

PALATIN TECHNOLOGIES INC
Form DEF 14A
May 17, 2018

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, For Use of the Commission Only (As Permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

PALATIN TECHNOLOGIES, INC.
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

- (1) Title of each class of securities to which transaction applies:
- (2) Aggregate number of securities to which transaction applies:
- (3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):
- (4) Proposed maximum aggregate value of transaction:
- (5) Total fee paid:

Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

- (1) Amount Previously Paid:
- (2) Form, Schedule or Registration Statement No.:
- (3) Filing Party:
- (4) Date Filed:

PALATIN TECHNOLOGIES, INC.
4B Cedar Brook Drive Cranbury, New Jersey 08512

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

date June 26, 2018

time 9:00 a.m., Eastern Time

place The offices of Thompson Hine LLP, 335 Madison Avenue, 12th Floor, New York, New York
10017-4611

record date April 27, 2018

items of business (1) election of eight directors nominated by our board of directors;
(2) ratification of appointment of our independent registered public accounting firm for the fiscal year ending June 30, 2018;
(3) approval of an amendment to our 2011 Stock Incentive Plan, as amended and restated, to increase the number of shares available for equity awards by 10,000,000 shares;
(4) to advise us as to whether you approve the compensation of our named executive officers (“say-on-pay”); and
(5) any other matters properly brought before the meeting or any adjournment or postponement thereof.

stockholder list A list of all stockholders entitled to vote at the meeting will be available for examination by any stockholder, for any purpose germane to the meeting, during ordinary business hours for 10 days before the meeting, at our offices, Cedar Brook Corporate Center, 4B Cedar Brook Drive, Cranbury, New Jersey 08512.

By order of the board of directors,

Stephen T. Wills, Secretary
May 16, 2018

The approximate date of mailing of the Notice Regarding the Availability of Proxy Materials to our stockholders is May 17, 2018, and this proxy statement, proxy card and annual report, including our annual report on Form 10-K for the fiscal year ended June 30, 2017, will be available to our stockholders on www.proxyvote.com on that same date. On or about that date, we will also begin mailing paper copies of our proxy materials to our registered holders and to our beneficial holders who request paper copies.

Important Notice Regarding the Availability of Proxy Materials

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

for the Stockholder Meeting to Be Held on June 26, 2018:

The proxy statement, proxy card and annual report to security holders, including our annual report on Form 10-K for the fiscal year ended June 30, 2017, are available at www.proxyvote.com.

PALATIN TECHNOLOGIES, INC.
2018 ANNUAL MEETING

table of contents

Notice of Annual Meeting of Stockholders	1
Voting Procedures and Solicitation	3
Item One: Election of directors	8
The Nominees	8
Item Two: Ratification of appointment of KPMG LLP as our independent registered public accounting firm	12
Report of the audit committee	13
Item Three: Approval of an increase in common stock available for issuance under our 2011 Stock Incentive Plan	16
Item Four: Advisory approval of the compensation of our named executive officers (“say-on-pay”)	27
Corporate Governance	29
Executive Officers	34
Executive Compensation	35
Stock Ownership Information	40
Section 16(a) Beneficial Ownership Reporting Compliance	40
Beneficial Ownership of Management and Others	40
Certain Relationships and Related Transactions	44
Other Items of Business	44
Stockholder Proposals for Next Annual Meeting	44

PROXY STATEMENT, PAGE 2

PALATIN TECHNOLOGIES, INC.

4B Cedar Brook Drive
Cranbury, New Jersey 08512
(609) 495-2200

PROXY STATEMENT FOR THE ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD ON JUNE 26, 2018

VOTING PROCEDURES AND SOLICITATION

Important Notice Regarding the Availability of Proxy Materials
for the Stockholder Meeting to Be Held on June 26, 2018:

The proxy statement, proxy card and annual report to security holders, including our annual report on Form 10-K for the fiscal year ended June 30, 2017, are available at www.proxyvote.com.

YOUR VOTE IS IMPORTANT

Whether or not you plan to attend the meeting, please act as soon as possible to vote your shares. Your prompt voting may save us the expense of following up with a second mailing. Beginning on or about May 17, 2018, we are sending proxy materials to stockholders of record at the close of business on April 27, 2018. If your shares are registered directly in your name with our transfer agent, American Stock Transfer & Trust Company, LLC, you are considered, with respect to those shares, the “stockholder of record.” We are sending a Notice Regarding the Availability of Proxy Materials (the “Notice”) to beneficial owners of our stock beginning on or about May 17, 2018. If your shares are held in a stock brokerage account or by a bank or other holder of record (a “brokerage firm”), you are considered the “beneficial owner” of the shares held in street name. Beneficial owners may view proxy materials online and may also request and receive a paper or e-mail copy of the proxy materials by following the instructions provided in the Notice.

METHODS OF VOTING

If you are a beneficial owner, you may be eligible to vote your shares electronically over the Internet or by telephone. A large number of brokerage firms participate in the Broadridge Investor Communications Services online program. This program provides eligible stockholders that hold shares in street name the opportunity to vote via the Internet or by telephone. Whether or not your brokerage firm is participating in Broadridge’s program, your proxy materials will contain voting instructions. If you are a stockholder of record or if you are a beneficial owner whose brokerage firm participates in Broadridge’s program, there are three ways to vote before the meeting:

By Internet – www.proxyvote.com. If you have Internet access, you may transmit your voting instructions up until 11:59 p.m., Eastern Time, the day before the meeting date, that is, June 25, 2018. Go to www.proxyvote.com. You must have your proxy card or Notice in hand when you access the web site and follow the instructions to obtain your records and to create an electronic voting instruction form.

PROXY STATEMENT, PAGE 3

By telephone – 1-800-690-6903. You may vote using any touch-tone telephone to transmit your voting instructions up until 11:59 p.m., Eastern Time, the day before the meeting date, that is, June 25, 2018. Call 1-800-690-6903 toll free. You must have your proxy card or Notice in hand when you call this number and then follow the instructions.

By mail – Mark, sign and date your proxy card and return it in the postage-paid envelope we have provided. If you did not receive a proxy copy, you may request proxy materials, including a proxy card, by following the instructions in the Notice.

If you voted by Internet or telephone or sent in a proxy card and also attend the meeting in person, the proxy holders will vote your shares as you previously instructed unless you inform the Secretary at the meeting that you wish to vote in person.

REVOKING OR CHANGING A PROXY

You may revoke your proxy or change your vote by

voting again by proxy over the Internet or by telephone until 11:59 p.m. on June 25, 2018 (only your last Internet or telephone vote will be counted);

signing and returning another proxy card on a later date;

sending written notice of revocation or change to the Secretary at our offices, 4B Cedar Brook Drive, Cranbury, New Jersey 08512; or

informing the Secretary and voting in person at the meeting.

To be effective, a later-dated proxy or written revocation or change must arrive at our corporate offices before the start of the meeting.

If you are a beneficial owner, you may submit new voting instructions by following the instructions from the brokerage firm that holds your shares, or by obtaining a legal proxy from the brokerage firm that holds your shares giving you the right to vote the shares. You may vote in person at the meeting only if you are the stockholder of record or if you are a beneficial owner and have obtained a legal proxy from the brokerage firm that holds your shares.

PROXY SOLICITATION

We are soliciting proxies on behalf of the board of directors, and we will pay all costs of preparing, printing and mailing the proxy materials. In addition to mailing proxy materials, our officers and employees may solicit proxies by telephone, fax, e-mail or Internet, without receiving any additional compensation for their services. We have requested brokers, banks and other fiduciaries to forward proxy materials to the beneficial owners of our stock, and will pay for their reasonable expenses in forwarding proxy materials to such beneficial owners. We have engaged The Proxy Advisory Group, LLC to assist in the solicitation of proxies and provide related advice and informational support for a service fee and the reimbursement of customary disbursements that are not expect to exceed \$14,000 in the aggregate.

PROXY STATEMENT, PAGE 4

Proxies and ballots will be received and tabulated by Broadridge Financial Solutions, Inc. (“Broadridge”), and Broadridge or its designee will serve as our Inspector of Election.

HOW PROXIES ARE VOTED

The proxy holders are Carl Spana, Ph.D., our chief executive officer, president and a director, and Stephen T. Wills, our chief financial officer, chief operating officer, executive vice president, secretary and treasurer. The proxy holders will vote your shares according to your instructions on the proxy card or your Internet or telephone instructions. If a signed proxy card does not contain instructions, the proxy holders will vote the shares FOR the election of the director nominees listed on the card; FOR ratifying the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2018; FOR the approval of an increase in common stock available for issuance under our 2011 Stock Incentive Plan by 10,000,000 shares; FOR approval of the compensation of our named executive officers; and in their discretion, on any other business which may properly come before the meeting.

VOTING RIGHTS, SHARES OUTSTANDING AND VOTES PER SHARE

Holders of common stock and of Series A preferred stock at the close of business on the record date of April 27, 2018 are entitled to vote at the meeting:

Common stock: 198,572,639 shares outstanding, one vote per share; and

Series A preferred stock: 4,030 shares outstanding with approximately 15.03 votes per share, a total of 60,592 votes.

There are no rights of appraisal or similar rights of dissenters with respect to the items of business at this meeting.

QUORUM AND VOTES REQUIRED

A majority of the votes of shares of common stock and Series A preferred stock, in each case outstanding on April 27, 2018, the record date, with the Series A preferred stock counted on an as if converted to common stock basis, represented at the meeting in person or by proxy, constitutes a quorum. Abstentions and broker non-votes will count towards the quorum. If your shares are held in street name and you do not provide voting instructions to the brokerage firm that holds your shares, the brokerage firm can, in its discretion, vote your unvoted shares on matters on which it is permitted to exercise authority (“routine” matters). A broker non-vote occurs when a broker, bank or other holder of record holding shares for a beneficial owner does not vote on a particular proposal because it does not have discretionary voting power for that particular item, or chooses not to vote, and has not received instructions from the beneficial owner. Common stock and Series A preferred stock will vote together as one class on the items of business listed on the proxy card. The votes required are as follows:

Item One: Directors are elected by a plurality of votes cast, so the eight nominees receiving the most votes will be elected. Stockholders who do not wish to vote for one or more of the individual nominees may withhold their authority to vote in the manner provided on the proxy card or Internet or telephone voting systems. Brokerage firms do not have authority to vote customers’ unvoted shares held by firms in street name for the election of directors. As a result, any shares not voted by a beneficial owner will be treated as a broker non-vote. Such broker non-votes or abstentions will have no effect on the results of this vote.

Item Two: Ratifying the appointment of our independent registered public accounting firm for the fiscal year ending June 30, 2018 requires a majority of the votes cast on that item. Brokerage firms have authority to discretionarily vote customers' unvoted shares held in street name on this proposal. Abstentions and broker non-votes will count neither for nor against the proposal.

Item Three: Approval of an increase in common stock available for issuance under our 2011 Stock Incentive Plan by 10,000,000 shares requires a majority of the votes cast on that item. Broker non-votes will count neither for nor against ratification, while abstentions, under the rules of the principal exchange on which our common stock is listed, the NYSE American LLC (the "NYSE American"), will be considered as votes cast on the item, and thus count against the proposal.

Item Four: Advisory approval of say-on-pay for named executive officers (yes or no) will be determined based on which of the two choices receives the most votes. Abstentions and broker non-votes will count neither for nor against the proposal.

WHAT IS THE EFFECT OF NOT CASTING YOUR VOTE?

If you hold your shares in street name, it is critical that you cast your vote if you want to be counted for the election of directors in Item One. Your brokerage firm will not have discretionary authority to vote for election of directors in Item One. If you hold your shares in street name and you do not provide instructions on how to vote for election of directors, no votes may be cast for election of directors on your behalf.

Your brokerage firm cannot vote your uninstructed shares in their discretion on any other matter unless it is considered "routine." Item Two, ratifying the appointment of our independent registered public accounting firm, is a routine proposal, and your brokerage firm will have discretionary authority to vote on Item Two. If you hold your shares in street name and you do not instruct your brokerage firm how to vote, your brokerage firm may vote for Item Two.

Item Three, approval of an increase in common stock available for issuance under our 2011 Stock Incentive Plan by 10,000,000 shares, and Item Four, advisory approval on say-on-pay for named executive officers, are not considered routine. Your brokerage firm will not have discretionary authority to vote on Items Three or Four. If you hold your shares in street name and you do not provide instructions on how to vote, then no vote will be cast on these items on your behalf.

If you are a stockholder of record and you do not cast your vote, no votes will be cast on your behalf on any of the items of business at the annual meeting.

IS VOTING CONFIDENTIAL?

We will keep all the proxies, ballots and voting tabulations private. We only let Broadridge examine these documents. Management will not know how you voted on a specific proposal unless it is necessary to meet legal requirements. Broadridge will, however, forward to management any written comments you make on the proxy card.

HOUSEHOLDING OF ANNUAL DISCLOSURE DOCUMENTS

To reduce the expense of delivering duplicate proxy materials to stockholders who may have more than one account holding our stock who share the same address, we have adopted a procedure approved by the Securities and Exchange Commission (“SEC”) called “householding.” Under this procedure, one Notice or a single set of our annual report and proxy statement will be sent to any household at which two or more of our stockholders reside, if we or your broker believe that the stockholders are members of the same family. Householding benefits both you and us. It reduces the volume of duplicate information received at your household and helps to reduce our expenses. The procedure applies to our annual reports, proxy statements, other proxy materials and information statements. Once you receive notice from your broker or from us that communications to your address will be “household,” the practice will continue until you are otherwise notified or until you revoke your consent to the practice. Each stockholder will continue to have access to and utilize separate proxy voting instructions.

If you do not wish to participate in “householding” and would like to receive your own set of any or all of our annual disclosure documents, or if you share an address with another Palatin stockholder and together both of you would like to receive only a single set of our annual disclosure documents, please contact Broadridge Financial Solutions, Inc., either by calling toll-free at (800) 542-1061, or by writing to Broadridge Financial Solutions, Inc. Householding Department, 51 Mercedes Way, Edgewood, New York 11717. Alternatively, if your brokerage firm or other nominee holds your Palatin shares, you may contact your broker or other nominee directly and inform them of your request. Be sure to include your name, the name of your brokerage firm and your account number.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PROXY STATEMENT, PAGE 7

ITEM ONE: ELECTION OF DIRECTORS

Our nominating and corporate governance committee has nominated the eight persons listed below to serve as directors. A stockholder who wishes to suggest a nominee to the nominating and corporate governance committee may do so in the manner and within the time frame explained under “Nomination of Directors” below. We recommend voting FOR the eight nominees named in this proxy statement. At the meeting, the eight nominees who receive the most votes will be elected as directors to serve until the next annual meeting, or until their successors are elected and qualified. Each of the nominees other than Anthony M. Manning, Ph.D., was elected at our last annual stockholders’ meeting on June 8, 2017. Dr. Manning was elected to the board on September 7, 2017 upon the recommendation of non-management directors, and the size of the board was concurrently increased to eight members. If any of the nominees should become unavailable to serve on the board, which is not expected at this time, the proxy holders will vote your shares for a board-approved substitute, or the board may reduce the number of directors.

THE NOMINEES

Name	Age	Position with Palatin
Carl Spana, Ph.D.	55	Chief executive officer, president and a director
John K.A. Prendergast, Ph.D. (3)	64	Director, chairman of the board of directors
Robert K. deVeer, Jr. (1) (2)	72	Director
J. Stanley Hull (1) (2)	65	Director
Alan W. Dunton, M.D. (1) (2)	63	Director
Angela Rossetti (1) (3)	65	Director
Arlene M. Morris (2) (3)	66	Director
Anthony M. Manning, Ph.D.	56	Director

CARL SPANA, Ph.D., co-founder of Palatin, has been our Chief Executive Officer and President since June 14, 2000. He has been a director of Palatin since June 1996 and has been a director of our wholly-owned subsidiary, RhoMed Incorporated, since July 1995. From June 1996 through June 14, 2000, Dr. Spana served as an executive vice president and our chief technical officer. From June 1993 to June 1996, Dr. Spana was vice president of Paramount Capital Investments, LLC, a biotechnology and biopharmaceutical merchant banking firm, and of The Castle Group Ltd., a medical venture capital firm. Through his work at Paramount Capital Investments and The Castle Group, Dr. Spana co-founded and acquired several private biotechnology firms. From July 1991 to June 1993, Dr. Spana was a Research Associate at Bristol-Myers Squibb, a publicly-held pharmaceutical company, where he was involved in scientific research in the field of immunology. He was previously a member of the board of the life science company AVAX Technologies, Inc. Dr. Spana received his Ph.D. in molecular biology from The Johns Hopkins University and his B.S. in biochemistry from Rutgers University.

Dr. Spana's qualifications for our board include his leadership experience, business judgment and industry experience. As a senior executive of Palatin for over nineteen years, he provides in-depth knowledge of our company, our drug products under development and the competitive and corporate partnering landscape.

JOHN K.A. PRENDERGAST, Ph.D., co-founder of Palatin, has served as the non-executive Chairman of the board since June 14, 2000, and as a director since August 1996. While Mr. Prendergast has served as a member of the board, he does not, and has not, served in a management or operational role with the company. Dr. Prendergast has been president and sole stockholder of Summercloud Bay, Inc., an independent consulting firm providing services to the biotechnology industry, since 1993. Dr. Prendergast is a director and executive chairman of the board of directors of Antyra, Inc., a privately held biopharmaceutical firm, lead director of Heat Biologics, Inc., a publicly traded clinical stage immunotherapy company, and a director of Recce Pharmaceuticals Ltd., a publicly traded Australian pharmaceutical company developing antibiotic drugs. He was previously a member of the board of the life science companies AVAX Technologies, Inc., Avigen, Inc. and MediciNova, Inc. From October 1991 through December 1997, Dr. Prendergast was a managing director of The Castle Group Ltd., a medical venture capital firm. Dr. Prendergast received his M.Sc. and Ph.D. from the University of New South Wales, Sydney, Australia and a C.S.S. in administration and management from Harvard University.

Dr. Prendergast brings a historical perspective to our board coupled with extensive industry experience in corporate development and finance in the life sciences field. His prior service on other publicly traded company boards provides experience relevant to good corporate governance practices.

ROBERT K. deVEER, Jr. has been a director of Palatin since November 1998. Since January 1997, Mr. deVeer has been the president of deVeer Capital LLC, a private investment company. He was a director of Solutia Inc., a publicly-held chemical-based materials company, until its merger with Eastman Chemical Company in July 2012. From 1995 until his retirement in 1996, Mr. deVeer served as Managing Director, Head of Industrial Group, at New York-based Lehman Brothers. From 1973 to 1995, he held increasingly responsible positions at New York-based CS First Boston, including Head of Project Finance, Head of Industrials and Head of Natural Resources. He was a managing director, member of the investment banking committee and a trustee of the First Boston Foundation. He received a B.A. in economics from Yale University and an M.B.A. in finance from Stanford Graduate School of Business.

Mr. deVeer has extensive experience in investment banking and corporate finance, including the financing of life sciences companies, and serves as the audit committee's financial expert.

PROXY STATEMENT, PAGE 9

J. STANLEY HULL has been a director of Palatin since September 2005. Mr. Hull has over three decades of experience in the field of sales, marketing and drug development. Mr. Hull joined GlaxoSmithKline, a research-based pharmaceutical company, in October 1987 and retired as Senior Vice President, Pharmaceuticals – North America in May 2010. Mr. Hull was responsible for all commercial activities including sales, marketing, sales training and office operations. Previously Mr. Hull served in the R&D organization of Glaxo Wellcome as Vice President and Worldwide Director of Therapeutic Development and Product Strategy – Neurology and Psychiatry. Prior to his service in the R&D organization he was Vice President of Marketing – Infectious Diseases and Gastroenterology for Glaxo Wellcome-U.S. Mr. Hull started his career in the pharmaceutical industry with SmithKline and French Laboratories in 1978. Mr. Hull received his B.S. in business administration from the University of North Carolina at Greensboro.

Mr. Hull has extensive experience in commercial operations, development and marketing of pharmaceutical drugs and corporate alliances between pharmaceutical companies and biotechnology companies.

ALAN W. DUNTON, M.D., has been a director of Palatin since June 2011. He founded Danerius, LLC, a biotechnology consulting company, in 2006. From November 2015 through March 2018 he was senior vice president of research, development and regulatory affairs for Purdue Pharma L.P., with responsibilities for overall research strategy and development programs. From January 2007 to March 2009, Dr. Dunton served as president and chief executive officer of Panacos Pharmaceuticals Inc. and he served as a managing director of Panacos from March 2009 to January 2011. Dr. Dunton is currently a member of the board of directors of the publicly traded company Orogenics, Inc. He previously served on the board of directors of the publicly traded companies Targacept, Inc., EpiCept Corporation (as Non-Executive Chairman), Adams Respiratory Therapeutics, Inc. (acquired by Reckitt Benckiser Group plc), MediciNova, Inc. and Panacos Pharmaceuticals, Inc. Dr. Dunton has served as a director or executive officer of various pharmaceutical companies, and from 1994 to 2001, Dr. Dunton was a senior executive in various capacities in the Pharmaceuticals Group of Johnson & Johnson, including president and managing director of the Janssen Research Foundation, the primary global R&D organization for Johnson & Johnson. Dr. Dunton received his M.D. degree from New York University School of Medicine, where he completed his residency in internal medicine. He also was a Fellow in Clinical Pharmacology at the New York Hospital/Cornell University Medical Center.

Dr. Dunton has extensive drug development and clinical research experience, having played a key role in the development of more than 20 products to regulatory approval, and also has extensive experience as an executive and officer for both large pharmaceutical companies and smaller biotechnology and biopharmaceutical companies.

ANGELA ROSSETTI has been a director of Palatin since June 2013. From June 2015 through July 2017, she served as Executive Vice President of Cell Machines, Inc., an early stage biopharmaceutical company developing novel protein therapies. Previously, Ms. Rossetti served in pharmaceutical marketing, communications and financial roles, including as Vice President at Pfizer Inc., where she led a global commercial medicine team for smoking cessation, and as an Assistant Vice President at Wyeth, managing a global hemophilia business. Previously, she was President of Ogilvy Healthworld, an advertising business in the pharmaceutical and biotechnology sectors, and served on the Biotech and Pharmaceutical Advisory Board of Danske Capital for six years. Ms. Rossetti graduated from a joint program of the Albert Einstein College of Medicine and Benjamin N. Cardozo School of Law with an M.S. in Bioethics in 2014, has an M.B.A. in Finance from Columbia University Graduate School of Business and a B.A. in Biology from the University of Pennsylvania, and is an adjunct Assistant Professor at New York Medical College.

Ms. Rossetti has extensive experience in worldwide development and marketing of specialty pharmaceuticals, including prefilled syringe products, in communications and development of commercialization plans and in pharmaceutical and biotechnology finance.

ARLENE M. MORRIS has been a director of Palatin since June 2015. Since May 2015 she has served as the chief executive officer of Willow Advisors, LLC. From April 2012 until May 2015 she was President and Chief Executive Officer of Syndax Pharmaceuticals, Inc., a privately held biopharmaceutical company focused on the development and commercialization of an epigenetic therapy for treatment-resistant cancers, and was a member of the board of directors from May 2011 until May 2015. From 2003 to January 2011, Ms. Morris served as the President, Chief Executive Officer and a member of the board of directors of Affymax, Inc., a publicly traded biotechnology company. Ms. Morris has also held various management and executive positions at Clearview Projects, Inc., a corporate advisory firm, Coulter Pharmaceutical, Inc., a publicly traded pharmaceutical company, Scios Inc., a publicly traded biopharmaceutical company, and Johnson & Johnson, a publicly traded healthcare company. She is currently a member of the board of directors of Viveve Medical, Inc., a publicly traded female healthcare medical device company, miRagen Therapeutics, Inc., a publicly traded microRNA therapeutics company, and Neovacs, SA, a French publicly traded biotechnology company, and was a director of Bidel Inc., a publicly traded specialty pharmaceutical company, from 2015 until its merger with Albireo Limited in 2016, and Dimension Therapeutics, Inc., a publicly traded gene therapy company, until its acquisition by Ultragenyx Pharmaceutical Inc. in 2017. Ms. Morris received a B.A. in Biology and Chemistry from Carlow College.

Ms. Morris has extensive experience in the biotechnology industry, including prior leadership positions, current senior management and board service, and experience as chief executive officer of companies with product candidates in phase 3 clinical trials.

ANTHONY M. MANNING, Ph.D., has been a director of Palatin since September 2017. Since 2013, Dr. Manning has been senior vice president of research at Momenta Pharmaceuticals, Inc., a publicly traded biopharmaceutical company developing therapeutics for autoimmune indications as well as biosimilars and generic versions of complex drugs. From 2011 to 2013, he was senior vice president of research and development at Aileron Therapeutics, Inc., a publicly traded biopharmaceutical company developing stapled peptide therapeutics for cancers and other diseases. From 2007 to 2011, he was vice president and head of inflammation and autoimmune diseases research at Biogen, Inc., a publicly traded biopharmaceutical company developing medicines for neurological and neurodegenerative conditions. From 2002 to 2007, he was vice president and global therapy area head for Roche Pharmaceuticals, the pharmaceutical division of Roche Holding AG, and from 2000 to 2002 he was vice president of Pharmacia, a global pharmaceutical company acquired by Pfizer in 2002. Dr. Manning received his Ph.D., M.Sc. and B.Sc. from the University of Otago, Dunedin, New Zealand.

Dr. Manning has extensive experience in translational research and development of new pharmaceutical products, and in pharmaceutical and biotechnology research, development and business strategy.

RECOMMENDATION OF THE BOARD

The board recommends a vote FOR the election of the eight nominees listed above.

[END OF ITEM ONE]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PROXY STATEMENT, PAGE 11

**ITEM TWO: RATIFICATION OF APPOINTMENT OF KPMG LLP
AS OUR INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

We recommend voting FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2018. KPMG served as our independent registered public accounting firm for the fiscal year ended June 30, 2017. We expect that a representative of KPMG will attend the annual meeting. The representative will have an opportunity to make a statement, if he or she desires, and will be available to respond to appropriate questions from stockholders.

Audit Fees. For the fiscal year ended June 30, 2017, KPMG billed us a total of \$382,600 for professional services rendered for the audit of our annual consolidated financial statements, review of our consolidated financial statements in our Forms 10-Q and services provided in connection with regulatory filings. For the fiscal year ended June 30, 2016, KPMG billed us a total of \$235,500 for professional services rendered for the audit of our annual consolidated financial statements and review of our consolidated financial statements in our Forms 10-Q.

Audit-Related Fees. For the fiscal years ended June 30, 2017 and 2016, KPMG did not perform or bill us for any audit-related services.

Tax Fees. For the fiscal year ended June 30, 2017, KPMG billed us a total of \$208,651 for professional services rendered for tax compliance and Internal Revenue Code Section 382 services. For the fiscal year ended June 30, 2016, KPMG billed us \$16,000 for professional services rendered for tax compliance.

All Other Fees. KPMG did not perform or bill us for any services other than those described above for the fiscal years ended June 30, 2017 and 2016.

Policy on Audit Committee Pre-Approval of Audit and Permissible Non-Audit Services of Independent Auditors. Consistent with SEC policies regarding auditor independence, the audit committee has responsibility for appointing, setting compensation for and overseeing the work of the independent registered public accounting firm. In recognition of this responsibility, the audit committee has established a policy to pre-approve all audit and permissible non-audit services provided by the independent registered public accounting firm.

Before engaging the independent registered public accounting firm for the next year's audit, management will submit to the audit committee for approval an estimate of fees for services expected to be rendered during that year in each of four categories:

1. Audit services, including work that generally only our independent registered public accounting firm can reasonably be expected to provide, such as services provided in connection with regulatory filings, statutory audits and attest services and consultation regarding financial accounting and/or reporting standards;
2. Audit-related services, including assurance and related services that are traditionally performed by the independent registered public accounting firm, including due diligence related to mergers and acquisitions, employee benefit plan audits and special procedures required to meet certain regulatory requirements;

3. Tax services, including services performed by our independent registered public accounting firm's tax personnel except those services specifically related to the audit of the consolidated financial statements, including fees in the areas of tax compliance, tax planning and tax advice; and

4. All other services not described in the preceding categories. We generally do not request other services from our independent registered public accounting firm.

The audit committee pre-approves fees for each category of service. The fees are budgeted and the audit committee requires the independent registered public accounting firm and management to report actual fees versus the budget periodically throughout the year by category of service. During the year, circumstances may arise when it may become necessary to engage the independent registered public accounting firm for additional services not contemplated in the original pre-approval. In those instances, the audit committee requires specific pre-approval before engaging the independent registered public accounting firm. All services provided by our independent registered public accounting firm in fiscal years 2017 and 2016 were pre-approved.

The audit committee may delegate pre-approval authority to one or more of its members. The member to whom such authority is delegated must report, for informational purposes only, any pre-approval decisions to the audit committee at its next scheduled meeting.

Although stockholder approval of KPMG LLP's appointment as our independent registered public accounting firm is not required by law or binding on the board or the audit committee, the board and the audit committee believe that stockholders should have an opportunity to express their views. In the event the stockholders do not ratify the appointment of KPMG LLP as our independent registered public accounting firm, the audit committee will reconsider its appointment.

REPORT OF THE AUDIT COMMITTEE

The audit committee of the board of directors, which consists entirely of directors who meet the independence and experience requirements of the NYSE American, has furnished the following report:

The audit committee assists the board in overseeing and monitoring the integrity of its financial reporting process, compliance with legal and regulatory requirements and the quality of internal and external audit processes. This committee reviews and reassesses our charter annually and recommends any changes to the board for approval. The audit committee is responsible for overseeing our overall financial reporting process, and for the appointment, compensation, retention, and oversight of the work of KPMG LLP.

The audit committee has reviewed and discussed the audited consolidated financial statements for the fiscal year ended June 30, 2017 with Palatin's management and has discussed with KPMG LLP the matters required to be discussed under Public Company Accounting Oversight Board standards. In addition, the audit committee has received from KPMG LLP the written disclosures and a letter from KPMG LLP regarding its independence as required by applicable requirements of the Public Company Accounting Oversight Board regarding KPMG LLP communications with the audit committee, and the audit committee further discussed with KPMG LLP its independence. The audit committee also considered the status of pending litigation, taxation matters and other areas of oversight relating to the financial reporting and audit process, among other factors, that the committee determined appropriate.

Based on these reviews and discussions, we recommended to the board of directors that the audited consolidated financial statements be included in Palatin's annual report on Form 10-K for the fiscal year ended June 30, 2017.

The Audit Committee

Robert K. deVeer, Jr., Chairman

Alan W. Dunton, M.D.

J. Stanley Hull

Angela Rossetti

RECOMMENDATION OF THE BOARD

The board recommends a vote FOR the ratification of the appointment of KPMG LLP as our independent registered public accounting firm for the fiscal year ending June 30, 2018.

[END OF ITEM TWO]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PROXY STATEMENT, PAGE 14

ITEM THREE: APPROVAL OF AN INCREASE IN
COMMON STOCK AVAILABLE FOR ISSUANCE UNDER OUR 2011
STOCK INCENTIVE PLAN

The company is asking stockholders to approve an amendment to our 2011 Stock Incentive Plan, as amended and restated (the “2011 Plan”) in order to increase the number of shares available for equity awards under the 2011 Plan by 10,000,000 shares, from 22,500,000 shares to 32,500,000 shares.

INCREASE IN PLAN SHARES

On April 5, 2018, the board of directors authorized an increase in the number of shares of common stock available for issuance under the 2011 Plan from 22,500,000 shares to 32,500,000 shares. 3,500,000 shares were initially available under the 2011 Plan. An increase of 3,500,000 shares, to a total of 7,000,000 shares, was authorized by the board of directors on April 25, 2013, and approved by stockholders on June 27, 2013. An increase of 3,000,000 shares, to a total of 10,000,000 shares, together with amendments to and restatement of the 2011 Plan, was authorized by the board of directors on March 3, 2015, and approved by stockholders on June 9, 2015. An increase of 2,500,000 shares, to a total of 12,500,000 shares, was authorized by the board of directors on April 1, 2016, and approved by the stockholders on June 9, 2016. An increase of 10,000,000 shares, to a total of 22,500,000, was authorized by the board of directors on March 30, 2017, and approved by the stockholders on June 8, 2017. Additionally, 595,726 shares have been available under the 2011 Plan upon reversion from its predecessor plan, our 2005 Stock Plan (the “Prior Plan”). As of April 13, 2017, options to purchase 6,295,132 shares were outstanding under the 2011 Plan and 3,448,705 shares were issuable under outstanding restricted stock units. Restricted stock units for 1,378,750 have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee’s separation from service or a defined change in control event, and restricted stock units for 2,289,081 shares have vested and been delivered under the 2011 Plan. All of the delivered shares under restricted stock units are no longer available for issuance, and shares under restricted stock units that have vested but not been delivered are no longer available for issuance unless the restricted share units are forfeited by reason of termination for cause. As of April 27, 2018, the number of shares issued or potentially issuable under all options and stock awards was 22,353,902, which leaves only 146,098 shares available for future grants of awards under the 2011 Plan. The board believes that it will not be able to continue carrying out the purposes of the 2011 Plan unless additional stock becomes available for issuance.

Plan Highlights. The 2011 Plan authorizes the grant of equity-based and cash-based compensation to our key employees, consultants and non-employee directors in the form of stock options, stock appreciation rights (“SARs”), restricted shares, restricted stock units, other share-based awards and cash-based awards. Some of the key features of the 2011 Plan, assuming authorization of an increase in the number of shares of common stock available for issuance, are highlighted below and are more fully described under the heading “Summary of the Plan.”

PROXY STATEMENT, PAGE 15

The maximum number of shares that may be issued under the 2011 Plan is 32,500,000, plus the number of shares available to be granted under the Prior Plan on May 11, 2011, the date of the initial stockholder approval of the 2011 Plan, and shares which become available under the 2011 Plan if they are forfeited or otherwise become available under the Prior Plan on or after May 11, 2011.

The 2011 Plan does not permit what has been labeled by some stockholder groups as “liberal share counting” when determining the number of shares that have been granted. Only awards that are cancelled, forfeited or which are paid in cash can be added back to the share reserve.

Dividends or dividend equivalents provided with respect to awards will be accumulated or deemed reinvested until such award is earned and vested, including the satisfaction of any service vesting conditions and any applicable performance goals.

The 2011 Plan prohibits the use of “discounted” stock options or SARs.

The 2011 Plan prohibits the re-pricing of stock options and SARs without stockholder approval.

Any awards granted under the 2011 Plan are subject to forfeiture or repayment if a participant has engaged in detrimental activity (as described below). Awards may also be subject to forfeiture or repayment pursuant to the terms of any compensation recovery policy adopted to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules issued by the SEC or the NYSE American.

SUMMARY OF THE 2011 PLAN

The following is a summary of the 2011 Plan and is qualified in its entirety by reference to the full text of the 2011 Plan, which is attached as Appendix A to this Proxy Statement. If our stockholders do not approve the amendment to the 2011 Plan, the share increase to the 2011 Plan will not take effect. However, the 2011 Plan will remain in full effect according to its existing terms, and we will be able to continue to make awards under the 2011 Plan subject to existing authorized share limits.

Plan Limits. Assuming stockholder approval of the amendment to the 2011 Plan, the maximum number of shares of our common stock that may be issued or transferred with respect to awards under the 2011 Plan will be 32,500,000, plus the number of shares available to be granted under the Prior Plan on May 11, 2011, and shares that become available under the 2011 Plan if they are forfeited or otherwise become available under the Prior Plan on or after May 11, 2011. Shares issued or delivered pursuant to an award under the 2011 Plan may include authorized but unissued shares, treasury shares, or a combination of the foregoing. Shares covering awards that terminate or are forfeited, or shares that are returned to the company pursuant to a compensation recovery policy, will again be available for issuance under the 2011 Plan, and upon payment in cash of the benefit provided by any award granted under the 2011 Plan, any shares that were covered by that award will be available for issue or transfer under the 2011 Plan.

Notwithstanding the foregoing, shares surrendered for the payment of the exercise price under stock options, repurchased by us with option proceeds, or withheld for taxes upon exercise or vesting of an award, are not again available for issuance under the 2011 Plan. In addition, if a stock appreciation right is exercised and settled in shares,

all of the shares underlying the stock appreciation right are counted against the 2011 Plan limit regardless of the number of shares used to settle the stock appreciation right.

PROXY STATEMENT, PAGE 16

In order to comply with the rules applicable to incentive stock options, the 2011 Plan provides that all of the shares available may be issued as incentive stock options. In addition, the 2011 Plan provides that the maximum value of grants in any calendar year under the 2011 Plan to non-employee members of the board of directors, taken together with any cash fees paid to such person during such calendar year, shall not exceed \$350,000, with the aggregate grant fair value determined as of the applicable date or dates of grant in accordance with applicable financial accounting rules.

Administration. The 2011 Plan is administered by our compensation committee or such other committee as our board selects consisting of two or more directors, each of whom is intended to be a “non-employee director” within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934, as amended, an “outside director” under regulations promulgated under Section 162(m) of the Code, and an “independent director” under the NYSE American listing standards. The compensation committee has full and final authority in its discretion to take all actions determined to be necessary in the administration of the 2011 Plan.

Our board may reserve to itself any or all of the authority and responsibility of the compensation committee under the 2011 Plan or may act as administrator of the 2011 Plan for any and all purposes. In addition, to the extent permitted by applicable laws, our board or compensation committee may expressly delegate to one or more directors or officers some or all of the compensation committee’s authority, within specified parameters, to administer the 2011 Plan.

Eligibility. The 2011 Plan provides that awards may be granted to our employees (including employees of our subsidiaries), consultants and non-employee directors who are selected by the compensation committee, in its discretion, except that incentive stock options may be granted only to employees. Six non-employee directors and 20 employees, together with consultants we utilize, would currently be eligible to participate in the 2011 Plan.

Duration and Modification. The 2011 Plan will terminate on March 10, 2025, or such earlier date as our board of directors may determine. The 2011 Plan will remain in effect for outstanding awards until no awards remain outstanding. The board may amend, suspend or terminate the 2011 Plan at any time but stockholder approval is required for any further amendment to the extent necessary to comply with the NYSE American rules or applicable laws. An amendment of the 2011 Plan or any award may not adversely affect in a material way any outstanding award without the consent of the affected participant, provided that the compensation committee may amend the plan or any award without a participant’s consent to the extent the compensation committee deems necessary to comply with applicable law.

Stock Options. Our compensation committee may, at any time and from time to time, grant stock options to participants in such number as the compensation committee determines in its discretion. Stock options may consist of incentive stock options (“ISOs”), non-qualified stock options or any combinations of the foregoing awards.

Stock options provide the right to purchase common shares at a price not less than their fair market value on the date of grant (which date may not be earlier than the date that the compensation committee takes action with respect to such grants). The fair market value of our common stock as reported on the NYSE American on the record date, April 27, 2018, was \$1.18 per share. No stock options may be exercised more than 10 years from the date of grant.

Each grant must specify (i) the period of continuous employment that is necessary (or the performance objectives that must be achieved) before the stock options become exercisable, and (ii) the extent to which the option holder will have the right to exercise the stock options following termination. Our compensation committee will determine the terms in its discretion, which terms need not be uniform among all option holders. No dividend equivalents may be provided with respect to any award of stock options.

The option price is payable at the time of exercise (i) in cash, (ii) by tendering unrestricted shares of our common stock that are already owned by the option holder and have a value at the time of exercise equal to the option price, (iii) by a cashless exercise (including by withholding shares deliverable upon exercise and through a broker-assisted arrangement to the extent permitted by applicable law), (iv) by any combination of the foregoing methods of payment, or (v) through any other method approved by the compensation committee.

Stock Appreciation Rights. Our compensation committee may, at any time and from time to time, grant SARs to participants in such number as the compensation committee determines in its discretion. The grant price for each SAR will be determined by the compensation committee, in its discretion, and will be at least equal to the fair market value of a share on the date of grant. No SAR may be exercised more than 10 years from the date of grant.

Upon the exercise of a SAR, the holder is entitled to receive payment in an amount determined by multiplying (i) the excess of the fair market value of a common share on the date of exercise over the grant price, by (ii) the number of shares with respect to which the SAR is exercised. Each grant will specify whether the payment will be in cash, common shares of equivalent value, or in some combination thereof.

Each grant of a SAR must specify (i) the period of continuous employment that is necessary (or the performance objectives that must be achieved) before the SAR becomes exercisable and (ii) the extent to which the holder will have the right to exercise the SAR following termination. Our compensation committee will determine these terms in its discretion, and these terms need not be uniform among all participants. No dividend equivalents may be provided with respect to any award of SARs.

Restricted Shares. Our compensation committee may, at any time and from time to time, grant or sell restricted shares to participants in such number as the compensation committee determines in its discretion.

An award of restricted shares constitutes an immediate transfer of ownership of a specified number of common shares to the recipient in consideration of the performance of services. Unless otherwise provided by the compensation committee, the participant is entitled immediately to voting, dividend and other ownership rights in the shares. However, any dividends with respect to unvested restricted shares will be accumulated or reinvested subject to the same terms and conditions as the restricted shares. The transfer may be made without additional consideration or in consideration of a payment by the recipient that is less than the fair market value per share on the date of grant.

Restricted shares must be subject to a “substantial risk of forfeiture,” within the meaning of Section 83 of the Code, based on continued service, the achievement of performance objectives, or upon the occurrence of other events as determined by our compensation committee, at its discretion. In order to enforce these forfeiture provisions, the transferability of restricted shares will be prohibited or restricted in the manner prescribed by the compensation committee on the date of grant for the period during which such forfeiture provisions are to continue.

Restricted Share Units. Our compensation committee may, at any time and from time to time, grant or sell restricted share units, which are also sometimes called “restricted stock units,” to participants in such number as the compensation committee determines in its discretion.

Restricted share units constitute an agreement to deliver common shares to the recipient in the future at the end of a restriction period and subject to the fulfillment of such conditions as the compensation committee may specify. To the extent earned, the participant will receive payment of such performance-based restricted share units at the time and in the manner determined by our compensation committee, in cash, common shares, restricted shares, or any combination thereof.

During the restriction period the participant has no right to transfer any rights under his or her award and no right to vote or receive dividends on the shares covered by the restricted share units, but the compensation committee may authorize the payment of dividend equivalents with respect to the restricted share units on a deferred basis, either accumulated or deemed reinvested until vesting of the underlying award.

Other Share-Based Awards. Our compensation committee may, at any time and from time to time, grant or sell other share-based awards that may be denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, shares of our common stock or factors that may influence the value of such shares. For example, the awards may include common shares granted as a stock bonus, convertible or exchangeable debt securities or other securities, purchase rights for shares, or awards with value and payment contingent upon performance of our company or our subsidiaries or other factors determined by the compensation committee.

The compensation committee will determine the terms and conditions of these other share-based awards. Common shares delivered pursuant to these types of awards will be purchased for such consideration, by such methods and in such forms as the compensation committee determines. Other share-based awards may be granted with a right to receive dividend equivalents on a deferred basis, either accumulated or deemed reinvested until vesting of the underlying award.

Cash-Based Awards. We may also grant cash-based awards under the 2011 Plan. A cash-based award gives a participant a right to receive a specified amount of cash, subject to terms and conditions established by the compensation committee, which may include continued service and/or the achievement of performance objectives.

Performance Objectives. Our compensation committee may condition the vesting, exercise or payment of any award upon the achievement of one or more performance objectives. Performance objectives may be described in terms of either company-wide objectives or objectives that are related to the performance of the individual participant or the performance of our company or one or more of its subsidiaries, divisions, departments, units, functions, partnerships, joint ventures or minority investments, product lines or products, or the performance of an individual participant. The performance objectives may be relative to the performance of a group of comparable companies, a published or special index that our compensation committee, in its discretion, deems appropriate, or we may also select performance objectives as compared to various stock market indices.

For example, performance objectives may be based on one or more of the following criteria: revenues, earnings from operations, operating income, earnings before or after interest and taxes, operating income before or after interest and taxes, net income, cash flow, earnings per share, return on total capital, return on invested capital, return on equity, return on assets, total return to stockholders, earnings before or after interest, or extraordinary or special items, operating income before or after interest, taxes, depreciation, amortization or extraordinary or special items, return on investment, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, cash flow in excess of cost of capital, operating margin, profit margin, contribution margin, stock price and/or strategic business criteria consisting of one or more objectives based on meeting specified product development, strategic partnering, research and development milestones, clinical trial status, product approvals in geographic regions, market penetration, geographic business expansion goals, cost targets, customer satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates and joint ventures. The performance objectives may be calculated without regard to extraordinary items or adjusted, as the compensation committee deems equitable, in recognition of unusual or non-recurring events affecting our company or its subsidiaries or changes in applicable tax laws or accounting principles.

Acceleration of Awards. Our compensation committee may in its discretion determine at any time that: (i) all or a portion of a participant's stock options, SARs and other awards in the nature of rights that may be exercised will become fully or partially exercisable; (ii) all or a part of the time-based vesting restrictions on all or a portion of the outstanding awards will lapse; (iii) any performance-based criteria with respect to any awards will be deemed to be wholly or partially satisfied; and/or (iv) any other limitation or requirement under any such award will be waived, in each case, as of such date as the compensation committee, in its discretion, declares. Any such decisions by the compensation committee need not be uniform among all participants or awards. The compensation committee will not make any adjustment that would cause an award that is otherwise exempt from Section 409A of the Code to become subject to Section 409A or that would cause an award that is subject to Section 409A of the Code to fail to satisfy the requirements of Section 409A.

Change in Control. If we experience a change in control, the compensation committee generally has discretion to take action with respect to outstanding awards, including, without limitation, the ability to (i) accelerate the vesting, settlement or exercisability of an award; (ii) cancel an award in exchange for a cash payment; (iii) cancel a stock option or SAR without payment if the fair market value of a share on the date of the change in control does not exceed the exercise price per share of the stock option or SAR; or (iv) issue substitute awards.

A change in control generally means any of the following: (i) the acquisition of 50% or more of our outstanding voting securities; (ii) a change in the membership of our board of directors, so that the current incumbents and their approved successors no longer constitute a majority; (iii) consummation of a merger, reorganization or consolidation, unless the owners of our voting securities own 50% or more of the resulting corporation; or (iv) the sale or other disposition of all or substantially all of our assets.

Forfeiture or Repayment of Awards. If a participant has engaged in detrimental activity, then, upon notice from the compensation committee, the participant shall forfeit all outstanding awards, return any shares held by the participant that were acquired under the 2011 Plan within two years prior to the date of participant's initial commencement of the detrimental activity, and repay the company in cash for any shares that were acquired under the 2011 Plan within two years prior to the date of participant's initial commencement of the detrimental activity, but previously disposed of by the participant. Detrimental activity generally means violations of any non-compete, non-solicitation, confidentiality, or ownership of works covenants, each as set forth in any agreement between the participant and the company or a subsidiary, including, but not limited to, the award agreement or any severance plan maintained by the company or a subsidiary that covers the participant. Detrimental activity also includes (i) participant's commission of any act of fraud, misappropriation or embezzlement against or in connection with the company or any of its subsidiaries, or (ii) a conviction, guilty plea or plea of nolo contendere of participant for any crime involving dishonesty or for any felony.

Awards may also be subject to forfeiture or repayment pursuant to the terms of any compensation recovery policy adopted to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules issued by the SEC or the NYSE American.

Transferability. Except as our board of directors or compensation committee otherwise determines, awards granted under the 2011 Plan will not be transferable by a participant other than by will or the laws of descent and distribution. Except as otherwise determined by our compensation committee, any stock options and SARs will be exercisable during a participant's lifetime only by him or her or, in the event of the participant's legal incapacity to do so, by his or her guardian or legal representative. Any award made under the 2011 Plan may provide that any common shares issued or transferred as a result of the award will be subject to further restrictions upon transfer.

Adjustments. In the event of any equity restructuring, such as a stock dividend, stock split, spinoff, rights offering or recapitalization through a large, nonrecurring cash dividend, our compensation committee will adjust the number and kind of shares that may be delivered under the 2011 Plan, the individual award limits, and, with respect to outstanding awards, the number and kind of shares subject to outstanding awards, the exercise price, and the grant price or other price of shares subject to outstanding awards, to prevent dilution or enlargement of rights. In the event of any other change in corporate capitalization, such as a merger, consolidation or liquidation, the compensation committee may, in its discretion, cause there to be such equitable adjustment as described in the foregoing sentence, to prevent dilution or enlargement of rights. However, unless otherwise determined by the compensation committee, we will always round down to a whole number of shares subject to any award. Any such adjustment will be made by our compensation committee, whose determination will be conclusive.

Prohibition on Re-Pricing. Subject to adjustment as described under “Adjustments” immediately above, the 2011 Plan does not permit, without the approval of our stockholders, what is commonly known as the “re-pricing” of stock options or SARs, including:

an amendment to reduce the exercise price of any outstanding stock option or base price of any outstanding SAR;

the cancellation of an outstanding stock option or SAR and replacement with a stock option having a lower exercise price or with a SAR having a lower base price; and

the cancellation of an outstanding stock option or SAR and replacement with another award under the 2011 Plan.

FEDERAL INCOME TAX CONSEQUENCES

The following discussion is limited to a summary of the U.S. federal income tax provisions relating to the grant, exercise and vesting of awards under the 2011 Plan. The tax consequences of awards may vary according to country of participation. Also, the tax consequences of the grant, exercise or vesting of awards vary depending upon the particular circumstances, and it should be noted that income tax laws, regulations and interpretations change frequently. Participants should rely upon their own tax advisors for advice concerning the specific tax consequences applicable to them, including the applicability and effect of state, local and foreign tax laws.

Tax Consequences to Participants

Nonqualified Stock Options. In general, (i) a participant will not recognize income at the time a nonqualified option is granted; (ii) a participant will recognize ordinary income at the time of exercise in an amount equal to the excess of the fair market value of the shares on the date of exercise over the option price paid for the shares; and (iii) at the time of sale of shares acquired pursuant to the exercise of the nonqualified option, appreciation (or depreciation) in value of the shares after the date of exercise will be treated as either short-term or long-term capital gain (or loss) depending on how long the shares have been held.

Incentive Stock Options. A participant will not recognize income at the time an ISO is granted or exercised. However, the excess of the fair market value of the shares on the date of exercise over the option price paid may constitute a preference item for the alternative minimum tax. If shares are issued to the optionee pursuant to the exercise of an ISO, and if no disqualifying disposition of such shares is made by such optionee within two years after the date of the grant or within one year after the issuance of such shares to the optionee, then upon sale of such shares, any amount realized in excess of the option price will be taxed to the optionee as a long-term capital gain and any loss sustained will be a long-term capital loss. If shares acquired upon the exercise of an ISO are disposed of prior to the expiration of either holding period described above, the optionee generally will recognize ordinary income in the year of disposition in an amount equal to the excess (if any) of the fair market value of such shares as of the time of exercise (or, if less, the amount realized on the disposition of such shares if a sale or exchange) over the option price paid for such shares. Any further gain (or loss) realized by the participant generally will be taxed as short-term or long-term capital gain (or loss) depending on the holding period.

SARs. A participant will not recognize income upon the grant of a SAR. The participant generally will recognize ordinary income when the SAR is exercised in an amount equal to the cash and the fair market value of any unrestricted shares received on the exercise.

PROXY STATEMENT, PAGE 22

Restricted Shares. A participant will not be subject to tax until the shares of restricted shares are no longer subject to forfeiture or restrictions on transfer for purposes of Section 83 of the Code. At that time, the participant will be subject to tax at ordinary income rates on the fair market value of the restricted shares (reduced by any amount paid by the participant for such restricted shares). However, a participant who so elects under Section 83(b) of the Code within 30 days of the date of transfer of the shares will have taxable ordinary income on the date of transfer of the shares equal to the excess of the fair market value of such shares over the purchase price, if any, of such restricted shares. Any appreciation (or depreciation) realized upon a later disposition of such shares will be treated as long-term or short-term capital gain depending upon how long the shares have been held.

Restricted Share Units. A participant will not recognize income upon the grant of restricted share units. Upon payment of the awards, the participant generally will recognize ordinary income in an amount equal to the cash and the fair market value of any unrestricted shares received.

Other Share-Based Awards and Cash-Based Awards. A participant generally will recognize ordinary income upon the payment of other share-based awards or cash-based awards in an amount equal to the cash and the fair market value of any unrestricted shares received.

Dividend Equivalents. Any dividend equivalents awarded with respect to awards granted under the 2011 Plan and paid in cash or unrestricted shares will be taxed to the participant at ordinary income rates when received by the participant.

Section 409A. The 2011 Plan permits the grant of various types of awards that may or may not be exempt from Section 409A of the Code. If an award is subject to Section 409A, and if the requirements of Section 409A are not met, the taxable events as described above could apply earlier than described and could result in the imposition of additional taxes and penalties. Restricted shares awards, unrestricted shares awards, stock options and SARs that comply with the terms of the 2011 Plan are designed to be exempt from the application of Section 409A. Restricted share units and dividend equivalents granted under the 2011 Plan will be subject to Section 409A unless they are designed to satisfy the short-term deferral exemption (or another applicable exception). If not exempt, those awards will be designed to meet the requirements of Section 409A in order to avoid early taxation and penalties.

Tax Consequences to Us. When a participant recognizes ordinary compensation income as a result of an award granted under the 2011 Plan, we may be permitted to claim a federal income tax deduction for such compensation, subject to various limitations that may apply under applicable law.

For example, Section 162(m) of the Code disallows the deduction of certain compensation in excess of \$1 million per year payable to any of the “covered employees” of a public company. The compensation committee has granted stock options and performance-based restricted stock units under the 2011 Plan that were intended to be exempt from the \$1 million deduction limit of Section 162(m) to the extent that those grants were within the applicable sub-limits for those awards. Any grants of stock options and performance-based restricted stock units under the 2011 Plan to covered employees in excess of the applicable sub-limits in the 2011 Plan were not intended to be exempt from the \$1 million deduction limit.

However, as a result of changes to Section 162(m) pursuant to the Tax Cuts and Jobs Act, which was enacted on December 22, 2017, compensation paid in the fiscal year starting July 1, 2018 or a later fiscal year to one of our covered employees generally will not be deductible by the company to the extent that it exceeds \$1 million, except as otherwise permitted by applicable transition rules.

Further, to the extent that compensation provided under the 2011 Plan may be deemed to be contingent upon a change in control of the company, a portion of such compensation may be non-deductible by the company under Section 280G of the Internal Revenue Code and may be subject to a 20% excise tax imposed on the recipient of the compensation.

AWARDS GRANTED TO MANAGEMENT, DIRECTORS AND EMPLOYEES

The following table shows all outstanding options and restricted stock units as of April 27, 2018, whether currently exercisable or not, granted under the 2011 Plan to our executive officers, directors and employees. These options and restricted stock units are not subject to stockholder approval of an increase in common stock available for issuance under our 2011 Plan by 10,000,000 shares. The closing price of our common stock as reported on NYSE American was \$1.18 on April 27, 2018.

NEW PLAN BENEFITS

OUTSTANDING AWARDS TABLE – 2011 PLAN

Name and Position	Number of option shares	Number of restricted stock units (1)
Carl Spana, Ph.D., chief executive officer, president and director	3,870,000	2,785,000
Stephen T. Wills, MST, CPA, chief financial officer, chief operating officer and executive vice president	3,375,000	2,438,000
John K.A. Prendergast, Ph.D., director and chairman of the board	548,750	268,000
Robert K. deVeer, Jr., director	304,500	134,000
J. Stanley Hull, director	301,000	134,000
Alan W. Dunton, M.D., director	234,000	124,000
Angela Rossetti, director	186,500	114,000
Arlene Morris, director	141,500	104,000
Anthony M. Manning, Ph.D., director	69,000	69,000
TWO EXECUTIVE OFFICERS AS A GROUP:	7,245,000	5,223,000
SEVEN NON-EXECUTIVE DIRECTORS AS A GROUP:	1,785,250	947,000
NON-EXECUTIVE EMPLOYEES AS A GROUP:	2,240,600	2,661,683

(1)

Includes restricted stock units which have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event. Restricted stock units that have been vested but not delivered under deferred delivery provisions are subject to forfeiture in the event of termination for cause.

Our compensation committee will determine, in its discretion, all awards under the 2011 Plan, but except as set forth above no future awards to our officers, employees or non-employee directors under the 2011 Plan are currently determinable.

OTHER MATTERS

Registration with the SEC. We intend to file a Registration Statement on Form S-8 relating to the issuance of additional common shares under the 2011 Plan with the SEC under the Securities Act of 1933, as soon as is practicable after approval by our stockholders of the increase in shares available under the 2011 Plan.

Securities Authorized for Issuance Under Equity Compensation Plans. The table below provides information on our equity compensation plans as of June 30, 2017:

Equity
Compensation
Plan
Information
as of June 30,
2017

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	14,136,749(1)	\$0.76(2)	6,525,778
Equity compensation plans not approved by security holders	25,000(3)	\$0.70	-
Total	14,161,749		6,525,778

(1)

Consists of 8,592,162 options and 5,209,617 restricted stock units granted under our 2011 Plan and 334,970 options granted under our 2005 Stock Plan. Our 2005 Stock Plan has terminated, but termination does not affect awards that are currently outstanding under this plan. The shares subject to outstanding awards under the 2005 Stock Plan, if forfeited prior to exercise, will become available for issuance under the 2011 Plan.

