Borrowers, the lenders named therein and KeyBank National Association, as administrative agent, dated as of November 30, 1999, as amended, which Credit Agreements shall be deemed to have been terminated upon payment in full of all of the Indebtedness outstanding thereunder and termination of the commitments established therein.
9. Closing Certificate. Borrowers shall have delivered to Agent and the Banks an officer's certificate certifying that, as of the Closing Date, (a) all conditions precedent set forth in this Article IV have been satisfied, (b) no Default or Event of Default exists nor immediately after the making of the first Loan or the issuance of the first Letter of Credit will exist, and (c) each of the representations and warranties contained in Article VI hereof are true and correct as of the Closing Date.
10. Note Agreements. Borrowers shall have delivered to Agent and the Banks copies of the Prudential Note Agreements (and all amendments and supplements thereto) certified by an officer of Borrowers as being true and complete.
11. No Material Adverse Change. No material adverse change, in the opinion of Agent, shall have occurred in the financial condition, operations or prospects of the Companies since September 30, 2001.
12. Miscellaneous. Borrowers shall have provided to Agent and the Banks such other items and shall have satisfied such other conditions as may be reasonably required by Agent or the Banks.

#### XIII. COVENANTS

Each Borrower agrees that, so long as the Commitment shall remain in effect and thereafter until all of the Debt shall have been paid in full, Borrowers shall perform and observe, and shall cause each other Company to perform and observe, each of the following provisions:

1. Insurance. Each Company shall (a) maintain insurance to such extent and against such hazards and liabilities as is commonly maintained by Persons similarly situated; and (b) within ten days of any Bank's written request, furnish to such Bank such information about such Company's insurance as that Bank may from time to time reasonably request, which information shall be prepared in form and detail reasonably satisfactory to such Bank and certified by a Financial Officer of such Company.
2. Money Obligations. Each Company shall pay in full (a) prior in each case to the date when penalties would attach, all taxes, assessments and governmental charges and levies (except only those so long as and to the extent that the same shall be contested in good faith by appropriate and timely proceedings and for which adequate reserves have been established in accordance with GAAP) for which it may be or become liable or to which any or all of its properties may be or become subject; (b) all of its wage obligations to its employees in compliance with the Fair Labor Standards Act (29 U.S.C. §§ 206-207) or any comparable provisions; and (c) all of its other obligations calling for the payment of money (except only those so long as and to the extent that the same shall be contested in good faith and for which adequate reserves have been established in accordance with GAAP) before such payment becomes overdue.
3. Financial Statements. Borrowers shall furnish to Agent and the Banks:

- (a) within fifty (50) days after the end of each of the first three quarter-annual periods of each fiscal year of Cedar Fair LP, balance sheets of Borrowers as of the end of such period and statements of income (loss), partners' equity and cash flow for the quarter and trailing four quarters all prepared on a Consolidated basis, in accordance with GAAP, and in form and detail reasonably satisfactory to Agent and the Banks and certified by a Financial Officer of Cedar Fair LP;
- (b) within one hundred (100) days after the end of each fiscal year of Cedar Fair LP, an annual audit report of Borrowers for that year prepared on a Consolidated basis, in accordance with GAAP, and in form and detail reasonably satisfactory to Agent and the Banks and certified by an independent public accountant satisfactory to Agent, which report shall include balance sheets and statements of income (loss), partners' equity and cash-flow for that period, together with a certificate by the accountant setting forth the Defaults and Events of Default coming to its attention during the course of its audit or, if none, a statement to that effect;
- (c) concurrently with the delivery of the financial statements set forth in (a) and (b) above, a Compliance Certificate;
- (d) concurrently with the delivery of the financial statements set forth in (a) and (b) above, a copy of any management report, letter or similar writing furnished to the Companies by the accountants in respect of the Companies' systems, operations, financial condition or properties;
- (e) as soon as available, copies of all notices, reports, definitive proxy or other statements and other documents sent by Cedar Fair LP to its partners, to the holders of any of its debentures or bonds or the trustee of any indenture securing the same or pursuant to which they are issued, or sent by Cedar Fair LP (in final form) to any securities exchange or over the counter authority or system, or to the SEC or any similar federal agency having regulatory jurisdiction over the issuance of any Borrower's securities; and
- (f) within ten days of Agent's or any Bank's written request, such other information about the financial condition, properties and operations of any Company as Agent or such Bank may from time to time reasonably request, which information shall be submitted in form and detail reasonably satisfactory to Agent or such Bank and certified by a Financial Officer of the Company or Companies in question.
4. **Financial Records.** Each Company shall at all times maintain true and complete records and books of account, including, without limiting the generality of the foregoing, appropriate reserves for possible losses and liabilities, all in accordance with GAAP, and at all reasonable times (during normal business hours and upon notice to such Company) permit Agent, or any representative of Agent, to examine that Company's books and records and to make excerpts therefrom and transcripts thereof.
5. **Franchises; Change in Business.**
- (a) Each Company shall preserve and maintain at all times its existence, rights and franchises, except as otherwise permitted pursuant to Section 5.12 hereof.
- (b) No Company shall engage in any business if, as a result thereof, the general nature of the business of the Companies taken as a whole that would then be engaged in by the Companies would be substantially changed from the general nature of the business the Companies are engaged in on the Closing Date.
6. **ERISA Compliance.** No Company shall incur any material accumulated funding deficiency within the meaning of ERISA, or any material liability to the PBGC, established thereunder in connection with any ERISA Plan. Borrowers shall furnish to the Banks (a) as soon as possible and in any event within thirty (30) days after any Company knows or has reason to know that any Reportable Event with respect to any ERISA Plan has occurred, a statement of the Financial Officer of such Company, setting forth details as to such Reportable Event and the action that such Company proposes to take with respect thereto, together with a copy of the notice of such Reportable Event given to the PBGC if a copy of such notice is available to such Company, and (b) promptly after receipt thereof a copy of any notice such Company, or any member of the Controlled Group may receive from the PBGC or the Internal Revenue Service with respect to any ERISA Plan administered by such Company; provided, that this latter clause shall not apply to notices of general application promulgated by the PBGC or the Internal Revenue Service. Borrowers shall promptly notify the Banks of any material taxes assessed, proposed to be assessed or that Borrowers have reason to believe may be assessed against a Company by the Internal Revenue Service with respect to any ERISA Plan. As used in this Section "material" means the measure of a matter of significance that shall be determined as being an amount equal to five percent (5%) of Consolidated Net Worth. As soon as practicable, and in any event within twenty (20) days, after any Company shall become aware that an ERISA Event shall have occurred, such Company shall provide Agent with notice of such ERISA Event with a certificate by a Financial Officer of such Company setting forth the details of the event and the action such Company or another Controlled Group member proposes to take with respect thereto. Borrowers shall, at the request of Agent or any Bank, deliver or cause to be delivered to Agent or such Bank, as the case may be, true and correct copies of any documents relating to the ERISA Plan of any Company.
7. **Financial Covenants.**
- (a) **Leverage Ratio.** The Companies shall not suffer or permit at any time the Leverage Ratio to exceed 3.00 to 1.00.
- (b) **Interest Coverage Ratio.** The Companies shall not suffer or permit at any time the Interest Coverage Ratio to be less than 3.50 to 1.00.
- (c) **Consolidated Net Worth.** The Companies shall not suffer or permit at any time Consolidated Net Worth, for the most recently completed fiscal quarter of Cedar Fair LP, to be less than Three Hundred Million Dollars (\$300,000,000); provided, however, that notwithstanding the foregoing, (i) the Companies shall not suffer or permit Consolidated Net Worth (A) for any fiscal quarter of Cedar Fair LP ending on or about March 31 of any year to be less than an amount equal to sixty percent (60%) of Consolidated Net Worth for the most recently completed fiscal year of Cedar Fair LP, and (B) for any fiscal quarter of Cedar Fair LP ending on or about June 30 of any year to be less an amount equal to seventy percent (70%) of Consolidated Net Worth for the most recently completed fiscal year of Cedar Fair LP; and (ii) the foregoing minimum amounts shall be increased by an amount equal to one hundred percent (100%) of the proceeds of any equity offering by the Companies, or any debt offering of the Companies, to the extent converted into equity.
8. **Borrowing.** No Company shall create, incur or have outstanding any obligation for borrowed money or any Indebtedness of any kind; provided, that this Section shall not apply to:
- (a) the Loans, Letters of Credit or any other Indebtedness under this Agreement;
- (b) the Indebtedness existing on the Closing Date, in addition to the other Indebtedness permitted to be incurred pursuant to this Section, as set forth in Schedule 5.8 hereto (and any extension, renewal or refinancing thereof so long as the principal amount thereof shall not be increased after the Closing Date);
- (c) the unsecured Indebtedness of Cedar Fair LP or Knott's Berry Farm under the Note Agreements in an amount not to exceed One Hundred Fifty Million Dollars (\$150,000,000), together with any additional Indebtedness incurred under the Note Agreements so long as (i) such increase shall be permitted pursuant to subpart (g) below, (ii) the Companies shall be in compliance with the financial covenants set forth in Section 5.7 hereof both immediately before and after giving pro forma effect to the incurrence of both Indebtedness, and (iii) no Default or Event of Default shall then exist or immediately after incurring such Indebtedness will exist;
- (d) loans or capital leases to any Company for the purchase or lease of fixed assets, which loans or leases are secured by the fixed assets being purchased or leased, so long as the aggregate principal amount of all such loans and leases for all Companies shall not exceed at any time an amount equal to ten percent (10%) of Consolidated Net Worth, based upon the financial statements of the Companies for the most recently completed fiscal quarter;
- (e) Indebtedness of a Company under any Hedge Agreement, so long as such Hedge Agreement shall have been entered in to in the ordinary course of business and not for speculative purposes;
- (f) loans to a Company from a Company so long as each such Company is a Borrower or Guarantor of Payment; and
- (g) additional unsecured Indebtedness of Cedar Fair LP, to the extent not otherwise permitted pursuant to subparts (a) through (f) hereof, so long as (i) no Event of Default shall then exist or immediately after the occurrence of such Indebtedness will exist, (ii) both prior to and at all times after the incurrence of such Indebtedness, Consolidated Funded Indebtedness shall not exceed an amount equal to seventy percent (70%) of Consolidated Total Capital, and (iii) after the incurrence of such Indebtedness, for a period of at least

forty-five (45) consecutive days during each rolling twelve (12) month period, Consolidated Funded Indebtedness shall at no time exceed an amount equal to sixty percent (60%) of Consolidated Total Capital.

9. Liens. No Company shall create, assume or suffer to exist any Lien upon any of its property or assets, whether now owned or hereafter acquired; provided that this Section shall not apply to the following:
- (a) Liens for taxes not yet due or that are being actively contested in good faith by appropriate proceedings and for which adequate reserves have been established in accordance with GAAP;
  - (b) other statutory Liens incidental to the conduct of its business or the ownership of its property and assets that (i) were not incurred in connection with the borrowing of money, and (ii) do not in the aggregate materially detract from the value of its property or assets or materially impair the use thereof in the operation of its business;
  - (c) Liens on property or assets of a Subsidiary to secure obligations of such Subsidiary to a Borrower or a Guarantor of Payment;
  - (d) easements or other minor defects or irregularities in title of real property not interfering in any material respect with the use of such property in the business of any Company;
  - (e) the Liens existing on the Closing Date as set forth in Schedule 5.9 hereto;
  - (f) any Lien granted to Agent, for the benefit of the Banks;
  - (g) Liens on fixed assets securing the loans or capital leases pursuant to Section 5.8(d) hereof, provided that such Lien only attaches to the property being acquired or leased; or
  - (h) any Lien on fixed assets owned by a Company as a result of an Acquisition permitted pursuant to Section 5.13 hereof, so long as (i) such Lien is released within one hundred eighty (180) days of such Acquisition (unless Borrowers shall have obtained the prior written consent of Agent and the Required Banks or such Lien is otherwise permitted pursuant to another subpart of this Section 5.9), and (ii) such Lien was not created at the time of or in contemplation of such Acquisition.
- No Company shall enter into any contract or agreement that would prohibit Agent or the Banks from acquiring a security interest, mortgage or other Lien on, or a collateral assignment of, any of the property or assets of a Company.
10. Regulations U and X. No Company shall take any action that would result in any non-compliance of the Loans with Regulations U and X, or any other applicable regulation, of the Board of Governors of the Federal Reserve System.
11. Investments and Loans. No Company shall, without the prior written consent of Agent and the Required Banks, (a) create, acquire or hold any Subsidiary, (b) make or hold any investment in any stocks, bonds or securities of any kind, (c) be or become a party to any joint venture or other partnership, (d) make or keep outstanding any advance or loan to any Person, or (e) be or become a Guarantor of any kind; provided, that this Section shall not apply to:
- (i) any endorsement of a check or other medium of payment for deposit or collection through normal banking channels or similar transaction in the normal course of business;
  - (ii) any investment in Cash Equivalents;
  - (iii) the holding of each of the Subsidiaries listed on Schedule 6.1 hereto, and the creation, acquisition and holding of any new Subsidiary after the Closing Date so long as such new Subsidiary shall have been created, acquired or held in accordance with the terms and conditions of this Agreement;
  - (iv) any investment by a Company in another Company so long as (A) such Company shall not be a Foreign Subsidiary, and (B) such Company shall be a Borrower or Guarantor of Payment (if required pursuant to Section 5.19 hereof);
  - (v) loans to a Company from a Company so long as each such Company is a Borrower or Guarantor of Payment;
  - (vi) guarantees only for Indebtedness of the Companies incurred or permitted pursuant to this Agreement, but only so long as the Companies shall be in compliance with the terms and conditions of Section 5.23 hereof;
  - (vii) any advance or loan to an officer or employee of a Company made in the ordinary course of such Company's business, so long as all such advances and loans from all Companies aggregate not more than the maximum principal sum of One Million Dollars (\$1,000,000) at any time outstanding; or
  - (viii) any Permitted Investment, so long as no Default or Event of Default shall then exist or would result therefrom.
12. Merger and Sale of Assets. No Company shall merge or consolidate with any other Person, or sell, lease or transfer or otherwise dispose of any assets to any Person other than in the ordinary course of business, except that, if no Default or Event of Default shall then exist or immediately thereafter shall begin to exist:
- (a) any Subsidiary (other than a Borrower) may merge with (i) a Borrower (provided that such Borrower shall be the continuing or surviving Person) or (ii) any one or more Guarantors of Payment, provided that either (A) the continuing or surviving Person shall be a Wholly-Owned Subsidiary that shall be a Guarantor of Payment, or (B) after giving effect to any merger pursuant to this sub-clause (ii), a Borrower and/or one or more Wholly-Owned Subsidiaries which shall be Guarantors of Payment shall own not less than the same percentage of the outstanding Voting Power of the continuing or surviving Person as such Borrower and/or one or more Wholly-Owned Subsidiaries (which shall be Guarantors of Payment) owned of the merged Subsidiary immediately prior to such merger;
  - (b) any Subsidiary (other than a Borrower) may sell, lease, transfer or otherwise dispose of any of its assets to (i) a Borrower, (ii) any Wholly-Owned Subsidiary that shall be a Guarantor of Payment, or (iii) any Guarantor of Payment, of which a Borrower and/or one or more Wholly-Owned Subsidiaries, which shall be Guarantors of Payment, shall own not less than the same percentage of Voting Power as a Borrower and/or one or more Wholly-Owned Subsidiaries (which shall be Guarantors of Payment) then own of the Subsidiary making such sale, lease, transfer or other disposition; and
  - (c) in addition to any sale, lease, transfer or other disposition permitted pursuant to subpart (b) above, any Company may sell, lease, transfer or otherwise dispose of any of its assets to any Person so long as (i) the consideration paid in connection with such transaction represents fair value (as determined by the board of directors of such Company), and at least ninety percent (90%) of such consideration consists of cash, (ii) the aggregate amount of all such assets sold, lease transferred or otherwise disposed of by all Companies during any fiscal year shall not exceed Thirty Million Dollars (\$30,000,000), and (iii) with respect to any such transaction involving consideration in excess of Ten Million Dollars (\$10,000,000), at least five Business Days prior to the date of completion of such transaction the applicable Company shall have delivered to Agent an officer's certificate, executed by Financial Officer of such Company, which certificate shall contain a description of the proposed transaction, the date that such transaction is scheduled to be consummated, the estimated purchase price or other consideration to be received in connection with such transaction, financial information pertaining to compliance with subparts (i) and (ii) above, and such other information regarding such transaction as Agent may request.
13. Acquisitions. No Company shall effect any Acquisition; provided, however, that a Borrower or Guarantor of Payment may effect an Acquisition so long as: (a) such Borrower or Guarantor of Payment, as the case may be, shall be the surviving entity in the case of a merger or other combination; (b) the business to be acquired shall be similar to the lines of business of the Companies; (c) the Companies shall be in full compliance with the Loan Documents both prior to and subsequent to the transaction; (d) with respect to any Acquisition in which the Consideration shall be in excess of Ten Million Dollars (\$10,000,000), Borrowers shall have provided to Agent and the Banks, at least five days prior to such Acquisition, historical financial statements of the target entity and a pro forma financial statement of the Companies accompanied by a certificate of a Financial Officer of Cedar Fair LP showing pro forma compliance with Section 5.7 hereof, both before and after the proposed Acquisition; (e) the aggregate Consideration in connection with such

Acquisition shall not exceed the aggregate amount of Forty Million Dollars (\$40,000,000), and (f) the aggregate Consideration in connection with such Acquisition, when added to all other Acquisitions for all Companies made since the Closing Date, would not exceed the aggregate amount of Seventy-Five Million Dollars (\$75,000,000).

14. Notices.

(a) Each Borrower shall cause a Financial Officer of such Borrower to promptly notify Agent and the Banks whenever any Default or Event of Default may occur hereunder or any representation or warranty made in Article VI hereof or elsewhere in this Agreement or in any Related Writing may for any reason cease in any material respect to be true and complete.

(b) Each Borrower shall cause a Financial Officer of such Borrower to promptly notify Agent and the Banks whenever any event or condition has occurred that has resulted in, or is reasonably like to have, a Material Adverse Effect.

(c) Each Borrower shall cause a Financial Officer of such Borrower to promptly notify Agent and the Banks whenever any default or event of default shall have occurred under any Note Agreement or whenever any Company shall receive a notice of default, or other similar notice, under any Note Agreement.

15. Environmental Compliance. Each Company shall comply in all material respects with any and all Environmental Laws including, without limitation, all Environmental Laws in jurisdictions in which any Company owns or operates a facility or site, arranges for disposal or treatment of hazardous substances, solid waste or other wastes, accepts for transport any hazardous substances, solid waste or other wastes or holds any interest in real property or otherwise. Borrowers shall furnish to the Banks, promptly after receipt thereof, a copy of any notice any Company may receive from any governmental authority or private Person or otherwise that any material litigation or proceeding pertaining to any environmental, health or safety matter has been filed or is threatened against such Company, any real property in which such Company holds any interest or any past or present operation of such Company. No Company shall allow the release or disposal of hazardous waste, solid waste or other wastes on, under or to any real property in which any Company holds any interest or performs any of its operations, in violation of any Environmental Law. As used in this Section, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity action, administrative action, investigation or inquiry whether brought by any governmental authority or private Person or otherwise. Borrowers shall defend, indemnify and hold Agent and the Banks harmless against all costs, expenses, claims, damages, penalties and liabilities of every kind or nature whatsoever (including attorneys' fees) arising out of or resulting from the noncompliance of any Company with any Environmental Law. Such indemnification shall survive any termination of this Agreement.
16. Affiliate Transactions. No Company shall, or shall permit any Subsidiary to, directly or indirectly, enter into or permit to exist any transaction (including, without limitation, the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of a Company on terms that shall be less favorable to such Company or such Subsidiary, as the case may be, than those that might be obtained at the time in a transaction with a non-Affiliate; provided, however, that the foregoing shall not prohibit (a) the payment of customary and reasonable directors' fees to directors who are not employees of a Company or any Affiliate of a Company, or (b) any transaction between a Borrower and an Affiliate (if a Borrower or Guarantor of Payment) that such Borrower reasonably determines in good faith is beneficial to such Borrower and its Affiliates as a whole and that shall not be entered into for the purpose of hindering the exercise by Agent or the Banks of their rights or remedies under this Agreement.
17. Use of Proceeds. Borrowers' use of the proceeds of the Loans shall be solely for working capital and other general corporate purposes of Borrowers and their Subsidiaries.
18. Corporate Names. No Borrower shall change its corporate name or its state of organization, unless, in each case, Borrowers shall have provided Agent and the Banks with at least thirty (30) days prior written notice thereof.
19. Subsidiary Guaranties. Each Subsidiary of a Company created, acquired or held subsequent to the Closing Date, shall immediately execute and deliver to Agent a Guaranty of Payment of all of the Debt, such agreement to be in form and substance acceptable to Agent and the Required Banks, along with such corporate governance and authorization documents and an opinion of counsel as may be deemed necessary or advisable by Agent and the Required Banks; provided, however, that (a) a Subsidiary shall not be required to execute such Guaranty of Payment so long as (i) the total assets of such Subsidiary shall be less than the amount of One Million Dollars (\$1,000,000), and (ii) the aggregate of the total assets of all such Subsidiaries with total asset values of less than One Million Dollars (\$1,000,000) shall not exceed the aggregate amount of Three Million Dollars (\$3,000,000), and (b) a Foreign Subsidiary shall not be required to execute a Guaranty of Payment to the extent that such Guaranty of Payment will result in adverse tax consequences for Borrowers (provided that Borrowers shall provide to the Banks a pledge of two-thirds of the stock of such Foreign Subsidiary if required by Agent and the Required Banks). In the event that the total assets of any Subsidiary that shall not be a Guarantor of Payment shall be at any time equal to or greater than One Million Dollars (\$1,000,000), Borrowers shall provide Agent and the Banks with prompt written notice of such asset value.
20. Restrictive Agreements. Except as set forth in this Agreement, Borrowers shall not, and shall not permit any of their Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Subsidiary to (a) make, directly or indirectly, any Capital Distribution to Borrowers, (b) make, directly or indirectly, loans or advances or capital contributions to Borrowers or (c) transfer, directly or indirectly, any of the properties or assets of such Subsidiary to Borrowers; except for such encumbrances or restrictions existing under or by reason of (i) applicable law, (ii) customary non-assignment provisions in leases or other agreements entered in the ordinary course of business and consistent with past practices, or (iii) customary restrictions in security agreements or mortgages securing Indebtedness of a Company, or capital leases, of a Company to the extent such restrictions shall only restrict the transfer of the property subject to such security agreement, mortgage or lease.
21. Other Covenants. In the event that any Borrowers shall enter into, or shall have entered into, any Material Indebtedness Agreement, wherein the covenants and agreements contained therein shall be more restrictive than the covenants set forth herein, then Borrowers shall be bound hereunder by such covenants and agreements with the same force and effect as if such covenants and agreements were written herein.
22. Concentration of Assets. Borrowers shall not suffer or permit at any time (a) the Consolidated total assets of Cedar Fair LP and Knott's Berry Farm to be less than seventy percent (70%) of the Consolidated total assets of the Companies, and (b) the total assets of Cedar Fair LP to be less than forty percent (40%) of the Consolidated total assets of the Companies.
23. Guaranty Under Material Indebtedness Agreement. No Company shall be or become a Guarantor of the Indebtedness incurred pursuant to any Note Agreement or any other Material Indebtedness Agreement unless such Company shall also be a Guarantor of Payment under this Agreement prior to or concurrently therewith.
24. Pari Passu Ranking. The Debt shall, and Borrowers shall take all necessary action to ensure that the Debt shall, at all times, rank at least pari passu in right of payment with all other senior unsecured Indebtedness of each Borrower.
25. Note Agreements. Borrowers shall not, without the prior written consent of Agent and the Required Banks, amend, restate, supplement or otherwise modify the Note Agreement to (a) increase the principal amount outstanding thereunder, unless the amount of such increase shall be permitted pursuant to Section 5.8 hereof, (b) change the date of any principal or interest payment to an earlier date, or (c) otherwise modify any provision such that a Default or Event of Default will exist.
26. Amendment of Organizational Documents. No Borrower shall amend its Organizational Documents to change its state of organization or formation or to otherwise make an amendment or other modification to its Organizational Documents if such amendment or other modification would have a material adverse effect on the rights and remedies of Agent and the Banks hereunder.

XXVII. REPRESENTATIONS AND WARRANTIES

Each Borrower represents and warrants that the statements set forth in this Article VI are true, correct and complete.

1. Corporate Existence; Subsidiaries; Foreign Qualification.



(a) Each Company is an entity duly organized, validly existing, and in good standing under the laws of its state or jurisdiction of incorporation or organization and is duly qualified and authorized to do business and is in good standing as a foreign entity in each jurisdiction where the character of its property or its business activities makes such qualification necessary, except where the failure to so qualify will not cause or result in a Material Adverse Effect.

(b) Schedule 6.1 hereto sets forth (i) each Company, (ii) each Company's state or jurisdiction of organization, (iii) each state or other jurisdiction in which each Company is qualified to do business as a foreign entity, and (iv) except with respect to Cedar Fair LP, each Person that owns the stock or other equity interest of each Company.

2. Corporate Authority. Each Borrower has the right and power and is duly authorized and empowered to enter into, execute and deliver the Loan Documents to which it is a party and to perform and observe the provisions of the Loan Documents. The Loan Documents to which each Borrower is a party have been duly authorized and approved by such Borrower's Board of Directors (or partners or equivalent governing body) and are the valid and binding obligations of such Borrower, enforceable against such Borrower in accordance with their respective terms, except as may be limited by applicable bankruptcy, insolvency, moratorium, reorganization or similar laws from time to time in effect that affect creditors' rights generally and legal and equitable limitations on the availability of specific remedies. The execution, delivery and performance of the Loan Documents will not conflict with nor result in any breach in any of the provisions of, or constitute a default under, or result in the creation of any Lien (other than Liens permitted under Section 5.9 of this Agreement) upon any assets or property of any Company under the provisions of such Company's Organizational Documents or any agreement.
3. Compliance With Laws. Each Company:
  - (a) holds permits, certificates, licenses, orders, registrations, franchises, authorizations, and other approvals from federal, state, local, and foreign governmental and regulatory bodies necessary for the conduct of its business and is in compliance with all applicable laws relating thereto, except where the failure to do so would not have a Material Adverse Effect;
  - (b) is in compliance with all federal, state, local, or foreign applicable statutes, rules, regulations, and orders including, without limitation, those relating to environmental protection, occupational safety and health, and equal employment practices, except where the failure to do so would not have a Material Adverse Effect; and
  - (c) is not in violation of or in default under any agreement to which it is a party or by which its assets are subject or bound, except to the extent that any such violation or default would not have a Material Adverse Effect.
4. Litigation and Administrative Proceedings. Except as disclosed on Schedule 6.4 hereto, there are (a) no lawsuits, actions, investigations, or other proceedings pending or, to the knowledge of each Company, threatened against any Company, or in respect of which any Company may have any liability, in any court or before any governmental authority, arbitration board, or other tribunal, (b) no orders, writs, injunctions, judgments, or decrees of any court or government agency or instrumentality to which any Company is a party or by which the property or assets of any Company are bound, or (c) no grievances, disputes, or controversies outstanding with any union or other organization of the employees of any Company, or threats of work stoppage, strike, or pending demands for collective bargaining, that, as to (a) through (c) above, if violated or determined adversely, would have a Material Adverse Effect.
5. Title to Assets. Each Company has good title to and ownership of all property it purports to own, which property is free and clear of all Liens, except those permitted under Section 5.9 hereof.
6. Liens and Security Interests. On and after the Closing Date, except for Liens permitted pursuant to Section 5.9 hereof, (a) there is no financing statement outstanding covering any personal property of any Company; (b) there is no mortgage outstanding covering any real property of any Company; and (c) no real or personal property of any Company is subject to any security interest or Lien of any kind other than any security interest or Lien which may be granted to Agent on behalf of the Banks. No Company has entered into any contract or agreement which exists on or after the Closing Date that would prohibit Agent or the Banks from acquiring a security interest, mortgage or other Lien on, or a collateral assignment of, any of the property or assets of any Company.
7. Tax Returns. All federal, state and local tax returns and other reports required by law to be filed in respect of the income, business, properties and employees of each Company have been filed and all taxes, assessments, fees and other governmental charges which are due and payable have been paid, except as otherwise permitted herein or the failure to do so does not and will not cause or result in a Material Adverse Effect. The provision for taxes on the books of each Company is adequate for all years not closed by applicable statutes and for the current fiscal year.
8. Environmental Laws. Each Company is in material compliance with any and all Environmental Laws, including, without limitation, all Environmental Laws in all jurisdictions in which any Company owns or operates, or has owned or operated, a facility or site, arranges or has arranged for disposal or treatment of hazardous substances, solid waste or other wastes, accepts or has accepted for transport any hazardous substances, solid waste or other wastes or holds or has held any interest in real property or otherwise. No litigation or proceeding arising under, relating to or in connection with any Environmental Law is pending or, to the knowledge of each Company, threatened, against any Company, any real property in which any Company holds or has held an interest or any past or present operation of any Company that, if determined adversely, would have a Material Adverse Effect. No material release, threatened release or disposal of hazardous waste, solid waste or other wastes is occurring, or has occurred (other than those that are currently being cleaned up in accordance with Environmental Laws), on, under or to any real property in which any Company holds any interest or performs any of its operations, in violation of any Environmental Law. As used in this Section, "litigation or proceeding" means any demand, claim, notice, suit, suit in equity, action, administrative action, investigation or inquiry whether brought by any governmental authority or private Person or otherwise.
9. Continued Business. There exists no actual, pending, or, to each Borrower's knowledge, any threatened termination, cancellation or limitation of, or any modification or change in the business relationship of any Company and any customer or supplier, or any group of customers or suppliers, whose purchases or supplies, individually or in the aggregate, are material to the business of any Company, and there exists no present condition or state of facts or circumstances that would have a Material Adverse Effect or prevent a Company from conducting such business or the transactions contemplated by this Agreement in substantially the same manner in which it was previously conducted.
10. Employee Benefits Plans. Schedule 6.10 hereto identifies each ERISA Plan. No ERISA Event has occurred or is expected to occur with respect to an ERISA Plan. Full payment has been made of all amounts which a Controlled Group member is required, under applicable law or under the governing documents, to have been paid as a contribution to or a benefit under each ERISA Plan. The liability of each Controlled Group member with respect to each ERISA Plan has been fully funded based upon reasonable and proper actuarial assumptions, has been fully insured, or has been fully reserved for on its financial statements. No changes have occurred or are expected to occur that would cause a material increase in the cost of providing benefits under the ERISA Plan. With respect to each ERISA Plan that is intended to be qualified under Code Section 401(a), (a) the ERISA Plan and any associated trust operationally comply with the applicable requirements of Code Section 401(a); (b) the ERISA Plan and any associated trust have been amended to comply with all such requirements as currently in effect, other than those requirements for which a retroactive amendment can be made within the "remedial amendment period" available under Code Section 401(b) (as extended under Treasury Regulations and other Treasury pronouncements upon which taxpayers may rely); (c) other than the ERISA Plan identified as item 1 on Schedule 6.10, the ERISA Plan and any associated trust have received a favorable determination letter from the Internal Revenue Service stating that the ERISA Plan qualifies under Code Section 401(a), that the associated trust qualifies under Code Section 501(a) and, if applicable, that any cash or deferred arrangement under the ERISA Plan qualifies under Code Section 401(k), unless the ERISA Plan was first adopted at a time for which the above-described "remedial amendment period" has not yet expired; (d) the ERISA Plan currently satisfies the requirements of Code Section 410(b), without regard to any retroactive amendment that may be made within the above-described "remedial amendment period"; and (e) no contribution made to the ERISA Plan is subject to an excise tax under Code Section 4972. With respect to any Pension Plan, the "accumulated benefit obligation" of Controlled Group members with respect to the Pension Plan (as determined in accordance with Statement of Accounting Standards No. 87, "Employers' Accounting for Pensions") does not exceed the fair market value of Pension Plan assets.
11. Consents or Approvals. No consent, approval or authorization of, or filing, registration or qualification with, any governmental authority or any other Person is required to be obtained or completed by any Borrower in connection with the execution, delivery or performance of any of the Loan Documents, that has not already been obtained or completed.
12. Solvency. Each Borrower has received consideration that is the reasonable equivalent value of the obligations and liabilities that such Borrower has incurred to Agent and the Banks. No Borrower is insolvent as defined in any applicable state or federal statute, nor will any Borrower be rendered insolvent by the execution and delivery of the Loan

Documents to Agent and the Banks. No Borrower is engaged or about to engage in any business or transaction for which the assets retained by it are or will be an unreasonably small amount of capital, taking into consideration the obligations to Agent and the Banks incurred hereunder. No Borrower intends to, nor does it believe that it will, incur debts beyond its ability to pay such debts as they mature.

13. Financial Statements. The Consolidated financial statements of Borrowers for the fiscal year ended December 31, 2000 and the unaudited Consolidated financial statements of Borrowers for the fiscal quarter ended September 30, 2001, furnished to Agent and the Banks, are true and complete in all material respects, have been prepared in accordance with GAAP, and fairly present the financial condition of the Companies as of the dates of such financial statements and the results of their operations for the periods then ending. Since the dates of such statements, there has been no material adverse change in any Company's financial condition, properties or business nor any change in any Company's accounting procedures.
14. Regulations. No Borrower is engaged principally or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any "margin stock" (within the meaning of Regulation U of the Board of Governors of the Federal Reserve System of the United States of America). Neither the granting of any Loan (or any conversion thereof) or Letter of Credit nor the use of the proceeds of any Loan or Letter of Credit will violate, or be inconsistent with, the provisions of Regulation U or X or any other Regulation of such Board of Governors.
15. Intellectual Property. Each Company owns, possesses, or has the right to use all of the patents, patent applications, trademarks, service marks, copyrights, licenses, and rights with respect to the foregoing necessary for the conduct of its business without any known conflict with the rights of others, except where the failure to do so would not have a Material Adverse Effect.
16. Insurance. Each Company maintains with financially sound and reputable insurers insurance with coverage and limits as required by law and as is customary with Persons engaged in the same businesses as the Companies.
17. Accurate and Complete Statements. Neither the Loan Documents nor any written statement made by any Company in connection with any of the Loan Documents contains any untrue statement of a material fact or omits a material fact necessary to make the statements contained therein or in the Loan Documents not misleading. After due inquiry by Borrowers, there is no known fact that any Company has not disclosed to Agent and the Banks that has or would have a Material Adverse Effect.
18. Investment Company; Holding Company. No Company is (a) an "investment company" or a company "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, or (b) subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act, each as amended, or any foreign, federal, state or local statute or regulation limiting its ability to incur Indebtedness.
19. Defaults. No Default or Event of Default exists hereunder, nor will any begin to exist immediately after the execution and delivery hereof.