(2)

The amount in column (a) for equity compensation plans approved by security holders includes 5,209,617 shares reserved for issuance of outstanding restricted stock units, granted under our 2011 Plan, which either vest on various dates through June 20, 2021, subject to the fulfillment of service conditions, or have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event. Because no exercise price is required for issuance of shares on vesting of the restricted stock units, the weighted-average exercise price in column (b) does not take the restricted stock units into account.

(3)
Consists of two warrants to purchase 12,500 shares at \$0.70 per share issued in connection with a contract for financial advisory services.

PROXY STATEMENT, PAGE 25

Current Equity Compensation Plan Information. As of April 27, 2018, there were 11,481,412 shares subject to issuance upon exercise of outstanding options under all of our equity compensation plans referred to in the table below, at a weighted average exercise price of \$0.73, and with a weighted average remaining life of 7.5 years. There were a total of 8,831,683 shares subject to outstanding restricted stock unit awards that remain subject to forfeiture. As of April 27, 2018, there were 146,098 shares available for future issuance under the 2011 Plan, which is the only equity compensation plan for which any shares are available for future issuance.

Equity
Compensation
Plan
Information
as of April 27,
2018

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Equity compensation plans approved by security holders	20,313,095(1)	\$0.73(2)	146,098
Equity compensation plans not approved by security holders	25,000(3)	\$0.70	-
Total	20,338,095		146,098

(1)
Consists of 11,234,162 options and 8,831,683 restricted stock units granted under our 2011 Plan and 247,250 options granted under our 2005 Stock Plan. Our 2005 Stock Plan has terminated, but termination does not affect awards that are currently outstanding under this plan. The shares subject to outstanding awards under the 2005 Stock Plan, if forfeited prior to exercise, will become available for issuance under the 2011 Plan.

(2)
The amount in column (a) for equity compensation plans approved by security holders includes 8,831,683 shares reserved for issuance of outstanding restricted stock units, granted under our 2011 Plan, which either vest on various dates through December 12, 2021, subject to the fulfillment of service conditions, or have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event. Because no exercise price is required for issuance of shares on vesting of the restricted stock units, the weighted-average exercise price in column (b) does not take the restricted stock units into account.

(3)

Consists of two warrants to purchase 12,500 shares at \$0.70 per share issued in connection with a contract for financial advisory services.

There have been no grants of any options, warrants or rights under the 2011 Plan or otherwise between April 27, 2018 and the date of this proxy statement, May 16, 2018.

RECOMMENDATION OF THE BOARD

The board recommends a vote FOR an increase in common stock available for issuance under our 2011 Stock Incentive Plan by 10,000,000 shares.

[END OF ITEM THREE]

PROXY STATEMENT, PAGE 26

ITEM FOUR: ADVISORY APPROVAL OF THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

As required by Section 14A of the Securities Exchange Act of 1934, as amended, we are seeking an advisory, non-binding stockholder vote with respect to the compensation of our named executive officers listed in the Summary Compensation Table in the “Executive Compensation” section of this Proxy Statement (sometimes referred to as the “NEOs”) for the fiscal year ended June 30, 2017, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our NEOs and the philosophy, policies and practices described in this Proxy Statement. This vote is commonly known as a “say-on-pay” advisory vote.

The board of directors, consistent with the advisory vote of the stockholders at the 2013 annual meeting, has adopted an annual frequency for a say-on-pay advisory vote. The next say-on-pay advisory vote will occur at the annual meeting for the fiscal year ending June 30, 2018, to be held in 2019.

At our 2017 annual meeting, our say-on-pay proposal was supported by approximately 56% of the votes cast for or against advisory approval. The compensation committee did not implement any changes based on the advisory vote of the stockholders on say-on-pay at the last annual meeting because the committee considered the vote results to support the company’s existing compensation practices.

We compensate our NEOs in accordance with three-year employment agreements that are designed to motivate our NEOs to achieve both annual and long-term financial and strategic objectives. See “Employment Agreements” under the Executive Compensation section below. Here is a summary of how we determine compensation under those agreements:

Base salary. The employment agreement sets a base salary which reflects the market for executive talent in our industry at the time we entered into the agreement, along with each NEO’s experience and particular expertise, both in the industry and with Palatin. The fact that the employment agreements are for a term of three years gives us the opportunity to do a thorough re-evaluation of market conditions at reasonable intervals, and gives us and the NEO the opportunity to renegotiate any terms which experience has indicated ought to change.

Annual salary adjustment. Each year the compensation committee evaluates whether the NEO’s salary is keeping pace with inflation and market conditions and adequately reflecting the NEO’s overall contributions to the company. This may result in a salary increase.

Annual discretionary bonus. Each year the compensation committee evaluates the NEO’s contributions to annual operating results and achievement of annual objectives. This may result in a cash bonus.

Stock-based incentives. Each year the compensation committee evaluates the non-cash portion of the NEO's compensation, consisting of grants of stock options and restricted stock units. The stock-based compensation can vest over longer or shorter terms, usually from one to four years. Providing a significant portion of the NEO's total compensation in the form of stock or stock options is intended to align the NEO's motivation with long-term stock value. Our stock-based awards are simple and straightforward, just stock options and restricted stock units, the dollar value of which is set forth under Executive Compensation.

None of the compensation we award above the base salary is automatic or perfunctory. There have been years in which we did not increase salaries, grant any cash bonuses or grant any stock-based awards. We believe that NEO compensation for the fiscal year ended June 30, 2017 was effective in retaining and motivating our NEOs to work toward our annual and long-term goals, and well within the range of normal practices for companies of our size and in our industry. Accordingly, we ask for our stockholders to indicate their support for the compensation paid to our NEOs by voting FOR the following non-binding resolution at the meeting:

RESOLVED, that the stockholders approve the compensation of the named executive officers for the fiscal year ended June 30, 2017 listed in the Summary Compensation Table in the Executive Compensation section of the proxy statement, as disclosed pursuant to Item 402 of Regulation S-K, including the compensation tables and narrative discussion.

Approval of this proposal requires that votes cast in favor of the proposal exceed the votes cast against the proposal. Because your vote is advisory, the result will not be binding on the board or the compensation committee. Nonetheless, the board and the compensation committee value the opinions of our stockholders and will consider the outcome of the vote, along with other relevant factors, when making future compensation decisions for NEOs.

RECOMMENDATION OF THE BOARD

The board recommends a vote FOR the approval of the compensation of the NEOs, as stated in the above non-binding resolution.

[END OF ITEM FOUR]

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

PROXY STATEMENT, PAGE 28

CORPORATE GOVERNANCE

NOMINATION OF DIRECTORS

The nominating and corporate governance committee conducts an annual director performance evaluation process and proposes nominees for election as directors. Nominees must be well-regarded and experienced participants in their field(s) of specialty, familiar with our business, willing to devote the time and attention necessary to deepen and refine their understanding of Palatin and the issues we face, and must have an understanding of the demands and responsibilities of service on a public company board of directors. The committee considers individual merits, such as personal integrity and sound judgment, business and professional skills and experience, independence, knowledge of the industry in which we operate, possible conflicts of interest, diversity, the extent to which the candidate would fill a present need on the board and concern for the long-term interests of the stockholders. While we do not have a formal diversity policy, to ensure that the board of directors benefits from diverse perspectives, the committee seeks qualified nominees from a variety of backgrounds, including candidates of gender and ethnic diversity. Twenty-five percent of the nominees to the board of directors are female. The committee also considers each candidate in relation to existing or other potential members of the board, with a view to establishing a well-rounded, diverse, knowledgeable, and experienced board.

The board amended its written charter for the nominating and corporate governance committee effective October 1, 2013 to provide that directors will not be nominated for election to the board after their 75th birthday, although the full board, upon the recommendation of the committee, may nominate candidates over 75 years of age in special circumstances. There are no nominees for director who are over 75 years of age.

The committee will consider stockholder recommendations of nominees if they are accompanied by a comprehensive written resume of the recommended nominee's business experience and background, and a signed consent from the recommended nominee stating that he or she is willing to be considered as a nominee and, if nominated and elected, will serve as a director. The committee will consider candidates recommended by stockholders on the same basis as candidates from other sources. The committee may retain outside consultants to assist in identifying suitable director candidates. Stockholders may send their written recommendations with the required documentation to our executive offices at 4B Cedar Brook Drive, Cranbury, NJ 08512, Attention: Secretary.

DIRECTOR INDEPENDENCE

The board of directors has determined that all of the directors and nominees except for Dr. Spana (our chief executive officer and president) are independent directors, as defined in the listing standards of the NYSE American, on which our common stock is listed.

PROXY STATEMENT, PAGE 29

THE BOARD AND ITS COMMITTEES

Committees and meetings. The board has an audit committee, a compensation committee and a nominating and corporate governance committee. During the fiscal year ended June 30, 2017, or fiscal 2017, the board met six times, the audit committee met four times, the compensation committee met three times and the nominating and corporate governance committee met twice. Each director attended at least 75% of the total number of meetings of the board and committees of the board on which he served. The independent directors, with the Chairman presiding, meet in executive sessions at least annually, following the annual board meeting. We do not have a policy requiring our directors to attend stockholder meetings. With the exception of Drs. Prendergast and Spana, the directors did not attend the annual meeting of stockholders held on June 8, 2017.

Audit committee. The audit committee reviews the engagement of the independent registered public accounting firm and reviews the independence of the independent registered public accounting firm. The audit committee also reviews the audit and non-audit fees of the independent registered public accounting firm and the adequacy of our internal control procedures. The audit committee is currently composed of four independent directors, Mr. deVeer (chairperson), Dr. Dunton, Ms. Rossetti and Mr. Hull. The board has determined that the members of the audit committee are independent, as defined in the listing standards of the NYSE American, and satisfy the requirements of the NYSE American as to financial literacy and expertise. The board has determined that at least one member of the committee, Mr. deVeer, is the audit committee financial expert as defined by Item 407 of Regulation S-K. The responsibilities of the audit committee are set forth in a written charter adopted by the board and updated as of October 1, 2013, a copy of which is available on our web site at www.palatin.com.

Compensation committee. The compensation committee reviews and recommends to the board on an annual basis employment agreements and compensation for our officers, directors and some employees, and administers our 2011 Plan and the options still outstanding which were granted under previous stock option plans. The compensation committee is composed of Dr. Dunton (chairperson), Ms. Morris and Messrs. deVeer and Hull. The board has determined that the members of the compensation committee are independent, as defined in the listing standards of the NYSE American. Our Chief Executive Officer aids the compensation committee by providing annual recommendations regarding the compensation of all executive officers, other than himself. Our Chief Financial Officer supports the committee in its work by gathering, analyzing and presenting data on our compensation arrangements and compensation in the marketplace.

The responsibilities of the compensation committee are set forth in a written charter adopted by the board effective October 1, 2013, a copy of which is available on our web site at www.palatin.com. The committee administers our 2011 Plan, under which it has delegated to an officer its authority to grant stock options to employees and to a single-member committee of the board its authority to grant restricted stock units to officers and to grant options and restricted stock units to our consultants, but in either instance not to grant options or restricted stock units to themselves, any member of the board or officer, or any person subject to Section 16 of the Securities Exchange Act of 1934.

Nominating and corporate governance committee. The nominating and corporate governance committee assists the board in recommending nominees for directors, and in determining the composition of committees. It also reviews, assesses and makes recommendations to the board concerning policies and guidelines for corporate governance, including relationships of the board, the stockholders and management in determining our direction and performance. The responsibilities of the nominating and corporate governance committee are set forth in a written charter adopted by the board and updated as of October 1, 2013, a copy of which is available on our web site at www.palatin.com. The nominating and corporate governance committee is composed of Dr. Prendergast (chairperson) and Ms. Rossetti and Ms. Morris, each of whom meets the independence requirements established by the NYSE American.

PROXY STATEMENT, PAGE 30

Duration of Office. Unless a director resigns, all directors hold office until the next annual meeting of stockholders or until their successors have been elected and qualified. Directors serve as members of committees as the board determines from time to time.

COMMUNICATING WITH DIRECTORS

Generally, stockholders or other interested parties who have questions or concerns should contact Stephen T. Wills, Secretary, Palatin Technologies, Inc., 4B Cedar Brook Drive, Cranbury, NJ 08512. However, any stockholder or other interested party who wishes to address questions regarding our business directly to the board of directors, or any individual director, including the Chairman or non-management directors as a group, can direct questions to the board members or a director by regular mail to the Secretary at the address above or by e-mail at boardofdirectors@palatin.com. Stockholders or other interested parties may also submit their concerns anonymously or confidentially by postal mail.

Communications are distributed to the board, or to any individual directors as appropriate, depending on the facts and circumstances outlined in the communication, unless the Secretary determines that the communication is unrelated to the duties and responsibilities of the board, such as product inquiries, resumes, advertisements or other promotional material. Communications that are unduly hostile, threatening, illegal or similarly unsuitable will also not be distributed to the board or any director. All communications excluded from distribution will be retained and made available to any non-management director upon request.

BOARD ROLE IN RISK OVERSIGHT

Our board, as part of its overall responsibility to oversee the management of our business, considers risks generally when reviewing our strategic plan, financial results, business development activities, legal and regulatory matters. The board satisfies this responsibility through regular reports directly from our officers responsible for oversight of particular risks. The board's risk management oversight also includes full and open communications with management to review the adequacy and functionality of the risk management processes used by management. The board's role in risk oversight has no effect on the board's leadership structure. In addition, committees of the board assist in its risk oversight responsibility, including:

The audit committee assists the board in its oversight of the integrity of the financial reporting and our compliance with applicable legal and regulatory requirements. It also oversees our internal controls and compliance activities, and meets privately with representatives from our independent registered public accounting firm.

The compensation committee assists the board in its oversight of risk relating to compensation policies and practices. The compensation committee annually reviews our compensation policies, programs and procedures, including the incentives they create and mitigating factors that may reduce the likelihood of excessive risk taking, to determine whether they present a significant risk to our company.

BOARD LEADERSHIP STRUCTURE

Since 2000, the roles of Chairman of the board and chief executive officer have been held by separate persons. John K.A. Prendergast, Ph.D., a non-employee director, has served as Chairman of the board since June 2000. Carl Spana, Ph.D., has been our chief executive officer and president since June 2000. Generally, the Chairman is responsible for advising the chief executive officer, assisting in long-term strategic planning, and presiding over meetings of the board, and the chief executive officer is responsible for leading our day-to-day performance. While we do not have a written policy with respect to separation of the roles of Chairman of the board and chief executive officer, the board believes that the existing leadership structure, with the separation of these roles, provides several important advantages, including: enhancing the accountability of the chief executive officer to the board; strengthening the board's independence from management; assisting the board in reaching consensus on particular strategies and policies; and facilitating robust director, board, and executive officer evaluation processes.

CODE OF CORPORATE CONDUCT AND ETHICS

We have adopted a code of corporate conduct and ethics, updated as of March 11, 2016, that applies to all of our directors, officers and employees, including our chief executive officer and chief financial officer. You can view the code of corporate conduct and ethics at our website, www.palatin.com. We will disclose any amendments to, or waivers from, provisions of the code of corporate conduct and ethics that apply to our directors, principal executive and financial officers in a current report on Form 8-K, unless the rules of the NYSE American permit website posting of any such amendments or waivers.

DIRECTOR COMPENSATION

The following table sets forth the compensation we paid to all directors during fiscal 2017, except for Dr. Spana, whose compensation is set forth below in the Summary Compensation Table and related disclosure. Dr. Spana did not receive any separate compensation for his services as a director.

Name	Fees earned or paid in cash (\$)	Stock awards		Option awards		Total (\$)
		(\$)	(1) (2)	(\$)	(1) (2)	
John K.A. Prendergast, Ph.D.	95,000	39,960		25,491		160,451
Robert K. deVeer, Jr.	58,750	19,980		12,746		91,476
J. Stanley Hull	52,500	19,980		12,746		85,226
Alan W. Dunton, M.D.	58,750	19,980		12,746		91,476
Angela Rossetti	50,000	19,980		12,746		82,726
Arlene Morris	50,000	19,980		12,746		82,726

PROXY STATEMENT, PAGE 32

(1)

The aggregate number of shares underlying all option awards and stock awards outstanding at June 30, 2017 for each director was:

	Option awards	Stock awards
Dr. Prendergast	492,750	208,000
Mr. deVeer	276,500	104,000
Mr. Hull	273,000	104,000
Dr. Dunton	204,000	94,000
Ms. Rossetti	156,500	84,000
Ms. Morris	115,500	74,000

(2)

Amounts in these columns represent the aggregate grant date fair value for stock awards and option awards computed using the Black-Scholes model. For a description of the assumptions we used to calculate these amounts, see Note 13 to the consolidated financial statements included in our Annual Report on Form 10-K for fiscal year 2017. Amounts in this column include options granted on June 20, 2017 for our current fiscal year ending June 30, 2018.

Non-Employee Directors' Equity Grants. Our non-employee directors receive an annual equity grant at the board meeting closest to the beginning of each fiscal year, or such other date as may be determined by the board.

On June 20, 2017, as the annual equity grant for our fiscal year ending June 30, 2018, the Chairman of the board received 108,000 restricted stock units which vest on June 20, 2018, and an option to purchase 108,000 shares of common stock, and each other serving non-employee director received 54,000 restricted stock units which vest on June 20, 2018, and an option to purchase 54,000 shares of common stock. All of the options have an exercise price of \$0.37 per share, the closing price of our common stock on the date of grant, vest in twelve monthly installments beginning on July 31, 2017, expire ten years from the date of grant and provide for accelerated vesting in the event of involuntarily termination as a director following a change in control, with exercise permitted following accelerated vesting for up to the earlier of one year after termination or the expiration date of the option.

On June 9, 2016, as the annual equity grant for the fiscal year ending June 30, 2017, the Chairman of the board received 75,000 restricted stock units which vested on June 9, 2017, and an option to purchase 75,000 shares of common stock, and each other serving non-employee director received 37,500 restricted stock units that vested on June 9, 2017, and an option to purchase 37,500 shares of common stock. All of the options have an exercise price of \$0.50 per share, the closing price of our common stock on the date of grant, vest in twelve monthly installments beginning on July 31, 2016, expire ten years from the date of grant and provide for accelerated vesting in the event of involuntarily termination as a director following a change in control, with exercise permitted following accelerated vesting for up to the earlier of one year after termination or the expiration date of the option.

On December 8, 2015, the compensation committee determined that additional equity grants were necessary in order to adequately compensate and retain the non-employee directors, and we granted the Chairman of the board 100,000 restricted stock units and the other serving non-employee directors a total of 240,000 restricted stock units, consisting of 50,000 to each of Mr. deVeer, Mr. Hull and Dr. Horovitz, 40,000 to Dr. Dunton, 30,000 to Ms. Rossetti and 20,000 to Ms. Morris. The restricted stock units vested as to 50% on the first and second anniversary of the grant date, conditioned on continued service as a director through the applicable vesting dates.

PROXY STATEMENT, PAGE 33

Non-Employee Directors' Cash Compensation. Dr. Prendergast serves as Chairman of the board and for our fiscal year ended June 30, 2017 received an annual retainer of \$87,500, payable quarterly. Other non-employee directors received an annual base retainer of \$40,000, payable on a quarterly basis. The chairperson of the audit committee received an additional annual retainer of \$12,500, the chairperson of the compensation committee received an additional annual retainer of \$12,500 and the chairperson of the corporate governance committee received an additional annual retainer of \$7,500. Members of the foregoing committees, other than the non-employee Chairman, received an additional retainer of one-half the retainer payable to the committee chairperson. For the fiscal year ending June 30, 2018, Dr. Prendergast currently serves as Chairman of the board and receives an annual retainer of \$87,500, payable quarterly. Other non-employee directors receive an annual base retainer of \$40,000, payable quarterly. The chairperson of the audit committee will receive an additional annual retainer of \$15,000, the chairperson of the compensation committee will receive an additional annual retainer of \$15,000 and the chairperson of the corporate governance committee will receive an additional annual retainer of \$10,000. Members of the aforementioned committees, other than the non-employee Chairman, receive an additional annual retainer of one-half the retainer payable to the committee chairperson for such committee, payable quarterly.

Non-Employee Directors' Expenses. Non-employee directors are reimbursed for expenses incurred in performing their duties as directors, including attending all meetings of the board and any committees on which they serve.

Employee Directors. Employee directors are not separately compensated for services as directors, but are reimbursed for expenses incurred in performing their duties as directors, including attending all meetings of the board and any committees on which they serve.

EXECUTIVE OFFICERS

Executive officers are appointed by the board and serve at the discretion of the board. Each officer holds his position until his successor is appointed and qualified. The current executive officers hold office under employment agreements.

Name	Age	Position with Palatin
Carl Spana, Ph.D.	55	Chief Executive Officer, President and Director
Stephen T. Wills, MST, CPA	61	Chief Financial Officer, Chief Operating Officer, Executive Vice President, Secretary and Treasurer

Additional information about Dr. Spana is included above under the heading “Item One: Election of Directors.”

STEPHEN T. WILLS, CPA, MST, has been Executive Vice President, Secretary, Treasurer and Chief Financial Officer since 1997 and was Executive Vice President of Operations from 2005 until June 2011, when he was appointed Chief Operating Officer and Executive Vice President. Since March 2017, Mr. Wills has served as a director, and since October 2017 as non-executive chairman, of MediWound Ltd., a publicly-traded biopharmaceutical company providing products for severe burns, chronic and other hard-to-heal wounds. Mr. Wills served as executive chairman and interim principal executive officer of Derma Sciences, Inc. (“Derma”), a publicly-held company providing advanced wound care products, from December 2015 until February 2017 when Derma was acquired by Integra LifeSciences Holding Corporation. Mr. Wills also served as the lead director of Derma until December 2015 and as Derma’s chief financial officer from 1997 to 2000. Mr. Wills is chairman of the board of trustees of The Hun School of Princeton, New Jersey. From 1991 to 2000 he was the president and chief operating officer of Golomb, Wills & Company, P.C., a public accounting firm. Mr. Wills, a certified public accountant, received his B.S. in accounting from West Chester University, and an M.S. in taxation from Temple University.

EXECUTIVE COMPENSATION

The following table summarizes the compensation earned by or paid to our principal executive officer and our principal financial officer, who constitute all of our executive officers, for our fiscal years ended June 30, 2017 and 2016. We have no defined benefit or actuarial pension plan, and no deferred compensation plan.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Fiscal Year	Salary (\$)	Stock awards (1) (\$)	Option awards (1) (\$)	Nonequity incentive plan compensation (2)(\$)	All other compensation (3)(\$)	Total (\$)
Carl Spana, Ph.D., Chief Executive Officer and President	2017	476,400	368,050	367,368	458,000	13,250	1,683,068
	2016	476,400	354,250	-	101,000 (4)	13,598	945,248
Stephen T. Wills, MST, CPA, Chief Financial Officer, Chief Operating Officer, Executive Vice President, Secretary and Treasurer	2017	435,200	338,330	336,570	438,000	13,250	1,561,350
	2016	435,200	327,000	-	92,000 (4)	13,568	867,768

(1) Amounts in these columns represent the aggregate grant date fair value for stock awards and option awards computed using either the Black-Scholes model or a multifactor Monte Carlo simulation. For a description of the assumptions we used to calculate these amounts, see Note 13 to the consolidated financial statements included in our Annual Report on Form 10-K for fiscal year 2017.

(2) Bonus amounts.

(3) Consists of matching contributions to 401(k) plan.

(4) Bonus amount for fiscal year 2016 paid after fiscal year end but accrued as of June 30, 2016.

Employment Agreements

Effective July 1, 2016, we entered into employment agreements with Dr. Spana and Mr. Wills which continue through June 30, 2019 unless terminated earlier. Under these agreements, which replaced substantially similar agreements that expired on June 30, 2016, Dr. Spana is serving as Chief Executive Officer and President at a base salary of \$476,400 per year and Mr. Wills is serving as Chief Financial Officer and Chief Operating Officer at a base salary of \$435,200 per year. Each agreement also provides for:

annual discretionary bonus compensation, in an amount to be decided by the compensation committee and approved by the board, based on achievement of yearly performance objectives; and

participation in all benefit programs that we establish, to the extent the executive's position, tenure, salary, age, health and other qualifications make him eligible to participate.

PROXY STATEMENT, PAGE 35

Each agreement allows us or the executive to terminate the agreement upon written notice, and contains other provisions for termination by us for “cause,” or by the employee for “good reason” or due to a “change in control” (as these terms are defined in the employment agreements and set forth below). Early termination may, in some circumstances, result in severance pay at the salary then in effect, plus continuation of medical and dental benefits then in effect for a period of two years (Dr. Spana) or 18 months (Mr. Wills). In addition, the agreements provide that options and restricted stock units granted to these officers accelerate upon termination of employment except for voluntary resignation by the officer or termination for cause. In the event of retirement, termination by the officer for good reason, or termination by us other than for “cause”, options may be exercised until the earlier of twenty-four months following termination or expiration of the option term. Arrangements with our named executive officers in connection with a termination following a change in control are described below. Each agreement includes non-competition, non-solicitation and confidentiality covenants.

The compensation committee awarded performance-based bonuses to our named executive officers for fiscal 2017 and fiscal 2016, which were paid in June 2017 and September 2016, respectively, based on results of operations, including clinical trial operations and our financial condition.

Stock Option and Restricted Stock Unit Grants

On December 8, 2015, we granted 325,000 performance-based restricted stock units and 325,000 non-performance-based restricted stock units to Dr. Spana and 300,000 performance-based restricted stock units and 300,000 restricted stock units to Mr. Wills. Under the terms of the awards, the performance-based restricted stock units were to vest during the performance period, ended December 31, 2017, if and upon the earlier of: (i) achievement of a closing price for the Company’s common stock equal to or greater than \$1.20 per share for 20 consecutive trading days, which is considered a market condition, or (ii) entering into a collaboration agreement (U.S. or global) of bremelanotide for female sexual dysfunction (“FSD”), which is considered a performance condition. The performance-based restricted stock units were deemed vested as of February 2, 2017, the effective date of our license agreement with AMAG Pharmaceuticals, Inc. for North American rights to develop and commercialize bremelanotide for FSD. The non-performance-based restricted stock units vest 25% on the date of grant and 25% on the first, second and third anniversary dates from the date of grant.

On June 20, 2017, we granted 595,000 restricted stock units to Dr. Spana and 545,000 restricted stock units to Mr. Wills, which vest as to 50% on each anniversary of the grant date. We also granted 938,000 stock options to Dr. Spana and 859,000 stock options to Mr. Wills, which vest as to 25% on each anniversary of the grant date. These options have an exercise price of \$0.37, the fair market value of the common stock on the date of grant, and they expire on June 20, 2027.

On September 7, 2016, we granted 290,000 restricted stock units to Dr. Spana and 268,000 restricted stock units to Mr. Wills, which vested as to 182,500 restricted stock units for Dr. Spana and 168,000 restricted stock units for Mr. Wills on September 7, 2017, with the remaining restricted stock units of 107,500 and 100,000 for Dr. Spana and Mr. Wills, respectively, vesting on September 7, 2018. We also granted 432,000 options to Dr. Spana and 396,000 options to Mr. Wills, which vested as to 199,500 options for Dr. Spana and 182,250 options to Mr. Wills on September 7, 2017, with the remaining 232,500 and 213,750 options for Dr. Spana and Mr. Wills, respectively, vesting as to 33% on September 7, 2018, 2019 and 2010. These options have an exercise price of \$0.68 and expire on September 7, 2026.

Outstanding Equity Awards at 2017 Fiscal Year-End

The following table summarizes all of the outstanding equity-based awards granted to our named executive officers as of June 30, 2017, the end of our prior fiscal year.

PROXY STATEMENT, PAGE 36

Name	Option awards (1)					Stock awards (2)	
	Option or stock award grant date	Number of securities underlying unexercised options exercisable (#)	Number of securities underlying unexercised options unexercisable (#)	Option exercise price (\$)	Option expiration date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$ (3))
Carl Spana	03/26/08	28,125	-	2.80	03/26/18		
	03/26/08	4,687	-	5.00	03/26/18		
	03/26/08	4,688	-	6.60	03/26/18		
	07/01/08	25,000	-	1.80	07/01/18		
	07/01/09	25,000	-	2.80	07/01/19		
	06/22/11	300,000	-	1.00	06/22/21		
	07/17/12	150,000	-	0.72	07/17/22		
	06/27/13	275,000	-	0.62	06/27/23		
	06/25/14	131,250	43,750	1.02	06/25/24		
	06/11/15	150,000	150,000	1.08	06/11/25		
	09/07/16	-	432,000	0.68	09/07/26		
	06/20/17	-	938,000	0.37	06/20/27		
	12/08/15					162,500	69,875
	09/07/16					290,000	124,700
	06/20/17					595,000	255,850
Total Stock Awards					1,047,500	\$ 450,425	
Stephen T. Wills	03/26/08	22,500	-	2.80	03/26/18		
	03/26/08	3,750	-	5.00	03/26/18		
	03/26/08	3,750	-	6.60	03/26/18		
	07/01/08	20,000	-	1.80	07/01/18		
	07/01/09	20,000	-	2.80	07/01/19		
	06/22/11	250,000	-	1.00	06/22/21		
	07/17/12	135,000	-	0.72	07/17/22		
	06/27/13	250,000	-	0.62	06/27/23		
	06/25/14	112,750	37,500	1.02	06/25/24		
	06/11/15	135,000	135,000	1.08	06/11/25		
	09/07/16	-	396,000	0.68	09/07/26		
	06/20/17	-	859,000	0.37	06/20/27		
	12/08/15					150,000	64,500
	09/07/16					268,000	115,240
	06/20/17					545,000	234,350
Total Stock Awards					963,000	\$ 414,090	

(1)
Stock option vesting schedules: all options granted on or before June 27, 2013 have fully vested. Options granted after June 27, 2013 vest over four years with 1/4 of the shares vesting per year starting on the first anniversary of the grant date, provided that the named executive officer remains an employee. See "Termination and Change-In-Control Arrangements" below.

(2)

Time-based stock award vesting schedule: stock awards consist of restricted stock units granted December 8, 2015, as to 162,500 shares for Dr. Spana and 150,000 shares for Mr. Wills, which vested in equal amounts over a two year period; restricted stock units granted on September 7, 2016, as to 182,500 shares for Dr. Spana and 168,000 shares for Mr. Wills which vested on September 7, 2017, with the remaining shares of 107,500 and 100,000 for Dr. Spana and Mr. Wills, respectively, vesting on September 7, 2018, provided that the named executive officer remains an employee; restricted stock units granted on June 20, 2017, as to 595,000 shares for Dr. Spana and 545,000 shares for Mr. Wills, which will vest in equal amounts over a two year period, provided that the named executive officer remains an employee. See “Stock Options and Restricted Stock Unit Awards” above and “Termination and Change-In-Control Arrangements” below.

(3)

Calculated by multiplying the number of restricted stock units by \$0.43, the closing market price of our common stock on June 30, 2017, the last trading day of our most recently completed fiscal year.

PROXY STATEMENT, PAGE 37

Termination and Change-In-Control Arrangements

The employment agreements, stock option agreements and restricted stock unit agreements with Dr. Spana and Mr. Wills contain the following provisions concerning severance compensation and the vesting of stock options and restricted stock units upon termination of employment or upon a change in control. The executive's entitlement to severance, payment of health benefits and accelerated vesting of options is contingent on the executive executing a general release of claims against us.

Termination Without Severance Compensation. Regardless of whether there has been a change in control, if we terminate employment for cause or the executive terminates employment without good reason (as those terms are defined in the employment agreement and set forth below), then the executive will receive only his accrued salary and vacation benefits through the date of termination. He may also elect to receive medical and dental benefits pursuant to COBRA for up to two years (Dr. Spana) or 18 months (Mr. Wills), but must remit the cost of coverage to us. Under the terms of our outstanding options and restricted stock units, all unvested options and restricted stock units would terminate immediately, and vested options would be exercisable for three months after termination.

Severance Compensation After Death or Disability. In the event of the executive's death or disability, we will provide lump sum severance pay equal to 24 months (Dr. Spana) or 18 months (Mr. Wills) of base pay, as well as the opportunity for COBRA benefits as described above under "Termination Without Severance Compensation."

Severance Compensation Without a Change in Control. If we terminate or fail to extend the employment agreement without cause, or the executive terminates employment with good reason, then the executive will receive as severance pay his salary then in effect, paid in a lump sum, plus medical and dental benefits at our expense, for a period of two years (Dr. Spana) or 18 months (Mr. Wills) after the termination date. In addition, upon such event all unvested options would immediately vest and be exercisable for two years after the termination date or, if earlier, the expiration of the option term, and all unvested restricted stock units would accelerate and become fully vested.

Severance Compensation After a Change in Control. If, within one year after a change in control, we terminate employment or the executive terminates employment with good reason, then the executive will receive as severance pay 200% (Dr. Spana) or 150% (Mr. Wills) of his salary then in effect, paid in a lump sum, plus medical and dental benefits at our expense, for a period of two years (Dr. Spana) or 18 months (Mr. Wills) after the termination date. We would also reimburse the executive for up to \$25,000 in fees and expenses during the six months following termination, for locating employment. We would also reimburse the executive for any excise tax he might incur on "excess parachute payments" (as defined in Section 280G(b) of the Internal Revenue Code). All unvested options would immediately vest and be exercisable for two years after the termination date or, if earlier, the expiration of the option term. All unvested restricted stock units would vest upon a change in control, without regard to whether the executive's employment is terminated.

Option and Restricted Stock Unit Vesting Upon a Change in Control. Options and restricted stock units granted under the 2011 Stock Incentive Plan vest upon a change in control. If any options granted under the 2005 Stock Plan are to be terminated in connection with a change in control, those options will vest in full immediately before the change in control.

Definitions. Under the employment agreements, a “change in control,” “cause” and “good reason” are defined as follows:

A “change in control” occurs when:

- (a) any person or entity acquires more than 50% of the voting power of our outstanding securities;
- (b) the individuals who, during any twelve month period, constitute our board of directors cease to constitute at least a majority of the board of directors;
- (c) the consummation of a merger or consolidation; or
- (d) we sell substantially all our assets.

The term “cause” means:

- (a) the occurrence of (i) the executive’s material breach of, or habitual neglect or failure to perform the material duties which he is required to perform under, the terms of his employment agreement; (ii) the executive’s material failure to follow the reasonable directives or policies established by or at the direction of our board of directors; or (iii) the executive’s engaging in conduct that is materially detrimental to our interests such that we sustain a material loss or injury as a result thereof, provided that the breach or failure of performance is not cured, to the extent cure is possible, within ten days of the delivery to the executive of written notice thereof;
- (b) the willful breach by the executive of his obligations to us with respect to confidentiality, invention and non-disclosure, non-competition or non-solicitation; or
- (c) the conviction of the executive of, or the entry of a pleading of guilty or nolo contendere by the executive to, any crime involving moral turpitude or any felony.

The term “good reason” means the occurrence of any of the following, with our failure to cure such circumstances within 30 days of the delivery to us of written notice by the executive of such circumstances:

- (a) any material adverse change in the executive’s duties, authority or responsibilities, which causes the executive’s position with us to become of significantly less responsibility, or assignment of duties and responsibilities inconsistent with the executive’s position;
- (b)

a material reduction in the executive's salary;

(c)

our failure to continue in effect any material compensation or benefit plan in which the executive participates, unless an equitable arrangement has been made with respect to such plan, or our failure to continue the executive's participation therein (or in a substitute or alternative plan) on a basis not materially less favorable, both in terms of the amount of benefits provided and the level of the executive's participation relative to other participants;

(d)

our failure to continue to provide the executive with benefits substantially similar to those enjoyed by the executive under any of our health and welfare insurance, retirement and other fringe-benefit plans, the taking of any action by us which would directly or indirectly materially reduce any of such benefits, or our failure to provide the executive with the number of paid vacation days to which he is entitled; or

(e)

the relocation of the executive to a location which is a material distance from Cranbury, New Jersey.

PROXY STATEMENT, PAGE 39

STOCK OWNERSHIP INFORMATION

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

The rules of the SEC require us to disclose failures to file or late filings of reports of stock ownership and changes in stock ownership required to be filed by our directors, officers and holders of more than 10% of our common stock. To the best of our knowledge, all of the filings for our directors, officers and holders of more than 10% of our common stock were made on a timely basis in fiscal 2017.

BENEFICIAL OWNERSHIP OF MANAGEMENT AND OTHERS

The tables below show the beneficial stock ownership and voting power, as of May 11, 2018, of:

each director, each nominee for director, each of the named executive officers, and all current directors and officers as a group; and

all persons who, to our knowledge, beneficially own more than five percent of our common stock or Series A preferred stock.

“Beneficial ownership” here means direct or indirect voting or dispositive power over outstanding stock and stock which a person has the right to acquire now or within 60 days after May 11, 2018. See the footnotes for more detailed explanations of the holdings. Except as noted, to our knowledge, the persons named in the tables beneficially own and have sole voting and dispositive power over all shares listed.

The common stock has one vote per share and the Series A preferred stock has approximately 15 votes per share of Series A preferred stock. Voting power is calculated on the basis of the aggregate of common stock and Series A preferred stock outstanding as of May 11, 2018, on which date 198,677,039 shares of common stock and 4,030 shares of Series A preferred stock, convertible into 60,592 shares of common stock, were outstanding.

Under our Insider Trading and Securities Law Compliance Policy directors and officers may not engage in hedging, monetization or pledging transactions of our securities. None of the shares of our management and directors shown on the table below are pledged.

The address for all members of our management and directors is c/o Palatin Technologies, Inc., 4B Cedar Brook Drive, Cranbury, NJ 08512. Addresses of other beneficial owners are in the table.

PROXY STATEMENT, PAGE 40

MANAGEMENT:

Title of Class	Name of beneficial owner	Amount and nature of beneficial ownership	Percent of class	Percent of total voting power
Common	Carl Spana, Ph.D.	3,399,352(1)	1.7%	*
Common	Stephen T. Wills	3,114,489(2)	1.5%	*
Common	John K.A. Prendergast, Ph.D.	843,517(3)	*	*
Common	Robert K. deVeer, Jr.	483,060(4)	*	*
Common	J. Stanley Hull	454,000(5)	*	*
Common	Alan W. Dunton, M.D.	378,020(6)	*	*
Common	Angela Rossetti	313,000(7)	*	*
Common	Arlene M. Morris	243,000(8)	*	*
Common	Anthony M. Manning, Ph.D.	0	-	-
All current directors and executive officers as a group (nine persons)		9,228,438(9)	4.5%	1.0%

*Less than one percent.

(1)

Includes 1,609,000 shares of common stock underlying outstanding options and 1,048,750 shares of common stock underlying restricted stock units, all of which have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event, but does not include shares of common stock underlying outstanding options or restricted stock unit awards that have not vested and will not vest within 60 days.

(2)

Includes 1,424,500 shares of common stock underlying outstanding options and 965,500 shares of common stock underlying restricted stock units, all of which have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event, but does not include shares of common stock underlying outstanding options or restricted stock unit awards that have not vested and will not vest within 60 days.

PROXY STATEMENT, PAGE 41

(3)

Includes 488,750 shares of common stock underlying outstanding options and 208,000 shares of common stock underlying restricted stock units, of which 100,000 have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event, but does not include shares of common stock underlying outstanding options or restricted stock unit awards that have not vested and will not vest within 60 days.

(4)

Includes 274,500 shares of common stock underlying outstanding options and 104,000 shares of common stock underlying restricted stock units, of which 50,000 have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event, but does not include shares of common stock underlying outstanding options or restricted stock unit awards that have not vested and will not vest within 60 days.

(5)

Includes 271,000 shares of common stock underlying outstanding options and 104,000 shares of common stock underlying restricted stock units, of which 50,000 have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event, but does not include shares of common stock underlying outstanding options or restricted stock unit awards that have not vested and will not vest within 60 days.

(6)

Includes 204,000 shares of common stock underlying outstanding options and 94,000 shares of common stock underlying restricted stock units, of which 40,000 have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event, but does not include shares of common stock underlying outstanding options or restricted stock unit awards that have not vested and will not vest within 60 days.

(7)

Includes 156,500 shares of common stock underlying outstanding options and 84,000 shares of common stock underlying restricted stock units, of which 30,000 have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event, but does not include shares of common stock underlying outstanding options or restricted stock unit awards that have not vested and will not vest within 60 days.

(8)

Includes 111,500 shares of common stock underlying outstanding options and 74,000 shares of common stock underlying restricted stock units, of which 20,000 have vested but have not been delivered under deferred delivery provisions providing for delivery after the grantee's separation from service or a defined change in control event, but does not include shares of common stock underlying outstanding options or restricted stock unit awards that have not vested and will not vest within 60 days.

(9)

Includes 7,222,000 shares of common stock underlying outstanding options, warrants and restricted stock units.

MORE THAN 5% BENEFICIAL OWNERS:

Title of Class	Name and address of beneficial owner	Amount and nature of beneficial ownership (1)	Percent of class	Percent of total voting power
Series A Preferred	Steven N. Ostrovsky 43 Nikki Ct. Morganville, NJ 07751	500	12.4%	*
Series A Preferred	Thomas L. Cassidy IRA Rollover 38 Canaan Close New Canaan, CT 06840	500	12.4%	*
Series A Preferred	Jonathan E. Rothschild 300 Mercer St., #28F New York, NY 10003	500	12.4%	*
Series A Preferred	Arthur J. Nagle 19 Garden Avenue Bronxville, NY 10708	250	6.2%	*
Series A Preferred	Thomas P. and Mary E. Heiser, JTWROS 10 Ridge Road Hopkinton, MA 01748	250	6.2%	*
Series A Preferred	Carl F. Schwartz 31 West 87th St. New York, NY 10016	250	6.2%	*
Series A Preferred	Michael J. Wrubel 3650 N. 36 Avenue, #39 Hollywood, FL 33021	250	6.2%	*
Series A Preferred	Myron M. Teitelbaum, M.D. 175 Burton Lane Lawrence, NY 11559	250	6.2%	*
Series A Preferred	Laura Gold Galleries Ltd. Profit Sharing Trust Park South Gallery at Carnegie Hall 154 West 57th Street, Suite 114 New York, NY 10019	250	6.2%	*
Series A Preferred	Laura Gold 180 W. 58th Street New York, NY 10019	250	6.2%	*
Series A Preferred	Nadji T. Richmond 20 E. Wedgewood Glen The Woodlands, TX 77381	230	5.7%	*

*Less than one percent.

(1) Unless otherwise indicated by footnote, all share amounts represent outstanding shares of the class indicated, and all beneficial owners listed have, to our knowledge, sole voting and dispositive power over the shares listed.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As a condition of employment, we require all employees to disclose in writing actual or potential conflicts of interest, including related party transactions. Our code of corporate conduct and ethics, which applies to employees, officers and directors, requires that the audit committee review and approve related party transactions. Our code of corporate conduct and ethics is available at our website, www.palatin.com. Since July 1, 2012, there have been no transactions or proposed transactions in which we were or are to be a participant, in which any related person had or will have a direct or indirect material interest.

OTHER ITEMS OF BUSINESS

We are not aware of any matters, other than the items of business discussed in this proxy statement, which may come before the meeting. If other items of business properly come before the meeting, the proxy holders will vote shares in accordance with their judgment.

STOCKHOLDER PROPOSALS FOR NEXT ANNUAL MEETING

Stockholders may submit proposals on matters appropriate for stockholder action at annual meetings in accordance with regulations adopted by the SEC. To be considered for inclusion in the proxy statement and form of proxy relating to the next annual meeting of stockholders, such proposals must be received no later than January 17, 2019. To be considered for presentation at the 2018 annual meeting, although not included in the proxy statement, proposals must be received no later than April 2, 2019. Proposals that are not received in a timely manner will not be voted on at the 2018 annual meeting. If a proposal is received on time, the proxies that management solicits for the meeting may still exercise discretionary voting authority on the proposal under circumstances consistent with the proxy rules of the SEC. All stockholder proposals should be marked for the attention of the Secretary at our executive offices, 4B Cedar Brook Drive, Cranbury, NJ 08512.

Your cooperation in giving these matters your immediate attention and voting by Internet or telephone or by returning your proxy card is greatly appreciated.

By order of the board of directors,

Stephen T. Wills, Secretary
May 16, 2018

PROXY STATEMENT, PAGE 44

PALATIN TECHNOLOGIES, INC.
2011 STOCK INCENTIVE PLAN, AS AMENDED AND RESTATED

1. Establishment, Purpose, Duration.

a. Establishment. Palatin Technologies, Inc. (the “Company”) established an equity compensation plan known as the Palatin Technologies, Inc. 2011 Stock Incentive Plan (the “Plan”) effective as of March 11, 2011 (the “Effective Date”). The Company’s stockholders originally approved the Plan on May 11, 2011 (the “Approval Date”). The Plan was amended and restated as of March 3, 2015, amended as of April 1, 2016 and re-approved by the Company’s stockholders on June 9, 2016, and amended and restated as of June 8, 2017. On April 5, 2018, the Board approved an amendment to the Plan to increase the common stock available for issuance by 10,000,000 shares, subject to approval by the Company’s stockholders. Definitions of capitalized terms used in the Plan are contained in Section 2 of the Plan.

b. Purpose. The purpose of the Plan is to attract and retain Directors, Consultants, officers and other key employees of the Company and its Subsidiaries and to provide to such persons incentives and rewards for superior performance.

c. Duration. No Award may be granted under the Plan after March 10, 2025, or such earlier date as the Board shall determine. The Plan will remain in effect with respect to outstanding Awards until no Awards remain outstanding.

d. Prior Plans. The Palatin Technologies, Inc. 2005 Stock Plan, as amended (the “Prior Plan”) terminated in its entirety effective on the Approval Date; provided that all outstanding awards under the Prior Plan as of the Approval Date remain outstanding and shall be administered and settled in accordance with the provisions of the Prior Plan.

2. Definitions. As used in the Plan, the following definitions shall apply.

“Applicable Laws” means the applicable requirements relating to the administration of equity-based compensation plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, the rules of any stock exchange or quotation system on which the Shares are listed or quoted and the applicable laws of any other country or jurisdiction where Awards are granted under the Plan.

“Approval Date” has the meaning given such term in Section 1(a).

“Award” means a Nonqualified Stock Option, Incentive Stock Option, Stock Appreciation Right, Restricted Shares Award, Restricted Share Unit, Other Share-Based Award, or Cash-Based Award granted pursuant to the terms and conditions of the Plan.

“Award Agreement” means either: (i) an agreement, either in written or electronic format, entered into by the Company and a Participant setting forth the terms and provisions applicable to an Award granted under the Plan; or (ii) a statement, either in written or electronic format, issued by the Company to a Participant describing the terms and provisions of such Award, which need not be signed by the Participant.

“Board” means the Board of Directors of the Company.

“Cash-Based Award” shall mean a cash Award granted pursuant to Section 12 of the Plan.

“Cause” as a reason for a termination of a Participant’s employment shall have the meaning assigned such term, if any, in the employment agreement, if any, between the Participant and the Company or a Subsidiary, or if none, under a severance plan or arrangement maintained by the Company or a Subsidiary that applies to the Participant on the date of termination. If the Participant is not a party to an employment agreement with the Company or a Subsidiary in which such term is defined or if during the applicable severance protection period, the Participant is not a participant in any severance plan or arrangement maintained by the Company or a Subsidiary, then unless otherwise defined in the applicable Award Agreement, then the term “Cause” shall mean: (a) (i) the Participant’s material breach of, or habitual neglect or failure to perform the material aspects of his or her duties; (ii) the Participant’s material failure to follow the reasonable directives or policies established by or at the direction of the board; or (iii) the Participant’s engaging in conduct that is materially detrimental to the interests of the Company such that the Company sustains a material loss or injury as a result thereof, provided that the breach or failure of performance by the Participant under subparagraphs (i) through (iii) hereof is not cured, to the extent cure is possible, within ten (10) days of the delivery to the Participant of written notice thereof; (b) the willful breach by the Participant of any provision of any confidentiality, invention and non-disclosure, non-competition or similar agreement between the Participant and the Company; or (c) the conviction of the Participant of, or the entry of a pleading of guilty or nolo contendere by the Participant to, any crime involving moral turpitude or any felony.

“Change in Control” means the occurrence of any of the following events: (a) Any “Person,” as such term is used in Sections 13(d) and 14(d) of the Exchange Act (other than the Company, any trustee or other fiduciary holding securities under an employee benefit plan of the Company, or any corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportion as their ownership of stock of the Company) becoming the “beneficial owner” (as defined in Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities; (b) the date the individuals who, during any twelve month period, constitute the board (the “Incumbent Board”) cease for any reason to constitute at least a majority of the Board, provided that any person becoming a director during the twelve month period whose election, or nomination for election by the Company’s stockholders, was approved by a vote of at least a majority of the directors then comprising the Incumbent Board (other than an election or nomination of an individual whose initial assumption of office is in connection with an actual or threatened election contest relating to the election of the directors of the Company, as such terms are used in Rule 14a-11 of Regulation 14A under the Exchange Act) shall be, for purposes of this Agreement, considered as though such person were a member of the Incumbent Board; (c) the consummation of a merger or consolidation of the Company approved by the stockholders of the Company with any other corporation, other than (i) a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) 50% or more of the combined voting power of the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (ii) a merger or consolidation effected to implement a recapitalization of the Company (or similar transaction) in which no Person acquires more than 50% of the combined voting power of the Company’s then outstanding securities; or (d) a sale of all or substantially all of the assets of the Company.

“Code” means the Internal Revenue Code of 1986, as amended.

“Committee” means the Compensation Committee of the Board or such other committee or subcommittee of the Board as may be duly appointed to administer the Plan and having such powers in each instance as shall be specified by the Board. To the extent required by Applicable Laws, the Committee shall consist of two or more members of the Board, each of whom is a “non-employee director” within the meaning of Rule 16b-3 promulgated under the Exchange Act, an “outside director” within the meaning of regulations promulgated under Section 162(m) of the Code, and an “independent director” within the meaning of applicable rules of any securities exchange upon which Shares are listed.

“Company” has the meaning given such term in Section 1(a) and any successor thereto.

“Consultant” means an independent contractor that (a) performs services for the Company or a Subsidiary in a capacity other than as an Employee or Director and (b) qualifies as a consultant under the applicable rules of the SEC for registration of shares on a Form S-8 Registration Statement.

“Date of Grant” means the date as of which an Award is determined to be effective and designated in a resolution by the Committee and is granted pursuant to the Plan. The Date of Grant shall not be earlier than the date of the resolution and action therein by the Committee. In no event shall the Date of Grant be earlier than the Effective Date.

“Detrimental Activity” except as may be otherwise specified in a Participant’s Award Agreement, means: (a) Engaging in any activity of competition, as specified in any covenant not to compete set forth in any agreement between a Participant and the Company or a Subsidiary, including, but not limited to, the Participant’s Award Agreement or any severance plan maintained by the Company or a Subsidiary that covers the Participant, during the period of restriction specified in the agreement or plan prohibiting the Participant from engaging in such activity; (b) Engaging in any activity of solicitation, as specified in any covenant not to solicit set forth in any agreement between a Participant and the Company or a Subsidiary, including, but not limited to, the Participant’s Award Agreement or any severance plan maintained by the Company or a Subsidiary that covers the Participant, during the period of restriction specified in the agreement or plan prohibiting the Participant from engaging in such activity; (c) The disclosure of confidential information to anyone outside the Company or a Subsidiary, or the use in other than the Company’s or a Subsidiary’s business in violation of any covenant not to disclose set forth in any agreement between a Participant and the Company or a Subsidiary, including, but not limited to, the Participant’s Award Agreement or any severance plan maintained by the Company or a Subsidiary that covers the Participant, during the period of restriction specified in the agreement or plan prohibiting the Participant from engaging in such activity; (d) The violation of any development and inventions, ownership of works, or similar provision set forth in any agreement between a Participant and the Company or a Subsidiary, including, but not limited to, the Participant’s Award Agreement or any severance plan maintained by the Company or a Subsidiary that covers the Participant; (e) Participant’s commission of any act of fraud, misappropriation or embezzlement against or in connection with the Company or any of its Subsidiaries or their respective businesses or operations; or (f) a conviction, guilty plea or plea of nolo contendere of Participant for any crime involving dishonesty or for any felony.

“Director” means any individual who is a member of the Board who is not an Employee.

“Effective Date” has the meaning given such term in Section 1(a).

“Employee” means any employee of the Company or a Subsidiary; provided, however, that for purposes of determining whether any person may be a Participant for purposes of any grant of Incentive Stock Options, the term “Employee” has the meaning given to such term in Section 3401(c) of the Code, as interpreted by the regulations thereunder and Applicable Law.

“Exchange Act” means the Securities Exchange Act of 1934 and the rules and regulations thereunder, as such law, rules and regulations may be amended from time to time.

“Fair Market Value” means the value of one Share on any relevant date, determined under the following rules: (a) the closing sale price per Share on that date as reported on the principal exchange or national market system on which Shares are then trading, or if there are no sales on that date, on the next preceding trading day during which a sale occurred; (b) if the Shares are not reported on a principal exchange or national market system, the average of the closing bid and asked prices last quoted on that date by an established quotation service for over-the-counter securities; or (c) if neither (a) nor (b) applies, (i) with respect to Stock Options, Stock Appreciation Rights and any Award of stock rights that is subject to Section 409A of the Code, the value as determined by the Committee through the reasonable application of a reasonable valuation method, taking into account all information material to the value of the Company, within the meaning of Section 409A of the Code, and (ii) with respect to all other Awards, the fair market value as determined by the Committee in good faith.

“Incentive Stock Option” or “ISO” means a Stock Option that is designated as an Incentive Stock Option and that is intended to meet the requirements of Section 422 of the Code.

“Nonqualified Stock Option” means a Stock Option that is not intended to meet the requirements of Section 422 of the Code or otherwise does not meet such requirements.

“Other Share-Based Award” means an equity-based or equity-related Award not otherwise described by the terms of the Plan, granted in accordance with the terms and conditions set forth in Section 10.

“Participant” means any eligible individual as set forth in Section 5 who holds one or more outstanding Awards.

“Performance-Based Exception” means the performance-based exception from the tax deductibility limitations of Section 162(m) of the Code.

“Performance Objectives” means the measurable performance objective or objectives established by the Committee pursuant to the Plan. Any Performance Objectives may relate to the performance of the Company or one or more of its Subsidiaries, divisions, departments, units, functions, partnerships, joint ventures or minority investments, product lines or products, or the performance of the individual Participant, and may include, without limitation, the Performance Objectives set forth in Section 14(b). The Performance Objectives may be made relative to the performance of a group of comparable companies, or published or special index that the Committee, in its sole discretion, deems appropriate, or the Company may select Performance Objectives as compared to various stock market indices. Performance Objectives may be stated as a combination of the listed factors.

“Plan” means this Palatin Technologies, Inc. 2011 Stock Incentive Plan, as amended from time to time.

“Prior Plan” has the meaning given such term in Section 1(d).

“Restricted Shares” means Shares granted or sold pursuant to Section 8 as to which neither the substantial risk of forfeiture nor the prohibition on transfers referred to in such Section 8 has expired.

“Restricted Share Unit” means a grant or sale of the right to receive Shares or cash at the end of a specified restricted period made pursuant to Section 9.

“SEC” means the United States Securities and Exchange Commission.

“Share” means a share of common stock, par value \$.01, of the Company, or any security into which such Share may be changed by reason of any transaction or event of the type referred to in Section 16.

“Stock Appreciation Right” means a right granted pursuant to Section 7.

“Stock Option” means a right to purchase a Share granted to a Participant under the Plan in accordance with the terms and conditions set forth in Section 6. Stock Options may be either Incentive Stock Options or Nonqualified Stock Options.

“Subsidiary” means: (a) with respect to an Incentive Stock Option, a “subsidiary corporation” as defined under Section 424(f) of the Code; and (b) for all other purposes under the Plan, any corporation or other entity in which the Company owns, directly or indirectly, a proprietary interest of more than fifty percent (50%) by reason of stock ownership or otherwise.

“Ten Percent Stockholder” shall mean any Participant who owns more than 10% of the combined voting power of all classes of stock of the Company, within the meaning of Section 422 of the Code.

3. Shares Available Under the Plan.

a. Shares Available for Awards. The maximum number of Shares that may be issued or delivered pursuant to Awards under the Plan shall be 32,500,000, plus the number of Shares that, on the Approval Date, were available to be granted under the Prior Plan but which were not then subject to outstanding awards under the Prior Plan, all of which may be granted with respect to Incentive Stock Options. Shares issued or delivered pursuant to an Award may be authorized but unissued Shares, treasury Shares, including Shares purchased in the open market, or a combination of the foregoing. The aggregate number of Shares available for issuance or delivery under the Plan shall be subject to adjustment as provided in Section 16.

b. Share Usage. In addition to the number of Shares provided for in Section 3(a), the following Shares shall be available for Awards under the Plan: (i) Shares covered by an Award that expires or is forfeited, canceled, surrendered or otherwise terminated without the issuance of such Shares; (ii) Shares covered by an Award that is settled only in cash; (iii) Shares granted through the assumption of, or in substitution for, outstanding awards granted by a company to individuals who become Employees, Consultants or Directors as the result of a merger, consolidation, acquisition or other corporate transaction involving such company and the Company or any of its Affiliates (except as may be required by reason of Section 422 of the Code or the rules and regulations of any stock exchange or other trading market on which the Shares are listed); (iv) any Shares subject to outstanding awards under the Prior Plans as of the Approval Date that on or after the Approval Date are forfeited, canceled, surrendered or otherwise terminated without the issuance of such Shares; and (v) any Shares from awards exercised for or settled in vested and nonforfeitable Shares that are later returned to the Company pursuant to any compensation recoupment policy, provision or agreement. Notwithstanding the foregoing, the following Shares issued or delivered under this Plan shall not again be available for grant as described above: Shares tendered in payment of the exercise price of a Stock Option, Shares withheld by the Company or any Subsidiary to satisfy a tax withholding obligation, and Shares that are repurchased by the Company with Stock Option proceeds. Without limiting the foregoing, with respect to any Stock Appreciation Right that is settled in Shares, the full number of Shares subject to the Award shall count against the number of Shares available for Awards under the Plan regardless of the number of Shares used to settle the Stock Appreciation Right upon exercise.

c. Per Participant Limits.