## XX. EVENTS OF DEFAULT

Each of the following shall constitute an Event of Default hereunder:

1. Payments. If (a) the interest on any Loan or any facility or other fee shall not be paid in full punctually when due and payable or within five days thereafter, or (b) the principal of any Loan shall not be paid in full punctually when due and payable.
2. Special Covenants. If any Company or any Obligor shall fail or omit to perform and observe Sections 5.7, 5.8, 5.9, 5.11, 5.12, 5.13, 5.14, 5.22, 5.23 or 5.25 hereof.
3. Other Covenants. If any Company or Obligor shall fail or omit to perform and observe any agreement or other provision (other than those referred to in Sections 7.1 or 7.2 hereof) contained or referred to in this Agreement or any Related Writing that is on such Company's or Obligor's part, as the case may be, to be complied with, and that Default shall not have been fully corrected within thirty (30) days after the giving of written notice thereof to a Borrower by Agent or any Bank that the specified Default is to be remedied.
4. Representations and Warranties. If any representation, warranty or statement made in or pursuant to this Agreement or any Related Writing or any other material information furnished by any Company or Obligor to the Banks or any thereof or any other holder of any Note, shall be false or erroneous in any material respect.
5. Cross Default. If any Company or Obligor shall default in (a) the payment of principal or interest due and owing upon any other obligation for borrowed money in excess of the aggregate, for all such obligations for all such Companies and Obligors, of Fifteen Million Dollars (\$15,000,000) beyond any period of grace provided with respect thereto, or (b) the performance or observance of any other agreement, term or condition contained in any agreement under which such obligation is created, if the effect of such default is to allow the acceleration of the maturity of such Indebtedness or to permit the holder thereof to cause such Indebtedness to become due prior to its stated maturity.
6. ERISA Default. The occurrence of one or more ERISA Events that (a) the Required Banks determine could have a Material Adverse Effect, or (b) results in a Lien on any of the assets of any Company.
7. Change in Control; Determination of Taxability. If (a) a Change in Control shall occur, or (b) a Determination of Taxability shall occur.
8. Money Judgment. A final judgment or order for the payment of money shall be rendered against any Company or any Obligor by a court of competent jurisdiction, which remains unpaid or unstayed and undischarged for a period (during which execution shall not be effectively stayed) of thirty (30) days after the date on which the right to appeal has expired, provided that the aggregate of all such judgments, for all such Companies and Obligors, shall exceed Five Million Dollars (\$5,000,000).
9. Validity of Loan Documents. (a) The validity, binding effect or enforceability of any Loan Document against any Borrower or Guarantor of Payment shall be contested by any Company or any other Obligor; (b) any Borrower or Guarantor of Payment shall deny that it has any or further liability or obligation thereunder; or (c) any Loan Document shall be terminated, invalidated or set aside, or be declared ineffective or inoperative or in any way cease to give or provide to Agent and the Banks the material benefits purported to be created thereby.
10. Solvency. If any Borrower, or any other Company with assets in excess of One Million Dollars (\$1,000,000), shall (a) except as permitted pursuant to Section 5.12 hereof, discontinue business, (b) generally not pay its debts as such debts become due, (c) make a general assignment for the benefit of creditors, (d) apply for or consent to the appointment of a receiver, a custodian, a trustee, an interim trustee or liquidator of all or a substantial part of its assets, (e) be adjudicated a debtor or have entered against it an order for relief under Title 11 of the United States Code, as the same may be amended from time to time, (f) file a voluntary petition in bankruptcy, or have an involuntary proceeding filed against it and the same shall continue undismissed for a period of sixty (60) days from commencement of such proceeding or case, or file a petition or an answer seeking reorganization or an arrangement with creditors or seeking to take advantage of any other law (whether federal or state) relating to relief of debtors, or admit (by answer, by default or otherwise) the material allegations of a petition filed against it in any bankruptcy, reorganization, insolvency or other proceeding (whether federal or state) relating to relief of debtors, (g) suffer or permit to continue unstayed and in effect for thirty (30) consecutive days any judgment, decree or order entered by a court of competent jurisdiction, which approves a petition seeking its reorganization or appoints a receiver, custodian, trustee, interim trustee or liquidator of all or a substantial part of its assets, or (h) take, or omit to take, any action in order thereby to effect any of the foregoing.

## XI. REMEDIES UPON DEFAULT

Notwithstanding any contrary provision or inference herein or elsewhere,

1. Optional Defaults. If any Event of Default referred to in Section 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, 7.8 or 7.9 hereof shall occur, Agent may, with the consent of the Required Banks, and shall, at the request of Required Banks, give written notice to Borrowers, to:

(a) terminate the Commitment and the credits hereby established, if not previously terminated, and, immediately upon such election, the obligations of Banks, and each thereof, to make any further Loan and the obligation of the Fronting Bank to issue any Letter of Credit hereunder immediately shall be terminated, and/or

(b) accelerate the maturity of all of the Debt (if the Debt is not already due and payable), whereupon all of the Debt shall become and thereafter be immediately due and payable in full without any presentment or demand and without any further or other notice of any kind, all of which are hereby waived by Borrowers.

2. Automatic Defaults. If any Event of Default referred to in Section 7.10 hereof shall occur:

(a) all of the Commitment and the credits hereby established shall automatically and immediately terminate, if not previously terminated, and no Bank thereafter shall be under any obligation to grant any further Loan, nor shall Agent be obligated to issue any Letter of Credit hereunder, and

(b) the principal of and interest then outstanding on all of the Notes, and all of the other Debt, shall thereupon become and thereafter be immediately due and payable in full (if the Debt is not already due and payable), all without any presentment, demand or notice of any kind, which are hereby waived by each Borrower.

3. Letters of Credit. If the maturity of the Debt shall be accelerated pursuant to Sections 8.1 or 8.2 hereof, Borrowers shall immediately deposit with Agent, as security for the obligations of Borrowers and any Guarantor of Payment to reimburse Agent and the Banks for any then outstanding Letters of Credit, cash equal to the sum of the aggregate undrawn balance of any then outstanding Letters of Credit. Agent and the Banks are hereby authorized, at their option, to deduct any and all such amounts from any deposit balances then owing by any Bank to or for the credit or account of any Company, as security for the obligations of Borrowers and any Guarantor of Payment to reimburse Agent and the Banks for any then outstanding Letters of Credit.

4. Offsets. If there shall occur or exist any Event of Default referred to in Section 7.10 hereof or if the maturity of the Debt is accelerated pursuant to Section 8.1 or 8.2 hereof, each Bank shall have the right at any time to set off against, and to appropriate and apply toward the payment of, any and all Debt then owing by Borrowers to that Bank (including, without limitation, any participation purchased or to be purchased pursuant to Section 2.1B, 2.1C or 8.5 hereof), whether or not the same shall then have matured, any and all deposit balances and all other indebtedness then held or owing by that Bank to or for the credit or account of any Borrower of Guarantor of Payment, all without notice to or demand upon any Borrower or any other Person, all such notices and demands being hereby expressly waived by each Borrower.

5. Equalization Provision. Each Bank agrees with the other Banks that if it, at any time, shall obtain any Advantage over the other Banks or any thereof in respect of the Debt (except as to Swing Loans prior to Agent's giving of a notice to participate and except under Article III hereof), it shall purchase from the other Banks, for cash and at par, such additional participation in the Debt as shall be necessary to nullify the Advantage. If any such Advantage resulting in the purchase of an additional participation as aforesaid shall be recovered in whole or in part from the Bank receiving the Advantage, each such purchase shall be rescinded, and the purchase price restored (but without interest unless the Bank receiving the Advantage is required to pay interest on the Advantage to the Person recovering the Advantage from such Bank) ratably to the extent of the recovery. Each Bank further agrees with the other Banks that if it at any time shall receive any payment for or on behalf of any Borrower on any indebtedness owing by Borrowers to that Bank by reason of offset of any deposit or other indebtedness, it will apply such payment first to any and all Debt owing by such Borrower to that Bank (including, without limitation, any participation purchased or to be purchased pursuant to this Section or any other Section of this Agreement). Each Borrower agrees that any Bank so purchasing a participation from the other Banks or any thereof pursuant to this Section may exercise all its rights of payment (including the right of set-off) with respect to such participation as fully as if such Bank was a direct creditor of such Borrower in the amount of such participation.

## VI. THE AGENT

The Banks authorize KeyBank National Association and KeyBank National Association hereby agrees to act as agent for the Banks in respect of this Agreement upon the terms and conditions set forth elsewhere in this Agreement, and upon the following terms and conditions:

1. Appointment and Authorization. Each Bank hereby irrevocably appoints and authorizes Agent to take such action as agent on its behalf and to exercise such powers hereunder as are delegated to Agent by the terms hereof, together with such powers as are reasonably incidental thereto, including, without limitation, to execute and deliver the Intercreditor Agreement on behalf of the Banks. Neither Agent nor any of its affiliates, directors, officers, attorneys or employees shall be liable for any action taken or omitted to be taken by it or them hereunder or in connection herewith, except for its or their own gross negligence or willful misconduct. Each Bank, by becoming a party to this Agreement, agrees to be bound by and subject to the terms and conditions of the Intercreditor Agreement as if it were an original party thereto.
2. Note Holders. Agent may treat the payee of any Note as the holder thereof until written notice of transfer shall have been filed with it, signed by such payee and in form satisfactory to Agent.
3. Consultation With Counsel. Agent may consult with legal counsel selected by it and shall not be liable for any action taken or suffered in good faith by it in accordance with the opinion of such counsel.
4. Documents. Agent shall not be under any duty to examine into or pass upon the validity, effectiveness, genuineness or value of any Loan Documents or any other Related Writing furnished pursuant hereto or in connection herewith or the value of any collateral obtained hereunder, and Agent shall be entitled to assume that the same are valid, effective and genuine and what they purport to be.
5. Agent and Affiliates. With respect to the Loans, Agent shall have the same rights and powers hereunder as any other Bank and may exercise the same as though it were not Agent, and Agent and its affiliates may accept deposits from, lend money to and generally engage in any kind of business with any Company or any affiliate thereof.
6. Knowledge of Default. It is expressly understood and agreed that Agent shall be entitled to assume that no Default or Event of Default has occurred, unless Agent shall have been notified by a Borrower or a Bank in writing that such Borrower or Bank believes that a Default or Event of Default has occurred and is continuing and specifying the nature thereof.
7. Action by Agent. Subject to the other terms and conditions hereof, so long as Agent shall be entitled, pursuant to Section 9.6 hereof, to assume that no Default or Event of Default shall have occurred and be continuing, Agent shall be entitled to use its discretion with respect to exercising or refraining from exercising any rights that may be vested in it by, or with respect to taking or refraining from taking any action or actions that it may be able to take under or in respect of, this Agreement. Agent shall incur no liability under or in respect of this Agreement by acting upon any notice, certificate, warranty or other paper or instrument believed by it to be genuine or authentic or to be signed by the proper party or parties, or with respect to anything that it may do or refrain from doing in the reasonable exercise of its judgment, or that may seem to it to be necessary or desirable in the premises.
8. Notices, Default. In the event that Agent shall have acquired actual knowledge of any Default or Event of Default, Agent shall promptly notify the Banks and shall take such action and assert such rights under this Agreement as the Required Banks shall direct and Agent shall inform the other Banks in writing of the action taken. Subject to the other terms and conditions hereof, Agent may take such action and assert such rights as it deems to be advisable, in its discretion, for the protection of the interests of the holders of the Debt.
9. Indemnification of Agent. The Banks agree to indemnify Agent (to the extent not reimbursed by Borrowers) ratably, according to their respective Commitment Percentages, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against Agent in its capacity as agent in any way relating to or arising out of this Agreement or any Loan Document or any action taken or omitted by Agent with respect to this Agreement or any Loan Document, provided that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees) or disbursements resulting from Agent's gross negligence, willful misconduct as determined by a court of competent jurisdiction, or from any action taken or omitted by Agent in any capacity other than as agent under this Agreement, the Intercreditor Agreement or any other Loan Document.

10. Successor Agent. Agent may resign as agent hereunder by giving not fewer than thirty (30) days prior written notice to Borrowers and the Banks. If Agent shall resign under this Agreement, then either (a) the Required Banks shall appoint from among the Banks a successor agent for the Banks (with the consent of Borrowers so long as an Event of Default has not occurred and which consent shall not be unreasonably withheld), or (b) if a successor agent shall not be so appointed and approved within the thirty (30) day period following Agent's notice to the Banks of its resignation, then Agent shall appoint a successor agent that shall serve as agent until such time as the Required Banks appoint a successor agent. Any such successor Agent shall be a commercial bank organized under the laws of the United States of America or any state thereof and having a combined capital and surplus of at least Five Hundred Million Dollars (\$500,000,000). Upon its appointment, such successor agent shall succeed to the rights, powers and duties as agent, and the term "Agent" shall mean such successor effective upon its appointment, and the former agent's rights, powers and duties as agent shall be terminated without any other or further act or deed on the part of such former agent or any of the parties to this Agreement.

## XI. MISCELLANEOUS

1. Banks' Independent Investigation. Each Bank, by its signature to this Agreement, acknowledges and agrees that Agent has made no representation or warranty, express or implied, with respect to the creditworthiness, financial condition, or any other condition of any Company or with respect to the statements contained in any information memorandum furnished in connection herewith or in any other oral or written communication between Agent and such Bank. Each Bank represents that it has made and shall continue to make its own independent investigation of the creditworthiness, financial condition and affairs of the Companies in connection with the extension of credit hereunder, and agrees that Agent has no duty or responsibility, either initially or on a continuing basis, to provide any Bank with any credit or other information with respect thereto (other than such notices as may be expressly required to be given by Agent to the Banks hereunder), whether coming into its possession before the granting of the first Loans hereunder or at any time or times thereafter. Each Bank further represents that it has reviewed each of the Loan Documents, including, but not limited to, the Intercreditor Agreement.
2. No Waiver; Cumulative Remedies. No omission or course of dealing on the part of Agent, any Bank or the holder of any Note in exercising any right, power or remedy hereunder or under any of the Loan Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder or under any of the Loan Documents. The remedies herein provided are cumulative and in addition to any other rights, powers or privileges held by operation of law, by contract or otherwise.
3. Amendments; Consents. No amendment, modification, termination, or waiver of any provision of any Loan Document nor consent to any variance therefrom, shall be effective unless the same shall be in writing and signed by the Required Banks and then such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given. Anything herein to the contrary notwithstanding, unanimous consent of the Banks shall be required with respect to (a) any increase in the Commitment hereunder, except pursuant to Section 2.8(c) hereof (but not in excess of Three Hundred Fifty Million Dollars (\$350,000,000)), (b) the extension of maturity of any Loan, the payment date of interest or principal thereunder, or the payment of facility or other fees or amounts payable hereunder or the extension of the expiry date of any Letter of Credit beyond the last day of the Commitment Period, (c) any reduction in the rate of interest on any Loan, or in any amount of principal or interest due with respect to any Loan, or the payment of commitment or other fees hereunder or any change in the manner of pro rata application of any payments made by Borrowers to the Banks hereunder, (d) any change in any percentage voting requirement, voting rights, or the Required Banks definition in this Agreement, (e) the release of any Borrower or Guarantor of Payment, or (f) any amendment to this Section 10.3 or Section 8.5 hereof. Notice of amendments or consents ratified by the Banks hereunder shall immediately be forwarded by Borrowers to all Banks. Each Bank or other holder of a Note shall be bound by any amendment, waiver or consent obtained as authorized by this Section, regardless of its failure to agree thereto. In addition, Section 10.11 hereof may not be amended without the prior written consent of any Designating Bank, as defined in Section 10.11 hereof, affected thereby.
4. Notices. All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to a Borrower, mailed or delivered to it, addressed to it at the address specified on the signature pages of this Agreement, if to a Bank, mailed or delivered to it, addressed to the address of such Bank specified on the signature pages of this Agreement, or, as to each party, at such other address as shall be designated by such party in a written notice to each of the other parties. All notices, statements, requests, demands and other communications provided for hereunder shall be given by overnight delivery or first class mail with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt, except that all notices hereunder shall not be effective until received.
5. Costs, Expenses and Taxes. Borrowers agree to pay on demand all costs and expenses of Agent, including but not limited to, (a) out-of-pocket syndication, administration, travel and other expenses, including but not limited to attorneys' fees and expenses of Agent in connection with the preparation, negotiation and closing of the Loan Documents and the administration of the Loan Documents and the other documents to be delivered hereunder, (b) extraordinary expenses of Agent in connection with the administration of the Loan Documents and the other instruments and documents to be delivered hereunder, and (c) the reasonable fees and out-of-pocket expenses of special counsel for Agent, with respect to the foregoing, and of local counsel, if any, who may be retained by said special counsel with respect thereto. Borrowers also agree to pay on demand all costs and expenses of Agent and the Banks, including reasonable attorneys' fees, in connection with the restructuring or enforcement of the Debt, this Agreement or any Related Writing. In addition, Borrowers shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution and delivery of the Loan Documents, and the other instruments and documents to be delivered hereunder, and agree to hold Agent and each Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes or fees.
6. Indemnification. Each Borrower agrees to defend, indemnify and hold harmless Agent and the Banks (and their respective affiliates, officers, directors, attorneys, agents and employees) from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including attorneys' fees) or disbursements of any kind or nature whatsoever that may be imposed on, incurred by or asserted against Agent or any Bank in connection with any investigative, administrative or judicial proceeding (whether or not such Bank or Agent shall be designated a party thereto) or any other claim by any Person relating to or arising out of any Loan Document or any actual or proposed use of proceeds of the Loans or any of the Debt, or any activities of any Company or any Obligor or any of their respective Affiliates; provided that no Bank nor Agent shall have the right to be indemnified under this Section for its own gross negligence or willful misconduct as determined by a court of competent jurisdiction. All obligations provided for in this Section 10.6 shall survive any termination of this Agreement.
7. Obligations Several; No Fiduciary Obligations. The obligations of the Banks hereunder are several and not joint. Nothing contained in this Agreement and no action taken by Agent or the Banks pursuant hereto shall be deemed to constitute the Banks a partnership, association, joint venture or other entity. No default by any Bank hereunder shall excuse the other Banks from any obligation under this Agreement; but no Bank shall have or acquire any additional obligation of any kind by reason of such default. The relationship among Borrowers and the Banks with respect to the Loan Documents and the Related Writings is and shall be solely that of debtors and creditors, respectively, and neither Agent nor any Bank shall have any fiduciary obligation toward any Borrower with respect to any such documents or the transactions contemplated thereby.
8. Execution in Counterparts. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.
9. Binding Effect; Borrowers' Assignment. This Agreement shall become effective when it shall have been executed by each Borrower, Agent and each Bank and thereafter shall be binding upon and inure to the benefit of each Borrower, Agent and each of the Banks and their respective successors and assigns, except that no Borrower shall have the right to assign its rights hereunder or any interest herein without the prior written consent of Agent and all of the Banks.
10. Bank Assignments; Participations.

A. Assignments of Commitments. Each Bank shall have the right at any time or times to assign to another financial institution, without recourse, all or a percentage of all of the following: (a) that Bank's Commitment, (b) all Loans made by that Bank, (c) that Bank's Notes, and (d) that Bank's interest in any Letter of Credit and any participation purchased pursuant to Section 2.1B, 2.1C or 8.5 hereof; provided, however, in each such case, that the assignor and the assignee shall have complied with the following requirements:

(i) Prior Consent. No assignment may be consummated pursuant to this Section 10.10 without the prior written consent of Cedar Fair LP and Agent (other than an assignment by any Bank to another Bank or to any affiliate of such Bank which affiliate is either wholly-owned by such Bank or is wholly-owned by a Person that wholly owns, either directly or indirectly, such Bank), which consent of Borrowers and Agent shall not be unreasonably withheld; provided, however, that, Borrowers' consent shall not be required if, at the time of the proposed assignment, any Default or Event of Default shall then exist. Anything herein to the contrary notwithstanding, any Bank may at any time make a collateral



assignment of all or any portion of its rights under the Loan Documents to a Federal Reserve Bank, and no such assignment shall release such assigning Bank from its obligations hereunder;

(ii) Minimum Amount. Each such assignment shall be in a minimum amount of the lesser of Ten Million Dollars (\$10,000,000) of the assignor's Commitment and interest herein or the entire amount of the assignor's Commitment and interest herein;

(iii) Assignment Fee; Assignment Agreement. Unless the assignment shall be to an affiliate of the assignor or the assignment shall be due to merger of the assignor or for regulatory purposes, either the assignor or the assignee shall remit to Agent, for its own account, an administrative fee of Three Thousand Five Hundred Dollars (\$3,500). Unless the assignment shall be due to merger of the assignor or a collateral assignment for regulatory purposes, the assignor shall (A) cause the assignee to execute and deliver to Borrowers and Agent an Assignment Agreement, and (B) execute and deliver, or cause the assignee to execute and deliver, as the case may be, to Agent such additional amendments, assurances and other writings as Agent may reasonably require; and

(iv) Non-U.S. Assignee. If the assignment is to be made to an assignee which is organized under the laws of any jurisdiction other than the United States or any state thereof, the assignor Bank shall cause such assignee, at least five Business Days prior to the effective date of such assignment, (A) to represent to the assignor Bank (for the benefit of the assignor Bank, Agent and Borrowers) that under applicable law and treaties no taxes will be required to be withheld by Agent, Borrowers or the assignor with respect to any payments to be made to such assignee in respect of the Loans hereunder, (B) to furnish to the assignor (and, in the case of any assignee registered in the Register (as defined below), Agent and Borrowers) either (1) U.S. Internal Revenue Service Form W-8ECI or U.S. Internal Revenue Service Form W-8BEN or (2) United States Internal Revenue Service Form W-8 or W-9, as applicable (wherein such assignee claims entitlement to complete exemption from U.S. federal withholding tax on all interest payments hereunder), and (C) to agree (for the benefit of the assignor, Agent and Borrowers) to provide the assignor Bank (and, in the case of any assignee registered in the Register, Agent and Borrowers) a new Form W-8ECI or Form W-8BEN or Form W-8 or W-9, as applicable, upon the expiration or obsolescence of any previously delivered form and comparable statements in accordance with applicable U.S. laws and regulations and amendments duly executed and completed by such assignee, and to comply from time to time with all applicable U.S. laws and regulations with regard to such withholding tax exemption.

Upon satisfaction of the requirements specified in clauses (i) through (iv) above, Borrowers shall execute and deliver (A) to Agent, the assignor and the assignee, any consent or release (of all or a portion of the obligations of the assignor) required to be delivered by Borrowers in connection with the Assignment Agreement, and (B) to the assignee, an appropriate Note or Notes. After delivery of the new Note or Notes, the assignor's Note or Notes being replaced shall be returned to Borrowers marked "replaced".

Upon satisfaction of the requirements of set forth in (i) through (iv), and any other condition contained in this Section 10.10A, (A) the assignee shall become and thereafter be deemed to be a "Bank" for the purposes of this Agreement, (B) in the event that the assignor's entire interest has been assigned, the assignor shall cease to be and thereafter shall no longer be deemed to be a "Bank" and (C) the signature pages hereto and Schedule 1 hereto shall be automatically amended, without further action, to reflect the result of any such assignment.

Agent shall maintain at its address referred to in Section 10.4 hereof a copy of each Assignment Agreement delivered to it and a register (the "Register") for the recordation of the names and addresses of the Banks and the Commitment of, and principal amount of the Loans owing to, each Bank from time to time. The entries in the Register shall be conclusive, in the absence of manifest error, and Borrowers, Agent and the Banks may treat each financial institution whose name is recorded in the Register as the owner of the Loan recorded therein for all purposes of this Agreement. The Register shall be available for inspection by Borrowers or any Bank at any reasonable time and from time to time upon reasonable prior notice.

**B. Sale of Participations.** Each Bank shall have the right at any time or times, without the consent of Agent or Borrowers, to sell one or more participations or sub-participations to a financial institution, as the case may be, in all or any part of (a) that Bank's Commitment, (b) that Bank's Commitment Percentage, (c) any Loan made by that Bank, (d) any Note delivered to that Bank pursuant to this Agreement, and (e) that Bank's interest in any Letter of Credit and any participation, if any, purchased pursuant to Section 2.1B, 2.1C or 8.5 hereof or this Section 10.10B.

The provisions of Article III and Section 10.6 shall inure to the benefit of each purchaser of a participation or sub-participation; provided that Agent shall continue to distribute payments pursuant to this Agreement as if no participation has been sold.

If any Bank shall sell any participation or sub-participation, that Bank shall, as between itself and the purchaser, retain all of its rights (including, without limitation, rights to enforce against Borrowers the Loan Documents and the Related Writings) and duties pursuant to the Loan Documents and the Related Writings, including, without limitation, that Bank's right to approve any waiver, consent or amendment pursuant to Section 10.3, except if and to the extent that any such waiver, consent or amendment would:

- (i) reduce any fee or commission allocated to the participation or sub-participation, as the case may be,
- (ii) reduce the amount of any principal payment on any Loan allocated to the participation or sub-participation, as the case may be, or reduce the principal amount of any Loan so allocated or the rate of interest payable thereon, or
- (iii) extend the time for payment of any amount allocated to the participation or sub-participation, as the case may be.

No participation or sub-participation shall operate as a delegation of any duty of the seller thereof. Under no circumstance shall any participation or sub-participation be deemed a novation in respect of all or any part of the seller's obligations pursuant to this Agreement.

#### 11. Designation.

(a) Notwithstanding anything in this Agreement to the contrary, any Bank (a "Designating Bank") may grant to one or more special purpose funding vehicles (each an "SPV"), identified in writing from time to time by such Designating Bank to Agent and the Treasury Manager, the option to provide to Borrowers all or any part of any Loan that such Designating Bank would otherwise be obligated to make to Borrower pursuant to this Agreement; provided that (i) nothing in this Section shall constitute a commitment by any SPV to make any Loan, and (ii) if an SPV designated by a Designating Bank to make Loans elects not to exercise such option or otherwise fails to provide all or any part of such Loan, such Designating Bank shall still be obligated to make such Loan pursuant to the terms hereof. The making of a Loan by an SPV hereunder shall reduce the availability under the Commitment of the Designating Bank to the same extent, and as if, such Loan were made by such Designating Bank.

(b) As to any Loans or portion thereof made by an SPV, each such SPV shall have all of the rights that a Bank making such Loans or portion thereof would have under this Agreement; provided, however, that each SPV shall have granted its Designating Bank an irrevocable power of attorney to deliver and receive all communications and notices under this Agreement and any other Loan Document and to exercise, in its reasonable discretion, on behalf of such SPV, all of such SPV's voting rights under this Agreement. No additional Note shall be required to evidence the Loans or portion thereof made by an SPV and the Designating Bank shall be deemed to hold its Note as agent for such SPV to the extent of the Loans or portion thereof funded by such SPV. In addition, any payments for the account of any SPV shall be paid to its respective Designating Bank as agent for such SPV.

(c) Agent, Borrowers and the Banks agree that no SPV shall be liable for an indemnity or payment under this Agreement for which a Bank would otherwise be liable and the Designating Bank shall remain liable for its Commitment Percentage of such indemnity or payment to the extent such Designating Bank would otherwise be liable. In furtherance of the foregoing, Agent, Borrowers and each of the Banks hereby agree (which agreement shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the payment in full of all of the outstanding commercial paper or other senior indebtedness of any SPV, none of Agent, Borrowers or any Bank shall institute against, or join any other Person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding under the laws of the United States or any State thereof.

(d) In addition, notwithstanding anything to the contrary contained in this Section 10.11, or otherwise in this Agreement, any SPV may (i) at any time and without paying any processing fee therefor, assign (or grant a participation in) all or a portion of its interest in any Loans to its Designating Bank or to any financial institution providing liquidity

and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans, and (ii) disclose on a confidential basis any non-public information relating to the Loans made by such SPV to any rating agency, commercial paper dealer or provider of any surety, guarantee or credit or liquidity enhancements to such SPV. This Section 10.11 may not be amended without the prior written consent of any Designating Bank affected thereby.

12. Severability of Provisions; Captions; Attachments. Any provision of this Agreement that shall be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provision in any other jurisdiction. The several captions to Sections and subsections herein are inserted for convenience only and shall be ignored in interpreting the provisions of this Agreement. Each schedule or exhibit attached to this Agreement shall be incorporated herein and shall be deemed to be a part hereof.
13. Entire Agreement. This Agreement, any Note and any other Loan Document or other agreement, document or instrument attached hereto or executed on or as of the Closing Date integrate all the terms and conditions mentioned herein or incidental hereto and supersede all oral representations and negotiations and prior writings with respect to the subject matter hereof.
14. Governing Law; Submission to Jurisdiction. This Agreement, each of the Notes and any Related Writing shall be governed by and construed in accordance with the laws of the State of Ohio and the respective rights and obligations of Borrowers and the Banks shall be governed by Ohio law, without regard to principles of conflict of laws. Each Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any Ohio state or federal court sitting in Cleveland, Ohio, over any action or proceeding arising out of or relating to this Agreement, the Debt or any Related Writing, and each Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Ohio state or federal court. Each Borrower, on behalf of itself and its Subsidiaries, hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Each Borrower agrees that a final, nonappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.
15. Legal Representation of Parties. The Loan Documents were negotiated by the parties with the benefit of legal representation and any rule of construction or interpretation otherwise requiring this Agreement or any other Loan Document to be construed or interpreted against any party shall not apply to any construction or interpretation hereof or thereof.
16. Confidentiality. Agent and each Bank shall hold all Confidential Information in accordance with the customary procedures of Agent or such Bank for handling confidential information of this nature, and in accordance with safe and sound banking practices. Notwithstanding the foregoing, Agent or any Bank may in any event make disclosures of, and furnish copies of Confidential Information (a) to another agent under this Agreement or another Bank; (b) when reasonably required by any bona fide transferee or participant in connection with the contemplated transfer of any Loans or Commitment or participation therein (provided that each such prospective transferee or participant shall execute an agreement for the benefit of Borrowers with such prospective transferor Bank or participant containing provisions substantially identical to those contained in this Section 10.16); (c) to the parent corporation or corporations of Agent or such Bank, and to their respective auditors and attorneys; and (d) as required or requested by any governmental agency or representative thereof, or pursuant to legal process, provided, that, unless specifically prohibited by applicable law or court order, Agent or such Bank, as applicable, shall notify the Treasury Manager of any request by any governmental agency or representative thereof (other than any such request in connection with an examination of the financial condition of Agent or such Bank by such governmental agency), and of any other request pursuant to legal process, for disclosure of any such non-public information prior to disclosure of such Confidential Information. In no event shall Agent or any Bank be obligated or required to return any materials furnished by or on behalf of any Company. Each Borrower hereby agrees that the failure of Agent or any Bank to comply with the provisions of this section 10.16 shall not relieve any Borrower of any of the obligations to Agent and the Banks under this Agreement and the other Loan Documents.
17. Limited Liability of Partners. Anything in this Agreement or any other Loan Document to the contrary notwithstanding, Agent and the Banks agree that no recourse under this Agreement, any Note or any other Loan Document shall be had against the general partner of Cedar Fair LP, or any other partner of Cedar Fair LP, or any partner of any such partner, as such (all of the foregoing, collectively, the "Exempted Persons"), whether based on agency, deputization or otherwise, by the enforcement of any assessment or by legal or equitable proceeding, by virtue of statute or otherwise, it being expressly agreed that no personal liability whatsoever shall attach to or be incurred by any Exempted Person under this Agreement, the Notes or any other Loan Document; provided, however, that the foregoing limitation of liability shall in no way constitute a limitation on the right of Agent or any Bank to enforce their remedies against any Borrower or any other Company, or their respective properties and assets, or any other Person (other than an Exempted Person, as such), for the collection of amounts due and owing under the Loan Documents or any other obligations under any of the Loan Documents.

[Remainder of page left intentionally blank.]

18. Jury Trial Waiver. EACH BORROWER, AGENT AND EACH OF THE BANKS WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT AND THE BANKS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

CEDAR FAIR, L.P.

By: Cedar Fair Management Company,  
its Managing General Partner

Address: 1 Cedar Point Drive  
Sandusky, Ohio 44870  
Attention: Chief Financial Officer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

CEDAR FAIR

By: Magnum Management Corporation,  
one of its general partners

Address: 1 Cedar Point Drive  
Sandusky, Ohio 44870  
Attention: Chief Financial Officer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

MAGNUM MANAGEMENT

Address: 1 Cedar Point Drive

Sandusky, Ohio 44870  
Attention: Chief Financial Officer

CORPORATION, as a Borrower and as  
Treasury Manager  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: 1 Cedar Point Drive  
Sandusky, Ohio 44870  
Attention: Chief Financial Officer

KNOTT'S BERRY FARM  
By: Magnum Management Corporation,  
one of its general partners  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: 127 Public Square  
Cleveland, Ohio 44114  
Attention: Large Corporate  
Banking

KEYBANK NATIONAL ASSOCIATION,  
as Agent and as a Bank  
By: \_\_\_\_\_  
Brendan A. Lawlor, Vice President

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

NATIONAL CITY BANK  
By:  
Name:  
Title:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

BANK ONE, MICHIGAN  
By:  
Name:  
Title:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

FIFTH THIRD BANK  
By:  
Name:  
Title:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

FIRST UNION NATIONAL BANK  
By:  
Name:  
Title:

Address: \_\_\_\_\_  
\_\_\_\_\_

JP MORGAN CHASE BANK  
By:

\_\_\_\_\_  
Attention: \_\_\_\_\_

Name:  
Title:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

COMERICA BANK  
By:  
Name:  
Title:

Address: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_

UMB BANK, n.a.  
By:  
Name:  
Title:

Schedule 1

Banks and Commitments

| Banking Institution          | Commitment Percentage | Maximum Amount during any Seasonal Commitment Decrease Period | Maximum Amount other than during any Seasonal Commitment Decrease Period |
|------------------------------|-----------------------|---|--|
| KeyBank National Association | 28.363636%            | \$63,818,181.00   | \$78,000,000   |
| National City Bank           | 15.272727%            | \$34,363,635.75   | \$42,000,000   |
| Bank One, Michigan           | 12.727273%            | \$28,636,364.25   | \$35,000,000   |
| Fifth Third Bank             | 12.727273%            | \$28,636,364.25   | \$35,000,000   |
| First Union National Bank    | 12.727273%            | \$28,636,364.25   | \$35,000,000   |
| JP Morgan Chase Bank         | 9.090909%             | \$20,454,545.25   | \$25,000,000   |
| Comerica Bank                | 5.454545%             | \$12,272,726.25   | \$15,000,000   |
| UMB Bank, n.a.               | 3.636364%             | \$8,181,819.00  | \$10,000,000   |
|                              |                       |   |  |
| Total Commitment Amount      | 100%                  | \$225,000,000.00  | \$275,000,000.00   |

Schedule 2

Guarantors of Payment

Michigan's Adventure, Inc.