(i) Subject to adjustment as provided in Section 16 of the Plan, the following limits shall apply with respect to Awards that are intended to qualify for the Performance-Based Exception: (A) the maximum aggregate number of Shares that may be subject to Stock Options or Stock Appreciation Rights granted in any calendar year to any one Participant shall be 750,000 Shares; (B) the maximum aggregate number of Restricted Shares and Shares issuable or deliverable under Restricted Share Units granted in any calendar year to any one Participant shall be 750,000 Shares; (C) the maximum aggregate compensation that can be paid pursuant to Cash-Based Awards or Other Share-Based Awards granted in any calendar year to any one Participant shall be \$750,000 or a number of Shares having an aggregate Fair Market Value not in excess of such amount; and (D) the maximum dividend equivalents that may be paid in any calendar year to any one Participant shall be \$100,000 or a number of Shares having an aggregate Fair Market Value not in excess of such amount.

(ii) Notwithstanding any other provision of the Plan to the contrary, the aggregate grant date fair value (determined as of the applicable Date(s) of Grant in accordance with applicable financial accounting rules) of all Awards granted to any Director during any single calendar year, taken together with any cash fees paid to such person during such calendar year, shall not exceed \$350,000.

4. Administration of the Plan.

a. In General. The Plan shall be administered by the Committee. Except as otherwise provided by the Board, the Committee shall have full and final authority in its discretion to take all actions determined by the Committee to be necessary in the administration of the Plan, including, without limitation, discretion to: select Award recipients; determine the sizes and types of Awards; determine the terms and conditions of Awards in a manner consistent with the Plan; grant waivers of terms, conditions, restrictions and limitations applicable to any Award, or accelerate the vesting or exercisability of any Award, in a manner consistent with the Plan; construe and interpret the Plan and any Award Agreement or other agreement or instrument entered into under the Plan; establish, amend, or waive rules and regulations for the Plan's administration; and take such other action, not inconsistent with the terms of the Plan, as the Committee deems appropriate. To the extent permitted by Applicable Laws, the Committee may, in its discretion, delegate to one or more Directors or Employees any of the Committee's authority under the Plan. The acts of any such delegates shall be treated hereunder as acts of the Committee with respect to any matters so delegated.

b. Determinations. The Committee shall have no obligation to treat Participants or eligible Participants uniformly, and the Committee may make determinations under the Plan selectively among Participants who receive, or Employees, Consultants or Directors who are eligible to receive, Awards (whether or not such Participants or eligible Employees, Consultants or Directors are similarly situated). All determinations and decisions made by the Committee pursuant to the provisions of the Plan and all related orders and resolutions of the Committee shall be final, conclusive and binding on all persons, including the Company, its Subsidiaries, its stockholders, Directors, Consultants, Employees, Participants and their estates and beneficiaries.

c. Authority of the Board. The Board may reserve to itself any or all of the authority or responsibility of the Committee under the Plan or may act as the administrator of the Plan for any and all purposes. To the extent the Board has reserved any such authority or responsibility or during any time that the Board is acting as administrator of the Plan, it shall have all the powers of the Committee hereunder, and any reference herein to the Committee (other than in this Section 4(c)) shall include the Board. To the extent that any action of the Board under the Plan conflicts with any action taken by the Committee, the action of the Board shall control.

5. Eligibility and Participation. Each Employee, Consultant and Director is eligible to participate in the Plan. Subject to the provisions of the Plan, the Committee may, from time to time, select from all eligible Employees, Consultants and Directors those to whom Awards shall be granted and shall determine, in its sole discretion, the nature of any and all terms permissible by Applicable Law and the amount of each Award.

6. Stock Options. Subject to the terms and conditions of the Plan, Stock Options may be granted to Participants in such number, and upon such terms and conditions, as shall be determined by the Committee in its sole discretion.

a. Award Agreement. Each Stock Option shall be evidenced by an Award Agreement that shall specify the exercise price, the term of the Stock Option, the number of Shares covered by the Stock Option, the conditions upon which the Stock Option shall become vested and exercisable and such other terms and conditions as the Committee shall determine and which are not inconsistent with the terms and conditions of the Plan. The Award Agreement also shall specify whether the Stock Option is intended to be an Incentive Stock Option or a Nonqualified Stock Option.

- b. **Exercise Price.** The exercise price per Share of an Option shall be determined by the Committee at the time the Stock Option is granted and shall be specified in the related Award Agreement; provided, however, that in no event shall the exercise price per Share of any Option be less than one hundred percent (100%) of the Fair Market Value of a Share on the Date of Grant.
- c. **Term.** The term of an Option shall be determined by the Committee and set forth in the related Award Agreement; provided, however, that in no event shall the term of any Option exceed ten (10) years from its Date of Grant.
- d. **Exercisability.** Stock Options shall become exercisable at such times and upon such terms and conditions as shall be determined by the Committee and set forth in the related Award Agreement. Such terms and conditions may include, without limitation, the satisfaction of (a) performance goals based on one or more Performance Objectives, and (b) time-based vesting requirements.
- e. **Exercise of Options.** Except as otherwise provided in the Plan or in a related Award Agreement, a Stock Option may be exercised for all or any portion of the Shares for which it is then exercisable. A Stock Option shall be exercised by the delivery of a notice of exercise to the Company or its designee in a form specified by the Company which sets forth the number of Shares with respect to which the Stock Option is to be exercised and full payment of the exercise price for such Shares. The exercise price of a Stock Option may be paid: (i) in cash or its equivalent; (ii) by tendering (either by actual delivery or attestation) previously acquired Shares having an aggregate Fair Market Value at the time of exercise equal to the aggregate exercise price; (iii) by a cashless exercise (including by withholding Shares deliverable upon exercise and through a broker-assisted arrangement to the extent permitted by Applicable Law); (iv) by a combination of the methods described in clauses (i), (ii) and/or (iii); or (v) through any other method approved by the Committee in its sole discretion. As soon as practicable after receipt of the notification of exercise and full payment of the exercise price, the Company shall cause the appropriate number of Shares to be issued to the Participant.
- f. **Special Rules Applicable to Incentive Stock Options.** Notwithstanding any other provision in the Plan to the contrary:
- (i) Incentive Stock Options may be granted only to Employees of the Company and its Subsidiaries. The terms and conditions of Incentive Stock Options shall be subject to and comply with the requirements of Section 422 of the Code.
- (ii) To the extent that the aggregate Fair Market Value of the Shares (determined as of the Date of Grant) with respect to which an Incentive Stock Option is exercisable for the first time by any Participant during any calendar year (under all plans of the Company and its Subsidiaries) is greater than \$100,000 (or such other amount specified in Section 422 of the Code), as calculated under Section 422 of the Code, then the Stock Option shall be treated as a Nonqualified Stock Option.
- (iii) No Incentive Stock Option shall be granted to any Participant who, on the Date of Grant, is a Ten Percent Stockholder, unless (x) the exercise price per Share of such Incentive Stock Option is at least one hundred and ten percent (110%) of the Fair Market Value of a Share on the Date of Grant, and (y) the term of such Incentive Stock Option shall not exceed five (5) years from the Date of Grant.

7. **Stock Appreciation Rights.** Subject to the terms and conditions of the Plan, Stock Appreciation Rights may be granted to Participants in such number, and upon such terms and conditions, as shall be determined by the Committee in its sole discretion.
- a. **Award Agreement.** Each Stock Appreciation Right shall be evidenced by an Award Agreement that shall specify the exercise price, the term of the Stock Appreciation Right, the number of Shares covered by the Stock Appreciation Right, the conditions upon which the Stock Appreciation Right shall become vested and exercisable and such other terms and conditions as the Committee shall determine and which are not inconsistent with the terms and conditions of the Plan.
- b. **Exercise Price.** The exercise price per Share of a Stock Appreciation Right shall be determined by the Committee at the time the Stock Appreciation Right is granted and shall be specified in the related Award Agreement; provided, however, that in no event shall the exercise price per Share of any Stock Appreciation Right be less than one hundred percent (100%) of the Fair Market Value of a Share on the Date of Grant.
- c. **Term.** The term of a Stock Appreciation Right shall be determined by the Committee and set forth in the related Award Agreement; provided however, that in no event shall the term of any Stock Appreciation Right exceed ten (10) years from its Date of Grant.
- d. **Exercisability of Stock Appreciation Rights.** A Stock Appreciation Right shall become exercisable at such times and upon such terms and conditions as may be determined by the Committee and set forth in the related Award Agreement. Such terms and conditions may include, without limitation, the satisfaction of (i) performance goals based on one or more Performance Objectives, and (ii) time-based vesting requirements.
- e. **Exercise of Stock Appreciation Rights.** Except as otherwise provided in the Plan or in a related Award Agreement, a Stock Appreciation Right may be exercised for all or any portion of the Shares for which it is then exercisable. A Stock Appreciation Right shall be exercised by the delivery of a notice of exercise to the Company or its designee in a form specified by the Company which sets forth the number of Shares with respect to which the Stock Appreciation Right is to be exercised. Upon exercise, a Stock Appreciation Right shall entitle a Participant to an amount equal to (a) the excess of (i) the Fair Market Value of a Share on the exercise date over (ii) the exercise price per Share, multiplied by (b) the number of Shares with respect to which the Stock Appreciation Right is exercised. A Stock Appreciation Right may be settled in whole Shares, cash or a combination thereof, as specified by the Committee in the related Award Agreement.
8. **Restricted Shares.** Subject to the terms and conditions of the Plan, Restricted Shares may be granted or sold to Participants in such number, and upon such terms and conditions, as shall be determined by the Committee in its sole discretion.
- a. **Award Agreement.** Each Restricted Shares Award shall be evidenced by an Award Agreement that shall specify the number of Restricted Shares, the restricted period(s) applicable to the Restricted Shares, the conditions upon which the restrictions on the Restricted Shares will lapse and such other terms and conditions as the Committee shall determine and which are not inconsistent with the terms and conditions of the Plan.

b. Terms, Conditions and Restrictions. The Committee shall impose such other terms, conditions and/or restrictions on any Restricted Shares as it may deem advisable, including, without limitation, a requirement that the Participant pay a purchase price for each Restricted Share, restrictions based on the achievement of specific Performance Objectives, time-based restrictions or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Restricted Shares. Unless otherwise provided in the related Award Agreement or required by Applicable Law, the restrictions imposed on Restricted Shares shall lapse upon the expiration or termination of the applicable restricted period and the satisfaction of any other applicable terms and conditions.

c. Custody of Certificates. To the extent deemed appropriate by the Committee, the Company may retain the certificates representing Restricted Shares in the Company's possession until such time as all terms, conditions and/or restrictions applicable to such Shares have been satisfied or lapse.

d. Rights Associated with Restricted Shares during Restricted Period. During any restricted period applicable to Restricted Shares: (i) the Restricted Shares may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated; (ii) unless otherwise provided in the related Award Agreement, the Participant shall be entitled to exercise full voting rights associated with such Restricted Shares; and (iii) the Participant shall be entitled to all dividends and other distributions paid with respect to such Restricted Shares during the restricted period; provided, however, that any dividends or other distributions with respect to unvested Restricted Shares shall be accumulated or deemed reinvested in additional Restricted Shares until such Award is earned and vested, and shall be subject to the same terms and conditions as the original Award (including the satisfaction of service-based vesting conditions and the achievement of any Performance Objectives).

9. Restricted Share Units. Subject to the terms and conditions of the Plan, Restricted Share Units may be granted or sold to Participants in such number, and upon such terms and conditions, as shall be determined by the Committee in its sole discretion.

a. Award Agreement. Each Restricted Share Unit shall be evidenced by an Award Agreement that shall specify the number of units, the restricted period(s) applicable to the Restricted Share Units, the conditions upon which the restrictions on the Restricted Share Units will lapse, the time and method of payment of the Restricted Share Units, and such other terms and conditions as the Committee shall determine and which are not inconsistent with the terms and conditions of the Plan.

b. Terms, Conditions and Restrictions. The Committee shall impose such other terms, conditions and/or restrictions on any Restricted Share Units as it may deem advisable, including, without limitation, a requirement that the Participant pay a purchase price for each Restricted Share Unit, restrictions based on the achievement of specific Performance Objectives or time-based restrictions or holding requirements.

c. Form of Settlement. Restricted Share Units may be settled in whole Shares, Restricted Shares, cash or a combination thereof, as specified by the Committee in the related Award Agreement.

10. Other Share-Based Awards. Subject to the terms and conditions of the Plan, Other Share-Based Awards may be granted to Participants in such number, and upon such terms and conditions, as shall be determined by the Committee in its sole discretion. Other Share-Based Awards are Awards that are valued in whole or in part by reference to, or otherwise based on the Fair Market Value of, Shares, and shall be in such form as the Committee shall determine, including without limitation, unrestricted Shares or time-based or performance-based units that are settled in Shares and/or cash.

a. Award Agreement. Each Other Share-Based Award shall be evidenced by an Award Agreement that shall specify the terms and conditions upon which the Other Share-Based Award shall become vested, if applicable, the time and method of settlement, the form of settlement and such other terms and conditions as the Committee shall determine and which are not inconsistent with the terms and conditions of the Plan.

b. Form of Settlement. An Other Share-Based Award may be settled in whole Shares, Restricted Shares, cash or a combination thereof, as specified by the Committee in the related Award Agreement.

11. Dividend Equivalents. At the discretion of the Committee, Awards granted pursuant to the Plan, other than awards of Stock Options or Stock Appreciation Rights, may provide Participants with the right to receive dividend equivalents, which may be credited to an account for the Participants, and may be settled in cash and/or Shares, as determined by the Committee in its sole discretion; provided, however, that any such dividend equivalents with respect to any unvested Award shall be accumulated or deemed reinvested until such Award is earned and vested, and shall be subject to the same terms and conditions as the original Award (including the satisfaction of service-based vesting conditions and the achievement of any Performance Objectives). No dividend equivalents shall be granted with respect to Shares underlying a Stock Option or Stock Appreciation Right.

12. Cash-Based Awards. Subject to the terms and conditions of the Plan, Cash-Based Awards may be granted to Participants in such amounts and upon such other terms and conditions as shall be determined by the Committee in its sole discretion. Each Cash-Based Award shall be evidenced by an Award Agreement that shall specify the payment amount or payment range, the time and method of settlement and the other terms and conditions, as applicable, of such Award which may include, without limitation, restrictions based on the achievement of specific Performance Objectives.

13. Compliance with Section 409A. Awards granted under the Plan shall be designed and administered in such a manner that they are either exempt from the application of, or comply with, the requirements of Section 409A of the Code. To the extent that the Committee determines that any award granted under the Plan is subject to Section 409A of the Code, the Award Agreement shall incorporate the terms and conditions necessary to avoid the imposition of an additional tax under Section 409A of the Code upon a Participant. Notwithstanding any other provision of the Plan or any Award Agreement (unless the Award Agreement provides otherwise with specific reference to this Section 13): (a) an Award shall not be granted, deferred, accelerated, extended, paid out, settled, substituted or modified under the Plan in a manner that would result in the imposition of an additional tax under Section 409A of the Code upon a Participant; and (b) if an Award is subject to Section 409A of the Code, and if the Participant holding the award is a “specified employee” (as defined in Section 409A of the Code, with such classification to be determined in accordance with the methodology established by the Company), then, to the extent required to avoid the imposition of an additional tax under Section 409A of the Code upon a Participant, no distribution or payment of any amount shall be made before the date that is six (6) months following the date of such Participant’s “separation from service” (as defined in Section 409A of the Code) or, if earlier, the date of the Participant’s death. Although the Company intends to administer the Plan so that Awards will be exempt from, or will comply with, the requirements of Section 409A of the Code, the Company does not warrant that any Award under the Plan will qualify for favorable tax treatment under Section 409A of the Code or any other provision of federal, state, local, or non-United States law. The Company shall not be liable to any Participant for any tax, interest, or penalties the Participant might owe as a result of the grant, holding, vesting, exercise, or payment of any Award under the Plan.

14. Compliance with Section 162(m).

a. In General. Notwithstanding anything in the Plan to the contrary, Restricted Shares, Restricted Share Units, Other Share-Based Awards and Cash-Based Awards may be granted in a manner that is intended to qualify the Award for the Performance-Based Exception. As determined by the Committee in its sole discretion, the grant, vesting, exercisability and/or settlement of any Awards intended to qualify the Award for the Performance-Based Exception shall be conditioned on the attainment of one or more Performance Objectives during a performance period established by the Committee. Any such Award must meet the requirements of this Section 14.

b. Performance Objectives. If an Award is intended to qualify for the Performance-Based Exception, then the Performance Objectives shall be based on specified levels of, or growth in, one or more of the following criteria: revenues, earnings from operations, operating income, earnings before or after interest and taxes, operating income before or after interest and taxes, net income, cash flow, earnings per share, return on total capital, return on invested capital, return on equity, return on assets, total return to stockholders, earnings before or after interest, or extraordinary or special items, operating income before or after interest, taxes, depreciation, amortization or extraordinary or special items, return on investment, free cash flow, cash flow return on investment (discounted or otherwise), net cash provided by operations, cash flow in excess of cost of capital, operating margin, profit margin, contribution margin, stock price and/or strategic business criteria consisting of one or more objectives based on meeting specified product development, strategic partnering, research and development milestones, clinical trial status, product approvals in geographic regions, market penetration, geographic business expansion goals, cost targets, customer satisfaction, management of employment practices and employee benefits, supervision of litigation and information technology, and goals relating to acquisitions or divestitures of subsidiaries, affiliates and joint ventures. To the extent consistent with the Performance-Based Exception, the Performance Objectives may be calculated without regard to extraordinary items or adjusted, as the Committee deems equitable, in recognition of unusual or non-recurring events affecting the Company or its Subsidiaries or changes in applicable tax laws or accounting principles.

- c. Establishment of Performance Goals. With respect to Awards intended to qualify for the Performance-Based Exception, the Committee shall establish: (i) the applicable Performance Objectives and performance period, and (ii) the formula for computing the payout. Such terms and conditions shall be established in writing while the outcome of the applicable performance period is substantially uncertain, but in no event later than the earlier of: (x) ninety days after the beginning of the applicable performance period; or (y) the expiration of twenty-five percent (25%) of the applicable performance period.
- d. Certification of Performance. With respect to any Award intended to qualify for the Performance-Based Exception, the Committee shall certify in writing whether the applicable Performance Objectives and other material terms imposed on such Award have been satisfied, and, if they have, ascertain the amount of the payout or vesting of the Award. Notwithstanding any other provision of the Plan, payment or vesting of any such Award shall not be made until the Committee certifies in writing that the applicable Performance Objectives and any other material terms of such Award were in fact satisfied in a manner conforming to applicable regulations under Section 162(m) of the Code.
- e. Negative Discretion. With respect to any Award intended to qualify for the Performance-Based Exception, the Committee shall not have discretion to increase the amount of compensation that is payable upon achievement of the designated Performance Objectives. However, the Committee may, in its sole discretion, reduce the amount of compensation that is payable upon achievement of the designated Performance Objectives.
15. Transferability. Except as otherwise determined by the Committee, no Award or dividend equivalents paid with respect to any Award shall be transferable by the Participant except by will or the laws of descent and distribution; provided, that if so determined by the Committee, each Participant may, in a manner established by the Board or the Committee, designate a beneficiary to exercise the rights of the Participant with respect to any Award upon the death of the Participant and to receive Shares or other property issued or delivered under such Award. Except as otherwise determined by the Committee, Stock Options and Stock Appreciation Rights will be exercisable during a Participant's lifetime only by the Participant or, in the event of the Participant's legal incapacity to do so, by the Participant's guardian or legal representative acting on behalf of the Participant in a fiduciary capacity under state law and/or court supervision.

16. Adjustments. In the event of any equity restructuring (within the meaning of Financial Accounting Standards Board Accounting Standards Codification Topic 718, Compensation — Stock Compensation), such as a stock dividend, stock split, reverse stock split, spinoff, rights offering, or recapitalization through a large, nonrecurring cash dividend, the Committee shall cause there to be an equitable adjustment in the numbers of Shares specified in Section 3 of the Plan and, with respect to outstanding Awards, in the number and kind of Shares subject to outstanding Awards, the exercise price or other price of Shares subject to outstanding Awards, in each case to prevent dilution or enlargement of the rights of Participants. In the event of any other change in corporate capitalization, or in the event of a merger, consolidation, liquidation, or similar transaction, the Committee may, in its sole discretion, cause there to be an equitable adjustment as described in the foregoing sentence, to prevent dilution or enlargement of rights; provided, however, that, unless otherwise determined by the Committee, the number of Shares subject to any Award shall always be rounded down to a whole number. Notwithstanding the foregoing, the Committee shall not make any adjustment pursuant to this Section 16 that would (i) cause any Stock Option intended to qualify as an ISO to fail to so qualify, (ii) cause an Award that is otherwise exempt from Section 409A of the Code to become subject to Section 409A of the Code, or (iii) cause an Award that is subject to Section 409A of the Code to fail to satisfy the requirements of Section 409A of the Code. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on all Participants and any other persons claiming under or through any Participant.

17. Fractional Shares. The Company shall not be required to issue or deliver any fractional Shares pursuant to the Plan and, unless otherwise provided by the Committee, fractional shares shall be settled in cash.

18. Withholding Taxes. To the extent required by Applicable Law, a Participant shall be required to satisfy, in a manner satisfactory to the Company or Subsidiary, as applicable, any withholding tax obligations that arise by reason of a Stock Option or Stock Appreciation Right exercise, the vesting of or settlement of Shares under an Award, an election pursuant to Section 83(b) of the Code or otherwise with respect to an Award. The Company and its Subsidiaries shall not be required to issue or deliver Shares, make any payment or to recognize the transfer or disposition of Shares until such obligations are satisfied. The Committee may permit or require these obligations to be satisfied by having the Company withhold a portion of the Shares that otherwise would be issued or delivered to a Participant upon exercise of a Stock Option or Stock Appreciation Right or upon the vesting or settlement of an Award, or by tendering Shares previously acquired, in each case having a Fair Market Value equal to the amount required to be withheld. In no event will the Fair Market Value of the Shares to be withheld or tendered pursuant to this Section 18 to satisfy applicable withholding taxes exceed the amount of taxes required to be withheld based on the maximum statutory tax rates in the applicable taxing jurisdictions. Any elections pursuant to this Section 18 subject to such conditions or procedures as may be established by the Committee and may be subject to disapproval by the Committee.

19. Foreign Employees. Without amending the Plan, the Committee may grant Awards to Participants who are foreign nationals on such terms and conditions different from those specified in the Plan as may in the judgment of the Committee be necessary or desirable to foster and promote achievement of the purposes of the Plan, and, in furtherance of such purposes, the Committee may make such modifications, amendments, procedures, and the like as may be necessary or advisable to comply with provisions of Applicable Laws of other countries in which the Company or its Subsidiaries operate or have employees.

20. Detrimental Activity; Forfeiture of Awards.

a. **Detrimental Activity.** If a Participant has engaged in any Detrimental Activity, as determined by the Committee in its sole discretion, either during service with the Company or a Subsidiary or after termination of such service, then, promptly upon receiving notice of the Committee's determination, the Participant shall: (i) forfeit all Awards granted under the Plan to the extent then held by the Participant; (ii) return to the Company or the Subsidiary all Shares that the Participant has not disposed of that had been acquired, pursuant to Awards granted under the Plan, within two (2) years prior to the date of the Participant's initial commencement of the Detrimental Activity, in exchange for payment by the Company or the Subsidiary of any amount actually paid therefor by the Participant; and (iii) with respect to any Shares acquired, within two (2) years prior to the date of the Participant's initial commencement of the Detrimental Activity, pursuant to an Award granted under the Plan that were disposed of, pay to the Company or the Subsidiary, in cash, the excess, if any, of: (A) the Fair Market Value of the Shares on the date acquired, over (B) any amount actually paid by the Participant for the Shares.

b. **Compensation Recovery Policy.** Any Award granted to a Participant shall be subject to forfeiture or repayment pursuant to the terms of any applicable compensation recovery policy adopted by the Company, including any such policy that may be adopted to comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act or any rules or regulations issued by the Securities and Exchange Commission rule or applicable securities exchange.

c. **Set-Off and Other Remedies.** To the extent that amounts are not immediately returned or paid to the Company as provided in this Section 20, the Company may, to the extent permitted by Applicable Laws, seek other remedies, including a set off of the amounts so payable to it against any amounts that may be owing from time to time by the Company or a Subsidiary to the Participant for any reason, including, without limitation, wages, or vacation pay or other benefits; provided, however, that, except to the extent permitted by Treasury Regulation Section 1.409A-3(j)(4), such offset shall not apply to amounts that are "deferred compensation" within the meaning of Section 409A of the Code.

21. **Change in Control.** In the event of a Change in Control, the Committee may, in its sole discretion and without providing prior notice or receiving the consent of the Participant, take such actions, if any, as it deems necessary or desirable with respect to any Award that is outstanding as of the date of the consummation of the Change in Control. Such actions may include, without limitation: (i) the acceleration of the vesting, settlement and/or exercisability of an Award; (ii) the payment of a cash amount in exchange for the cancellation of an Award; (iii) the cancellation of Stock Options and/or Stock Appreciation Rights without payment therefor if the Fair Market Value of a Share on the date of the Change in Control does not exceed the exercise price per Share of the applicable Awards; and/or (iv) make provisions for the assumption or conversion of Awards, or the issuance of substitute Awards that, in either case, substantially preserve the value, rights and benefits of any affected Awards.

22. Amendment, Modification and Termination.

a. **In General.** The Board may at any time and from time to time, alter, amend, suspend or terminate the Plan in whole or in part; provided, however, that no alteration or amendment that requires stockholder approval in order for the Plan to comply with any rule promulgated by the SEC or any securities exchange on which Shares are listed or any other Applicable Laws shall be effective unless such amendment shall be approved by the requisite vote of stockholders of the Company entitled to vote thereon within the time period required under such applicable listing standard or rule.

b. Adjustments to Outstanding Awards. The Committee may in its sole discretion at any time (i) provide that all or a portion of a Participant's Stock Options, Stock Appreciation Rights, and other Awards in the nature of rights that may be exercised shall become fully or partially exercisable; (ii) provide that all or a part of the time-based vesting restrictions on all or a portion of the outstanding Awards shall lapse, and/or that any Performance Objectives or other performance-based criteria with respect to any Awards shall be deemed to be wholly or partially satisfied; or (iii) waive any other limitation or requirement under any such Award, in each case, as of such date as the Committee may, in its sole discretion, declare. Unless otherwise determined by the Committee, any such adjustment that is made with respect to an Award that is intended to qualify for the Performance-Based Exception shall be made at such times and in such manner as will not cause such Awards to fail to qualify under the Performance-Based Exception. Additionally, the Committee shall not make any adjustment pursuant to this Section 22(b) that would cause an Award that is otherwise exempt from Section 409A of the Code to become subject to Section 409A of the Code, or that would cause an Award that is subject to Section 409A of the Code to fail to satisfy the requirements of Section 409A of the Code.

c. Prohibition on Repricing. Except for adjustments made pursuant to Sections 16 or 21, the Board or the Committee will not, without the further approval of the stockholders of the Company, authorize the amendment of any outstanding Stock Option or Stock Appreciation Right to reduce the exercise price. No Stock Option or Stock Appreciation Right will be cancelled and replaced with an Award having a lower exercise price, or for another Award, or for cash without further approval of the stockholders of the Company, except as provided in Sections 16 or 21. Furthermore, no Stock Option or Stock Appreciation Right will provide for the payment, at the time of exercise, of a cash bonus or grant or sale of another Award without further approval of the stockholders of the Company. This Section 22(c) is intended to prohibit the repricing of "underwater" Stock Options or Stock Appreciation Rights without stockholder approval and will not be construed to prohibit the adjustments provided for in Sections 16 or 21.

d. Effect on Outstanding Awards. Notwithstanding any other provision of the Plan to the contrary (other than Sections 16, 20, 21, 22(b) and 24(d)), no termination, amendment, suspension, or modification of the Plan or an Award Agreement shall adversely affect in any material way any Award previously granted under the Plan, without the written consent of the Participant holding such Award. Notwithstanding the preceding sentence, any ISO granted under the Plan may be modified by the Committee to disqualify such Stock Option from treatment as an "incentive stock option" under Section 422 of the Code.

23. Applicable Laws. The obligations of the Company with respect to Awards under the Plan shall be subject to all Applicable Laws and such approvals by any governmental agencies as the Committee determines may be required. The Plan and each Award Agreement shall be governed by the laws of the State of Delaware, excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.

24. Miscellaneous.

a. Deferral of Awards. Except with respect to Stock Options and Stock Appreciation Rights, the Committee may permit Participants to elect to defer the issuance or delivery of Shares or the settlement of Awards in cash under the Plan pursuant to such rules, procedures or programs as it may establish for purposes of the Plan. The Committee also may provide that deferred issuances and settlements include the payment or crediting of dividend equivalents or interest on the deferral amounts. All elections and deferrals permitted under this provision shall comply with Section 409A of the Code, including setting forth the time and manner of the election (including a compliant time and form of payment), the date on which the election is irrevocable, and whether the election can be changed until the date it is irrevocable.

b. No Right of Continued Employment. The Plan shall not confer upon any Participant any right with respect to continuance of employment or other service with the Company or any Subsidiary, nor shall it interfere in any way with any right the Company or any Subsidiary would otherwise have to terminate such Participant's employment or other service at any time. No Employee, Consultant or Director shall have the right to be selected to receive an Award under the Plan, or, having been so selected, to be selected to receive future Awards.

c. Unfunded, Unsecured Plan. Neither a Participant nor any other person shall, by reason of participation in the Plan, acquire any right or title to any assets, funds or property of the Company or any Subsidiary, including without limitation, any specific funds, assets or other property which the Company or any Subsidiary may set aside in anticipation of any liability under the Plan. A Participant shall have only a contractual right to an Award or the amounts, if any, payable under the Plan, unsecured by any assets of the Company or any Subsidiary, and nothing contained in the Plan shall constitute a guarantee that the assets of the Company or any Subsidiary shall be sufficient to pay any benefits to any person.

d. Severability. If any provision of the Plan is or becomes invalid, illegal or unenforceable in any jurisdiction, or would disqualify the Plan or any Award under any law deemed applicable by the Committee, such provision shall be construed or deemed amended or limited in scope to conform to Applicable Laws or, in the discretion of the Committee, it shall be stricken and the remainder of the Plan shall remain in full force and effect.

e. Acceptance of Plan. By accepting any benefit under the Plan, each Participant and each person claiming under or through any such Participant shall be conclusively deemed to have indicated their acceptance and ratification of, and consent to, all of the terms and conditions of the Plan and any action taken under the Plan by the Committee, the Board or the Company, in any case in accordance with the terms and conditions of the Plan.

f. Successors. All obligations of the Company under the Plan and with respect to Awards shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or other event, or a sale or disposition of all or substantially all of the business and/or assets of the Company and references to the "Company" herein and in any Award Agreements shall be deemed to refer to such successors.

[END OF APPENDIX A]

APPENDIX A, PAGE 17

loween and other special events have been added to most of our parks and have become meaningful financial contributors.

We continuously consider and implement new concepts and initiatives that allow us to maximize the value of our assets through higher utilization.

Adding complementary facilities. Our industry-leading portfolio of regional amusement parks includes significant real estate holdings that we may develop in the future to maximize ancillary revenue at our parks. In the past, we have expanded several of our parks by adding complementary facilities such as campgrounds, lodging, marinas and water parks. Because a portion of visitors to our amusement parks include an overnight stay in their visits, particularly at Cedar Point, we continuously upgrade our resort facilities and other lodging options. We also add branded and non-branded restaurant offerings adjacent to our parks to better serve the desires of our guests and to drive incremental revenue.

We believe that adding and maintaining complementary facilities will allow us to continue to benefit from increased revenues and operating profits.

Description of parks

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 13 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, Grand Rapids, Flint, and Lansing, include approximately 15 million people.

Located adjacent to the park is Soak City, a separately gated water park that features more than 20 water rides and attractions, as well as Challenge Park, which features several extra-charge attractions including two 18-hole themed miniature golf courses and two go-kart tracks.

Cedar Point also owns and operates four hotel facilities. Cedar Point's only year-round hotel is Castaway Bay Indoor Waterpark Resort, an indoor water park resort, which is located at the Causeway entrance to the park. Castaway Bay features a tropical Caribbean theme with 237 hotel rooms centered around a 38,000-square-foot indoor water park. The park's largest hotel, the historic Hotel Breakers, has more than 600 guest rooms. Hotel Breakers has various dining and lounge facilities, a private beach, lake swimming, a conference/meeting center, one indoor pool and two outdoor pools. 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 courtyard pool, tennis courts and a contemporary waterfront restaurant.

Cedar Point also owns and operates the Cedar Point Marina, Castaway Bay Marina and Camper Village. Cedar Point Marina is one of the largest full-service marinas on the Great Lakes and provides dockage facilities for more than 740 boats, including floating docks and full guest amenities. In addition, Cedar Point Marina features a Famous Dave's Bar-B-Que restaurant and an upscale seafood restaurant, called Bay Harbor, both of which are accessible by the general public. Castaway Bay Marina is a full-service marina featuring 160 slips. Camper Village includes campsites for more than 100 recreational vehicles and Lighthouse Point which offers lakefront cottages, cabins and full-service recreation vehicle campsites.

We also own and operate the Cedar Point Causeway across Sandusky Bay, a major access route to Cedar Point, and dormitory facilities located near the park that house up to 3,300 of the park's approximately 4,100 seasonal and part-time 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 us 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.

The park is renowned for its seasonal events, including a special Christmas promotion, Knott's Merry Farm, and a Halloween event called Knott's Scary Farm, which has been held for more than 30 years and is annually rated one of the best Halloween events in the industry by *Amusement Today's* international survey.

We also own and operate three water parks in California. Adjacent to Knott's Berry Farm is Knott's Soak City-Orange County, a separately gated seasonal water park that features more than 20 water rides and attractions. Just south of San Diego in Chula Vista, California is Knott's Soak City-San Diego, a seasonal water park which offers its guests more than 20 water rides and attractions. Knott's Soak City-Palm Springs is a 16-acre seasonal water park, located in Palm Springs, California, that offers 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.

We also own and operate the Knott's Berry Farm Resort Hotel, a 320-room, full-service hotel located adjacent to Knott's Berry Farm, which features a pool, tennis courts and meeting/banquet facilities.

Canada's Wonderland

Canada's Wonderland, a combination amusement and water park located near Toronto in Vaughan, Ontario, first opened in 1981 and was acquired by us in June of 2006. It contains more than 200 attractions, including 15 roller coasters, and is one of the most attended regional amusement parks in North America. Canada's Wonderland is in a culturally diverse metropolitan market with large populations of different ethnicities and national origins. Each year, numerous cultural festivals featuring renowned music artists from across the world perform in the Kingswood Music Theatre located within the park. The park's total market area includes approximately 9 million people.

Kings Island

Kings Island, a combination amusement and water park located near Cincinnati, Ohio, first opened in 1972 and was acquired by us in June of 2006. Kings Island is one of the largest seasonal amusement parks in the United States, measured by the number of rides and attractions and the hourly ride capacity. The park features a

children's area that has been named the Best Kids Area in the World for 10 consecutive years by *Amusement Today*, and its 2009 steel roller-coaster, Diamondback, was voted second best new ride for 2009 by *Amusement Today*.

The park's total market area includes approximately 15 million people, and the major areas of dominant influence in this market area, which are Cincinnati, Dayton and Columbus, Ohio, Louisville and Lexington, Kentucky, and Indianapolis, Indiana, include approximately 8 million people.

Dorney Park

Dorney Park, a combination amusement and water park located near Allentown in South Whitehall Township, Pennsylvania, was first developed as a summer resort area in 1884 and was acquired by us in 1992. Dorney Park is one of the largest amusement parks in the Northeastern United States 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.

Kings Dominion

Kings Dominion, a combination amusement and water park located near Richmond, Virginia, first opened in 1975 and was acquired by us in June of 2006. The park's total market area includes approximately 19 million people and the major areas of dominant influence in this market area, which are Richmond and Norfolk, Virginia, Raleigh, North Carolina, Baltimore, Maryland and Washington, D.C, include approximately 12 million people. In 2010, Kings Dominion introduced Intimidator 305, which was voted the second-best new ride in 2010 by *Amusement Today*'s international survey.

Additionally, the park offers Kings Dominion Campground, a camping area featuring a swimming pool, playground, volleyball courts, miniature golf, and laundry facilities. The campground also offers a free shuttle service between the campground and amusement park.

We also own a dormitory facility located adjacent to the park that houses up to 440 of the park's approximately 3,100 seasonal employees.

Carowinds

Carowinds, a combination amusement and water park located in Charlotte, North Carolina, first opened in 1973 and was acquired by us in June 2006. Carowinds' major markets include Charlotte, Greensboro, and Raleigh, North Carolina as well as Greenville and Columbia, South Carolina. The park's total market area includes approximately 14 million people. In 2010, Carowinds introduced Intimidator, which was voted the fourth-best new ride in 2010 by *Amusement Today*'s international survey.

The park also offers Camp Wilderness Resort, a camping area that offers a convenience and merchandise store, laundry facilities, a swimming pool, miniature golf, shuffleboard, and sand volleyball courts. The campground has more than 140 RV sites and 57 spacious tent and pop-up sites. The campground also offers a free shuttle service between the campground and amusement park.

California's Great America

California's Great America, a combination amusement and water park located in Santa Clara, California, first opened in 1976 and was acquired by us in June of 2006. The park's total market area includes approximately 13 million people and draws its visitors primarily from San Jose, San Francisco, Sacramento, Modesto and Monterey, among other cities in northern California.

Valleyfair

Valleyfair, which opened in 1976 and was acquired by our predecessor in 1978, is a combination amusement and water park located near Minneapolis-St. Paul in Shakopee, Minnesota. It is the largest amusement park in Minnesota. Valleyfair's market area is centered in Minneapolis-St. Paul, which has a population of approximately 3 million, but the park also draws visitors from other areas in Minnesota and surrounding states with a combined population base of 9 million people.

We also own a dormitory facility located adjacent to the park that houses up to 420 of the park's approximately 1,750 seasonal employees.

Worlds of Fun

Worlds of Fun, which opened in 1973, and Oceans of Fun, the adjacent separately gated water park that opened in 1982, were acquired by us in 1995. Located in Kansas City, Missouri, Worlds of Fun serves a total market area of approximately 7 million people centered in Kansas City, but also including most of Missouri, as well as portions of Kansas and Nebraska.

The park also features Worlds of Fun Village, an upscale camping area that offers overnight guest accommodations next to the park in 20 wood-side cottages, 22 log cabins and 80 deluxe RV sites. Also, included within the Village is a clubhouse with a swimming pool and arcade games.

Oceans of Fun, which requires a separate admission fee, is located adjacent to Worlds of Fun and features a wide variety of water attractions.

Michigan's Adventure

Michigan's Adventure, which was acquired by us in 2001, is the largest amusement park in Michigan. The combination amusement and water park located near Muskegon, Michigan serves a total market area of approximately 5 million people, principally from central and western Michigan and eastern Indiana.

Geauga Lake's Wildwater Kingdom

Geauga Lake's Wildwater Kingdom (Geauga Lake), located near Cleveland, Ohio, was first developed as a recreational area in 1888, and was acquired by us in 2004. This family-oriented water park serves a total market area of approximately 17 million people. The park's major markets include Cleveland, Akron and Youngstown.

Working capital and capital expenditures

During the operating season, we carry significant receivables and inventories of food and merchandise, as well as payables and payroll-related accruals. Amounts are substantially reduced in non-operating periods. Seasonal working capital needs are funded with revolving credit facilities, which are established at levels sufficient to accommodate our peak borrowing requirements in April and May as the seasonal parks complete preparations for opening. Revolving credit borrowings are reduced daily with our strong positive cash flow during the seasonal operating period.

We believe that annual park attendance is influenced to a large 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, 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 year-end.

Competition

In general, we compete for discretionary spending with all phases of the recreation industry within our primary market areas, including several destination and regional amusement parks. We also compete with other forms of entertainment and recreational activities, including movies, sports events, restaurants and vacation travel.

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. We believe that our 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 and forms of entertainment.

Government regulation

Our properties and operations are subject to a variety of federal, state and local environmental, health and safety laws and regulations. Currently we believe we are in substantial compliance with applicable requirements under them. However, such requirements have generally become more strict over time, and there can be no assurance that new requirements, changes in enforcement policies or newly discovered conditions relating to our properties or operations will not require significant expenditures in the future.

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 all parks except Valleyfair and Carowinds' South Carolina rides, by state or county ride-safety inspectors. Valleyfair contracts with a third party to inspect its rides per Minnesota law and submits the third-party report to the state agency. Carowinds contracts with a third party to inspect its rides located in South Carolina per the law and submits the third-party report to the state agency.

Our employees

The Partnership has approximately 1,500 full-time employees. During the operating season, the Partnership employs in aggregate approximately 37,000 seasonal and part-time employees, most of whom are high school and college students. Approximately 3,300 of Cedar Point's seasonal employees, 300 of Valleyfair's seasonal employees, and 440 of Kings Dominion'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.

Legal proceedings

Q Funding III, L.P. and Q4 Funding, L.P. vs. Cedar Fair Management, Inc.

On October 14, 2010, Q Funding III, L.P. and Q4 Funding, L.P. (together, "Q Funding"), both Cedar Fair, L.P. unitholders, commenced an action in the Delaware Court of Chancery against Cedar Fair Management, Inc. ("CFMI") and Cedar Fair, L.P. The complaint, captioned *Q Funding III, L.P. and Q4 Funding, L.P. vs. Cedar Fair Management, Inc. and Cedar Fair, L.P.*, C.A. No. 5904-VCS, alleges, among other things, that CFMI breached the terms of the Fifth Amended and Restated Agreement of Limited Partnership (the "Limited Partnership Agreement") by indicating that unitholders may lack the right to nominate candidates, or to solicit proxies in support of new candidates, for election to the board of directors of CFMI. Q Funding seeks, among other things, (i) a declaratory judgment that under the terms of the Limited Partnership Agreement, all unitholders, including Q Funding, have the right to nominate and solicit proxies in support of candidates for election as directors to the Board of CFMI, and (ii) injunctive relief precluding the Company or its representatives from taking any action to interfere with unitholders' rights to nominate and solicit proxies in support of candidates for election as directors to the Board of CFMI at the 2011 annual meeting of Cedar Fair unitholders and subsequent annual meetings of the Cedar Fair unitholders.

We filed an answer denying the allegations as set forth in the complaint and the parties are currently engaged in discovery. An evidentiary hearing has been scheduled for April 21, 2011 in the Delaware Court of Chancery, but has since been postponed.

Delaware Lawsuit

The previously-disclosed putative class action in the Delaware Court of Chancery, originally disclosed under Item 3 of our Annual Report on Form 10-K filed on February 26, 2010 and updated under Part II, Item 1 of our quarterly report on Form 10-Q for the quarters ended March 28, 2010, June 27, 2010, and September 26, 2010 has been stayed, and remains dormant. We do not expect this pending lawsuit to materially affect our financial results in future periods.

Northern District of Ohio Lawsuit

On February 5, 2010, an additional putative class action was commenced in the United States District Court for the Northern District of Ohio by Leo Mortiz, a purported unitholder, on behalf of himself and all of our other unitholders, against the defendants of Cedar Fair seeking to enjoin the merger agreement with Apollo Management and its related affiliates, and alleging that the preliminary proxy statement regarding the merger on Schedule 14A filed with the Securities and Exchange Commission on January 8, 2010, was materially misleading in violation of Section 14(a) of the Exchange Act. On March 4, 2011, the Court dismissed the case without prejudice.

In addition to the matters described above, we are involved in various claims and routine litigation incidental to our business. We believe that these claims and proceedings are unlikely to have a material adverse effect on our financial statements.

Properties

Cedar Point and Soak City are located on approximately 365 acres, virtually all of which have been developed, on the Cedar Point peninsula in Sandusky, Ohio. We also own approximately 100 acres of property on the mainland adjoining the approach to the Cedar Point Causeway. The Breakers Express hotel, the Castaway Bay Indoor Waterpark Resort and adjoining TGI Friday's restaurant, Castaway Bay Marina and two seasonal-employee housing complexes are located on this property.

We control, through ownership or an easement, a six-mile public highway and own 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 us 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 one of our subsidiaries.

Knott's Berry Farm and Knott's Soak City, located in California, are situated on approximately 147 acres and 13 acres, respectively, virtually all of which have been developed. Knott's Soak City-San Diego is located on 60 acres, of which 27 acres have been developed and 33 acres remain available for future expansion. Knott's Soak City-Palm Springs is located on 23 acres, of which 17 acres have been developed and 6 acres remain available for future expansion.

Kings Island, located in Ohio, is situated on approximately 677 acres, of which 326 acres have been developed and 351 acres remain available for future expansion.

Canada's Wonderland, located near Toronto near Vaughn, Ontario, is situated on approximately 290 acres, virtually all of which have been developed.

Kings Dominion, located in Virginia, is situated on approximately 738 acres, of which 279 acres have been developed and 459 acres remain available for future expansion.

Dorney Park, located in Pennsylvania, is situated on approximately 201 acres, of which 178 acres have been developed and 23 acres remain available for future expansion.

Carowinds, located in North Carolina, is situated on approximately 337 acres, of which 299 acres have been developed and 38 acres remain available for future expansion.

Valleyfair, located in Minnesota, is situated on approximately 180 acres, of which 113 acres have been developed, and approximately 77 additional acres remain available for future expansion.

Worlds of Fun, located in Missouri, is situated on approximately 350 acres, of which 250 acres have been developed and 100 acres remain available for future expansion or other uses.

Great America, located in California, is situated on approximately 181 acres, virtually all of which have been developed.

Michigan's Adventure, located in Michigan, is situated on approximately 250 acres, of which 119 acres have been developed and 131 acres remain available for future expansion.

At Geauga Lake, located in Ohio, the Partnership owns approximately 670 total acres, of which 65 acres have been developed and are in use at the water park and an additional 65 acres are being held for future expansion. The remaining acreage is available for sale or for future development.

We also own approximately 450 acres of land in southern Michigan through our subsidiary, Cedar Point of Michigan, Inc.

All of our property is owned in fee simple, with the exception of Great America in Santa Clara, California, and encumbered under our credit facilities. We lease the land for Great America from the City of Santa Clara through a long-term lease agreement that automatically renews through 2039 with options to terminate at our discretion at the end of each successive 10-year term. We consider our properties to be well maintained, in good condition and adequate for our present uses and business requirements.

MANAGEMENT

The following table provides information regarding the executive officers of Cedar Fair. Cedar Fair Management, Inc., an Ohio corporation owned by an Ohio trust, is the General Partner of Cedar Fair and has full responsibility for its management.

Name	Age	Position(s)
Richard L. Kinzel	70	Director, President and Chief Executive Officer
Peter J. Crage	49	Executive Vice President and Chief Financial Officer
H. Philip Bender	55	Executive Vice President
Richard A. Zimmerman	50	Executive Vice President
Robert A. Decker	50	Corporate Vice President Planning and Design
Craig J. Freeman	57	Corporate Vice President Administration
Duffield E. Milkie	45	Corporate Vice President General Counsel
Lee Ann Alexakos	55	Corporate Vice President Marketing
Brian C. Witherow	44	Vice President and Corporate Controller
David R. Hoffman	42	Vice President Finance and Corporate Tax

Richard L. Kinzel has served as President and Chief Executive Officer since 1986, and from 2003 through January 2011 he also served as Chairman. Mr. Kinzel has been employed by Cedar Fair or its predecessor since 1972, and from 1978 to 1986 he served as Vice President and General Manager of Valleyfair.

Peter J. Crage has served as Executive Vice President and Chief Financial Officer since November 2010, prior to which he served as Corporate Vice President Finance and Chief Financial Officer since 2005.

H. Philip Bender has served as Executive Vice President since November 2010, previously serving as Regional Vice President since June 2006. Prior to that, he served as Vice President and General Manager of Worlds of Fun / Oceans of Fun since the end of 2000.

Richard A. Zimmerman has served as Executive Vice President since November 2010, previously serving as Regional Vice President since June 2007. Prior to that, he served as Vice President and General Manager of Kings Dominion since 1998.

Robert A. Decker has served as Corporate Vice President Planning and Design since the end of 2002. Prior to that, he served as Corporate Director of Planning and Design since 1999.

Craig J. Freeman has served as Corporate Vice President Administration since September 2005. Prior to that, he served as Vice President and General Manager of Knott's Camp Snoopy at the Mall of America from 1996 through 2005.

Duffield E. Milkie has served as Corporate Vice President General Counsel since February 2008. Prior to that, he was a partner in the law firm of Wickens, Herzer, Panza, Cook, & Batista since 1998.

Lee Ann Alexakos has served as Corporate Vice President Marketing and Advertising since July 2006. Prior to that, she served as Director of Marketing for Cedar Point from 2004 through 2006 and as Director of Corporate Marketing Services from 1995 through 2004.

Brian C. Witherow has served as Vice President and Corporate Controller since July 2005. Prior to that, he served as Corporate Treasurer from May 2004 to June 2005 and as Corporate Director of Investor Relations from 1995 through 2004.

Dave Hoffman has served as Vice President of Finance and Corporate Tax since November 2010. Prior to that, he served as Vice President of Corporate Tax. Before joining Cedar Fair in 2006, he served as a tax consultant with Ernst & Young.

Board structure

The Board of Directors of Cedar Fair Management, Inc. (CFMI) is comprised of nine directors (the Board). The directors are divided into three classes, Class I, Class II, and Class III, each of which currently consists of three directors. Class I consists of three directors, and Classes II and III each consist of two directors. The size of the Board was increased to nine directors by the appointment of Eric L. Affeldt and John M. Scott III as directors immediately following the 2010 Annual Meeting (the Annual Meeting) on June 7, 2010. Messrs. Affeldt and Scott are Class I directors with a term that will expire at the 2013 Annual Meeting. Cedar Fair has agreed to reduce the number of directors on its Board back to seven by the Company s 2011 Annual Meeting.

Board committees

The Board has three committees: an Audit Committee, a Compensation Committee, and a Nominating and Corporate Governance Committee. Each Committee is composed entirely of independent directors, as that term is defined in the NYSE listing standards, and each member of the Audit Committee is independent as required under Section 301 of the Sarbanes-Oxley Act of 2002. The Audit Committee is comprised of Darrel D. Anderson, Richard S. Ferreira, Eric L. Affeldt and John M. Scott III, with Mr. Ferreira serving as the chair of the Committee. The Compensation Committee is comprised of Messrs. Affeldt, and Kwiatkowski and C. Thomas Harvie and David Paradeau, with Mr. Kwiatkowski serving as the chair. The Nominating and Corporate Governance Committee is comprised of Messrs. Kwiatkowski, Harvie and Ferreira, with Mr. Harvie serving as the chair. Each Committee conducts an annual evaluation of its performance, and the Nominating and Corporate Governance Committee annually conducts an evaluation of the Board.

The Audit Committee is responsible for appointing and meeting with Cedar Fair s independent registered public accounting firm and for assisting the Board in its oversight of the financial statement reporting, internal audit and risk management functions. The Board has determined that each Committee member is financially literate, and Mr. Ferreira, the chair of the Committee, is the designated financial expert.

The Compensation Committee is responsible for reviewing Cedar Fair s compensation and employee benefit policies and programs, and recommending related actions, as well as executive compensation decisions, to the Board. Compensation decisions for the chief executive officer are made by the Compensation Committee, together with the Board, based upon its review of his performance and the performance of Cedar Fair. The Committee makes recommendations to the Board with respect to non-CEO compensation, incentive compensation plans and equity-based compensation based on discussions with and recommendations of the chief executive officer. On an annual basis, the chief executive officer reviews all of his direct reports, including the other named executive officers, and all of the regional vice presidents and park general managers.

The Nominating and Corporate Governance Committee is responsible for recommending criteria for service as a director, identifying qualified director nominees to enhance the Board, for recommending the fees paid to the directors and Board Committee members for services in those capacities, and for playing a leadership role in shaping the governance of CFMI. The Committee considers diversity of experience and background when selecting candidates. The Committee believes candidates for the Board should have the ability to exercise objectivity and independence in making informed business decisions; the highest integrity; extensive knowledge, experience and judgment; loyalty to the interests of Cedar Fair and its unitholders; and a willingness to devote the extensive time necessary to fulfill a director s duties. Although CFMI does not have a formal policy on diversity in the selection of candidates for the Board, the Committee considers diversity in its nominating process, including factors such as education, career and professional experience, independence, skills and personal characteristics, and understanding of and experiences in management, finance and marketing in Cedar

Fair's industry as well as other industries. The Committee reviews these factors as well as the other qualifications outlined above and strives to create a Board with a variety of complementary skills and experiences, both personal and professional. The Committee conducts all necessary and appropriate inquiries into the background and qualifications of Board candidates meeting these criteria.

Our Code of Ethics is applicable to all our directors, officers and employees (the Code of Conduct). The Code of Conduct is available on the Code of Conduct & Ethics page of our website at www.cedarfair.com. To the extent required pursuant to applicable SEC regulations, we intend to post amendments to or waivers from our Code of Conduct (to the extent applicable to our chief executive officer, principal financial officer or principal accounting officer) at this location on our website or report the same on a Current Report on Form 8-K. Our Code of Conduct is available free of charge upon request to Investor Relations, One Cedar Point Drive, Sandusky, Ohio 44870-5259.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes our compensation philosophy and objectives, our methods for determining executive compensation, the elements of executive compensation and the reasons that we have elected to pay these particular elements of compensation. Throughout this prospectus the individuals listed in the summary compensation table are referred to as the named executive officers.

Summary

In 2010, we achieved all-time record attendance of 22.8 million visitors and a \$61.5 million (7%) increase in consolidated net revenue over 2009 results. Our unit price increased 33% from December 31, 2009 to December 31, 2010, and our parks won multiple Golden Ticket awards from *Amusement Today*. We also reinstated the quarterly cash distribution to unitholders after successfully refinancing our credit agreement. These results are outstanding when considered against the backdrop of the challenging economic environment in which they were accomplished. In line with our executive compensation program's emphasis on pay for performance, compensation awarded to the named executive officers in 2010 reflected our successful results, including above-target payouts under our annual cash incentive program. In addition, the named executive officers each received grants of time-based phantom unit awards as compensation for their individual achievements, discussed throughout this section, and as a mechanism to encourage these important executives to continue their strong performance for us.

We are well-positioned for sustained, profitable growth, having successfully navigated a period of unprecedented economic distress. Attracting, retaining and grooming a deep and talented management team to lead our company in its pursuit of long-term growth and value creation is a strategic imperative. We promoted three of the named executive officers this year, as part of our ongoing succession planning process. These promotions were the result of these individuals' past contributions to the Company and their capacity to make substantial positive contributions in the future, as well as a reflection of the respect they have earned during their tenure with us.

Compensation Philosophy and Objectives

Our compensation program is designed to incentivize our key employees to drive superior results, to give key employees a proprietary and vested interest in our growth and performance, and to enhance our ability to attract and retain exceptional managerial talent upon whom, in large measure, our sustained growth, progress and profitability depend. Our compensation structure rewards both successful individual performance and the consolidated operating results of the Company. Our compensation structure and unitholder-approved incentive plan allow us to provide a mix of compensation and give us the flexibility to evolve our compensation philosophy from year to year, as the market, our business or the industry requires.

The objectives of our compensation program are:

To provide compensation that motivates, rewards and encourages hard work among employees;

To retain those employees with a track record of strong performance;

To recruit on a national level the most qualified individuals;

To closely align the interests of management with the Company's business objectives; and

To tie compensation to the achievement of long-term value for all unitholders.

We believe that our compensation levels are effective at retaining our top executives. For example, the five named executive officers have an aggregate of more than 90 years of service with us. Each has held various positions and been elevated within the Company. We believe it is important to maintain our ability to recruit, reward and retain key personnel, and we reviewed our compensation levels, benefits and incentive opportunities in 2010 in consultation with Pearl Meyer & Partners so that we can maintain that ability.

The Compensation Committee has reviewed our compensation programs and concluded that our compensation policies and practices do not create risks that are reasonably likely to have a material adverse effect on us. This risk assessment process included a review of the design and operation of our compensation programs, identifying and evaluating situations or compensation elements that may raise material risks, and an evaluation of the controls and processes we have in place to manage those risks. Because we mix different types of compensation, consider various factors in assessing performance and retain, at the Compensation Committee level, discretion in certain compensation matters, we believe that our compensation program provides an effective and appropriate mix of incentives to help ensure the Company's performance is focused on long-term value creation and does not encourage our executives to take unreasonable risks with respect to our business.

Determining Executive Compensation

The Board, Compensation Committee and the chief executive officer work together to individualize compensation levels and elements for our executive officers. We combine the compensation elements discussed below in a manner that we believe will optimize the executive's contribution to the Company. In general, we work within ranges of base salary commensurate with the executive's scope of responsibilities and use our cash incentive and phantom unit award programs to challenge the executive to achieve superior annual and long-term results for the benefit of the Company and its unitholders. We recognize and consider many factors in assessing an individual's value to the Company.