## EXHIBIT A

## REVOLVING CREDIT NOTE

\$ \_\_\_\_\_ Cleveland, Ohio

November 26, 2001

FOR VALUE RECEIVED, the undersigned, CEDAR FAIR, L.P., a Delaware limited partnership, CEDAR FAIR, an Ohio general partnership, MAGNUM MANAGEMENT CORPORATION, an Ohio corporation, and KNOTT'S BERRY FARM, a California general partnership (collectively, "Borrowers", and individually, each a "Borrower"), jointly and severally, promise to pay on the last day of the Commitment Period, as defined in the Credit Agreement (as hereinafter defined), to the order of \_\_\_\_\_ ("Bank") at the Main Office of KEYBANK NATIONAL ASSOCIATION, as Agent, 127 Public Square, Cleveland, Ohio 44114-1306 the principal sum of

\_\_\_\_\_ AND NO/100. .... DOLLARS

or the aggregate unpaid principal amount of all Revolving Loans made by Bank to Borrowers pursuant to Section 2.1A of the Credit Agreement, whichever is less, in lawful money of the United States of America. As used herein, "Credit Agreement" means the Credit Agreement dated as of November 26, 2001, among Borrowers, the banks named therein and KeyBank National Association, as Agent, as the same may from time to time be amended, restated or otherwise modified. Capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement.

Borrowers also promise to pay interest on the unpaid principal amount of each Revolving Loan from time to time outstanding, from the date of such Revolving Loan until the payment in full thereof, at the rates per annum that shall be determined in accordance with the provisions of Section 2.1A of the Credit Agreement. Such interest shall be payable on each date provided for in such Section 2.1A; provided, however, that interest on any principal portion that is not paid when due shall be payable on demand.

The portions of the principal sum hereof from time to time representing Base Rate Loans and LIBOR Loans, and payments of principal of any thereof, shall be shown on the records of Bank by such method as Bank may generally employ; provided, however, that failure to make any such entry shall in no way detract from Borrowers' obligations under this Note.

If this Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the Credit Agreement, the principal hereof and the unpaid interest thereon shall bear interest, until paid, at a rate per annum equal to the Default Rate. All payments of principal of and interest on this Note shall be made in immediately available funds.

This Note is one of the Revolving Credit Notes referred to in the Credit Agreement. Reference is made to the Credit Agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this Note due prior to its stated maturity, and other terms and conditions upon which this Note is issued.

Except as expressly provided in the Credit Agreement, Borrowers expressly waive presentment, demand, protest and notice of any kind.

This Note is subject to the terms and conditions of the Intercreditor Agreement and each holder hereof agrees to be bound thereby.

[Remainder of page intentionally left blank.]

JURY TRIAL WAIVER. EACH BORROWER, AGENT AND EACH BANK WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT AND THE BANKS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS NOTE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

CEDAR FAIR, L.P.

By: Cedar Fair Management Company,  
its Managing General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CEDAR FAIR

By: Magnum Management Corporation,  
one of its general partners

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

MAGNUM MANAGEMENT

CORPORATION, as a Borrower and as

Treasury Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

KNOTT'S BERRY FARM

By: Magnum Management Corporation,

one of its general partners

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT B

SWING LINE NOTE

\$15,000,000 Cleveland, Ohio

November 26, 2001

FOR VALUE RECEIVED, the undersigned, CEDAR FAIR, L.P., a Delaware limited partnership, CEDAR FAIR, an Ohio general partnership, MAGNUM MANAGEMENT CORPORATION, an Ohio corporation, and KNOTT'S BERRY FARM, a California general partnership (collectively, "Borrowers", and individually, "Borrower"), jointly and severally, promise to pay to the order of KEYBANK NATIONAL ASSOCIATION ("Bank") at the Main Office of KEYBANK NATIONAL ASSOCIATION, Agent, 127 Public Square, Cleveland, Ohio 44114-1306 the principal sum of

FIFTEEN MILLION AND NO/100 DOLLARS

or, if less, the aggregate unpaid principal amount of all Swing Loans, as defined in the Credit Agreement (as hereinafter defined) made by Bank to Borrowers pursuant to Section 2.1B of the Credit Agreement, in lawful money of the United States of America on the earlier of the last day of the Commitment Period, as defined in the Credit Agreement, or, with respect to each Swing Loan, the Swing Loan Maturity Date applicable thereto. As used herein, "Credit Agreement" means the Credit Agreement dated as of November 26, 2001, among Borrowers, the banks named therein and KeyBank National Association, as Agent, as the same may from time to time be amended, restated or otherwise modified. Capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement.

Borrowers also promise to pay interest on the unpaid principal amount of each Swing Loan from time to time outstanding, from the date of such Swing Loan until the payment in full thereof, at the rates per annum that shall be determined in accordance with the provisions of Section 2.1B of the Credit Agreement. Such interest shall be payable on each date provided for in such Section 2.1B; provided, however, that interest on any principal portion that is not paid when due shall be payable on demand.

The principal sum hereof from time to time and the payments of principal and interest thereon of either hereof, shall be shown on the records of Bank by such method as Bank may generally employ; provided, however, that failure to make any such entry shall in no way detract from Borrowers' obligations under this Note.

If this Note shall not be paid at maturity, whether such maturity occurs by reason of lapse of time or by operation of any provision for acceleration of maturity contained in the Credit Agreement, the principal hereof and the unpaid interest thereon shall bear interest, until paid, at a rate per annum equal to the Default Rate. All payments of principal of and interest on this Note shall be made in immediately available funds.

This Note is the Swing Line Note referred to in the Credit Agreement. Reference is made to the Credit Agreement for a description of the right of the undersigned to anticipate payments hereof, the right of the holder hereof to declare this Note due prior to its stated maturity, and other terms and conditions upon which this Note is issued.

Except as expressly provided in the Credit Agreement, Borrowers expressly waive presentment, demand, protest and notice of any kind.

This Note is subject to the terms and conditions of the Intercreditor Agreement and each holder hereof agrees to be bound thereby.

[Remainder of page intentionally left blank.]

JURY TRIAL WAIVER. EACH BORROWER, AGENT AND EACH BANK WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT AND THE BANKS, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS NOTE OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

CEDAR FAIR, L.P.

By: Cedar Fair Management Company,

its Managing General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CEDAR FAIR

By: Magnum Management Corporation,

one of its general partners

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

MAGNUM MANAGEMENT

CORPORATION, as a Borrower and as

Treasury Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

KNOTT'S BERRY FARM

By: Magnum Management Corporation,

one of its general partners

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT C

NOTICE OF LOAN

[Date] \_\_\_\_\_, 20 \_\_\_\_

KeyBank National Association, as Agent

127 Public Square

Cleveland, Ohio 44114-0616

Attention: \_\_\_\_\_

Ladies and Gentlemen:

The undersigned, MAGNUM MANAGEMENT CORPORATION, an Ohio Corporation ("Treasury Manager"), refers to the Credit Agreement, dated as of November 26, 2001 ("Credit Agreement", the terms defined therein being used herein as therein defined), among CEDAR FAIR, L.P., a Delaware limited partnership, CEDAR FAIR, an Ohio general partnership, MAGNUM MANAGEMENT CORPORATION, an Ohio corporation, and KNOTT'S BERRY FARM, a California general partnership (collectively, "Borrowers", and, individually, each a "Borrower"), the Banks, as defined in the Credit Agreement, and KeyBank National Association, as Agent, and hereby gives you notice, pursuant to Section 2.2 of the Credit Agreement that Borrowers hereby request a Loan under the Credit Agreement, and in connection therewith sets forth below the information relating to the Loan (the "Proposed Loan") as required by Section 2.2 of the Credit Agreement:

(a) The Borrower requesting the Loan is \_\_\_\_\_.

(b) The Business Day of the Proposed Loan is \_\_\_\_\_, 20 \_\_\_\_.

(c) The amount of the Proposed Loan is \$ \_\_\_\_\_.

(d) The Proposed Loan is to be a Base Rate Loan \_\_\_\_ /LIBOR Loan \_\_\_\_/

Swing Loan \_\_\_\_\_. (Check one.)

(e) If the Proposed Loan is a LIBOR Loan, the Interest Period requested is

one month \_\_\_\_, two months \_\_\_\_, three months \_\_\_\_, six months \_\_\_\_.

(Check one.)

The undersigned hereby certifies on behalf of Borrowers that the following statements are true on the date hereof, and will be true on the date of the Proposed Loan:

(i) the representations and warranties contained in each Loan Document are correct, before and after giving effect to the Proposed Loan and the application of the proceeds therefrom, as though made on and as of such date;

(ii) no event has occurred and is continuing, or would result from such Proposed Loan, or the application of proceeds therefrom, that constitutes a Default or Event of Default; and

(iii) the conditions set forth in Section 2.2 and Article IV of the Credit Agreement have been satisfied.

Very truly yours,

MAGNUM MANAGEMENT CORPORATION

By:

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT D

COMPLIANCE CERTIFICATE

For Fiscal Quarter ended \_\_\_\_\_

THE UNDERSIGNED HEREBY CERTIFIES THAT:

- (1) I am a duly elected Financial Officer of CEDAR FAIR, L.P., a Delaware limited partnership ("Cedar Fair LP");
- (2) I am familiar with the terms of that certain Credit Agreement, dated as of November 26, 2001, among CEDAR FAIR LP, CEDAR FAIR, an Ohio general partnership, MAGNUM MANAGEMENT CORPORATION, an Ohio corporation, and KNOTT'S BERRY FARM, a California general partnership (collectively, "Borrowers", and, individually, each a "Borrower"), the Banks, as defined in the Credit Agreement, and KEYBANK NATIONAL ASSOCIATION, as Agent (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement", the terms defined therein being used herein as therein defined), and the terms of the other Loan Documents, and I have made, or have caused to be made under my supervision, a review in reasonable detail of the transactions and condition of Cedar Fair LP and its Subsidiaries during the accounting period covered by the attached financial statements;
- (3) The review described in paragraph (2) above did not disclose, and I have no knowledge of, the existence of any condition or event that constitutes or constituted a Default or Event of Default, at the end of the accounting period covered by the attached financial statements or as of the date of this Certificate;
- (4) The representations and warranties made by Borrowers contained in each Loan Document are true and correct as though made on and as of the date hereof; and
- (5) Set forth on Attachment I hereto are calculations of the financial covenants set forth in Section 5.7 and 5.22 of the Credit Agreement, which calculations show compliance with the terms thereof.

IN WITNESS WHEREOF, I have signed this certificate the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

CEDAR FAIR, L.P.

By: Cedar Fair Management Company,

its Managing General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT E

FORM OF GUARANTY OF PAYMENT OF DEBT

1. Recitals.

CEDAR FAIR, L.P., a Delaware limited partnership ("Cedar Fair"), CEDAR FAIR, an Ohio general partnership, MAGNUM MANAGEMENT CORPORATION, an Ohio corporation and KNOTT'S BERRY FARM, a California general partnership (together with their respective successors and assigns, collectively, "Borrowers" and, individually, each a "Borrower"), are entering into the Credit Agreement, as hereinafter defined, with the financial institutions listed on Schedule 1 to the Credit Agreement (together with their respective successors and assigns, collectively, "Banks" and, individually, each a "Bank") and KEYBANK NATIONAL ASSOCIATION, as agent for the Banks ("Agent"). [\_\_\_\_\_] a [\_\_\_\_\_] [corporation] [limited partnership] ("Guarantor"), desires that the Banks grant the financial accommodations to Borrowers as described in the Credit Agreement.

Guarantor, a subsidiary of Cedar Fair LP whose financing is provided by the Loans and Letters of Credit, as hereinafter defined, deems it to be in the direct pecuniary and business interests of Guarantor that Borrowers obtain from the Agent and the Banks the Commitment, as defined in the Credit Agreement, and the Loans and Letters of Credit provided for in the Credit Agreement.

Guarantor understands that Agent and the Banks are willing to enter into the Credit Agreement only upon certain terms and conditions, one of which is that Guarantor guarantee the payment of the Debt (as hereinafter defined), and this Guaranty of Payment of Debt (as the same may from time to time be amended, restated or otherwise modified, this "Agreement") is being executed and delivered in consideration of Agent and the Banks entering into the Credit Agreement and for other valuable considerations.

2. Definitions. Except as specifically defined herein, capitalized terms used herein that are defined in the Credit Agreement shall have their respective meanings ascribed to them in the Credit Agreement. As used herein, the following terms shall have the following meanings:

2.1. "Collateral" shall mean, collectively, all property, if any, securing the Debt or any part thereof at the time in question.

2.2. "Credit Agreement" shall mean the Credit Agreement executed by and among Borrowers, Agent and the Banks, dated as of the 26th day of November, 2001, as the same may from time to time be amended, restated or otherwise modified.

2.3. "Debt" shall mean, collectively, (a) all Loans and Letters of Credit; (b) all other indebtedness now owing or hereafter incurred by any Borrower to Agent and the Banks pursuant to the Credit Agreement and the Notes executed in connection therewith; (c) each renewal, extension, consolidation or refinancing of any of the foregoing, in whole or in part; (d) all interest from time to time accruing on any of the foregoing, and all fees and other amounts payable to Agent or any of the Banks pursuant to the Credit Agreement or any other Loan Document; and (e) all Related Expenses.

2.4. "Letter of Credit" shall mean any Letter of Credit, as defined in the Credit Agreement, issued pursuant to the Credit Agreement.

2.5. "Loan" shall mean any Loan, as defined in the Credit Agreement, granted pursuant to the Credit Agreement.

2.6. "Obligor" shall mean any Person that, or any of whose property, is or shall be obligated on the Debt or any part thereof in any manner and includes, without limiting the generality of the foregoing, any Borrower or Guarantor, and any other co-maker, endorser, guarantor of payment, subordinating creditor, assignor, grantor of a security interest, pledgor, mortgagor or any hypothecator of property, if any.

2.7. "Person" shall mean any individual, sole proprietorship, partnership, joint venture, unincorporated organization, corporation, limited liability company, institution, trust, estate, government or other agency or political subdivision thereof or any other entity.

2.8. "Related Expenses" shall mean any and all costs, liabilities and expenses (including, without limitation, losses, damages, penalties, claims, actions, reasonable attorneys' fees, legal expenses, judgments, suits and disbursements) (a) incurred by Agent or any Bank, or imposed upon or asserted against Agent or any Bank, in any attempt by Agent and the Banks to (i) obtain, preserve, perfect or enforce this Agreement, the Credit Agreement or any Related Writing, as defined in the Credit Agreement; (ii) obtain payment, performance or observance of any and all of the Debt; or (iii) maintain, insure, audit, collect, preserve, repossess or dispose of any of the Collateral or any other collateral securing the Debt, including, without limitation, costs and expenses for appraisals, assessments and audits of Borrower or any such collateral; or (b) incidental or related to (a) above, including, without limitation, interest thereupon from the date incurred, imposed or asserted until paid at the Default Rate, as defined in the Credit Agreement.

3. Guaranty of Debt. Guarantor hereby absolutely and unconditionally guarantees the prompt payment in full of all of the Debt as and when the respective parts thereof become due and payable. If the Debt, or any part thereof, shall not be paid in full when due and payable, Agent, on behalf of the Banks, in each case, shall have the right to proceed directly against Guarantor under this Agreement to collect the payment in full of the Debt, regardless of whether or not Agent, on behalf of the Banks, shall have theretofore proceeded or shall then be proceeding against any Borrower or any other Obligor or Collateral, if any, or any of the foregoing, it being understood that Agent and the Banks, in their sole discretion may proceed against any Obligor and any Collateral, and may exercise each right, power or privilege that Agent or the Banks may then have, either simultaneously or separately, and, in any event, at such time or times and as often and in such order as Agent and the Required Banks, in their sole discretion, may from time to time deem expedient to collect the payment in full of the Debt.

4. Payments Conditional. Whenever Agent or any Bank shall credit any payment to the Debt or any part thereof, whatever the source or form of payment, the credit shall be conditional as to Guarantor unless and until the payment shall be final and valid as to all the world. Without limiting the generality of the foregoing, Guarantor agrees that if any check or other instrument so applied shall be dishonored by the drawer or any party thereto, or if any proceeds of Collateral or payment so applied shall thereafter be recovered by any trustee in bankruptcy or any other Person, each Bank, in each case, may reverse any entry relating thereto on its books and Guarantor shall remain liable therefor, even if such Bank may no longer have in its possession any evidence of the Debt to which the payment in question was applied.

5. Guarantor's Obligations Absolute and Unconditional. Regardless of the duration of time, regardless of whether any Borrower may from time to time cease to be indebted to Agent or the Banks and irrespective of any act, omission or course of dealing whatever on the part of Agent or any of the Banks, Guarantor's liabilities and other obligations under this Agreement shall remain in full effect until the payment in full of the Debt. Without limiting the generality of the foregoing:

5.1. Banks Have No Duty To Make Advances. No Bank shall at any time be under any duty to Guarantor to grant any financial accommodation to any Borrower, irrespective of any duty or commitment of any of the Banks to such Borrower, or to follow or direct the application of the proceeds of any such financial accommodation;

5.2. Guarantor's Waiver of Notice, Presentment, etc. Guarantor waives (a) notice of the granting of any Loan to any Borrower, the issuance of any Letter of Credit or the incurring of any other indebtedness by any Borrower or the terms and conditions thereof, (b) presentment, demand for payment and notice of dishonor of the Debt or any part thereof, or any other indebtedness incurred by any Borrower to any of the Banks, (c) notice of any indulgence granted to any Obligor and (d) any other notice to which Guarantor might, but for this waiver, be entitled;

5.3. Banks' Rights Not Prejudiced by Action or Omission. Agent and the Banks, in their sole discretion, may, without any prejudice to their rights under this Agreement, at any time or times, without notice to or the consent of Guarantor, (a) grant any Borrower whatever financial accommodations that Agent and the Banks may from time to time deem advisable, even if such Borrower might be in default in any respect and even if those financial accommodations might not constitute indebtedness the payment of which is guaranteed hereunder, (b) assent to any renewal, extension, consolidation or refinancing of the Debt, or any part thereof, (c) forbear from demanding security, if Agent and the Banks shall have the right to do so, (d) release any Obligor or Collateral or assent to any exchange of Collateral, if any, irrespective of the consideration, if any, received therefor, (e) grant any waiver or consent or forbear from exercising any right, power or privilege that Agent and the Banks may have or acquire, (f) assent to any amendment, deletion, addition, supplement or other modification in, to or of any writing evidencing or securing any Debt or pursuant to which any Debt is created, (g) grant any other indulgence to any Obligor, (h) accept any Collateral for, or any other Obligor upon, the Debt or any part thereof, and (i) fail, neglect or omit in any way to realize upon any Collateral or to protect the Debt or any part thereof or any Collateral therefor;

5.4. Liabilities Survive Guarantor's Dissolution. Guarantor's liabilities and other obligations under this Agreement shall survive any dissolution of Guarantor; and

5.5. Liabilities Absolute and Unconditional. Guarantor's liabilities and other obligations under this Agreement shall be absolute and unconditional irrespective of any lack of validity or enforceability of the Credit Agreement, the Notes, any Loan Document or any other Related Writing, or any other defense available to Guarantor in respect of this Agreement.

6. Representations and Warranties. Guarantor represents and warrants to Agent and each of the Banks that (a) Guarantor is a duly [organized] [formed] and validly existing [corporation] [limited partnership], in [good standing] [full force and effect] under the laws of the state of its [incorporation] [formation] (as referenced in the first paragraph of this Agreement), and is qualified to do business in each state where a failure to so qualify would have a material adverse effect on Guarantor; (b) Guarantor has legal power and right to execute and deliver this Agreement and to perform and observe the provisions hereof; (c) the [officers] [general partner[s]] [members] executing and delivering this Agreement on behalf of Guarantor have been duly authorized to do so, and this Agreement, when executed, is legal and binding upon Guarantor in every respect; (d) except for matters described or referenced in the Credit Agreement or any Schedule thereto, no litigation or proceeding is pending or threatened against Guarantor before any court or any administrative agency that, in Guarantor's opinion, after consultation with Guarantor's counsel, is reasonably expected to have a material adverse effect on Guarantor; (e) Guarantor has received consideration that is the reasonable equivalent value of the obligations and liabilities that Guarantor has incurred to Agent, for the benefit of the Banks; (f) Guarantor is not insolvent, as defined in any applicable state or federal statute, nor will Guarantor be rendered insolvent by the execution and delivery of this Agreement to Agent and the Banks; (g) Guarantor is not engaged or about to engage in any business or transaction for which the assets retained by Guarantor are or will be an unreasonably small amount of capital, taking into consideration the obligations to the Banks incurred hereunder; and (h) Guarantor does not intend to, nor does Guarantor believe that Guarantor will, incur debts beyond Guarantor's ability to pay such debts as they mature.

7. Disability of Obligor. Without limiting the generality of any of the other provisions hereof, Guarantor specifically agrees that upon the dissolution of any Obligor and/or the filing or other commencement of any bankruptcy or insolvency proceedings by, for or against any Obligor, including without limitation, any assignment for the benefit of creditors or other proceedings intended to liquidate or rehabilitate any Obligor, Agent and the Required Banks, in their sole discretion, may declare the unpaid principal balance of and accrued interest on the Debt to be forthwith due and payable in full without notice. Upon the occurrence of any of the events enumerated in the immediately preceding sentence, Guarantor shall, upon demand of Agent, on behalf of the Banks, whenever made, pay to Agent, for the benefit of the Banks, an amount equal to the then unpaid principal balance of and accrued interest on the Debt.

8. Waiver of Guarantor's Rights Against Borrowers and Collateral. To the extent permitted by law, Guarantor waives any claim or other right that Guarantor might now have or hereafter acquire against any Borrower or any other Obligor that arises from the existence or performance of Guarantor's liabilities or other obligations under this Agreement, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, and any right to participate in any claim or remedy of Agent or any Bank against any Borrower or any Collateral that Agent or any Bank now has or hereafter acquires, whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.

9. Maximum Liability of Guarantor. Anything in this Agreement to the contrary notwithstanding, in no event shall the amount of Guarantor's liability hereunder exceed the maximum amount that (after giving effect to the incurring of the obligations hereunder and to any rights to contribution of Guarantor from other affiliates of Borrowers) would not render the rights to payment of Agent and the Banks hereunder void, voidable or avoidable under any applicable fraudulent transfer law.

10. Notice. All notices, requests, demands and other communications provided for hereunder shall be in writing and, if to Guarantor, mailed or delivered to it, addressed to it at the address specified on the signature page of this Agreement, if to Agent or any Bank, mailed or delivered to it, addressed to the address of such Agent or such Bank specified on the signature pages of the Credit Agreement. All notices, statements, requests, demands and other communications provided for hereunder shall be deemed to be given or made when delivered or forty-eight (48) hours after being deposited in the mails with postage prepaid by registered or certified mail, addressed as aforesaid, or sent by facsimile with telephonic confirmation of receipt, except that notices shall not be effective until received.

11. Miscellaneous. This Agreement shall bind Guarantor and Guarantor's successors and assigns and shall inure to the benefit of Agent and each Bank and their respective successors and assigns, including (without limitation) each holder of any Note evidencing any Debt. If, at any time, one or more provisions of this Agreement is or becomes invalid, illegal or unenforceable in whole or in part, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. This Agreement constitutes a final written expression of all of the terms of this Agreement, is a complete and exclusive statement of those terms and supersedes all oral representations, negotiations and prior writings, if any, with respect to the subject matter hereof. The relationship between (a) Guarantor and (b) Agent and the Banks with respect to this Agreement is and shall be solely that of debtor and creditors, respectively, and Agent and the Banks shall have no fiduciary obligation toward Guarantor with respect to this Agreement or the transactions contemplated hereby. The captions herein are for convenience of reference only and shall be ignored in interpreting the provisions of this Agreement.

12. Governing Law; Submission to Jurisdiction. The provisions of this Agreement and the respective rights and duties of Guarantor, Agent and the Banks hereunder shall be governed by and construed in accordance with Ohio law, without regard to principles of conflict of laws. Guarantor hereby irrevocably submits to the non-exclusive jurisdiction of any Ohio state or federal court sitting in Cleveland, Ohio, over any action or proceeding arising out of or relating to this Agreement, any Loan Document or any Related Writing, and Guarantor hereby irrevocably agrees that all claims in respect of such action or proceeding may be heard and determined in such Ohio state or federal court. Guarantor, on behalf of itself and its Subsidiaries, hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to the laying of venue in any action or proceeding in any such court as well as any right it may now or hereafter have to remove such action or proceeding, once commenced, to another court on the grounds of FORUM NON CONVENIENS or otherwise. Guarantor agrees that a final, nonappealable judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

[Remainder of page intentionally left blank.]

13. JURY TRIAL WAIVER. Guarantor, Agent and the Banks, to the extent permitted by law, each waives any right to have a jury participate in resolving any dispute, whether sounding in contract, tort, or otherwise, among Agent, any of the Banks, any Borrower and/or Guarantor arising out of, in connection with, related to, or incidental to the relationship established between each of them and Guarantor in connection with this Agreement or any note or other agreement, instrument or document executed or delivered in connection therewith or the transactions related thereto.

Signed as of the 26<sup>th</sup> day of November, 2001, at Cleveland, Ohio.

Address: 1 Cedar Point Drive [\_\_\_\_\_]

Sandusky, Ohio 44870

Attention: Chief Financial

Officer

By:

Name:

Title:

#### EXHIBIT F

#### INTERCREDITOR AGREEMENT

#### INTERCREDITOR AGREEMENT

THIS INTERCREDITOR AGREEMENT, dated as of November 26, 2001 (herein, as amended, restated or otherwise modified from time to time in accordance with the terms hereof, referred to as this "Agreement"), among:

(i) KEYBANK NATIONAL ASSOCIATION, a national banking association, in its capacity as administrative agent under the Credit Agreement, as hereinafter defined (herein in such capacity, together with its successors and assigns in such capacity, "Agent"), for itself and on behalf of and for the benefit of the financial institutions that are the Banks under the Credit Agreement (herein, together with their respective successors and assigns, individually a "Bank" and collectively, the "Banks"); and

(ii) the institutional investors signatory hereto that are the holders of the Senior Notes issued under the Note Agreements, as hereinafter defined (herein, together with each additional Noteholder that shall become a party to this Agreement pursuant to Section 13 hereof, together with their respective successors and assigns, individually a "Noteholder" and collectively, the "Noteholders");

#### PRELIMINARY STATEMENTS:

(1) All terms used herein that are defined in Section 1 hereof or in the text of any other section hereof shall have the meanings given therein.

(2) Pursuant to the Credit Agreement, Agent and the Banks have made and expect hereafter to make Loans to Borrowers and participate in the issuance of Letters of Credit for the account of Borrowers and certain Subsidiaries of Borrowers.

(3) Pursuant to the Note Agreements, the Noteholders have purchased or expect to purchase the Senior Notes.

(4) Pursuant to the Credit Agreement Guaranties, the Credit Agreement Guarantors have or will guaranty the Senior Indebtedness owed to Agent and the Banks under the Credit Agreement.

(5) Pursuant to the Note Guaranties, the Note Guarantors have or will guaranty the Senior Indebtedness owed to the Noteholders under the Note Agreements.

(6) The willingness of the Noteholders to consent to the execution and delivery of the Credit Agreement and the Credit Agreement Guaranties and the incurrence by Borrowers of the Loans and other obligations under the Credit Agreement is conditioned upon, among other things, the execution and delivery of this Agreement.

(7) Each of the Senior Creditors, solely for the benefit of one another and without creating any rights in Borrowers, any Guarantor or any other Person, desires to enter into this Agreement for the purpose, and pursuant to the terms and provisions hereinafter set forth, of sharing certain payments received by such Senior Creditor with respect to the Senior Indebtedness, and for the purpose of governing the relationships among themselves with respect thereto.

NOW, THEREFORE, for the above reasons, in consideration of the mutual covenants herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Definitions. For the purposes of this Agreement, the following terms shall have the meanings specified with respect thereto below. Any plural term that is used herein in the singular shall be taken to mean each entity or item of the defined class and any singular term that is used herein in the plural shall be taken to mean all of the entities or items of the defined class, collectively.

"Agent" shall have the meaning given in the introductory paragraph hereof.

"Bank" or "Banks" shall have the meaning given in the introductory paragraph hereof.

"Borrower" shall mean Cedar Fair LP, Cedar Fair, Magnum Management, Knott's Berry Farm or any other Subsidiary of Cedar Fair LP that shall become a Borrower under the Credit Agreement, in each case together with their respective successors and assigns.

"Borrowers" shall mean, collectively, Cedar Fair LP, Cedar Fair, Magnum Management, Knott's Berry Farm and each other Subsidiary of Cedar Fair LP that shall become a Borrower under the Credit Agreement, in each case together with their respective successors and assigns.

"Business Day" shall mean any day on which banking institutions in the cities of Cleveland, Ohio, Chicago, Illinois and New York, New York are authorized to do business, excluding Saturdays, Sundays and legal holidays on which banking institutions are authorized by law or other governmental actions to be closed.

"Cedar Fair" shall mean Cedar Fair, an Ohio general partnership, together with its successors and assigns.

"Cedar Fair LP" shall mean Cedar Fair L.P., a Delaware limited partnership, together with its successors and assigns.

"Credit Agreement" shall mean the Credit Agreement, dated as of November 26, 2001, among Borrowers, the Banks and Agent, as such agreement may from time to time be amended, restated or otherwise modified.

"Credit Agreement Guarantor" shall mean each Subsidiary that is a guarantor under a Credit Agreement Guaranty, and each other Subsidiary that hereafter shall execute a Credit Agreement Guaranty pursuant to the Credit Agreement, in each case together with such Subsidiary's respective successors and assigns.

"Credit Agreement Guaranty" shall mean a Guaranty of Payment, as defined in the Credit Agreement, executed and delivered by any Credit Agreement Guarantor in connection with the Credit Agreement, as the same may from time to time be amended, restated or otherwise modified, including any instrument hereafter delivered by a Subsidiary pursuant to Section 5.19 of the Credit Agreement wherein a Subsidiary shall become a Credit Agreement Guarantor.

"Credit Agreement Note" shall mean a Note, as defined in the Credit Agreement or any other promissory note issued pursuant to the Credit Agreement.

"Credit Party" shall mean a Borrower, Credit Agreement Guarantor or Note Guarantor.

"Declared Sharing Period" shall mean a period of time subsequent to the execution and delivery of this Agreement during which at all times an Event of Default shall have occurred and be continuing under either a Note Agreement or the Credit Agreement, or both, and as to which either:

(a) the Required Noteholders, in the case of an Event of Default under a Note Agreement, shall have notified Agent in writing (a copy of which notice shall be promptly given by Agent to the Banks) that a Declared Sharing Period has commenced, specifying the event or events giving rise to the Declared Sharing Period and the date of commencement of the Declared Sharing Period (which shall not be more than forty-five (45) days prior to, or later than five Business Days following, the receipt by Agent of any such notice); or

(b) Agent (acting only on instructions from the Required Banks), in the case of an Event of Default under the Credit Agreement, shall have notified the Noteholders in writing that a Declared Sharing Period has commenced, specifying the event or events giving rise to the Declared Sharing Period and the date of commencement of the Declared Sharing Period (which shall not be more than forty-five (45) days prior to, or later than five (5) Business Days following, the receipt by the Noteholders of any such notice).

A Declared Sharing Period may be rescinded or terminated at any time pursuant to the written consent or instructions of (i) the Required Noteholders, in the case of a Declared Sharing Period commenced under clause (a) above, or (ii) the Required Banks, in the case of a Declared Sharing Period commenced under clause (b) above, in each case delivered to Agent (a copy of which consent or instructions shall promptly be furnished by Agent to all Senior Creditors).

"Enforcement" shall mean (a) for one or more Senior Creditors to make demand for payment of, or accelerate the time for payment prior to the scheduled payment date of, any Senior Indebtedness; (b) for one or more Senior Creditors to commence the judicial enforcement of any rights or remedies under or with respect to the Credit Agreement, any Note Agreement, any Credit Agreement Guaranty, any Note Guaranty or any other evidence of any Senior Indebtedness, or to setoff or appropriate any balances held by it for the account of any Credit Party or any other property at any time held or owing by it to or for the credit of, or otherwise for the account of, any Credit Party; or (c) if the Commitment, as defined in the Credit Agreement, is terminated by the Required Banks.

"Event of Default" shall mean an "Event of Default", as defined in the Credit Agreement, or an "Event of Default", as defined in any Note Agreement, in either case that has not been waived in writing by the appropriate parties.

"Guarantor" shall mean a Credit Agreement Guarantor or Note Guarantor.

"Guaranty" shall mean a Credit Agreement Guaranty or a Note Guaranty.

"Insolvency Event" shall mean and include:

(a) the pendency of any case against any Credit Party arising under the Bankruptcy Code of 1978, as amended, or any successor statute;

(b) the pendency of any case against any Credit Party arising under any other bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution, liquidation or other similar law of any jurisdiction;

(c) the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of any Credit Party or any substantial assets of any of them;

(d) any assignment for the benefit of creditors of any Credit Party; and

(e) the failure of any Credit Party generally to pay its debts as they become due.

"Knott's Berry Farm" shall mean Knott's Berry Farm, a California general partnership, together with its successors and assigns.

"Letter of Credit" shall mean any letter of credit issued by Agent or a Fronting Bank, as defined in the Credit Agreement, for the account of a Borrower or any Subsidiary, including any Letter of Credit, as defined in the Credit Agreement, issued under the Credit Agreement.

"Letter of Credit Exposure" shall mean, at any time, the sum of (a) the aggregate undrawn face amount of all issued and outstanding Letters of Credit, and (b) the aggregate draws made on Letters of Credit that are not yet reimbursed by Borrowers or converted to a Revolving Loan, as defined in the Credit Agreement, pursuant to Section 2.1C of the Credit Agreement.

"Loan" shall mean any loan made by Agent or the Banks to a Borrower under the Credit Agreement, including, but not limited to, any Revolving Loan or Swing Loan, as defined in the Credit Agreement.

"Loan and Reimbursement Obligations" shall mean, at any time, the sum of (a) the aggregate principal amount of the Loans and (b) the Letter of Credit Exposure.

"Magnum Management" shall mean Magnum Management Corporation, an Ohio corporation, together with its successors and assigns.



"Note Agreements" shall mean, collectively, (a) the Private Shelf Agreement, dated as of August 24, 1994, as amended and as the same may from time to time be amended, restated or otherwise modified, among Cedar Fair LP and the Noteholders name therein, and (b) the Note Purchase and Private Shelf Agreements, dated as of January 28, 1998, among Cedar Fair LP, Knott's Berry Farm and the Noteholders named therein, as amended and as the same may from time to time be amended, restated or otherwise modified.