We challenge our named executive officers to achieve aggressive budget targets. We provide a potential compensation package that, if performance objectives are met, we believe will reward the executive officer fairly and encourage continued strong performance. Because a portion of this compensation is dependent on performance results, an executive's actual total compensation could vary considerably if we have a year that exceeds or fails to meet expectations. We believe that this is a fair result and appropriately motivates our executives to achieve peak corporate performance over the long term. Those executive officers with expertise that is specific to our amusement park operations and industry will be compensated at levels that we believe are necessary to retain that expertise. Similarly, those executive officers who have a significant positive impact on our operations and performance will be compensated accordingly. The range of targeted compensation is position dependent and may reflect how difficult we believe it would be to replace that particular person.

From time to time, we have consulted nationally recognized independent consulting firms to review and analyze our compensation program, including the compensation levels, the compensation structure and the mix of long-term and short-term compensation for certain of our named executive officers, as compared to

compensation of senior management of comparable companies. The Compensation Committee views this as appropriate to ensure it makes informed compensation decisions. The Committee engaged Pearl Meyer & Partners in 2010 to provide information on trends in compensation practices for nine executive-level positions, including the five named executive officer positions. Pearl Meyer did not have a direct role in recommending or determining the amount or form of compensation for our executives. Pearl Meyer compared our pay data (including base salary, target cash incentive and long-term incentive compensation, individually and in the aggregate) against current market data from published and private survey sources as well as 15 peer companies' proxy statements and provided the analysis to the Compensation Committee. The 15 peer companies include: Boyd Gaming Corporation; Ameristar Casinos, Inc.; Madison Square Garden, Inc.; Pinnacle Entertainment, Inc.; Isle of Capri Casinos, Inc.; Six Flags Entertainment Corporation; Life Time Fitness, Inc.; Gaylord Entertainment Co.; Vail Resorts, Inc.; CEC Entertainment, Inc.; International Speedway Corporation; Dreamworks Animation SKG, Inc.; Choice Hotels International, Inc.; Speedway Motorsports, Inc.; and Carmike Cinemas, Inc. The compensation study gave the Committee a general understanding of market practices and market compensation levels in the leisure, hospitality and entertainment industry, and provided a context for making compensation decisions. However, given the unique nature of our business and industry, the Committee believes that benchmarking the compensation of our named executive officers against that of our peer companies is only one of several tools in determining compensation.

Although our Board makes the final compensation decisions for the named executive officers, the process of determining compensation is a collaborative process between the Board, Compensation Committee and the chief executive officer. Our chief executive officer dedicates time annually to review all of his direct reports, including the other named executive officers, as well as all of the park general managers. He reviews each individual against budget targets (for the named executive officers), operational targets (for park managers) and individual performance objectives established before the operating season begins (where applicable) and makes recommendations to the Compensation Committee or Board regarding the compensation of each individual. The Committee or Board then makes compensation determinations and has discretion to modify the chief executive officer's recommendations to higher or lower levels when determined to be appropriate. Decisions regarding the chief executive officer's compensation are made by the Compensation Committee, together with the Board of Directors, based upon its review of his performance and the Company's performance.

Our Company budget and park budgets for the current fiscal year are approved by the Board in early March, prior to the beginning of the operating season. At that time, the Board also approves the target cash incentive award that can be earned by each named executive officer for the year. The target cash incentive award is stated as a percentage of base salary, is determined at the Compensation Committee's or Board's discretion upon the recommendation of the chief executive officer and correlates to the overall compensation plan for that individual. In past years, the Compensation Committee has also established performance targets for long-term incentive award grants at the March meeting. However, in March 2010, we were party to a merger agreement with affiliates of Apollo Global Management, and due to restrictions imposed by that agreement, we did not make performance-based incentive unit awards in March 2010. Rather, the Committee made time-based phantom unit grants in October 2010 to the named executive officers based on the Company's performance during the operating season. For additional details, please see the Cash Incentive Program and Long-Term Incentive Compensation sections below.

The Board reviews compensation matters after the seasonal parks have closed for the season and the financial results for the season are available. The chief executive officer finalizes his evaluations of the other named executive officers, among others, and prepares recommendations with respect to cash incentive payouts and phantom unit awards for the current year, as well as salary adjustments for the coming year. The chief executive officer generally presents this report to the Compensation Committee and to the Board in October. Based on Company performance, park performance and individual performance, the Compensation Committee makes final recommendations with regard to cash incentive payouts, phantom unit awards and any salary adjustments, subject to Board approval.

Elements of 2010 Executive Compensation*Compensation Mix*

In light of the objectives and philosophy set forth above, we determined that a mix of the following components of compensation for our named executive officers in 2010 was appropriate:

Base salary;

Cash incentive compensation;

Long-term equity incentive compensation;

Retirement benefits; and

Perquisites and other welfare benefits.

We balance the total direct compensation for each executive among the above elements in a manner designed to achieve our overall compensation objectives. The table below sets forth for each executive the proportions of his total direct compensation for 2010 represented by certain of the compensation elements. We consider those elements other than retirement-related benefits and benefits generally available to our other employees to be part of total direct compensation for these purposes, and we view fixed compensation as comprised of salary and, if their value for 2010 exceeded \$10,000, perquisites.

The direct compensation mix for Messrs. Kinzel and Crage, who make business decisions that directly impact our financial results and performance and who have responsibility for our company as a whole, is more heavily weighted towards variable compensation than fixed compensation. Although Messrs. Zimmerman and Bender are executive vice presidents of the Company, because their main responsibilities relate to supervising the management of five and six of our parks, respectively, we believe it is appropriate for more of their direct compensation to be in the form of fixed compensation (i.e., salary) and for less of their variable compensation to be in the form of long-term awards than the other executives. Mr. Decker's job responsibilities are unique to our amusement park industry, and he plays a strategic role in our planning and design of the parks. His compensation is therefore more evenly balanced between fixed and direct compensation than the other named executive officers and, because of the long-term impact of his strategic contributions on the Company, his long-term variable compensation is more heavily weighted than that of Messrs. Zimmerman and Bender.

Executive Officer	2010 Fixed Compensation	Cash Incentive Award (Short-term; Annual Results)	2010 Variable Compensation	Total Variable
	Salary and Perquisites, if applicable		Unit Awards (Long-term; Delayed Vesting)	
Richard L. Kinzel, President and Chief Executive Officer	31%	33%	36%	69%
Peter J. Crage, Executive Vice President and Chief Financial Officer	34%	23%	43%	66%
Robert A. Decker, Corporate Vice President - Planning & Design	48%	30%	22%	52%

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

H. Philip Bender, Executive Vice President	55%	35%	10%	45%
Richard A. Zimmerman Executive Vice President	62%	27%	11%	38%

Base Salary

We use base salaries to provide a guaranteed amount of compensation commensurate with the executive's scope of responsibilities, performance, current compensation levels and career with Cedar Fair. We do not consider the earnings of prior long-term incentive grants or retirement plans when determining base salary compensation, as awards earned in prior years were earned for prior performance and should not be a factor in current compensation. Base salaries may be adjusted on an annual basis. Messrs. Kinzel, Crage and Decker each have base salaries that are derived from amounts agreed to when we negotiated employment agreements with them in 2007, and Messrs. Bender and Zimmerman have base salaries derived from employment agreements that we entered into with them in 2010. Based on the factors identified above, the Board, or the Compensation Committee, as the case may be, has typically increased on an annual basis the base salary for each of the named executive officers.

2010 Salaries: Although some performance objectives were not achieved in 2009 as a result of the challenging economic and weather conditions, the Compensation Committee recognized that our named executive officers accomplished a number of important objectives that enhanced our 2009 results and positioned the Company for long-term value creation. For example, over the course of the year our named executive officers and their teams reduced operating expenses by \$27 million from the amount that we budgeted for 2009. In addition, management led initiatives that reduced debt by approximately \$110 million and addressed our capital structure by negotiating an amendment to our credit agreement to extend \$900 million of our term debt. Finally, our data demonstrates that, while our 2009 results were below the record results we achieved in 2008, we still outperformed our competitors in the amusement park industry during 2009. Given these accomplishments, the Compensation Committee increased the base salary for our named executive officers, though the salary increases for 2010 were proportionately lower than we have traditionally provided in the past.

2011 Salaries: All of our named executive officers received merit increases in base salary for 2011 as indicated in the chart below. The base salary for each named executive officer falls within a range, when considered together with the other elements of compensation, that the chief executive officer and Compensation Committee believes appropriate on an individual basis. Messrs. Crage, Zimmerman and Bender were promoted this year, and the increase in base salary is a reflection of their increased responsibilities. Mr. Crage continues to oversee all financial areas of the Company, and now the corporate vice president of administration reports to him, rather than to the chief executive officer. Messrs. Zimmerman and Bender previously served as regional vice presidents, supervising the management of our parks and reporting to the former chief operating officer. Following the departure of the chief operating officer in June 2010, Messrs. Zimmerman and Bender stepped into increased responsibility and now directly report to the chief executive officer. Mr. Kinzel received a raise in salary for 2011 in recognition of his continued efforts to grow our business and continue the development of the management team. We also expect that Mr. Kinzel will be crucial to the successful and fluid transition to a new chief executive officer in 2011. Mr. Decker is the designer and planner for our award winning parks, which earned several top honors at *Amusement Today's* 2010 Golden Ticket Awards celebration this past year. His merit raise is a recognition of his strategic importance to our company and to the success of our parks.

Executive Officer	2010 Salary	Increase over 2009 Salary	2011 Salary	Increase over 2010 Salary
Kinzel	\$ 1,340,000	3.1%	\$ 1,390,000	3.7%
Crage	\$ 470,000	4.4%	\$ 480,000	2.1%
Decker	\$ 270,000	1.1%	\$ 275,000	1.9%
Bender	\$ 277,000	2.0%	\$ 292,000	5.4%
Zimmerman	\$ 315,500	1.8%	\$ 325,000	3.0%

Cash Incentive Program

Our cash incentive awards provide a component of compensation that is contingent on the achievement of annual performance objectives and is designed to reward achievement of short-term financial and operational goals. In March of each year, the performance objectives are determined for each named executive officer. The performance objectives may be individualized for each position and individual, may be expressed in multiple measures of performance, including individual, business unit, management unit and Company performance, and may be weighted differently as between positions and individuals. For 2010, the achievement of budgeted consolidated Adjusted EBITDA was established as the performance objective for all named executive officers. Adjusted EBITDA represents earnings before interest, taxes, depreciation, amortization, other non-cash items, and adjustments as defined in our current credit agreement. We chose budgeted Adjusted EBITDA as a measure of performance because it tracks core operating performance closely, it crosses geographic and park operating units, it is easy to track and it is reported to our unitholders quarterly. The target budgeted Adjusted EBITDA is generally set to require meaningful year-over-year growth in our business and at a level not to be achieved easily. For example, in a challenging economic environment, an approximately 5.9% increase in budgeted Adjusted EBITDA in 2010 over 2009 results was required to hit the target.

The percentage of base salary that may be earned as a cash incentive for the year also is established in March. The 2010 target award opportunities for the named executive officers, reflected as a percentage of base salary, were as follows: Kinzel 100%; Crage 65%; Decker 60%; Bender 60% and Zimmerman 40%. The target budgeted Adjusted EBITDA for 2010 was approximately \$335.1 million. The named executive officers' 2010 award payouts were to be at the percentage of budgeted Adjusted EBITDA achieved, subject to the Compensation Committee's discretion to decrease or increase the award from the amount that would be received based solely on the achievement of the performance objectives. No discretionary increase can result in an award in excess of 150% of the award target. We achieved Adjusted EBITDA of \$359.2 million, representing 107% of the target. Based on this high achievement, the cash incentive payouts to each of the named executive officers other than Mr. Decker were at 107% for 2010 of their respective targets and Mr. Decker's cash incentive payout was at 104.3% of target. The Compensation Committee exercised its discretion to slightly reduce Mr. Decker's payout because a new attraction overseen by Mr. Decker did not perform as expected.

The 2010 cash incentive amounts are set forth below:

Executive Officer	2010 Cash Incentive	Cash Incentive as a Percentage of 2010 Salary
Kinzel	\$1,433,800	107.0%
Crage	\$326,885	69.6%
Decker	\$169,007	62.6%
Bender	\$177,834	64.2%
Zimmerman	\$135,034	42.8%

Long-Term Incentive Compensation

We provide long-term incentive compensation awards to senior management under our 2008 Omnibus Incentive Plan. These long-term incentive awards, together with current fixed and cash incentive compensation, should achieve the total direct compensation level determined by the Board. Our 2008 Omnibus Incentive Plan allows us to grant options, units, unit appreciation rights and other types of performance awards. For the past five years we have relied primarily on our phantom unit grants to provide long-term incentives to our executive officers. We believe that phantom unit awards give key employees a proprietary and vested interest in our growth and performance and align key employees' interests with those of our unitholders, while providing us a cost effective means of compensation.

We granted time-based phantom unit awards in 2010. We believe that the vesting schedule for these awards aids us in retaining executives and motivates superior performance over the long term because the payment of the awards is forfeited if the executive is no longer employed by us as of the vesting date, unless otherwise provided in an employment agreement or grant agreement. Our strong management team possesses vast operations experience and a deep knowledge of our markets and customers and that knowledge is important to our ability to improve results, particularly as we transition the chief executive officer position in 2011. We anticipate that these long-term incentive awards will encourage these executives to remain in our employ for the next several years and motivate them to achieve superior results.

Time-Based Phantom Unit Awards

Time-based phantom unit awards are intended to assist in retaining our executive team in order to accomplish our strategic and long-term objectives. In October 2010, we made time-based phantom unit awards to each named executive officer. These awards will vest and be paid in two equal installments in March 2013 and March 2014, but only if the executive is employed by us as of the vesting date, unless otherwise provided in an employment agreement or grant agreement. These awards accrue additional phantom units from cash distributions and are paid out in the same manner as the performance-based phantom units discussed below. In 2010, the named executive officers received the following time-based phantom unit grants: Kinzel 110,269; Crage 41,351; Zimmerman 3,790; Bender 3,653 and Decker 8,270. These phantom unit grants were compensation for the important roles that the named executive officers played in our 2010 successes, including:

Under Mr. Kinzel's leadership, we maintained a strong and distinctive brand known for high-quality, pristine parks that are consistently voted best in class. He also led an aggressive marketing campaign leading to an all-time record attendance and Adjusted EBITDA.

Mr. Crage led the finance team's efforts to refinance our debt to create a capital structure with a stronger balance sheet and negotiated a credit agreement that allowed the reinstatement of the cash distribution. This increased financial flexibility will allow us to pursue strategic growth opportunities and achieve a sustainable and growing cash distribution.

Mr. Decker manages the design and implementation of our investments in trend-setting rides and attractions that lead to increased attendance. In 2010, two new roller coasters made their debuts—Intimidator at Carowinds in Charlotte, NC, and Intimidator 305 at Kings Dominion in Virginia. Both were award winners. We typically debut only one new roller coaster per season, so Mr. Decker's efforts to oversee the debut of two new coasters in 2010 were significant.

Messrs. Zimmerman and Bender, as noted above, stepped into expanded management roles including direct supervision of our parks. Their operational expertise and control over park operating costs and budgets brings direct value to the Company.

Performance-Based Phantom Unit Awards

Performance-based phantom unit awards are intended to provide rewards for the achievement of established short-term performance objectives. In the past, the Board has approved annual objectives for executives that relate either to park or corporate-level performance or some combination of both in March of the performance year. However, in March 2010, we were party to a merger agreement with affiliates of Apollo Global Management, and due to restrictions imposed by that agreement, we could not make performance-based phantom unit awards.

With respect to awards that are outstanding from prior years, the awards are payable in either cash equivalent, units or a combination of both, as determined by the Board, in two equal installments in the third and fourth years after the grant, to the extent earned on the basis of the performance achieved during the relevant annual period, but only if the executive is employed by us as of the vesting date, unless otherwise provided in an

employment agreement, grant agreement or the plan. The phantom unit awards accrue additional phantom units on the date of each quarterly distribution paid by us, if any, calculated at the NYSE closing price on that date. Although the 2008 Omnibus Incentive Plan contains guidelines relative to the percentages that must be achieved and the awards to be granted, the Compensation Committee has the discretion to determine the actual number of phantom units awarded as it deems appropriate.

Change in Control Arrangements

We have a change of control plan in place for certain executives and key employees, and some of our executives (i.e. our named executive officers) are employed under employment agreements that contain change in control provisions. If an executive who would otherwise be covered by the change of control plan has change in control provisions in his employment agreement, then the executive does not participate in the change of control plan while the employment agreement is in effect. The executives who would be covered by the change of control plan (absent a relevant employment agreement) include the chief executive officer, the chief operating officer, the chief financial officer and the corporate vice president-planning & design. Our Board of Directors also has discretion to add other key executive employees to the plan.

During 2007, we entered into amended and restated employment agreements with Messrs. Kinzel, Cragge and Decker, each of which provides for certain benefits in change in control situations. During 2010, we entered into employment agreements with Messrs. Zimmerman and Bender in light of their increased responsibilities at the Company, which agreements also provide for certain benefits in change in control situations. As such, each of our named executive officers would be entitled to the benefits provided for in their respective employment agreements in a change in control situation and would not be entitled to benefits under the change of control plan. In addition, certain of our incentive plans contain change in control provisions. We believe that the change in control provisions help ensure that, if a change in control situation develops, our management team will act in the best interest of unitholders. The agreements that would apply to our named executive officers in a change of control situation are discussed in more detail under *Potential Payments Upon Termination or Change in Control* below.

Retirement Programs

Our named executive officers participate in our tax-qualified Cedar Fair Retirement Savings Plan. This plan, or a similar plan, is available to all of our employees and contains a 401(k) matching program as well as a profit sharing component. The annual amount of the profit sharing contribution is determined at our sole discretion. Our contributions to this plan for our named executive officers are included in the *All Other Compensation* column of the Summary Compensation Table on page 70. In addition, Mr. Kinzel participates in our Amended and Restated Supplemental Retirement Program described on page 77. Additional contributions to this plan were discontinued on May 2004, and we do not intend to have any other executive officers participate in this plan. In February 2008, we adopted the 2008 Supplemental Retirement Plan to provide supplemental retirement benefits to a broader group of executives, which is described on page 77. Messrs. Cragge and Decker participate in the plan. Mr. Cragge's account was credited with \$100,000 for the 2008, 2009, 2010 and 2011 plan years. Mr. Decker's account was credited with \$50,000 for the 2008 and 2009 plan years.

Perquisites

We provide perquisites to our named executive officers that we believe are reasonable, competitive and consistent with our overall compensation philosophy. We believe that these benefits generally allow our executives to work more efficiently and represent a small percentage of overall compensation. For example, in 2010 we provided our named executive officers automobile allowances and offered them discounts on Company products. Mr. Kinzel also received a gas allowance, an annual physical exam, the premium payment on a life insurance policy, laundry services, and dues for one club membership. See footnote (4) to the Summary Compensation Table on page 70 for a discussion of when the value of perquisites is reported in that table.

SUMMARY COMPENSATION TABLE FOR 2010

The table below summarizes the total compensation paid to or earned by each of the named executive officers for the fiscal year ended December 31, 2010. The table also summarizes, for each of our named executive officers, the total compensation paid to or earned by the officer for the fiscal years ended December 31, 2009 and 2008.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
Name and Principal Position	Year	Salary	Bonus	Unit Awards (1)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (2)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (3)	All Other Compensation (4) (5)	Total
Richard L. Kinzel	2010	\$1,340,000	\$ -	\$ 1,600,000	\$ -	\$ 1,433,800	\$ 60,039	\$ 53,709	\$ 4,487,548
President and Chief Executive Officer	2009	\$1,300,000	\$ -	\$ 1,500,000	\$ -	\$ 1,196,000	\$ 58,126	\$ 44,059	\$ 4,098,185
	2008	\$1,250,000	\$ -	\$ 1,500,000	\$ -	\$ 1,275,000	\$ 87,306	\$ 47,558	\$ 4,159,864
Peter J. Crage	2010	\$470,000	\$ -	\$ 600,000	\$ -	\$ 326,885	\$ 88,901	\$ 20,869	\$ 1,506,655
Executive Vice President - Finance and Chief Financial Officer	2009	\$450,000	\$ -	\$ 574,995	\$ -	\$ 269,100	\$ 65,556	\$ 20,469	\$ 1,380,120
	2008	\$425,000	\$ -	\$ 475,000	\$ -	\$ 281,775	\$ 68,316	\$ 24,504	\$ 1,274,595
Robert A. Decker	2010	\$270,000	\$ -	\$ 120,000	\$ -	\$ 169,007	\$ 9,021	\$ 18,689	\$ 586,717
Corporate Vice President - Planning and Design	2009	\$267,000	\$ -	\$ 114,995	\$ -	\$ 132,646	\$ 34,095	\$ 18,069	\$ 566,805
	2008	\$258,000	\$ -	\$ 130,000	\$ -	\$ 157,896	\$ 35,143	\$ 24,012	\$ 605,051
H. Phillip Bender	2010	\$277,000	\$ -	\$ 53,000	\$ -	\$ 177,834	\$ -	\$ 20,869	\$ 528,703
Executive Vice President	2009	\$271,500	\$ -	\$ 131,004	\$ -	\$ 146,121	\$ -	\$ 32,454	\$ 581,079
	2008	\$262,500	\$ -	\$ 131,000	\$ -	\$ 155,401	\$ -	\$ 25,189	\$ 574,090
Richard A. Zimmerman	2010	\$315,500	\$ -	\$ 55,000	\$ -	\$ 135,034	\$ -	\$ 20,869	\$ 526,403
Executive Vice President	2009	\$310,000	\$ -	\$ 150,003	\$ -	\$ 111,228	\$ -	\$ 20,469	\$ 591,700
	2008	\$300,000	\$ -	\$ 150,000	\$ -	\$ 114,800	\$ -	\$ 15,887	\$ 580,687

- (1) The amounts in column (e) reflect the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of phantom unit awards granted during the fiscal year ended December 31, 2010, 2009 or 2008, as applicable, pursuant to the 2008 Omnibus Incentive Plan. The amounts in column (e) also reflect, for Messrs. Bender and Zimmerman, the aggregate grant date fair value computed in accordance with FASB ASC Topic 718 of performance awards granted during the fiscal years ended December 31, 2009 and 2008 pursuant to the 2008 Omnibus Incentive Plan based on the maximum potential payout under the established performance targets. Assumptions used in the calculation of these amounts are discussed in Note 7 to the Company's audited financial statements for the fiscal year ended December 31, 2010, included in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 1, 2011.
- (2) The amounts in column (g) reflect cash incentive awards to each of the named executive officers for 2010, 2009 and 2008. See the discussion under "Cash Incentive Program Awards" on page 73 for additional information.

- (3) The amounts in column (h) reflect the aggregate positive change in actuarial present value of the officer's accumulated benefits from the prior year under the Amended and Restated Supplemental Retirement Program or the 2008 Supplemental Retirement Plan which are discussed on page 77 under the heading Retirement Programs.
- (4) The amounts shown in column (i) reflect, for each named executive officer, 401(k) matching contributions of 3% of pay and profit sharing contributions of 4% of pay up to the respective limitations imposed under rules of the Internal Revenue Service. The 2010 profit sharing contributions for each named executive officer were approximately \$13,519. The amounts in column (i) also reflect, for each named executive officer for whom the total value of perquisites received in a given year was at least \$10,000, the aggregate value of perquisites received in that year. The 2008 amount shown in column (i) for Mr. Crage includes perquisites received that year that in the aggregate were less than \$10,000. The 2010 amount shown in column (i) for Mr. Kinzel includes the aggregate value of the following types of perquisites: automobile and gas allowance; club dues; discounts on Company products and services; laundry services; and life insurance premiums and an annual physical exam provided to Mr. Kinzel pursuant to his employment contract more fully described under the heading Employment Agreements. For additional discussion of contributions that we make for our named executive officers under our Retirement Savings Plan and of perquisites we provide our named executive officers, see Compensation Discussion and Analysis Elements of 2010 Executive Compensation Retirement Programs and Compensation Discussion and Analysis Elements of 2010 Executive Compensation Perquisites.
- (5) The value attributable to the personal use of company-provided automobiles (calculated in accordance with Internal Revenue Service guidelines) is included as compensation on the W-2 of named executive officers who receive such benefits. This value is included in column (i) for each named executive officer for whom the total value of perquisites for the year was \$10,000 or more. Each named executive officer is responsible for paying income tax on such amount.

GRANTS OF PLAN BASED AWARDS TABLE FOR 2010

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
Name	Grant Date	Threshold (\$)	Target (\$)	Maximum (\$)	Threshold (#)	Target (#)	Maximum (#)	All Other Unit Awards: Number of Units (#)	All Other Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$)	Grant Date Fair Value of Unit and Option Awards (\$)
Kinzel	10/28/10	\$ -	\$ -	\$ -	-	-	-	110,269(2)	-	\$ -	\$ 1,600,000
	-	\$ -	\$ 1,340,000	\$ -	-	-	-	-	-	\$ -	\$ -
Crage	10/28/10	\$ -	\$ -	\$ -	-	-	-	41,351(2)	-	\$ -	\$ 600,000
	-	\$ -	\$ 305,500	\$ -	-	-	-	-	-	\$ -	\$ -
Decker	10/28/10	\$ -	\$ -	\$ -	-	-	-	8,270(2)	-	\$ -	\$ 120,000
	-	\$ -	\$ 162,000	\$ -	-	-	-	-	-	\$ -	\$ -
Bender	10/28/10	\$ -	\$ -	\$ -	-	-	-	3,653(2)	-	\$ -	\$ 53,000
	-	\$ -	\$ 166,200	\$ -	-	-	-	-	-	\$ -	\$ -
Zimmerman	10/28/10	\$ -	\$ -	\$ -	-	-	-	3,790(2)	-	\$ -	\$ 55,000
	-	\$ -	\$ 126,200	\$ -	-	-	-	-	-	\$ -	\$ -

- (1) These columns show possible payouts for each named executive officer under 2010 cash incentive awards that were based on the achievement of the consolidated performance measure established in March 2010. The target award opportunity for each named executive officer, assuming achievement of budgeted Adjusted EBITDA, is set forth in column (d). As payouts for these awards were to be at the percentage of budgeted Adjusted EBITDA achieved, subject to the Compensation Committee's discretion under the plan as to payouts, there were no thresholds or maximums associated with these awards. Detail regarding actual amounts paid with respect to these awards is reported in column (g) of the Summary Compensation Table for 2010 for each named executive officer and is provided in the Compensation Discussion and Analysis.
- (2) Amounts reflect time-based phantom units granted under the 2008 Omnibus Incentive Plan. These awards will be payable in cash equivalent or units, or a combination of both, as determined by the Compensation Committee, in March 2013 and March 2014.

NARRATIVE TO SUMMARY COMPENSATION AND

GRANTS OF PLAN BASED AWARDS TABLES

Described below is a summary of the terms and conditions of the employment agreements that we have with our named executive officers as well as the programs under which the compensation reflected in the tables was awarded.

Employment Agreements

On July 20, 2007, we entered into amended and restated employment agreements with Messrs. Kinzel, Crage, and Decker. These agreements amend and supersede the previous employment agreements between us and the executive officers that were entered into on December 12, 2006. The amended and restated employment agreements were updated to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and to include change in control provisions with a related tax gross-up. On June 17, 2010, we entered into an employment agreement with Mr. Bender. On June 23, 2010, we entered into an employment agreement with Mr. Zimmerman. Due to the change in control provisions in the employment agreements, Messrs. Kinzel, Crage, Decker, Bender and Zimmerman do not participate in our change in control plan discussed above.

The amended and restated employment agreement with Mr. Kinzel, who is our president and chief executive officer and who served as our Chairman until January 24, 2011, has a term expiring January 2, 2012. The agreement was amended January 24, 2011 to reflect Mr. Kinzel's consent to relinquish his position as Chairman. Pursuant to the agreement, Mr. Kinzel receives an annual base salary of not less than \$1.2 million per year. In addition, he is entitled to participate in our welfare benefit programs and various incentive compensation plans on terms no less favorable than provided to our other senior managers and/or officers. We purchased a \$2 million term life insurance policy for Mr. Kinzel that will remain in effect through July 23, 2018, whether or not he is employed by us. Mr. Kinzel will continue as a director of the Board until at least December 30, 2014, provided he is elected to the Board. The agreement contains non-solicitation and non-competition provisions.

The amended and restated employment agreement with Peter J. Crage, our executive vice president and chief financial officer, was automatically renewed on December 1, 2010 in accordance with the terms of the agreement. The agreement will renew automatically for a period of two years commencing on December 1, 2012 and on every two-year anniversary thereafter unless either party provides written notice of its intent to terminate the agreement at least 60 days prior to the automatic renewal date. Pursuant to the agreement, Mr. Crage receives an annual base salary of not less than \$400,000 per year. He also is entitled to participate in one or more of our incentive compensation plans and equity incentive plans at a level determined by the Board and in our welfare benefit plans and other benefit programs. The agreement contains non-solicitation and non-competition provisions.

The amended and restated employment agreement with Robert A. Decker, our corporate vice president of planning and design, was automatically renewed on December 1, 2009 in accordance with the terms of the employment agreement. The agreement will renew automatically for a period of eighteen months commencing on June 1, 2011 and on every eighteen-month anniversary thereafter unless either party provides written notice of its intent to terminate the agreement at least 60 days prior to the automatic renewal date. Pursuant to the agreement, Mr. Decker receives an annual base salary of not less

than \$250,000 per year. He also is entitled to participate in one or more of our incentive compensation plans and equity incentive plans at a level determined by the Board and in our welfare benefit plans and other benefit programs. The agreement contains non-solicitation and non-competition provisions.

The employment agreement with H. Philip Bender, an executive vice president, took effect on June 17, 2010. The agreement will renew automatically for a period of two years commencing on December 1, 2011 and on every two-year anniversary thereafter unless either party provides written notice of its intent to terminate the agreement at least 60 days prior to the automatic renewal date. Pursuant to the agreement, Mr. Bender receives an annual base salary of not less than \$277,000 per year. He also is entitled to participate in one or more of our incentive compensation plans and equity incentive plans at a level determined by the Board and in our welfare benefit plans and other benefit programs. The agreement contains non-solicitation and non-competition provisions.

The employment agreement with Richard A. Zimmerman, an executive vice president, took effect on June 23, 2010. The agreement will renew automatically for a period of two years commencing on December 1, 2011 and on every two-year anniversary thereafter unless either party provides written notice of its intent to terminate the agreement at least 60 days prior to the automatic renewal date. Pursuant to the agreement, Mr. Zimmerman receives an annual base salary of not less than \$315,000 per year. He also is entitled to participate in one or more of our incentive compensation plans and equity incentive plans at a level determined by the Board and in our welfare benefit plans and other benefit programs. The agreement contains non-solicitation and non-competition provisions.

For a discussion of the benefits that would be provided by the above described agreements in the event of the executive's death, retirement, disability, termination or resignation or upon a change in control, see "Potential Payments Upon Termination or Change in Control" in this prospectus.

Cash Incentive Program Awards

Cash incentive awards for 2010 and 2009 reflected in column (g) of the Summary Compensation Table were made pursuant to our 2008 Omnibus Incentive Plan. For additional detail regarding this program and regarding the 2010 cash incentive awards (including the percentage of 2010 year end salary represented by each executive's 2010 cash incentive award, the percentage of the target award opportunity received by each executive for 2010 and the performance measure for 2010), see "Compensation Discussion and Analysis - Elements of 2010 Executive Compensation - Annual Cash Incentive Program." Cash incentive awards for 2008 were made pursuant to our Amended and Restated 2000 Senior Executive Management Incentive Plan, which we utilized prior to the unitholders' adoption of the 2008 Omnibus Incentive Plan. Since the unitholders' adoption of the 2008 Omnibus Incentive Plan, we prohibited any further grants under the Amended and Restated 2000 Senior Executive Management Incentive Plan, as the 2008 Omnibus Incentive Plan provides for cash incentive awards.

As all cash incentive awards for the named executive officers for 2010, 2009 and 2008 were tied to the achievement of performance measures and target award opportunities established in March 2010, March 2009 and March 2008, respectively, these awards have been reported in column (g) of the Summary Compensation Table for the applicable year, and the 2010 awards have been reported in column (d) of the Grants of Plan-Based Awards Table for 2010 for each of the named executive officers. With respect to all cash incentive awards reported in column (g) of the Summary Compensation Table, the Compensation Committee has discretion to increase or decrease the awards from the amounts that would be received based solely on the achievement of the performance objectives, but no discretionary increase may result in an award in excess of 150% of the target.

Phantom Unit Awards

In October 2010, October 2009 and October 2008, we granted time-based phantom unit awards to certain executive officers in accordance with our 2008 Omnibus Incentive Plan under the "other unit award" provisions of that plan. The October 2010 phantom unit awards are reflected in the Grants of Plan-Based Awards Table, and

the grant date fair value of these awards is included in the 2010 amounts in column (e) of the Summary Compensation Table. The grant date fair value of the 2009 and 2008 time-based phantom unit awards is included in the 2009 or 2008 amount of column (e) of the Summary Compensation Table, as and where applicable. Payouts with respect to the time-based phantom units are subject to the continued employment of the recipient and the passage of time. These time-based phantom units vest and will be payable in cash equivalent, units or a combination of both, as will be determined by the Compensation Committee: for the 2010 awards, 50% in March 2013 and 50% in March 2014; for the 2009 awards, 50% in March 2012 and 50% in March 2013; and for the 2008 awards, 50% in March 2011 and 50% in March 2012. The phantom units accrue additional phantom units on the date of each quarterly distribution paid by us, if any, calculated at the NYSE closing price on such date. If a participant is terminated or resigns prior to any payment under this award, that unpaid amount is forfeited. In the event of death or disability during employment or retirement after age 62, the awards will be paid in a lump sum cash payment within ninety days of the event, subject to compliance with Section 409A of the Code. In the event of a change in control, all restrictions applicable to the time-based phantom unit awards will lapse, and the awards will become fully vested and transferable and will be payable in full.

In March 2009, we granted performance-based phantom unit awards to certain named executive officers under our 2008 Omnibus Incentive Plan. The grant date fair value of the March 2009 phantom unit awards is included in the 2009 amount in column (e) of the Summary Compensation Table, where applicable. The awards were determined by the Compensation Committee and were based on the achievement of annual performance targets and various factors considered by the Compensation Committee. These awards are payable in cash equivalent, units or a combination of both, as determined by the Compensation Committee, 50% in March 2012 and 50% in March 2013. The phantom unit awards accrue additional phantom units on the date of each quarterly distribution paid by us, if any, calculated at the NYSE closing price on such date. If a participant is terminated or resigns prior to any payment of these awards, that unpaid amount is forfeited. In the event of death or disability during employment, actual awards for that year, as well as any unpaid awards for prior years, will be paid in a lump sum cash payment within ninety days of the event, subject to compliance with Section 409A of the Code. In the event of retirement after age 62, actual awards for that year will be prorated and paid, together with any unpaid awards for prior years, in a lump sum cash payment within ninety days of the end of the performance period or retirement date, respectively, subject to compliance with Section 409A of the Code. In the event of a change in control, the percentage of base award for that calendar year will be calculated as if 100% of the target level had been achieved and will be paid in a lump sum cash payment within thirty days following the change of control, subject to compliance with Section 409A of the Code.

Performance Unit Awards

In March 2009 and August 2008, we made multi-year performance unit awards to certain vice presidents and mid-level employees in accordance with the terms of the 2008 Omnibus Incentive Plan. Messrs. Bender and Zimmerman were the only named executive officers to receive such awards. The March 2009 awards are based on the attainment of certain performance targets from 2009 through 2011, and the August 2008 awards are based on the attainment of certain performance targets from June 2008 through 2011. The grant date fair values of these performance awards are reflected in Messrs. Bender's and Zimmerman's 2009 and 2008 amounts reported in Column (e) of the Summary Compensation Table. The amounts in the table reflect the value of the awards at the grant date assuming the highest level of performance is achieved. Messrs. Bender's and Zimmerman's 2009 performance unit awards will vest in the third and fourth year after grant, and their 2008 performance unit awards will vest in the fourth and fifth year after grant, assuming that the applicable performance metrics are achieved and they remain employed. If all performance metrics are met over the three-year period of the 2009 awards, Messrs. Bender and Zimmerman will receive a value equal to 14,556 units and 16,667 units, respectively, payable in cash equivalent, units or a combination of both, as determined by the Compensation Committee. If all performance metrics are met over the three and a half year period of the 2008 awards, Messrs. Bender and Zimmerman will receive a value equal to 5,654 units and 6,474 units, respectively, payable in cash equivalent, units or a combination of both, as determined by the Compensation Committee. If Messrs. Bender or Zimmerman leaves our employment prior to the end of the performance period, their respective performance unit

award would be forfeited except in the case of death, disability, or retirement at age 62 or over, in which cases the performance unit award would be prorated and made after the end of the performance period, subject to compliance with Section 409A of the Code. In the event of a change of control, the performance unit awards will be deemed earned and payable in full.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END FOR 2010

(a)	(b)	Option Awards			(e)	(f)	(g)	Unit Awards		(j)
		(c)	(d)	(d)				(h)	(i)	
Name	Number of Securities Underlying Unexercised Options	Number of Securities Underlying Unexercised Options	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Number of Units That Have Not Vested (1)	Market Value of Units That Have Not Vested (2)	Equity Incentive Plan Awards: Number of Unearned Units or Other Rights That Have Not Vested	Equity Incentive Plan Awards: Market or Payout Value of Unearned Units or Other Rights That Have Not Vested	
Kinzel	90,000	-	-	\$ 20.60	3/7/11	-	\$ -	-	-	
	150,000	-	-	\$ 24.14	3/7/12	-	\$ -	-	-	
	-	-	-	-	-	27,351(3)	\$ 414,641	-	-	
	-	-	-	-	-	106,669(4)	\$ 1,617,102	-	-	
	-	-	-	-	-	163,684(5)	\$ 2,481,449	-	-	
Crage	-	-	-	-	-	10,197(3)	\$ 154,587	-	-	
	-	-	-	-	-	33,778(4)	\$ 512,074	-	-	
	-	-	-	-	-	62,577(5)	\$ 948,667	-	-	
	-	-	-	-	-	42,053(6)	\$ 637,523	-	-	
Decker	1,000	-	-	\$ 20.70	11/8/11	-	\$ -	-	-	
	10,000	-	-	\$ 24.14	3/7/12	-	\$ -	-	-	
	-	-	-	-	-	2,887(3)	\$ 43,767	-	-	
	-	-	-	-	-	9,245(4)	\$ 140,154	-	-	
	-	-	-	-	-	12,574(5)	\$ 190,622	-	-	
Bender	-	-	-	-	-	8,410(6)	\$ 127,496	-	-	
	1,000	-	-	\$ 20.60	3/7/11	-	\$ -	-	-	
	10,000	-	-	\$ 20.60	3/7/11	-	\$ -	-	-	
	10,000	-	-	\$ 24.14	3/7/12	-	\$ -	-	-	
	-	-	-	-	-	3,715(6)	\$ 56,319	-	-	
Zimmerman	-	-	-	-	-	-	\$ -	20,210(7)	\$ 306,384(7)	
	-	-	-	-	-	3,855(6)	\$ 58,442	-	-	
	-	-	-	-	-	-	-	23,141(7)	\$ 350,818(7)	

(1) The amounts include additional units that are credited as a result of the reinvestment of distribution equivalents.

(2) The market values in this column were calculated by multiplying the closing price of our units as of December 31, 2010 as reported on the NYSE by the number of unvested units.

- (3) These phantom units vest and will be payable either in cash equivalent, units or a combination of both, in March 2011.

- (4) These phantom units vest and will be payable either in cash equivalent, units or a combination of both, 50% in March 2011 and 50% in March 2012.
- (5) Amounts include performance-based phantom units awarded in 2009 and time-based phantom units awarded in 2009, both of which vest and will be payable either in cash equivalent, units or a combination of both, 50% in March 2012 and 50% in March 2013.
- (6) These phantom units vest and will be payable either in cash equivalent, units or a combination of both, 50% in March 2013 and 50% in March 2014.
- (7) Amounts include performance units awarded in 2008 and 2009 pursuant to the 2008 Omnibus Incentive Plan that are contingent upon the level of attainment of certain performance targets from June 2008 through 2011 and from 2009 through 2011, respectively. Messrs. Bender and Zimmerman were awarded 5,654 and 6,474 performance units, respectively, in 2008 and 14,556 and 16,667 performance units, respectively, in 2009. The determination of whether and to what extent these performance unit awards are achieved will be made by the Compensation Committee. The amounts set forth in columns (i) and (j) assume that the maximum number of units are awarded. Market value reported in column (j) was calculated by multiplying the closing market price of our units as of December 31, 2010 by the maximum number of units that may be awarded set forth in column (i). The actual number of units awarded vest and will be payable either in cash equivalent, units, or a combination of both, 50% in March 2012 and 50% in March 2013.

OPTION EXERCISES AND UNITS VESTED IN 2010

(a) Name	Option Awards		Unit Awards (1)	
	(b) Number of Units Acquired on Exercise (#)	(c) Value Realized on Exercise (\$)	(d) Number of Units Acquired on Vesting (2) (#)	(e) Value Realized on Vesting (3) (\$)
Kinzel	-	\$ -	56,079	\$ 622,750
Crage	-	\$ -	18,296	\$ 203,185
Decker	-	\$ -	5,271	\$ 58,537
Bender	16,000	\$ 128,160	-	\$ -
Zimmerman	-	\$ -	-	\$ -

(1) Reflects the vesting and related value of phantom unit grants made in 2006 and 2007 pursuant to the Amended and Restated Senior Management Long-Term Incentive Compensation Plan, including additional units credited as a result of reinvestment of distribution equivalents.

(2) The amounts in column (d) reflect the total number of phantom units that vested for each executive in 2010.

(3)

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

The amount listed for each individual represents the total value of the phantom units that vested in 2010. Of the total phantom units that vested in 2010, Mr. Kinzel received 100% of the value in units, or 56,079 units, and Messrs. Cragg and Decker each received 100% of the value in cash.

PENSION BENEFITS FOR 2010

The amounts indicated in the table below represent the December 31, 2010 present value of accumulated benefits payable to each of the named executive officers under the Amended and Restated Supplemental Retirement Program and the 2008 Supplemental Retirement Plan (the 2008 SERP), as applicable. Mr. Kinzel has reached retirement age under the Amended and Restated Supplemental Retirement Program and has more than 20 years of service. Therefore, if Mr. Kinzel were to retire, he would be entitled to receive the amount indicated below. Because Messrs. Crage and Decker are not yet vested under the 2008 SERP, we have indicated the present value of their accumulated benefits determined using interest rate assumptions consistent with those used in our financial statements.

(a)	(b)	(c)	(d)	(e)
Name	Plan Name	Number of Years Credited Service	Present Value of Accumulated Benefit	Payments During Last Fiscal Year
Kinzel	Amended and Restated Supplemental Retirement Plan	38	\$ 1,885,023	\$ -
Crage	2008 Supplemental Retirement Plan	8	\$ 222,773	\$ -
Decker	2008 Supplemental Retirement Plan	11	\$ 78,259	\$ -
Bender	-	-	\$ -	\$ -
Zimmerman	-	-	\$ -	\$ -

Amended and Restated Supplemental Retirement Program

Our Amended and Restated Supplemental Retirement Program provides retirement benefits to Mr. Kinzel. Mr. Kinzel has the right to receive cash payments from us upon retirement at age 62 or over, with a minimum of 20 years service to us. Amounts were allocated in prior years from the general partner fees as approved by the Compensation Committee. No allocations have been made since May 2004. Mr. Kinzel's account accrues interest at the prime rate as established from time to time by our bank. In the event of death, disability or retirement at age 62 or over with 20 years of service, all amounts accrued will vest and become payable. In the event of a change in control, all amounts accrued will vest and fund a trust for the benefit of the participant when the participant retires at age 62 or over, dies or becomes disabled. 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 Amended and Restated Supplemental Retirement Program is not presently open to additional participants, but the 2008 SERP, a description of which follows, is open to additional participants.

2008 Supplemental Retirement Plan

The 2008 SERP provides non-qualified retirement benefits to its participants, who are selected by the Compensation Committee or other committee designated to administer the plan. Plan participants are selected prior to the beginning of a plan year except for 2008, for which year Messrs. Crage and Decker were selected as participants within 30 days of the effective date of the plan. Messrs. Crage and Decker also were designated as participants in the 2008 SERP for the 2009 plan year, and Mr. Crage was designated as a participant in the 2008 SERP for the 2010 and 2011 plan years. Accounts were credited for the 2008, 2009, 2010 and 2011 plan years as described in the Compensation Discussion and Analysis on page 69. Amounts to be credited to participants' accounts are to be made on the basis of base salary except that the amounts credited to accounts during 2008 were prorated as provided in the 2008 SERP. No participant account may be credited more than \$100,000 in any plan year, and no more than \$250,000 may be credited in the aggregate to all participant accounts in any plan

year. The maximum amount that may be credited to all participant accounts during the 2008-2025 time period is \$3,350,000. Interest accrues on participants' accounts at the prime rate of our bank, as adjusted each December, and interest accruals will not count towards the preceding limitations on amounts that may be credited under the plan.

Participants who incur a separation from service at age 62 or over before having 20 years of service or who otherwise incur a separation from service, other than as a result of death or disability, forfeit their entire account. In the event of death, disability or separation of service at age 62 or over with at least 20 years of service, all amounts accrued to a participant's account will vest and become payable. In the event of a change in control, all amounts accrued will vest and fund a trust for the benefit of the participant once the participant retires at age 62 or over, dies or becomes disabled. The plan generally provides for the distribution of the accrued balance as a lump sum amount and specifies the time for distribution. Participants may elect to receive the lump sum at a different time or to receive the accrued balance in a number of future payments over a specified period if certain conditions are satisfied. In general, the delay elected by a participant may not exceed 10 years or 5 years depending on when the distribution election is made.

POTENTIAL PAYMENTS UPON TERMINATION OR CHANGE IN CONTROL

We maintain employment agreements or change in control agreements with all of our named executive officers, and some of the named executive officers also participate in our long-term incentive plans and our supplemental retirement plans. The following summaries describe and quantify the payments that each named executive officer would receive if his employment with us were terminated or if we had a change in control. In all cases, the timing and amount of payments will comply with the requirements of Section 409A of the Code. The summaries assume that the termination or change in control occurred on December 31, 2010 and the relevant unit price is the closing market price of our units on the NYSE on December 31, 2010, which was \$15.16.

Payments Pursuant to Employment Agreements (other than in connection with a Change in Control)

The following information summarizes payments that our named executive officers will receive in the event of termination with or without cause, death, disability and retirement. For information regarding payments in the event of a change in control, see "Payments Upon a Change in Control" below. For additional information regarding payments in the event of death, disability or retirement, see "Payments Upon Death, Disability or Retirement" below.

Richard L. Kinzel

We have an employment agreement with Mr. Kinzel, our president and chief executive officer. If we terminate Mr. Kinzel's employment for cause, we will not be obligated to make any payment to him other than salary and incentive compensation earned but not yet paid as of the termination date in accordance with the terms of each incentive plan. As defined in his employment agreement, "cause" means (a) conviction of a felony or crime of moral turpitude, (b) failure to perform duties that results in material injury or damage to us, (c) failure to comply with the confidentiality and noncompetition provisions of the agreement, (d) theft, embezzlement or fraud, (e) gross negligence or misconduct relating to our affairs or (f) violation of our policies and procedures related to discrimination or harassment. Mr. Kinzel cannot be terminated for cause if he reasonably and in good faith believed his actions were in our best interests or if he met the standard of conduct for indemnification or reimbursement under our governing documents or the laws of the State of Ohio.

If we terminate Mr. Kinzel's employment other than for cause, Mr. Kinzel will receive a lump-sum payment within twenty business days of termination (or such period of time as may be required by Section 409A of the Code) that consists of (a) his annual base salary earned but unpaid through the date of termination and (b) an amount equal to the present value, using a reasonable interest rate, of his annual base salary on the date of

termination and incentive compensation that he would have received had he remained employed for the term of the agreement. The incentive compensation amount will be determined by computing the average incentive compensation that Mr. Kinzel received under the incentive plans during the three years preceding the termination multiplied by the number of years remaining on the employment agreement. In addition, all of Mr. Kinzel's outstanding equity awards, including options and restricted unit awards, will vest and become payable in accordance with the terms of the respective plan and Section 409A. Mr. Kinzel's options will be exercisable until the earlier of the expiration of the option or March 1, 2012. Mr. Kinzel and his spouse will receive lifetime health coverage benefits that, when combined with Medicare, will be substantially similar to the coverage provided to our employees, and any expense for Medicare coverage will be reimbursed by us. We will also maintain the \$2 million life insurance policy on Mr. Kinzel's life for the benefit of his designee through July 23, 2018, and Mr. Kinzel will be eligible to participate in our fringe benefit plans and programs on terms no less favorable than provided to our other senior managers and officers through January 2, 2012.

If Mr. Kinzel suffers from a disability, he will receive the same benefits as if he were terminated other than for cause, except that his salary or incentive compensation benefits will be reduced by any payments received by him from any short- or long-term disability plan maintained by us. A disability is defined as a physical or mental illness that renders Mr. Kinzel unable to perform his duties on a full-time basis for a period of six consecutive months as confirmed by a physician selected by us.

If Mr. Kinzel dies during the term of the agreement, Mr. Kinzel's estate will receive all of his compensation earned but not yet paid within ninety days of his death. In addition, all of Mr. Kinzel's outstanding equity awards, including options and restricted unit awards, will vest, and his options will be exercisable until the earlier of the expiration of the option or March 1, 2012. Mr. Kinzel's spouse will receive lifetime health care coverage, including a supplement to Medicare and reimbursement of any expense for Medicare coverage, so that her complete health care coverage is substantially similar to coverage provided to our active employees.

If Mr. Kinzel retires, he and his spouse will receive lifetime health coverage benefits that, when combined with Medicare, will be substantially similar to the coverage provided to our employees, and any expense for Medicare coverage will be reimbursed by us. In addition, all of Mr. Kinzel's outstanding equity awards will vest, and his options will be exercisable until the earlier of the expiration date of the award or 10 years from the date of retirement. All other equity awards will be paid in accordance with the terms of the respective plan and Section 409A.

During the longer of the period during which Mr. Kinzel is receiving benefits and 24 months following the date of termination, he will be subject to a non-competition and a non-solicitation provision. In addition, if Mr. Kinzel is terminated other than for cause, then in order to receive those payments and benefits, Mr. Kinzel must provide a mutually acceptable separation agreement and release.

Peter J. Crage, Robert A. Decker, H. Philip Bender and Richard A. Zimmerman

Each of Messrs. Crage, Decker, Bender and Zimmerman is entitled to certain payments if we terminate his employment other than for cause. As defined in their employment agreements, "cause" means (a) conviction of a felony, (b) failure to perform duties that results in significant injury or damage to us, (c) failure to comply with the confidentiality and noncompetition provisions of the employment agreement, (d) fraud, (e) gross negligence or misconduct relating to our affairs, (f) violation of our policies and procedures related to discrimination or harassment or (g) dishonesty or significant impropriety resulting or intending to result in personal gain to the executive officer at our expense, monetary or otherwise. If the executive officer is terminated for cause, he will receive a lump sum payment on the twentieth business day following termination of his base salary earned but not yet paid as of the date of termination.

If terminated other than for cause, then upon providing a separation and release agreement to us, the executive officer will receive his base salary for the longer of one year or the remaining term of the agreement paid in accordance with our payroll practices. The executive officer will also be entitled to receive medical and dental insurance during the period of time that he receives salary payments.

If the executive officer suffers from a disability, defined as a physical or mental illness that renders him incapable of performing his duties on a full-time basis for six consecutive months, he will receive the same benefits as if he were terminated other than for cause, except that any salary or incentive compensation benefits will be reduced by any payments received from any short- or long-term disability plan maintained by us. If the executive officer dies during the term of his employment agreement, his estate will receive any earned but unpaid compensation and benefits within ninety days of the date of death. We will continue health care coverage for his immediate family for the shorter of 24 months following death or the remainder of the term of the agreement.

Upon termination, Messrs. Crage, Decker, Bender and Zimmerman will be subject to twelve-month non-competition and non-solicitation provisions contained in their employment agreements.

Payments upon Death, Disability or Retirement under our Incentive and Supplemental Retirement Plans

If any named executive officer dies, becomes disabled or retires at age 62 or over while employed by us, any unvested phantom unit awards under our Amended and Restated Senior Management Long-Term Incentive Compensation Plan and any unvested time-based phantom units awarded under our 2008 Omnibus Incentive Plan will be paid in full in a lump sum cash payment within ninety days of the event (or such period of time as required by Section 409A of the Code). In the event of death or disability during employment, actual performance-based phantom unit awards under the 2008 Omnibus Incentive Plan for that year, as well as any unpaid awards for prior years, will be paid in a lump sum cash payment within ninety days of the event (subject to Section 409A). Performance-based phantom unit awards under the 2008 Omnibus Incentive Plan will be prorated in the event of retirement after age 62 and paid, together with any unpaid such awards for prior years, in a lump sum cash payment within ninety days of the end of the performance period or retirement date, respectively (subject to Section 409A).

In addition, any unvested options held by the executive will vest and become exercisable immediately upon death, disability or retirement at age 62 or over. All amounts accrued under our Amended and Restated Supplemental Retirement Program or our 2008 SERP will also become fully vested and payable upon an executive's death, disability or retirement at age 62 or over with at least 20 years of service. Any cash incentive awards outstanding at the time of death or retirement will be paid on a prorated basis. If Messrs. Zimmerman or Bender dies or becomes disabled while employed by us or retires at age 62 or over from employment with us during the performance period, his performance unit awards under the 2008 Omnibus Incentive Plan will be prorated and paid after the end of the performance period. The named executive officers also will receive payments in these situations as described above under Payments Pursuant to Employment Agreements (other than in connection with a Change in Control).

Payments upon a Change in Control under Employment Agreements

In the event of a change in control, Messrs. Kinzel, Crage, Decker, Bender and Zimmerman will receive benefits and payments in accordance with the terms of their employment agreements. Our incentive plans, our Amended and Restated Supplemental Retirement Plan, and our 2008 SERP also contain change-in-control provisions. As discussed above, we amended and restated our plans, supplemental retirement program and employment agreements in 2007 to comply with Section 409A of the Code and to create consistency among the plans and agreements. For example, as amended and restated in 2007, and as provided in connection with adopting our 2008 SERP, our plans and agreements contain the same definitions for change in control, cash compensation, and other important terms, so that if a change in control occurs under one plan or agreement, it will trigger payment under the other plans and agreements as well.

Each of our incentive plans and employment agreements uses the change in control definition provided by Section 409A of the Code. Change-in-control events include:

a change in ownership of the Company which generally would occur when a person or group acquires units representing more than 50 percent of the total fair market value or total voting power of the Company;

a change in the effective control of the Company, which could occur even if a change in ownership has not occurred, and would occur if either (i) a person or group acquires units, all at once or over a period of 12 months, representing 30 percent or more of the total voting power of the Company, or (ii) a majority of our directors will have been replaced during a 12-month period by directors not endorsed by a majority of the board before the date of appointment or election; or

a change in ownership of a substantial portion of the assets of the Company, which would occur if a person or group acquires, all at once or over a period of 12 months, assets from us that have a total gross fair market value equal to or more than 40 percent of the total gross fair market value of all of our assets immediately before the acquisition(s), determined without regard to any liabilities associated with such assets.

Section 409A and its rules contain detailed provisions for determining whether a change-in-control event has occurred. The above descriptions of change-in-control events are general summaries only, and we refer you to Section 409A and its rules for additional detail.

All of our employment agreements and our supplemental retirement plans contain a double trigger change in control provision, which means that two events must occur for a participant to receive payments under the change in control provision. First, a change in control must occur. The second trigger under the employment agreements is that the executive's employment must be terminated within 24 months of the change in control. Termination includes involuntary termination of the executive as well as deemed termination which occurs if the executive is forced to relocate by more than 35 miles, if he suffers a reduction in base salary or a significant reduction in responsibility or if his position is eliminated. The second trigger under our supplemental retirement plans is the occurrence of a separation from service under the plan. Our incentive plans under which we have awarded phantom units, performance unit awards and unit options contain single trigger change in control provisions.

In each employment agreement, cash compensation with respect to any calendar year is defined as (a) the total salary payable, (b) annual cash bonuses earned, even if not paid and (c) with respect to any multi-year bonus, the amount actually paid. Any lump sum payments made pursuant to the employment agreements in connection with a change in control will be paid within sixty days following the termination, subject to the requirements of Section 409A.

Payments of change-in-control amounts or provisions of change-in-control benefits under the employment agreements are conditioned upon the execution and non-revocation of a mutually acceptable separation agreement and release.