"Note Guarantor" shall mean each Subsidiary that is a guarantor under the Note Guaranty, and each other Subsidiary that hereafter executes a Note Guaranty pursuant to the Note Purchase Agreements, in each case together with such Subsidiary's respective successors and assigns.

"Note Guaranty" shall mean a guaranty of payment made by each existing or future Note Guarantor in favor of the Noteholders, as the same may from time to time be amended, restated or otherwise modified, including any instrument hereafter delivered by a Subsidiary pursuant to the Note Agreements wherein a Subsidiary shall become a Note Guarantor.

"Noteholder" or "Noteholders" shall have the meaning given in the introductory paragraph hereof.

"Payment to be Shared" shall have the meaning given in Section 3(b).

"Person" shall mean any individual, sole proprietorship, partnership, joint venture, trust, unincorporated organization, corporation, limited liability company, institution, estate, government or other agency or political subdivision thereof or any other entity.

"Required Banks" shall have the meaning ascribed to such term in the Credit Agreement.

"Required Noteholders" shall mean, at any time, the holders of at least a majority in aggregate principal amount of the Senior Notes outstanding at such time.

"Senior Creditor" shall mean Agent, a Bank or a Noteholder.

"Senior Indebtedness" shall mean (a) the Loan and Reimbursement Obligations; (b) the principal amount of the Senior Notes; or (c) all of the other present or future indebtedness, liabilities and obligations of any Credit Party now or hereafter owed to Agent or the Banks by virtue of or pursuant to the Credit Agreement or the Noteholders by virtue of or pursuant to any Note Agreement, or any guaranty executed in connection with any of the foregoing, including, without limitation, all interest on the Loans and the Senior Notes, all fees, costs, expenses, indemnities and any Yield-Maintenance Amounts.

"Senior Notes" shall mean each of the Senior Notes issued pursuant to the Note Agreements.

"Shared Proceeds" shall have the meaning given in Section 3(a).

"Subsidiary" shall mean a subsidiary, whether direct or indirect, of a Borrower.

"Yield-Maintenance Amount" shall mean the "Yield-Maintenance Amount", as defined in any Note Agreement.

2. Certain Notices. Each Senior Creditor agrees to use its best efforts to give to the other Senior Creditors,

- (a) copies of any notice of the occurrence or existence of an Event of Default sent to any Credit Party, simultaneously with the sending of such notice to such Credit Party,
- (b) notice of the occurrence or existence of an Event of Default of which such Senior Creditor has knowledge, promptly after obtaining knowledge thereof, and
- (c) notice of an Enforcement by such Senior Creditor prior to commencing such Enforcement,

provided that the failure to give any of the foregoing notices shall not affect the validity of such notice of an Event of Default given to Agent or a Credit Party or create a cause of action against or cause a forfeiture of any rights of the party failing to give such notice or create any claim or right on behalf of any third party.

3. Sharing of Certain Payments.

(a) Certain Payments to be Shared. Each Senior Creditor shall share with the other Senior Creditors, in accordance with Section 3(b) hereof, the following (such items specified in the following clauses (i) through (iii) being hereinafter referred to collectively as the "Shared Proceeds"):

(i) Payments During Declared Sharing Period or After an Enforcement or an Insolvency Event: during a Declared Sharing Period, and at all times after the occurrence of an Enforcement or an Insolvency Event, all payments and prepayments received by such Senior Creditor (or received by Agent for the benefit of any of the Senior Creditors and actually distributed to such Senior Creditor) from any Borrower in respect of any Senior Indebtedness, including, without limitation, any amounts or other property or securities collected by or distributed to or otherwise received by such Senior Creditor (or received and actually distributed by Agent as aforesaid) from or in respect of any Borrower as a result of (A) any Enforcement of any Senior Indebtedness, (B) the exercise of any remedy or counterclaim in connection therewith, or (C) any purchases or acquisitions for value by Borrowers of any Senior Indebtedness or interests or participations therein;

(ii) Payments Under Any Guaranty: all payments or prepayments received by such Senior Creditor (or received by Agent for the benefit of any of the Senior Creditors and actually distributed to such Senior Creditor) from any Guarantor in respect of any obligation of such Guarantor under any Guaranty, including, without limitation, any amounts or other property or securities collected by or distributed to or otherwise received by such Senior Creditor (or received and actually distributed by Agent as aforesaid) from or in respect of a Guarantor as a result of any Enforcement of any Guaranty, or the exercise of any remedy or counterclaim in connection therewith; and

(iii) Setoffs, Et Cetera: without limitation of the foregoing, any and all amounts received from any Credit Party pursuant to the exercise of any right of setoff, offset or banker's lien.

(b) Distribution of Payments to be Shared. If any Senior Creditor shall receive any Shared Proceeds (any such Shared Proceeds, less any costs and expenses, including, without limitation, attorneys' fees and expenses, incurred by the Noteholders and Agent and the Banks in recovering such Shared Proceeds, is herein referred to as a "Payment to be Shared"), such Senior Creditor shall distribute the Payment to be Shared to the other Senior Creditors in the priority set forth in Section 3(c) hereof. The Senior Creditor so distributing a Payment to be Shared shall be deemed to have purchased participations in the Senior Indebtedness of such Borrower held by each of the other Senior Creditors in amounts equal to the respective amounts distributed to such Senior Creditors.

If any Payment to be Shared received by any Senior Creditor is required to be repaid or returned, in whole or in part, by such Senior Creditor to the payor thereof or such Payment to be Shared is otherwise rescinded, in whole or in part, pursuant to applicable law, each other Senior Creditor that shall have received all or part of such Payment to be Shared pursuant to this Section 3(b) shall promptly, upon written demand, return all or the ratable part, as the case may be, of the portion of the Payment to be Shared so received by such other Senior Creditor (and any interest thereof to the extent the same is required to be paid by the Senior Creditor originally receiving such Payment to be Shared in respect of the return of such Payment to be Shared) in order to equitably adjust for the return of all or part of such Payment to be Shared.

(c) Priority of Distributions. The distribution of a Payment to be Shared shall be made in the following order of priority:

(i) First, to the Senior Creditors in the amount of any unpaid accrued interest on the Senior Indebtedness, pro rata in proportion to the respective amounts of such unpaid accrued interest owed to each Senior Creditor;

(ii) Next, to the extent proceeds remain, to the Senior Creditors (without priority to any of the following items over the other) in the amount of (A) the outstanding principal amount of the Senior Indebtedness, (B) the amount of any unpaid reimbursement obligations with respect to any drawings made on any Letters of Credit, and the amount of the Letter of Credit Exposure, (C) the Yield Maintenance Amount, up to not more than Four Hundred Thousand Dollars (\$400,000) thereof, and (D) any unpaid accrued facility or commitment fees payable under the Credit Agreement, up



to not more than Four Hundred Thousand Dollars (\$400,000) thereof, pro rata in proportion to the respective amounts thereof owed to each Senior Creditor, subject, in the case of the Letter of Credit Exposure, to the provisions of Section 3(d) hereof;

(iii) Next, to the extent proceeds remain, to the Senior Creditors (without priority to any of the following items over the other) in the amount of (A) any excess of the Yield Maintenance Amount over Four Hundred Thousand Dollars (\$400,000), (B) any excess of unpaid accrued facility fees under the Credit Agreement over Four Hundred Thousand Dollars (\$400,000), and (C) any other unpaid amounts owing under the Credit Agreement or any Note Agreement or any agreement or instrument related thereto, or otherwise with respect to any Senior Indebtedness, pro rata in proportion to the respective amounts thereof owed to each Senior Creditor; and

(iv) Finally, to the extent proceeds remain after all Senior Indebtedness owed to the Senior Creditors has been paid in full and all other obligations of any Credit Party to any of the Senior Creditors that have been incurred in connection therewith have been fully satisfied, to Borrowers or such other Person or Persons as shall be lawfully entitled thereto.

(d) Special Provisions Regarding Letters of Credit. If, at any time, Agent or any Bank is entitled pursuant to clause (ii) of Section 3(c) hereof to have any amount (a "Distributable Amount") distributed to it as a consequence of the inclusion in Letter of Credit Exposure of the aggregate amount available for drawing under any Letter of Credit issued by Agent (or any other Bank) or participated in by such Bank, such Distributable Amount shall not be so distributed to Agent or such Bank but shall instead be distributed to Agent and deposited by Agent in a special interest bearing account (the "Letter of Credit Reserve Account") under the sole dominion and control of Agent, and shall be applied and distributed to Agent or such Bank, as the case may be, if and to the extent that such Letter of Credit is honored. If such Letter of Credit is not honored (or is not honored in the full amount thereof) the balance of the funds in the Letter of Credit Reserve Account in respect of such Letter of Credit and not distributed pursuant to the immediately preceding sentence shall, upon expiry of such Letter of Credit, be distributed to the Senior Creditors pursuant to clause (ii), (iii) and (iv) of Section 3(c) hereof, or, in the event no Senior Indebtedness is outstanding, to whomsoever shall be lawfully entitled thereto. For purposes of determining the amount of the Letter of Credit Exposure under clause (ii) of Section 3(c) hereof with respect to any Letter of Credit, the undrawn face amount of such Letter of Credit shall be reduced by the then amount, if any, held in the Letter of Credit Reserve Account with respect to such Letter of Credit.

(e) Application of Payments to be Shared by Senior Creditors. The distribution provisions of this Section 3 are for the purpose of determining the relative amounts of Shared Proceeds to be distributed to the Senior Creditors in respect of the Senior Indebtedness and not for the purpose of creating an agreement among the parties as to the manner in which any proceeds or payments distributed to them are actually to be applied to pay the Senior Indebtedness of any Credit Party. Each Senior Creditor shall be free, each in its own discretion, to apply any Payment to be Shared distributed to it hereunder to the Senior Indebtedness of any Credit Party, held by it in such order and manner as it may determine, subject to any applicable provisions of the agreements and instruments evidencing or governing the Senior Indebtedness as to which the payment is to be applied. The Credit Parties, by their consent hereto, agree that in the event any payment is made with respect to any Senior Indebtedness, as between the Credit Parties and each Senior Creditor, the Senior Indebtedness discharged by such payment shall be the amount or amounts of the Senior Indebtedness to which such Senior Creditor applies the portion of such Payment to be Shared distributed to it under this Section 3 as provided in the preceding sentence. Notwithstanding the foregoing, for all purposes of this Agreement the Senior Indebtedness shall be deemed paid to the same extent that Payments to be Shared distributed with respect to it pursuant to Section 3(b) notwithstanding the actual application thereof.

(f) Other Payments and Proceeds Not to be Shared. No Senior Creditor shall, by virtue of this Agreement, be required to share with any other Senior Creditor any payments, prepayments or other amounts received from any Credit Party in respect of the Senior Indebtedness owed to such Senior Creditor, except for the sharing of Shared Proceeds in accordance with the provisions of this Section 3. In addition, no Senior Creditor shall, by virtue of this Agreement, be required to share with any other Senior Creditor any payments or other amounts received from any Credit Party in respect of any indebtedness, liability or obligation of such Credit Party that (i) does not constitute Senior Indebtedness, (ii) does not arise under any agreement or instrument evidencing, governing or guaranteeing any Senior Indebtedness, and (iii) is not included within the definition of Shared Proceeds.

#### 4. Additional Guaranties; Liens and Security Interests Other Transactions.

(a) Agent and each Bank agrees that, without the consent in writing by the Required Noteholders, it will not (i) take or receive a security interest in or lien upon any of the property or assets (other than any lien in connection with outstanding Letters of Credit pursuant to Section 8.3 of the Credit Agreement or any lien in the goods relating to any documentary Letter of Credit) of any Credit Party as security for the payment of any Senior Indebtedness or any Credit Agreement Guaranty, or (ii) except for the obligations of any Borrower, any Credit Agreement Guarantor, retain or obtain the primary or secondary obligations of any other obligor or obligors with respect to all or any part of the Senior Indebtedness.

(b) Each Noteholder that is a Senior Creditor agrees that, without the consent in writing by Agent and the Required Banks, it will not (i) take or receive a security interest in or lien upon any of the property or assets of any Credit Party as security for the payment of any Senior Indebtedness or Note Guaranty, or (ii) except for the obligations of any Borrower or Note Guarantor, retain or obtain the primary or secondary obligations of any other obligor or obligors with respect to all or any part of the Senior Indebtedness.

(c) Nothing contained in this Agreement shall affect or impair the right any Senior Creditor may have under the terms and conditions governing the Senior Indebtedness to accelerate and demand repayment of such Senior Indebtedness. Each Senior Creditor retains the right to freely exercise its rights and remedies as a general creditor of the Credit Parties in accordance with applicable law and agreements with the Credit Parties, including, without limitation, the right to file a lawsuit and obtain a judgment therein against the Credit Parties and to enforce such judgment against any assets of the Credit Parties.

(d) Subject to the provisions set forth in this Agreement, each Senior Creditor and its affiliates may (without having to account therefor to any Senior Creditor) own, sell, acquire and hold equity and debt securities of the Credit Parties, lease property and lend money to and generally engage in any kind of business with the Credit Parties, and, subject to the provisions of this Agreement, the Senior Creditors and their affiliates may accept dividends, interest, principal payments, fees and other consideration from the Credit Parties for services in connection with this Agreement or otherwise without having to account for the same to the other Senior Creditors.

#### 5. Accounting; Adjustments.

(a) Each Senior Creditor agrees to render an accounting to any of the other Senior Creditors of the amounts of the outstanding Senior Indebtedness, receipts of payments from the Credit Parties and of other items relevant to the provisions of this Agreement upon the reasonable request from one of the other Senior Creditors as soon as reasonably practicable after such request, giving effect to the application of Payments to be Shared as hereinbefore provided in this Agreement.

(b) Each Senior Creditor hereto agrees that to the extent any payment in respect of any Senior Indebtedness made to it hereunder is in excess of the amount due to be paid to it hereunder, then it shall pay to the other Senior Creditors such amounts so that, after giving effect to such payments, the amounts received by all Senior Creditors are equal to the amounts to be paid to them hereunder. Each Senior Creditor further agrees that, in the event any payment referred to in Section 3 hereof made to any Senior Creditor is subsequently invalidated, declared fraudulent or preferential, set aside or required to be paid to a trustee, receiver, or any other Person under any bankruptcy, reorganization, insolvency, or liquidation statute, state or federal law, common law or equitable cause ("Avoided Payments"), the other Senior Creditors shall pay to such Senior Creditor such amounts so that, after giving effect to such payments by all such other Senior Creditors, the amounts received by all Senior Creditors are not in excess of the amounts to be paid to them hereunder as though such Avoided Payments had not been made.

6. Notices. Except as otherwise expressly provided herein, any notice required or desired to be served, given or delivered hereunder shall be in writing, and shall be deemed to have been validly served, given or delivered three Business Days after deposit in the United States mails, with proper postage prepaid one Business Day after delivery to a courier for next day delivery, upon delivery by courier or upon transmission by telecopy or similar electronic medium (provided that a copy of any such notice sent by such transmission is also sent by one of the other means provided hereunder within one day after the date sent by such transmission) to the addresses set forth below the signatures hereto, with a copy to any Person or Persons set forth below such signature shown as to receive a copy, or to such other address as any Senior Creditor designates to the others in the manner herein prescribed; provided that no notice given hereunder shall be effective until received. Any Senior Creditor giving notice to any other Senior Creditor hereunder shall also give copies of such notice to all other Senior Creditors.

7. Contesting Senior Indebtedness. No Senior Creditor shall contest the validity or enforceability of or seek to avoid, have declared fraudulent or have set aside any Senior Indebtedness or the obligations of any Guarantor under any Guaranty. In the event that any Senior Indebtedness shall be invalidated, avoided, declared fraudulent or set aside for the benefit of any Credit Party, the Senior Creditors agree that such Senior Indebtedness shall nevertheless be considered to be outstanding for all purposes of this Agreement.

8. No Additional Rights for Credit Parties Hereunder. Each Credit Party, by its consent hereto, acknowledges that it shall have no rights under this Agreement. If any Senior Creditor shall violate the terms of this Agreement, each Credit Party agrees, by its consent hereto, that it shall not use such violation as a defense to any enforcement by any Senior Creditor nor assert such violation as a counterclaim or basis for setoff or recoupment against any Senior Creditor.

9. Bankruptcy Proceedings. Nothing contained herein shall limit or restrict the independent right of any Senior Creditor to initiate an action or actions in any bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar proceeding in its representative or individual capacity and to appear or be heard on any matter before the bankruptcy or other applicable court in any such proceeding, including, without limitation, with respect to any question concerning post-petition financing arrangements. This Agreement shall survive the commencement of any such bankruptcy, reorganization, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar proceeding.

10. Independent Credit Investigation. No Senior Creditor, nor any of their respective directors, officers, agents or employees, shall be responsible to any other Senior Creditor for the solvency or financial condition of any Credit Party or the ability of any Credit Party to repay any of the Senior Indebtedness or perform any Credit Party's obligations under any Credit Agreement Guaranty or Note Guaranty, or the statements of any Credit Party, oral or written, or for the validity, sufficiency or enforceability of any of the Senior Indebtedness, the Credit Agreement, any Note Agreement, any Credit Agreement Guaranty or any Note Guaranty, or any document or agreement executed or delivered in connection with or pursuant to any of the foregoing. Each Senior Creditor has entered into its respective financial agreements with the Credit Parties based upon its own independent investigation, and makes no warranty or representation to the other, nor does it rely upon any representation by any other Senior Creditor with respect to the matters identified or referred to in this section.

11. Supervision of Obligations. Except to the extent otherwise expressly provided herein, each Senior Creditor shall be entitled to manage and supervise the obligations of the Credit Parties to it in accordance with applicable law and such Senior Creditor's practices in effect from time to time without regard to the existence of any other Senior Creditor.

12. Amendment. This Agreement and the provisions hereof may be amended, modified or waived only by a writing signed by the Noteholders and Agent, acting at the discretion of the Required Lenders.

13. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the respective successors and assigns of each Senior Creditor, including, subsequent holders of the Senior Indebtedness and Persons subsequently becoming parties to the Credit Agreement or any Note Agreement as a "Bank" or "Noteholder" thereunder, provided that neither Agent nor any Senior Creditor shall assign or transfer any interest in any Senior Indebtedness or permit any such Person to become such a party to the Credit Agreement or any Note Agreement as a successor to all or any portion of its interests thereunder or as an additional "Bank" or "Noteholder" thereunder, unless (a) the assignor (or Agent on behalf of the assignor) provides each other Senior Creditor with prior written notice of such transfer or assignment (provided that the failure to give such notice shall not affect the validity of such assignment or create a cause of action against or cause a forfeiture of any rights of the party failing to give such notice or create any claim or right on behalf of any third party), and (b) such transfer or assignment or such Person so becoming a "Bank" or "Noteholder" is made subject to this Agreement by such transferee, assignee or Person executing an instrument agreeing to be bound by the obligations of a Bank or a Noteholder, as the case may be, under this Agreement. Upon an assignment, and after notice has been given pursuant to the preceding sentence, by any Senior Creditor of all or any portion of any Credit Agreement Note or Senior Note, as the case may be, and the assumption by the transferee of such Senior Creditor's obligations hereunder in respect of such Credit Agreement Note or Senior Note, or portion thereof, so assigned, such Senior Creditor shall be automatically released from all obligations thereafter accruing hereunder in respect of such Credit Agreement Note or Senior Note, or portion thereof, so assigned; provided, however, that such Senior Creditor shall not be released as to any obligation of such Senior Creditor that arise pursuant to Section 5(b) hereof that pertains to a payment received prior to such assignment.

14. Termination.

(a) In the event (i) the Credit Agreement is terminated and all Credit Agreement Notes and other obligations of Borrowers under the Credit Agreement and the Credit Agreement Notes are paid in full or otherwise discharged, and (ii) the Senior Creditors have no outstanding obligations hereunder with respect to Payments to be Shared previously received and distributed hereunder, this Agreement shall terminate 366 days after the last to occur of any event referred to in the preceding clauses (i) and (ii) unless prior to such 366th day an Insolvency Event shall have occurred.

(b) In the event (i) the Note Agreements are terminated and all Senior Notes and other obligations of Borrowers under the Note Agreements and the Senior Notes are paid in full or otherwise discharged, and (ii) the Senior Creditors have no outstanding obligations hereunder with respect to Payments to be Shared previously received and distributed hereunder, this Agreement shall terminate 366 days after the last to occur of any event referred to in the preceding clauses (i) and (ii) unless prior to such 366th day an Insolvency Event shall have occurred.

15. New Intercreditor Agreement. If this Agreement shall be terminated as provided herein and Cedar Fair LP or any other Borrower has incurred any indebtedness in favor of any bank, financial institution or institutional investor (each a "New Creditor") in connection with the refinancing of any of the Senior Indebtedness, Cedar Fair LP will, at its own expense, upon the request of any Senior Creditor, enter into, and cause each other Credit Party and New Creditor to enter into, a new intercreditor agreement, substantially in the form hereof and as otherwise in all respects satisfactory and in form substance to the Senior Creditors.

16. Amendment, Supplement or Waiver of Agreements with Credit Parties, etc. Nothing contained in this Agreement shall limit or restrict the rights:

(i) of Agent and the Banks and the Credit Parties to amend, supplement, restate or waive any provision of the Credit Agreement, the Credit Agreement Notes or the Credit Agreement Guaranties or other agreement or instrument related thereto or executed and delivered in connection therewith; or

(ii) of the Noteholders and the Credit Parties to amend, supplement, restate or waive any provision of the Note Agreements, the Senior Notes or the Note Guaranties or other agreement or instrument related thereto or executed and delivered in connection therewith.

17. Cooperation. Each Senior Creditor hereby agrees to fully cooperate with the other Senior Creditors in order to promptly discharge the terms and provisions of this Agreement. Each Senior Creditor also hereby agrees, from time to time, to execute and deliver any and all other agreements, documents or instruments and to take such actions, all as may be reasonably necessary or desirable to effectuate the terms, provisions and intent of this Agreement.

18. Representations and Warranties. Each Noteholder represents and warrants to Agent and the Banks, and Agent and each Bank represents and warrants to the Noteholders, that it is a corporation, mutual insurance company, national banking association, bank or trust company duly organized, validly existing and in good standing under the laws of its respective jurisdiction of incorporation or organization, that it has all necessary corporate power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder, that this Agreement has been duly authorized, executed and delivered by it or on its behalf, and that this Agreement is enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, reorganization, arrangement, insolvency, fraudulent conveyance, moratorium or similar laws affecting the enforcement of the rights of creditors generally as at the time in effect, by common law or statutory requirements with respect to commercial reasonableness, and by general principles of equity.

19. No Third Party Beneficiaries. This Agreement is intended solely to govern the relationship among the Senior Creditors, and is intended for the sole benefit of the Senior Creditors and their respective transferees, successors and assigns. This Agreement shall not benefit or create any right or cause of action in, or on behalf of, any Credit Party or any other Person, other than the Senior Creditors and their respective transferees, successors and assigns.

20. Limitation Relative to Other Agreements. Nothing contained in this Agreement is intended to impair (a) as between the Noteholders, on the one hand, and the Credit Parties, on the other hand, the rights of the Noteholders and the obligations of the Credit Parties under the Note Agreements, the Senior Notes, or any other agreement or instrument related thereto, or (b) as between Agent and the Banks, on the one hand, and the Credit Parties, on the other hand, the rights of Agent and the Banks and the obligations of the Credit Parties under the Credit Agreement, the Credit Agreement Notes, or any other agreement or instrument relating thereto.

21. Counterparts. This Agreement may be executed in several counterparts and by each party on a separate counterpart and by facsimile signature, each of which, when so executed and delivered, shall be an original, but all of which together shall constitute but one and the same instrument. In proving this Agreement, it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

22. Governing Law. THIS AGREEMENT SHALL BE GOVERNED AS TO VALIDITY, INTERPRETATION, ENFORCEMENT EVENT AND EFFECT BY THE INTERNAL LAWS (AS OPPOSED TO CONFLICT OF LAWS PROVISIONS) OF THE STATE OF ILLINOIS.

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23. JURY TRIAL WAIVER. EACH PARTY HERETO WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN SUCH PARTY AND ANY OTHER PARTY HERETO, OR ANY CREDIT PARTY, ARISING OUT OF, IN CONNECTION WITH,

RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

Address: Two Prudential Plaza THE PRUDENTIAL INSURANCE

Suite 5600 COMPANY OF AMERICA

Chicago, Illinois 60601

Attention: Managing Director

By:

Name:

Title:

Address: c/o Prudential Capital Group HARTFORD LIFE INSURANCE

Two Prudential Plaza COMPANY

Suite 5600

Chicago, Illinois 60601 By: Prudential Private Placement Investors,

Attention: Managing Director L.P., as Investment Advisor

By: Prudential Private Placement Investors,

Inc., as it General Partner

By:

Name:

Title:

Address: c/o Prudential Capital Group MEDICA HEALTH PLAN

Two Prudential Plaza

Suite 5600 By: Prudential Private Placement Investors,

Chicago, Illinois 60601 L.P., as Investment Advisor

Attention: Managing Director

By: Prudential Private Placement Investors,

Inc., as it General Partner

By:

Name:

Title:

Address: Key Center KEYBANK NATIONAL ASSOCIATION,

127 Public Square for itself as Agent and on behalf of and for

Cleveland, Ohio 44114-1306 the benefit of the Banks

Attention: Large Corporate

Banking By:

Brendan A. Lawlor,Vice President

#### ACKNOWLEDGMENT

The undersigned, the Credit Parties described in the Intercreditor Agreement set forth above, acknowledge and, to the extent required, consent to the terms and conditions thereof. The undersigned Credit Parties do hereby further acknowledge and agree to their joint and several agreements under section 3(e), 8 and, with respect to Cedar Fair LP, section 15 of the Intercreditor Agreement and acknowledge and agree that no Credit Party is a third-party beneficiary of, or has any rights under, the Intercreditor Agreement.

This Acknowledgement and Consent and Agreement to Intercreditor Agreement and any amendment hereof may be executed in several counterparts and by each party on a separate counterpart and by facsimile signature, each of which, when so executed and delivered, shall be an original, but all of which together shall constitute but one of the same instrument. In proving this Acknowledgement and Consent and Agreement to Intercreditor Agreement it shall not be necessary to produce or account for more than one such counterpart signed by the party against whom enforcement is sought.

**JURY TRIAL WAIVER. EACH OF THE UNDERSIGNED HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, BETWEEN THE UNDERSIGNED, OR ANY OF THEM, AND ANY SENIOR CREDITOR, ARISING OUT OF, IN**

**CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.**

IN WITNESS WHEREOF, the parties below have caused this Acknowledgement and Consent and Agreement to Intercreditor Agreement to be executed by their respective duly authorized officer as of the date of the Intercreditor Agreement.

CEDAR FAIR, L.P.

By: Cedar Fair Management Company,

its Managing General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CEDAR FAIR

By: Magnum Management Corporation,

one of its general partners

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

MAGNUM MANAGEMENT

CORPORATION, as a Borrower and as

Treasury Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

KNOTT'S BERRY FARM

By: Magnum Management Corporation,

one of its general partners

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

MICHIGAN'S ADVENTURE, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

EXHIBIT G

FORM OF ASSUMPTION AGREEMENT

This ASSUMPTION AGREEMENT ("Agreement") is made effective as of \_\_\_\_\_, 20\_\_\_\_, by and among \_\_\_\_\_, a \_\_\_\_\_ (the "Obligor"), CEDAR FAIR, an Ohio general partnership, MAGNUM MANAGEMENT CORPORATION, an Ohio corporation, and KNOTT'S BERRY FARM, a California general partnership (collectively, "Borrowers", and, individually, each a "Borrower"), and KEYBANK NATIONAL ASSOCIATION, as agent ("Agent") on behalf of and for the benefit of each of the banking institutions named in Schedule 1 to the Credit Agreement, as hereinafter defined (collectively, "Banks" and individually, each a "Bank"):

2199:

WHEREAS, Borrowers, Agent, and the Banks are parties to the Credit Agreement, dated as of November 26, 2001 (as the same may from time to time be amended, restated or otherwise modified, the "Credit Agreement", each capitalized term not defined herein being used herein as therein defined) wherein Agent and the Banks have agreed to make Loans to and issue Letters of Credit for the benefit of Borrowers, all upon certain terms and conditions;

WHEREAS, pursuant to Section 2.5 of the Credit Agreement, Borrowers have requested that, effective on \_\_\_\_\_, 20\_\_\_\_ (the "Assumption Effective Date"), the Obligor shall be designated as a "Borrower" under the Credit Agreement;

WHEREAS, Agent and the Banks are willing to permit the Obligor to become a "Borrower" under the Credit Agreement and the Banks are willing to make Loans to and issue Letters of Credit for the benefit of the Obligor pursuant to the Commitment, upon certain terms and conditions as set forth in the Credit Agreement, one of which is that the Obligor shall assume all of the Obligations, as hereinafter defined, and this Agreement is being executed and delivered in consideration of each financial accommodation, if any, granted to the Obligor by Agent and the Banks and for other valuable considerations;

NOW, THEREFORE, in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Obligor hereby agrees as follows:

1. Assumption. On and after the Assumption Effective Date, the Obligor irrevocably and unconditionally assumes and shall be liable for all of the obligations of a Borrower under the Credit Agreement, the Notes and the Related Writings (the "Obligations") as fully as if such Obligor had been an original party to the Credit Agreement, including, but not limited to (a) all Loans and all Letters of Credit made to or for the benefit of Borrowers, (b) all other Indebtedness and other obligations incurred by Borrowers to Agent or any Bank pursuant to the Credit Agreement, including, but not limited to, the principal of and interest on all Notes and each extension, renewal or refinancing thereof in whole or in part, the facility fees, other fees and any prepayment fees payable thereunder.

2. Obligor Party to the Credit Agreement. On and after the Assumption Effective Date, the Obligor shall (a) be designated a "Borrower" pursuant to the terms and conditions of the Credit Agreement, and (b) become bound by all representations, warranties, covenants, provisions and conditions of the Credit Agreement and each other Loan Document applicable to Borrowers as if the Obligor had been the original party making such representations, warranties and covenants. Obligor acknowledges and agrees that Agent and the Banks are entering into this Agreement at the request of Obligor and with the understanding that Obligor is and shall remain fully liable, jointly and severally, for payment in full of the Obligations. Obligor agrees that it has received, it is receiving or will receive a direct pecuniary benefit for each Loan made or Letter of Credit issued under the Credit Agreement.

3. Representations and Warranties of the Obligor. The Obligor represents and warrants to Agent and each of the Banks that:

(a) the Obligor is an entity duly organized or formed, validly existing and in good standing or in full force and effect under the laws of its jurisdiction of organization or formation, as the case may be, and is duly qualified or authorized to do business in each jurisdiction in which the Obligor is doing business;

(b) the Obligor has full power, authority and legal right to execute and deliver this Agreement, and to perform and observe the provisions hereof and of the Credit Agreement and the Notes, and the officers acting on behalf of the Obligor have been duly authorized to execute and deliver this Agreement;

(c) this Agreement, the Credit Agreement and the Notes are each valid and binding upon the Obligor and enforceable against the Obligor in accordance with their respective terms; and

(d) each of the representations and warranties set forth in Article VI of the Credit Agreement are true and complete with respect to the Obligor as a Borrower under the Credit Agreement.

4. Representations and Warranties of Borrowers and the Obligor. Borrowers and the Obligor represent and warrant to Agent and each of the Banks that:

(a) no Default or Event of Default exists under the Credit Agreement, nor will any occur immediately after the execution and delivery of this Agreement or by the performance or observance of any provision hereof;

(b) neither any Borrower nor the Obligor has any claim or offset against, or defense or counterclaim to, any Company's obligations or liabilities under the Credit Agreement or any Related Writing; and

(c) neither the execution and delivery of this Agreement, nor the performance and observance of the provisions hereof, by the Obligor will conflict with, or constitute a violation or default under, any provision of any applicable law or of any contract (including, without limitation, the Obligor's Organizational Documents) or of any other writing binding upon the Obligor in any manner.

5. Obligations of Borrowers and Each Guarantor Not Affected. Anything herein to the contrary notwithstanding, Borrowers and each Guarantor of Payment shall remain bound by the terms and conditions of all of the Loan Documents to which such Borrower or Guarantor of Payment is a party regardless of the assumption of the Obligations by the Obligor hereunder or the enforceability thereof or of the Notes.

6. Waiver of Claims. Each Borrower, each Guarantor of Payment and the Obligor hereby waive and release Agent and each of the Banks and their respective directors, officers, employees, attorneys, affiliates and subsidiaries from any and all claims, offsets, defenses and counterclaims of which such Borrower, such Guarantor of Payment or the Obligor is aware, such waiver and release being with full knowledge and understanding of the circumstances and effect thereof and after having consulted legal counsel with respect thereto.

7. Conditions Precedent. Concurrently with the execution of this Agreement, Borrowers and the Obligor, as appropriate, shall:

(a) satisfy each of the conditions set forth in Section 2.5(a) of the Credit Agreement;

(b) execute and deliver to Agent and each Bank such replacement Notes as Agent shall deem appropriate;

(c) pay all reasonable legal fees and expenses of Agent incurred in connection with this Agreement;

(d) cause each Guarantor of Payment to consent and agree to and acknowledge the terms of this Agreement; and

(e) provide such other items as may be reasonably required by Agent or the Banks in connection with this Agreement.

8. Binding Nature of Agreement. All provisions of the Credit Agreement shall remain in full force and effect and be unaffected hereby. This Agreement is a Related Writing as defined in the Credit Agreement. This Agreement shall bind and benefit Borrowers, the Obligor and Agent and the Banks and their respective successors and assigns.

9. Counterparts. This Agreement may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

10. Ohio Law to Govern. The rights and obligations of all parties hereto shall be governed by the laws of the State of Ohio, without regard to principles of conflicts of laws.

11. JURY TRIAL WAIVER. EACH OF THE UNDERSIGNED, TO THE EXTENT PERMITTED BY LAW, WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, AMONG AGENT, ANY OF THE BANKS, ANY OBLIGOR AND/OR ANY BORROWER ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN EACH OF THEM IN CONNECTION WITH THIS INSTRUMENT OR ANY NOTE OR OTHER AGREEMENT, INSTRUMENT OR DOCUMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED HERETO.