Richard L. Kinzel

Pursuant to the terms of Mr. Kinzel's employment agreement, if Mr. Kinzel's employment is terminated (other than for cause) within 24 months of a change in control, Mr. Kinzel will receive:

the greater of (A) three times his average annual cash compensation (as defined above), for the three years preceding the year in which the change in control occurred, less US\$1; and (B) the sum of: (i) his annual base salary earned but unpaid through the date of termination; (ii) an amount equal to the present value, using a reasonable interest rate, of his annual base salary on the date of termination that he would have received had he remained employed for the term of the employment agreement (which term expires January 2, 2012); (iii) an amount equal to the present value, using a reasonable interest rate of the average incentive compensation that Mr. Kinzel received under the incentive plans during the three years preceding the termination multiplied by the number of years or prorations of years remaining on the employment agreement; and (iv) Mr. Kinzel becoming immediately vested in any award or right, interest or option relating to units awarded pursuant to the incentive plans;

lifetime health care coverage, a supplement to Medicare and reimbursement of any expense for Medicare as detailed in the employment agreement for Mr. Kinzel and his spouse;

maintenance of a \$2 million term life insurance policy on the life of Mr. Kinzel for the benefit of his designee until July 23, 2018;

life, disability and accident benefits on terms no less favorable than those provided to our other officers for the longer of (i) the period ending January 2, 2012 or (ii) 3 years, or if shorter, until Mr. Kinzel is re-employed;

fringe benefits on terms no less favorable than those received by our other officers until January 2, 2012; and

tax gross-up payments to reimburse Mr. Kinzel for any excise taxes he may incur under Sections 280G and 4999 of the Code.

Peter J. Crage, H. Philip Bender and Richard A. Zimmerman

If Mr. Crage, Bender, or Zimmerman's employment is terminated (other than for cause) within 24 months of a change in control, each will receive:

2.5 times his average annual cash compensation for the 3 years (or such shorter period of time that the executive is employed by us) preceding the year in which the change in control occurred, less US\$1;

life, disability, accident and health insurance benefits substantially similar to those that were received or entitled to be received prior to termination for the shorter of 30 months or the period until he is re-employed; and

tax gross-up payments to reimburse the executive for any excise taxes he may incur under Sections 280G and 4999 of the Code.

Robert A. Decker

If Mr. Decker's employment is terminated (other than for cause) within 24 months of a change in control, he will receive:

2 times his average annual cash compensation for the 3 years (or such shorter period of time that he is employed by us) preceding the year in which the change in control occurred, less US\$1;

life, disability, accident and health insurance benefits substantially similar to those that were received or entitled to be received prior to termination for the shorter of 24 months or the period until he is re-employed; and

tax gross-up payments to reimburse him for any excise taxes he may incur under Sections 280G and 4999 of the Code.

Incentive Plan and Supplemental Retirement Plan Payments upon a Change in Control

In addition to the payments and benefits outlined above, our incentive plans and our supplemental retirement plans contain change-in-control provisions that may result in payments to participating named executive officers, summarized below. In the event of a change in control:

Unpaid awards from prior years that were made under our Amended and Restated Senior Management Long-Term Incentive Compensation Plan will be paid in a lump sum cash payment within ninety days of the event (or such period of time as may be required by Section 409A of the Code).

Grants made under our Amended and Restated 2000 Equity Incentive Plan, including options, unit appreciation rights, restricted units or performance units, will vest, become fully exercisable and be free of all restrictions or limitations. Option holders may elect to cash out any options for the difference between the price of the option and the change in control price per unit within 60 days of a change in control.

Unless otherwise specified in connection with making a particular award, cash incentive awards made under our 2008 Omnibus Incentive Plan will be deemed to have been earned at 100% of the target level in the year of the change in control and will be paid within 30 days following a change in control.

Unless otherwise specified in connection with making a particular award, all long-term incentive awards made under the 2008 Omnibus Incentive Plan (i.e., performance-based phantom unit awards) will be deemed to have been earned at 100% of the target level. All such awards, including any unpaid awards from prior years will be paid in a lump sum cash payment within 30 days of the change in control.

Unless otherwise specified in connection with making a particular award, all performance awards made under our 2008 Omnibus Incentive Plan will be deemed to have been earned and payable in full and any other restriction shall lapse. Any such performance awards will be paid within 30 days following a change of control.

Unless otherwise specified in connection with making a particular award, all restrictions, limitations and other conditions applicable to any other unit awards granted under our 2008 Omnibus Incentive Plan, such as the time-based phantom unit awards granted in October 2008, October 2009, and October 2010, shall lapse and those awards shall become fully vested and transferable. Any such awards will be issued, settled or distributed, as applicable within 30 days following a change in control.

All amounts accrued by the named executive officers under our Amended and Restated Supplemental Retirement Program and 2008 SERP will vest and be funded in a trust for the benefit of the executive officers when they retire at or after reaching age 62, die, or become disabled, whichever occurs first.

Richard L. Kinzel

The payments that would have been made to Mr. Kinzel upon a termination of his employment or a change in control of the Company as of December 31, 2010, are as follows:

Executive Benefits and Payments Upon Separation	Termination For Cause	Termination Other than For Cause	Normal Retirement	Disability	Death	Change in Control Only	Termination upon Change in Control
Compensation							
Earned but unpaid salary	\$ 51,538	\$ 51,538	\$ 51,538	\$ 51,538	\$ 51,538	\$ 51,538	\$ 51,538
Severance	-	1,260,583	-	1,260,583(1)	-	-	1,260,583
Incentive compensation	398,650(2)	2,166,265	398,650(2)	2,166,265(1)	398,650(2)	304,850(3)	2,471,115(4)
Unit Options	-	-	-	-	-	-	-
Phantom units	-	6,213,234	6,213,234	6,213,234	6,213,234	6,213,234	6,213,234
Supplemental retirement	1,885,023	1,885,023	1,885,023	1,885,023	1,885,023	- (5)	1,885,023
Benefits							
Health benefits	-	180,448(6)	180,448(6)	180,448(6)	104,125	-	180,448(6)
Disability and accident benefits	-	-	-	-	-	-	2,054
Life insurance	-	52,058	-	52,058	2,000,000(7)	-	52,058
Fringe Benefits	-	8,561	-	8,561	-	-	8,561
Tax gross-up	-	-	-	-	-	-	-
Totals	\$ 2,335,211	\$ 11,817,710	\$ 8,728,893	\$ 11,817,710	\$ 10,652,570	\$ 6,569,622	\$ 12,124,614

- (1) This payment will be decreased by any payments or benefits that Mr. Kinzel receives as a result of long-term or short-term disability plans maintained by the Company.
- (2) Amount excludes portion of 2010 cash incentive award paid prior to the assumed termination date.
- (3) This payment represents payout of the 2010 cash incentive award at 100% of the target level less the amount of the award paid as of the assumed date of change in control.
- (4) The portion of this amount that relates to the 2010 cash incentive award represents payout at 100% of the target level less the amount of the award paid as of the assumed date of change in control.
- (5) Upon a change in control, Mr. Kinzel's supplemental retirement account will be funded in a trust for his benefit when he retires at or after reaching age 62, dies or becomes disabled, whichever occurs first.
- (6) This payment will be decreased by any benefits that Mr. Kinzel receives under Medicare.
- (7) Amount represents proceeds paid out under a life insurance policy purchased by the Company for Mr. Kinzel.

Peter J. Crage

The payments that would have been made to Mr. Crage upon a termination of his employment or a change in control of the Company as of December 31, 2010, are as follows:

Executive Benefits and Payments Upon Separation	Termination For Cause	Termination Other than For Cause	Disability	Death	Change in Control Only	Termination upon Change in Control
Compensation						
Earned but unpaid salary	\$ 18,077	\$ 18,077	\$ 18,077	\$ 18,077	\$ 18,077	\$ 18,077
Severance	-	900,833	900,833(1)	-	-	1,736,062
Incentive compensation	-	-	-	90,886(2)	69,501(3)	69,501(3)
Unit Options	-	-	-	-	-	-
Phantom units	-	-	2,252,851	2,252,851	2,252,851	2,252,851
Supplemental retirement	-	-	222,773	222,773	- (4)	222,773
Benefits						
Health benefits	-	23,916	23,916	23,916	-	31,195
Disability and accident benefits	-	-	-	-	-	1,838
Life insurance	-	-	-	-	-	720
Tax gross-up	-	-	-	-	-	1,001,909
Totals	\$ 18,077	\$ 942,826	\$ 3,418,450	\$ 2,608,503	\$ 2,340,429	\$ 5,334,926

- (1) This payment will be decreased by any payments or benefits that Mr. Crage receives as a result of long-term or short-term disability plans maintained by the Company.
- (2) Amount excludes portion of 2010 cash incentive award paid prior to the assumed termination date.
- (3) This payment represents payout of the 2010 cash incentive award at 100% of the target level less the amount of the award paid as of the assumed date of change in control.
- (4) Upon a change in control, Mr. Crage's supplemental retirement account will vest and be funded in a trust for his benefit when he retires at or after reaching age 62, dies or becomes disabled, whichever occurs first.

Robert A. Decker

The payments that would have been made to Mr. Decker upon a termination of his employment or a change in control of the Company as of December 31, 2010, are as follows:

Executive Benefits and Payments Upon Separation	Termination For Cause	Termination Other than For Cause	Disability	Death	Change in Control Only	Termination upon Change in Control
Compensation						
Earned but unpaid salary	\$ 10,385	\$ 10,385	\$ 10,385	\$ 10,385	\$ 10,385	\$ 10,385
Severance	-	270,000	270,000(1)	-	-	819,185
Incentive compensation	-	-	-	50,544(2)	43,538(3)	43,538(3)
Unit Options	-	-	-	-	-	-
Phantom units	-	-	502,039	502,039	502,039	502,039
Supplemental retirement	-	-	78,259	78,259	- (4)	78,259
Benefits						
Health benefits	-	12,478	12,478	5,199	-	24,956
Disability and accident benefits	-	-	-	-	-	1,470
Life insurance	-	-	-	-	-	576
Tax gross-up	-	-	-	-	-	-
Totals	\$ 10,385	\$ 292,863	\$ 873,161	\$ 646,426	\$ 555,962	\$ 1,480,408

- (1) This payment will be decreased by any payments or benefits that Mr. Decker receives as a result of long-term or short-term disability plans maintained by the Company.
- (2) Amount excludes portion of 2010 cash incentive award paid prior to the assumed termination date.
- (3) This payment represents payout of the 2010 cash incentive award at 100% of the target level less the amount of the award paid as of the assumed date of change in control.
- (4) Upon a change in control, Mr. Decker's supplemental retirement account will vest and be funded in a trust for his benefit when he retires at or after reaching age 62, dies or becomes disabled, whichever occurs first.

H. Philip Bender

The payments that would have been made to Mr. Bender upon a termination of his employment or a change in control of the Company as of December 31, 2010, are as follows:

Executive Benefits and Payments Upon Separation	Termination For Cause	Termination Other than For Cause	Disability	Death	Change in Control Only	Termination upon Change in Control
Compensation						
Earned but unpaid salary	\$ 10,654	\$ 10,654	\$ 10,654	\$ 10,654	\$ 10,654	\$ 10,654
Severance	-	277,000	277,000(1)	-	-	1,028,974
Incentive compensation	-	-	-	49,445(2)	37,811(3)	37,811(3)
Unit Options	-	-	-	-	-	-
Phantom units	-	-	56,319	56,319	56,319	56,319
Performance awards	-	-	- (4)	- (4)	306,384	306,384
Supplemental retirement	-	-	-	-	-	-
Benefits						
Health benefits	-	12,478	12,478	11,438	-	31,195
Disability and accident benefits	-	-	-	-	-	1,838
Life insurance	-	-	-	-	-	720
Tax gross-up	-	-	-	-	-	-
Totals	\$ 10,654	\$ 300,132	\$ 356,451(5)	\$ 127,856(5)	\$ 411,168	\$ 1,473,895

- (1) This payment will be decreased by any payments or benefits that Mr. Bender receives as a result of long-term or short-term disability plans maintained by the Company.
- (2) Amount excludes portion of 2010 cash incentive award paid prior to the assumed termination date.
- (3) This payment represents payout of the 2010 cash incentive award at 100% of the target level less the amount of the award paid as of the assumed date of change in control.
- (4) If Mr. Bender had died or had become disabled on December 31, 2010, he would be entitled to receive payments in 2012 and 2013 as provided in his performance unit award as if he were employed on such payment dates. Any such payments would be prorated as of December 31, 2010, the date of death or disability. Any such payments also would depend upon the level of attainment of the performance metrics. If all performance metrics are met over the respective performance periods, the maximum value Mr. Bender would receive in these circumstances would be the value of 13,780 units (e.g., the value of 20,210 units, prorated based on the respective performance periods as of December 31, 2010). As Mr. Bender would not receive that value until the scheduled payment dates in 2012 or 2013, the dollar value to Mr. Bender of that payment would depend upon the unit price as of the 2012 or 2013 payment date.
- (5) This total does not include any amount that Mr. Bender would receive pursuant to the performance unit awards he was granted in August 2008 and March 2009. Any payment pursuant to that performance unit award would depend on the factors described in the preceding footnote and would increase the total payout reported for this column.

Richard A. Zimmerman

The payments that would have been made to Mr. Zimmerman upon a termination of his employment or a change in control of the Company as of December 31, 2010, are as follows:

Executive Benefits and Payments Upon Separation	Termination For Cause	Termination Other than For Cause	Disability	Death	Change in Control Only	Termination upon Change in Control
Compensation						
Earned but unpaid salary			\$	\$		
	\$ 12,135	\$ 12,135	12,135	12,135	\$ 12,135	\$ 12,135
Severance	-	315,500	315,500(1)	-	-	1,036,567
Incentive compensation	-	-	-	37,545(2)	28,711(3)	28,711(3)
Unit Options	-	-	-	-	-	-
Phantom units	-	-	58,442	58,442	58,442	58,442
Performance awards	-	-	- (4)	- (4)	350,818	350,818
Supplemental retirement	-	-	-	-	-	-
Benefits						
Health benefits	-	12,478	12,478	11,438	-	31,195
Disability and accident benefits	-	-	-	-	-	1,838
Life insurance	-	-	-	-	-	720
Tax gross-up	-	-	-	-	-	427,470
Totals	\$ 12,135	\$ 340,113	\$ 398,555(5)	\$ 119,560(5)	\$ 450,106	\$ 1,947,896

- (1) This payment will be decreased by any payments or benefits that Mr. Zimmerman receives as a result of long-term or short-term disability plans maintained by the Company.
- (2) Amount excludes portion of 2010 cash incentive award paid prior to the assumed termination date.
- (3) This payment represents payout of the 2010 cash incentive award at 100% of the target level less the amount of the award paid as of the assumed date of change in control.
- (4) If Mr. Zimmerman had died or had become disabled on December 31, 2010, he would be entitled to receive payments in 2012 and 2013 as provided in his performance unit award as if he were employed on such payment dates. Any such payments would be prorated as of December 31, 2010, the date of death or disability. Any such payments also would depend upon the level of attainment of the performance metrics. If all performance metrics are met over the respective performance periods, the maximum value Mr. Zimmerman would receive in these circumstances would be the value of 15,779 units (e.g., the value of 23,141 units, prorated based on the respective performance periods as of December 31, 2010). As Mr. Zimmerman would not receive that value until the scheduled payment dates in 2012 or 2013, the dollar value to Mr. Zimmerman of that payment would depend upon the unit price as of the 2012 or 2013 payment date.
- (5) This total does not include any amount that Mr. Zimmerman would receive pursuant to the performance unit award he was granted in August 2008 and March 2009. Any payment pursuant to that performance unit award would depend on the factors described in the preceding footnote and would increase the total payout reported for this column.

DIRECTOR COMPENSATION

The Nominating and Corporate Governance Committee of the Board of Directors recommends the fees paid to Directors and Board Committee members for services in those capacities. The schedule of fees for 2011 is as follows:

1. For service as a member of the Board, \$65,000 per annum, payable in cash quarterly, plus \$1,500 payable in cash for attendance at each meeting of the Board after the 20th Board meeting, plus \$120,000 per annum to be paid in cash, limited partnership units, adjusted for fractional units as needed, or a combination of both;
2. For service as a Board Committee member, \$2,000 per annum (excluding Committee Chairman); and
3. For service as Chairman of the Board, a fee of \$50,000 per annum; for service as Chairman of the Audit Committee of the Board, a fee of \$10,000 per annum; for service as the Chairman of the Compensation Committee and the Nominating and Corporate Governance Committee, a fee of \$5,000 for each per annum; and for service as lead independent Director of the Board, a fee of \$10,000 per annum. In light of the appointment of an independent chairman the lead independent director position will be vacated upon the commencement of the 2011 Annual Meeting.

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 Company for reasonable expenses incurred in connection with service in that capacity. Additionally, all Directors are to accumulate 10,000 units within four years of January 1, 2011 for existing Directors and within four years of becoming a Director for future Board members.

Director Compensation for 2010

The table that follows summarizes the compensation paid by the Company to non-employee Directors for the fiscal year ended December 31, 2010. The schedule of fees for 2010 was as follows:

1. For service as a member of the Board, \$50,000 per annum, payable in cash quarterly, plus \$1,500 payable in cash for attendance at each meeting of the Board, plus \$120,000 per annum to be paid in cash, limited partnership units, adjusted for fractional units as needed, or a combination of both;
2. For service as a Board Committee member, \$2,000 per annum (excluding Committee Chairman), plus \$250 for attendance at each Committee meeting held on the same date on which the Board of Directors meets and \$1,500 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 lead independent Director of the Board, a fee of \$10,000 per annum, for service as Chairman of the Audit Committee of the Board, a fee of \$10,000 per annum, and for service as the Chairman of the Compensation Committee and the Nominating and Corporate Governance Committee, a fee of \$5,000 for each per annum.

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Name (1)	Fees Earned or Paid in Cash	Unit Awards	Option Awards	Non-Equity Incentive Plan Compensation	Change in Pension Value and Nonqualified Deferred Compensation Earnings	All Other Compensation	Total
Darrel D. Anderson	\$ 208,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 208,000
Richard S. Ferreira	\$ 158,247	\$ 60,003	\$ -	\$ -	\$ -	\$ -	\$ 218,250
C. Thomas Harvie	\$ 87,446	\$ 120,006	\$ -	\$ -	\$ -	\$ -	\$ 207,452
Michael D. Kwiatkowski	\$ 224,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,115
David L. Paradeau	\$ 203,298	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 203,298
Steven H. Tishman	\$ 198,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 198,500
Eric L. Affeldt	\$ 111,385	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 111,385
John M. Scott III	\$ 107,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,000

- (1) Richard L. Kinzel, the Company's President and Chief Executive Officer, is not included in this table as he is an employee of the Company and thus receives no compensation for his service as a Director. The compensation received by Mr. Kinzel as an employee of the Company is shown in the Summary Compensation Table on page 70.

COMPENSATION COMMITTEE REPORT

The Compensation Committee has reviewed and discussed with management the Compensation Discussion and Analysis included in this prospectus. Based on the review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement and the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

Michael D. Kwiatkowski, Chairman

Eric Affeldt

C. Thomas Harvie

David Paradeau

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth the number of Company units beneficially owned by each of the Company's directors, named executive officers, all current directors and executive officers as a group, and by each person known by the Company to own 5% or more of its units as of March 10, 2011.

Directors and Executive Officers

Name of Beneficial Owner	Amount and Nature of Beneficial Ownership				Percentage of Units (1)	
	Beneficial Ownership	Investment Power		Voting Power		
		Sole	Shared	Sole	Shared	
Richard L. Kinzel	1,621,928(2)	1,574,019	47,909	1,574,019	47,909	2.9%
Peter J. Crage	12,533	12,533		12,533		*
Richard A. Zimmerman	10,000	10,000		10,000		*
H. Philip Bender	48,538(3)	48,538		48,538		*
Darrell D. Anderson	19,890	19,890		19,890		*
Richard S. Ferreira	30,008(4)	25,913	4,095	25,913	4,095	*
Michael D. Kwiatkowski	3,790	3,790		3,790		*
David L. Paradeau	7,838(5)	7,838		7,838		*
Steven H. Tishman	42,087	42,087		42,087		*
C. Thomas Harvie	17,680	17,680		17,680		*
Eric L. Affeldt	13,000	13,000		13,000		*
John M. Scott III	5,000	5,000		5,000		*
All Directors and executive officers as a group (18 individuals) (6)	2,214,724	1,831,117	383,607	1,831,117	383,607	4.0%

* Less than one percent of outstanding units.

- (1) Each beneficial owner's ownership percentage has been calculated assuming full exercise of outstanding options to purchase units, if any, exercisable by such owner within 60 days after March 10, 2011, but no exercise of outstanding options covering units held by any other person. The ownership percentage of the Directors and executive officers as a group has been calculated assuming full exercise of outstanding options that the Directors and executive officers as a group have the right to exercise within 60 days after March 10, 2011, but no exercise of outstanding options covering units held by anyone outside that group.
- (2) Consists of 1,621,503 units as to which Mr. Kinzel has sole voting and investment power (which includes 1,333,594 units beneficially owned as of March 10, 2011 and 240,000 units that Mr. Kinzel has the right to acquire within 60 days of March 10, 2011 through the exercise of options); and 47,909 units for which he has shared voting and investment power.
- (3) Consists of 27,538 units beneficially owned by Mr. Bender as of March 10, 2011 and 21,000 units that he has the right to acquire within 60 days after March 10, 2011 through the exercise of options, as to all of which Mr. Bender has sole voting and investment power.
- (4) Consists of 30,008 units as to which Mr. Ferreira has sole voting and investment power (including 25,513 units beneficially owned as of March 10, 2011 and 400 units that he has the right to acquire within 60 days after March 10, 2011 through the exercise of options); and 4,095 units for which he has shared voting and investment power.
- (5) Consists of 7,438 units beneficially owned by Mr. Paradeau as of March 10, 2011 and 400 units that he has the right to acquire within 60 days after March 10, 2011 through the exercise of options, as to all of which Mr. Paradeau has sole voting and investment power.
- (6) The unit amounts listed include a total of 282,850 units of limited partner interest which all current directors and executive officers as a group have vested options to acquire within 60 days from March 10, 2011.

5% or Greater Unitholders

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage of Units ⁽¹⁾
Q Funding III, L.P. 301 Commerce Street, Suite 3200	10,021,418(2)	18.1%(2)
Fort Worth, TX 76102		
Neuberger Berman LLC 605 Third Avenue	7,250,015(3)	13.1%(3)
New York, NY 10158		

- (1) For purposes of calculating the Percentage of Units, the number of units outstanding as of March 10, 2011 (55,561,983) was used.
- (2) Based upon a Schedule 14A filing on March 3, 2011 by Q Funding III, L.P. (Q Funding III) and Q4 Funding, L.P. (Q4). On the schedule 14A, Q Funding III reported sole voting power over 3,683,325 units and Q4 reported sole voting power over 2,687,276 units. In addition, 3,650,817 units are held directly and indirectly through entities and trusts for the benefit of Mr. Geoffrey Raynor.
- (3) Based upon a Schedule 13F filing by Neuberger Berman LLC (NB) on February 14, 2011. On the Schedule 13F, NB reported shared voting power over 6,060,593 units, and beneficial ownership over 7,250,015 units.

CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Richard Kinzel's son, Bart Kinzel, Vice President and General Manager of Carowinds, and son-in-law, Tim Boals, Corporate Vice President Resale and Sponsorships, are employed by Cedar Fair and received compensation of approximately \$358,000 and \$368,000, respectively, in 2010. There were no other transactions that must be disclosed between the Company and our officers, directors or any person related to our officers or directors, or with any holder of more than 5% of the outstanding units, during 2010 and through the date of this prospectus.

All transactions between the Company on the one hand, and any officer, director or related party on the other hand, are subject to a specific approval process set forth in the Company's Corporate Governance Guidelines. Each officer and director is expected to bring any relationship or transaction with the Company in which he or she has a direct or indirect interest to the attention of the Nominating and Corporate Governance Committee. That Committee reviews the transaction and considers, among other things, whether the transaction impacts the independence of any independent Board member, whether the related party's interest in the transaction is material and whether the terms of the transaction are comparable to those that could be negotiated with an unrelated third party. The Committee, or its Chair if so authorized, may approve the transaction. If the transaction is approved by the Chair, the approval is subject to subsequent ratification by the full Committee. If the transaction involves an amount in excess of \$120,000 or if a member of the Nominating and Corporate Governance Committee is a party to or involved in the transaction, then the transaction will be reviewed and, if appropriate, approved by the disinterested members of the Board.

DESCRIPTION OF OTHER INDEBTEDNESS

Senior secured credit facilities

General

On July 29, 2010 we entered into senior secured credit facilities among Cedar Fair, Magnum, Cedar Canada, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent, the lenders, issuing lenders, swing line lenders and other agents party thereto. On February 25, 2011, we amended our senior secured credit facilities and extended the maturity date of the U.S. term loan portion of the credit facilities by one year. Certain terms of the amendment are described below.

Our senior secured credit facilities currently provide for senior secured financing of up to \$1,440 million, consisting of:

a senior secured term loan facility in an aggregate principal amount of up to \$1,180 million maturing in December 2017; and

senior secured revolving credit facilities in an aggregate principal amount of \$260 million maturing in July 2015, \$15 million of which will be available through a revolving credit subfacility for borrowings by Cedar Canada, and including letter of credit subfacilities and a swingline loan subfacility.

In addition, we may request one or more incremental term loans in an aggregate amount of up to \$350 million that may be incurred if such incurrence would not cause our senior secured leverage ratio to exceed 3.00 to 1.00, on a pro forma basis, and increase our senior secured revolving credit facilities in an aggregate amount not to exceed \$15 million in each case, subject to certain conditions and receipt of commitments by existing or additional lenders.

All borrowings under our senior secured revolving credit facilities are subject to the satisfaction of customary conditions, including the absence of a default and the accuracy of representations and warranties.

Interest Rates and Fees

Borrowings under the U.S. term loan portion of our senior secured credit facilities, as amended on February 25, 2011, bear interest at a rate equal to, at our option, Adjusted LIBOR plus 3.00% or an alternate base rate plus 2.00%, with each of Adjusted LIBOR and the alternative base rate subject to floors of 1.00% and 2.00%, respectively. Borrowings under our senior secured revolving credit facilities bear interest at a rate equal to, at our option, Adjusted LIBOR plus 4.00% or an alternate base rate plus 3.00%.

In addition, on a quarterly basis, we are required to pay each lender (i) a commitment fee of 0.50% per annum in respect of any unused commitments under the revolving credit facilities subject to a reduction to 0.375% based upon our achievement of a total leverage ratio and (ii) a letter of credit fee in respect of the aggregate face amount of outstanding letters of credit under the revolving credit facilities. We are also required to pay customary letter of credit fees to any letter of credit issuing bank.

Prepayments

Subject to exceptions, our senior secured credit facilities require mandatory prepayments of term loans in amounts equal to:

50% (as may be reduced to 25% or to 0% based on our senior secured leverage ratio (excluding outstanding obligations under the revolving credit facilities) of our annual excess cash flow (as defined in the credit agreement governing our senior secured credit facilities);

100% of the net cash proceeds of all non-ordinary course asset sales or other dispositions of property in excess of \$5 million, subject to reinvestment rights and certain other exceptions;

50% of the net cash proceeds of certain equity issuances; and

100% of the net cash proceeds from incurrence of certain debt.

We will be permitted to prepay any of the debt or reduce any of the commitments under our senior secured credit facilities at any time without penalty or premium (subject to LIBOR redeployment costs).

In the event that, on or prior to August 25, 2011, as amended on February 25, 2011, the term loan facility is amended to reduce the interest rate applicable to the term loans or is refinanced with the proceeds of indebtedness with a lower yield than that which is applicable to the term loan facility, such prepayment shall be made at 101% of the principal amount of term loans repriced through an amendment or prepaid, as the case may be.

Amortization

Our senior secured term loan facility requires scheduled quarterly payments on the term loans in amounts equal to 0.25% of the original principal amount of the term loans, with the balance paid at maturity.

Collateral and guarantors

Our senior secured credit facilities (as well as any interest rate protection or other hedging arrangements or any cash management arrangements with lenders under our senior secured credit facilities or their affiliates) are guaranteed by Cedar Canada and by our existing and future wholly-owned domestic subsidiaries and Canadian subsidiaries (unless adverse tax consequences would result), in each case other than any immaterial subsidiaries. Our senior secured credit facilities (as well as any such interest rate protection or other hedging arrangements or cash management arrangements) are secured by substantially all of the existing and future property and assets held by us and our subsidiary guarantors, including a pledge of the capital stock of the domestic subsidiary guarantors and 65% of the capital stock of the first-tier foreign subsidiaries (or 100% in the case of Canadian subsidiaries (unless adverse tax consequences would result)), in each case subject to exceptions.

Restrictive covenants and other matters

Our senior secured credit facilities require that we comply on a quarterly basis with a maximum total leverage test and a minimum fixed charge coverage test. In addition, our senior secured credit facilities include negative covenants, subject to significant exceptions, restricting or limiting our ability and the ability of our subsidiaries to, among other things: (i) incur additional debt or issue certain preferred equity; (ii) pay dividends on or make distributions in respect of our capital stock or make other restricted payments; (iii) make certain investments; (iv) sell assets (including by way of sale-leaseback); (v) create or incur liens on assets; (vi) consolidate, merge, amalgamate, sell or otherwise dispose of all or substantially all of our assets; (vii) enter into certain transactions with our affiliates; and (viii) prepay certain debt (including the Notes).

Our senior secured credit facilities also contain certain customary affirmative covenants and events of default.

Events of default

Our senior secured credit facilities also contain certain events of default, including, among other things, the failure to perform or observe terms, covenants or agreements included in our senior secured credit facilities, nonpayment defaults on principal, interest or fees under our senior secured credit facilities or on other indebtedness in an aggregate principal amount exceeding \$15 million, other defaults on other indebtedness in an aggregate principal amount exceeding \$15 million if the effect is to permit acceleration, entry of unsatisfied judgments in an aggregate amount of \$15 million or more against us or our subsidiaries, the occurrence of a change of control, failure of any collateral document to create or maintain a priority lien and certain events related to bankruptcy and insolvency or ERISA matters.

If an event of default occurs, the lenders under our senior secured credit facilities may, among other things, terminate their commitments, declare all outstanding borrowings to be immediately due and payable together with accrued interest and fees, and exercise remedies under the collateral documents relating to our senior secured credit facilities.

THE EXCHANGE OFFER

Purpose and effect of the exchange offer

The Issuers and the guarantors of the outstanding notes have entered into a registration rights agreement with the initial purchasers of the outstanding notes in which we agreed, under certain circumstances, to use our commercially reasonable efforts to file a registration statement relating to an offer to exchange the outstanding notes for exchange notes and to complete the exchange offer within 270 days after the date of original issuance of the outstanding notes. The exchange notes will have terms identical in all material respects to the outstanding notes, except that the exchange notes will not contain terms with respect to transfer restrictions, registration rights and additional interest for failure to observe certain obligations in the registration rights agreement. The outstanding notes were issued on July 29, 2010.

Under the circumstances set forth below, the Issuers and the guarantors will use our commercially reasonable efforts to cause the SEC to declare effective a shelf registration statement with respect to the resale of the outstanding notes within the time periods specified in the registration rights agreement and to keep the registration statement effective until the second anniversary of the issue date of the notes or until the expiration of the one-year period referred to in Rule 144 under the Securities Act applicable to securities held by nonaffiliates under the Securities Act (or a shorter period that will terminate when all the notes covered by the shelf registration statement have been sold pursuant to the shelf registration statement or are freely tradable). These circumstances include:

if any changes in law, SEC rules or regulations or applicable interpretations thereof by the SEC do not permit us to effect the exchange offer as contemplated by the registration rights agreement;

if the exchange offer for the notes is not consummated within 270 days after the date of issuance of the outstanding notes; or

if any initial purchaser of outstanding notes so requests, within 270 days after the date of issuance of such outstanding notes, with respect to the outstanding notes held by it that are not eligible to be exchanged for the exchange notes.

Under the registration rights agreement, if (i) the exchange offer is not completed on or before the date that is 270 days after the issue date of the notes, (ii) a shelf registration statement is required and the shelf registration statement is not declared effective prior to the later of the 270th day after the issue date and the 90th date after our obligation to file the shelf registration statement arises or (iii) a shelf registration statement becomes effective but thereafter ceases to be effective for any reason (any such event, a Registration Default), the annual interest rate borne by the notes will be increased by (i) 0.25% per annum for the first 90-day period immediately following the occurrence of such Registration Default and (ii) an additional 0.25% per annum with respect to each subsequent 90-day period, in each case until such Registration Default is cured, up to a maximum of 1.00% per annum of additional interest (it being understood that the amount of additional interest shall not be increased solely as a result of the occurrence of more than one Registration Default at any time). A copy of the registration rights agreement has been filed as an exhibit to the registration statement of which this prospectus is a part.

If you wish to exchange your outstanding notes for exchange notes in the exchange offer, you will be required to make the following written representations:

you are not our affiliate or an affiliate of any guarantor within the meaning of Rule 405 of the Securities Act;

you have no arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of the exchange notes in violation of the provisions of the Securities Act;

you are not engaged in, and do not intend to engage in, a distribution of the exchange notes; and

you are acquiring the exchange notes in the ordinary course of your business.

Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where the broker-dealer acquired the outstanding notes as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. Please see Plan of distribution.

Resale of exchange notes

Based on interpretations by the SEC set forth in no-action letters issued to third parties, we believe that you may resell or otherwise transfer exchange notes issued in the exchange offer without complying with the registration and prospectus delivery provisions of the Securities Act if:

you are not our affiliate or an affiliate of any guarantor within the meaning of Rule 405 under the Securities Act;

you do not have an arrangement or understanding with any person to participate in a distribution of the exchange notes;

you are not engaged in, and do not intend to engage in, a distribution of the exchange notes; and

you are acquiring the exchange notes in the ordinary course of your business.

If you are our affiliate or an affiliate of any guarantor, or are engaging in, or intend to engage in, or have any arrangement or understanding with any person to participate in, a distribution of the exchange notes, or are not acquiring the exchange notes in the ordinary course of your business:

you cannot rely on the position of the SEC set forth in *Morgan Stanley & Co. Incorporated* (available June 5, 1991) and *Exxon Capital Holdings Corporation* (available May 13, 1988), as interpreted in the SEC's letter to *Shearman & Sterling*, dated July 2, 1993, or similar no-action letters; and

in the absence of an exception from the position stated immediately above, you must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale of the exchange notes.

This prospectus may be used for an offer to resell, resale or other transfer of exchange notes only as specifically set forth in this prospectus. With regard to broker-dealers, only broker-dealers that acquired the outstanding notes as a result of market-making activities or other trading activities may participate in the exchange offer. Each broker-dealer that receives exchange notes for its own account in exchange for outstanding notes, where such outstanding notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. Please read Plan of distribution for more details regarding the transfer of exchange notes.

Terms of the exchange offer

On the terms and subject to the conditions set forth in this prospectus and in the accompanying letter of transmittal, the Issuers will accept for exchange in the exchange offer any outstanding notes that are validly tendered and not validly withdrawn prior to the expiration date. Outstanding notes may only be tendered in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess of \$2,000. The Issuers will issue exchange notes in principal amount identical to outstanding notes surrendered in the exchange offer.

The form and terms of the exchange notes will be identical in all material respects to the form and terms of the outstanding notes except the exchange notes will be registered under the Securities Act, will not bear legends restricting their transfer and will not provide for any additional interest upon our failure to fulfill our obligations under the registration rights agreement to complete the exchange offer, or file, and cause to be effective, a shelf

registration statement, if required thereby, within the specified time period. The exchange notes will evidence the same debt as the outstanding notes. The exchange notes will be issued under and entitled to the benefits of the indenture that authorized the issuance of the outstanding notes. For a description of the indenture governing the notes, see Description of notes.

The exchange offer is not conditioned upon any minimum aggregate principal amount of outstanding notes being tendered for exchange.

As of the date of this prospectus, \$405 million aggregate principal amount of the 9 1/8% Senior Notes due 2018 are outstanding. This prospectus and the letter of transmittal are being sent to all registered holders of outstanding notes. There will be no fixed record date for determining registered holders of outstanding notes entitled to participate in the exchange offer. The Issuers intend to conduct the exchange offer in accordance with the provisions of the registration rights agreement, the applicable requirements of the Securities Act and the Exchange Act, and the rules and regulations of the SEC. Outstanding notes that are not tendered for exchange in the exchange offer will remain outstanding and continue to accrue interest and will be entitled to the rights and benefits such holders have under the indenture relating to such holders outstanding notes and the registration rights agreement except we will not have any further obligation to you to provide for the registration of the outstanding notes under the registration rights agreement.

The Issuers will be deemed to have accepted for exchange properly tendered outstanding notes when they have given written notice of the acceptance to the exchange agent. The exchange agent will act as agent of the tendering holders for the purposes of receiving the exchange notes from us and delivering exchange notes to holders. Subject to the terms of the registration rights agreement, the Issuers expressly reserve the right to amend or terminate the exchange offer and to refuse to accept the occurrence of any of the conditions specified below under Conditions to the exchange offer.

If you tender your outstanding notes in the exchange offer, you will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of outstanding notes. We will pay all charges and expenses, other than certain applicable taxes described below in connection with the exchange offer. It is important that you read Fees and expenses below for more details regarding fees and expenses incurred in the exchange offer.

Expiration Date, Extensions and Amendments

As used in this prospectus, the term expiration date means 11:59 p.m., New York City time, on _____, 2011. However, if we, in our sole discretion, extend the period of time for which the exchange offer is open, the term expiration date will mean the latest time and date to which we shall have extended the expiration of the exchange offer.

To extend the period of time during which the exchange offer is open, we will notify the exchange agent of any extension by written notice, followed by notification by press release or other public announcement to the registered holders of the outstanding notes no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

The Issuers reserve the right, at their sole discretion:

to delay accepting for exchange any outstanding notes (only in the case that we amend or extend the exchange offer);

to extend the exchange offer or to terminate the exchange offer if any of the conditions set forth below under Conditions to the exchange offer have not been satisfied, by giving written notice of such delay, extension or termination to the exchange agent; and

subject to the terms of the registration rights agreement, to amend the terms of the exchange offer in any manner. In the event of a material change in the exchange offer, including the waiver of a material condition, we will extend the offer period, if necessary, so that at least five business days remain in the offer period following notice of the material change.

Any delay in acceptance, extension, termination or amendment will be followed as promptly as practicable by written notice to the registered holders of the outstanding notes. If the Issuers amend the exchange offer in a manner that we determine to constitute a material change, they will promptly disclose the amendment in a manner reasonably calculated to inform the holders of applicable outstanding notes of that amendment.

Conditions to the exchange offer

Despite any other term of the exchange offer, the Issuers will not be required to accept for exchange, or to issue exchange notes in exchange for, any outstanding notes and they may terminate or amend the exchange offer as provided in this prospectus prior to the expiration date if in their reasonable judgment:

the exchange offer or the making of any exchange by a holder violates any applicable law or interpretation of the SEC; or

any action or proceeding has been instituted or threatened in writing in any court or by or before any governmental agency with respect to the exchange offer that, in their judgment, would reasonably be expected to impair their ability to proceed with the exchange offer.

In addition, the Issuers will not be obligated to accept for exchange the outstanding notes of any holder that has not made to them:

the representations described under Purpose and effect of the exchange offer, Procedures for tendering outstanding notes and Plan of distribution ; or

any other representations as may be reasonably necessary under applicable SEC rules, regulations or interpretations to make available to them an appropriate form for registration of the exchange notes under the Securities Act.

The Issuers expressly reserve the right at any time or at various times to extend the period of time during which the exchange offer is open. Consequently, the Issuers may delay acceptance of any outstanding notes by giving written notice of such extension to their holders. The Issuers will return any outstanding notes that they do not accept for exchange for any reason without expense to their tendering holder promptly after the expiration or termination of the exchange offer.

The Issuers expressly reserve the right to amend or terminate the exchange offer and to reject for exchange any outstanding notes not previously accepted for exchange, upon the occurrence of any of the conditions of the exchange offer specified above. The Issuers will give written notice of any extension, amendment, non-acceptance or termination to the holders of the outstanding notes as promptly as practicable. In the case of any extension, such notice will be issued no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date.

These conditions are for our sole benefit, and the Issuers may assert them regardless of the circumstances that may give rise to them or waive them in whole or in part at any or at various times prior to the expiration date in their sole discretion. If the Issuers fail at any time to exercise any of the foregoing rights, this failure will not constitute a waiver of such right. Each such right will be deemed an ongoing right that they may assert at any time or at various times prior to the expiration date.

In addition, the Issuers will not accept for exchange any outstanding notes tendered, and will not issue exchange notes in exchange for any such outstanding notes, if at such time any stop order is threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture governing the notes under the Trust Indenture Act of 1939 (the "TIA").

Procedures for tendering outstanding notes

To tender your outstanding notes in the exchange offer, you must comply with any of the following:

complete, sign and date the letter of transmittal and have the signature(s) on the letter of transmittal guaranteed if required by the letter of transmittal and mail; or if the letter of transmittal does not require a signature guarantee, deliver the letter of transmittal by mail or facsimile transmission;

deliver such letter of transmittal to the exchange agent at the address set forth below under "Exchange agent" prior to the expiration date; or

comply with DTC's Automated Tender Offer Program procedures described below.

In addition, either:

the exchange agent must receive certificates for outstanding notes along with the letter of transmittal prior to the expiration date;

the exchange agent must receive a timely confirmation of book-entry transfer of outstanding notes into the exchange agent's account at DTC according to the procedures for book-entry transfer described below and a properly transmitted agent's message prior to the expiration date; or

you must comply with the guaranteed delivery procedures described below.

Your tender, if not withdrawn prior to the expiration date, constitutes an agreement between us and you upon the terms and subject to the conditions described in this prospectus and in the letter of transmittal.

The method of delivery of outstanding notes, letters of transmittal and all other required documents to the exchange agent is at your election and risk. We recommend that instead of delivery by mail, you use an overnight or hand delivery service, properly insured. In all cases, you should allow sufficient time to assure timely delivery to the exchange agent before the expiration date. You should not send letters of transmittal or certificates representing outstanding notes to us. You may request that your broker, dealer, commercial bank, trust company or nominee effect the above transactions for you.

If you are a beneficial owner whose outstanding notes are registered in the name of a broker, dealer, commercial bank, trust company or other nominee and you wish to tender your outstanding notes, you should promptly contact the registered holder and instruct the registered holder to tender on your behalf. If you wish to tender the outstanding notes yourself, you must, prior to completing and executing the letter of transmittal and delivering your outstanding notes, either:

make appropriate arrangements to register ownership of the outstanding notes in your name; or

obtain a properly completed bond power from the registered holder of outstanding notes.

The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

Signatures on the letter of transmittal or a notice of withdrawal, as the case may be, must be guaranteed by a member firm of a registered national securities exchange or of the Financial Industry Regulatory Authority, Inc., a commercial bank or trust company having an office or correspondent in the United States or another eligible guarantor institution within the meaning of Rule 17A(d)-15 under the Exchange Act unless the outstanding notes surrendered for exchange are tendered:

by a registered holder of the outstanding notes who has not completed the box entitled Special Registration Instructions or Special Delivery Instructions on the letter of transmittal; or

for the account of an eligible guarantor institution.

If the letter of transmittal is signed by a person other than the registered holder of any outstanding notes listed on the outstanding notes, such outstanding notes must be endorsed or accompanied by a properly completed bond power. The bond power must be signed by the registered holder as the registered holder's name appears on the outstanding notes, and an eligible guarantor institution must guarantee the signature on the bond power.

If the letter of transmittal, any certificates representing outstanding notes or bond powers are signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity, those persons should also indicate when signing and, unless waived by us, they should also submit evidence satisfactory to us of their authority to so act.

The exchange agent and DTC have confirmed that any financial institution that is a participant in DTC's system may use DTC's Automated Tender Offer Program to tender outstanding notes. Participants in the program may, instead of physically completing and signing the letter of transmittal and delivering it to the exchange agent, electronically transmit their acceptance of the exchange by causing DTC to transfer the outstanding notes to the exchange agent in accordance with DTC's Automated Tender Offer Program procedures for transfer. DTC will then send an agent's message to the exchange agent. The term "agent's message" means a message transmitted by DTC, received by the exchange agent and forming part of the book-entry confirmation, which states that:

DTC has received an express acknowledgment from a participant in its Automated Tender Offer Program that is tendering outstanding notes that are the subject of the book-entry confirmation;

the participant has received and agrees to be bound by the terms of the letter of transmittal, or in the case of an agent's message relating to guaranteed delivery, that such participant has received and agrees to be bound by the notice of guaranteed delivery; and

we may enforce that agreement against such participant.

DTC is referred to herein as a book-entry transfer facility.

Acceptance of exchange notes

In all cases, the Issuers will promptly issue exchange notes for outstanding notes that they have accepted for exchange under the exchange offer only after the exchange agent timely receives:

outstanding notes or a timely book-entry confirmation of such outstanding notes into the exchange agent's account at the book-entry transfer facility; and

a properly completed and duly executed letter of transmittal and all other required documents or a properly transmitted agent's message.

By tendering outstanding notes pursuant to the exchange offer, you will represent to us that, among other things:

you are not our affiliate or an affiliate of any guarantor within the meaning of Rule 405 under the Securities Act;

you do not have an arrangement or understanding with any person or entity to participate in a distribution of the exchange notes; and

you are acquiring the exchange notes in the ordinary course of your business.

In addition, each broker-dealer that is to receive exchange notes for its own account in exchange for outstanding notes must represent that such outstanding notes were acquired by that broker-dealer as a result of market-making activities or other trading activities and must acknowledge that it will deliver a prospectus that

meets the requirements of the Securities Act in connection with any resale of the exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. See Plan of distribution.

The Issuers will interpret the terms and conditions of the exchange offer, including the letter of transmittal and the instructions to the letter of transmittal, and will resolve all questions as to the validity, form, eligibility, including time of receipt and acceptance of outstanding notes tendered for exchange. Our determinations in this regard will be final and binding on all parties. The Issuers reserve the absolute right to reject any and all tenders of any particular outstanding notes not properly tendered or to not accept any particular outstanding notes if the acceptance might, in their or their counsel's judgment, be unlawful. We also reserve the absolute right to waive any defects or irregularities as to any particular outstanding notes prior to the expiration date.

Unless waived, any defects or irregularities in connection with tenders of outstanding notes for exchange must be cured within such reasonable period of time as we determine. Neither the Issuers, the exchange agent nor any other person will be under any duty to give notification of any defect or irregularity with respect to any tender of outstanding notes for exchange, nor will any of them incur any liability for any failure to give notification. Any outstanding notes received by the exchange agent that are not properly tendered and as to which the irregularities have not been cured or waived will be returned by the exchange agent to the tendering holder, unless otherwise provided in the letter of transmittal, promptly after the expiration date.

Book-entry delivery procedures

Promptly after the date of this prospectus, the exchange agent will establish an account with respect to the outstanding notes at DTC and, as the book-entry transfer facility, for purposes of the exchange offer. Any financial institution that is a participant in the book-entry transfer facility's system may make book-entry delivery of the outstanding notes by causing the book-entry transfer facility to transfer those outstanding notes into the exchange agent's account at the facility in accordance with the facility's procedures for such transfer. To be timely, book-entry delivery of outstanding notes requires receipt of a confirmation of a book-entry transfer, a book-entry confirmation, and an agent's message prior to the expiration date or the guaranteed delivery procedure described below must be complied with. Book-entry tenders will not be deemed made until the book-entry confirmation and agent's message are received by the exchange agent. Delivery of documents to the book-entry transfer facility does not constitute delivery to the exchange agent.

Holders of outstanding notes who are unable to deliver confirmation of the book-entry tender of their outstanding notes into the exchange agent's account at the book-entry transfer facility or all other documents required by the letter of transmittal to the exchange agent on or prior to the expiration date must tender their outstanding notes according to the guaranteed delivery procedures described below.

Guaranteed delivery procedures

If you wish to tender your outstanding notes but your outstanding notes are not immediately available or you cannot deliver your outstanding notes, the letter of transmittal or any other required documents to the exchange agent or comply with the procedures under DTC's Automatic Tender Offer Program in the case of outstanding notes, prior to the expiration date, you may still tender if:

the tender is made through an eligible guarantor institution;

prior to the expiration date, the exchange agent receives from such eligible guarantor institution either a properly completed and duly executed notice of guaranteed delivery by facsimile transmission (if the notice of guaranteed delivery does not require a signature guarantee), mail, or hand delivery or a properly transmitted agent's message, that (1) sets forth your name and address, the certificate number(s) of such outstanding notes and the principal amount of outstanding notes tendered; (2) states that the tender is being made thereby; and (3) guarantees that, within three New York Stock Exchange

trading days after the expiration date, the letter of transmittal, or copy thereof, together with the outstanding notes or a book-entry confirmation, and any other documents required by the letter of transmittal, will be deposited by the eligible guarantor institution with the exchange agent; and

the exchange agent receives the properly completed and executed letter of transmittal or copy (if the letter of transmittal does not require a signature guarantee) thereof and all other documents required by the letter of transmittal, as well as certificate(s) representing all tendered outstanding notes in proper form for transfer or a book-entry confirmation of transfer of the outstanding notes into the exchange agent's account at DTC and agent's message within three New York Stock Exchange trading days after the expiration date.

Upon request, the exchange agent will send to you a notice of guaranteed delivery if you wish to tender your outstanding notes according to the guaranteed delivery procedures.

Withdrawal rights

Except as otherwise provided in this prospectus, you may withdraw your tender of outstanding notes at any time prior to 11:59 p.m., New York City time, on the expiration date.

For a withdrawal to be effective:

the exchange agent must receive a written notice of withdrawal at its address set forth below under "Exchange agent", such notice of withdrawal may be delivered by telegram, telex, or facsimile (if no medallion guarantee is required); or

you must comply with the appropriate procedures of DTC's Automated Tender Offer Program system.
Any notice of withdrawal must:

specify the name of the person who tendered the outstanding notes to be withdrawn;

identify the outstanding notes to be withdrawn, including the certificate numbers and principal amount of the outstanding notes; and

where certificates for outstanding notes have been transmitted, specify the name in which such outstanding notes were registered, if different from that of the withdrawing holder.

If certificates for outstanding notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of such certificates, you must also submit the serial numbers of the particular certificates to be withdrawn and the signatures in the notice of withdrawal must be guaranteed by an eligible institution unless you are an eligible guarantor institution.

If outstanding notes have been tendered pursuant to the procedures for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at the book-entry transfer facility to be credited with the withdrawn outstanding notes and otherwise comply with the procedures of the facility. We will determine all questions as to the validity, form and eligibility, including time of receipt of notices of withdrawal, and our determination will be final and binding on all parties. Any outstanding notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offer. Any outstanding notes that have been tendered for exchange but that are not exchanged for any reason will be returned to their holder, without cost to the holder, or, in the case of book-entry transfer, the outstanding notes will be credited to an account at the book-entry transfer facility, promptly after withdrawal, rejection of tender or termination of the exchange offer. Properly withdrawn outstanding notes may be retendered by following the procedures described under "Procedures for tendering outstanding notes" above at any time on or prior to the expiration date.

Exchange agent

The Bank of New York Mellon has been appointed as the exchange agent for the exchange offer. You should direct all executed letters of transmittal and any notice of guaranteed delivery and all questions and requests for assistance, requests for additional copies of this prospectus or of the letter of transmittal and requests for notices of guaranteed delivery to the exchange agent addressed as follows:

The Bank of New York Mellon

480 Washington Boulevard 27th Floor

Jersey City, NJ 07310

Corporate Trust Operations

Reorganization Unit

Attn: Diane Amoroso

By Facsimile Transmission

(eligible institutions only):

212-298-1915

Telephone Inquiries:

212-815-2742

If you deliver the letter of transmittal or the notice of guaranteed delivery to an address other than the one set forth above or transmit instructions via facsimile (if the letter of transmittal or the notice of guaranteed delivery does not require a signature guarantee) to a number other than the one set forth above, that delivery or those instructions will not be effective.

Fees and expenses

The registration rights agreement provides that we will bear all expenses in connection with the performance of our obligations relating to the registration of the exchange notes and the conduct of the exchange offer. These expenses include registration and filing fees, accounting and legal fees and printing costs, among others. We will pay the exchange agent reasonable and customary fees for its services and reasonable out-of-pocket expenses as well as the fees and reasonable expenses of its counsel. We will also reimburse brokerage houses and other custodians, nominees and fiduciaries for customary mailing and handling expenses incurred by them in forwarding this prospectus and related documents to their clients that are holders of outstanding notes and for handling or tendering for such clients.

We have not retained any dealer-manager in connection with the exchange offer and will not pay any fee or commission to any broker, dealer, nominee or other person, other than the exchange agent, for soliciting tenders of outstanding notes pursuant to the exchange offer.

Accounting treatment

We will record the exchange notes in our accounting records at the same carrying value as the outstanding notes, which is the aggregate principal amount as reflected in our accounting records on the date of exchange. Accordingly, we will not recognize any gain or loss for accounting purposes upon the consummation of the exchange offer. We will record the expenses of the exchange offer as incurred.

Transfer taxes

We will pay all transfer taxes, if any, applicable to the exchanges of outstanding notes under the exchange offer. The tendering holder, however, will be required to pay any transfer taxes, whether imposed on the registered holder or any other person, if:

certificates representing outstanding notes for principal amounts not tendered or accepted for exchange are to be delivered to, or are to be issued in the name of, any person other than the registered holder of outstanding notes tendered;

tendered outstanding notes are registered in the name of any person other than the person signing the letter of transmittal; or

a transfer tax is imposed for any reason other than the exchange of outstanding notes under the exchange offer.

If satisfactory evidence of payment of such taxes is not submitted with the letter of transmittal, the amount of such transfer taxes will be billed to that tendering holder.

Holders who tender their outstanding notes for exchange will not be required to pay any transfer taxes. However, holders who instruct us to register exchange notes in the name of, or request that outstanding notes not tendered or not accepted in the exchange offer be returned to, a person other than the registered tendering holder will be required to pay any applicable transfer tax.

Consequences of failure to exchange

If you do not exchange your outstanding notes for exchange notes under the exchange offer, your outstanding notes will remain subject to the restrictions on transfer of such outstanding notes:

as set forth in the legend printed on the outstanding notes as a consequence of the issuance of the outstanding notes pursuant to the exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws; and

as otherwise set forth in the offering memorandum distributed in connection with the private offering of the outstanding notes.

In general, you may not offer or sell your outstanding notes unless they are registered under the Securities Act or if the offer or sale is exempt from registration under the Securities Act and applicable state securities laws. Except as required by the registration rights agreement, we do not intend to register resales of the outstanding notes under the Securities Act.

Other

Participating in the exchange offer is voluntary, and you should carefully consider whether to accept. You are urged to consult your financial and tax advisors in making your own decision on what action to take. We may in the future seek to acquire untendered outstanding notes in open market or privately negotiated transactions, through a subsequent exchange offer or otherwise. We have no present plans to acquire any outstanding notes that are not tendered in the exchange offer or to file a registration statement to permit resales of any untendered outstanding notes.

DESCRIPTION OF NOTES

Cedar Fair, L.P. (*Cedar Fair*), Canada's Wonderland Company (*Cedar Canada*) and Magnum Management Corporation (*Magnum*) and together with Cedar Fair and Cedar Canada, the *Issuers*) collectively issued the 8% Senior Notes due 2018 (the *Notes*) under an indenture, dated as of July 29, 2010, to which the Issuers, the Guarantors and The Bank of New York Mellon, as trustee (the *Trustee*), were the parties (the *Indenture*). The following description is a summary of the material provisions of the Indenture. It does not restate the Indenture in its entirety and is qualified in its entirety by reference to the Indenture, including the definitions therein of certain terms used below. We urge you to read the Indenture and the Notes because they, and not this description, define your rights as a holder of the Notes. Copies of the forms of the Indenture and the Notes are available to you upon request.

You can find the definitions of some of the capitalized terms used in this section under the subheading *Certain definitions*. In this section of the prospectus:

the terms the *Company*, *Cedar Fair*, *we*, *us*, *our* or similar terms refer only to Cedar Fair, L.P. and not to any of its subsidiaries;

the term the *Issuers* or similar terms refer only to Cedar Fair, Cedar Canada and Magnum and not to any of their respective subsidiaries; and

references to *Guarantors* shall mean Cedar Fair's direct and indirect wholly-owned Restricted Subsidiaries (other than the Issuers) that are guarantors under the Credit Agreement and that guarantee the Notes.

The terms of the Notes include those stated in the Indenture and those made part of the Indenture by reference to the Trust Indenture Act of 1939, as amended (the *Trust Indenture Act*). The Notes are subject to all such terms, and holders of Notes should refer to the Indenture and the Trust Indenture Act for a statement thereof.

Brief description of the notes and the guarantees

The notes

The Notes are:

joint and several obligations of the Issuers;

senior unsecured obligations of each Issuer;

ranked equally in right of payment with all of each Issuer's existing and future senior unsecured debt;

ranked senior in right of payment to each Issuer's future Subordinated Indebtedness, if any;

ranked effectively junior to (i) all debt and other liabilities (including trade payables) of Cedar Fair's Subsidiaries (if any) that are not Issuers or Guarantors of the Notes, (ii) all secured obligations to the extent of the value of the collateral securing such obligations, including the obligations of the Issuers under the Credit Agreement, and (iii) claims preferred by operation of law; and

fully and unconditionally guaranteed by the Guarantors.

The Notes are issued in fully registered form only, without coupons, in denominations of \$2,000 and integral multiples of \$1,000.

The guarantees

The Notes are guaranteed by the Guarantors, which include all of Cedar Fair's direct and indirect wholly owned Restricted Subsidiaries (other than Cedar Canada and Magnum) that are Domestic Subsidiaries and that guarantee obligations under the Credit Agreement.