OBLIGOR:

[\_\_\_\_\_]

By:

Name:

Title:

BORROWERS:

[INSERT BORROWERS' SIGNATURE

AND ACKNOWLEDGEMENT OF

GUARANTORS]

AGENT:

KEYBANK NATIONAL ASSOCIATION,

as Agent on behalf of and for the benefit

of the Banks

By:

Name:

Title:

## EXHIBIT H

### FORM OF

#### ASSIGNMENT AND ACCEPTANCE AGREEMENT

This Assignment and Acceptance Agreement (this "Assignment Agreement") between \_\_\_\_\_ (the "Assignor") and \_\_\_\_\_ (the "Assignee") is dated as of \_\_\_\_\_, 20\_. The parties hereto agree as follows:

1. Preliminary Statement. Assignor is a party to a Credit Agreement, dated as of November 26, 2001 (which, as it may from time to time be amended, restated or otherwise modified is herein called the "Credit Agreement"), among CEDAR FAIR, L.P., a Delaware limited partnership, CEDAR FAIR, an Ohio general partnership, MAGNUM MANAGEMENT CORPORATION, an Ohio corporation, and KNOTT'S BERRY FARM, a California general partnership (collectively, "Borrowers", and, individually, each a "Borrower"), the banking institutions named on Schedule 1 thereto (collectively, "Banks" and, individually, each a "Bank"), and KEYBANK NATIONAL ASSOCIATION, as agent for the Banks ("Agent"). Capitalized terms used herein and not otherwise defined herein shall have the meanings attributed to them in the Credit Agreement.

2. Assignment and Assumption. Assignor hereby sells and assigns to Assignee, and Assignee hereby purchases and assumes from Assignor, an interest in and to Assignor's rights and obligations under the Credit Agreement, effective as of the Assignment Effective Date (as hereinafter defined), equal to the percentage interest specified on Annex 1 hereto (hereinafter, "Assignee's Percentage") of Assignor's right, title and interest in and to (a) the Commitment of Assignor as set forth on Annex 1 (hereinafter, "Assigned Amount"), (b) any Loan made by Assignor which is outstanding on the Assignment Effective Date, (c) any Note delivered to Assignor pursuant to the Credit Agreement, and (d) the Credit Agreement and the other Related Writings. After giving effect to such sale and assignment and on and after the Assignment Effective Date, Assignee shall be deemed to have a "Commitment Percentage" under the Credit Agreement equal to the Commitment Percentage set forth in subparts I.C on Annex 1 hereto.

3. Assignment Effective Date. The Assignment Effective Date (the "Assignment Effective Date") shall be two Business Days (or such other time agreed to by Agent) after the following conditions precedent have been satisfied:

(a) receipt by Agent of this Assignment Agreement, including Annex 1 hereto, properly executed by Assignor and Assignee and accepted and consented to by Agent and, if necessary pursuant to the provisions of Section 10.10(A)(i) of the Credit Agreement, by Borrowers;

(b) receipt by Agent from Assignor of a fee of Three Thousand Five Hundred Dollars (\$3,500), in accordance with Section 10.10A of the Credit Agreement;

(c) receipt by Agent from Assignee of an administrative questionnaire, or other similar document, which shall include (i) the address for notices under the Credit Agreement, (ii) the address of its Lending Office, (iii) wire transfer instructions for delivery of funds by Agent, (iv) and such other information as Agent shall request; and

(d) receipt by Agent from Assignor or Assignee of any other information required pursuant to Section 10.10 of the Credit Agreement or otherwise necessary to complete the transaction contemplated hereby.

4. Payment Obligations. In consideration for the sale and assignment of Loans hereunder, Assignee shall pay Assignor, on the Assignment Effective Date, an amount in Dollars equal to Assignee's Percentage. Any interest, fees and other payments accrued prior to the Assignment Effective Date with respect to the Assigned Amount shall be for the account of Assignor. Any interest, fees and other payments accrued on and after the Assignment Effective Date with respect to the Assigned Amount shall be for the account of Assignee. Each of Assignor and Assignee agrees that it will hold in trust for the other part any interest, fees or other amounts which it may receive to which the other party is entitled pursuant to the preceding sentence and to pay the other party any such amounts which it may receive promptly upon receipt thereof.



5. Credit Determination; Limitations on Assignor's Liability. Assignee represents and warrants to Assignor, Borrowers, Agent and the other Banks (a) that it is capable of making and has made and shall continue to make its own credit determinations and analysis based upon such information as Assignee deemed sufficient to enter into the transaction contemplated hereby and not based on any statements or representations by Assignor, (b) Assignee confirms that it meets the requirements to be an assignee as set forth in Section 10.10 of the Credit Agreement; (c) Assignee confirms that it is able to fund the Loans as required by the Credit Agreement; (d) Assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Credit Agreement and the Related Writings are required to be performed by it as a Bank thereunder; and (e) Assignee represents that it has reviewed each of the Loan Documents, including, but not limited to the Intercreditor Agreement and agrees to be bound by the terms and conditions thereof. It is understood and agreed that the assignment and assumption hereunder are made without recourse to Assignor and that Assignor makes no representation or warranty of any kind to Assignee and shall not be responsible for (i) the due execution, legality, validity, enforceability, genuineness, sufficiency or collectability of the Credit Agreement or any Related Writings, (ii) any representation, warranty or statement made in or in connection with the Credit Agreement or any of the Related Writings, (iii) the financial condition or creditworthiness of Borrowers or any Guarantor of Payment, (iv) the performance of or compliance with any of the terms or provisions of the Credit Agreement or any of the Related Writings, (v) inspecting any of the property, books or records of Borrowers, or (vi) the validity, enforceability, perfection, priority, condition, value or sufficiency of any collateral securing or purporting to secure the Loans. Neither Assignor nor any of its officers, directors, employees, agents or attorneys shall be liable for any mistake, error of judgment, or action taken or omitted to be taken in connection with the Loans, the Credit Agreement or the Related Writings, except for its or their own bad faith or willful misconduct. Assignee appoints Agent to take such action as agent on its behalf and to exercise such powers under the Credit Agreement as are delegated to Agent by the terms thereof.

6. Indemnity. Assignee agrees to indemnify and hold Assignor harmless against any and all losses, cost and expenses (including, without limitation, attorneys' fees) and liabilities incurred by Assignor in connection with or arising in any manner from Assignee's performance or non-performance of obligations assumed under this Assignment Agreement.

7. Subsequent Assignments. After the Assignment Effective Date, Assignee shall have the right pursuant to Section 10.10 of the Credit Agreement to assign the rights which are assigned to Assignee hereunder, provided that (a) any such subsequent assignment does not violate any of the terms and conditions of the Credit Agreement, any of the Related Writings, or any law, rule, regulation, order, writ, judgment, injunction or decree and that any consent required under the terms of the Credit Agreement or any of the Related Writings has been obtained, (b) the assignee under such assignment from Assignee shall agree to assume all of Assignee's obligations hereunder in a manner satisfactory to Assignor and (c) Assignee is not thereby released from any of its obligations to Assignor hereunder.

8. Reductions of Aggregate Amount of Commitments. If any reduction in the Total Commitment Amount occurs between the date of this Assignment Agreement and the Assignment Effective Date, the percentage of the Total Commitment Amount assigned to Assignee shall remain the percentage specified in Annex 1 hereto and the dollar amount of the Commitment of Assignee shall be recalculated based on the reduced Total Commitment Amount.

9. Acceptance of Agent; Notice by Assignor. This Assignment Agreement is conditioned upon the acceptance and consent of Agent and, if necessary pursuant to Section 10.10A of the Credit Agreement, upon the acceptance and consent of Borrowers; provided, that the execution of this Assignment Agreement by Agent and, if necessary, by Borrowers is evidence of such acceptance and consent.

10. Entire Agreement. This Assignment Agreement embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings between the parties hereto relating to the subject matter hereof.

11. Governing Law. This Assignment Agreement shall be governed by the internal law, and not the law of conflicts, of the State of Ohio.

12. Notices. Notices shall be given under this Assignment Agreement in the manner set forth in the Credit Agreement. For the purpose hereof, the addresses of the parties hereto (until notice of a change is delivered) shall be the address set forth under each party's name on the signature pages hereof.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment Agreement by their duly authorized officers as of the date first above written.

ASSIGNOR:

Address: \_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_ By: \_\_\_\_\_

Phone: \_\_\_\_\_ Name: \_\_\_\_\_

Fax: \_\_\_\_\_ Title: \_\_\_\_\_

ASSIGNEE:

Address: \_\_\_\_\_

\_\_\_\_\_

Attn: \_\_\_\_\_ By: \_\_\_\_\_

Phone: \_\_\_\_\_ Name: \_\_\_\_\_

Fax: \_\_\_\_\_ Title: \_\_\_\_\_

Accepted and Consented to this \_\_\_\_ day

of \_\_\_, 20\_\_:

KEYBANK NATIONAL ASSOCIATION,

as Agent

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted and Consented to this \_\_\_\_ day

of \_\_\_, 20\_\_:

[INSERT SIGNATURE OF BORROWERS IF REQUIRED]

ANNEX 1 TO ASSIGNMENT AND ACCEPTANCE AGREEMENT

On and after \_\_\_\_\_, 20\_\_ (the "Assignment Effective Date"), the Commitment of Assignee, and, if this is less than an assignment of all of Assignor's interest, Assignor, shall be as follows:

I. ASSIGNEE'S COMMITMENT

A. Assignee's Percentage \_\_\_\_\_%

B. Assigned Amount \$ \_\_\_\_\_

C. Assignee's Commitment Percentage  
under the Credit Agreement \_\_\_\_\_%

II. ASSIGNOR'S COMMITMENT

A. Assignor's Commitment Percentage  
under the Credit Agreement \_\_\_\_\_%

B. Assignor's Commitment Amount  
under the Credit Agreement \$ \_\_\_\_\_



## FIRST AMENDMENT AGREEMENT

This First Amendment Agreement (this "Amendment") is made as of January 16, 2002, by and among CEDAR FAIR, L.P., a Delaware limited partnership ("Cedar Fair LP"), CEDAR FAIR, an Ohio general partnership ("Cedar Fair"), MAGNUM MANAGEMENT CORPORATION, an Ohio corporation ("Magnum Management"), KNOTT'S BERRY FARM, a California general partnership ("Knott's Berry Farm"; and together with Cedar Fair LP, Cedar Fair and Magnum Management, collectively, "Borrowers" and, individually, each a "Borrower"), the banking institutions named in Schedule 1 to the Credit Agreement, as hereinafter defined (collectively, the "Banks"), and KEYBANK NATIONAL ASSOCIATION, as lead arranger and as administrative agent for the Banks (in such capacity as administrative agent, "Agent");

WHEREAS, Borrowers, Agent and the Banks are parties to a certain Credit Agreement dated as of November 26, 2001, as the same may from time to time be amended, restated or otherwise modified, which provides, among other things, for loans and other extensions of credit, all upon certain terms and conditions (the "Credit Agreement");

WHEREAS, Borrowers, Agent and the Banks desire to amend the Credit Agreement to modify certain provisions thereof; and

WHEREAS, each capitalized term used herein shall be defined in accordance with the Credit Agreement;

NOW, THEREFORE, in consideration of the premises and of the mutual covenants herein and for other valuable considerations, Borrowers, Agent and the Banks agree as follows:

1. Amendment to Definitions. Article I of the Credit Agreement is hereby amended to delete the definition of "Note Agreements" therefrom and to insert in place thereof the following:

"Note Agreements" shall mean, collectively, (a) the Prudential Note Agreements, and (b) any other note agreement that shall have been entered into in connection with the issuance of Indebtedness by the Companies in an underwritten public offering, Rule 144A offering or other private placement with one or more institutional investors subsequent to the Closing Date, so long as such note agreement shall meet the following requirements: (i) the aggregate principal amount of the Indebtedness incurred under such other note agreement or note agreements shall not exceed One Hundred Million Dollars (\$100,000,000) at any time, (ii) the maturity date of such note agreement shall be no earlier than the date that is ninety (90) days after the last day of the Commitment Period, and (iii) the holders of such Indebtedness shall, if requested by Agent and the Required Banks, have entered into an intercreditor agreement containing terms and conditions substantially similar to those set forth in the Intercreditor Agreement, as such note agreement may, in accordance with Section 5.25 hereof, from time to time be amended, restated or otherwise modified.

2. Representations and Warranties. Borrowers hereby represent and warrant to Agent and the Banks that (a) Borrowers have the legal power and authority to execute and deliver this Amendment; (b) the officers executing this Amendment on behalf of Borrowers have been duly authorized to execute and deliver the same and bind Borrowers with respect to the provisions hereof; (c) the execution and delivery hereof by Borrowers and the performance and observance by Borrowers of the provisions hereof do not violate or conflict with the organizational agreements of any Borrower or any law applicable to any Borrower or result in a breach of any provision of or constitute a default under any other agreement, instrument or document binding upon or enforceable against any Borrower; (d) no Default or Event of Default exists under the Credit Agreement, nor will any occur immediately after the execution and delivery of this Amendment or by the performance or observance of any provision hereof; (e) no Borrower has any claim or offset against, or defense or counterclaim to, any of the obligations or liabilities of Borrowers under the Credit Agreement or any Related Writing; and (f) this Amendment constitutes a valid and binding obligation of Borrowers in every respect, enforceable in accordance with its terms.

3. Credit Agreement Unaffected. Each reference that is made in the Credit Agreement or any other writing to the Credit Agreement shall hereafter be construed as a reference to the Credit Agreement as amended hereby. Except as herein otherwise specifically provided, all provisions of the Credit Agreement shall remain in full force and effect and be unaffected hereby.

4. Effectiveness. This Amendment shall not be effective until it has been executed by Borrowers, Agent and the Required Banks and acknowledged and agreed to by each Guarantor of Payment.

5. Counterparts. This Amendment may be executed in any number of counterparts, by different parties hereto in separate counterparts and by facsimile signature, each of which when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute but one and the same agreement.

6. Governing Law. The rights and obligations of all parties hereto shall be governed by the laws of the State of Ohio, without regard to principles of conflicts of laws.

[Remainder of page intentionally left blank.]

7. JURY TRIAL WAIVER. BORROWERS, AGENT, THE BANKS AND EACH GUARANTOR OF PAYMENT HEREBY WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT, THE BANKS, EACH GUARANTOR OF PAYMENT, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

CEDAR FAIR, L.P.

By: Cedar Fair Management Company,

its Managing General Partner

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CEDAR FAIR

By: Magnum Management Corporation,

one of its general partners

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

MAGNUM MANAGEMENT

CORPORATION, as a Borrower and as

Treasury Manager

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

KNOTT'S BERRY FARM

By: Magnum Management Corporation,

one of its general partners

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

KEYBANK NATIONAL ASSOCIATION, as

Agent and as a Bank

By: Brendan A. Lawlor, Vice President

NATIONAL CITY BANK

By:

Name:

Title:

BANK ONE, MICHIGAN

By:

Name:

Title:

FIFTH THIRD BANK

By:

Name:

Title:

FIRST UNION NATIONAL BANK

By:

Name:

Title:

JP MORGAN CHASE BANK

By:

Name:

Title:

COMERICA BANK

By:

Name:

Title:

UMB BANK, n.a.

By:

Name:

Title:

## GUARANTOR ACKNOWLEDGMENT

The undersigned consents and agrees to and acknowledges the terms of the foregoing First Amendment Agreement. The undersigned further agrees that the obligations of the undersigned pursuant to the Guaranty of Payment executed by the undersigned shall remain in full force and effect and be unaffected hereby.

JURY TRIAL WAIVER. BORROWERS, AGENT, EACH BANK AND EACH GUARANTOR OF PAYMENT HEREBY WAIVES ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE, AMONG BORROWERS, AGENT, THE BANKS OR THE GUARANTORS OF PAYMENT, OR ANY THEREOF, ARISING OUT OF, IN CONNECTION WITH, RELATED TO, OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED AMONG THEM IN CONNECTION WITH THIS AGREEMENT OR ANY NOTE OR OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith OR THE TRANSACTIONS RELATED THERETO.

MICHIGAN'S ADVENTURE, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Cedar Fair, L.P.

Cedar Fair

Magnum Management Corporation

Knott's Berry Farm

\$20,000,000 5.66% Senior Notes, Series D, due February 8, 2007

\$20,000,000 6.56% Senior Notes, Series E, due February 8, 2012

\$20,000,000 6.61% Senior Notes, Series F, due February 8, 2013

\$20,000,000 6.66% Senior Notes, Series G, due February 8, 2014

\$20,000,000 6.71% Senior Notes, Series H, due February 8, 2015

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Note Purchase Agreement

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Dated as of February 8, 2002

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## Signature

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Exhibit 1(a) - Form of 5.66% Senior Notes, Series D, due February 8, 2007

Exhibit 1(b) - Form of 6.56% Senior Notes, Series E, due February 8, 2012

Exhibit 1(c) - Form of 6.61% Senior Notes, Series F, due February 8, 2013

Exhibit 1(d) - Form of 6.66% Senior Notes, Series G, due February 8, 2014

Exhibit 1(e) - Form of 6.71% Senior Notes, Series H, due February 8, 2015

Exhibit 4.4(a) - Form of Opinion of Special Counsel for the Obligors

Exhibit 4.4(b) - Form of Opinion of Special Counsel for the Purchasers

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**Cedar Fair, L.P.**  
**Cedar Fair**  
**Magnum Management Corporation**  
**Knott's Berry Farm**

1 Cedar Point Drive  
Sandusky, Ohio 44870

Re:

\$20,000,000 5.66% Senior Notes, Series D, due February 8, 2007

\$20,000,000 6.56% Senior Notes, Series E, due February 8, 2012

\$20,000,000 6.61% Senior Notes, Series F, due February 8, 2013

\$20,000,000 6.66% Senior Notes, Series G, due February 8, 2014

\$20,000,000 6.71% Senior Notes, Series H, due February 8, 2015

Dated as of

February 8, 2002

To the Purchaser listed in  
the attached Schedule A who  
is a signatory to this Agreement:

Ladies and Gentlemen:

Cedar Fair, L.P., a Delaware limited partnership ("*Cedar L.P.*"), Cedar Fair, an Ohio general partnership ("*Cedar*"), Magnum Management Corporation, an Ohio corporation ("*Magnum*"), and Knott's Berry Farm, a California general partnership ("*Knott's*"; Knott's together with Cedar L.P., Cedar and Magnum are each hereinafter individually referred to as an "*Obligor*" and collectively as the "*Obligors*"), jointly and severally agree with you as follows:

Section 1. Authorization of Notes.

The Obligors will authorize the issue and sale of (a) \$20,000,000 aggregate principal amount of their 5.66% Senior Notes, Series D, due February 8, 2007 (the "*Series D Notes*"), (b) \$20,000,000 aggregate principal amount of their 6.56% Senior Notes, Series E, due February 8, 2012 (the "*Series E Notes*"), (c) \$20,000,000 aggregate principal amount of their 6.61% Senior Notes, Series F, due February 8, 2013 (the "*Series F Notes*"), (d) \$20,000,000 aggregate principal amount of their 6.66% Senior Notes, Series G, due February 8, 2014 (the "*Series G Notes*") and (e) \$20,000,000 aggregate principal amount of their 6.71% Senior Notes, Series H, due February 8, 2015 (the "*Series H Notes*"; the



Series D Notes, the Series E Notes, the Series F Notes, the Series G Notes and the Series H Notes being hereinafter collectively referred to as the "*Notes*", such term to include any such notes issued in substitution therefor pursuant to **Section 13** of this Agreement or the Other Agreements (as hereinafter defined)). The Notes shall be substantially in the form set out in **Exhibit 1(a), 1(b), 1(c), 1(d) and 1(e)**, respectively, with such changes therefrom, if any, as may be approved by you and the Obligors. Certain capitalized terms used in this Agreement are defined in **Schedule B**; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

## Section 2. Sale and Purchase of Notes; Guaranty.

*Section 2.1. Sale and Purchase of Notes.* Subject to the terms and conditions of this Agreement, the Obligors will issue and sell to you and you will purchase from the Obligors, at the Closing provided for in **Section 3**, Notes in the principal amount and of the series specified opposite your name in **Schedule A** at the purchase price of 100% of the principal amount thereof. Contemporaneously with entering into this Agreement, the Obligors are entering into separate Note Purchase Agreements (the "*Other Agreements*") identical with this Agreement with each of the other purchasers named in **Schedule A** (the "*Other Purchasers*"), providing for the sale at such Closing to each of the Other Purchasers of Notes in the principal amount and of the series specified opposite its name in **Schedule A**. Your obligation hereunder, and the obligations of the Other Purchasers under the Other Agreements, are several and not joint obligations, and you shall have no obligation under any Other Agreement and no liability to any Person for the performance or nonperformance by any Other Purchaser thereunder.

*Section 2.2. Guaranty.* (a) The payment by the Obligors of all amounts due with respect to the Notes and the performance by the Obligors of their respective obligations under this Agreement and the Other Agreements will be absolutely and unconditionally guaranteed by Michigan's Adventure, Inc. (together with any additional Subsidiary who delivers a guaranty pursuant to **Section 9.7**, the "*Subsidiary Guarantors*") pursuant to the guaranty agreement substantially in the form of **Exhibit 5** attached hereto and made a part hereof (as the same may be amended, modified, extended or renewed, the "*Subsidiary Guaranty*").

(b) The enforcement of the rights and benefits in respect of the Subsidiary Guaranty and the allocation of proceeds thereof shall be subject to an intercreditor agreement substantially in the form of **Exhibit 4.5** attached hereto and made a part hereof (as the same may be amended, modified, extended or renewed, the "*Amended and Restated Intercreditor Agreement*").

## Section 3. Closings.

The sale and purchase of the Notes to be purchased by you and the Other Purchasers shall occur at the offices of Chapman and Cutler, 111 West Monroe St., Chicago, IL 60603, at 10:00 A.M. Chicago time, on the date or dates set forth opposite your name on **Schedule A**, the first of which shall occur on February 8, 2002, the second of which shall occur on March 15, 2002 and the third of which shall occur on April 30, 2002 (individually, each called a "*Closing*" and collectively the "*Closings*") or, in the case of each such Closing, on such other Business Day thereafter as may be agreed upon by the Obligors and you and the Other Purchasers. At each Closing, the Obligors will deliver to you the Notes of the series to be purchased by you in the form of a single Note (or such greater number of Notes in denominations of at least \$100,000 as you may request) dated the date of such Closing and registered in your name (or in the name of your nominee), against delivery by you to the Obligors or their order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds for the account of the Obligors to account number 1001515467 at KeyBank National Association, ABA #041001039. If on the date of a Closing on which you are scheduled to purchase Notes the Obligors shall fail to tender such Notes to you as provided above in this **Section 3**, or any of the conditions specified in **Section 4** shall not have been fulfilled to your satisfaction, you shall, at your election, be relieved of all further obligations under this Agreement, without thereby waiving any rights you may have by reason of such failure or such nonfulfillment.

#### Section 4. Conditions to Each Closing.

Your obligation to purchase and pay for the Notes to be sold to you at each Closing on which you are scheduled to purchase and pay for such Notes is subject to the fulfillment to your satisfaction, prior to or at such Closing, of the following conditions:

*Section 4.1. Representations and Warranties.* (a) The representations and warranties of each of the Obligor in this Agreement shall be correct when made and at the time of such Closing.

(b) The representations and warranties of each Subsidiary Guarantor in the Subsidiary Guaranty shall be correct when made and at the time of such Closing.

*Section 4.2. Performance; No Default.* (a) Each of the Obligor shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at such Closing, and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by **Schedule 5.14**), no Default or Event of Default shall have occurred and be continuing.

(b) Each Subsidiary Guarantor shall have performed and complied with all agreements and conditions contained in the Subsidiary Guaranty required to be performed and complied with by it prior to or at such Closing, and after giving effect to the issue and sale of Notes (and the application of the proceeds thereof as contemplated by **Schedule 5.14**), no Default or Event of Default shall have occurred and be continuing.

*Section 4.3. Compliance Certificates.*

(a) *Officer's Certificate.* Each of the Obligor shall have delivered to you an Officer's Certificate, dated the date of such Closing, certifying that the conditions specified in **Sections 4.1(a), 4.2(a)** and **4.11** have been fulfilled.

(b) *Subsidiary Guarantor Officer's Certificate.* Each Subsidiary Guarantor shall have delivered to you a certificate of an authorized officer, dated the date of such Closing, certifying that the conditions set forth in **Section 4.1(b), 4.2(b)** and **4.11** have been fulfilled.

(c) *Secretary's Certificate.* Each of the Obligor shall have delivered to you a certificate of its Secretary or the Secretary of its general partner in the case of Cedar L.P., Cedar and Knott's, certifying as to the resolutions attached thereto and other proceedings relating to the authorization, execution and delivery of the Notes, this Agreement and the Other Agreements.

(d) *Subsidiary Guarantor Secretary's Certificate.* Each Subsidiary Guarantor shall have delivered to you a certificate certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Subsidiary Guaranty.

*Section 4.4. Opinions of Counsel.* You shall have received opinions in form and substance satisfactory to you, dated the date of such Closing (a) from Squire, Sanders & Dempsey, L.L.P., counsel for the Obligor and the Subsidiary Guarantors, covering the matters set forth in **Exhibit 4.4(a)** and covering such other matters incident to the transactions contemplated hereby as you or your special counsel may reasonably request (and the Obligor hereby instruct their counsel to deliver such opinion to you) and (b) from Chapman and Cutler, your special counsel in connection with such transactions, substantially in the form set forth in **Exhibit 4.4(b)** and covering such other matters incident to such transactions as you may reasonably request.

*Section 4.5. Intercreditor Agreement and Subsidiary Guaranty.* The Amended and Restated Intercreditor Agreement among the Prudential Noteholders, the Bank Lenders, you and the Other Purchasers and the Subsidiary Guaranty entered into by the Subsidiary Guarantor shall each be in full force and effect and shall constitute the legal, valid and binding obligations of all of the parties thereto.

*Section 4.6. Consent.* You shall have received true, correct and complete copies, certified by a Responsible Officer of Cedar L.P. of: (a) each Prudential Note Agreement, (b) the Bank Credit Agreement, (c) any necessary amendments, consents or waivers to each of the Bank Credit Agreement and the Prudential Note Agreement to permit the issuance and sale of the Notes.

*Section 4.7. Purchase Permitted By Applicable Law, Etc.* On the date of such Closing, your purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which you are subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject you to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by you, you shall have received an Officer's Certificate certifying as to such matters of fact as you may reasonably specify to enable you to determine whether such purchase is so permitted.

*Section 4.8. Sale of Other Notes.* (a) Contemporaneously with the first Closing, the Obligors shall sell to the Other Purchasers, and the Other Purchasers shall purchase, the Notes to be purchased by them at such Closing as specified in **Schedule A**.

(b) On the date of the second Closing, the Obligors shall have sold all of the Notes as specified in **Schedule A** to be sold on the date of the second Closing.

(c) On the date of the third Closing, the Obligors shall have sold all of the Notes as specified in **Schedule A** to be sold on the date of the third Closing.

*Section 4.9. Payment of Special Counsel Fees.*; Without limiting the provisions of **Section 15.1**, the Obligors shall have paid on or before such Closing the fees, charges and disbursements of your special counsel referred to in **Section 4.4** to the extent reflected in a statement of such counsel rendered to the Obligors at least one Business Day prior to such Closing.

*Section 4.10. Private Placement Number.* A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for each series of the Notes.

*Section 4.11. Changes in Corporate Structure.* Except as specified in **Schedule 4.11**, no Obligor shall have changed its jurisdiction of organization or been a party to any merger or consolidation and no Obligor shall have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in **Schedule 5.5**.

*Section 4.12.*

*Funding Instructions.* At least three Business Days prior to the date of such Closing, you shall have received written instructions executed by a Responsible Officer of each of the Obligors directing the manner of the payment of funds and setting forth (a) the name and address of the transferee bank, (b) such transferee bank's ABA number, (c) the account name and number into which the purchase price for the Notes is to be deposited, and (d) the name and telephone number of the account representative responsible for verifying receipt of such funds.

*Section 4.13. Proceedings and Documents.* All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to you and your special counsel, and you and your special counsel shall have received all such counterpart originals or certified or other copies of such documents as you or they may reasonably request.

## Section 5. Representations and Warranties of the Obligors.

Each Obligor, jointly and severally, represents and warrants to you that:

*Section 5.1. Organization; Power and Authority.* Each Obligor is a corporation, limited partnership or general partnership, as the case may be, duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each Obligor has the power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement, the Other Agreements and the Notes and to perform the provisions hereof and thereof.

*Section 5.2. Authorization, Etc.* This Agreement, the Other Agreements and the Notes have been duly authorized by all necessary action on the part of each Obligor, and this Agreement and the Other Agreements constitute, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of each Obligor enforceable against such Obligor in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

*Section 5.3. Disclosure.* The Obligors, through their agents, Bank One Capital Markets, Inc., and National City Bank, have delivered to you and each Other Purchaser a copy of a Private Placement Memorandum, dated January, 2002 (the "*Memorandum*"), relating to the transactions contemplated hereby. Except as disclosed in **Schedule 5.3**, this Agreement, the Memorandum, the documents, certificates or other writings identified in **Schedule 5.3** and the financial statements listed in **Schedule 5.5**, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Memorandum or as expressly described in **Schedule 5.3**, or in one of the documents, certificates or other writings identified therein, or in the financial statements listed in **Schedule 5.5**, since December 31, 2000, there has been no change in the financial condition, operations, business or properties of the Obligors or any of their respective Subsidiaries except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

*Section 5.4. Organization and Ownership of Shares of Subsidiaries.* (a) **Schedule 5.4** is (except as noted therein) a complete and correct list of each Obligor's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Obligors and each other Subsidiary.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in **Schedule 5.4** as being owned by the Obligors and their Subsidiaries have, in the case of capital stock, been validly issued, are fully paid and nonassessable and, in all cases, are owned by the Obligors or another Subsidiary free and clear of any Lien (except as otherwise disclosed in **Schedule 5.4**).

(c) Each Subsidiary identified in **Schedule 5.4** is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.



(d) No Subsidiary is a party to, or otherwise subject to, any legal restriction or other agreement (other than this Agreement, the agreements listed on **Schedule 5.4** and customary limitations imposed by corporate law statutes) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to an Obligor or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interest of such Subsidiary.

#### *Section 5.5. Financial Statements*

. The Obligors have delivered to each Purchaser copies of the consolidated financial statements of Cedar L.P. and its Subsidiaries listed on **Schedule 5.5**. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of Cedar L.P. and its Subsidiaries as of the respective dates specified in such financial statements and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments).

*Section 5.6. Compliance with Laws, Other Instruments, Etc.* The execution, delivery and performance by each Obligor of this Agreement, the Other Agreements and the Notes will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of such Obligor or any Subsidiary of such Obligor under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, partnership agreement or any other agreement or instrument to which such Obligor or any Subsidiary of such Obligor is bound or by which such Obligor or any Subsidiary of such Obligor or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to such Obligor or any Subsidiary of such Obligor or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to such Obligor or any Subsidiary of such Obligor.

*Section 5.7. Governmental Authorizations, Etc.* No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by any Obligor of this Agreement, the Other Agreements or the Notes.

*Section 5.8. Litigation; Observance of Statutes and Orders.* (a) Except as disclosed in **Schedule 5.8**, there are no actions, suits or proceedings pending or, to the knowledge of any Obligor, threatened against or affecting any Obligor or any Subsidiary of such Obligor or any property of any Obligor or any Subsidiary of such Obligor in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) No Obligor nor any Subsidiary of any Obligor is in default under any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including without limitation Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

*Section 5.9. Taxes.* Each Obligor and each of its Subsidiaries has filed all income tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments payable by them, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (a) the amount of which is not individually or in the aggregate Material or (b) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which such Obligor or such Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Federal income tax liabilities of each Obligor and each of its Subsidiaries have been paid for all fiscal years up to and including the fiscal year ended March 31, 2001 with respect to Magnum and December 31, 2001 with respect to Cedar L.P., Cedar and Knott's.

*Section 5.10. Title to Property; Leases.* Each Obligor and each of its Subsidiaries has good and sufficient title to its respective Material properties, including all such properties reflected in the most recent audited balance sheet referred to in **Section 5.5** or purported to have been acquired by any Obligor or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement, except for those defects in title and Liens that individually or in the aggregate, would not have a Material Adverse Effect. All Material leases are valid and subsisting and are in full force and effect in all material respects.

*Section 5.11. Licenses, Permits, Etc.* Except as disclosed in **Schedule 5.11**, each Obligor and each of its Subsidiaries owns or possesses all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that are Material, without known conflict with the rights of others, except for those conflicts that, individually or in the aggregate, would not have a Material Adverse Effect.

*Section 5.12. Compliance with ERISA.* (a) Each Obligor and each of its ERISA Affiliates has operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and could not reasonably be expected to result in a Material Adverse Effect. No Obligor nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that would reasonably be expected to result in the incurrence of any such liability by any Obligor or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of any Obligor or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to any penalty or excise tax provisions or to Section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as could not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in Section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in Section 3 of ERISA.

(c) No Obligor nor any of its ERISA Affiliates has incurred withdrawal liabilities (nor is subject to contingent withdrawal liabilities) under Section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected post-retirement benefit obligations (determined as of the last day of each Obligor's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by Section 4980B of the Code) of the Obligors and their ERISA Affiliates is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of Section 406 of ERISA or in connection with which a tax could be imposed pursuant to Section 4975(c)(1)(A)-(D) of the Code. The representation by each Obligor in the first sentence of this **Section 5.12(e)** is made in reliance upon and subject to the accuracy of your representation in **Section 6.2** as to the sources of the funds to be used to pay the purchase price of the Notes to be purchased by you.

*Section 5.13. Private Offering by the Obligors.* No Obligor nor anyone acting on its behalf has offered the Notes or any similar Securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than you, the Other Purchasers and not more than 52 other Institutional Investors, each of which has been offered the Notes at a private sale for investment. No Obligor nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act.

*Section 5.14. Use of Proceeds; Margin Regulations.* The Obligors will apply the proceeds of the sale of the Notes as set forth in **Schedule 5.14**. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any Securities under such circumstances as to involve any Obligor in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute any of the consolidated assets of the Obligors and their Subsidiaries and the Obligors do not have any present intention that margin stock will constitute any of the value of such assets. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

*Section 5.15. Existing Indebtedness.* Except as described therein, **Schedule 5.15** sets forth a complete and correct list of all outstanding Indebtedness of the Obligors and their Subsidiaries as of January 31, 2002, since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Indebtedness of the Obligors or their Subsidiaries. No Obligor nor any of its Subsidiaries is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Indebtedness of any Obligor or such Subsidiary and no event or condition exists with respect to any Indebtedness of any Obligor or any Subsidiary that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Indebtedness to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

*Section 5.16. Foreign Assets Control Regulations, Etc.* Neither the sale of the Notes by the Obligors hereunder nor their use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

*Section 5.17. Status under Certain Statutes.* No Obligor nor any of its Subsidiaries is an "investment company" registered or required to be registered under the Investment Company Act of 1940, as amended, or is subject to regulation under the Public Utility Holding Company Act of 1935, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

*Section 5.18. Notes Rank Pari Passu.* The obligations of each Obligor under this Agreement and the Notes rank at least *pari passu* in right of payment with all other senior unsecured Indebtedness (actual or contingent) of such Obligor, including, without limitation, all senior unsecured Indebtedness of such Obligor described in **Schedule 5.15** hereto.

*Section 5.19. Existing Investments.* **Schedule 5.19** sets forth a complete and correct list of all outstanding Investments of each Obligor and each of its Subsidiaries as of the date of the first Closing.

## Section 6. Representations of the Purchaser.

*Section 6.1. Purchase for Investment.* You represent that you are purchasing the Notes for your own account or for one or more separate accounts maintained by you or for the account of one or more pension or trust funds and not with a view to the distribution thereof; *provided* that the disposition of your or their property shall at all times be within your or their control. You understand that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Obligors are not required to register the Notes.

*Section 6.2. Source of Funds.* You represent that at least one of the following statements is an accurate representation as to each source of funds (a "Source") to be used by you to pay the purchase price of the Notes to be purchased by you hereunder:

(a) the Source is an "insurance company general account" within the meaning of Department of Labor Prohibited Transaction Exemption ("PTE") 95-60 (issued July 12, 1995) and there is no employee benefit plan, treating as a single

plan, all plans maintained by the same employer or employee organization, with respect to which the amount of the general account reserves and liabilities for all contracts held by or on behalf of such plan, exceed 10% of the total reserves and liabilities of such general account (exclusive of separate account liabilities) plus surplus, as set forth in the NAIC Annual Statement filed with your state of domicile; or

(b) the Source is either (1) an insurance company pooled separate account, within the meaning of PTE 90-1 (issued January 29, 1990), or (2) a bank collective investment fund, within the meaning of the PTE 91-38 (issued July 12, 1991) and, except as you have disclosed to the Obligors in writing pursuant to this paragraph **(b)**, no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(c) the Source constitutes assets of an "investment fund" (within the meaning of Part V of the QPAM Exemption) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a Person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in any Obligor and (1) the identity of such QPAM and (2) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to such Obligor in writing pursuant to this paragraph **(c)**; or

(d) the Source is a governmental plan; or

(e) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Obligors in writing pursuant to this paragraph **(e)**; or

(f) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this **Section 6.2**, the terms "employee benefit plan," "governmental plan," "party in interest" and "separate account" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

## Section 7. Information as to the Obligors.

*Section 7.1. Financial and Business Information.* The Obligors shall deliver to each holder of Notes that is an Institutional Investor:

(a) *Quarterly Statements* - within 60 days after the end of each quarterly fiscal period in each fiscal year of Cedar L.P. (other than the last quarterly fiscal period of each such fiscal year), two copies of:

(1) a consolidated balance sheet of Cedar L.P. and its Subsidiaries as at the end of such quarter, and

(2) consolidated statements of income, changes in partners' equity (or similar equity interests) and cash flows of Cedar L.P. and its Subsidiaries for such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer of Cedar L.P. as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments; *provided* that delivery within the time period specified above of copies of Cedar L.P.'s Quarterly



Report on Form 10-Q prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this **Section 7.1(a)**;

(b) *Annual Statements* - within 105 days after the end of each fiscal year of Cedar L.P., duplicate copies of:

(1) a consolidated balance sheet of Cedar L.P. and its Subsidiaries, as at the end of such year, and

(2) consolidated statements of income, changes in partners' equity (or similar equity interests) and cash flows of Cedar L.P. and its Subsidiaries, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, *provided* that the delivery within the time period specified above of Cedar L.P.'s Annual Report on Form 10-K for such fiscal year (together with Cedar L.P.'s annual report to partners, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor and filed with the Securities and Exchange Commission, shall be deemed to satisfy the requirements of this **Section 7.1(b)**;

(c) *SEC and Other Reports* - promptly upon their becoming available, one copy of (1) each financial statement, report, notice or proxy statement sent by any Obligor or any Subsidiary to public Securities holders generally, and (2) each regular or periodic report, each registration statement that has become effective (without exhibits except as expressly requested by such holder), and each final prospectus and all amendments thereto filed by any Obligor or any Subsidiary with the Securities and Exchange Commission;

(d) *Notice of Default or Event of Default* - promptly, and in any event within five Business Days after a Responsible Officer becoming aware of the existence of any Default or Event of Default, a written notice specifying the nature and period of existence thereof and what action the Obligors are taking or propose to take with respect thereto;

(e) *ERISA Matters* - promptly, and in any event within five Business Days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Obligors or an ERISA Affiliate propose to take with respect thereto:

(1) with respect to any Plan, any reportable event, as defined in Section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(2) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by any Obligor or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(3) any event, transaction or condition that could result in the incurrence of any liability by any Obligor or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of any Obligor or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, would reasonably be expected to have a Material Adverse Effect;

(f) *Additional Credit Agreement Reports* - promptly, and in any event within five days of delivery thereof, copies of any other reports, notices or statements delivered by an Obligor to the Bank Lenders or Agent pursuant to the Bank Credit Agreement; and

(g) *Requested Information* - with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Obligors or any of their Subsidiaries or relating to the ability of the Obligors to perform their obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Notes, including without limitation, such information as is required by Rule 144A under the Securities Act to be delivered to the prospective transferee of the Notes.

*Section 7.2. Officer's Certificate.* Each set of financial statements delivered to a holder of Notes pursuant to **Section 7.1(a)** or **Section 7.1(b)** hereof shall be accompanied by a certificate of a Senior Financial Officer of Cedar L.P. setting forth:

(a) *Covenant Compliance* - the information (including detailed calculations) required in order to establish whether the Obligors were in compliance with the requirements of **Section 10.1** through **Section 10.8** hereof, inclusive, during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) *Event of Default* - a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Obligors and their Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of any Obligor or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Obligors shall have taken or propose to take with respect thereto.

*Section 7.3. Inspection.* Each Obligor shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) *No Default* - if no Event of Default then exists, at the expense of such holder and upon reasonable prior notice to such Obligor, to visit the principal executive office of such Obligor, to discuss the affairs, finances and accounts of such Obligor and its Subsidiaries with such Obligor's officers, and, with the consent of such Obligor (which consent will not be unreasonably withheld) to visit the other offices and properties of such Obligor and each of its Subsidiaries, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) *Default* - if an Event of Default then exists, at the expense of such Obligor, to visit and inspect any of the offices or properties of such Obligor or any of its Subsidiaries, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision such Obligor authorizes said accountants to discuss the affairs, finances and accounts of the Obligors and their Subsidiaries), all at such times and as often as may be requested.

## Section 8. Prepayment of the Notes.

*Section 8.1. Required Prepayments.* The Notes shall not be subject to a required prepayment prior to the final maturity thereof.

*Section 8.2. Optional Prepayments with Make-Whole Amount.* The Obligors may, at their option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than \$1,000,000, in the case of a partial prepayment (but if in the case of a partial prepayment, then against each series of Notes in proportion to the aggregate principal amount outstanding on each series), at 100% of the principal amount so prepaid, together with interest accrued thereon to the date of such prepayment, *plus* the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Obligors will give each holder of Notes written notice of each optional prepayment under this **Section 8.2** not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of each series of Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with **Section 8.3**), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Obligors shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

*Section 8.3. Allocation of Partial Prepayments.* In the case of each partial prepayment of the Notes pursuant to **Section 8.2**, the principal amount of the Notes to be prepaid shall be (a) allocated among each series of Notes in proportion to the aggregate unpaid principal amount of each such series of Notes and (b) allocated *pro rata* among all of the holders of each series of Notes outstanding in accordance with the unpaid principal amount thereof.

*Section 8.4. Maturity; Surrender, Etc.* In the case of each prepayment of Notes pursuant to this **Section 8**, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Obligors shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Obligors and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

*Section 8.5. Purchase of Notes.* The Obligors will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any series of the outstanding Notes or any part or portion of any series thereof except (a) upon the payment or prepayment of each series of the Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to an offer to purchase made by an Obligor or an Affiliate *pro rata* to the holders of all Notes at the time outstanding upon the same terms and conditions. Any such offer shall provide each holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least ten Business Days. If the holders of more than 25% of the principal amount of the Notes then outstanding accept such offer, such Obligor shall promptly notify the remaining holders of such fact and the expiration date for the acceptance by holders of Notes of such offer shall be extended by the number of days necessary to give each such remaining holder at least five Business Days from its receipt of such notice to accept such offer. The Obligors will promptly cancel all Notes acquired by them or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

*Section 8.6. Make-Whole Amount.* The term "*Make-Whole Amount*" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal; *provided* that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

*"Called Principal"*

means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to **Section 8.2** or has become or is declared to be immediately due and payable pursuant to **Section 12.1**, as the context requires.

### *"Discounted Value"*

means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

### *"Reinvestment Yield"*

means, with respect to the Called Principal of any Note, 0.50% over the yield to maturity implied by (a) the yields reported, as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the applicable "PX-1" page of the Bloomberg Financial Markets Services Screen (or, if not available, any other national recognized trading screen reporting on-line intraday trading in the U.S. Treasury Securities) for actively traded on-the-run U.S. Treasury Securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (b) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable, the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in Federal Reserve Statistical Release H.15 (519) (or any comparable successor publication) for actively traded U.S. Treasury Securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date. Such implied yield will be determined, if necessary, by (1) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (2) interpolating linearly between (i) the actively traded U.S. Treasury Security with the maturity closest to and greater than the Remaining Average Life and (ii) the actively traded U.S. Treasury Security with the maturity closest to and less than the Remaining Average Life.

### *"Remaining Average Life"*

means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (a) such Called Principal into (b) the sum of the products obtained by multiplying (1) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (2) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

### *"Remaining Scheduled Payments"*

means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date; *provided* that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to **Section 8.2** or **12.1**.

### *"Settlement Date"*

means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to **Section 8.2** or has become or is declared to be immediately due and payable pursuant to **Section 12.1**, as the context requires.

## Section 9. Affirmative Covenants.

Each Obligor, jointly and severally, covenants that so long as any of the Notes are outstanding:

*Section 9.1. Compliance with Law.* Each Obligor will, and each Obligor will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA and all Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not reasonably be expected, individually or in the aggregate, to have a materially adverse effect on the business, operations, affairs, financial condition, properties or assets of the Obligors and their Subsidiaries taken as a whole.

*Section 9.2. Insurance.* Each Obligor will, and each Obligor will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

*Section 9.3. Maintenance of Properties.* Each Obligor will, and each Obligor will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times; *provided* that this Section shall not prevent any Obligor or any of its Subsidiaries from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and such Obligor has concluded that such discontinuance would not, individually or in the aggregate, have a materially adverse effect on the business, operations, affairs, financial condition, properties or assets of the Obligors and their Subsidiaries taken as a whole.

*Section 9.4. Payment of Taxes .* Each Obligor will, and each Obligor will cause each of its Subsidiaries to, file all income tax or similar tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies payable by them, to the extent such taxes, assessments, charges and levies have become due and payable and before they have become delinquent; *provided* that no Obligor nor any of its Subsidiaries need pay any such tax, assessment, charge or levy if (a) the amount, applicability or validity thereof is contested by such Obligor or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and such Obligor or such Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of such Obligor or such Subsidiary or (b) the nonpayment of all such taxes, assessments, charges and levies in the aggregate would not reasonably be expected to have a materially adverse effect on the business, operations, affairs, financial condition, properties or assets of the Obligors and their Subsidiaries taken as a whole.

*Section 9.5. Legal Existence, Etc.* Subject to **Section 10.9**, Cedar L.P. will at all times preserve and keep in full force and effect its limited partnership existence. Subject to **Sections 10.8** and **10.9**, each Obligor will at all times preserve and keep in full force and effect the legal existence of each of its Subsidiaries (unless merged into an Obligor or another Subsidiary) and all rights and franchises of such Obligor and its Subsidiaries unless, in the good faith judgment of such Obligor, the termination of or failure to preserve and keep in full force and effect such legal existence, right or franchise would not reasonably be expected to have a materially adverse effect on the business, operations, affairs, financial condition, properties or assets of the Obligors and their Subsidiaries taken as a whole.

*Section 9.6. Notes to Rank Pari Passu.* (a) The Notes and all other obligations under this Agreement of each Obligor are and at all times shall remain direct and unsecured obligations of such Obligor ranking *pari passu* in right of payment with all other Notes from time to time issued and outstanding hereunder without any preference among themselves and *pari passu* with all other present and future unsecured Indebtedness (actual or contingent) of such Obligor which is not expressed to be subordinate or junior in rank to any other unsecured Indebtedness of such Obligor.



(b) Without limitation to the foregoing paragraph (a), if at any time, pursuant to the terms and conditions of the Bank Credit Agreement, the Prudential Note Agreement or any other agreement or instrument in respect of Indebtedness of an Obligor, any existing or newly acquired or formed Subsidiary becomes obligated, directly or indirectly, under the Bank Credit Agreement, the Prudential Note Agreement or any other agreement or instrument in respect of Indebtedness of an Obligor, (1) such Obligor shall cause such Subsidiary to become an Obligor in respect of this Agreement, the Other Agreements and the Notes, and (2) such Obligor shall deliver, or shall cause to be delivered, to the holders of the Notes (i) all such certificates, resolutions, legal opinions and other showings required by the holders of the Notes in form and substance satisfactory to the Required Holders, and (ii) all such amendments to this Agreement, the Other Agreements and the Notes and any other agreement (including the Amended and Restated Intercreditor Agreement) as may reasonably be deemed necessary by the holders of the Notes, and their counsel, in order to reflect the existence of such additional Obligor.

*Section 9.7. Guaranty by Subsidiaries.* The Obligors will cause each Subsidiary which delivers a Guaranty pursuant to the Bank Credit Agreement or a Prudential Note Agreement to concurrently enter into a Subsidiary Guaranty, and within three Business Days thereafter shall deliver to each of the holders of the Notes the following items:

(a) an executed counterpart of such Subsidiary Guaranty or joinder agreement in respect of the existing Subsidiary Guaranty, as appropriate;

(b) a certificate signed by the President, a Vice President or another authorized Responsible Officer of such Subsidiary making representations and warranties to the effect of those contained in **Sections 5.1, 5.2, 5.6 and 5.7**, but with respect to such Subsidiary and such Subsidiary Guaranty, as applicable;

(c) such documents and evidence with respect to such Subsidiary as any holder of the Notes may reasonably request in order to establish the existence and good standing of such Subsidiary and the authorization of the transactions contemplated by such Subsidiary Guaranty;

(d) any amendment or modification to the Amended and Restated Intercreditor Agreement requested by the Required Holders relating to the inclusion of such new Subsidiary Guaranty thereunder; and

(e) an opinion of counsel satisfactory to the Required Holders to the effect that such Subsidiary Guaranty has been duly authorized, executed and delivered and constitutes the legal, valid and binding contract and agreement of such Subsidiary enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

## Section 10. Negative Covenants.

Each Obligor, jointly and severally, covenants that so long as any of the Notes are outstanding:

*Section 10.1. Consolidated Owners' Equity.* No Obligor will, at any time, permit Consolidated Owners' Equity to be less than an amount equal to the sum of (a) \$270,000,000 *plus* (b) 100% of the net proceeds of any equity offering by the Obligors *plus* (c) 100% of the net proceeds of any debt offering of the Obligors, to the extent such debt is converted into equity; *provided, however*, that notwithstanding the foregoing, (i) for any fiscal quarter of Cedar L.P. ending on or about March 31 of any year, no Obligor will permit Consolidated Owners' Equity to be less than an amount equal to 60% of Consolidated Owners' Equity for the most recently completed fiscal year of Cedar L.P. and (ii) for any fiscal quarter of Cedar L.P. ending on or about June 30 of any year, no Obligor will permit Consolidated Owners' Equity to be less than an amount equal to 70% of Consolidated Owners' Equity for the most recently completed fiscal year of Cedar L.P.

*Section 10.2. Consolidated Priority Indebtedness* . No Obligor will, at any time, permit Consolidated Priority Indebtedness to be more than 20% of Consolidated Owners' Equity determined as of the then most recently ended fiscal quarter.

*Section 10.3. Limitations on Funded Debt.* (a) Cedar L.P. will not create, issue, assume, guarantee or otherwise incur or in any manner be or become liable in respect of any Funded Debt, except:

- (1) Funded Debt evidenced by the Notes;
- (2) Funded Debt of Cedar L.P. outstanding as of the date of this Agreement and described on **Schedule 5.15** hereto; and
- (3) additional Funded Debt of Cedar L.P.; *provided*, that at the time of creation, issuance, assumption, guarantee or incurrence thereof and after giving effect thereto and to the application of the proceeds thereof:
  - (i) the ratio of (A) Consolidated Funded Debt to (B) Consolidated Operating Cash Flow for the immediately preceding four fiscal quarter period shall not exceed 3.25 to 1.00; and
  - (ii) no Default or Event of Default exists.

(b) The renewal, extension or refunding of any Funded Debt, issued, incurred or outstanding pursuant to **Section 10.3(a)** shall constitute the issuance of additional Funded Debt which is, in turn, subject to the limitations of the applicable provisions of this **Section 10.3**.

*Section 10.4. Subsidiary Indebtedness.* Cedar L.P. will not at any time permit any of its Subsidiaries (including, without limitation, any Subsidiary that is also an Obligor) to, directly or indirectly, create, incur, assume, guarantee, have outstanding, or otherwise become or remain directly or indirectly liable with respect to, any Indebtedness other than:

- (a) Indebtedness of a Subsidiary that is an Obligor evidenced by the Notes;
- (b) Indebtedness of a Subsidiary evidenced by the Prudential Guaranty, the Bank Guaranty or the Subsidiary Guaranty; *provided*, that the obligee of such Indebtedness has entered into and become subject to the Amended and Restated Intercreditor Agreement;
- (c) Indebtedness of a Subsidiary outstanding on the date of the first Closing and disclosed in **Schedule 5.15** hereto, *provided* that such Indebtedness may be extended, renewed or refunded (without increase in principal amount) without regard to the limitations of this **Section 10.4**;
- (d) Indebtedness of a Subsidiary owed to Cedar L.P. or to a Wholly-Owned Subsidiary of Cedar L.P.;
- (e) Indebtedness of a Subsidiary outstanding at the time such Subsidiary becomes a Subsidiary, *provided* that (1) such Indebtedness shall not have been incurred in contemplation of such Subsidiary becoming a Subsidiary and (2) immediately after such Subsidiary becomes a Subsidiary no Default or Event of Default shall exist, and *provided, further*, that such Indebtedness may not be extended, renewed or refunded except as otherwise permitted by this Agreement; and
- (f) Indebtedness of a Subsidiary that is an Obligor evidenced by Guaranties of Indebtedness of another Subsidiary; *provided*, that the obligee of such Indebtedness has entered into and become subject to the Intercreditor Agreement; and
- (g) additional Indebtedness of a Subsidiary in addition to that otherwise permitted by the foregoing provisions of this **Section 10.4**, *provided* that on the date the Subsidiary incurs or otherwise becomes liable with respect to any such additional Indebtedness and immediately after giving effect thereto and the concurrent retirement of any other Indebtedness:

(1) no Default or Event of Default exists, including, without limitation, under **Section 10.2**; and

(2) in the case of the issuance of any Funded Debt, the ratio of (A) Consolidated Funded Debt to (B) Consolidated Operating Cash Flow for the immediately preceding four fiscal quarter period shall not exceed 3.25 to 1.00.

For the purposes of this **Section 10.4**, any Person becoming a Subsidiary after the date hereof shall be deemed, at the time it becomes a Subsidiary, to have incurred all of its then outstanding Indebtedness, and any Person extending, renewing or refunding any Indebtedness shall be deemed to have incurred such Indebtedness at the time of such extension, renewal or refunding.

*Section 10.5. Limitation on Liens.* No Obligor will, nor will any Obligor permit any Subsidiary to, create or incur, or suffer to be incurred or to exist, any Lien on its or their property or assets, whether now owned or hereafter acquired, or upon any income or profits therefrom, or transfer any property for the purpose of subjecting the same to the payment of obligations in priority to the payment of its or their general creditors, or acquire or agree to acquire, or permit any Subsidiary to acquire, any property or assets upon conditional sales agreements or other title retention devices, except:

(a) Liens for property taxes and assessments or governmental charges or levies and Liens securing claims or demands of mechanics and materialmen; *provided* that payment thereof is not at the time required by **Section 9.4**;

(b) Liens of or resulting from any judgment or award, the time for the appeal or petition for rehearing of which shall not have expired, or in respect of which Cedar L.P. or a Subsidiary shall at any time in good faith be prosecuting an appeal or proceeding for a review and in respect of which a stay of execution pending such appeal or proceeding for review shall have been secured;

(c) Liens incidental to the conduct of business or the ownership of properties and assets (including Liens in connection with worker's compensation, unemployment insurance and other like laws, warehousemen's and attorneys' liens and statutory landlords' liens) and Liens to secure the performance of bids, tenders or trade contracts, or to secure statutory obligations, surety or appeal bonds or other Liens of like general nature, in any such case incurred in the ordinary course of business and not in connection with the borrowing of money; *provided* in each case, the obligation secured is not overdue or, if overdue, is being contested in good faith by appropriate actions or proceedings;

(d) minor survey exceptions or minor encumbrances, easements or reservations, or rights of others for rights-of-way, utilities and other similar purposes, or zoning or other restrictions as to the use of real properties, which are necessary for the conduct of the activities of Cedar L.P. and its Subsidiaries or which customarily exist on properties of corporations engaged in similar activities and similarly situated and which do not in any event materially impair their use in the operation of the business of Cedar L.P. and its Subsidiaries;

(e) Liens securing Indebtedness of a Subsidiary to Cedar L.P. or to another Wholly-Owned Subsidiary;

(f) Liens existing as of the date of first Closing and described on **Schedule 5.15** hereto;

(g) Liens created or incurred after the date of the first Closing given to secure the payment of the purchase price incurred in connection with the acquisition or purchase or the cost of construction of property or of assets useful and intended to be used in carrying on the business of an Obligor or a Subsidiary, including Liens existing on such property or assets at the time of acquisition thereof or at the time of completion of construction, as the case may be, whether or not such existing Liens were given to secure the payment of the acquisition or purchase price or cost of construction, as the case may be, of the property or assets to which they attach; *provided* that (1) the Lien shall attach solely to the property or assets acquired, purchased or constructed, (2) such Lien shall have been created or incurred within 180 days of the date of acquisition or purchase or completion of construction, as the case may be, (3) at the time of acquisition or purchase or of completion of construction of such property or assets, the aggregate amount remaining unpaid on all Indebtedness secured by Liens on such property or assets, whether or not assumed by Cedar L.P. or a Subsidiary, shall not exceed an amount equal to 100% of the lesser of the total purchase price or fair market value at the time of acquisition or purchase



(as determined in good faith by the Board of Directors of Cedar L.P. or its managing general partner, as the case may be) or the cost of construction on the date of completion thereof, (4) Indebtedness secured by any such Lien shall have been created or incurred within the applicable limitations provided in **Sections 10.3** and **10.4**, and (5) at the time of creation, issuance, assumption, guarantee or incurrence of the Indebtedness secured by such Lien and after giving effect thereto and to the application of the proceeds thereof, no Default or Event of Default would exist;

(h) any Lien existing on property or assets of a corporation at the time such corporation is consolidated with or merged into an Obligor or a Subsidiary or its becoming a Subsidiary, or any Lien existing on any property or assets acquired by Cedar L.P. or any Subsidiary at the time such property or assets are so acquired (whether or not the Indebtedness secured thereby shall have been assumed), *provided* that (1) each such Lien shall extend solely to the property or assets so acquired, (2) any Indebtedness secured by any such Lien and assumed by Cedar L.P. or any Subsidiary shall have been so assumed within the applicable limitations provided in **Sections 10.3** and **10.4**, (3) the Indebtedness secured by any such Lien shall not have been incurred in contemplation of such acquisition and (4) at the time of creation, issuance, assumption, guarantee or incurrence of the Indebtedness secured by such Lien and after giving effect thereto and to the application of the proceeds thereof, no Default or Event of Default would exist;

(i) Liens created or incurred after the date of the first Closing given to secure Indebtedness of Cedar L.P. or any Subsidiary in addition to the Liens permitted by the preceding clauses (a) through (h) hereof; *provided* that (1) all Indebtedness secured by such Liens shall have been incurred within the applicable limitations provided in **Sections 10.3** and **10.4** and (2) at the time of creation, issuance, assumption, guarantee or incurrence of the Indebtedness secured by such Lien and after giving effect thereto and to the application of the proceeds thereof, no Default or Event of Default, including, without limitation, under **Section 10.2**, would exist; and

(j) any extension, renewal or refunding of any Lien permitted by the preceding clauses (f) and (g) of this **Section 10.5** in respect of the same property theretofore subject to such Lien in connection with the extension, renewal or refunding of the Indebtedness secured thereby; *provided* that (1) such extension, renewal or refunding of Indebtedness shall be without increase in the principal amount remaining unpaid as of the date of such extension, renewal or refunding, (2) such Lien shall attach solely to the same such property, (3) the principal amount remaining unpaid as of the date of such extension, renewal or refunding of Indebtedness is less than or equal to the fair market value of the property (determined in good faith by the Board or Directors of such Obligor) to which such Lien is attached, and (4) at the time of such extension, renewal or refunding and after giving effect thereto, no Default or Event of Default would exist.

*Section 10.6. Investments.* No Obligor will, nor will any Obligor permit any Subsidiary to, make any Investments, other than:

(a) Investments by an Obligor and its Subsidiaries in and to Subsidiaries, including any Investment in a corporation which, after giving effect to such Investment, will become a Subsidiary;

(b) Investments in property or assets to be used in the ordinary course of the business of an Obligor and its Subsidiaries of this Agreement;

(c) Investments of an Obligor existing as of the date of the first Closing and described on **Schedule 5.19** hereto;

(d) receivables arising from the sale of goods and services in the ordinary course of business of an Obligor and its Subsidiaries;

(e) Investments in commercial paper of corporations organized under the laws of the United States or any state thereof maturing in 365 days or less from the date of issuance which, at the time of acquisition by an Obligor or any Subsidiary, is accorded a rating of "A-1" or better by Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., or "P-1" by Moody's Investors Service, Inc. or the equivalent by another nationally recognized credit rating agency of similar standard;

(f) Investments in direct obligations of the United States of America or any agency or instrumentality of the United States of America, the payment or guarantee of which constitutes a full faith and credit obligation of the United States of America, in either case, maturing within five years from the date of acquisition thereof;

(g) Investments in certificates of deposit and time deposits maturing within one year from the date of issuance thereof, issued by a bank or trust company organized under the laws of the United States or any State thereof or Canada or any Province thereof, having capital, surplus and undivided profits aggregating at least \$100,000,000 (or the equivalent under local currency); *provided*, that at the time of acquisition thereof by Cedar L.P. or a Subsidiary, (i) the senior unsecured long-term debt of such bank or trust company or of the holding company of such bank or trust company is rated "AA" or better by Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., or "Aa2" or better by Moody's Investors Service, Inc. or (ii) such Investments are fully insured by the Federal Depository Insurance Corporation;

(h) Investments in repurchase agreements with respect to any Security described in clause (f) of this **Section 10.6** entered into with a depository institution or trust company acting as principal described in clause (g) of this **Section 10.6** if such repurchase agreements are by their terms to be performed within 5 days by the repurchase obligor and such repurchase agreements are deposited with a bank or trust company of the type described in clause (g) of this **Section 10.6**;

(i) Investments in readily-marketable, tax-exempt obligations of indebtedness of any State of the United States or any municipality organized under the laws of any State of the United States or any political subdivision thereof which, at the time of acquisition by Cedar L.P. or any Subsidiary, are accorded rating of "AA" or better by Standard & Poor's Ratings Group, a division of McGraw-Hill, Inc., or "Aa2" by Moody's Investors Service, Inc. or an equivalent rating by another nationally recognized credit rating agency of similar standard which in any such case mature no later than 365 days after the date of acquisition thereof;

(j) Investments in any money market fund which is classified as a current asset in accordance with GAAP, the aggregate asset value of which "*marked to market*" is at least \$100,000,000 and which is managed by a fund manager of recognized national standing, and which invests substantially all of its assets in obligations described in clauses (e) through (i) above;

(k) Investments of Cedar L.P. not described in the foregoing clauses (a) through (j); *provided* that the aggregate amount of all such Investments shall not at any time exceed 15% of Consolidated Owners' Equity determined as of the then most recently ended fiscal quarter.

In valuing any Investments for the purpose of applying the limitations set forth in this **Section 10.6**, such Investments shall be taken at the original cost thereof, without allowance for any subsequent write-offs or appreciation or depreciation therein, but less any amount repaid or recovered on account of capital or principal.

For purposes of this **Section 10.6**, at any time when a Person becomes a Subsidiary, all Investments of such Person at such time shall be deemed to have been made by such Person, as a Subsidiary, at such time.

*Section 10.7. Restrictions on Dividends of Subsidiaries.* No Obligor will, nor will any Obligor permit any of its Subsidiaries to, enter into any agreement which would restrict any Subsidiary's ability or right to pay dividends to, or make advances to or Investments in, such Obligor or, if such Subsidiary is not directly owned by such Obligor, the "parent" Subsidiary of such Subsidiary.

*Section 10.8. Sale of Assets, Etc.* Except as permitted under **Section 10.9**, no Obligor will, and no Obligor will permit any of its Subsidiaries to, make any Asset Disposition unless:

(a) in the good faith opinion of Cedar L.P., the Asset Disposition is in exchange for consideration having a Fair Market Value at least equal to that of the property exchanged and is in the best interest of such Obligor or such Subsidiary; and

(b) immediately after giving effect to the Asset Disposition, (1) Cedar L.P. would be permitted by the provisions of **Section 10.3** to incur at least \$1.00 of additional Funded Debt and (2) no Default or Event of Default would exist; and

(c) immediately after giving effect to the Asset Disposition, the Disposition Value of all property that was the subject of any Asset Disposition occurring in the then current fiscal year of Cedar L.P. would not exceed 15% of Consolidated Total Assets determined as of the end of the then most recently ended fiscal year of Cedar L.P.

If the Net Proceeds Amount for any Transfer is applied to a Debt Prepayment Application within 365 days after such Transfer or to a Property Reinvestment Application within 365 days before or after such Transfer, then such Transfer, only for the purpose of determining compliance with subsection (c) of this **Section 10.8** as of any date, shall be deemed not to be an Asset Disposition.

*Section 10.9. Merger, Consolidation, Etc.* No Obligor will, nor will any Obligor permit any of its Subsidiaries to, consolidate with or merge with any other entity or convey, transfer or lease substantially all of its assets in a single transaction or series of transactions to any Person (except that (x) a Subsidiary of an Obligor (other than a Subsidiary of an Obligor that is also an Obligor) may consolidate with or merge with, or convey, transfer or lease substantially all of its assets in a single transaction or series of transactions to, an Obligor or a Wholly-Owned Subsidiary of an Obligor, (y) an Obligor may consolidate with or merge with, or convey, transfer or lease substantially all of its assets in a single transaction or a series of related transactions to, another Obligor, so long as in any consolidation or merger involving Cedar L.P., Cedar L.P. shall be the surviving or continuing entity and (z) an Obligor (other than Cedar L.P.) or a Subsidiary of an Obligor may convey, transfer or lease all of its assets in compliance with the provisions of **Section 10.8**), *provided* that the foregoing restriction does not apply to the consolidation or merger of Cedar L.P. with, or the conveyance, transfer or lease of substantially all of the assets of Cedar L.P. in a single transaction or series of transactions to, any Person so long as:

(a) the successor formed by such consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease substantially all of the assets of Cedar L.P. as an entirety, as the case may be (the "*Successor Entity*"), shall be a solvent limited partnership, limited liability company or corporation organized and existing under the laws of the United States of America, any State thereof or the District of Columbia;

(b) if Cedar L.P. is not the Successor Entity, (1) such entity shall have executed and delivered to each holder of Notes its assumption of the due and punctual performance and observance of each covenant and condition of this Agreement and the Notes (pursuant to such agreements and instruments as shall be reasonably satisfactory to the Required Holders), (2) each Obligor and Subsidiary Guarantor shall have affirmed in writing its obligations under this Agreement and the Subsidiary Guaranty to which it is a party, and (3) Cedar L.P. shall have caused to be delivered to each holder of Notes an opinion of nationally recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof; and

(c) immediately after giving effect to such transaction (1) no Default or Event of Default would exist and (2) the Successor Entity would be permitted by the provisions of **Section 10.3** to incur at least \$1.00 of additional Funded Debt.

No such conveyance, transfer or lease of substantially all of the assets of Cedar L.P. shall have the effect of releasing Cedar L.P. or any Successor Entity from its liability under this Agreement or the Notes.

*Section 10.10. Line of Business.* No Obligor will, nor will any Obligor permit any of its Subsidiaries to, engage in any business if, as a result, the general nature of the business in which the Obligors and their Subsidiaries, taken as a whole, would then be engaged would be substantially changed from the general nature of the business in which the Obligors and their Subsidiaries, taken as a whole, are engaged on the date of this Agreement as described in the Memorandum.