The Guarantees are:

senior unsecured obligations of each Guarantor;

ranked equally in right of payment with all existing and future senior debt of such Guarantor;

ranked senior in right of payment to all future Subordinated indebtedness of such Guarantor, if any; and

ranked effectively junior to (i) all debt and other liabilities (including trade payables) of such Guarantor, (ii) all secured obligations to the extent of the value of the collateral securing such obligations, including the secured obligations of such Guarantor under its guarantee of Cedar Fair's obligations under the Credit Agreement, and (iii) claims preferred by operation of law.

Under certain circumstances, we are permitted to designate certain of our Subsidiaries as Unrestricted Subsidiaries. Unrestricted Subsidiaries are not subject to the restrictive covenants in the Indenture and do not guarantee the Notes.

Principal, maturity and interest

The Notes were issued in an aggregate principal amount of \$405.0 million. Additional Notes having identical terms and conditions to the Notes that were issued on the Issue Date (the *Additional Notes*) may be issued under the Indenture from time to time in an unlimited amount, subject to compliance with the restrictions set forth under Certain covenants Limitation on incurrence of indebtedness. Any Additional Notes will be part of the same series as the Notes offered hereby and will vote on all matters as a single series with these Notes. All references to the Notes include Additional Notes. The Notes mature on August 1, 2018.

Interest on the Notes accrues at the rate per annum set forth on the cover page of this prospectus, and is payable semiannually in cash on each February 1 and August 1, commencing February 1, 2011, to holders of record on the immediately preceding January 15 and July 15 respectively. Interest on the Notes accrues from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance. Interest on the Notes is computed on the basis of a 360-day year composed of twelve 30-day months. Additional interest is payable with respect to the Notes in certain circumstances if the Issuers do not consummate the exchange offer (or shelf registration statement, if applicable) as provided in the Registration Rights Agreement and as further described under Exchange offer; registration rights.

The Notes are payable both as to principal and interest at our office or agency maintained for such purpose or, at our option, payment of interest may be made by check mailed to the holders of the Notes at their respective addresses set forth in the register of holders of Notes. Until otherwise designated by Cedar Fair, Cedar Fair's office or agency maintained for such purpose is the office of the Trustee.

Guarantees and obligations of each guarantor

Each Guarantor, jointly and severally with each other Guarantor, guarantees the Issuers' obligations under the Notes. The obligations of each Guarantor under its Guarantee is limited to the extent necessary to prevent such Guarantee from constituting a fraudulent conveyance or fraudulent transfer under applicable law. This provision may not, however, be effective to protect a Guarantee from being voided under fraudulent transfer law, or may reduce the applicable Guarantor's obligation to an amount that effectively makes its Guarantee worthless. If a Guarantee was rendered voidable, it could be subordinated by a court to all other indebtedness (including guarantees and other contingent liabilities) of the Guarantor, and depending on the amount of such indebtedness, a Guarantor's liability on its Guarantee could be reduced to zero. See Risk factors Risks related to our indebtedness and this offering Because each Guarantor's liability under its Guarantee may be reduced to zero, avoided or released under certain circumstances, you may not receive any payments for some or all of the Guarantors. Each Guarantor that makes a payment or distribution under a Guarantee is entitled to a *pro rata* contribution from each other Guarantor based on the respective net assets of the Guarantors.

Each Guarantor may consolidate or amalgamate with or merge into or sell its assets to the Issuers or another Restricted Subsidiary, or with or to other persons in a transaction that complies with the covenants described under Certain covenants Limitation on asset sales or Certain covenants Merger, amalgamation, consolidation or sale of assets, as applicable.

The Guarantee of a Guarantor and the obligations of an Issuer (other than Cedar Fair) is deemed automatically discharged and released in accordance with the terms of the Indenture:

- (1) in connection with any direct or indirect sale, conveyance or other disposition of the capital stock of that Guarantor or Issuer (including by way of merger, amalgamation or consolidation) following which such Guarantor or Issuer ceases to be a direct or indirect Subsidiary of Cedar Fair if such sale or disposition is made in compliance with the applicable provisions of the Indenture (see Certain covenants Limitation on asset sales) or any sale or other disposition of all or substantially all of the assets of such Guarantor or Issuer;
- (2) if such Guarantor or Issuer is dissolved or liquidated in accordance with the provisions of the Indenture;
- (3) if we designate any such Guarantor or Issuer as an Unrestricted Subsidiary in compliance with the terms of the Indenture;
- (4) upon the transfer of such Guarantor or Issuer in a transaction that (i) qualifies as a Permitted Investment or as a Restricted Payment that is not prohibited under Certain covenants Limitation on restricted payments if following such transfer such Guarantor or Issuer ceases to be a direct or indirect Restricted Subsidiary of Cedar Fair or (ii) following such transaction, such Guarantor or Issuer is a Restricted Subsidiary that is not a guarantor under any Credit Facility incurred under clause (2) of the second paragraph under Limitation on incurrence of indebtedness ; or
- (5) in the case of the Guarantors, upon a discharge of the Indenture in accordance with Satisfaction and discharge or upon any Legal Defeasance or Covenant Defeasance of the Indenture.

Optional redemption

General

Except as provided below, the Notes are not redeemable at the Issuers option prior to August 1, 2014. Thereafter, the Notes are subject to redemption at the Issuers option, in whole or in part, upon not less than 30 days nor more than 60 days notice, at the redemption prices (expressed as percentages of principal amount) set forth below, together with accrued and unpaid interest thereon to the applicable redemption date (subject to the rights of holders of record of the Notes on the relevant record date to receive payments of interest on the related interest payment date), if redeemed during the 12-month period beginning on August 1 of the years indicated below:

Year	Percentage
2014	104.563%
2015	102.281%
2016 and thereafter	100.000%

Equity sales

Notwithstanding the foregoing, at any time and from time to time prior to August 1, 2013, the Issuers may redeem up to 35% of the aggregate principal amount of the Notes outstanding (which includes Additional Notes, if any) at a redemption price equal to 109 ¹/₈% of the principal amount thereof on the repurchase date, together with accrued and unpaid interest and additional interest, if any, to such redemption date (subject to the rights of holders of record of the Notes on the relevant record date to receive payments of interest on the related interest

payment date), with the net cash proceeds of one or more public or private sales of Qualified Capital Stock, other than proceeds from a sale to Cedar Fair or any of its Subsidiaries or any employee benefit plan in which Cedar Fair or any of its Subsidiaries participates; *provided* that:

at least 65% in aggregate principal amount of the Notes originally issued (calculated after giving effect to any issuance of any Additional Notes) remains outstanding immediately after the occurrence of such redemption; and

such redemption occurs no later than the 180th day following such sale of Qualified Capital Stock.

Make whole

In addition, at any time and from time to time prior to August 1, 2014, the Issuers may redeem all or any portion of the Notes outstanding (which includes Additional Notes, if any) at a redemption price equal to:

100% of the aggregate principal amount of the Notes to be redeemed, together with accrued and unpaid interest and any additional interest, if any, to such redemption date (subject to the rights of holders of record of the Notes on the relevant record date to receive payments of interest on the related interest payment date), plus

the Make Whole Amount.

Make whole amount means, with respect to any Note at any redemption date, the greater of (i) 1.0% of the principal amount of such Note and (ii) the excess, if any, of (A) an amount equal to the present value of (1) the redemption price of such Note at August 1, 2014 *plus* (2) the remaining scheduled interest payments on the Notes to be redeemed (subject to the right of holders on the relevant record date to receive interest due on the relevant interest payment date) to August 1, 2014 (other than interest accrued but unpaid to the redemption date), computed using a discount rate equal to the Treasury Rate plus 50 basis points, over (B) the then outstanding principal amount of the Notes to be redeemed.

Treasury rate means, at the time of computation, the yield to maturity of United States Treasury Securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two business days prior to the redemption date or, if such Statistical Release is no longer published, any publicly available source of similar market data) most nearly equal to the period from the redemption date to August 1, 2014; *provided, however*, that if the period from the redemption date to August 1, 2014 is not equal to the constant maturity of a United States Treasury Security for which a weekly average yield is given, the Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury Securities for which such yields are given, except that if the period from the redemption date to August 1, 2014 is less than one year, the weekly average yield on actually traded United States Treasury Securities adjusted to a constant maturity of one year shall be used.

Additional amounts

The Indenture provides that payments made by the Issuers under or with respect to the Notes or any of the Guarantors with respect to any Guarantee are made free and clear of and without withholding or deduction for or on account of any present or future tax, duty, levy, assessment or other governmental charge (*Taxes*) unless the withholding or deduction of such Taxes is then required by law. If any deduction or withholding for, or on account of, any Taxes imposed or levied by or on behalf of (1) any jurisdiction in which an Issuer or any Guarantor is organized, engaged in business for tax purposes or resident for tax purposes or any political subdivision thereof or therein or (2) any jurisdiction from or through which payment is made by or on behalf of an Issuer or any Guarantor (including the jurisdiction of any paying agent) or any political subdivision thereof or therein (each, a *Tax Jurisdiction*) will at any time be required to be made from any payments made by the Issuers under or with respect to the Notes or any of the Guarantors with respect to any Guarantee, the Issuer or

the relevant Guarantor, as applicable, will pay to each holder of Notes such additional amounts (*Additional Amounts*) as may be necessary so that the net amount received by such holder after such withholding or deduction (including in respect of the Additional Amounts) will not be less than the amount such holder would have received if such Taxes had not been withheld or deducted; *provided* that no Additional Amounts will be payable with respect to a payment to a holder of the Notes (which holder shall be deemed, to the extent of any Taxes described below, an

Excluded holder): (a) with respect to any Canadian Taxes resulting from the Issuers not dealing at arm's length (within the meaning of the Income Tax Act (Canada)) with the holder at the time of making such payment, (b) which is subject to such Taxes by reason of its having a current or former connection, with a relevant Tax Jurisdiction but excluding a connection resulting from acquiring, owning or disposing of the Notes, receiving payments in respect of such Note or a Guarantee or enforcing its rights thereunder, (c) which, despite being required by law, failed to comply with a timely request of the Issuers to provide information concerning such holder's nationality, residence, entitlement to treaty benefits, identity or connection with a Tax Jurisdiction, if and to the extent that due and timely compliance with such request would have reduced or eliminated any Taxes as to which Additional Amounts would have otherwise been payable to such holder but for this clause, (d) which is a fiduciary or a partnership or not the sole beneficial owner of the relevant Note, if and to the extent that any beneficial owner of such Note (as the case may be) would not have been entitled to receive Additional Amounts with respect to the payment in question had such beneficiary, settlor, partner or beneficial owner been the sole beneficial owner of such Note, (e) in respect of any estate, gift, inheritance, excise, property, transfer or similar tax, (f) if and to the extent that such payment could have been made without deduction or withholding of such Taxes had the relevant Note been presented for payment (where presentation is required for payment) within 30 days after the date on which such payment or such Note became due and payable or the date on which payment thereof was duly provided for, whichever was later (except to the extent that such holder or beneficial owner would have been entitled to Additional Amounts had the Note been presented on the last day of such 30-day period), (g) with respect to U.S. federal withholding Taxes, or (h) any combination of the above clauses in this proviso.

If any Taxes are required to be withheld or deducted as described above, the Issuers or the Guarantors, as applicable, will also: (a) make such withholding or deduction, and (b) remit the full amount deducted or withheld to the relevant authority in accordance with applicable law. The Issuers or the Guarantors will furnish, within 30 days after the date the payment of any Taxes are due pursuant to applicable law, to the Trustee on behalf of the applicable holders of Notes, copies of tax receipts, if any (or other documentation), evidencing the payments of Taxes made by the Issuers, or a Guarantor, as the case may be, on behalf of the holders.

The Issuers and the Guarantors, jointly and severally, will indemnify and hold harmless each holder of Notes (other than an Excluded holder) and upon written request reimburse each such holder for the amount of: (a) any Taxes so levied or imposed and paid by such holder as a result of payments made under or with respect to the Notes or any Guarantee, (b) any liability (including penalties, interest and expense) arising therefrom or with respect thereto, and (c) any Taxes imposed with respect to any reimbursement under clause (a) or (b) above.

In addition to the foregoing, the Issuers and the Guarantors will also pay and indemnify each holder for any present or future stamp, issue, registration, transfer, court or documentary taxes, or any other excise or property taxes, charges or similar levies (including penalties, interest and any other liabilities related thereto) which are levied by any relevant Tax Jurisdiction on the execution, delivery, issuance, or registration of any of the Notes, the Indenture, any Guarantee or any other document referred to therein, or the receipt of any payments with respect thereto, or enforcement of, any of the Notes or any Guarantee.

At least 30 days prior to each date on which any payment under or with respect to the Notes is due and payable, if the Issuers or a Guarantor becomes obligated to pay Additional Amounts with respect to such payment, the Issuers or the relevant Guarantor, as applicable, will deliver to the Trustee an officers' certificate stating that such Additional Amounts will be payable, and the amounts so payable and will set forth such other information as is necessary to enable the Trustee to pay such Additional Amounts to the holders of the Notes on the payment date.

Whenever in the Indenture or in this Description of notes there is mentioned, in any context: (a) the payment of principal (and premium, if any), (b) purchase prices in connection with a repurchase of Notes, (c) interest and additional interest, if any, or (d) any other amount payable on or with respect to any of the Notes or any Guarantee, such mention shall be deemed to include mention of the payment of Additional Amounts provided for in this section to the extent that, in such context, Additional Amounts are, were or would be payable in respect thereof.

The above obligations will survive any termination, defeasance or discharge of the Indenture, any transfer by a holder or beneficial owner of its Notes, and will apply, mutatis mutandis, to any jurisdiction in which any successor person to the Issuers or any Guarantor is incorporated, engaged in business for tax purposes or resident for tax purposes or any jurisdiction from or through which such person makes any payment on the Notes (or any Guarantee) and any department or political subdivision thereof or therein.

Redemption for tax reasons

The Issuers may at any time redeem, in whole but not in part, the outstanding Notes (upon giving notice in accordance with the Indenture, which notice shall be irrevocable) at a redemption price of 100% of the principal amount thereof, plus accrued and unpaid interest to the date of redemption, and all Additional Amounts (if any) then due and which will be come due on the date of redemption as a result of the redemption or otherwise, if on the next date on which any amount would be payable in respect of the Notes, the Issuers have become or would become obligated to pay any Additional Amounts (as defined herein) in respect of the Notes, and the Issuers cannot avoid any such payment obligation by taking reasonable measures available to it, as a result of: (a) any change in or amendment to the laws (or regulations promulgated thereunder) of a relevant Tax Jurisdiction, or (b) any change in or amendment to any official position of the relevant taxing authority regarding the application or interpretation of such laws or regulations, which change or amendment, in each case of (a) or (b), is announced and becomes effective after the Issue Date (or, if the applicable relevant Tax Jurisdiction became a Tax Jurisdiction on a date after the Issue Date, such later date); *provided* that, prior to the giving of any notice of redemption described in this paragraph, the Issuers will deliver to the trustee: (i) a certificate signed by an officer of an Issuer stating that the obligation to pay the Additional Amounts or indemnification payments cannot be avoided by such Issuer taking reasonable measures available to it; and (ii) a written opinion of independent legal counsel to the Issuer of recognized standing to the effect that the Issuer has or will become obligated to pay such Additional Amounts or indemnification payments as a result of a change, amendment, official interpretation or application described above.

Selection and notice

If less than all of the Notes are to be redeemed at any time, selection of Notes for redemption will be made by the Trustee in compliance with the requirements of the principal national securities exchange, if any, on which the Notes are listed or, if the Notes are not so listed, on a *pro rata* basis, by lot or by such other method as the Trustee deems fair and appropriate; *provided* that no Notes with a principal amount of \$2,000 or less shall be redeemed in part. Notice of redemption will be mailed by first-class mail at least 30 but not more than 60 days before the redemption date to each holder of Notes to be redeemed at its registered address. If any Note is to be redeemed in part only, the notice of redemption that relates to such Note shall state the portion of the principal amount thereof to be redeemed. A new Note in principal amount equal to the unredeemed portion thereof will be issued in the name of the holder thereof upon cancellation of the original Note. On and after the redemption date, so long as the Issuers do not default in the payment of the redemption price, interest will cease to accrue on Notes or portions thereof called for redemption. Any notice of redemption pursuant to Optional redemption equity sales may be given prior to the redemption thereof, and any such redemption or notice of redemption may, at the Issuers' discretion, be subject to one or more conditions precedent, including, but not limited to, completion of an offering of Qualified Capital Stock.

Change of control

Upon the occurrence of a Change of Control, the Issuers are required to make an offer (a *Change of Control Offer*) to each holder of Notes to repurchase all or any part (equal to \$2,000 or an integral multiple of \$1,000 in excess thereof) of such holder's Notes at a purchase price equal to 101% of the aggregate principal

amount thereof, together with accrued and unpaid interest thereon to the date of repurchase (subject to the rights of holders of record of the Notes on the relevant record date to receive payments of interest on the related interest payment date) (in either case, the *Change of Control Payment*), except to the extent the Issuers have previously or concurrently elected to redeem the Notes as described under *Optional redemption* . Within 30 days following any Change of Control, the Issuers will be required to mail a notice to each holder and the Trustee stating:

- (1) that the Change of Control Offer is being made pursuant to the covenant described under *Change of control* ;
- (2) the purchase price and the purchase date, which shall be no earlier than 30 days and not later than 60 days after the date such notice is mailed (the *Change of Control Payment Date*);
- (3) that any Notes not tendered will continue to accrue interest in accordance with the terms of the Indenture;
- (4) that, unless the Issuers default in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer will cease to accrue interest on the Change of Control Payment Date;
- (5) that holders will be entitled to withdraw their election if the Trustee receives, not later than the close of business on the second business day preceding the Change of Control Payment Date, a telegram, telex, facsimile transmission or letter setting forth the name of the holder, the principal amount of Notes delivered for purchase, and a statement that such holder is unconditionally withdrawing its election to have such Notes purchased;
- (6) that holders whose Notes are being purchased only in part will be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered, which unpurchased portion must be equal to \$2,000 in principal amount or an integral multiple of \$1,000 in excess thereof; and
- (7) any other information the Issuers determine is material to such holder's decision to tender Notes.

The Issuers are required to comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes required in the event of a Change of Control and will not be deemed to have violated the *Change of Control* provisions of the Indenture as a result of such compliance. The Issuers are not required to make a Change of Control Offer upon a Change of Control if a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to Change of Control Offer made by the Issuers. The Issuers' obligations in respect of a Change of Control Offer can be modified with the consent of holders of a majority of the aggregate principal amount of Notes then outstanding at any time prior to the occurrence of a Change of Control. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making of the Change of Control Offer.

Due to our leveraged structure and the terms of other Indebtedness to which we and our Subsidiaries are or may in the future be subject, we may not be able to repurchase all of the Notes tendered upon a Change of Control. See *Risk factors* *Risks related to our indebtedness and this offering* . We may not be able to repurchase the notes upon a change of control. If we fail to repurchase all of the Notes tendered for purchase upon a Change of Control, such failure will constitute an Event of Default. In addition, the occurrence of certain of the events which would constitute a Change of Control would constitute an event of default under the Credit Agreement and may constitute an event of default under future Indebtedness. Moreover, the exercise by the holders of their right to require the Issuers to purchase the Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of the repurchase on the Issuers. Finally, the Issuers' ability to pay cash to the holders upon a Change of Control may be limited by their then existing financial resources.

The definition of Change of Control includes a phrase relating to the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of Cedar Fair's assets. Although there is a developing body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, if we dispose of less than all our assets by any of the means described above, the ability of a holder of Notes to require the Issuers to repurchase its Notes may be uncertain.

If the Change of Control Payment Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest, if any, will be paid on the relevant interest payment date to the person in whose name a Note is registered at the close of business on such record date, and no Additional Interest will be payable to holders who tender pursuant to the Change of Control Offer.

The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the Issuers and the initial purchasers. None of the Issuers has the present intention to engage in a transaction involving a Change of Control, although it is possible that we or they could decide to do so in the future. Subject to the limitations discussed below, we or they could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness are contained in the covenants described under Certain covenants Limitation on incurrence of indebtedness and Limitation on liens. Such restrictions can only be waived with the consent of the holders of a majority in principal amount of the Notes then outstanding.

Except as described above with respect to a Change of Control, the Indenture does not contain any provisions that permit the holders of the Notes to require that the Issuers repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction. The Transactions will not constitute a Change of Control.

Certain covenants

Limitation on restricted payments

The Indenture provides that neither Cedar Fair nor any of its Restricted Subsidiaries may, directly or indirectly:

(a) pay any dividend or make any distribution on account of any Equity Interests of Cedar Fair other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of Cedar Fair;

(b) purchase, redeem or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any of Cedar Fair's Equity Interests or any Subordinated Indebtedness, other than (i) Subordinated Indebtedness within one year of the stated maturity date thereof or in anticipation of satisfying a sinking fund obligation due within one year and (ii) any such Equity Interests or Subordinated Indebtedness owned by or owed to (x) Cedar Fair or (y) any Restricted Subsidiary;

(c) pay any dividend or make any distribution on account of any Equity Interests of any Restricted Subsidiary, other than:

(i) to Cedar Fair or any Restricted Subsidiary; or

(ii) to all holders of any class or series of Equity Interests of such Restricted Subsidiary on a *pro rata* basis; or

(d) make any Restricted Investment

(all such prohibited payments and other actions set forth in clauses (a) through (d) being collectively referred to as Restricted Payments), unless, at the time of such Restricted Payment:

(i) no Default or Event of Default shall have occurred and be continuing or would occur as a consequence thereof;

(ii) the Total Indebtedness to Consolidated Cash Flow Ratio of Cedar Fair at the time of such Restricted Payment is less than or equal to 4.75 to 1.00 determined on a pro forma basis; and

(iii) such Restricted Payment, together with the aggregate of all other Restricted Payments made after the date of the Indenture, is less than the sum of:

(A) an amount equal to Cedar Fair's Consolidated Cash Flow for the period from the beginning of the first fiscal quarter commencing on or after March 29, 2010 to the end of Cedar Fair's most recently ended fiscal quarter for which internal financial statements are available at the time of such Restricted Payment (the Basket Period) less the product of 1.75 times Cedar Fair's Consolidated Interest Expense for the Basket Period; plus

(B) an amount equal to the sum of (x) 100% of the aggregate net cash proceeds and the Fair Market Value (as determined in good faith by Cedar Fair) of any property or assets received by the Issuers from the issue or sale of Equity Interests (other than Disqualified Stock) of the Issuers (other than Equity Interests sold to any of their Subsidiaries), following the Issue Date and (y) the aggregate amount by which Indebtedness (other than any Indebtedness owed to Cedar Fair or a Subsidiary) incurred by the Issuers or any Restricted Subsidiary subsequent to the Issue Date is reduced on Cedar Fair's balance sheet upon the conversion or exchange into Qualified Capital Stock (less the amount of any cash, or the Fair Market Value (as determined in good faith by Cedar Fair) of assets, distributed by Cedar Fair or any Restricted Subsidiary upon such conversion or exchange); plus

(C) if any Unrestricted Subsidiary is designated by Cedar Fair as a Restricted Subsidiary, an amount equal to the Fair Market Value (as determined in good faith by Cedar Fair) of the Investment by Cedar Fair or a Restricted Subsidiary in such Subsidiary at the time of such designation; provided, however, that the foregoing amount shall not exceed the amount of Restricted Investments made by Cedar Fair or any Restricted Subsidiary in any such Unrestricted Subsidiary following the Issue Date which reduced the amount available for Restricted Payments pursuant to this clause (iii) less amounts received by Cedar Fair or any Restricted Subsidiary from such Unrestricted Subsidiary that increased the amount available for Restricted Payments pursuant to clause (D) below; plus

(D) 100% of any cash dividends and other cash distributions and the Fair Market Value (as determined in good faith by Cedar Fair) of property or assets other than cash received by Cedar Fair and its Restricted Subsidiaries from an Unrestricted Subsidiary since the Issue Date to the extent not included in Consolidated Cash Flow and 100% of the net proceeds received by Cedar Fair or any of its Restricted Subsidiaries from the sale of any Unrestricted Subsidiary; provided, however, that the foregoing amount shall not exceed the amount of Restricted Investments made by Cedar Fair or any Restricted Subsidiary in any such Unrestricted Subsidiary following the Issue Date which reduced the amount available for Restricted Payments pursuant to this clause (iii); plus

(E) to the extent not included in clauses (A) through (D) above, an amount equal to the net reduction in Restricted Investments of Cedar Fair and its Restricted Subsidiaries following the Issue Date resulting from payments in cash of interest on Indebtedness, dividends, or repayment of loans or advances, or other transfers of property, in each case, to Cedar Fair or to a Restricted Subsidiary or from the net cash proceeds from the sale, conveyance, liquidation or other disposition of any such Restricted Investment.

The foregoing provisions do not prohibit the following (*provided* that with respect to clauses (9) and (10) below, no Default or Event of Default shall have occurred and be continuing):

(1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indenture;

(2) the redemption, repurchase, retirement or other acquisition of (x) any Equity Interests of Cedar Fair in exchange for, or out of the net proceeds of the issue or sale within 60 days of, Equity Interests (other than Disqualified Stock) of Cedar Fair (other than Equity Interests (other than Disqualified Stock) issued or sold to any

Subsidiary) or (y) Subordinated Indebtedness of Cedar Fair or any Restricted Subsidiary (a) in exchange for, or out of the proceeds of the issuance and sale within 60 days of, Qualified Capital Stock, (b) in exchange for, or out of the proceeds of the incurrence within 60 days of, Refinancing Indebtedness permitted to be incurred under clause (10) of the covenant described below under Certain covenants Limitation on incurrence of indebtedness or other Indebtedness permitted to be incurred under such covenant or (c) with the Net Proceeds from an Asset Sale or upon a Change of Control, in each case, to the extent required by the agreement governing such Subordinated Indebtedness but only if the Issuers shall have previously applied such Net Proceeds to make an Excess Proceeds Offer or made a Change of Control Offer, as the case may be, in accordance with Certain covenants Excess proceeds offer or Change of control and purchased all Notes validly tendered pursuant to the relevant offer prior to redeeming or repurchasing such Subordinated Indebtedness;

(3) any purchase, repurchase, redemption, defeasance or other acquisition or retirement of Disqualified Stock of Cedar Fair or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Disqualified Stock of Cedar Fair or such Restricted Subsidiary, as the case may be, so long as such refinancing Disqualified Stock is permitted to be incurred pursuant to the covenant described under Certain covenants Limitation on incurrence of indebtedness and constitutes Refinancing Indebtedness;

(4) the declaration and payment of dividends to holders of any class or series of Disqualified Stock of Cedar Fair or any of its Restricted Subsidiaries or shares of Preferred Equity Interests of any Restricted Subsidiary issued in accordance with the covenant described under Certain covenants Limitation on incurrence of indebtedness ;

(5) repurchases of Equity Interests deemed to occur upon exercise of stock options or warrants or upon the vesting of restricted stock units if such Equity Interests represent the exercise price of such options or warrants or represent withholding taxes due upon such exercise or vesting;

(6) the repurchase, retirement or other acquisition for value of Equity Interests of Cedar Fair or any Restricted Subsidiary of Cedar Fair held by any future, present or former employee, director or consultant of Cedar Fair or any Subsidiary of Cedar Fair (or any such person's estates or heirs) pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or other agreement or arrangement; provided that the aggregate amounts paid under this clause (6) do not exceed \$5.0 million in any calendar year; provided further that Cedar Fair may carry forward and make in a subsequent calendar year the amount of such purchases, redemptions or other acquisitions permitted to have been made but not made in any preceding calendar year up to a maximum (without giving effect to the following proviso) of \$5.0 million in any calendar year pursuant to this clause (6); provided further that such amount in any calendar year may be increased by an amount not to exceed the cash proceeds of key man life insurance policies received by the Issuers or any Restricted Subsidiary after the Issue Date;

(7) payments or distributions by Cedar Fair or any of its Restricted Subsidiaries to dissenting stockholders pursuant to applicable law in connection with any merger, amalgamation or acquisition consummated on or after the Issue Date and not prohibited by the Indenture;

(8) purchases, redemptions or acquisitions of fractional shares of Equity Interests arising out of stock dividends, splits or combinations or business combinations;

(9) the declaration and payment of dividends or distributions to holders of any class or series of Designated Preferred Stock (other than Disqualified Stock) issued after the Issue Date; provided, however, that (a) the Total Indebtedness to Consolidated Cash Flow Ratio of Cedar Fair, after giving effect to such issuance on a pro forma basis, would have been no greater than 5.00 to 1.0 and (b) the aggregate amount of dividends declared and paid pursuant to this clause (9) does not exceed the net cash proceeds actually received by Cedar Fair and its Restricted Subsidiaries from any such sale of Designated Preferred Stock (other than Disqualified Stock) issued after the Issue Date; and

(10) Restricted Payments in an aggregate amount not to exceed \$20.0 million in any fiscal year.

Restricted Payments made pursuant to the first paragraph of this covenant and clause (1) of the second paragraph of this covenant and, to the extent made with the proceeds of the issuance of Qualified Capital Stock, Investments made pursuant to clause (j) of the definition of Permitted Investments shall be included as Restricted Payments in any computation made pursuant to clause (iii) of the first paragraph of this covenant. Restricted Payments made pursuant to clauses (2) through (9) of the second paragraph of this covenant shall not be included as Restricted Payments in any computation made pursuant to clause (iii) of the first paragraph of this covenant.

If Cedar Fair or any Restricted Subsidiary makes a Restricted Investment and the person in which such Investment was made subsequently becomes a Restricted Subsidiary, to the extent such Investment resulted in a reduction in the amounts calculated under clause (iii) of the first paragraph of or under any other provision of this covenant (which was not subsequently reversed), then such amount shall be increased by the amount of such reduction.

Limitation on incurrence of indebtedness

The Indenture provides that Cedar Fair shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create, incur, issue, assume, guarantee or otherwise become directly or indirectly liable with respect to (collectively, *incur*) any Indebtedness (including Acquired Debt) or permit any of its Restricted Subsidiaries to issue any Preferred Equity Interests; *provided, however*, that, notwithstanding the foregoing, the Issuers and the Guarantors may incur Indebtedness (including Acquired Debt) and any Guarantor may issue Preferred Equity Interests, in each case, if the Total Indebtedness to Consolidated Cash Flow Ratio of Cedar Fair at the time of such incurrence or issuance, as the case may be, would have been less than or equal to 5.00 to 1.00 determined on a pro forma basis (including a pro forma application of the net proceeds therefrom).

The foregoing limitation does not apply to any of the following incurrences of Indebtedness:

- (1) Indebtedness represented by the Notes and the Guarantees in an aggregate principal amount not to exceed \$405.0 million (including the exchange notes and related guarantees thereof issued in exchange therefor pursuant to the Registration Rights Agreement);
- (2) Indebtedness of Cedar Fair or any Restricted Subsidiary under any Credit Facility in an aggregate principal amount at any time outstanding not to exceed the excess of (x) \$1,500.0 million over (y) the aggregate principal amount of Indebtedness under the Credit Facilities permanently repaid pursuant to clause (1) of the second paragraph of the covenant described under Certain covenants Limitation on asset sales ;
- (3) (x) Indebtedness among Cedar Fair and its Restricted Subsidiaries; provided that any such Indebtedness owed by an Issuer or a Guarantor to any Restricted Subsidiary that is not an Issuer or a Guarantor shall be subordinated to the prior payment in full when due of the Notes or the Guarantees, as applicable, and (y) Preferred Equity Interests of a Restricted Subsidiary held by Cedar Fair or a Restricted Subsidiary; provided that if such Preferred Equity Interests are issued by an Issuer or a Guarantor, such Preferred Equity Interests are held by an Issuer or a Guarantor;
- (4) Acquired Debt of a person incurred prior to the date upon which such person was acquired by Cedar Fair or any Restricted Subsidiary (and not created in contemplation of such acquisition); provided that after giving effect to the incurrence of such Acquired Debt on a pro forma basis (including a pro forma application of the net proceeds therefrom), if more than \$5.0 million of Indebtedness is at any time outstanding under this clause (4), either Cedar Fair could incur \$1.00 of Indebtedness pursuant to the first paragraph of this covenant or the Total Indebtedness to Consolidated Cash Flow Ratio of Cedar Fair is less than or equal to the Total Indebtedness to Consolidated Cash Flow Ratio of Cedar Fair immediately prior to such acquisition;
- (5) Existing Indebtedness;

(6) Indebtedness consisting of (x) Purchase Money Indebtedness in an aggregate amount (when aggregated with the amount of Refinancing Indebtedness outstanding under clause (10) below in respect of Indebtedness incurred pursuant to this clause (6)(x)) not to exceed \$50.0 million outstanding at any time and (y) Capitalized Lease Obligations arising from sale and leaseback transactions in an aggregate amount (when aggregated with the amount of Refinancing Indebtedness outstanding under clause (10) below in respect of Indebtedness incurred pursuant to this clause (6)(y)) not to exceed \$150.0 million outstanding at any time;

(7) Hedging Obligations of Cedar Fair or any of its Restricted Subsidiaries covering Indebtedness of Cedar Fair or such Restricted Subsidiary; provided, however, that such Hedging Obligations are entered into for purposes of managing interest rate exposure or commodity pricing risk of Cedar Fair and its Restricted Subsidiaries and not for speculative purposes;

(8) Foreign Currency Obligations of Cedar Fair or any of its Restricted Subsidiaries entered into to manage exposure of Cedar Fair and its Restricted Subsidiaries to fluctuations in currency values and not for speculative purposes;

(9) the incurrence by Cedar Fair or any of its Restricted Subsidiaries of Indebtedness in respect of letters of credit, bank guarantees, workers compensation claims, health, disability or other employee benefits, property, casualty or liability insurance, self-insurance obligations, bankers acceptances, guarantees, performance, surety, statutory, appeal, completion, export or import, indemnities, customs, revenue bonds or similar instruments in the ordinary course of business, including guarantees or obligations with respect thereto (in each case other than for an obligation for money borrowed);

(10) the incurrence by Cedar Fair or any Restricted Subsidiary of Indebtedness or Disqualified Stock or Preferred Equity Interests of a Restricted Subsidiary issued in exchange for, or the proceeds of which are used to extend, refinance, renew, replace, substitute or refund in whole or in part, Indebtedness or Disqualified Stock or Preferred Equity Interests of a Restricted Subsidiary referred to in the first paragraph of this covenant or in clause (1), (4), (5) or (6) above or this clause (10) (Refinancing Indebtedness); provided, however, that:

(A) the principal amount of such Refinancing Indebtedness shall not exceed the principal amount and accrued interest of the Indebtedness so exchanged, extended, refinanced, renewed, replaced, substituted or refunded and any premiums payable and reasonable fees, expenses, commissions and costs in connection therewith;

(B) the Refinancing Indebtedness shall have a final maturity equal to or later than, and a Weighted Average Life to Maturity equal to or greater than, the earlier of (i) 91 days after the final maturity date of the Notes and (ii) the final maturity and Weighted Average Life to Maturity, respectively, of the Indebtedness being exchanged, extended, refinanced, renewed, replaced, substituted or refunded;

(C) if the Indebtedness being Refinanced is subordinated in right of payment to the Notes or the Guarantees, such Refinancing Indebtedness is subordinated in right of payment to the Notes or such Guarantee on terms at least as favorable to the holders of Notes as those contained in the documentation governing the Indebtedness being exchanged, extended, refinanced, renewed, replaced, substituted or refunded; and

(D) if the Indebtedness to be exchanged refinanced, renewed, replaced, substituted or refunded was the obligation of an Issuer or a Guarantor, such Indebtedness shall not be incurred by any of Cedar Fair's Restricted Subsidiaries other than an Issuer, a Guarantor or any Restricted Subsidiary that was an obligor under the Indebtedness so refinanced;

(11) additional Indebtedness of Cedar Fair and any of its Restricted Subsidiaries in an aggregate principal amount not to exceed \$75.0 million at any one time outstanding (which may, but need not, be incurred under the Credit Facilities);

(12) the guarantee by an Issuer or any Guarantor of Indebtedness of Cedar Fair or a Restricted Subsidiary that was permitted to be incurred by another provision of this covenant and the guarantee by any

Restricted Subsidiary that is not an Issuer or a Guarantor of any Indebtedness of any Restricted Subsidiary that is not an Issuer or a Guarantor;

(13) the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on Disqualified Capital Stock in the form of additional shares of the same class of Disqualified Capital Stock;

(14) Indebtedness of Foreign Subsidiaries in an aggregate principal amount not to exceed 5% of Consolidated Total Assets that are attributable to Restricted Subsidiaries that are Foreign Subsidiaries;

(15) overdrafts paid within 10 Business Days;

(16) customary purchase price adjustments and indemnifications in connection with acquisition or disposition of stock or assets;

(17) guarantees to suppliers, licensors, artists or franchisees (other than guarantees of Indebtedness) in the ordinary course of business;

(18) Indebtedness arising in connection with endorsement of instruments for collection or deposit in the ordinary course of business;

(19) Indebtedness consisting of obligations to pay insurance premiums in an amount not to exceed the annual premiums in respect of such insurance premiums at any one time outstanding;

(20) Indebtedness, the proceeds of which are applied to defease or discharge the Notes pursuant to the provisions of the Indenture described under Satisfaction and discharge and Legal defeasance and covenant defeasance ; and

(21) Indebtedness owed on a short-term basis of no longer than 30 days to banks and other financial institutions incurred in the ordinary course of business of Cedar Fair and its Restricted Subsidiaries with such banks or financial institutions that arises in connection with ordinary banking arrangements to manage cash balances of Cedar Fair and its Restricted Subsidiaries.

For purposes of determining compliance with this covenant, (a) the outstanding principal amount of any item of Indebtedness shall be counted only once, and any obligation arising under any guarantee, Lien, letter of credit or similar instrument supporting such Indebtedness incurred in compliance with this covenant shall be disregarded, and (b) if an item of Indebtedness meets the criteria of more than one of the categories described in clauses (1) through (21) above or is permitted to be incurred pursuant to the first paragraph of this covenant and also meets the criteria of one or more of the categories described in clauses (1) through (21) above, Cedar Fair shall, in its sole discretion, classify such item of Indebtedness in any manner that complies with this covenant and may from time to time reclassify such item of Indebtedness in any manner in which such item could be incurred at the time of such reclassification; *provided* that Indebtedness outstanding under the Credit Agreement on the Issue Date (and any Indebtedness secured by a Lien that refinances such Indebtedness) shall be deemed to be outstanding under clause (2) above and may not be reclassified.

Accrual of interest or dividends on Preferred Equity Interests, the accretion of original issue discount and the payment of interest or dividends on Preferred Equity Interests in the form of additional Indebtedness or Preferred Equity Interests of the same class will not be deemed to be an incurrence of Indebtedness for purposes of determining compliance with this covenant. Any increase in the amount of Indebtedness solely by reason of currency fluctuations will not be deemed to be an incurrence of Indebtedness for purposes of determining compliance with this covenant. A change in GAAP that results in an obligation existing at the time of such change, not previously classified as Indebtedness, becoming Indebtedness will not be deemed to be an incurrence of Indebtedness for purposes of determining compliance with this covenant.

The amount of Indebtedness outstanding as of any date shall be (1) the accreted value thereof, in the case of any Indebtedness issued with original issue discount, (2) the principal amount thereof, in the case of any other

Indebtedness, (3) in the case of the guarantee by the specified person of any Indebtedness of any other person, the maximum liability to which the specified person may be subject upon the occurrence of the contingency giving rise to the obligation and (4) in the case of Indebtedness of others guaranteed by means of a Lien on any asset of the specified person, the lesser of (A) the Fair Market Value of such asset on the date on which Indebtedness is required to be determined pursuant to the Indenture and (B) the amount of the Indebtedness so secured.

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar-equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was incurred, in the case of term Indebtedness, or first committed, in the case of revolving credit Indebtedness; *provided* that if such Indebtedness is incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced. Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that we may incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness incurred to refinance other Indebtedness, if incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

Limitation on asset sales

The Indenture provides that Cedar Fair will not, and will not permit any Restricted Subsidiary to, directly or indirectly, consummate any Asset Sale unless:

(1) Cedar Fair or such Restricted Subsidiary receives consideration at the time of such Asset Sale at least equal to the Fair Market Value (determined as of the time of contractually agreeing to such Asset Sale) of the assets included in such Asset Sale (such Fair Market Value to be determined by (i) an executive officer of Cedar Fair or such Subsidiary if the value is less than \$50.0 million or (ii) in all other cases by a resolution of Cedar Fair's Board of Directors (or of a committee appointed thereby for such purposes)); and

(2) at least 75% of the total consideration in such Asset Sale consists of cash or Cash Equivalents or Marketable Securities.

For purposes of clause (2), the following shall be deemed to be cash:

(a) the amount (without duplication) of any Indebtedness (other than Subordinated Indebtedness) of Cedar Fair or such Restricted Subsidiary that is expressly assumed by the transferee in such Asset Sale and with respect to which Cedar Fair or such Restricted Subsidiary, as the case may be, is unconditionally released by the holder of such Indebtedness,

(b) the amount of any obligations or securities received from such transferee that are within 180 days converted by Cedar Fair or such Restricted Subsidiary to cash (to the extent of the cash actually so received),

(c) the Fair Market Value of any assets (other than securities) received by Cedar Fair or any Restricted Subsidiary to be used by Cedar Fair or any Restricted Subsidiary in a Permitted Business, and

(d) any Designated Non-cash Consideration received by Cedar Fair or any Restricted Subsidiary in an Asset Sale having an aggregate Fair Market Value, taken together with all other Designated Non-cash Consideration received pursuant to this clause (d) that is at that time outstanding, not to exceed the greater of 1% of Consolidated Total Assets and \$10.0 million at the time of the receipt of such Designated Non-cash Consideration, with the Fair Market Value of each item of Designated Non-cash Consideration being measured at the time received and without giving effect to subsequent changes in value.

If Cedar Fair or any Restricted Subsidiary engages in an Asset Sale, Cedar Fair or such Restricted Subsidiary shall apply all or any of the Net Proceeds therefrom to:

(1) repay Indebtedness under any Credit Facility, and in the case of any such repayment under any revolving credit facility, effect a permanent reduction in the availability under such revolving credit facility, or repay Indebtedness (other than Disqualified Stock) of a Restricted Subsidiary that is not an Issuer or a Guarantor (other than Indebtedness owed to the Issuers); or

(2)(A) invest all or any part of the Net Proceeds thereof in capital expenditures or the purchase of assets to be used by Cedar Fair or any Restricted Subsidiary in a Permitted Business, (B) acquire Equity Interests in a person that is a Restricted Subsidiary or in a person engaged primarily in a Permitted Business that shall become a Restricted Subsidiary immediately upon the consummation of such acquisition or (C) a combination of (A) and (B).

Any Net Proceeds from any Asset Sale that are not applied or invested (or committed pursuant to a written agreement to be applied) as provided in the preceding paragraph within 365 days after the receipt thereof and, in the case of any amount committed to a reinvestment, which are not actually so applied within 180 days following such 365-day period shall constitute *Excess Proceeds* and shall be applied to an offer to purchase Notes and other senior Indebtedness of Cedar Fair if and when required under the covenant described under *Certain covenants* *Excess proceeds* offer. Pending the final application of any such Net Proceeds, Cedar Fair or such Restricted Subsidiary may temporarily reduce revolving indebtedness under a Credit Facility, if any, or otherwise invest such Net Proceeds in any manner not prohibited by the Indenture.

Limitation on liens

The Indenture provides that Cedar Fair shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create, incur or assume any Lien on any asset now owned or hereafter acquired, or on any income or profits therefrom or assign or convey any right to receive income therefrom, except Permitted Liens, without effectively providing that the Notes shall be secured equally or ratably with (or prior to in the case of Liens securing subordinated obligations) the obligations so secured for so long as the obligations are so secured.

Any Lien which is granted to secure the Notes or such Guarantee pursuant to this covenant shall be automatically released and discharged at the same time as the release of the Lien that gave rise to the obligation to secure the Notes or such Guarantee.

Additional subsidiary guarantees

The Indenture provides that if any of Cedar Fair's wholly owned Domestic Subsidiaries that is not a Guarantor guarantees or becomes otherwise obligated under a Credit Facility incurred under clause (2) of the second paragraph under *Limitation on incurrence of indebtedness* or Indebtedness incurred in reliance on the first paragraph (other than under the second proviso thereto) under *Limitation on incurrence of indebtedness*, then in each case such Guarantor or obligor shall execute and deliver to the Trustee a supplemental indenture in form reasonably satisfactory to the Trustee pursuant to which such Restricted Subsidiary shall unconditionally guarantee all of the Issuers' obligations under the Notes and the Indenture on the terms set forth in the Indenture. Thereafter, such Restricted Subsidiary shall be a Guarantor for all purposes of the Indenture.

Each Guarantee is limited to an amount not to exceed the maximum amount that can be guaranteed by that Restricted Subsidiary without rendering the Guarantee, as it relates to such Restricted Subsidiary, voidable under applicable law relating to fraudulent conveyance or fraudulent transfer or similar laws affecting the rights of creditors generally.

Each Guarantee shall be released in accordance with the provisions of the Indenture described under *Guarantees and obligations of each guarantor*.

Limitation on dividend and other payment restrictions affecting restricted subsidiaries

The Indenture provides that Cedar Fair shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any consensual encumbrance or restriction on the ability of any Restricted Subsidiary to:

(a) pay dividends or make any other distribution to Cedar Fair or any of its Restricted Subsidiaries on its Capital Stock (it being understood that the priority of any Preferred Equity Interests in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common equity shall not be deemed a restriction on the ability to make distributions on Capital Stock) or with respect to any other interest or participation in, or measured by, its profits, or pay any Indebtedness owed to Cedar Fair or any of its Subsidiaries;

(b) make loans or advances to Cedar Fair or any of its Subsidiaries (it being understood that the subordination of loans or advances made to Cedar Fair or any Restricted Subsidiary to other Indebtedness incurred by Cedar Fair or any Restricted Subsidiary shall not be deemed a restriction on the ability to make loans or advances); or

(c) transfer any of its properties or assets to Cedar Fair or any of its Restricted Subsidiaries;

except for such encumbrances or restrictions existing under or by reason of:

(i) Existing Indebtedness and existing agreements as in effect on the Issue Date (including, without limitation, the Credit Agreement, the Indenture, the Notes, the Guarantees and the Registration Rights Agreement);

(ii) applicable law, rule or regulation;

(iii) any instrument governing Acquired Debt and any other agreement or instrument of an acquired person or any of its Subsidiaries as in effect at the time of acquisition (except to the extent such Indebtedness or other agreement or instrument was incurred in connection with, or in contemplation of, such acquisition), which encumbrance or restriction is not applicable to any person, or the properties or assets of any person, other than the person, or the property or assets of the person, so acquired or any of its Subsidiaries;

(iv) by reason of customary nonassignment provisions in leases entered into in the ordinary course of business;

(v) Refinancing Indebtedness (as defined in the covenant described under *Certain covenants Limitation on incurrence of indebtedness*); provided that the restrictions contained in the agreements governing such Refinancing Indebtedness are no more restrictive than those contained in the agreements governing the Indebtedness being refinanced;

(vi) the Indenture and the Notes or by Cedar Fair's other Indebtedness ranking pari passu with the Notes; provided that except as set forth in clause (vii) below such restrictions are no more restrictive taken as a whole than those imposed by the Indenture and the Notes;

(vii) any Credit Facility; provided that the restrictions therein are not (i) materially more restrictive than the agreements governing such Indebtedness as in effect on Issue Date or (ii) will not affect the Issuers' ability to make principal or interest payments on the Notes (as determined by Cedar Fair in good faith);

(viii) customary non-assignment provisions in contracts, leases, sub-leases and licenses entered into in the ordinary course of business;

(ix) any agreement for the sale or other disposition of a Restricted Subsidiary or any of its assets in compliance with the terms of the Indenture that restricts distributions by that Restricted Subsidiary pending such sale or other disposition;

(x) provisions limiting the disposition or distribution of assets or property (including cash) in joint venture agreements, asset sale agreements, sale-leaseback agreements, stock sale agreements and other similar agreements (including agreements entered into in connection with a Restricted Investment), and

customary provisions in joint venture agreements and other similar agreements applicable to the Equity Interests or Indebtedness of such joint venture, which limitation is applicable only to the assets that are the subject of such agreements;

(xi) Permitted Liens;

(xii) any agreement for the sale of any Subsidiary or its assets that restricts distributions by that Subsidiary (or sale of such Subsidiary's Equity Interests) pending its sale; provided that during the entire period in which such encumbrance or restriction is effective, such sale (together with any other sales pending) would be permitted under the terms of the Indenture;

(xiii) secured Indebtedness otherwise permitted to be incurred by the Indenture that limits the right of the debtor to dispose of the assets securing such Indebtedness;

(xiv) Purchase Money Indebtedness that imposes restrictions of the type described in clause (c) above on the property so acquired;

(xv) provisions in agreements or instruments which prohibit the payment or making of dividends or other distributions other than on a pro rata basis;

(xvi) restrictions in Investments in persons that are Restricted Subsidiaries;

(xvii) any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of the contracts, instruments or obligations referred to in clauses (i) through (xvi) above; provided that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are, in Cedar Fair's good faith judgment, not materially more restrictive as a whole with respect to such encumbrances and restrictions than those prior to such amendment, modification, restatement, renewal, increase, supplement, refunding, replacement or refinancing;

(xviii) Indebtedness or other agreements including, without limitation, agreements described in clause (x) of this paragraph, of any Restricted Subsidiary that is not an Issuer or a Guarantor that impose restrictions solely on such Restricted Subsidiary and its Subsidiaries; or

(xix) any restriction on cash or other deposits or net worth imposed by customers, licensors or lessors or required by insurance, surety or bonding companies, in each case under contracts entered into in the ordinary course of business.

Merger, amalgamation, consolidation or sale of assets

The Indenture provides that Cedar Fair shall not consolidate, amalgamate or merge with or into (whether or not Cedar Fair is the surviving entity), or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions to, another person unless:

(a) Cedar Fair is the surviving person or the person formed by or surviving any such consolidation, amalgamation or merger (if other than Cedar Fair) or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made is a corporation, limited partnership or limited liability company organized or existing under the laws of the United States, any state thereof or the District of Columbia; provided, however, that if the surviving person is a limited liability company or limited partnership, there shall be a co-issuer of the Notes that is a corporation;

(b) the person formed by or surviving any such consolidation, amalgamation or merger (if other than Cedar Fair) or the person to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made assumes all Cedar Fair's obligations pursuant to a supplemental indenture in form reasonably satisfactory to the Trustee, under the Notes and the Indenture;

(c) immediately after such transaction, no Default or Event of Default exists;

(d) Cedar Fair or the person formed by or surviving any such consolidation, amalgamation or merger (if other than Cedar Fair) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made: (i) will have a Total Indebtedness to Consolidated Cash Flow Ratio of Cedar Fair immediately after the transaction equal to or less than Cedar Fair's Total Indebtedness to Consolidated Cash Flow Ratio of Cedar Fair immediately preceding the transaction or (ii) would, at the time of such transaction after giving pro forma effect thereto, be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the first paragraph in the covenant described under Certain covenants Limitation on incurrence of indebtedness ; and

(e) Cedar Fair or the person formed by or surviving any such consolidation, amalgamation or merger (if other than Cedar Fair) or to which such sale, assignment, transfer, lease, conveyance or other disposition will have been made, has delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that the consolidation, amalgamation, merger, sale, assignment, transfer or other disposition complies with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

Notwithstanding the foregoing, any Restricted Subsidiary may consolidate amalgamate or merge with or into or transfer all or part of its properties and assets to Cedar Fair or another Restricted Subsidiary.

Notwithstanding the foregoing clauses (c), (d) and (e), Cedar Fair may merge with a Restricted Subsidiary solely for the purpose of reincorporating in a state of the United States or the District of Columbia so long as the amount of Indebtedness of Cedar Fair and the Restricted Subsidiaries is not increased thereby.

The Indenture provides that each Guarantor or Issuer (other than Cedar Fair) other than any Guarantor or Issuer whose Guarantee or obligation as an Issuer, as the case may be, is to be released in accordance with the terms of the Indenture will not consolidate, amalgamate or merge with or into (whether or not such Guarantor or Issuer is the surviving entity) any person other than an Issuer or a Guarantor (in each case, other than in accordance with the covenants described under Certain covenants Limitation on asset sales) unless:

(a) the Guarantor or Issuer is the surviving person or the person formed by or surviving any such consolidation, amalgamation or merger (if other than the Guarantor or such Issuer) is a corporation, limited partnership, limited liability company or other entity organized or existing under the laws of the United States, any state thereof or the District of Columbia or the laws of Canada or any province thereof;

(b) the person formed by or surviving any such consolidation, amalgamation or merger (if other than the Guarantor or such Issuer) assumes all the obligations of the Guarantor or such Issuer, pursuant to a supplemental indenture in form reasonably satisfactory to the Trustee, under the Notes and the Indenture;

(c) immediately after such transaction, no Default or Event of Default exists; and

(d) the Guarantor or Issuer or the person formed by or surviving any such consolidation, amalgamation or merger (if other than the Guarantor or such Issuer), has delivered to the Trustee an officers' certificate and an opinion of counsel, each stating that the consolidation, amalgamation or merger complies with the applicable provisions of the Indenture and that all conditions precedent in the Indenture relating to such transaction have been satisfied.

provided, however, that clause (d) will not be applicable to any Guarantor consolidating with, merging or amalgamating into or transferring all or part of its properties and assets to any Issuer or any Guarantor.

This section includes a phrase relating to the sale, assignment, conveyance, transfer, lease or other disposition of all or substantially all of Cedar Fair's properties or assets. Although there is a developing body of case law interpreting the phrase substantially all, there is no precise established definition of the phrase under applicable law. Accordingly, if we dispose of less than all Cedar Fair's properties or assets by any of the means described above, the application of the covenant described in this section may be uncertain.

Limitation on transactions with affiliates

The Indenture provides that Cedar Fair shall not, and shall not permit any Restricted Subsidiary to, directly or indirectly, sell, lease, transfer or otherwise dispose of any of Cedar Fair's or their properties or assets to, or purchase any property or assets from, or enter into any contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (including any Unrestricted Subsidiary) (each of the foregoing, an *Affiliate Transaction*) involving aggregate consideration in excess of \$3.0 million, unless:

(a) such Affiliate Transaction is on terms that are not materially less favorable, taken as a whole, to Cedar Fair or such Restricted Subsidiary than those that would have been obtained in a comparable transaction by Cedar Fair or such Restricted Subsidiary with an unrelated person; provided that such transaction shall be deemed to be at least as favorable as the terms that could have been obtained in a comparable transaction with an unrelated person if such transaction is approved by the members of (x) Cedar Fair's Board of Directors or (y) any duly constituted committee thereof, in each case including a majority of the disinterested members thereof who meet the independence requirements of the New York Stock Exchange or NASDAQ; and

(b) if such Affiliate Transaction involves aggregate payments in excess of \$50.0 million, Cedar Fair or such Restricted Subsidiary has obtained the favorable opinion of an Independent Financial Advisor as to the fairness of such Affiliate Transaction to Cedar Fair or the relevant Restricted Subsidiary, as the case may be, from a financial point of view;

provided, however, that the following shall, in each case, not be deemed Affiliate Transactions:

(i) the entry into employment agreements and the adoption of compensation or benefit plans for the benefit of, or payment of compensation to, directors and management of Cedar Fair and its Restricted Subsidiaries (including, without limitation, salaries, fees, bonuses, equity and incentive arrangements and payments);

(ii) the payment of reasonable fees or expenses and the provision of indemnification or similar arrangements for current or former officers, directors, employees, agents or consultants of Cedar Fair or any of its Restricted Subsidiaries pursuant to charter, bylaw, statutory or contractual provisions;

(iii) transactions between or among Cedar Fair and its Restricted Subsidiaries or between Restricted Subsidiaries;

(iv) Restricted Payments not prohibited by the covenant described under *Certain covenants Limitation on restricted payments* ;

(v) any transactions between Cedar Fair or any of its Restricted Subsidiaries and any Affiliate of Cedar Fair the Equity Interests of which Affiliate are owned solely by Cedar Fair or one of its Restricted Subsidiaries, on the one hand, and by persons who are not Affiliates of Cedar Fair or its Restricted Subsidiaries, on the other hand;

(vi) any agreements or arrangements in effect on the Issue Date and described in this prospectus and any modifications, extensions or renewals thereof that are no less favorable to Cedar Fair or the applicable Restricted Subsidiary in any material respect than such agreement as in effect on the Issue Date;

(vii) so long as they comply with clause (a) above, transactions with customers, clients, lessors, landlords, suppliers, contractors, or purchasers or sellers of good or services that are Affiliates, in each case in the ordinary course of business and otherwise in compliance with the terms of the Indenture;

(viii) the Transactions;

(ix) transactions with persons who are Affiliates of Cedar Fair solely as a result of Cedar Fair's or a Restricted Subsidiary's Investment in such person;

(x) sales of Equity Interests to Affiliates of Cedar Fair or its Restricted Subsidiaries not otherwise prohibited by the Indenture and the granting of registration and other customary rights in connection therewith;

(xi) transactions with an Affiliate where the only consideration paid is Equity Interests of Cedar Fair other than Disqualified Stock;

(xii) transactions in which Cedar Fair or any of its Restricted Subsidiaries, as the case may be, deliver to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to Cedar Fair or such Restricted Subsidiary from a financial point of view or meets the requirements of this covenant;

(xiii) transactions with joint ventures or Unrestricted Subsidiaries entered into in the ordinary course of business;

(xiv) loans or advances to employees or consultants in the ordinary course of business of Cedar Fair or its Restricted Subsidiaries, but in any event not to exceed \$2.0 million in the aggregate outstanding at any one time; and

(xv) transactions between Cedar Fair or any of its Restricted Subsidiaries and any person, a director of which is also a director of Cedar Fair; provided, however, that such director abstains from voting as a director on any matter involving such other person.

Reports

Whether or not required by the rules and regulations of the SEC, so long as any Notes are outstanding, the Indenture provides that Cedar Fair will furnish to the holders of Notes all quarterly and annual financial information within 15 days after the times specified for the filing of the information, documents and reports for large accelerated filers, that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if Cedar Fair was required to file such forms, including a Management's Discussion and Analysis of Financial Condition and Results of Operations and, with respect to the annual information only, a report thereon by the independent registered public accounting firm of Cedar Fair; *provided, however*, that to the extent such reports are filed with the SEC and publicly available, no additional copies need be provided to holders of the Notes.

Cedar Fair will file such information with the SEC to the extent that the SEC is accepting such filings. In addition, Cedar Fair has agreed that, for so long as any Notes remain outstanding during any period when it is not subject to Section 13 or 15(d) of the Exchange Act, it will furnish to the holders of the Notes and to prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

In addition, following the first full fiscal quarter after the date of the Indenture, so long as any Notes are outstanding the Issuer will use commercially reasonable efforts to (A) within 15 business days after furnishing the reports required by the first paragraph of this Reports covenant, hold a conference call to discuss such reports, and (B) issue a press release prior to the date of such conference call, announcing the time and date and either including information necessary to access the call or directing noteholders, prospective investors, broker-dealers and securities analysts to contact the appropriate person at the Issuer to obtain such information; *provided* that Cedar Fair may satisfy the requirements of this paragraph by issuing its regular quarterly earnings release and conducting its regular investor conference calls.

Excess proceeds offer

When the cumulative amount of Excess Proceeds exceeds \$25.0 million, the Issuers will be obligated to make an offer to all holders of the Notes (an *Excess Proceeds Offer*) to purchase the maximum principal amount of Notes that may be purchased out of such Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof, together with accrued and unpaid interest to the date fixed for the closing of such offer in accordance with the procedures set forth in the Indenture. To the extent Cedar Fair or a Restricted Subsidiary is required under the terms of Indebtedness of Cedar Fair or such Restricted Subsidiary

(other than Subordinated Indebtedness), the Issuers shall also make a *pro rata* offer to the holders of such Indebtedness (including the Notes) with such proceeds. If the aggregate principal amount of Notes and other parity Indebtedness surrendered by holders thereof exceeds the amount of such Excess Proceeds, the Trustee shall select the Notes to be purchased on a *pro rata* basis. To the extent that the principal amount of Notes tendered pursuant to an Excess Proceeds Offer is less than the amount of such Excess Proceeds, the Issuers may use any remaining Excess Proceeds for general corporate purposes in compliance with the provisions of the Indenture. Upon completion of an Excess Proceeds Offer, the amount of Excess Proceeds shall be reset at zero.

The Excess Proceeds Offer will remain open for a period of 20 Business Days following its commencement, except to the extent that a longer period is required by applicable law (the *Excess Proceeds Offer Period*). No later than five Business Days after the termination of the Excess Proceeds Offer Period (the *Excess Proceeds Purchase Date*), the Issuers will, to the extent lawful, accept for payment, on a *pro rata* basis to the extent necessary, the principal amount of Notes purchased pursuant to this covenant (the *Excess Proceeds Offer Amount*) or portions of Notes so validly tendered and not properly withdrawn pursuant to the Excess Proceeds Offer, or if less than the Excess Proceeds Offer Amount has been validly tendered and not properly withdrawn, all Notes so validly tendered and not properly withdrawn, in each case in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. The Issuers will deliver to the Trustee an officers' certificate stating that such Notes or portions thereof were accepted for payment by the Issuers in accordance with the terms of this covenant. The Issuers or the paying agent, as the case may be, will promptly (but in any case not later than five Business Days after termination of the Excess Proceeds Offer Period) mail or deliver to each tendering holder of Notes an amount equal to the purchase price of the Notes so validly tendered and not properly withdrawn by such holder and accepted by the Issuers for purchase, and the Issuers will promptly issue a new Note, and the Trustee, upon delivery of an officers' certificate from the Issuers, will authenticate and mail or deliver such new Note to such holder, in a principal amount equal to any unpurchased portion of the Note surrendered; *provided* that each such new Note will be in a principal amount of \$2,000 or an integral multiple of \$1,000 in excess thereof. In addition, the Issuers will take any and all other actions required by the agreements governing the other Senior Indebtedness. Any Note not so accepted will be promptly mailed or delivered by the Issuers to the holder thereof.

The Issuers are required to comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent such laws and regulations are applicable in connection with the repurchase of the Notes required in the event of an Excess Proceeds Offer and will not be deemed to have violated the *Excess Proceeds Offer* provisions of the Indenture as a result thereof.

Suspension of covenants

During any period of time after the Issue Date that (i) the Notes are rated Investment Grade by both Rating Agencies and (ii) no Default has occurred and is continuing under the Indenture (the occurrence of the events described in the foregoing clauses (i) and (ii) being collectively referred to as a *Covenant Suspension Event*), Cedar Fair and its Restricted Subsidiaries will not be subject to the covenants in the Indenture specifically listed under the following captions in this *Description of notes* section of this prospectus (the *Suspended Covenants*):

- (1) Certain covenants *Limitation on restricted payments* ;
- (2) Certain covenants *Limitation on incurrence of indebtedness* ;
- (3) Certain covenants *Limitation on asset sales* ;
- (4) clause (d) of the first paragraph under *Certain covenants Merger, amalgamation, consolidation or sale of assets* ;
- (5) Certain covenants *Limitation on transactions with affiliates* ;
- (6) Certain covenants *Limitation on dividend and other payment restrictions affecting restricted subsidiaries* ; and
- (7) Certain covenants *Excess proceeds offer*.

Additionally, at such time as the above referenced covenants are suspended (a *Suspension Period*), Cedar Fair will no longer be permitted to designate any Restricted Subsidiary as an Unrestricted Subsidiary.

In the event that Cedar Fair and its Restricted Subsidiaries are not subject to the Suspended Covenants for any period of time as a result of the foregoing, and on any subsequent date (the *Reversion Date*) one or both of the Rating Agencies withdraw their rating of Investment Grade, or downgrade the rating assigned to the Notes below Investment Grade, then Cedar Fair and its Restricted Subsidiaries will thereafter again be subject to the Suspended Covenant with respect to future events unless and until the Notes subsequently attain a rating of Investment Grade and no Default or Event of Default is in existence (in which event the Suspended Covenants shall no longer be in effect for such time that the Notes maintain a rating of Investment Grade and no Default or Event of Default is in existence).

On each Reversion Date, all Indebtedness incurred during the Suspension Period prior to such Reversion Date will be deemed to be Existing Indebtedness. For purposes of calculating the amount available to be made as Restricted Payments under clause (iii) of the first paragraph of the covenant described under *Certain covenants Limitation on restricted payments*, calculations under such covenant shall be made as though such covenant had been in effect during the entire period of time after the Issue Date (including the Suspension Period) Restricted Payments made during the Suspension Period not otherwise permitted pursuant to any of clauses (2) through (9) under the second paragraph under the covenant described under *Certain covenants Limitation on restricted payments* will reduce the amount available to be made as Restricted Payments under clause (iii) of the first paragraph of such covenant, *provided* that the amount available to be made as Restricted Payments on the Reversion Date shall not be reduced to below zero solely as a result of such Restricted Payments. For purposes of the covenant described under *Certain covenants Excess proceeds offer*, on the Reversion Date, the unutilized amount of Net Proceeds will be reset to zero. Notwithstanding the foregoing, neither (a) the continued existence, after the Reversion Date, of facts and circumstances or obligations that were incurred or otherwise came into existence during a Suspension Period nor (b) the performance of any such obligations, shall constitute a breach of any covenant set forth herein or cause a Default or Event of Default thereunder.

There can be no assurance that the Notes will ever achieve or maintain a rating of Investment Grade.

Events of default

The Indenture provides that each of the following constitutes an *Event of Default* :

- (a) default for 30 days in the payment when due of interest or additional interest, if any, on the Notes;
- (b) default in payment when due of principal of or premium, if any, on the Notes at maturity, upon repurchase, redemption or otherwise;
- (c) failure to comply for 30 days after notice with any obligations under the provisions described under *Certain covenants Merger, amalgamation, consolidation or sale of assets*, *Change of control*, *Certain covenants Limitation on asset sales* or *Certain covenants Excess proceeds offer* ;
- (d) subject to the penultimate paragraph of this *Events of default* section, default under any other provision of the Indenture or the Notes, which default remains uncured for 60 days after notice from the Trustee or the holders of at least 25% of the aggregate principal amount then outstanding of the Notes;
- (e) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by Cedar Fair or any of its Restricted Subsidiaries (or the payment of which is guaranteed by Cedar Fair or any of its Restricted Subsidiaries), which default is caused by a failure to pay the principal of such Indebtedness at the final stated maturity thereof within the grace period provided in such Indebtedness (a *Payment Default*), and the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a *Payment Default*, aggregates \$15.0 million or more;

(f) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by Cedar Fair and any of its Restricted Subsidiaries (or the payment of which is guaranteed by Cedar Fair or any of its Restricted Subsidiaries), which default results in the acceleration of such Indebtedness prior to its express maturity not rescinded or cured within 30 days after such acceleration, and the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a Payment Default or the maturity of which has been so accelerated and remains undischarged after such 30-day period, aggregates \$15.0 million or more;

(g) failure by Cedar Fair or any of its Restricted Subsidiaries to pay final judgments (other than any judgment as to which a reputable insurance company has accepted full liability) aggregating \$15.0 million or more (net of any amounts which are covered by enforceable insurance policies issued by solvent carriers), which judgments are not stayed, discharged or waived within 60 days after their entry;

(h) certain events of bankruptcy or insolvency with respect to any Issuer or any Restricted Subsidiary that is a Significant Subsidiary (including the filing of a voluntary case, the consent to an order of relief in an involuntary case, the consent to the appointment of a custodian, a general assignment for the benefit of creditors or an order of a court for relief in an involuntary case, appointing a custodian or ordering liquidation, which order remains unstayed for 60 days); and

(i) any Guarantee of a Significant Subsidiary shall be held in a judicial proceeding to be unenforceable or invalid or shall cease for any reason to be in full force and effect, or any Guarantor that qualifies as a Significant Subsidiary, or any person acting on behalf of any Guarantor that qualifies as a Significant Subsidiary, shall deny or disaffirm its obligations under its Guarantee in writing and such Default continues for 10 days.

If any Event of Default occurs and is continuing, the Trustee or the holders of at least 25% of the aggregate principal amount then outstanding of the Notes may declare all the Notes to be due and payable immediately. Notwithstanding the foregoing, in the case of an Event of Default arising from the events of bankruptcy or insolvency with respect to an Issuer described in clause (h) above, all outstanding Notes will become due and payable without further action or notice. Holders of the Notes may not enforce the Indenture or the Notes except as provided in the Indenture. Subject to certain limitations, holders of a majority in principal amount of the then outstanding Notes may direct the Trustee in its exercise of any trust or power. The Trustee may withhold from holders of the Notes notice of any continuing Default or Event of Default (except a Default or Event of Default relating to the payment of principal or interest) if it determines that withholding notice is in such holders' interest.

Subject to certain conditions, the holders of a majority in aggregate principal amount then outstanding of the Notes, by written notice to the Trustee, may on behalf of the holders of all of the Notes waive any existing Default or Event of Default and its consequences under the Indenture, except a continuing Default or Event of Default in the payment of interest or premium on, or principal of, the Notes.

Any failure to perform, or breach of, any covenant or agreement pursuant to Certain covenants Reports shall not be a Default or an Event of Default until the 121st day after we have received the notice referred to in clause (d) of the first paragraph above (at which point, unless cured or waived, such failure to perform or breach shall constitute an Event of Default). Prior to such 121st day, remedies against the Issuers for any such failure or breach will be limited to additional interest at a rate per year equal to 0.25% of the principal amount of such Notes from the 60th day following such notice to and including the 121st day following such notice.

The Issuers are required to deliver to the Trustee annually a statement regarding compliance with the Indenture.

No personal liability of directors, owners, employees, incorporators and stockholders

No director, owner, officer, employee, incorporator or stockholder of any Issuer or any of its Affiliates, as such, shall have any liability for any obligations of any Issuer or any of its Affiliates under the Notes, the Guarantees or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their

creation. Each holder of Notes by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the federal securities laws and it is the view of the SEC that such a waiver is against public policy.

Legal defeasance and covenant defeasance

The Indenture provides that with respect to the Notes, the Issuers may, at their option and at any time, elect to have all obligations discharged with respect to the outstanding Notes (*Legal Defeasance*). Such Legal Defeasance means that the Issuers are deemed to have paid and discharged the entire Indebtedness, and satisfied all obligations and covenants, under the Indenture, except for:

- (a) the rights of holders of outstanding Notes to receive payments in respect of the principal of, premium, if any, and interest on the Notes when such payments are due, or on the redemption date, as the case may be;
- (b) the Issuers' obligations with respect to the Notes concerning issuing temporary Notes, registration of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust;
- (c) the rights, powers, trust, immunities and indemnities of the Trustee, and the Issuers' obligations in connection therewith; and
- (d) the Legal Defeasance provisions of the Indenture.

In addition, the Indenture provides that with respect to the Notes, the Issuers may, at their option and at any time, elect to have all obligations released with respect to substantially all of the restrictive covenants that are described in the Indenture, including, without limitation, under

Change of control (*Covenant Defeasance*), and thereafter any omission to comply with such obligations shall not constitute a Default or Event of Default with respect to the Notes. If Covenant Defeasance occurs, certain events (not including nonpayment, bankruptcy, receivership, rehabilitation and insolvency events with respect to the Issuers) described under Events of default will no longer constitute an Event of Default with respect to the Notes.

In order to exercise either Legal Defeasance or Covenant Defeasance, the Indenture provides that with respect to the Notes:

- (i) the Issuers must irrevocably deposit with the Trustee, in trust, for the benefit of the holders of the Notes, cash in U.S. dollars, noncallable U.S. government obligations, or a combination thereof, in such amounts as will be sufficient, in a written opinion of a nationally recognized firm of independent public accountants selected by the Issuers and delivered to the Trustee, to pay the principal of, premium, if any, and interest on the outstanding Notes on the stated maturity or on the applicable optional redemption date, as the case may be;
- (ii) in the case of Legal Defeasance, the Issuers shall have delivered to the Trustee an opinion of counsel in the United States reasonably acceptable to the Trustee confirming that:
 - (A) the Issuers have received from, or there has been published by, the Internal Revenue Service a ruling or
 - (B) since the Issue Date, there has been a change in the applicable federal income tax law,

in each case to the effect that, and based thereon such opinion of counsel shall confirm that, the holders of the Notes will not recognize income, gain or loss for federal income tax purposes as a result of such Legal Defeasance, and will be subject to federal income tax in the same amount, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

- (iii) in the case of Covenant Defeasance, the Issuers shall have delivered to the Trustee an opinion of counsel, subject to customary assumptions and exceptions, reasonably acceptable to such Trustee confirming that the holders of the Notes will not recognize income, gain or loss for federal income tax

purposes as a result of such Covenant Defeasance and will be subject to federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such Covenant Defeasance had not occurred;

(iv) no Default or Event of Default shall have occurred and be continuing on the date of such deposit (except any Default or Event of Default resulting from the failure to comply with Certain Covenants Limitation on incurrence of indebtedness as a result of the borrowing of the funds required to effect such deposit and the granting of Liens in connection therewith);

(v) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, the Indenture or any other material agreement or instrument to which Cedar Fair or any of its Subsidiaries is a party or by which Cedar Fair or any of its Subsidiaries is bound;

(vi) the Issuers shall have delivered to the Trustee an officers certificate stating that the deposit was not made by them with the intent of preferring the holders of the Notes over any of the Issuers other creditors or with the intent of defeating, hindering, delaying or defrauding any of their other creditors or others; and

(vii) the Issuers shall have delivered to the Trustee an officers certificate stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance relating to the Notes have been complied with.

Satisfaction and discharge

The Indenture will be discharged and will cease to be of further effect (except as to surviving rights of registration of transfer or exchange of the Notes, as expressly provided for in the Indenture) as to all outstanding Notes when:

(1) either:

(a) all the Notes theretofore authenticated and delivered (except lost, stolen or destroyed Notes which have been replaced or paid and Notes for whose payment money has theretofore been deposited in trust or segregated and held in trust by the Issuers and thereafter repaid to the Issuers or discharged from such trust) have been delivered to the Trustee for cancellation; or

(b) all Notes not theretofore delivered to the Trustee for cancellation have become due and payable or, within one year will become due and payable or subject to redemption as set forth above under the heading Optional redemption and the Issuers have irrevocably deposited or caused to be deposited with the Trustee U.S. dollars in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not theretofore delivered to the Trustee for cancellation, for principal of, premium, if any, and interest on the Notes to the date of deposit together with irrevocable written instructions from the Issuers directing the Trustee to apply such funds to the payment thereof at maturity or redemption, as the case may be;

(2) the Issuers have paid all other sums payable under the Indenture by the Issuers; and

(3) the Issuers have delivered to the Trustee an officers certificate and an opinion of counsel (subject to customary assumptions and exceptions) stating that all conditions precedent under the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; provided, however, that such counsel may rely, as to matters of fact, on a certificate or certificates of officers of the Issuers.

Amendment, supplement and waiver

Except as provided in the next paragraph, the Indenture and the Notes issued thereunder may be amended or supplemented with the consent of the holders of at least a majority of the aggregate principal amount of Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for Notes), and

any existing Default or compliance with any provision of the Indenture or the Notes may be waived with the consent of the holders of a majority of the aggregate principal amount of Notes then outstanding (including consents obtained in connection with a tender offer or exchange offer for the Notes).

Without the consent of each holder affected, however, an amendment or waiver may not (with respect to any Note held by a nonconsenting holder):

- (a) reduce the aggregate principal amount of Notes whose holders must consent to an amendment, supplement or waiver;
- (b) reduce the principal of or change the fixed maturity of any note or alter the provisions with respect to the redemption of the Notes (other than as provided in clause (h) below);
- (c) reduce the rate of or change the time for payment of interest on any Notes;
- (d) waive a Default or Event of Default in the payment of principal of or premium, if any, or interest on the Notes (except a rescission of acceleration of the Notes by the holders of at least a majority in aggregate principal amount of the Notes and a waiver of the payment default that resulted from such acceleration);
- (e) make any Note payable in money other than that stated in the Notes;
- (f) make any change in the provisions of the Indenture relating to waivers of past Defaults or the rights of holders of Notes to receive payments of principal of or interest on the Notes;
- (g) waive a redemption payment or mandatory redemption with respect to any Note (other than as provided in clause (h) below);
- (h) amend, change or modify in any material respect the obligation of the Issuers to make and consummate a Change of Control Offer in the event of a Change of Control after such Change of Control has occurred;
- (i) release all or substantially all of the Guarantees of the Guarantors other than in accordance with Guarantees and obligations of each guarantor above; or
- (j) make any change in the foregoing amendment and waiver provisions.

Notwithstanding the foregoing, without the consent of any holder of Notes, the Issuers, the Guarantors and the Trustee may amend or supplement the Indenture or the Notes or the Guarantees to cure any ambiguity, defect or inconsistency, to provide for uncertificated Notes or Guarantees in addition to or in place of certificated Notes or Guarantees (*provided* that the uncertificated Notes are issued in registered form for purposes of Section 163(f) of the Code, or in a manner such that the uncertificated Notes are described in Section 163(f)(2)(B) of the Code), to provide for the assumption of the obligations of an Issuer or any Guarantor to holders of the Notes in the case of a merger, amalgamation, consolidation or sale of all or substantially all of such Issuer's assets or such Guarantor's assets, to make any change that would provide any additional rights or benefits to the holders of Notes or that does not adversely affect the rights under the Indenture of any such holder in any material respect, to provide for the issuance of Additional Notes in accordance with the provisions set forth in the Indenture, to provide for the issuance of exchange notes, to evidence and provide for the acceptance of an appointment of a successor trustee, to add Guarantees with respect to the Notes, to conform the Indenture or the Notes to this Description of notes, or to comply with requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act.

The Issuers' obligations in respect of Change of Control Offer can be modified with the consent of the holders of a majority in aggregate principal amount of the Notes then outstanding at any time prior to the occurrence of a Change of Control. The consent of the noteholders is not necessary under the Indenture to approve the particular form of any proposed amendment. It is sufficient if such consent approves the substance of the proposed amendment.

Concerning the trustee

The Indenture contains certain limitations on the rights of the Trustee, if the Trustee becomes a creditor of Cedar Fair or its Subsidiaries, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any such claim as security or otherwise. The Trustee is permitted to engage in other transactions with Cedar Fair and its Subsidiaries; however, if the Trustee acquires any conflicting interest, it must eliminate such conflict within 90 days, apply to the SEC for permission to continue as Trustee or resign.

With respect to the Notes, the holders of a majority in principal amount of the then outstanding Notes will have the right to direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee, subject to certain exceptions. The Indenture will provide that in case an Event of Default shall occur (which shall not be cured), the Trustee will be required, in the exercise of its power, to use the degree of care of a prudent person in the conduct of his or her own affairs. The Trustee will not be relieved from liabilities for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

- (i) this sentence shall not limit the preceding sentence of this paragraph;
- (ii) the Trustee shall not be liable for any error of judgment made in good faith, unless it is proved that the Trustee was negligent in ascertaining the pertinent facts; and
- (iii) the Trustee shall not be liable with respect to any action it takes or omits to take in good faith in accordance with a direction received by it pursuant to the first sentence of this paragraph.

Subject to such provisions, the Trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request of any holder of Notes, unless such holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

Certain definitions

Set forth below are certain defined terms used in the Indenture. Reference is made to the Indenture for a full disclosure of all such terms, as well as any other capitalized terms used herein for which no definition is provided.

Acquired Debt means, with respect to any specified person, Indebtedness, Disqualified Stock or Preferred Equity Interests of any other person existing at the time such other person merges or amalgamates with or into or becomes a Subsidiary of such specified person or is a Subsidiary of such other person at the time of such merger, amalgamation or acquisition, or Indebtedness incurred by such person in connection with the acquisition of assets.

Affiliate of any specified person means any other person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified person. For purposes of this definition, *control* (including, with correlative meanings, the terms *controlling*, *controlled by* and *under common control with*), as used with respect to any person, shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such person, whether through the ownership of voting securities, by agreement or otherwise.

Asset Acquisition means (1) an Investment by Cedar Fair or any Restricted Subsidiary of Cedar Fair in any other person pursuant to which such person shall become a Restricted Subsidiary of Cedar Fair or any Restricted Subsidiary of Cedar Fair, or shall be merged or amalgamated with or into Cedar Fair or any Restricted Subsidiary of Cedar Fair, or (2) the acquisition by Cedar Fair or any Restricted Subsidiary of Cedar Fair of the assets of any person (other than a Restricted Subsidiary of Cedar Fair) which constitute all or substantially all of the assets of such person or comprise any division or line of business of such person.

Asset Sale means any sale, issuance, conveyance, transfer, lease, assignment or other disposition by Cedar Fair or any Restricted Subsidiary to any person other than to any Issuer or any Restricted Subsidiary (including by means of a merger, amalgamation or consolidation or through the issuance or sale of Equity Interests of Restricted Subsidiaries (other than Preferred Equity Interests of Restricted Subsidiaries issued in compliance with the covenant described under Certain covenants Limitation on incurrence of indebtedness and other than directors qualifying shares or shares or interests required to be held by foreign nationals or third parties to the extent required by applicable law) (collectively, for purposes of this definition, a *transfer*), in one transaction or a series of related transactions, of any assets of Cedar Fair or any of its Restricted Subsidiaries (other than sales of inventory and other transfers or operating leases in the ordinary course of business). For purposes of this definition, the term *Asset Sale* shall not include:

- (a) transfers of cash or Cash Equivalents;
- (b) transfers of assets of Cedar Fair (including Equity Interests) that are governed by, and made in accordance with, the first paragraph of the covenant described under Certain covenants Merger, amalgamation, consolidation or sale of assets ;
- (c) Permitted Investments and Restricted Payments not prohibited or permitted under the covenant described under Certain covenants Limitation on restricted payments ;
- (d) the creation of or realization on any Lien not prohibited under the Indenture;
- (e) transfers of damaged, worn-out or obsolete equipment or assets that, in Cedar Fair's reasonable judgment, are no longer used or useful in the business of Cedar Fair or its Restricted Subsidiaries;
- (f) sales or grants of licenses or sublicenses to use the patents, trade secrets, know-how and other intellectual property, or abandonment thereof, and licenses, leases or subleases of other assets, of Cedar Fair or any Restricted Subsidiary to the extent not materially interfering with the business of Cedar Fair and the Restricted Subsidiaries;
- (g) any transfer or series of related transfers that, but for this clause, would be Asset Sales, if the aggregate Fair Market Value of the assets transferred in such transaction or series of related transactions does not exceed \$5.0 million;
- (h) any sale of Equity Interests in, or Indebtedness or other securities of, an Unrestricted Subsidiary;
- (i) the sale, transfer or other disposition of Hedging Obligations incurred in accordance with the Indenture;
- (j) sales of assets received by Cedar Fair or any of its Restricted Subsidiaries upon the foreclosure on a Lien;
- (k) the sale of any property in a sale-leaseback transaction within six months of the acquisition of such property;
- (l)(i) any loss or destruction of or damage to any property or asset or receipt of insurance proceeds in connection therewith or (ii) any institution of a proceeding for, or actual condemnation, seizure or taking by exercise of the power of eminent domain or otherwise of such property or asset, or confiscation of such property or asset or the requisition of the use of such property or asset or settlement in lieu of the foregoing;
- (m) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (n) any surrender or waiver of contract rights or the settlement, release, recovery on or surrender of contract, tort or other claims of any kind; and
- (o) any issuance of Capital Stock of Cedar Fair.

Board of Directors means:

- (1) with respect to a corporation, the board of directors of the corporation or, except in the context of the definition of *Change of Control*, a duly authorized committee thereof;
- (2) with respect to a partnership, the Board of Directors of the general partner of the partnership; and
- (3) with respect to any other person, the board or committee of such person serving a similar function.

Business Day means any day other than a Legal Holiday.

Capital Lease Obligations means, as to any person, the obligations of such person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at the time any determination thereof is to be made shall be the amount of the liability in respect of a capital lease that would at such time be so required to be capitalized on a balance sheet in accordance with GAAP.

Capital Stock means any and all shares, interests, participations, rights or other equivalents, however designated, of corporate stock or partnership or membership interests, whether common or preferred.

Cash Equivalents means:

- (a) United States dollars or Canadian dollars;
- (b) Government Securities having maturities of not more than twelve (12) months from the date of acquisition;
- (c) certificates of deposit, time deposits and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers acceptances with maturities not exceeding one year and overnight bank deposits, in each case with any commercial bank or trust company having capital and surplus in excess of \$500 million;
- (d) repurchase obligations with a term of not more than thirty (30) days for underlying securities of the types described in clauses (b) and (c) entered into with any financial institution meeting the qualifications specified in clause (c) above or any affiliate thereof;
- (e) commercial paper issued by any issuer bearing at least an *A1* rating for any short-term rating provided by S&P or *P1* by Moody's and maturing within two hundred seventy (270) days of the date of acquisition or carrying an equivalent rating by a nationally recognized rating agency if both of the two named rating agencies cease publishing ratings of commercial paper issuers;
- (f) variable or fixed rate notes issued by any issuer rated at least *AA* by S&P (or the equivalent thereof) or at least *Aa2* by Moody's (or the equivalent thereof) and maturing within one (1) year of the date of acquisition;
- (g) money market funds or programs (x) offered by any commercial or investment bank or insurance or mutual fund company having capital and surplus in excess of \$500 million or any affiliate thereof at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (f) of this definition, (y) offered by any other United States or Canadian nationally recognized financial institution (i) at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (a) through (f), (ii) are rated *AAA* and (iii) the fund is at least \$4 billion or (z) registered under the Investment Company Act of 1940, as amended, that are administered by reputable financial institutions having capital and surplus of at least \$500.0 million or affiliates thereof and the portfolios of which are limited to investments of the character described in the foregoing subclauses hereof; and
- (h) in addition, in the case of any Foreign Subsidiary, high quality short-term investments which are customarily used for cash management purposes in any country in which such Foreign Subsidiary operates.

Change of Control means the occurrence of one or more of the following events:

- (a) the acquisition of ownership, directly or indirectly, beneficially or of record, by any person or group (within the meaning of the Exchange Act and the rules of the SEC thereunder as in effect on the date of the Indenture) of Equity Interests representing more than 50% (on a fully diluted basis) of the total voting power represented by the issued and outstanding Equity Interests of Cedar Fair or the general partner of Cedar Fair then entitled to vote in the election of the Board of Directors of Cedar Fair or the General Partner of Cedar Fair generally; or
- (b) there shall be consummated any share exchange, consolidation or merger of Cedar Fair pursuant to which Cedar Fair's Equity Interests entitled to vote in the election of the Board of Directors of Cedar Fair generally would be converted into cash, securities or other property, or Cedar Fair sells, assigns, conveys, transfers, leases or otherwise disposes of all or substantially all of its assets, in each case other than pursuant to a share exchange, consolidation or merger of Cedar Fair in which the holders of Cedar Fair's Equity Interests entitled to vote in the election of the Board of Directors of Cedar Fair generally immediately prior to the share exchange, consolidation or merger have, directly or indirectly, at least a majority of the total voting power in the aggregate of all classes of Equity Interests of the continuing or surviving entity entitled to vote in the election of the Board of Directors of such person generally immediately after the share exchange, consolidation or merger.

Notwithstanding the foregoing, a transaction will not be deemed to involve a Change of Control if (1) Cedar Fair becomes a direct or indirect wholly-owned subsidiary (the *Sub Entity*) of a holding company and (2) holders of securities that represented 100% of the voting power of the Equity Interests of Cedar Fair immediately prior to such transaction (or other securities into which such securities are converted as part of such merger or consolidation transaction), other than holders receiving solely cash in lieu of fractional shares, own directly or indirectly at least a majority of the voting power of the Equity Interests of such holding company (and no person or group owns, directly or indirectly, a majority of the voting power of the Equity Interests of such holding company); *provided that*, upon the consummation of any such transaction, *Change of Control* shall thereafter include any Change of Control of any direct or indirect parent of the Sub Entity.

Consolidated Cash Flow means, with respect to any person for any period, the Consolidated Net Income of such person for such period (i) *plus*, to the extent deducted in computing Consolidated Net Income:

- (a) provision for taxes based on income, profits or capital;
- (b) consolidated interest expense;
- (c) Consolidated Non-Cash Charges;
- (d) any extraordinary, non-recurring or unusual losses or expenses, including, without limitation, (i) salary, benefit and other direct savings resulting from workforce reductions by such person implemented during such period, (ii) severance or relocation costs or expenses and fees and restructuring costs of such person during such period, (iii) costs and expenses incurred after the date of the Indenture related to employment of terminated employees incurred by such person during such period, (iv) costs or charges (other than Consolidated Non-Cash Charges) incurred in connection with any Equity Offering, Permitted Investment, acquisition, disposition, recapitalization or incurrence or repayment of Indebtedness permitted under the Indenture, including a refinancing thereof, and including any such costs and charges incurred in connection with the Transactions (in each case whether or not successful), and any amendment or other modification of the Notes or other Indebtedness, and any additional interest in respect of the Notes, (v) fees, costs or other expenses incurred in connection with the negotiation of the proposed merger pursuant to the Agreement and Plan of Merger, dated as of December 6, 2009, among Siddur Holdings, Ltd., Cedar Fair and the other parties thereto and the termination of such agreement and (vi) losses realized in connection with any business disposition or any disposition of assets outside the ordinary course of business or the disposition of securities, in each case to the extent deducted in computing such Consolidated Net Income and without regard to any limitations of Item 10(e) of Regulation S-K;

(e) any losses in respect of post-retirement benefits of such person, as a result of the application of Financial Accounting Standards Board Statement No. 106, to the extent that such losses were deducted in computing such Consolidated Net Income; and

(f) any proceeds from business interruption insurance received by such person during such period, to the extent the associated losses arising out of the event that resulted in the payment of such business interruption insurance proceeds were included in computing Consolidated Net Income;

(ii) *minus*, to the extent not excluded from the calculation of Consolidated Net Income, (x) non-cash gain or income of such person for such period (except to the extent representing an accrual for future cash receipts or a reversal of a reserve that, when established, was not eligible to be a Consolidated Non-Cash Charge) and (y) any extraordinary, non-recurring or unusual gains or income and without regard to any limitations of Item 10(e) of Regulation S-K.

Consolidated Interest Expense means, with respect to any person for any period, consolidated interest expense of such person for such period, whether paid or accrued, including amortization of original issue discount, non-cash interest payments and the interest component of Capital Lease Obligations, on a consolidated basis determined in accordance with GAAP, but excluding additional interest in respect of the Notes, amortization or write-off of deferred financing fees and expensing of any other financing fees, and the non-cash portion of interest expense resulting from the reduction in the carrying value under purchase accounting of outstanding Indebtedness; *provided* that, for purposes of calculating consolidated interest expense, no effect will be given to the discount and/or premium resulting from the bifurcation of derivatives in accordance with the Financial Accounting Standards Board Accounting Standards Codification as a result of the terms of the Indebtedness to which such consolidated interest expense applies; *provided, further*, that with respect to the calculation of the consolidated interest expense of Cedar Fair, the interest expense of Unrestricted Subsidiaries and any person that is not a Subsidiary shall be excluded.

Consolidated Net Income means, with respect to any person for any period, the aggregate of the Net Income of such person and its Restricted Subsidiaries for such period, on a consolidated basis, determined in accordance with GAAP, and without reduction for any dividends on Preferred Equity Interests; *provided, however*, that:

(a) the Net Income of any person that is not a Subsidiary or that is accounted for by the equity method of accounting shall be included only to the extent of the amount of dividends or distributions paid in cash to the referent person, in the case of a gain, or to the extent of any contributions or other payments by the referent person, in the case of a loss;

(b) the Net Income of any person that is a Subsidiary that is not a Restricted Subsidiary shall be included only to the extent of the amount of dividends or distributions paid in cash to the referent person;

(c) solely for purposes of the covenant described under Certain covenants Limitation on restricted payments, the Net Income of any Subsidiary of such person that is not an Issuer or a Guarantor shall be excluded to the extent that the declaration or payment of dividends or similar distributions is not at the time permitted by operation of the terms of its charter or bylaws or any other agreement, instrument, judgment, decree, order, statute, rule or government regulation to which it is subject; *provided* that the Consolidated Net Income of such person will be increased by the amount of dividends or distributions or other payments actually paid in cash (or converted to cash) by any such Subsidiary to such person in respect of such period, to the extent not already included therein;

(d) the cumulative effect of a change in accounting principles shall be excluded;

(e) any after-tax effect of income (loss) (x) from the early extinguishment of Indebtedness or Hedging Obligations or other derivative instruments, (y) from sales or dispositions of assets (other than in the ordinary course of business), or (z) that is extraordinary, non-recurring or unusual (without regard to any limitations of Item 10(e) of Regulation S-K), in each case, shall be excluded;

(f) any non-cash compensation expense recorded from grants and periodic remeasurements of stock appreciation or similar rights, stock options, restricted stock or other rights shall be excluded;

(g) any non-cash impairment charge or asset write-off, including impairment charges or asset write-offs or write-downs relating to intangible assets, long-lived assets, investments in debt and equity securities or as a result of a change in law or regulation, in each case, pursuant to GAAP, and the amortization of intangibles arising pursuant to GAAP shall be excluded;

(h) any fees, expenses and other charges in connection with the Transactions or any acquisition, investment, asset disposition, issuance or repayment of debt, issuance of Equity Interests, refinancing transaction or amendment or other modification of any debt instrument shall be excluded;

(i) gains and losses resulting solely from fluctuations in foreign currencies (including hedge agreements for currency exchange risk) shall be excluded; and

(j) any net unrealized gain or loss (after any offset) resulting from Hedging Obligations shall be excluded.

Consolidated Non-Cash Charges means, with respect to any person for any period, the aggregate depreciation, amortization (including amortization of intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period), impairment, compensation, rent, other non-cash expenses and write-offs and write-downs of assets (including non-cash charges, losses or expenses attributable to the movement in the mark-to-market valuation of Hedging Obligations pursuant to Financial Accounting Standards Board Statement No. 133 or in connection with the early extinguishment of Hedging Obligations) of such person and its Restricted Subsidiaries reducing Consolidated Net Income of such person for such period on a consolidated basis and otherwise determined in accordance with GAAP, but excluding (i) any such charge which consists of or requires an accrual of, or cash reserve for, anticipated cash charges for any future period and (ii) the non-cash impact of recording the change in fair value of any embedded derivatives in accordance with the Financial Accounting Standards Board Accounting Standards Codification as a result of the terms of any agreement or instrument to which such Consolidated Non-Cash Charges relate.

Consolidated Secured Indebtedness Leverage Ratio means, as of any date of determination, the ratio of (1) the Total Secured Debt as of such date of determination to (2) Consolidated Cash Flow of Cedar Fair for the period of the most recent four consecutive fiscal quarters for which internal financial statements are available, with such *pro forma* and other adjustments to Consolidated Cash Flow as are appropriate and consistent with the *pro forma* and other adjustment provisions set forth in the definition of Total Indebtedness to Consolidated Cash Flow Ratio.

Consolidated Total Assets shall mean, as of any date of determination for any person, the total assets of such person and its Subsidiaries on a consolidated basis, as shown on the most recent balance sheet of such person immediately preceding such date of determination.

continuing means, with respect to any Default or Event of Default, that such Default or Event of Default has not been cured or waived.

Credit Agreement means the credit agreement dated the Issue Date, by and among Cedar Fair and Cedar Fair Canada, as borrowers, the lenders party thereto from time to time, JPMorgan Chase Bank, N.A., as administrative agent, and the other parties thereto, together with the related documents thereto (including, without limitation, any guarantee agreements and security documents) as such agreement or facility may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement or indenture exchanging, extending the maturity of, refinancing, renewing, replacing, substituting or otherwise restructuring, whether in the bank or debt capital markets (or combination thereof) (including increasing the amount of available borrowings thereunder or adding or removing Subsidiaries as borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or facility or any successor or replacement agreement or facility.

Credit Facilities means one or more credit agreements or debt facilities to which Cedar Fair and/or one or more of its Restricted Subsidiaries are party from time to time (including without limitation the Credit Agreement), in each case with banks, investment banks, insurance companies, mutual funds or other lenders or institutional investors providing for revolving credit loans, term loans, debt securities, bankers acceptances, receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case as such agreements or facilities may be amended (including any amendment and restatement thereof), supplemented or otherwise modified from time to time, including any agreement or indenture exchanging, extending the maturity of, refinancing, renewing, replacing, substituting or otherwise restructuring, whether in the bank or debt capital markets (or combination thereof) (including increasing the amount of available borrowings thereunder or adding or removing Subsidiaries as borrowers or guarantors thereunder) all or any portion of the Indebtedness under such agreement or facility or any successor or replacement agreement or facility.

Default means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default.

Designated Non-cash Consideration means the Fair Market Value of non-cash consideration received by Cedar Fair or a Restricted Subsidiary in connection with an Asset Sale that is so designated as Designated Non-cash Consideration pursuant to an officers' certificate, setting forth the basis of such valuation, executed by the chief financial officer and one additional officer of Cedar Fair, less the amount of cash or cash equivalents received in connection with a subsequent sale of or collection on such Designated Non-cash Consideration.

Designated Preferred Stock means Preferred Equity Interests of Cedar Fair (other than Disqualified Stock) that are issued for cash (other than to any of Cedar Fair's Subsidiaries or an employee stock plan or trust established by Cedar Fair or any of its Subsidiaries) and are so designated as Designated Preferred Stock, pursuant to an officers' certificate, on the date of issuance thereof, the cash proceeds of which are excluded from the calculation set forth in clause (iii) of the first paragraph of the covenant described under Certain covenants Limitation on restricted payments.

Disqualified Stock means any Capital Stock which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, matures or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or redeemable at the option of the holder thereof, in whole or in part, on or prior to the date on which the Notes mature; *provided, however*, that any such Capital Stock may require the issuer of such Capital Stock to make an offer to purchase such Capital Stock upon the occurrence of certain events if the terms of such Capital Stock provide that such an offer may not be satisfied and the purchase of such Capital Stock may not be consummated until the 91st day after the purchase of the Notes as required under Change of control or Exceeds proceeds offer.

Domestic Subsidiary means any Subsidiary other than a Foreign Subsidiary and any Canadian Subsidiary that is not a controlled foreign corporation (within the meaning of the Internal Revenue Code of 1986, as amended) or a Subsidiary of such a controlled foreign corporation.

Eligible Institution means a commercial banking institution that has combined capital and surplus of not less than \$500 million or its equivalent in foreign currency, whose debt is rated by at least two nationally recognized statistical rating organizations in one of each such organization's four highest generic rating categories at the time as of which any investment or rollover therein is made.

Equity Interests means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

Exchange Act means the Securities Exchange Act of 1934, as amended.

Existing Indebtedness means any Indebtedness (other than Indebtedness under the Credit Agreement, the Notes and the Guarantees) of Cedar Fair and its Subsidiaries in existence on the Issue Date after giving effect to the consummation of the Transactions.

Fair Market Value means the value (which, for the avoidance of doubt, will take into account any liabilities associated with related assets) that would be paid by a willing buyer to an unaffiliated willing seller in an arm's length transaction not involving distress or compulsion of either party, determined in good faith by the Board of Directors of Cedar Fair (unless otherwise provided in the Indenture).

Foreign Currency Obligations means, with respect to any person, the obligations of such person pursuant to any foreign exchange contract, currency swap agreement or other similar agreement or arrangement designed to protect Cedar Fair or any Restricted Subsidiary of Cedar Fair against fluctuations in currency values.

Foreign Subsidiary means (i) any Subsidiary that is not incorporated, formed or organized under the laws of the United States of America, any state thereof or the District of Columbia and (ii) any Subsidiary of a Subsidiary described in the foregoing clause (i).

GAAP means United States generally accepted accounting principles set forth in the opinions and pronouncements of the APB of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as may be approved by a significant segment of the accounting profession of the United States, which are applicable as of the date of determination; *provided* that, except as otherwise specifically provided, all calculations made for purposes of determining compliance with the terms of the provisions of the Indenture shall utilize GAAP as in effect on the Issue Date.

Government Securities means direct obligations of, or obligations guaranteed or insured by, (i) the United States or any agency or instrumentality thereof for the payment of which guarantee or obligations the full faith and credit of the United States is pledged or (ii) Canada or any agency or instrumentality thereof for the payment of which guarantee or obligations the full faith and credit of Canada is pledged.

guarantee means a guarantee (other than by endorsement of negotiable instruments for collection in the ordinary course of business), direct or indirect, in any manner (including, without limitation, letters of credit and reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

Guarantee means a guarantee by a Guarantor of the Notes.

Hedging Obligations means, with respect to any person, (i) the obligations of such person pursuant to any arrangement with any other person, whereby, directly or indirectly, such person is entitled to receive from time to time periodic payments calculated by applying either floating or a fixed rate of interest on a stated notional amount in exchange for periodic payments made by such other person calculated by applying a fixed or a floating rate of interest on the same notional amount and shall include, without limitation, interest rate swaps, caps, floors, collars and similar agreements designed to protect such person against fluctuations in interest rates and (ii) any commodity futures contract, commodity swap, commodity option or other similar agreement or arrangement designed to protect against fluctuations in the price of commodities actually used in the ordinary course of business of Cedar Fair and its Restricted Subsidiaries.

holder means, with respect to any Note, the person in whose name such Note is registered in the register maintained by the note registrar.

Indebtedness means, with respect to any person, any indebtedness of such person, whether or not contingent, in respect of borrowed money or evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof, but excluding, in any case, any undrawn letters

of credit or, if and to the extent drawn upon, such drawing is reimbursed no later than the fifth business day following payment on the letter of credit) or representing the balance deferred and unpaid of the purchase price of any property, which purchase price is due more than six months after the date of placing such property in service or taking delivery and title thereto (including pursuant to capital leases) or representing any Hedging Obligations or Foreign Currency Obligations, except any such balance that constitutes an accrued expense or trade payable or earn-out obligations, if and to the extent any of the foregoing (other than Hedging Obligations or Foreign Currency Obligations) would appear as a liability upon a balance sheet of such person prepared in accordance with GAAP, and also includes, to the extent not otherwise included, the amount of all obligations of such person with respect to the redemption, repayment or other repurchase of any Disqualified Stock or, with respect to any Restricted Subsidiary of such person, the liquidation preference with respect to, any Preferred Equity Interests (but excluding, in each case, any accrued dividends) as well as the guarantee of items that would be included within this definition.

Independent Financial Advisor means a person or entity which, in the judgment of the Board of Directors of Cedar Fair, is independent and otherwise qualified to perform the task for which it is to be engaged.

Investment Grade designates a rating of BBB- or higher by S&P or Baa3 or higher by Moody's or the equivalent of such ratings by S&P or Moody's. In the event that Cedar Fair shall select any other Rating Agency, the equivalent of such ratings by such Rating Agency shall be used.

Investment Grade Securities means:

- (a) securities issued or directly and fully guaranteed or insured by the United States or Canadian government or any agency or instrumentality thereof (other than Cash Equivalents) and in each case with maturities not exceeding two years from the date of acquisition;
- (b) securities that have a rating equal to or higher than Baa3 (or the equivalent) by Moody's or BBB- (or the equivalent) by S&P, or an equivalent rating by any other nationally recognized statistical rating organization within the meaning of Rule 15c3-1(c)(2)(vi)(F) under the Exchange Act;
- (c) investments in any fund that invests at least 95% of its assets in investments of the type described in clauses (a) and (b) which fund may also hold immaterial amounts of cash pending investment and/or distribution; and
- (d) corresponding instruments in countries other than the United States customarily utilized for high quality investments and in each case with maturities not exceeding two years from the date of acquisition.

Investments means, with respect to any person, all investments by such person in other persons (including Affiliates) in the forms of loans (including guarantees), advances or capital contributions, purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities and all other items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP (excluding accounts receivable, deposits and prepaid expenses in the ordinary course of business, endorsements for collection or deposits arising in the ordinary course of business, guarantees and intercompany notes permitted by the covenant described under Certain covenants Limitation on incurrence of indebtedness, and commission, travel and similar advances to officers and employees made in the ordinary course of business). For purposes of the covenant described under Certain covenants Limitation on restricted payments, the sale of Equity Interests of a person that is a Restricted Subsidiary following which such person ceases to be a Subsidiary shall be deemed to be an Investment by Cedar Fair in an amount equal to the Fair Market Value of the Equity Interests of such person held by Cedar Fair and its Restricted Subsidiaries immediately following such sale.

Issue Date means the first date on which Notes under the Indenture were issued.

Legal Holiday means a Saturday, a Sunday or a day on which banking institutions in the City of New York or at a place of payment are authorized by law, regulation or executive order to remain closed.

Lien means, with respect to any asset, any mortgage, lien, pledge, charge, security interest or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law (including any conditional sale or other title retention agreement and any lease in the nature thereof).

Marketable Securities means: (a) Government Securities; (b) any certificate of deposit maturing not more than 365 days after the date of acquisition issued by, or time deposit of, an Eligible Institution; (c) commercial paper maturing not more than 365 days after the date of acquisition issued by a corporation (other than an Affiliate of Cedar Fair) with a rating by at least two nationally recognized statistical rating organizations in one of each such organization's four highest generic rating categories at the time as of which any investment therein is made, issued or offered by an Eligible Institution; (d) any bankers' acceptances or money market deposit accounts issued or offered by an Eligible Institution; and (e) any fund investing exclusively in investments of the types described in clauses (a) through (d) above.

Moody's means Moody's Investor Services, Inc.

Net Income means, with respect to any person, the net income (loss) of such person, determined in accordance with GAAP.

Net Proceeds means the aggregate cash proceeds received by Cedar Fair or any of its Restricted Subsidiaries, as the case may be, in respect of any Asset Sale (including, without limitation, any cash received in respect of or upon the sale or other disposition of any Designated Non-cash Consideration received in any Asset Sale), net of the direct costs relating to such Asset Sale (including, without limitation, legal, accounting and investment banking fees, and sales commissions) and any relocation or brokerage expenses incurred as a result thereof, taxes paid or payable as a result thereof (estimated reasonably and in good faith by Cedar Fair and after taking into account any available tax credits or deductions and any tax sharing arrangements), amounts required to be applied to the repayment of Indebtedness secured by a Lien on the asset or assets that are the subject of such Asset Sale, any reserve for adjustment in respect of the sale price of such asset or assets and any reserve in accordance with GAAP against any liabilities associated with the asset disposed of in such Asset Sale and retained by Cedar Fair or any of its Subsidiaries after such Asset Sale, including pension and other post-employment benefit liabilities and liabilities related to environmental matters, or against any indemnification obligations associated with such Asset Sale. Net Proceeds shall exclude any noncash proceeds received from any Asset Sale, but shall include such proceeds when and as converted by Cedar Fair or any Restricted Subsidiary to cash.

obligations means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

Permitted Business means the businesses of Cedar Fair and its Restricted Subsidiaries conducted (or proposed to be conducted) on the Issue Date and any business reasonably related, ancillary or complimentary thereto and any reasonable extension or evolution of any of the foregoing.

Permitted Investments means:

- (a) Investments in Cedar Fair or in a Restricted Subsidiary;
- (b) Investments in cash, Cash Equivalents, Marketable Securities and Investment Grade Securities;
- (c) any guarantee of obligations of Cedar Fair or a Restricted Subsidiary permitted by the covenant described under *Certain covenants* *Limitation on incurrence of indebtedness* ;
- (d) Investments by Cedar Fair or any of its Restricted Subsidiaries in a person if, as a result of such Investment: (i) such person becomes a Restricted Subsidiary or (ii) such person is merged, consolidated or amalgamated with or into, or transfers or conveys substantially all of its assets to, or is liquidated into, Cedar Fair or a Restricted Subsidiary;

- (e) Investments received in settlement of debts and owing to Cedar Fair or any of its Restricted Subsidiaries, in satisfaction of judgments, acquired in the ordinary course of business and payable or dischargeable in accordance with customary trade terms, in a foreclosure of a Lien, or as payment on a claim made in connection with any bankruptcy, liquidation, receivership or other insolvency proceeding;
- (f) any Investment existing on, or made pursuant to binding commitments existing on, the Issue Date and any Investment consisting of an extension, modification, renewal, replacement, refunding or refinancing of any Investment existing on, or made pursuant to a binding commitment existing on, the Issue Date; provided that the amount of any such Investment may be increased (i) as required by the terms of such Investment as in existence on the Issue Date or (ii) as otherwise permitted under the Indenture;
- (g) Investments in any person to the extent such Investment represents the non-cash portion of the consideration received for an Asset Sale that was made pursuant to and in compliance with the covenant described under Certain covenants Limitation on asset sales or for an asset disposition that does not constitute an Asset Sale;
- (h) loans or advances or other similar transactions with customers, distributors, clients, developers, suppliers or purchasers or sellers of goods or services, in each case, in the ordinary course of business, regardless of frequency;
- (i) other Investments in an amount not to exceed the greater of (x) \$75.0 million and (y) 3.5% of Consolidated Total Assets (with the Fair Market Value of each Investment being measured at the time made and without giving effect to subsequent changes in value) at any one time outstanding for all Investments made after the Issue Date; provided, however, that if any Investment pursuant to this clause (i) is made in any person that is not a Restricted Subsidiary of Cedar Fair at the date of the making of such Investment and such person becomes a Restricted Subsidiary of Cedar Fair after such date, such investment shall thereafter be deemed to have been made pursuant to clause (a) above and shall cease to have been made pursuant to this clause (i) for so long as such person continues to be a Restricted Subsidiary;
- (j) any Investment solely in exchange for, or made with the proceeds of, the issuance of Qualified Capital Stock;
- (k) any Investment in connection with Hedging Obligations and Foreign Currency Obligations otherwise permitted under the Indenture;
- (l) any contribution of any Investment in a joint venture or partnership that is not a Restricted Subsidiary to a person that is not a Restricted Subsidiary in exchange for an Investment in the person to whom such contribution is made;
- (m) any Investment acquired after the Issue Date as a result of the acquisition by Cedar Fair or any of its Restricted Subsidiaries of another person, including by way of a merger, amalgamation or consolidation with or into Cedar Fair or any of its Restricted Subsidiaries in a transaction that is not prohibited by the Indenture after the Issue Date to the extent that such Investments were not made in contemplation of such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
- (n) any Investment consisting of workers' compensation, performance and other similar deposits, prepayment and other credits to suppliers or landlords made in the ordinary course of business;
- (o) guaranties made in the ordinary course of business of obligations owed to landlords, suppliers, customers, and licensees of Cedar Fair or any of its Restricted Subsidiaries;
- (p) loans and advances to officers, directors and employees for business-related travel expenses, moving and relocation expenses and other similar expenses, in each case incurred in the ordinary course of business;
- (q) any Investment consisting of the licensing or contribution of intellectual property pursuant to joint marketing arrangements with other persons; and

(r) any Investment consisting of purchases and acquisitions of inventory, supplies, materials and equipment or purchases of contract rights or licenses of intellectual property or leases, in each case, in the ordinary course of business.

Permitted Liens means:

- (a) Liens securing the Notes and Liens securing any Guarantee (including the exchange notes and related guarantees thereof issued in exchange therefor pursuant to the Registration Rights Agreement);
- (b) Liens securing (x) Indebtedness under any Credit Facility (and related Hedging Obligations and cash management obligations to the extent such Liens arise under the definitive documentation governing such Indebtedness and the incurrence of such obligations is not otherwise prohibited by the Indenture) permitted by clauses (2) and (11) of the second paragraph of the covenant described under Certain covenants Limitation on incurrence of indebtedness and (y) other Indebtedness permitted under Certain covenants Limitation on incurrence of indebtedness ; provided that in the case of any such Indebtedness described in this subclause (y), such Indebtedness, when aggregated with the amount of indebtedness of the Issuer and the Guarantors which is secured by a Lien, does not cause the Consolidated Secured Indebtedness Leverage Ratio to exceed 3.0 to 1.0 as of the last day of the most recent quarter for which internal financial statements are available on the date such Indebtedness is incurred; provided, further, that at the option of Cedar Fair, Indebtedness under any revolving commitments shall be deemed to have been incurred in the full amount of the commitments therefor on the date such commitments are outstanding and shall thereafter be deemed to be outstanding at all times thereafter in such amount until such commitments are terminated;
- (c) Liens securing (i) Hedging Obligations and Foreign Currency Obligations permitted to be incurred under the covenant described under Certain covenants Limitation on incurrence of indebtedness and (ii) cash management obligations not otherwise prohibited by the Indenture;
- (d) Liens securing (i) Purchase Money Indebtedness permitted under clause (6)(x) of the second paragraph of the covenant described under Certain covenants Limitation on incurrence of indebtedness ; provided that such Liens do not extend to any assets of Cedar Fair or its Restricted Subsidiaries other than the assets so acquired, constructed, installed or improved, products and proceeds thereof and insurance proceeds with respect thereto and (ii) Capital Lease Obligations permitted under clause (6)(y) of the second paragraph of the covenant described under Certain covenants Limitation on incurrence of indebtedness ; provided that such Liens do not extend to any assets of Cedar Fair or its Restricted Subsidiaries other than the assets subject to the sale and leaseback transaction, products and proceeds thereof and insurance proceeds with respect thereto;
- (e) Liens on property of a person existing at the time such person is merged or amalgamated into or consolidated with Cedar Fair or any of its Restricted Subsidiaries; provided that such Liens were not incurred in connection with, or in contemplation of, such merger, amalgamation or consolidation and do not apply to any assets other than the assets of the person acquired in such merger, amalgamation or consolidation;
- (f) Liens on property of an Unrestricted Subsidiary at the time that it is designated as a Restricted Subsidiary pursuant to the definition of Unrestricted Subsidiary ; provided that such Liens were not incurred in connection with, or contemplation of, such designation;
- (g) Liens on property existing at the time of acquisition thereof by Cedar Fair or any Restricted Subsidiary of Cedar Fair; provided that such Liens were not incurred in connection with, or in contemplation of, such acquisition and do not extend to any assets of Cedar Fair or any of its Restricted Subsidiaries other than the property so acquired, constructed, installed or improved, products and proceeds thereof and insurance proceeds with respect thereto;
- (h) Liens to secure the performance of statutory obligations, or letters of credit issued in the ordinary course of business, surety or appeal bonds or performance bonds, or landlords , carriers , warehousemen s,

mechanics, suppliers, 30-day goods suppliers, unpaid vendors, repairers, storers, materialmen or other like Liens, in any case incurred in the ordinary course of business and with respect to amounts not yet delinquent or being contested in good faith by appropriate process of law, if a reserve or other appropriate provision, if any, as is required by GAAP is made therefor;

(i) Liens existing on the Issue Date;

(j) Liens for unpaid wages, vacation pay, pension plan contributions, unfunded pension liabilities, employee and non-resident withholding taxes, unremitted goods and services and provincial sales taxes, payroll, business, income and other taxes, assessments or governmental charges or claims that are not yet delinquent or that are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as shall be required in conformity with GAAP is made therefor;

(k) Liens securing Indebtedness permitted under clause (10) of the second paragraph of the covenant described under Certain covenants Limitation on incurrence of indebtedness; provided that such Liens shall not extend to assets other than the assets that secure such Indebtedness being refinanced;

(l) Liens (other than Liens created or imposed under ERISA) incurred or deposits made by Cedar Fair or any of its Restricted Subsidiaries in the ordinary course of business in connection with workers compensation, unemployment insurance and other types of social security, or to secure the performance of tenders, statutory obligations, bids, leases, government contracts, performance and return-of-money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money);

(m) easements, rights-of-way, covenants, licenses, sewers, electric lines, telegraph and telephone lines and other similar purposes, restrictions (including zoning restrictions), minor defects or irregularities in title and other similar charges or encumbrances not, in any material respect, impairing the use of the encumbered property for its intended purposes;

(n) licenses, sublicenses, leases or subleases granted to others not interfering in any material respect with the business of Cedar Fair or its Restricted Subsidiaries;

(o) Liens in favor of customs and revenue authorities arising as a matter of law to secure payment of customs duties in connection with the importation of goods and Liens deemed to exist in connection with Investments in repurchase agreements that constitute Cash Equivalents;

(p) normal and customary rights of setoff upon deposits of cash in favor of banks or other depository institutions;

(q) Liens of a collection bank arising under Section 4-210 of the Uniform Commercial Code on items in the course of collection;

(r) Liens not provided for in clauses (a) through (q) above so long as the Notes are secured by the assets subject to such Liens on an equal and ratable basis or on a basis prior to such Liens; provided that to the extent that such Lien secured Indebtedness that is subordinated to the Notes, such Lien shall be subordinated to and be later in priority than the Notes on the same basis;

(s) Liens securing Indebtedness of any Foreign Subsidiary incurred in accordance with clause (14) of the covenant described under Certain covenants Limitation on incurrence of indebtedness;

(t) Liens in favor of Cedar Fair or any Restricted Subsidiary;

(u) Liens securing reimbursement obligations with respect to commercial letters of credit which solely encumber goods and/or documents of title and other property relating to such letters of credit and products and proceeds thereof;

(v) extensions, renewals or refundings of any Liens referred to in clause (e), (g) or (i) above; provided that any such extension, renewal or refunding does not extend to any assets or secure any Indebtedness not securing or secured by the Liens being extended, renewed or refinanced;

(w) other Liens securing indebtedness that is permitted by the terms of the Indenture to be outstanding having an aggregate principal amount at anyone time outstanding not to exceed \$50.0 million;

(x) Liens incurred to secure any treasury management arrangement;

(y) Liens on Equity Interests of Unrestricted Subsidiaries;

(z) judgment Liens not giving rise to an Event of Default so long as such Lien is adequately bonded and any appropriate legal proceedings which may have been duly initiated for the review of such judgment have not been finally terminated or the period within which such proceedings may be initiated has not expired;

(aa) Liens arising from Uniform Commercial Code financing statement filings regarding operating leases entered into by Cedar Fair and its Restricted Subsidiaries in the ordinary course of business;

(bb) any interest or title of a lessor under any Capital Lease Obligation or operating lease; and

(cc) any encumbrance or restriction (including put and call arrangements) with respect to capital stock of any joint venture or similar arrangement pursuant to any joint venture or similar agreement.