*Section 10.11. Transactions with Affiliates.* No Obligor will, nor will any Obligor permit any of its Subsidiaries to, enter into directly or indirectly any transaction or Material group of related transactions (including without limitation

the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than another Obligor or another Subsidiary), except in the ordinary course and pursuant to the reasonable requirements of such Obligor's or such Subsidiary's business and upon fair and reasonable terms no less favorable to such Obligor or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

## Section 11. Events of Default.

An "*Event of Default*" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Obligors default in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Obligors default in the payment of any interest on any Note for more than five Business Days after the same becomes due and payable; or

(c) the Obligors default in the performance of or compliance with any term contained in **Section 10**; or

(d) the Obligors default in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) of this **Section 11**) and such default is not remedied within 30 days after the earlier of (1) a Responsible Officer obtaining actual knowledge of such default and (2) any Obligor receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this paragraph (d) of **Section 11**); or

(e) any representation or warranty made in writing by or on behalf of any Obligor or Subsidiary Guarantor or by any officer of such Obligor or Subsidiary Guarantor, or by an officer of a general partner of an Obligor in this Agreement, the Subsidiary Guaranty or in any writing furnished in connection with the transactions contemplated hereby or thereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (1) one or more of any Obligor or any Significant Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Indebtedness that is outstanding in an aggregate principal amount of at least \$20,000,000 beyond any period of grace provided with respect thereto, or (2) the Obligor or any Significant Subsidiary is in default in the performance of or compliance with any term of any evidence of any Indebtedness in an aggregate outstanding principal amount of at least \$20,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Indebtedness has become, or has been declared due and payable before its stated maturity or before its regularly scheduled dates of payment; or

(g) any Obligor or any Significant Subsidiary (1) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (2) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (3) makes an assignment for the benefit of its creditors, (4) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (5) is adjudicated as insolvent or to be liquidated, or (6) takes corporate action for the purpose of any of the foregoing; or

(h) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by any Obligor or any Significant Subsidiary, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of any Obligor or any Significant Subsidiary, or any such petition shall be filed against any Obligor or any Significant Subsidiary and such petition shall not be dismissed within 60 days; or



(i) a final judgment or judgments for the payment of money aggregating in excess of \$15,000,000 are rendered against one or more of any Obligor and any Significant Subsidiary and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(j) if (1) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under Section 412 of the Code, (2) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA Section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified any Obligor or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (3) the aggregate "amount of unfunded benefit liabilities" (within the meaning of Section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed \$15,000,000, (4) any Obligor or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (5) any Obligor or any ERISA Affiliate withdraws from any Multiemployer Plan, or (6) any Obligor or any of its Subsidiaries establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of such Obligor or any of its Subsidiaries thereunder; and any such event or events described in clauses (1) through (6) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect; or

(k) (1) any Subsidiary Guarantor defaults in the performance of or compliance with any term contained in the Subsidiary Guaranty or (2) the Subsidiary Guaranty shall cease to be in full force and effect for any reason whatsoever, including, without limitation, a determination by any Governmental Authority that such Subsidiary Guaranty is invalid, void or unenforceable or any Subsidiary Guarantor shall contest or deny in writing the enforceability of any its obligations under the Subsidiary Guaranty.

As used in **Section 11(j)**, the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

## Section 12. Remedies on Default, Etc.

*Section 12.1. Acceleration.* (a) If an Event of Default with respect to any Obligor described in paragraph (g) or (h) of **Section 11** (other than an Event of Default described in clause (1) of paragraph (g) or described in clause (6) of paragraph (g) by virtue of the fact that such clause encompasses clause (1) of paragraph (g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of more than 51% in principal amount of the Notes at the time outstanding may at any time at its or their option, by notice or notices to an Obligor, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of **Section 11** has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to an Obligor, declare all the Notes held by it or them to be immediately due and payable.

Upon any Note's becoming due and payable under this **Section 12.1**, whether automatically or by declaration, such Note will forthwith mature and the entire unpaid principal amount of such Note, *plus* (1) all accrued and unpaid interest thereon and (2) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. Each Obligor acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Obligors (except as herein specifically provided for), and that the provision for payment of a Make-Whole Amount by the Obligors in the

event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

*Section 12.2. Other Remedies.* If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under **Section 12.1**, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein, in the Subsidiary Guaranty or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

*Section 12.3. Rescission.* At any time after any Notes have been declared due and payable pursuant to clause **(b)** or **(c)** of **Section 12.1**, the holders of not less than 51% in principal amount of the Notes then outstanding, by written notice to an Obligor, may rescind and annul any such declaration and its consequences if (a) the Obligors have paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate for the Notes of that series, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to **Section 17**, and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this **Section 12.3** will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

*Section 12.4. No Waivers or Election of Remedies, Expenses, Etc.* No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Obligors under **Section 15**, the Obligors will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this **Section 12**, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

## Section 13. Registration; Exchange; Substitution of Notes.

*Section 13.1. Registration of Notes.* The Obligors shall keep at the principal executive office of Cedar L.P. a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Obligors shall not be affected by any notice or knowledge to the contrary. The Obligors shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

*Section 13.2. Transfer and Exchange of Notes.* Upon surrender of any Note at the principal executive office of Cedar L.P. for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or its attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Obligors shall execute and deliver, at the Obligors' expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor of the same series and in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of **Exhibit 1(a)**, **Exhibit 1(b)**, **Exhibit 1(c)**, **Exhibit 1(d)** or **Exhibit 1(e)**, as applicable. Each such new Note shall be dated and bear interest from the date to which interest shall

have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Obligors may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than \$100,000; *provided* that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than \$100,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in **Section 6.2**. Such transferee shall also become a party to the Amended and Restated Intercreditor Agreement pursuant to the terms of Section 13 thereof.

*Section 13.3. Replacement of Notes.* Upon receipt by the Obligors of evidence reasonably satisfactory to them of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (*provided* that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least \$5,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

the Obligors at their own expense shall execute and deliver, in lieu thereof, a new Note of the same series, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

#### Section 14. Payments on Notes.

*Section 14.1. Place of Payment.* Subject to **Section 14.2**, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in Cleveland, Ohio at the principal office of Keybank National Association in such jurisdiction. The Obligors may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of an Obligor in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

*Section 14.2. Home Office Payment.* So long as you or your nominee shall be the holder of any Note, and notwithstanding anything contained in **Section 14.1** or in such Note to the contrary, the Obligors will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below your name in **Schedule A**, or by such other method or at such other address as you shall have from time to time specified to the Obligors in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Obligors made concurrently with or reasonably promptly after payment or prepayment in full of any Note, you shall surrender such Note for cancellation, reasonably promptly after any such request, to Cedar L.P. at its principal executive office or at the place of payment most recently designated by the Obligors pursuant to **Section 14.1**. Prior to any sale or other disposition of any Note held by you or your nominee you will, at your election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Obligors in exchange for a new Note or Notes pursuant to **Section 13.2**. The Obligors will afford the benefits of this **Section 14.2** to any Institutional Investor that is the direct or indirect transferee of any Note purchased by you under this Agreement and that has made the same agreement relating to such Note as you have made in this **Section 14.2**.

#### Section 15. Expenses, Etc.

*Section 15.1. Transaction Expenses.* Whether or not the transactions contemplated hereby are consummated, the Obligors will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required, local or other counsel) incurred by you and each Other Purchaser or holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement or the

Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the Notes, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of any Obligor or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes and (c) the fees and costs incurred in connection with the initial filing of this Agreement and all related documents and financial information and all subsequent annual and interim filings of documents and financial information related to this Agreement, with the Securities Valuation Office of the National Association of Insurance Commissioners or any successor organization acceding to the authority thereof. The Obligors will pay, and will save you and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those retained by you).

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*Section 15.2. Survival.* The obligations of the Obligors under this **Section 15** will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or the Notes, and the termination of this Agreement.

#### Section 16. Survival of Representations and Warranties; Entire Agreement.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by you of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of you or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of any Obligor pursuant to this Agreement shall be deemed representations and warranties of such Obligor under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between you and the Obligors and supersede all prior agreements and understandings relating to the subject matter hereof.

#### Section 17. Amendment and Waiver.

*Section 17.1. Requirements.* This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Obligors and the Required Holders, except that (a) no amendment or waiver of any of the provisions of **Section 1, 2, 3, 4, 5, 6 or 21** hereof, or any defined term (as it is used therein), will be effective as to you unless consented to by you in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (1) subject to the provisions of **Section 12** relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on the Notes, (2) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (3) amend any of **Sections 8, 11(a), 11(b), 12, 17 or 20**; *provided that*, anything contained in this **Section 17.1 and 17.2** to the contrary notwithstanding, if for any reason whatsoever it becomes necessary or appropriate to enter into any amendment of this Agreement or any waiver with respect to compliance herewith by the Obligors (A) during the period from and including the first Closing through and including the second Closing, Teachers Insurance and Annuity Association of America shall be deemed to be the holder of \$6,666,666 aggregate principal amount of outstanding Series E Notes or (B) during the period from and after the second Closing through and including the third Closing (the "*Series E Note Cut-Off Date*"), Teachers Insurance and Annuity Association of America shall be deemed to be the holder of \$13,333,332 aggregate principal amount of outstanding Series E Notes, in each case (i) for purposes of any determination of the percentage of holders of the Notes required to grant or deny such requested amendment or waiver and (ii) for purposes of any determination of any payment of remuneration, whether by way of supplemental



or additional interest, fee or otherwise pursuant to **Section 17.2**, notwithstanding that the issuance, sale and delivery of the Notes on the third Closing has not been consummated at the time such amendment or waiver is requested or such payment of remuneration is determined pursuant to **Section 17.2**. If for any reason whatsoever, the Series E Notes to be issued to Teachers Insurance and Annuity Association of America are not issued on or prior to the Series E Note Cut-Off Date, any such amendment or waiver entered into as contemplated by the foregoing proviso of this **Section 17.1** shall, at the option of the Required Holders of the then outstanding Notes, be deemed null and void.

#### *Section 17.2. Solicitation of Holders of Notes.*

(a) *Solicitation.* The Obligors will provide each holder of the Notes (irrespective of the amount or series of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Obligors will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this **Section 17** to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* The Obligors will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each holder of each series of Notes then outstanding even if such holder did not consent to such waiver or amendment.

*Section 17.3. Binding Effect, Etc.* Any amendment or waiver consented to as provided in this **Section 17** applies equally to all holders of each series of Notes and is binding upon them and upon each future holder of any Note of any series and upon the Obligors without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Obligors and the holder of any Note of any series nor any delay in exercising any rights hereunder or under any Note of any series shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

*Section 17.4. Notes Held by Obligors, Etc.* Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes of any series directly or indirectly owned by any Obligor or any of its Affiliates shall be deemed not to be outstanding.

#### **Section 18. Notices.**

All notices and communications provided for hereunder shall be in writing and sent (a) by telefacsimile if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

- (i) if to you or your nominee, to you or it at the address specified for such communications in **Schedule A**, or at such other address as you or it shall have specified to the Obligors in writing,
- (ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Obligors in writing, or

(iii) if to the Obligors, c/o Cedar L.P. at its address set forth at the beginning hereof to the attention of Chief Financial Officer, or at such other address as the Obligors shall have specified to the holder of each Note in writing.

Notices under this **Section 18** will be deemed given only when actually received.

#### Section 19. Reproduction of Documents.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by you at the Closings (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to you, may be reproduced by you by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and you may destroy any original document so reproduced. Each Obligor agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by you in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This **Section 19** shall not prohibit the Obligors or any holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

#### Section 20. Confidential Information.

For the purposes of this **Section 20**, "*Confidential Information*" means information delivered to you by or on behalf of any Obligor or any of its Subsidiaries in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified in writing when received by you as being confidential information of such Obligor or such Subsidiary; *provided* that such term does not include information that (a) was publicly known or otherwise known to you prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by you or any Person acting on your behalf, (c) otherwise becomes known to you other than through disclosure by any Obligor or any Subsidiary or (d) constitutes financial statements delivered to you under **Section 7.1** that are otherwise publicly available. You will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by you in good faith to protect confidential information of third parties delivered to you; *provided* that you may deliver or disclose Confidential Information to (1) your directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by your Notes), (2) your financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this **Section 20**, (3) any other holder of any Note, (4) any Institutional Investor to which you sell or offer to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this **Section 20**), (5) any Person from which you offer to purchase any Security of the Obligors (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this **Section 20**), (6) any Federal or state regulatory authority having jurisdiction over you, (7) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about your investment portfolio or (8) any other Person to which such delivery or disclosure may be necessary or appropriate (i) to effect compliance with any law, rule, regulation or order applicable to you, (ii) in response to any subpoena or other legal process, (iii) in connection with any litigation to which you are a party or (iv) if an Event of Default has occurred and is continuing, to the extent you may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under your Notes, this Agreement, the Subsidiary Guaranty and the Amended and Restated Intercreditor Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this **Section 20** as though it were a party to this Agreement. On reasonable request by the Obligors in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder

(other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Obligors embodying the provisions of this **Section 20**.

## Section 21. Substitution of Purchaser.

You shall have the right to substitute any one of your Affiliates as the purchaser of the Notes that you have agreed to purchase hereunder, by written notice to the Obligors, which notice shall be signed by both you and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in **Section 6**. Upon receipt of such notice, wherever the word "you" is used in this Agreement (other than in this **Section 21**), such word shall be deemed to refer to such Affiliate in lieu of you. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to you all of the Notes then held by such Affiliate, upon receipt by the Obligors of notice of such transfer, wherever the word "you" is used in this Agreement (other than in this **Section 21**), such word shall no longer be deemed to refer to such Affiliate, but shall refer to you, and you shall have all the rights of an original holder of the Notes under this Agreement.

## Section 22. Miscellaneous.

*Section 22.1. Successors and Assigns.* All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

*Section 22.2. Payments Due on Non-Business Days.* Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

*Section 22.3. Severability.* Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

*Section 22.4. Construction.* Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Where the character or amount of any asset or liability or item of income or expense is required to be determined or any consolidation or other accounting computation is required to be made by the Obligors for the purposes of this Agreement, the same shall be done by the Obligors in accordance with GAAP, to the extent applicable, except where such principles are inconsistent with the requirements of this Agreement.

*Section 22.5. Counterparts.* This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

*Section 22.6. Governing Law.* This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of Ohio, excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

*Section 22.7. Submission to Jurisdiction.* Each Obligor hereby irrevocably submits to the non-exclusive jurisdiction of any State of Ohio court or any Federal court located in Cleveland, Ohio for the adjudication of any matter arising out of or relating to this Agreement and consents to the service of all writs, process and summonses by registered or certified mail out of any such court or by service of process on the Secretary of State of the State of Ohio which each Obligor hereby irrevocably appoints as its attorney-in-fact and agent to receive, in its name, place and stead, for it and on its behalf, service of process in any action or proceeding in Ohio. Such service shall be deemed completed on delivery to such process agent (whether or not it is forwarded to and received by an Obligor) *provided* that notice of such service of process is given by you or any transferee of your Notes to such Obligor. Nothing contained herein shall affect your right or the right of any transferee of your Notes to serve legal process in any other manner or to bring any proceeding hereunder in any jurisdiction where any Obligor may be amenable to suit. Each Obligor hereby irrevocably waives any objection to any suit, action or proceeding in any State of Ohio court or Federal court located in Cleveland, Ohio on the grounds of venue and hereby further irrevocably waives any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum; and irrevocably and unconditionally waives any right it or its properties may now or hereafter have in respect of its obligations hereunder to any right of immunity from suit, jurisdiction of any court, execution of a judgment, setoff, attachment prior to judgment or attachment in aid of execution of a judgment.

*Section 22.8. Limited Liability of Partners.* Anything in this Agreement or any Note to the contrary notwithstanding, the holders of the Notes agree that no recourse under this Agreement or any Note shall be had against the general partner of Cedar L.P., or any other partner of Cedar L.P., or any partner of any such partner, as such (all of the foregoing, collectively, the "*Exempted Persons*"), whether based on agency, deputization or otherwise, by the enforcement of any assessment or by legal or equitable proceeding, by virtue of statute or otherwise, it being expressly agreed that no personal liability whatsoever shall attach to or be incurred by any Exempted Person under this Agreement, or the Notes; *provided, however*, that the foregoing limitation of liability shall in no way constitute a limitation on the right of the holders of the Notes to enforce their remedies against any Obligor, or their respective properties and assets, or any other Person (other than an Exempted Person, as such), for the collection of amounts due and owing under this Agreement or the Notes.

*Section 22.9. Nature of Obligations.* The obligations of the Obligors under this Agreement and the Notes are joint and several primary obligations of each Obligor regardless of which Obligor actually receives the proceeds of any Notes or the manner in which Obligors, any purchaser or any holder thereof accounts for such Notes on its books and records.

\* \* \* \* \*

If you are in agreement with the foregoing, please sign the form of agreement on the accompanying counterpart of this Agreement and return it to the Obligors, whereupon the foregoing shall become a binding agreement between you and the Obligors.

Very truly yours,

Cedar Fair, L.P.

By: Cedar Fair Management Company,  
its Managing General Partner

By

Its

Cedar Fair

By: Magnum Management Corporation,  
its Managing General Partner

By

Its

Magnum Management Corporation

By

Its

Knott's Berry Farm

By: Cedar Fair, L.P.,

its Managing General Partner

By: Cedar Fair Management Company,

its Managing General Partner

By

Its

Name and Address of Purchaser

| <b>New York Life Insurance Company</b><br><br>c/o New York Life Investment<br>51 Madison Avenue<br>New York, New York 10010<br>Attention: Securities Investment Group,<br>Private Finance, 2 <sup>nd</sup> Floor<br>Telefacsimile Number: (212) 447-4122 | Funding Dates                          |   |  |  |  |
|--|--|---|--|--|--|
|  | Series F<br>Series<br>G<br>Series<br>H | 2/8/02<br>\$2,333,333<br>\$2,500,000<br>\$2,333,333 | 3/15/02<br>\$2,333,333<br>\$2,500,000<br>\$2,333,333 | 4/30/02<br>\$2,333,334<br>\$2,500,000<br>\$2,333,334 | Total<br>\$7,000,000<br>\$7,500,000<br>\$7,000,000 |

## Payments

All payments on or in respect of the Notes to be by wire or intrabank transfer of immediately available funds to:

Chase Manhattan Bank

New York, New York 10019

ABA #021-000-021

Credit: New York Life Insurance Company

General Account Number 008-9-00687

With sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

## Notices

All notices with respect to payments and written confirmation of each such payment, to be addressed:

New York Life Insurance Company

c/o New York Life Investment Management LLC

51 Madison Avenue

New York, New York 10010-1603

Attention: Financial Management and Operations Group

Securities Operations 2<sup>nd</sup> Floor

Fax Number: (212) 447-4160

All other notices and communications to be addressed as first provided above, with a copy of any notices regarding defaults or Events of Default under the operative documents to: Office of the General Counsel, Investment Section, Room 1107, Fax Number (212) 576-8340

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 13-5582869

Name and Address of Purchaser

| New York Life Insurance and<br>Annuity Corporation | Funding Dates      |                       |                        |                        |                      |
|--|--------------------|-----------------------|------------------------|------------------------|----------------------|
|  | Series F<br>Series | 2/8/02<br>\$1,000,000 | 3/15/02<br>\$1,000,000 | 4/30/02<br>\$1,000,000 | Total<br>\$3,000,000 |

|  |                  |                           |                           |                           |                            |
|--|------------------|---------------------------|---------------------------|---------------------------|----------------------------|
| c/o New York Life Investment Management LLC<br>51 Madison Avenue<br>New York, New York 10010-1603<br>Attention: Securities Investment Group,<br>Private Finance, 2 <sup>nd</sup> Floor<br>Telefacsimile Number: (212) 447-4122 | G<br>Series<br>H | \$ 833,333<br>\$1,000,000 | \$ 833,333<br>\$1,000,000 | \$ 833,334<br>\$1,000,000 | \$2,500,000<br>\$3,000,000 |
|--|------------------|---------------------------|---------------------------|---------------------------|----------------------------|

## Payments

All payments on or in respect of the Notes to be by wire or intrabank transfer of immediately available funds to:

Chase Manhattan Bank

New York, New York 10019

ABA #021-000-021

Credit: New York Life Insurance and Annuity Corporation

General Account Number 323-8-47382

With sufficient information (including issuer, PPN number, interest rate, maturity and whether payment is of principal, premium, or interest) to identify the source and application of such funds.

## Notices

All notices with respect to payments and written confirmation of each such payment, to be addressed:

New York Life Insurance and Annuity Corporation

c/o New York Life Investment Management LLC

51 Madison Avenue

New York, New York 10010-1603

Attention: Financial Management and Operations Group

Securities Operations, 2<sup>nd</sup> Floor

Fax Number: (212) 447-4160

All other notices and communications to be addressed as first provided above, with a copy of any notices regarding defaults or Events of Default under the operative documents to: Office of the General Counsel, Investment Section, Room 1107, Fax Number (212) 576-8340

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 13-3044743



Name and Address of Purchaser

|   |               |                       |                        |                        |                       |
|---|---------------|-----------------------|------------------------|------------------------|-----------------------|
| <b>The Travelers Insurance Company</b><br><br>242 Trumbull Street, 7th Floor<br>Hartford, CT 06115-0449<br>Attention: Private Placement Group | Funding Dates |                       |                        |                        |                       |
|   | Series<br>D   | 2/8/02<br>\$3,333,333 | 3/15/02<br>\$3,333,333 | 4/30/02<br>\$3,333,334 | Total<br>\$10,000,000 |

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cedar Fair, L.P. *et al.* 5.66% Senior Notes, Series D due February 8, 2007, PPN 15019\* AA 5, principal, premium or interest") to:

The Travelers Insurance Company - Consolidated Private

Placement Account No. 910-2-587434

The Chase Manhattan Bank, N.A.

One Chase Manhattan Plaza

New York, New York 10081

ABA #021000021

Notices

All notices and communications to be addressed as first provided above, except notices with respect to payment and written confirmation of each such payment, to be addressed:

The Travelers Insurance Company

242 Trumbull Street

P.O. Box 150449

Hartford, CT 06115-0449

Attention: Cashier

Telefacsimile: (860) 277-7941

Name of Nominee in which Notes are to be issued: TRAL & Co

Taxpayer I.D. Number: 06-0566090

Name and Address of Purchaser



|   |               |                       |                        |                        |                       |
|---|---------------|-----------------------|------------------------|------------------------|-----------------------|
| <b>Teachers Insurance and Annuity</b><br><br><b>Association of America</b><br>730 Third Avenue<br>New York, New York 10017-3206 | Funding Dates |                       |                        |                        |                       |
|   | Series D      | 2/8/02<br>\$3,333,333 | 3/15/02<br>\$3,333,333 | 4/30/02<br>\$3,333,334 | Total<br>\$10,000,000 |

## Payments

All payments on or in respect of the Series D Note shall be made in immediately available funds at the opening of business on the due date by electronic funds transfer through the Automated Clearing House System to:

Chase Manhattan Bank

ABA #021-000-021

Account Name: TIAA Personal Annuity Private Placements

Account Number 900-9-000200

For further credit to Account Number: G07320

Reference: PPN: 15019\* AA 5/Cedar Fair, L.P./Mat. Date: February 8, 2007

Interest Rate: 5.66%/P&I Breakdown

## Notices

Contemporaneous with the above electronic funds transfer, advice setting forth (1) the full name, private placement number, interest rate and maturity date of the Series D Note; (2) allocation of payment between principal, interest, Make-Whole Amount, other premium or any special payment; and (3) the name and address of the bank from which such electronic funds transfer was sent, shall be delivered, mailed or faxed to:

Teachers Insurance and Annuity Association of America

730 Third Avenue

New York, New York 10017-3206

Attention: Securities Accounting Division

Telephone: (212) 916-4188

Fax: (212) 916-6955

All other communications shall be delivered or mailed to:

Teachers Insurance and Annuity Association of America

730 Third Avenue

New York, New York 10017-3206

Attention: Securities Division, Private Placements

Telephone: (212) 916-6547(Lisa Ferraro)

(212) 490-9000 (General Number)

Fax: (212) 916-6582

Name of Nominee in which Series D Notes are to be issued: None

Taxpayer I.D. Number: 13-1624203

Name and Address of Purchaser

|   |               |               |                |                         |                       |
|---|---------------|---------------|----------------|-------------------------|-----------------------|
| <b>Teachers Insurance and Annuity<br/>Association of America</b><br>730 Third Avenue<br>New York, New York 10017-3206 | Funding Dates |               |                |                         |                       |
|   | Series E      | 2/8/02<br>\$0 | 3/15/02<br>\$0 | 4/30/02<br>\$20,000,000 | Total<br>\$20,000,000 |

Payments

All payments on or in respect of the Series E Note shall be made in immediately available funds at the opening of business on the due date by electronic funds transfer through the Automated Clearing House System to:

Chase Manhattan Bank

ABA #021-000-021

Account Name: TIAA

Account Number 900-9-000200

For further credit to Account Number: G07040

Reference: PPN: 15019\* AB 3/Cedar Fair, L.P./Mat. Date: February 8, 2012

Interest Rate: 6.56%/P&I Breakdown

Notices

Contemporaneous with the above electronic funds transfer, advice setting forth (1) the full name, private placement number, interest rate and maturity date of the Series E Note; (2) allocation of payment between principal, interest, Make-Whole Amount, other premium or any special payment; and (3) the name and address of the bank from which such electronic funds transfer was sent, shall be delivered, mailed or faxed to:

Teachers Insurance and Annuity Association of America

730 Third Avenue

New York, New York 10017-3206

Attention: Securities Accounting Division

Telephone: (212) 916-4188

Fax: (212) 916-6955

All other communications shall be delivered or mailed to:

Teachers Insurance and Annuity Association of America

730 Third Avenue

New York, New York 10017-3206

Attention: Securities Division, Private Placements

Telephone: (212) 916-6547(Lisa Ferraro)

(212) 490-9000 (General Number)

Fax: (212) 916-6582

Name of Nominee in which Series E Notes are to be issued: None

Taxpayer I.D. Number: 13-1624203

Name and Address of Purchaser

| <b>Jackson National Life Insurance</b><br><br><b>Company</b><br>5901 Executive Drive<br>Lansing, Michigan 48911 | Funding Dates |                       |                        |                        |                       |
|---|---------------|-----------------------|------------------------|------------------------|-----------------------|
|   | Series F      | 2/8/02<br>\$3,333,333 | 3/15/02<br>\$3,333,333 | 4/30/02<br>\$3,333,334 | Total<br>\$10,000,000 |

## Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cedar Fair, L.P. *et al.* 6.61% Senior Notes, Series F due February 8, 2013, PPN 15019\* AC 1, principal, premium or interest") to:

The Bank of New York

ABA #021-000-018

BNF Account #: IOC566

FBO: Jackson National Life

Ref: CUSIP/PPN, Description and Breakdown (P&I)

Notices

Payment notices should be sent to:

Jackson National Life Insurance Company

c/o The Bank of New York

Attention: P&I Department

P.O. 19266

Newark, New Jersey 07195

Telephone: (212) 437-3054

Fax: (212) 437-6466

Original documents and copies of notes and certificates, notices, waivers, amendments, consents, and financial information should be sent to:

PPM America Inc.

225 West Wacker Drive, Suite 1200

Chicago, Illinois 60606-1228

Attention: Credit Department - Jim Cox

Telephone: (312) 634-1204

Fax: (312) 634-0054

and

Jackson National Life Insurance Company

225 West Wacker Drive, Suite 1200

Chicago, Illinois 60606-1228

Attention: Investment Accounting - Mark Stewart

Telephone: (312) 338-5832

Fax: (312) 236-5224

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 38-1659835

\*Draftsperson: Notes should be delivered to:

The Bank of New York

Special Processing - Window A

One Wall Street, 3rd Floor

New York, New York 10286

Ref: JNL - JNL GIC, A/C #187243

with copies to your contact at PPM America and Mark Stewart at Jackson National Life as noted above.

Name and Address of Purchaser

|   |               |                       |                        |                        |                       |
|---|---------------|-----------------------|------------------------|------------------------|-----------------------|
| <b>Jackson National Life Insurance</b><br><br><b>Company</b><br>5901 Executive Drive<br>Lansing, Michigan 48911 | Funding Dates |                       |                        |                        |                       |
|   | Series<br>G   | 2/8/02<br>\$3,333,333 | 3/15/02<br>\$3,333,333 | 4/30/02<br>\$3,333,334 | Total<br>\$10,000,000 |

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cedar Fair, L.P. *et al.* 6.66% Senior Notes, Series G due February 8, 2014, PPN 15019\* AD 9, principal, premium or interest") to:

The Bank of New York

ABA #021-000-018

BNF Account #: IOC566

FBO: Jackson National Life

Ref: CUSIP/PPN, Description and Breakdown (P&I)

Notices

Payment notices should be sent to:

Jackson National Life Insurance Company

c/o The Bank of New York

Attention: P&I Department

P.O. 19266

Newark, New Jersey 07195

Telephone: (212) 437-3054

Fax: (212) 437-6466

Original documents and copies of notes and certificates, notices, waivers, amendments, consents, and financial information should be sent to:

PPM America Inc.

225 West Wacker Drive, Suite 1200

Chicago, Illinois 60606-1228

Attention: Credit Department - Jim Cox

Telephone: (312) 634-1204

Fax: (312) 634-0054

and

Jackson National Life Insurance Company

225 West Wacker Drive, Suite 1200

Chicago, Illinois 60606-1228

Attention: Investment Accounting - Mark Stewart

Telephone: (312) 338-5832

Fax: (312) 236-5224

Name of Nominee in which Notes are to be issued: None

Taxpayer I.D. Number: 38-1659835

\*Draftsperson: Notes should be delivered to:

The Bank of New York

Special Processing - Window A

One Wall Street, 3rd Floor

New York, New York 10286

Ref: JNL - JNL 241 / Non Insul., A/C #187241

with copies to your contact at PPM America and Mark Stewart at Jackson National Life as noted above.

Name and Address of Purchaser

|   |               |                       |                        |                        |                       |
|---|---------------|-----------------------|------------------------|------------------------|-----------------------|
| <b>Jackson National Life Insurance</b><br><br><b>Company</b><br>5901 Executive Drive<br>Lansing, Michigan 48911 | Funding Dates |                       |                        |                        |                       |
|   | Series<br>H   | 2/8/02<br>\$3,333,333 | 3/15/02<br>\$3,333,333 | 4/30/02<br>\$3,333,334 | Total<br>\$10,000,000 |

Payments

All payments on or in respect of the Notes to be by bank wire transfer of Federal or other immediately available funds (identifying each payment as "Cedar Fair, L.P. *et al.* 6.71% Senior Notes, Series H due February 8, 2015, PPN 15019\* AE 7, principal, premium or interest") to:

The Bank of New York

ABA #021-000-018

BNF Account #: IOC566

FBO: Jackson National Life

Ref: CUSIP/PPN, Description and Breakdown (P&I)

Notices

Payment notices should be sent to:

Jackson National Life Insurance Company

c/o The Bank of New York

Attention: P&I Department

P.O. 19266

Newark, New Jersey 07195

Telephone: (212) 437-3054

Fax: (212) 437-6466

Original documents and copies of notes and certificates, notices, waivers, amendments, consents, and financial information should be sent to:

PPM America Inc.

225 West Wacker Drive, Suite 1200

Chicago, Illinois 60606-1228



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Name of Nominee in which Notes are to be issued: None

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\*Draftsperson: Notes should be delivered to:

The Bank of New York

Special Processing - Window A

One Wall Street, 3rd Floor

New York, New York 10286

Ref: JNL - JNL MVA, A/C #187244

with copies to your contact at PPM America and Mark Stewart at Jackson National Life as noted above.

### **Defined Terms**

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

*"Affiliate"*

means, at any time, and with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person. As used in this definition, *"Control"* means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting Securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an *"Affiliate"* is a reference to an Affiliate of an Obligor.

*"Agent"*

shall mean Keybank National Association, as agent under the Bank Credit Agreement.

*"Agreement"*

means this Note Purchase Agreement.

*"Amended and Restated Intercreditor Agreement"*

is defined in **Section 2.2(b)**.

*"Asset Disposition"*

means any Transfer except:

(a) any

(1) Transfer from a Subsidiary to an Obligor or to a Wholly-Owned Subsidiary; and

(2) Transfer from an Obligor to a Wholly-Owned Subsidiary,

so long as immediately before and immediately after the consummation of any such Transfer and after giving effect thereto, (1) Cedar L.P. would be permitted by the provisions of **Section 10.3** to incur at least \$1.00 of additional Funded Debt and (2) no Default or Event of Default would exist; and

(b) any Transfer made in the ordinary course of business and involving only property that is either (1) inventory held for rent or sale or (2) equipment, fixtures, supplies or materials no longer required in the operation of the business of the Obligors or any of their Subsidiaries or that is obsolete.

*"Bank Credit Agreement"*

means that certain Credit Agreement dated as of November 26, 2001 among the Obligors, Keybank National Association, as Agent, and the several banks and other financial institutions from time to time parties thereto, as from time to time extended, supplemented, amended, restated or otherwise modified, and including any refinancing or replacement, in whole or in part, of such credit facility.

*"Bank Guaranty"*

means any Guaranty delivered by a Subsidiary that is an Obligor or a Subsidiary Guarantor for the benefit of the Bank Lenders and pursuant to the terms of the Bank Credit Agreement which guaranties the obligations of one or more Obligors thereunder.

*"Bank Lenders"*

shall mean Keybank National Association and each other bank and financial institution which is now, or hereafter becomes, a lender under the Bank Credit Agreement.

*"Business Day"*

means (a) for the purposes of **Section 8.6** only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed, and (b) for the purposes of any other provision

of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in Cleveland, Ohio are required or authorized to be closed.

*"Capitalized Lease"*

means any lease the obligation for Rentals with respect to which is required to be capitalized on a consolidated balance sheet of the lessee and its subsidiaries in accordance with GAAP.

*"Capitalized Rentals"*

of any Person means as of the date of any determination thereof the amount at which the aggregate Rentals due and to become due under all Capitalized Leases under which such Person is a lessee would be reflected as a liability on a consolidated balance sheet of such Person.

*"Cedar"*

means Cedar Fair, an Ohio general partnership and any Person who succeeds to all, or substantially all, of the assets and business of Cedar Fair.

*"Cedar L.P."*

means Cedar Fair, L.P., a Delaware limited partnership, and any Person who succeeds to all, or substantially all, of the assets and business of Cedar Fair, L.P.

*"Closing"*

and *"Closings"* are defined in **Section 3**.

*"Code"*

means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

*"Confidential Information"*

is defined in **Section 20**.

*"Consolidated Funded Debt"*

means, without duplication, (a) all Funded Debt of Cedar L.P. and its Subsidiaries, determined on a consolidated basis eliminating intercompany items and (b) all Current Debt of Cedar L.P. and its Subsidiaries, determined on a consolidated basis eliminating intercompany items measured at the lowest aggregate principal amount of Current Debt outstanding during any period of 10 consecutive days within the 365 days immediately preceding the date of any determination hereunder.

*"Consolidated Interest Expense"*

means all Interest Expense of Cedar L.P. and its Subsidiaries for any period after eliminating intercompany items.

*"Consolidated Net Earnings"*

means, with reference to any period and without duplication, the net earnings (or loss) of Cedar L.P. and its Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating (a) extraordinary gains and losses and (b) net earnings of any business entity (other than a Subsidiary) in which Cedar L.P. or any of its Subsidiaries has an ownership interest unless such net earnings shall have actually been received by Cedar L.P. or such Subsidiary in the form of cash distributions.

#### *"Consolidated Operating Cash Flow"*

for any period means the total of (a) Consolidated Net Earnings during such period, *plus* (to the extent deducted in determining Consolidated Net Earnings) (b) all provisions for any Federal, state or local income taxes made by Cedar L.P. and its Subsidiaries during such period, (c) all provisions for depreciation and amortization (other than amortization of debt discount) made by Cedar L.P. and its Subsidiaries during such period, (d) Consolidated Interest Expense during such period and (e) other non-recurring (with the understanding that unit option expense shall not constitute a recurring event) non-cash losses and charges *minus* (1) gains on sales of assets (excluding sales in the ordinary course of business) and (2) other non-recurring (with the understanding that unit option credits shall not constitute a recurring event) non-cash gains. For purposes of any determination of Consolidated Operating Cash Flow pursuant to **Section 10.3** and **Section 10.4(g)**, Cedar L.P. may include *"consolidated operating cash flow"* (determined in a manner consistent with the definition of "Consolidated Operating Cash Flow" contained in this Agreement), on a pro forma basis, which were earned in the immediately preceding four fiscal quarter period by any business entity actually acquired by Cedar L.P. or any of its Subsidiaries during such period, *provided* that concurrently with such determination, Cedar L.P. shall have furnished to the holders of the Notes audited financial statements (if Cedar L.P. is required pursuant to Regulation S-X to prepare audited financial statements in connection with such acquisition) and other financial information with respect to such business entity demonstrating to the reasonable satisfaction of such holders the basis for the inclusion and computations of such *"consolidated operating cash flow"*.

#### *"Consolidated Owners' Equity"*

means, as of the date of any determination thereof the aggregate amount of the partners' equity (or similar equity interests) of Cedar L.P. and its Subsidiaries as determined in accordance with GAAP.

#### *"Consolidated Priority Indebtedness"*

means the aggregate amount, without duplication, of (a) all Indebtedness of Cedar L.P. and its Subsidiaries secured by Liens permitted by **Section 10.5(i)** and (b) all Indebtedness of each Subsidiary (including, without limitation, any Subsidiary that is also an Obligor) (including, without limitation, Guaranties by such Subsidiary of Indebtedness of the Obligors, but, excluding Indebtedness permitted pursuant to clauses **(a)** through **(f)** of **Section 10.4**).

#### *"Consolidated Total Assets"*

means as of the date of any determination thereof, total assets of Cedar L.P. and its Subsidiaries determined on a consolidated basis in accordance with GAAP.

#### *"Current Debt"*

of any Person means as of the date of any determination thereof (a) all Indebtedness of such Person for borrowed money other than Funded Debt of such Person, including all Revolver Debt of such Person, and (b) Guaranties by such Person of Current Debt of others.

#### *"Debt Prepayment Application"*

means, with respect to any Transfer of property constituting an Asset Disposition, the application by any Obligor of cash in an amount equal to the Net Proceeds Amount with respect to such Transfer to pay Senior Indebtedness (other

than Senior Indebtedness owing to any Obligor, any of its Subsidiaries or any Affiliate); *provided*, that in the event such Senior Indebtedness would otherwise permit the reborrowing of such Indebtedness by an Obligor, the commitment to relend such Indebtedness shall be permanently reduced by the amount of such Debt Prepayment Application.

*"Default"*

means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

*"Default Rate"*

means that rate of interest that is the greater of (a) 7.66% per annum in the case of the Series D Notes, 8.56% per annum in the case of the Series E Notes, 8.61% per annum in the case of the Series F Notes, 8.66% per annum in the case of the Series G Notes and 8.71% per annum in the case of the Series H Notes or (b) 2% over the rate of interest publicly announced by Keybank National Association in Cleveland, Ohio as its "reference" rate.

*"Disposition Value"*

means, at any time, with respect to any property

(a) in the case of property that does not constitute Subsidiary Stock, the book value thereof, valued at the time of such disposition in good faith by Cedar L.P., and

(b) in the case of property that constitutes Subsidiary Stock, an amount equal to that percentage of book value of the assets of the Subsidiary that issued such Subsidiary Stock as is equal to the percentage that the book value of such Subsidiary Stock represents of the book value of all of the outstanding capital stock or similar equity interests of such Subsidiary (assuming, in making such calculations, that all Securities convertible into such capital stock or similar equity interests are so converted and giving full effect to all transactions that would occur or be required in connection with such conversion) determined at the time of the disposition thereof, in good faith by Cedar L.P.

*"Environmental Laws"*

means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

*"ERISA"*

means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

*"ERISA Affiliate"*

means any trade or business (whether or not incorporated) that is treated as a single employer together with any Obligor under Section 414 of the Code.

*"Event of Default"*

is defined in **Section 11**.

*"Exchange Act"*

means the Securities Exchange Act of 1934, as amended.

*"Fair Market Value"*

means, as of any date of determination and with respect to any property, the sale value of such property that would be realized in an arm's-length sale at such time between an informed and willing buyer and an informed and willing seller (neither being under a compulsion to buy or sell).

*"Funded Debt"*

of any Person means (a) all Indebtedness of such Person for borrowed money or which has been incurred in connection with the acquisition of assets in each case having a final maturity of one or more than one year from the date of origin thereof (or which is renewable or extendible at the option of the obligor for a period or periods more than one year from the date of origin), including all payments in respect thereof that are required to be made within one year from the date of any determination of Funded Debt, whether or not the obligation to make such payments shall constitute a current liability of the obligor under GAAP, (b) all Capitalized Rentals of such Person, and (c) all Guaranties by such Person of Funded Debt of others; *provided* that, notwithstanding the maturity of such Indebtedness, *"Funded Debt"* shall not include Revolver Debt of such Person but shall include any term debt having a final maturity of one or more than one year regardless of whether such term debt originally constituted, or was converted from, Revolver Debt.

*"GAAP"*

means generally accepted accounting principles as in effect from time to time in the United States of America.

*"Governmental Authority"*

means

(a) the government of

(1) the United States of America or any State or other political subdivision thereof, or

(2) any jurisdiction in which any Obligor or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of any Obligor or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

*"Guaranty"*

means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any Indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such Indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such Indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such Indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such Indebtedness or obligation of the ability of any other Person to make payment of the Indebtedness or obligation; or

(d) otherwise to assure the owner of such Indebtedness or obligation against loss in respect thereof.

In any computation of the Indebtedness or other liabilities of the obligor under any Guaranty, the Indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

*"holder"*

or *"Holder"* means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by Cedar L.P. pursuant to **Section 13.1**.

*"Indebtedness"*

with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) all liabilities appearing on its balance sheet in accordance with GAAP in respect of Capitalized Leases;

(d) all liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not it has assumed or otherwise become liable for such liabilities);

(e) all its liabilities in respect of letters of credit or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money), excluding undrawn amounts in respect of letters of credit securing liabilities incurred in connection with worker's compensation, unemployment insurance, social security, retirement benefits and other like laws; and

(f) any Guaranty of such Person with respect to liabilities of a type described in any of clauses (a) through (e) hereof.

Indebtedness of any Person shall include all obligations of such Person of the character described in clauses (a) through (f) to the extent such Person remains legally liable in respect thereof notwithstanding that any such obligation is deemed to be extinguished under GAAP.

*"Institutional Investor"*

means (a) any original purchaser of a Note, (b) any holder of a Note holding more than 5% of the aggregate principal amount of the Notes then outstanding, and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

*"Interest Expense"*



of Cedar L.P. and its Subsidiaries for any period means all interest (including the interest component on Rentals on Capitalized Leases) and all amortization of debt discount and expense on any particular Indebtedness (including, without limitation, payment-in-kind, zero coupon and other like Securities) for which such calculations are being made. Computations of Interest Expense on a *pro forma* basis for Indebtedness having a variable interest rate shall be calculated at the rate in effect on the date of any determination.

*"Investments"*

means all investments, in cash or by delivery of property, made directly or indirectly in any property or assets or in any Person, whether by acquisition of shares of capital stock, Indebtedness or other obligations or Securities or by loan, advance, capital contribution or otherwise; *provided* that *"Investments"* shall not mean or include routine investments in property to be used or consumed in the ordinary course of business.

*"Knott's"*

" means Knott's Berry Farm, a California general partnership and any Person who succeeds to all, or substantially all, of the assets and business of Knott's Berry Farm.

*"Lien"*

means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capitalized Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

*"Magnum"*

means Magnum Management Corporation, an Ohio corporation and any Person who succeeds to all, or substantially all, of the assets and business of Magnum Management Corporation.

*"Make-Whole Amount"*

is defined in **Section 8.6**.

*"Material"*

means material in relation to the business, operations, affairs, financial condition, assets or properties of the Obligors and their Subsidiaries, taken as a whole.

*"Material Adverse Effect"*

means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Obligors and their Subsidiaries, taken as a whole, or (b) the ability of the Obligors to perform its obligations under this Agreement and the Notes, or (c) the validity or enforceability of this Agreement or the Notes.

*"Memorandum"*

is defined in **Section 5.3**.

*"Multiemployer Plan"*

means any Plan that is a "multiemployer plan" (as such term is defined in Section 4001(a)(3) of ERISA).



*"Net Proceeds Amount"*

means, with respect to any Transfer of any property by any Person, an amount equal to the *difference* of

(a) the aggregate amount of the consideration (valued at the Fair Market Value of such consideration at the time of the consummation of such Transfer) allocated to such Person in respect of such Transfer, net of any applicable taxes incurred in connection with such Transfer, *minus*

(b) all ordinary and reasonable out-of-pocket costs and expenses actually incurred by such Person in connection with such Transfer.

*"Notes"*

is defined in **Section 1**.

*"Obligors"*

is defined in the introductory paragraph hereof.

*"Officer's Certificate"*

means, with respect to any Obligor, a certificate of a Senior Financial Officer or of any other officer of such Obligor whose responsibilities extend to the subject matter of such certificate.

*"Other Agreements"*

is defined in **Section 2.1**.

*"Other Purchasers"*

is defined in **Section 2.1**.

*"PBGC"*

means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

*"Person"*

means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

*"Plan"*

means an "employee benefit plan" (as defined in Section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by any Obligor or any ERISA Affiliate or with respect to which any Obligor or any ERISA Affiliate may have any liability.

*"property"*

or *"properties"* means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

*"Property Reinvestment Application"*

means, with respect to any Transfer of property constituting an Asset Disposition, the application of an amount equal to the Net Proceeds Amount with respect to such Transfer to the acquisition by any Obligor or any of its Subsidiaries of operating assets for the Obligors or any Subsidiary to be used in the principal business of such Person.

*"Prudential Guaranty"*

means any Guaranty delivered by a Subsidiary that is an Obligor or Subsidiary Guarantor for the benefit of the Prudential Noteholders and pursuant to the terms of the Prudential Note Agreement which guaranties the obligations of one or more Obligors thereunder.

*"Prudential Note Agreement"*

means collectively (a) that certain Note Purchase and Private Shelf Agreement dated as of January 28, 1998 among the Cedar L.P., Knott's, The Prudential Insurance Company of America and the other financial institutions from time to time parties thereto, as from time to time extended, supplemented, amended, restated or otherwise modified, and including any refinancing or replacement, in whole or in part, of such Agreement and (b) that certain Private Shelf Agreement dated as of August 24, 1994 among Cedar L.P., The Prudential Insurance Company of America and the other financial institutions from time to time parties thereto, as from time to time extended, supplemented, amended, restated or otherwise modified, and including any refinancing or replacement, in whole or in part, of such Agreement.

*"Prudential Noteholders"*

shall mean The Prudential Insurance Company of America and any other financial institution which is now, or hereafter becomes, a holder of a note issued under a Prudential Note Agreement.

*"PTE"*

is defined in **Section 6.2(a)**.

*"QPAM Exemption"*

means Prohibited Transaction Class Exemption 84-14 issued by the United States Department of Labor.

*"Rentals"*

means and include as of the date of any determination thereof all fixed payments (including as such all payments which the lessee is obligated to make to the lessor on termination of the lease or surrender of the property) payable by Cedar L.P. or a Subsidiary, as lessee or sublessee under a lease of real or personal property, but shall be exclusive of any amounts required to be paid by Cedar L.P. or a Subsidiary (whether or not designated as rents or additional rents) on account of maintenance, repairs, insurance, taxes and similar charges. Fixed rents under any so-called *"percentage leases"* shall be computed solely on the basis of the minimum rents, if any, required to be paid by the lessee regardless of sales volume or gross revenues.

*"Required Holders"*

means, at any time, the holders of at least 51% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by any Obligor or any of its Affiliates).

*"Responsible Officer"*

means, with respect to any Obligor, any Senior Financial Officer and any other officer of such Obligor or the general partner of such Obligor with responsibility for the administration, with respect to such Obligor, of the relevant portion of this Agreement.

*"Revolver Debt"*

means as of the date of any determination thereof all Indebtedness of a Person under a revolving credit agreement which, by its terms, permits the re-borrowing of amounts re-paid under such agreement, subject to customary requirements.

*"Securities Act"*

means the Securities Act of 1933, as amended from time to time.

*"Security"*

has the meaning set forth in Section 2(1) of the Securities Act of 1933.

*"Senior Indebtedness"*

means any Indebtedness of any Obligor or any Subsidiary, other than Subordinated Indebtedness.

*"Senior Financial Officer"*

means, with respect to any Obligor, the chief financial officer, principal accounting officer, treasurer or comptroller of such Obligor or the general partner of such Obligor.

*"Series D Notes"*

is defined in **Section 1**.

*"Series E Notes"*

is defined in **Section 1**.

*"Series F Notes"*

is defined in **Section 1**.

*"Series G Notes"*

is defined in **Section 1**.

*"Series H Notes"*

is defined in **Section 1**.

*"Significant Subsidiary"*

means at any time (1) each Subsidiary Guarantor and (2) any other Subsidiary that would at such time constitute a "significant subsidiary" (as such term is defined in Regulation S-X of the Securities and Exchange Commission as in effect on the date of the first Closing) of Cedar L.P.

*"Source"*

is defined in **Section 6.2**.

*"Subordinated Indebtedness"*

means any Indebtedness of any Obligor for which the right of payment or security is subordinated in respect of Indebtedness evidenced by the Notes.

*"Subsidiary"*

means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of any Obligor.

*"Subsidiary Guarantors"*

is defined in **Section 2.2(a)**.

*"Subsidiary Guaranty"*

is defined in **Section 2.2(a)**.

*"Subsidiary Stock"*

means, with respect to any Person, the stock (or any options or warrants to purchase stock or similar equity interests or other Securities exchangeable for or convertible into stock or similar equity interests) of any Subsidiary of such Person.

*"Transfer"*

means, with respect to any Person, any transaction in which such Person sells, conveys, transfers or leases (as lessor) any of its property, including, without limitation, Subsidiary Stock. For purposes of determining the application of the Net Proceeds Amount in respect of any Transfer, any Obligor may designate any Transfer as one or more separate Transfers each yielding a separate Net Proceeds Amount. In any such case, (a) the Disposition Value of any property subject to each such separate Transfer and (b) the amount of Consolidated Total Assets attributable to any property subject to each such separate Transfer shall be determined by ratably allocating the aggregate Disposition Value of, and the aggregate Consolidated Total Assets attributable to, all property subject to all such separate Transfers to each such separate Transfer on a proportionate basis.

*"Wholly-Owned Subsidiary"*

means any Subsidiary all of the equity interests (except directors' qualifying shares) and voting interests and Indebtedness of which are owned by any one or more of the Obligors and the Obligors' other Wholly-Owned Subsidiaries.

**Schedule 4.11**

## Changes in Corporate Structure

None

### Schedule 5.3

#### Disclosure Materials

None

### Schedule 5.4

#### Subsidiaries of the Obligors and Ownership of Subsidiary Stock

##### Subsidiaries of the Obligors

| Entity Name  | Owned By                      |   |
|--|-------------------------------|---|
| Cedar Fair, L.P.<br>(Delaware limited partnership)       | 99.90%<br>..10%               | Limited Partners<br>Cedar Fair Management Co.                           |
| Magnum Management<br>Corporation<br>(Ohio C-corporation) | 100.00%                       | Cedar Fair, L.P.  |
| Cedar Fair<br>(Ohio general partnership)                 | 56.25%<br>34.75%<br>9.00%     | Magnum Management Corporation<br>Cedar Fair, L.P.<br>Knott's Berry Farm |
|  | (2001 %'s - change each year) |   |

|  |                 |  |
|--|-----------------|--|
| Knott's Berry Farm<br>(California general partnership) | 99.90%<br>..10% | Cedar Fair, L.P.<br>Magnum Management Corporation          |
| Michigan's Adventure, Inc.<br>(Mich. C-corporation)    | 100.00%         | Magnum Management Corporation<br>(wholly-owned subsidiary) |
| Boeckling, L.P.<br>(Ohio limited partnership)          | 99.90%<br>..10% | Cedar Fair, L.P.<br>Magnum Management Corporation          |
| Cedar Point of Michigan, Inc.<br>(Mich. C-corporation) | 100.00%         | Magnum Management Corporation<br>(wholly-owned subsidiary) |
| Cedar Point, Inc.<br>(Ohio C-corporation)              | 100.00%         | Magnum Management Corporation<br>(wholly-owned subsidiary) |

#### Liens on Capital Stock of Subsidiaries of the Obligor

None

Legal restrictions or agreements which restrict the ability of Subsidiaries to pay dividends out of profits to an Obligor or any of its Subsidiaries

None

#### Schedule 5.5

#### Financial Statements

Form 10-Q for quarter ended September 30, 2001

Form 10-K for year ended December 31, 2000.

### **Schedule 5.8**

#### **Certain Litigation**

None

### **Schedule 5.11**

#### **Patents, etc.**

None

### **Schedule 5.14**

#### **Use of Proceeds**

The proceeds from the sale of the Notes will be used to refinance existing Indebtedness under the Bank Credit Agreement.

### **Schedule 5.15**

#### **Existing Indebtedness**

Indebtedness of the Obligors and their Subsidiaries outstanding  
on January 31, 2002

| Obligor  | Creditor  | Description of Indebtedness (including interest rate) | Collateral (if any) | Maturity | Outstanding Principal Amount (\$000's) |
|--|---|---|---------------------|----------|--|
| Cedar Fair, L.P.   | The Prudential Insurance Company of America   | 8.43% Series A Senior Notes                           | None                | 8/24/06  | 50,000                                 |
| Cedar Fair, L.P. and Knott's Berry Farm                                      | The Prudential Insurance Company of America   | 6.68% Series B Senior Notes                           | None                | 8/24/11  | 50,000                                 |
| Cedar Fair, L.P. and Knott's Berry Farm                                      | The Prudential Insurance Company of America, Hartford Life Insurance Company and Medica Health Plan | 6.40% Series C Senior Notes                           | None                | 8/24/08  | 50,000                                 |
| Cedar Fair, L.P. Cedar Fair, Magnum Management Corp., and Knott's Berry Farm | Key Bank National Association as Agent and seven other banks  | Variable rate revolving credit borrowings             | None                | 11/25/04 | 244,900                                |

## Schedule 5.19

### Existing Investments

None



## Form of Note

Cedar Fair, L.P.

Cedar Fair

Magnum Management Corporation

Knott's Berry Farm

5.66% Senior Notes, Series D, due February 8, 2007

No. DR-\_\_\_\_\_, \_\_\_\_\_

\$\_\_\_\_\_ PPN 15019\* AA5

For Value Received, the undersigned, Cedar Fair, L.P., a Delaware limited partnership ("*Cedar L.P.*"), Cedar Fair, an Ohio general partnership ("*Cedar*"), Magnum Management Corporation, an Ohio corporation ("*Magnum*"), Knott's Berry Farm, a California general partnership ("*Knott's*"); Knott's together with Cedar L.P., Cedar and Magnum, are each hereinafter individually referred to as an "*Obligor*" and collectively as the "*Obligors*", jointly and severally agree to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on February 8, 2007, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 5.66% per annum from the date hereof, payable semiannually, on the eighth day of February and August in each year, commencing with the February 8 or August 8 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (1) 7.66% or (2) 2% over the rate of interest publicly announced by Keybank National Association from time to time in Cleveland, Ohio as its "reference" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at Keybank National Association or at such other place as the Obligors shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of the 5.66% Senior Notes, Series D, due February 8, 2007 (the "*Series D Notes*") of the Obligors in the aggregate principal amount of \$20,000,000 which, together with the Obligors' \$20,000,000 aggregate principal amount of 6.56% Senior Notes, Series E, due February 8, 2012 (the "*Series E Notes*"), (c) \$20,000,000 aggregate principal amount of 6.61% Senior Notes, Series F, due February 8, 2013 (the "*Series F Notes*"), (d) \$20,000,000 aggregate principal amount of 6.66% Senior Notes, Series G, due February 8, 2014 (the "*Series G Notes*") and (e) \$20,000,000 aggregate principal amount of 6.71% Senior Notes, Series H, due February 8, 2015 (the "*Series H Notes*"; the Series D Notes, the Series E Notes, the Series F Notes, the Series G Notes and the Series H Notes being hereinafter collectively referred to as the "*Notes*") of the Obligors were issued pursuant to separate Note Purchase Agreements, each dated as of February 8, 2002 (as from time to time amended, collectively, the "*Note Purchase Agreements*"), among the Obligors and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in **Section 20** of the Note Purchase Agreements and (ii) to have made the representation set forth in **Section 6.2** of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Obligors may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Obligors will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

**This Note shall be construed and enforced in accordance with, and the rights and parties shall be governed by, the law of the State of Ohio, excluding choice-of-law principles of the law of such State which would require application of the laws of the jurisdiction other than such State.**

Cedar Fair, L.P.

By: Cedar Fair Management Company,  
its Managing General Partner

By

Its

Cedar Fair

By: Magnum Management Corporation, its Managing General Partner

By

Its

Magnum Management Corporation

By

Its

Knott's Berry Farm

By: Cedar Fair, L.P.,

its Managing General Partner

By: Cedar Fair Management Company,

its Managing General Partner

By

Its

### Form of Note

Cedar Fair, L.P.

Cedar Fair

Magnum Management Corporation

Knott's Berry Farm

6.56% Senior Notes, Series E, due February 8, 2012

No. ER-\_\_\_\_\_, \_\_\_\_\_

\$\_\_\_\_\_ PPN 15019\* AB3

For Value Received, the undersigned, Cedar Fair, L.P., a Delaware limited partnership ("*Cedar L.P.*"), Cedar Fair, an Ohio general partnership ("*Cedar*"), Magnum Management Corporation, an Ohio corporation ("*Magnum*"), Knott's Berry Farm, a California general partnership ("*Knott's*"); Knott's together with Cedar L.P., Cedar and Magnum, are each hereinafter individually referred to as an "*Obligor*" and collectively as the "*Obligors*"), jointly and severally agree to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on February 8, 2012, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.56% per annum from the date hereof, payable semiannually, on the eighth day of February and August in each year, commencing with the February 8 or August 8 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (1) 8.56% or (2) 2% over the rate of interest publicly announced by Keybank National Association from time to time in Cleveland, Ohio as its "reference" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at Keybank National Association or at such other place as the Obligors shall

have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of the 6.56% Senior Notes, Series E, due February 8, 2012 (the "*Series E Notes*") of the Obligors in the aggregate principal amount of \$20,000,000 which, together with the Obligors' \$20,000,000 aggregate principal amount of 5.66% Senior Notes, Series D, due February 8, 2007 (the "*Series D Notes*"), \$20,000,000 aggregate principal amount of 6.61% Senior Notes, Series F, due February 8, 2013 (the "*Series F Notes*"), \$20,000,000 aggregate principal amount of 6.66% Senior Notes, Series G, due February 8, 2014 (the "*Series G Notes*") and \$20,000,000 aggregate principal amount of 6.71% Senior Notes, Series H, due February 8, 2015 (the "*Series H Notes*"; the Series D Notes, the Series E Notes, the Series F Notes, the Series G Notes and the Series H Notes being hereinafter collectively referred to as the "*Notes*") of the Obligors, were issued pursuant to separate Note Purchase Agreements, each dated as of February 8, 2002 (as from time to time amended, collectively, the "*Note Purchase Agreements*"), among the Obligors and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in **Section 20** of the Note Purchase Agreements and (ii) to have made the representation set forth in **Section 6.2** of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Obligors may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Obligors will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

**This Note shall be construed and enforced in accordance with, and the rights and parties shall be governed by, the law of the State of Ohio, excluding choice-of-law principles of the law of such State which would require application of the laws of the jurisdiction other than such State.**

Cedar Fair, L.P.

By: Cedar Fair Management Company,  
its Managing General Partner

By

Its

Cedar Fair

By: Magnum Management Corporation, its Managing General Partner

By

Its

Magnum Management Corporation

By

Its

Knott's Berry Farm

By: Cedar Fair, L.P.,

its Managing General Partner

By: Cedar Fair Management Company,

its Managing General Partner

By

Its

### Form of Note

Cedar Fair, L.P.

Cedar Fair

Magnum Management Corporation

Knott's Berry Farm

6.61% Senior Notes, Series F, due February 8, 2013

No. FR-\_\_\_\_\_, \_\_\_\_\_

\$\_\_\_\_\_ PPN 15019\* AC1

For Value Received, the undersigned, Cedar Fair, L.P., a Delaware limited partnership ("*Cedar L.P.*"), Cedar Fair, an Ohio general partnership ("*Cedar*"), Magnum Management Corporation, an Ohio corporation ("*Magnum*"), Knott's Berry Farm, a California general partnership ("*Knott's*"); Knott's together with Cedar L.P., Cedar and Magnum, are each hereinafter individually referred to as an "*Obligor*" and collectively as the "*Obligors*"), jointly and severally agree to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on February 8, 2013, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.61% per annum from the date hereof, payable semiannually, on the eighth day of February and August in each year, commencing with the February 8 or August 8 next succeeding the date hereof, until the principal hereof shall

have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (1) 8.61% or (2) 2% over the rate of interest publicly announced by Keybank National Association from time to time in Cleveland, Ohio as its "reference" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at Keybank National Association or at such other place as the Obligors shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of the 6.61% Senior Notes, Series F, due February 8, 2013 (the "*Series F Notes*") of the Obligors in the aggregate principal amount of \$20,000,000 which, together with the Obligors' \$20,000,000 aggregate principal amount of 5.66% Senior Notes, Series D, due February 8, 2007 (the "*Series D Notes*"), \$20,000,000 aggregate principal amount of 6.56% Senior Notes, Series E, due February 8, 2012 (the "*Series E Notes*"), \$20,000,000 aggregate principal amount of 6.66% Senior Notes, Series G, due February 8, 2014 (the "*Series G Notes*") and \$20,000,000 aggregate principal amount of 6.71% Senior Notes, Series H, due February 8, 2015 (the "*Series H Notes*"; the Series D Notes, the Series E Notes, the Series F Notes, the Series G Notes and the Series H Notes being hereinafter collectively referred to as the "*Notes*") of the Obligors, were issued pursuant to separate Note Purchase Agreements, each dated as of February 8, 2002 (as from time to time amended, collectively, the "*Note Purchase Agreements*"), among the Obligors and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in **Section 20** of the Note Purchase Agreements and (ii) to have made the representation set forth in **Section 6.2** of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Obligors may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Obligors will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

**This Note shall be construed and enforced in accordance with, and the rights and parties shall be governed by, the law of the State of Ohio, excluding choice-of-law principles of the law of such State which would require application of the laws of the jurisdiction other than such State.**

Cedar Fair, L.P.

By: Cedar Fair Management Company,  
its Managing General Partner

By

Its

Cedar Fair

By: Magnum Management Corporation, its Managing General Partner

By

Its

Magnum Management Corporation

By

Its

Knott's Berry Farm

By: Cedar Fair, L.P.,

its Managing General Partner

By: Cedar Fair Management Company,

its Managing General Partner

By

Its

**Form of Note**

Cedar Fair, L.P.

Cedar Fair

Magnum Management Corporation

Knott's Berry Farm

6.66% Senior Notes, Series G, due February 8, 2014

No. GR-\_\_\_\_\_, \_\_\_\_\_

\$\_\_\_\_\_ PPN 15019\* AD9



For Value Received, the undersigned, Cedar Fair, L.P., a Delaware limited partnership ("*Cedar L.P.*"), Cedar Fair, an Ohio general partnership ("*Cedar*"), Magnum Management Corporation, an Ohio corporation ("*Magnum*"), Knott's Berry Farm, a California general partnership ("*Knott's*"); Knott's together with Cedar L.P., Cedar and Magnum, are each hereinafter individually referred to as an "*Obligor*" and collectively as the "*Obligors*"), jointly and severally agree to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on February 8, 2014, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.66% per annum from the date hereof, payable semiannually, on the eighth day of February and August in each year, commencing with the February 8 or August 8 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (1) 8.66% or (2) 2% over the rate of interest publicly announced by Keybank National Association from time to time in Cleveland, Ohio as its "reference" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at Keybank National Association or at such other place as the Obligors shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of the 6.66% Senior Notes, Series G, due February 8, 2014 (the "*Series G Notes*") of the Obligors in the aggregate principal amount of \$20,000,000 which, together with the Obligors' \$20,000,000 aggregate principal amount of 5.66% Senior Notes, Series D, due February 8, 2007 (the "*Series D Notes*"), \$20,000,000 aggregate principal amount of 6.56% Senior Notes, Series E, due February 8, 2012 (the "*Series E Notes*"), \$20,000,000 aggregate principal amount of 6.61% Senior Notes, Series F, due February 8, 2013 (the "*Series F Notes*") and \$20,000,000 aggregate principal amount of 6.71% Senior Notes, Series H, due February 8, 2015 (the "*Series H Notes*"; the Series D Notes, the Series E Notes, the Series F Notes, the Series G Notes and the Series H Notes being hereinafter collectively referred to as the "*Notes*") of the Obligors, were issued pursuant to separate Note Purchase Agreements, each dated as of February 8, 2002 (as from time to time amended, collectively, the "*Note Purchase Agreements*"), among the Obligors and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in **Section 20** of the Note Purchase Agreements and (ii) to have made the representation set forth in **Section 6.2** of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Obligors may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Obligors will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

**This Note shall be construed and enforced in accordance with, and the rights and parties shall be governed by, the law of the State of Ohio, excluding choice-of-law principles of the law of such State which would require application of the laws of the jurisdiction other than such State.**



Cedar Fair, L.P.

By: Cedar Fair Management Company,  
its Managing General Partner

By

Its

Cedar Fair

By: Magnum Management Corporation, its Managing General Partner

By

Its

Magnum Management Corporation

By

Its

Knott's Berry Farm

By: Cedar Fair, L.P.,

its Managing General Partner

By: Cedar Fair Management Company,

its Managing General Partner

By

Its

### **Form of Note**

Cedar Fair, L.P.

Cedar Fair

Magnum Management Corporation

## 6.71% Senior Notes, Series H, due February 8, 2015

No. HR-\_\_\_\_\_, \_\_\_\_\_

\$\_\_\_\_\_ PPN 15019\* AE7

For Value Received, the undersigned, Cedar Fair, L.P., a Delaware limited partnership ("*Cedar L.P.*"), Cedar Fair, an Ohio general partnership ("*Cedar*"), Magnum Management Corporation, an Ohio corporation ("*Magnum*"), Knott's Berry Farm, a California general partnership ("*Knott's*"); Knott's together with Cedar L.P., Cedar and Magnum, are each hereinafter individually referred to as an "*Obligor*" and collectively as the "*Obligors*"), jointly and severally agree to pay to \_\_\_\_\_, or registered assigns, the principal sum of \_\_\_\_\_ Dollars on February 8, 2015, with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 6.71% per annum from the date hereof, payable semiannually, on the eighth day of February and August in each year, commencing with the February 8 or August 8 next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (1) 8.71% or (2) 2% over the rate of interest publicly announced by Keybank National Association from time to time in Cleveland, Ohio as its "reference" rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of the United States of America at Keybank National Association or at such other place as the Obligors shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of the 6.71% Senior Notes, Series H, due February 8, 2015 (the "*Series H Notes*") of the Obligors in the aggregate principal amount of \$20,000,000 which, together with the Obligors' \$20,000,000 aggregate principal amount of 5.66% Senior Notes, Series D, due February 8, 2007 (the "*Series D Notes*"), \$20,000,000 aggregate principal amount of 6.56% Senior Notes, Series E, due February 8, 2012 (the "*Series E Notes*"), \$20,000,000 aggregate principal amount of 6.61% Senior Notes, Series F, due February 8, 2013 (the "*Series F Notes*") and \$20,000,000 aggregate principal amount of 6.66% Senior Notes, Series G, due February 8, 2014 (the "*Series G Notes*"; the Series D Notes, the Series E Notes, the Series F Notes, the Series G Notes and the Series H Notes being hereinafter collectively referred to as the "*Notes*") of the Obligors, were issued pursuant to separate Note Purchase Agreements, each dated as of February 8, 2002 (as from time to time amended, collectively, the "*Note Purchase Agreements*"), among the Obligors and the respective Purchasers named therein and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in **Section 20** of the Note Purchase Agreements and (ii) to have made the representation set forth in **Section 6.2** of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Obligors may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Obligors will not be affected by any notice to the contrary.

This Note is subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

**This Note shall be construed and enforced in accordance with, and the rights and parties shall be governed by, the law of the State of Ohio, excluding choice-of-law principles of the law of such State which would require application of the laws of the jurisdiction other than such State.**

Cedar Fair, L.P.

By: Cedar Fair Management Company,  
its Managing General Partner

By

Its

Cedar Fair

By: Magnum Management Corporation, its Managing General Partner

By

Its

Magnum Management Corporation

By

Its

Knott's Berry Farm

By: Cedar Fair, L.P.,

its Managing General Partner

By: Cedar Fair Management Company,

its Managing General Partner

By

Its

**Form of Opinion of Special Counsel  
to the Obligors**

The closing opinion of Squire, Sanders & Dempsey, L.L.P. counsel for the Obligors, which is called for by **Section 4.4** of the Agreement, shall be dated the date of the Closing and addressed to you and the Other Purchasers, shall be satisfactory in scope and form to you and the Other Purchasers and shall be to the effect that:

[to come]

**Form of Opinion of Special Counsel  
to the Purchasers**

The closing opinion of Chapman and Cutler, special counsel to you and the Other Purchasers, called for by **Section 4.4** of the Agreement, shall be dated the date of the Closing and addressed to you and the Other Purchasers, shall be satisfactory in form and substance to you and the Other Purchasers and shall be to the effect that:

[to come]

Exhibit 99

Cedar Fair, L.P.

One Cedar Point Drive

Sandusky, OH 44870-5259

March 28, 2002

Securities and Exchange Commission

450 Fifth Street, N.W.

Washington, D.C. 20549

Re: Letter to Securities and Exchange Commission Pursuant to Temporary Note 3T

Ladies and Gentlemen:

Pursuant to Temporary Note 3T to Article 3 of Regulation S-X, Cedar Fair, L.P. has obtained a letter of representation from Arthur Andersen LLP ("Andersen"), its independent public accountants, stating that the December 31, 2001 audit was subject to Andersen's quality control system for the U.S. accounting and auditing practice to provide reasonable assurance that the engagement was conducted in compliance with professional standards and that there was appropriate continuity of Andersen personnel working on the audit and availability of national office consultation. Availability of personnel at foreign affiliates of Andersen is not relevant to this audit.

Very truly yours,

/s/ Bruce A. Jackson

Bruce A. Jackson

Corporate Vice President-Finance and Chief Financial Officer