Preferred Equity Interest in any person, means an Equity Interest of any class or classes (however designated) which is preferred as to the payment of dividends or distributions, or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such person, over Equity Interests of any other class in such person.

Pro Forma Cost Savings means, with respect to any period, the reduction in net costs and expenses and related adjustments that:

(i) were directly attributable to an acquisition, merger, amalgamation, consolidation, disposition or operational change that occurred during the four-quarter reference period or subsequent to the four-quarter reference period and on or prior to the date of determination and calculated on a basis that is consistent with Regulation S-X under the Securities Act,

(ii) were actually implemented by the business that was the subject of any such acquisition, merger, amalgamation, consolidation, disposition or operational change or by any related business of Cedar Fair or any Restricted Subsidiary with which such business is proposed to be or is being or has been integrated within 12 months after the date of the acquisition, merger, amalgamation, consolidation, disposition or operational change and prior to the date of determination that are supportable and quantifiable by the underlying accounting records of any such business, or

(iii) relate to the business that is the subject of any such acquisition, merger, consolidation or disposition or any related business of Cedar Fair or any Restricted Subsidiary with which such business is proposed to be or is being or has been integrated and that are probable in the reasonable judgment of Cedar Fair based upon specifically identifiable actions to be taken within 12 months of the date of the acquisition, merger, amalgamation, consolidation or disposition,

in each case regardless of whether such reductions and related adjustments could then be reflected in *pro forma* financial statements in accordance with Regulation S-X under the Securities Act or any other regulation or policy related thereto, as if all such reductions and related adjustments had been effected as of the beginning of such period.

Purchase Money Indebtedness means Indebtedness (including Capital Lease Obligations) incurred (within 365 days of such purchase) to finance or refinance the purchase (including in the case of Capital Lease obligations the lease), construction, installation or improvement of any assets used or useful in a Permitted Business (whether through the direct purchase of assets or through the purchase of Capital Stock of any person owning such assets); *provided* that the amount of Indebtedness thereunder does not exceed 100% of the purchase cost of such assets and costs incurred in such construction, installation or improvement.

Qualified Capital Stock means any Capital Stock of Cedar Fair that is not Disqualified Stock.

Rating Agencies means:

(a) S&P;

(b) Moody's; or

(c) if S&P or Moody's or both shall not make a rating of the Notes publicly available, a nationally recognized securities rating agency or agencies, as the case may be, selected by Cedar Fair, which shall be substituted for S&P or Moody's or both, as the case may be.

Registration Rights Agreement means (i) the Registration Rights Agreement dated as of the Issue Date among the Issuers and the initial purchasers of the notes and (ii) with respect to any Additional Notes, one or more similar registration rights agreements between the Issuers and the other parties thereto relating to rights given by the Issuers to the purchasers of such Additional Notes.

Restricted Investment means an Investment other than a Permitted Investment.

Restricted Subsidiary or *Restricted Subsidiaries* means any Subsidiary of Cedar Fair, other than Unrestricted Subsidiaries.

S&P means Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its subsidiaries, or any successor to the rating agency business thereof.

Secured Indebtedness means any Indebtedness secured by a Lien on any assets of the Issuer or any Domestic Subsidiary that is a Restricted Subsidiary.

Significant Subsidiary means any Subsidiary that would be a significant subsidiary as defined in Article 1, Rule 1-02 of Regulation S-X promulgated pursuant to the Securities Act, as such regulation is in effect on the date of the Indenture.

Subordinated Indebtedness means Indebtedness of Cedar Fair or any Restricted Subsidiary that is expressly subordinated in right of payment to the Notes or the Guarantees, as the case may be.

Subsidiary or *Subsidiaries* means, with respect to any person, any corporation, limited liability company, association or other business entity of which more than 50% of the total voting power of shares of Capital Stock entitled (without regard to the occurrence of any contingency) to vote in the election of directors, managers or trustees thereof is at the time owned or controlled, directly or indirectly, by such person or one or more of the other Subsidiaries of such person or a combination thereof.

Total Indebtedness to Consolidated Cash Flow Ratio means, with respect to any person for any period, the ratio of:

(1) the sum, without duplication, of (x) all Indebtedness of such person and its Restricted Subsidiaries on a consolidated basis (but, in the case of revolving credit loans, calculated using (a) for the purposes of determining the Total Indebtedness to Consolidated Cash Flow Ratio pursuant to subclause (ii) of the first paragraph set forth under *Certain covenants - Limitation on Restricted Payments*, the average daily outstanding principal amount of revolving credit loans under all Credit Facilities of such person and its Restricted Subsidiaries during the immediately preceding 12 calendar month period and (b) for all other purposes under the Indenture, the lowest outstanding principal amount of revolving credit loans under all Credit Facilities of such person and its Restricted Subsidiaries during the immediately preceding 12 calendar month period) and (y) the liquidation preference of all Disqualified Stock of such person and its Restricted Subsidiaries and all Preferred Equity Interests of Restricted Subsidiaries of such person, in each case, at the time of determination (the *Calculation Date*) on a consolidated basis, to

(2) the Consolidated Cash Flow of such person for the four most recent full fiscal quarters ending immediately prior to the date for which internal financial statements are available.

For purposes of this definition, Consolidated Cash Flow shall be calculated after giving effect on a *pro forma* basis for the period of such calculation to (x) any Asset Sales or other dispositions or Asset Acquisitions (including, without limitation, any Asset Acquisition giving rise to the need to make such calculation as a result of such person or one of its Restricted Subsidiaries (including any person who becomes a Restricted Subsidiary as a result of the Asset Acquisition) incurring, assuming or otherwise being liable for Acquired Debt and also including any Consolidated Cash Flow attributable to the assets which are the subject of the Asset Acquisition or Asset Sale or other disposition during the most recent period of four fiscal quarters ending prior to the Calculation Date (the *Measurement Period*) or discontinued operations) and (y) operational changes that Cedar Fair or any of its Restricted Subsidiaries have both determined to make and have made, in each case occurring during the Measurement Period or at any time subsequent to the last day of the Measurement Period and on or prior to the Calculation Date, as if such Asset Sale or other disposition or Asset Acquisition (including the incurrence, assumption or liability for any such Acquired Debt) or discontinued operations or operational change occurred on the first day of the Measurement Period, in each case giving effect to any Pro Forma Cost Savings.

For purposes of this definition, whenever *pro forma* effect is to be given to any *pro forma* event, the *pro forma* calculations will be made in good faith by a responsible financial or accounting officer of Cedar Fair as set forth in an officers' certificate delivered to the Trustee.

Total Secured Debt means, as of any date of determination, the aggregate principal amount of Secured Indebtedness of the Issuer and the Guarantors (other than Hedging Obligations and cash management obligations to the extent permitted by the Indenture) outstanding on such date (or deemed outstanding pursuant to clause (b) of the definition of Permitted Liens), determined on a consolidated basis.

Transactions means the issuance of the Notes on the Issue Date, the initial borrowings under the Credit Agreement and the other transactions undertaken in connection with the foregoing as to the extent not inconsistent with this prospectus.

Unrestricted Subsidiary or *Unrestricted Subsidiaries* means: (A) any Subsidiary designated as an Unrestricted Subsidiary in a resolution of Cedar Fair's Board of Directors in accordance with the instructions set forth below; and (B) any Subsidiary of an Unrestricted Subsidiary.

Cedar Fair's Board of Directors may designate any Subsidiary (including any newly acquired or newly formed Subsidiary) to be an Unrestricted Subsidiary so long as:

(a) no portion of the Indebtedness or any other obligation (contingent or otherwise) of such Subsidiary, immediately after such designation: (i) is guaranteed by Cedar Fair or any of its Restricted Subsidiaries; (ii) is recourse to Cedar Fair or any of its Restricted Subsidiaries; or (iii) subjects any property or asset of Cedar Fair or any of its Restricted Subsidiaries to satisfaction thereof;

(b) except as otherwise permitted by the Indenture (including by the covenant described under Certain covenants Limitation on transactions with affiliates), neither Cedar Fair nor any other Subsidiary (other than another Unrestricted Subsidiary) has any contract, agreement, arrangement or understanding with such Subsidiary, written or oral, other than on terms no less favorable to Cedar Fair or such other Subsidiary than those that might be obtained at the time from persons who are not Cedar Fair's Affiliates; and

(c) neither Cedar Fair nor any other Subsidiary (other than another Unrestricted Subsidiary) has any obligation: (i) to subscribe for additional shares of Capital Stock of such Subsidiary or other equity interests therein; or (ii) to maintain or preserve such Subsidiary's financial condition or to cause such Subsidiary to achieve certain levels of operating results.

If at any time after the Issue Date Cedar Fair designates an additional Subsidiary as an Unrestricted Subsidiary, Cedar Fair will be deemed to have made a Restricted Investment in an amount equal to the Fair Market Value (as determined in good faith by Cedar Fair's Board of Directors evidenced by a resolution of Cedar Fair's Board of Directors and set forth in an officers' certificate delivered to the Trustee no later than ten business days following a request from the Trustee) of such Subsidiary. An Unrestricted Subsidiary may be designated as a Restricted Subsidiary if, at the time of such designation after giving *pro forma* effect thereto, no Default or Event of Default shall have occurred or be continuing.

Weighted Average Life to Maturity means, when applied to any Indebtedness at any date, the number of years obtained by dividing (a) the total of the product obtained by multiplying (i) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (ii) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment by (b) the then outstanding principal amount of such Indebtedness.

CERTAIN UNITED STATES FEDERAL TAX CONSEQUENCES

The exchange of outstanding notes for exchange notes in the exchange offer will not constitute a taxable event to holders for United States federal income tax purposes. Consequently, you will not recognize gain or loss upon receipt of an exchange note, the holding period of the exchange note will include the holding period of the outstanding note exchanged therefor and the basis of the exchange note will be the same as the basis of the outstanding note immediately before the exchange.

In any event, persons considering the exchange of outstanding notes for exchange notes should consult their own tax advisors concerning the United States federal income tax consequences in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction.

CERTAIN CANADIAN TAX CONSEQUENCES TO NON-CANADIAN HOLDERS

The following is a summary of the principal Canadian federal income tax considerations generally applicable to a holder of notes who acquires the notes pursuant to this exchange and who, at all times, for purposes of the *Income Tax Act* (Canada) (the "Tax Act"), is not resident (and is not deemed to be resident) in Canada, deals at arm's length with us and Cedar Canada, holds the notes as capital property, is not an insurer that carries on an insurance business in Canada or an authorized foreign bank that carries on a banking business in Canada and does not use or hold (and is not deemed to use or hold) the notes in the course of carrying on business in Canada (a "Non-Canadian Holder").

This summary is based on the current provisions of the Tax Act and the regulations thereunder, all specific proposals to amend the Tax Act and the regulations announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof and the published administrative practices of the Canada Revenue Agency. This summary does not otherwise take into account or anticipate any changes in law, whether by judicial, governmental or legislative decision or action, nor does it take into account provincial, territorial or foreign income tax considerations which may differ significantly from the Canadian federal income tax considerations described herein.

This summary is not exhaustive of all Canadian federal income tax considerations that may be relevant to a particular Non-Canadian Holder. This summary is not intended to be, and should not be interpreted as, legal or tax advice to any particular Non-Canadian Holder, and no representation with respect to the income tax consequences to any particular Non-Canadian Holder is made. Accordingly, prospective holders of notes should consult their own tax advisors with respect to their individual circumstances.

The exchange of the outstanding notes for exchange notes in the exchange offer will not give rise to any Canadian income tax consequences to a Non-Canadian Holder.

A Non-Canadian Holder will not be subject to tax (including withholding tax) under the Tax Act on interest, principal or premium on the notes. However, a Non-Canadian Holder who transfers or is deemed to transfer a note to a person resident or deemed to be resident in Canada for purposes of the Tax Act should consult its own tax advisor for advice with respect to the tax consequences on such transfer. Gains realized on the disposition or deemed disposition of a note by a Non-Canadian Holder will not be subject to tax under the Tax Act.

CERTAIN ERISA CONSIDERATIONS

The following is a summary of certain considerations associated with the purchase and holding of the exchange notes by employee benefit plans that are subject to Title I of the Employee Retirement Income Security Act of 1974, as amended (ERISA), plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the Code or provisions under any federal, state, local, non-U.S. or other laws, rules or regulations that are similar to such provisions of ERISA or the Code (collectively, Similar Laws), and entities whose underlying assets are considered to include plan assets (within the meaning of ERISA and any Similar Laws) of such plans, accounts and arrangements (each, a Plan).

General fiduciary matters

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an ERISA Plan) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice to an ERISA Plan for a fee or other compensation, is generally considered to be a fiduciary of the ERISA Plan.

In considering an investment in the exchange notes of a portion of the assets of any Plan, a fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary's duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Prohibited transaction issues

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving plan assets with persons or entities who are parties in interest, within the meaning of ERISA, or disqualified persons, within the meaning of Section 4975 of the Code, unless an exemption is available. A party in interest or disqualified person who engaged in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the ERISA Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of exchange notes by an ERISA Plan with respect to which the Issuers or any of the initial purchasers of the outstanding notes are considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, the United States Department of Labor (the DOL) has issued prohibited transaction class exemptions (PTCEs), that may apply to the acquisition and holding of the exchange notes. These class exemptions include, without limitation, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers, although there can be no assurance that all of the conditions of any such exemption will be satisfied. In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief from the prohibited transaction provisions of ERISA and Section 4975 of the Code for certain transactions, provided that neither the issuer of the securities nor any of its affiliates (directly or indirectly) have or exercise any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan involved in the transaction and provided further that the ERISA Plan pays no more than adequate consideration in connection with the transaction. There can be no assurance that all of the conditions of any such exemptions will be satisfied.

Because of the foregoing, the exchange notes should not be purchased or held by any person investing plan assets of any Plan, unless such purchase and holding (and the exchange of outstanding notes for exchange notes) will not constitute a non-exempt prohibited transaction under ERISA and the Code or similar violation of any applicable Similar Laws.

Representation

Accordingly, by acceptance of an exchange note, each purchaser and subsequent transferee will be deemed to have represented and warranted that either (i) no portion of the assets used by such purchaser or transferee to acquire and hold the exchange notes constitutes assets of any Plan or (ii) the purchase and holding of the exchange notes (and the exchange of outstanding notes for exchange notes) by such purchaser or transferee will not constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or any similar violation under any applicable Similar Laws.

The foregoing discussion is general in nature, and is not intended to be all inclusive, and should not be construed as legal advice or as complete in all relevant respects. The foregoing discussion is based on laws in effect on the date of this prospectus and is subject to any subsequent changes therein. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries, or other persons considering purchasing the outstanding notes or the exchange notes (and holding or disposing the outstanding notes or the exchange notes) on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such transactions and whether an exemption would be applicable to the purchase and holding and disposition of the outstanding notes or the exchange notes (and the exchange of outstanding notes for exchange notes).

PLAN OF DISTRIBUTION

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offer must acknowledge that it will deliver a prospectus in connection with any resale of the exchange notes. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for outstanding notes where the outstanding notes were acquired as a result of market-making activities or other trading activities. In addition, all dealers effecting transactions in the exchange notes may be required to deliver a prospectus.

We will not receive any proceeds from any exchange of outstanding notes for exchange notes or from any sale of exchange notes by broker-dealers. Exchange notes received by broker-dealers for their own accounts pursuant to the exchange offer may be sold from time to time in one or more transactions in the over-the-counter market, in negotiated transactions, through the writing of options on the exchange notes or a combination of these methods of resale, at market prices prevailing at the time of resale, at prices related to the prevailing market prices or at negotiated prices. Any such resale may be made directly to purchasers or through brokers or dealers who may receive compensation in the form of commissions or concessions from any broker-dealer and/or the purchasers of any exchange notes. Any broker-dealer that resells exchange notes that were received by it for its own account pursuant to the exchange offer and any broker or dealer that participates in a distribution of the exchange notes may be deemed to be an underwriter within the meaning of the Securities Act and any profit of any resale of exchange notes and any commissions or concessions received by these persons may be deemed to be underwriting compensation under the Securities Act. The letter of transmittal states that by acknowledging that it will deliver and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act.

For a period of 180 days after the consummation of the exchange offer, we will promptly send additional copies of this prospectus and any amendments or supplements to this prospectus to any broker-dealer that requests such documents in the letter of transmittal. We have agreed to pay all expenses incident to the exchange offer (including the reasonable expenses of counsel for the holders of the outstanding notes) other than commissions or concessions of any broker-dealers and will also indemnify you (including any broker-dealers) against certain liabilities.

LEGAL MATTERS

The validity of the exchange notes and the related guarantees will be passed upon for us by Simpson Thacher & Bartlett LLP, New York, New York. Squire, Sanders & Dempsey (US) LLP will pass on matters of Ohio law, Warner Norcross & Judd LLP will pass on matters of Michigan law and McInnes Cooper will pass on matters of Nova Scotia law.

EXPERTS

The consolidated financial statements of Cedar Fair, L.P. and its subsidiaries as of December 31, 2010 and 2009 and for each of the three years in the period ended December 31, 2010 included in this Prospectus, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report appearing herein. Such financial statements are included in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

AVAILABLE INFORMATION

We are required to file annual and quarterly reports and other information with the SEC. You may read and copy any materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, N.E., Room 1580, Washington, D.C., 20549. Please call 1-800-SEC-0330 for further information on the operation of the Public Reference Room. Our filings will also be available to the public from commercial document retrieval services and at the website maintained by the SEC at <http://www.sec.gov>. In addition, you may obtain these materials on our website. Our website address is www.cedarfair.com. This reference to our website is intended to be an inactive textual reference only. **Information on our website does not constitute part of this prospectus nor is it incorporated by reference into this prospectus, and should not be relied upon in connection with making any decision with respect to the notes.**

You should rely only upon the information provided in this prospectus. We have not authorized anyone to provide you with different information. You should not assume that the information in this prospectus is accurate as of any date other than the date of this prospectus.

This prospectus contains summaries of certain agreements that we have entered into in connection with the Transactions and the exchange offer. The descriptions contained in this prospectus of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available without charge to you in response to a written or oral request to us.

Cedar Fair, L.P.

Index to consolidated financial statements

	Page
Audited financial statements for the years ended December 31, 2010, 2009 and 2008	
<u>Report of independent registered public accounting firm</u>	F-2
<u>Consolidated balance sheets as of December 31, 2010 and 2009</u>	F-3
<u>Consolidated statements of operations for the years ended December 31, 2010, 2009 and 2008</u>	F-4
<u>Consolidated statements of cash flows for the years ended December 31, 2010, 2009 and 2008</u>	F-5
<u>Consolidated statements of partners' equity for the years ended December 31, 2010, 2009 and 2008</u>	F-6
<u>Notes to consolidated financial statements</u>	F-7

Report of independent registered public accounting firm

To the Board of Directors and Unitholders of Cedar Fair, L.P.

Sandusky, Ohio

We have audited the accompanying consolidated balance sheets of Cedar Fair, L.P. and subsidiaries (the Partnership) as of December 31, 2010 and 2009, and the related consolidated statements of operations, partners' equity, and cash flows for each of the three years in the period ended December 31, 2010. 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 the standards of the Public Company Accounting Oversight Board (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, such consolidated financial statements present fairly, in all material respects, the financial position of Cedar Fair, L.P. and subsidiaries as of December 31, 2010 and 2009, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2010, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Partnership's internal control over financial reporting as of December 31, 2010, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 1, 2011 expressed an unqualified opinion (not presented herein) on the Partnership's internal control over financial reporting.

/s/ DELOITTE & TOUCHE LLP

Cleveland, Ohio

March 1, 2011

(March 11, 2011 as to Note 14)

CEDAR FAIR, L.P.

CONSOLIDATED BALANCE SHEETS

(In thousands)

ASSETS	12/31/2010	12/31/2009
Current Assets:		
Cash and cash equivalents	\$ 9,765	\$ 11,928
Receivables	12,340	6,535
Inventories	32,142	27,265
Current deferred tax asset	5,874	6,725
Prepaid insurance	5,009	3,545
Other current assets	5,204	5,310
	70,334	61,308
Property and Equipment:		
Land	309,980	305,401
Land improvements	324,734	326,424
Buildings	575,725	589,219
Rides and equipment	1,398,403	1,351,595
Construction in progress	16,746	34,468
	2,625,588	2,607,107
Less accumulated depreciation	(948,947)	(826,038)
	1,676,641	1,781,069
Goodwill	246,259	240,006
Other Intangibles, net	40,632	42,208
Other Assets	48,578	20,848
	\$ 2,082,444	\$ 2,145,439
LIABILITIES AND PARTNERS EQUITY		
Current Liabilities:		
Current maturities of long-term debt	\$	\$ 15,959
Accounts payable	10,787	10,040
Deferred revenue	26,328	23,176
Accrued interest	20,409	4,905
Accrued taxes	15,144	17,930
Accrued salaries, wages and benefits	18,220	19,008
Self-insurance reserves	21,487	21,785
Current derivative liability	47,986	
Other accrued liabilities	8,491	18,717
	168,852	131,520
Deferred Tax Liability	131,830	138,124
Derivative Liability	54,517	129,662
Other Liabilities	10,406	7,884
Long-Term Debt:		
Revolving credit loans	23,200	86,300
Term debt	1,157,062	1,524,087
Notes	399,441	
	1,579,703	1,610,387

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

Commitments and Contingencies (Note 10)

Partners Equity:		
Special L.P. interests	5,290	5,290
General partner	(1)	(1)
Limited partners, 55,334 and 55,234 units outstanding at December 31, 2010 and 2009, respectively	165,555	209,854
Accumulated other comprehensive loss	(33,708)	(87,281)
	137,136	127,862
	\$ 2,082,444	\$ 2,145,439

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

CEDAR FAIR, L.P.

CONSOLIDATED STATEMENTS OF OPERATIONS

(In thousands, except per unit amounts)

For the years ended December 31,	2010	2009	2008
Net revenues:			
Admissions	\$ 568,762	\$ 532,814	\$ 566,266
Food, merchandise and games	337,356	316,386	355,917
Accommodations and other	71,474	66,875	74,049
	977,592	916,075	996,232
Costs and expenses:			
Cost of food, merchandise and games revenues	86,619	84,940	90,626
Operating expenses	411,402	402,728	418,550
Selling, general and administrative	134,001	128,473	131,882
Depreciation and amortization	126,796	132,745	125,838
Loss on impairment of goodwill and other intangibles	2,293	4,500	86,988
Loss on impairment / retirement of fixed assets, net	62,752	244	8,425
(Gain) on sale of other assets		(23,098)	
	823,863	730,532	862,309
Operating income	153,729	185,543	133,923
Interest expense	150,285	124,706	129,561
Net effect of swaps	18,194	9,170	
Loss on early debt extinguishment	35,289		
Unrealized/realized foreign currency (gain) loss	(20,563)	445	561
Other (income) expense	(1,154)	815	(970)
Income (loss) before taxes	(28,322)	50,407	4,771
Provision (benefit) for taxes	3,245	14,978	(935)
Net income (loss)	(31,567)	35,429	5,706
Net income (loss) allocated to general partner			
Net income (loss) allocated to limited partners	\$ (31,567)	\$ 35,429	\$ 5,706
Basic earnings per limited partner unit:			
Weighted average limited partner units outstanding	55,316	55,186	54,811
Net income (loss) per limited partner unit	\$ (0.57)	\$ 0.64	\$ 0.10
Diluted earnings per limited partner unit:			
Weighted average limited partner units outstanding	55,316	55,906	55,446
Net income (loss) per limited partner unit	\$ (0.57)	\$ 0.63	\$ 0.10

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

CEDAR FAIR, L.P.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

For the years ended December 31,	2010	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income (loss)	\$ (31,567)	\$ 35,429	\$ 5,706
Adjustments to reconcile net income (loss) to net cash from operating activities:			
Depreciation and amortization	126,796	132,745	125,838
Non-cash equity based compensation expense	(89)	(26)	716
Loss on early debt extinguishment	35,289		
Loss on impairment of goodwill and other intangibles	2,293	4,500	86,988
Loss on impairment / retirement of fixed assets, net	62,752	244	8,425
Gain on sale of other assets		(23,098)	
Net effect of swaps	18,194	9,170	
Amortization of debt issuance costs	5,671	7,773	7,944
Unrealized foreign currency gain on notes	(17,464)		
Other non-cash (income) expense	(1,893)	(257)	(445)
Deferred income taxes	(14,140)	(5,684)	(17,827)
Excess tax benefit from unit-based compensation expense			(1,729)
Change in operating assets and liabilities:			
(Increase) decrease in current assets	(11,855)	551	1,674
Decrease in other assets	6	918	555
Increase (decrease) in accounts payable	652	(2,635)	(5,101)
Increase (decrease) in accrued taxes	(2,242)	1,349	3,725
Increase (decrease) in self-insurance reserves	(383)	857	(559)
Increase (decrease) in deferred revenue and other current liabilities	7,653	20,428	(2,808)
Increase in other liabilities	2,442	2,933	2,486
Net cash from operating activities	182,115	185,197	215,588
CASH FLOWS (FOR) INVESTING ACTIVITIES			
Acquisition of Paramount Parks, net of cash acquired			6,431
Sale of Canadian real estate		53,831	
Capital expenditures	(71,706)	(69,136)	(83,481)
Net cash (for) investing activities	(71,706)	(15,305)	(77,050)
CASH FLOWS (FOR) FINANCING ACTIVITIES			
Net (payments) borrowings on revolving credit loans previous credit agreement	(86,300)	63,600	(11,386)
Net borrowings on revolving credit loans existing credit agreement	23,200		
Term debt borrowings	1,175,000		
Note borrowings	399,383		
Term debt payments, including early termination penalties	(1,566,890)	(161,329)	(17,450)
Distributions paid to partners	(13,834)	(67,864)	(105,078)
Payment of debt issuance costs	(43,264)	(7,694)	
Exercise of limited partnership unit options	7	4	4,541
Excess tax benefit from unit-based compensation expense			1,729
Net cash (for) financing activities	(112,698)	(173,283)	(127,644)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			
	126	1,446	(2,522)

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

CASH AND CASH EQUIVALENTS

Net increase (decrease) for the year	(2,163)	(1,945)	8,372
Balance, beginning of year	11,928	13,873	5,501
Balance, end of year	\$ 9,765	\$ 11,928	\$ 13,873

SUPPLEMENTAL INFORMATION

Cash payments for interest expense	\$ 129,815	\$ 117,008	\$ 120,340
Interest capitalized	1,343	1,617	1,623
Cash payments for income taxes	19,074	18,966	14,619

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 per unit amounts)

For the years ended December 31,	2010	2009	2008
Limited Partnership Units Outstanding			
Beginning balance	55,234	55,076	54,248
Limited partnership unit options exercised	42	51	785
Issuance of limited partnership units as compensation	58	107	43
	55,334	55,234	55,076
Limited Partners Equity			
Beginning balance	\$ 209,854	\$ 242,123	\$ 334,740
Net income (loss)	(31,567)	35,429	5,706
Partnership distribution declared (2010 \$0.25; 2009 \$1.23; 2008 \$1.92)	(13,834)	(67,864)	(105,078)
Expense (income) recognized for limited partnership unit options	(89)	(26)	
Limited partnership unit options exercised	7	4	4,541
Tax effect of units involved in option exercises and treasury unit transactions	545	(976)	1,253
Issuance of limited partnership units as compensation	639	1,164	961
	165,555	209,854	242,123
General Partners Equity			
Beginning balance	(1)	(1)	
Partnership distribution declared			(1)
Net income (loss)			
	(1)	(1)	(1)
Special L.P. Interests			
	5,290	5,290	5,290
Accumulated Other Comprehensive Income (Loss)			
Cumulative foreign currency translation adjustment:			
Beginning balance	2,422	(6,075)	12,755
Current year activity, net of tax ((\$2,952) in 2010, (\$8,076) in 2009, \$10,112 in 2008)	(6,475)	8,497	(18,830)
	(4,053)	2,422	(6,075)
Unrealized loss on cash flow hedging derivatives:			
Beginning balance	(89,703)	(134,551)	(67,693)
Current year activity, net of tax ((\$5,825) in 2010, (\$4,783) in 2009, \$7,689 in 2008)	60,048	44,848	(66,858)
	(29,655)	(89,703)	(134,551)
	(33,708)	(87,281)	(140,626)
Total Partners Equity	\$ 137,136	\$ 127,862	\$ 106,786
Summary of Comprehensive Income (Loss)			
Net income (loss)	\$ (31,567)	\$ 35,429	\$ 5,706
Other comprehensive income (loss)	53,573	53,345	(85,688)

Total Comprehensive Income (Loss)	\$ 22,006	\$ 88,774	\$ (79,982)
--	-----------	-----------	-------------

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. (together with its affiliated companies, 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, Inc., an Ohio corporation (the General Partner) whose shares are held by an Ohio trust. The General Partner owns a 0.001% interest in the Partnership's income, losses and cash distributions, except in defined circumstances, and has full responsibility for management of the Partnership. At December 31, 2010 there were 55,333,989 outstanding limited partnership units listed on The New York Stock Exchange, net of 227,994 units held in treasury. At December 31, 2009, there were 55,234,208 outstanding limited partnership units listed, net of 327,774 units held in treasury.

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 in the Partnership Agreement. In accordance with the Partnership agreement and with restrictions within the Partnership's 2010 Credit Agreement, the General Partner paid a \$0.25 per limited partner unit distribution, or approximately \$13.8 million in aggregate, in 2010.

(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 subsidiaries, all of which are wholly owned. Intercompany transactions and balances are eliminated in consolidation.

Foreign Currency The financial statements of the Partnership's Canadian subsidiary are measured using the Canadian dollar as its functional currency. Assets and liabilities are translated into U.S. dollars at current currency exchange rates, while income and expenses are translated at average monthly currency exchange rates. Translation gains and losses are included as components of accumulated other comprehensive loss in partners' equity.

In 2010, the Partnership recognized a \$20.6 million benefit to earnings for unrealized/realized foreign currency gains, \$17.5 million of which represented an unrealized foreign currency gain on the U.S.-dollar denominated notes issued in July and held at its Canadian property. All other transaction gains and losses included in the 2010 consolidated statements of operations were not material. Transaction gains and losses included in the 2009 and 2008 consolidated statements of operations were not material.

Segment Reporting Each of Partnership's parks operates autonomously, and management reviews operating results, evaluates performance and makes operating decisions, including the allocation of resources, on a property-by-property basis. In order to better facilitate discussion of trends in attendance and guest per capita spending than would be possible on a consolidated basis, the Partnership's eleven amusement parks and six separately gated water parks have been grouped into regional designations. Aside from attendance and guest per capita statistics, discrete financial information and operating results are not prepared at the regional level.

In addition to reviewing and evaluating performance of the business at the individual park level, the structure of Partnership's management incentive compensation systems are centered around the operating results of each park as an integrated operating unit. Therefore, each park represents a separate operating segment of the Partnership's business and the geographical regions do not represent operating segments.

Although the Partnership manages its parks with a high degree of autonomy, each park offers and markets a similar collection of products and services to similar customers. In addition, the parks all have similar economic characteristics no matter their geographic region, in that they all show similar long-term growth trends in key industry metrics such as attendance, guest per capita spending, net revenue, operating costs and operating profit. Therefore, the Partnership operates within the single reportable segment of amusement/water parks with accompanying resort facilities.

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.

Cash and Cash Equivalents The Partnership considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

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.

Property and Equipment Property and equipment are recorded at cost. Expenditures made to maintain such assets in their original operating condition are expensed as incurred, and improvements and upgrades are generally capitalized. Depreciation is computed on a straight-line basis over the estimated useful lives of the 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. Depreciation expense totaled \$126.7 million in 2010, \$123.0 million in 2009, and \$124.5 million in 2008.

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. No gain or loss is recognized on normal retirements of composite assets. Instead, the acquisition cost of a retired asset reduces accumulated depreciation for the composite group. Abnormal retirements of composite assets could result in the recognition of a gain or loss. Management periodically reviews the composite groups to ensure that retirements have not extended the asset lives beyond their estimated remaining economic life.

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	21 Years
Buildings	24 Years
Rides	18 Years
Equipment	9 Years

Impairment of Long-Lived Assets Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 360 Property, Plant, and Equipment requires that long-lived assets be reviewed for impairment upon the occurrence of events or changes in circumstances that would indicate that the carrying value of the assets may not be recoverable. An impairment loss may be recognized when estimated undiscounted future cash flows expected to result from the use of the asset, including disposition, are less than the carrying value of the asset. The measurement of the impairment loss to be recognized is based on the difference between the fair value and the carrying amounts of the assets. Fair value is generally determined based on a discounted cash flow analysis. In order to determine if an asset has been impaired, assets are grouped and tested at the lowest level for which identifiable, independent cash flows are available.

Goodwill FASB ASC 350 Intangibles Goodwill and Other requires that goodwill no longer be amortized, but instead be tested for impairment. An impairment charge would be recognized for the amount, if any, by which the carrying amount of goodwill exceeds its implied fair value. The fair value of a reporting unit and the related implied fair value of its respective goodwill are established using a combination of an income (discounted cash flow) approach and market approach. Goodwill is reviewed annually for impairment, or whenever events or changes in circumstances indicate that the carrying value may not be recoverable. All of the Partnership's goodwill is allocated to its reporting units and goodwill impairment tests are performed at the reporting unit level. As discussed in Note 4, during 2010 the Partnership changed the testing date for its annual goodwill impairment tests from April 1 and October 1 to December 31 each year. As a result, the Partnership performed goodwill impairment tests as of April 1, 2010, or October 1, 2010, as applicable, and again as of December 31, 2010, and concluded there was no impairment of the carrying value of the goodwill.

Other Intangible Assets The Partnership's other intangible assets consist primarily of trade-names and license and franchise agreements. The Partnership assesses the indefinite-lived trade-names for impairment separately from goodwill. After considering the expected use of the trade-names and reviewing any legal, regulatory, contractual, obsolescence, demand, competitive or other economic factors that could limit the useful lives of the trade-names, in accordance with FASB ASC 350, the Partnership determined that the trade-names had indefinite lives. Pursuant to FASB ASC 350, indefinite-lived intangible assets are no longer amortized, but rather are reviewed, along with goodwill, annually for impairment or more frequently if impairment indicators arise. The Partnership's license and franchise agreements are amortized over the life of the agreement, generally ranging from five to twenty years.

Self-Insurance Reserves Reserves are recorded for the estimated amounts of guest and employee claims and expenses incurred each period that are not covered by insurance. Reserves are established for both identified claims and incurred but not reported (IBNR) claims. Such amounts are accrued for when claim amounts become probable and estimable. Reserves for identified claims are based upon our own historical claims experience and third-party estimates of settlement costs. Reserves for IBNR claims, which are not material to our consolidated financial statements, are based upon our own claims data history, as well as industry averages. All reserves are periodically reviewed for changes in facts and circumstances and adjustments are made as necessary. At December 31, 2010 and 2009 the accrued reserves totaled \$21.5 million and \$21.8 million, respectively.

Derivative Financial Instruments The Partnership is exposed to market risks, primarily resulting from changes in interest rates and currency exchange rates. To manage these risks, it may enter into derivative transactions pursuant to its overall financial risk management program. The Partnership has only limited involvement with derivative financial instruments and does not use them for trading purposes.

The Partnership accounts for the use of derivative financial instruments according to FASB ASC 815 Derivatives and Hedging. For derivative instruments that hedge the exposure of variability in short-term rates, designated as cash flow hedges, the effective portion of the change in fair value of the derivative instrument is reported as a component of Other comprehensive income (loss) and reclassified into earnings in the period during which the hedged transaction affects earnings. For the ineffective portion of a derivative, the change in fair value, if any, is reported in Net effect of swaps in earnings together with the changes in fair value of derivatives not designated as hedges. Derivative financial instruments used in hedging transactions are assessed both at inception and quarterly thereafter to ensure they are effective in offsetting changes in either the fair value or cash flows of the related underlying exposures.

Revenue Recognition Revenues on multi-day admission tickets are recognized over the estimated number of visits expected for each type of ticket, and are adjusted periodically during the season. All other revenues are recognized on a daily basis based on actual guest spending at our facilities, or over the park operating season in the case of certain marina revenues and certain sponsorship revenues. Revenues on admission tickets for the next operating season, including season passes, are deferred in the year received and recognized as revenue in the following year.

Advertising Costs The Partnership expenses all costs associated with its advertising, promotion and marketing programs over each park's operating season, including certain costs incurred prior to the season that are amortized over the season. Advertising expense totaled \$51.8 million in 2010, \$52.0 million in 2009 and \$55.4 million in 2008. Certain costs incurred through year-end for the following year's advertising programs are included in prepaid expenses.

Unit-Based Compensation The Partnership accounts for unit-based compensation in accordance with FASB ASC 718-20 Compensation - Stock Compensation which requires measurement of compensation cost for all equity-based awards at fair value on the date of grant and recognition of compensation over the service period for awards expected to vest. The Partnership uses a binomial option-pricing model for all grant date estimations of fair value.

Income Taxes The Partnership's legal structure includes both partnerships and corporate subsidiaries. The Partnership itself is not subject to corporate income taxes; rather the Partnership's tax attributes (except those of its corporate subsidiaries) are included in the tax returns of its partners. The Partnership's corporate subsidiaries are subject to entity-level income taxes.

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 Partnership's corporate subsidiaries account for income taxes under the asset and liability method. Accordingly, deferred tax assets and liabilities are recognized for the future book and tax consequences attributable to temporary difference between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are determined using enacted tax rates expected to apply in the year in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income at the time of enactment of such change in tax rates. Any interest or penalties due for payment of income taxes are included in the provision for income taxes. The Partnership's total provision for taxes also includes an amount for the publicly traded partnership (PTP) taxes owed (see Note 9).

Earnings Per Unit 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 (loss). The unit amounts used are as follows:

(In thousands except per unit amounts)	2010	2009	2008
Basic weighted average units outstanding	55,316	55,186	54,811
Effect of dilutive units:			
Unit options (Note 7)		65	287
Phantom units (Note 7)		655	348
Diluted weighted average units outstanding	55,316	55,906	55,446
Net income (loss) per unit - basic	\$ (0.57)	\$ 0.64	\$ 0.10
Net income (loss) per unit - diluted	\$ (0.57)	\$ 0.63	\$ 0.10

Weighted average unit options of 304,000, 460,000, and 300,000 were excluded from the diluted earnings per unit calculation as they were anti-dilutive for 2010, 2009, and 2008, respectively.

Reclassifications Certain prior year balances have been reclassified to conform with current year presentation.

(3) Long-Lived Assets:

Long-lived assets are reviewed for impairment upon the occurrence of events or changes in circumstances that would indicate that the carrying value of the assets may not be recoverable. In order to determine if an asset has been impaired, assets are grouped and tested at the lowest level for which identifiable, independent cash flows are available. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in expected future cash flows; a sustained, significant decline in equity price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

The long-lived asset impairment test involves a two-step process. The first step is a comparison of each asset group's carrying value to its estimated undiscounted future cash flows expected to result from the use of the assets, including disposition. Projected future cash flows reflect management's best estimates of economic and market conditions over the projected period, including growth rates in revenues and costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates and future estimates of capital expenditures. If the carrying value of the asset group is higher than its undiscounted future cash flows, there is an indication that impairment exists and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of the asset group to its carrying value in a manner consistent with the highest and best use of those assets. The Partnership estimates fair value using an income (discounted cash flows) approach, which uses an asset group's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital reflective of current market conditions. If the implied fair value of the assets is less than their carrying value, an impairment charge is recorded for the difference.

At the end of the fourth quarter, the Partnership concluded based on 2010 operating results, as well as updated forecasts, that a review of the carrying value of long-lived assets at California's Great America was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets, the majority of which were originally recorded with the PPI acquisition, were impaired. As a result, the Partnership recognized \$62.0 million of fixed-asset impairment during the fourth quarter of 2010 which is recorded in Loss on impairment / retirement of fixed assets on the consolidated statement of operations.

(4) Goodwill and Other Intangible Assets:

Goodwill and other indefinite-lived intangible assets, including trade-names, are reviewed for impairment annually, or more frequently if indicators of impairment exist. A significant amount of judgment is involved in determining if an indicator of impairment has occurred. Such indicators may include, among others: a significant decline in expected future cash flows; a sustained, significant decline in equity price and market capitalization; a significant adverse change in legal factors or in the business climate; unanticipated competition; the testing for recoverability of a significant asset group within a reporting unit; and slower growth rates. Any adverse change in these factors could have a significant impact on the recoverability of these assets and could have a material impact on our consolidated financial statements.

The goodwill impairment test involves a two-step process. The first step is a comparison of each reporting unit's fair value to its carrying value. The Partnership estimates fair value using both an income (discounted cash flows) and market approach. The income approach uses a reporting unit's projection of estimated operating results and cash flows that is discounted using a weighted-average cost of capital that reflects current market conditions. The projection uses management's best estimates of economic and market conditions over the projected period including growth rates in revenues and costs, estimates of future expected changes in operating margins and cash expenditures. Other significant estimates and assumptions include terminal value growth rates, future estimates of capital expenditures and changes in future working capital requirements. A market approach estimates fair value by applying cash flow multiples to the reporting unit's operating performance. The multiples are derived from comparable publicly traded companies with similar operating and investment characteristics of the reporting units.

If the carrying value of the reporting unit is higher than its fair value, there is an indication that impairment may exist and the second step must be performed to measure the amount of impairment loss. The amount of impairment is determined by comparing the implied fair value of reporting unit goodwill to the carrying value of the goodwill in the same manner as if the reporting unit was being acquired in a business combination. If the implied fair value of goodwill is less than the recorded goodwill, an impairment charge is recorded for the difference.

A relief-from-royalty model is used to determine whether the fair value of trade-names exceed their carrying amounts. The fair value of the trade-names is determined as the present value of fees avoided by owning the respective trade-name.

Historically, goodwill related to parks acquired prior to 2006 has been annually tested for impairment as of October 1, while goodwill and other indefinite-lived intangibles, including trade-name intangibles, related to the Paramount Parks (PPI) acquisition in 2006 have been annually tested for impairment as of April 1. Effective in December 2010, the Partnership changed the date of its annual goodwill impairment tests from April 1 and October 1 to December 31 to more closely align the impairment testing procedures with its long-range planning and forecasting process, which occurs in the fourth quarter each year. The Partnership believes the change is preferable since the long-term cash flow projections are a key component in performing its annual impairment tests of goodwill. In addition, the Partnership changed the date of its annual impairment test for other indefinite-lived intangibles from April 1 to December 31.

During 2010, the Partnership tested goodwill for impairment as of April 1, 2010 or October 1, 2010, as applicable, and again as of December 31, 2010. The tests indicated no impairment of goodwill as of any of those dates. During 2010, the Partnership tested other indefinite-lived intangibles for impairment as of April 1, 2010 and December 31, 2010. After performing the April 1, 2010 impairment test, it was determined that a portion of trade-names at certain PPI parks were impaired as the carrying values of those trade-names exceeded their fair values. As a result the Partnership recognized \$1.4 million of trade-name impairment during the second quarter of 2010. This impairment was driven mainly by an increase in the Partnership's cost of capital in 2010 and lower projected growth rates for certain parks as of the test date. After performing the December 31, 2010 test of indefinite-lived intangibles, it was determined that a portion of the trade-names at Great America, originally recorded with the PPI acquisition, were impaired. As a result, the Partnership recognized \$0.9 million of additional trade-name impairment during the fourth quarter of 2010 which is recorded in Loss on impairment of goodwill and other intangibles on the consolidated statement of operations. The Partnership recognized a charge to earnings in 2009 of \$4.5 million for trade-name impairment and a total charge to earnings in 2008 of \$87.0 million for the impairment of goodwill and trade-names.

The change in accounting principle related to changing the annual goodwill impairment testing date did not delay, accelerate, avoid or cause an impairment charge. As it was impracticable to objectively determine operating and valuation estimates for periods prior to December 31, 2010, we have prospectively applied the change in the annual goodwill impairment testing date from December 31, 2010.

A summary of changes in the Partnership's carrying value of goodwill is as follows:

(In thousands)	Goodwill (gross)	Accumulated Impairment Losses	Goodwill (net)
Balance at December 31, 2008	\$ 302,470	\$ (79,868)	\$ 222,602
Foreign currency exchange translation	17,404		17,404
Balance at December 31, 2009	319,874	(79,868)	240,006
Foreign currency exchange translation	6,253		6,253
Balance at December 31, 2010	\$ 326,127	\$ (79,868)	\$ 246,259

The Partnership's other intangible assets consisted of the following at December 31, 2010 and 2009:

	Weighted Average Amortization Period	Gross Carrying Amount (Amounts in thousands)	Accumulated Amortization	Net Carrying Value
December 31, 2010				
Other intangible assets:				
Trade names		\$ 40,227	\$	\$ 40,227
License / franchise agreements	15.0 years	13,569	13,184	385
Non-compete agreements	5.0 years	200	180	20
Total other intangible assets	12.0 years	\$ 53,996	\$ 13,364	\$ 40,632
December 31, 2009				
Other intangible assets:				
Trade names		\$ 41,635	\$	\$ 41,635
License / franchise agreements	15.1 years	13,664	13,151	513
Non-compete agreements	5.0 years	200	140	60
Total other intangible assets	12.0 years	\$ 55,499	\$ 13,291	\$ 42,208

Amortization expense of other intangible assets for 2010, 2009, and 2008 was \$73,000, \$9,748,000, and \$1,363,000, respectively. The increase in amortization expense during 2009 reflects the accelerated amortization of the intangible asset related to the Nickelodeon licensing agreement. During that year, the Partnership determined it would not renew the licensing agreement, which expired on December 31, 2009, thus triggering the accelerated amortization in 2009. Amortization expense of other intangible assets held at December 31, 2010, is expected to total less than \$100,000 in each of the years 2011-2015.

(5) Long-Term Debt:

Long-term debt at December 31, 2010 and 2009 consisted of the following:

(In thousands)	2010	2009
Revolving credit facility	\$ 23,200	\$ 86,300
Term debt(1)		
July 2010 U.S. term loan averaging 5.5% at 2010 (due 2010-2016)	1,157,062	
June 2006 U.S. term loan averaging 2.23% at 2009 (due 2007-2012)		501,186
June 2006 Canadian term loan averaging 2.23% at 2009 (due 2007-2012)		143,500
June 2006 U.S. term loan averaging 4.23% at 2009 (due 2009-2014)		831,626
June 2006 Canadian term loan averaging 4.23% at 2009 (due 2009-2014)		63,734
Notes		
July 2010 U.S. fixed rate note at 9.125% (due 2018)	399,441	
	1,579,703	1,626,346
Less: current portion		15,959
	\$ 1,579,703	\$ 1,610,387

(1) These average interest rates do not reflect the effect of interest rate swap agreements entered into on our variable-rate term debt (see Note 6).

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

In July 2010, the Partnership issued \$405 million of 9.125% senior unsecured notes (the notes), maturing in 2018, in a private placement, including \$5.6 million of original issue discount to yield 9.375%. Concurrently with this offering, the Partnership entered into a new \$1,435 million credit agreement (the 2010 Credit

F-13

Agreement), which includes a \$1,175 million senior secured term loan facility and a \$260 million senior secured revolving credit facility. The net proceeds from the offering of the notes, along with borrowings under the 2010 Credit Agreement, were used to repay in full all amounts outstanding under the Partnership's previous credit facilities. The facilities provided under the 2010 Credit Agreement are collateralized by substantially all of the assets of the Partnership.

Cedar Fair, L.P., Canada's Wonderland Company (Cedar Canada), and Magnum Management Corporation (Magnum) are the co-issuers of the notes and co-borrowers of the senior secured credit facilities. Both the notes and senior secured credit facilities have been fully and unconditionally guaranteed, on a joint and several basis, by each 100% owned subsidiary of Cedar Fair (other than Cedar Canada and Magnum). There are no non-guarantor subsidiaries. (See Note 14 for additional information.)

Revolving Credit Loans Terms of the 2010 Credit Agreement include a reduction in the Partnership's previous \$310 million revolving credit facilities to a combined \$260 million facility. Under the new agreement, the Canadian portion of the revolving credit facility has a limit of \$15 million. U.S. denominated loans made under the revolving credit facility bear interest at a rate of LIBOR plus 400 basis points (bps) (with no LIBOR floor). Canadian denominated loans made under the Canadian portion of the facility also bear interest at a rate of LIBOR plus 400 bps (with no LIBOR floor). The revolving credit facility, which matures in July of 2015, also provides for the issuance of documentary and standby letters of credit. As of December 31, 2010, borrowings under the revolving credit facility were \$23.2 million at an effective rate of 4.5% and standby letters of credit totaled \$15.7 million. After letters of credit, the Partnership had \$221.1 million of available borrowings under its revolving credit facility as of December 31, 2010. The maximum outstanding revolving credit balance during 2010 was \$260.0 million under the revolving credit facility. The 2010 Credit Agreement requires the Partnership to pay a commitment fee of 50 bps per annum on the unused portion of the credit facilities.

Term Debt The credit facilities provided under the 2010 Credit Agreement include a \$1,175 million U.S. term loan maturing on December 15, 2016. As of December 31, 2010, the U.S. term loan, which amortizes at \$11.8 million per year, bore interest at a rate of LIBOR plus 400 bps, with a LIBOR floor of 150 bps. In December of 2010, the Partnership prepaid \$15 million of the term loan, which in turn was credited against the scheduled amortization for 2011 and for a portion of 2012.

At December 31, 2010, the scheduled annual maturities of term debt were as follows (in thousands):

	2011	2012	2013	2014	2015	2016	Total
U.S. Term loan maturing in 2016	\$	\$ 11,438	\$ 11,750	\$ 11,750	\$ 11,750	\$ 1,110,374	\$ 1,157,062

The fair value of our term debt at December 31, 2010, was approximately \$1,146.5 million, based on borrowing rates available as of that date to the Partnership on long-term debt with similar terms and maturities. The fair value of our term debt at December 31, 2009, was approximately \$1,334.9 million, based on borrowing rates available to the Partnership on long-term debt with similar terms and maturities at December 31, 2009.

The Partnership may prepay some or all of its term debt maturing in 2016 without premium or penalty at any time.

Notes The notes issued by the Partnership in July 2010 require semi-annual interest payments in February and August, with the principal due in full on August 1, 2018. The notes may be redeemed, in whole or in part, at any time prior to August 1, 2014 at a price equal to 100% of the principal amount of the notes redeemed plus a make-whole premium together with accrued and unpaid interest, if any, to the redemption date. Thereafter, the notes may be redeemed, in whole or in part, at various prices depending on the date redeemed. Prior to August 1, 2013, up to 35% of the notes may be redeemed with the net cash proceeds of certain equity offerings at 109.125%.

The fair value of the notes at December 31, 2010, was approximately \$395.8 million, based on borrowing rates available as of that date to the Partnership on notes with similar terms and maturities.

Covenants The 2010 Credit Agreement requires the Partnership to maintain specified financial ratios, which if breached for any reason, including a decline in operating results due to economic or weather conditions, could result in an event of default under the agreement. The most critical of these ratios is the Consolidated Leverage Ratio. As of December 31, 2010 this ratio is set at 6.25x Consolidated Total Debt (excluding the revolving debt)-to-Consolidated EBITDA. As of December 31, 2010, the Partnership's Consolidated Total Debt (excluding revolving debt)-to-Consolidated EBITDA (as defined) ratio was 4.33x, providing \$110.2 million of consolidated EBITDA cushion on the Consolidated Leverage Ratio. The Partnership was in compliance with all other covenants as of December 31, 2010.

The 2010 Credit Agreement also includes provisions that allow the Partnership to make restricted payments of up to \$20 million annually at the discretion of the Board of Directors. These restricted payments are not subject to any specific covenants. Beginning in 2012, additional restricted payments are allowed to be made based on an Excess-Cash-Flow formula, should the Partnership's pro-forma Consolidated Leverage Ratio be less than or equal to 4.50x Consolidated Total Debt (excluding the revolving debt)-to-Consolidated EBITDA. Per the terms of the indenture governing the Partnership's notes, the ability to make restricted payments in 2011 and beyond is permitted should the Partnership's trailing-twelve-month Total-Indebtedness-to-Consolidated-Cash-Flow Ratio (measured quarterly) be less than or equal to 4.75x consolidated total indebtedness (including revolving debt)-to-consolidated EBITDA.

In addition to the above mentioned covenants and provisions, the 2010 Credit Agreement contains an initial three-year requirement that at least 50% of the Partnership's aggregate term debt and senior notes be subject to either a fixed interest rate or interest rate protection.

The Partnership's policy is to capitalize interest on major construction projects. In 2010, interest payments of \$1.3 million were capitalized, as compared to interest of \$1.6 million capitalized in both 2009 and 2008.

(6) Derivative Financial Instruments:

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

The Partnership has effectively converted a total of \$1.0 billion of its variable-rate debt to fixed rates through the use of several interest rate swap agreements. Cash flows related to these interest rate swap agreements are included in interest expense over the term of the agreements. The swap agreements outstanding are set to expire in October 2011. The Partnership has designated these interest rate swap agreements and hedging relationships as cash flow hedges. The fair market value of these agreements at December 31, 2010, which was obtained from broker quotes, was recorded as a liability of \$48.0 million in Current derivative liability on the consolidated balance sheet. The fair market value of these agreements at December 31, 2009 was recorded as a liability of \$83.4 million in Derivative Liability on the consolidated balance sheet. As a part of our quarterly regression analysis testing of the effectiveness of these cash flow swaps, the swaps were deemed to be ineffective as of October 2009. As a result of this ineffectiveness, losses recorded in Accumulated other comprehensive income (AOCI) will be amortized through October 2011. The amount recorded in AOCI to be amortized was \$91.8 million at the time of ineffectiveness, of which \$34.4 million remained still to be amortized in AOCI as of December 31, 2010.

The Partnership has also effectively converted \$268.7 million of term debt related to its wholly owned Canadian subsidiary from variable U.S. dollar denominated debt to fixed-rate Canadian dollar denominated debt through the use of cross-currency swap agreements. The Partnership originally designated these cross-currency swaps as

foreign currency cash flow hedges. Cash flows related to these swap agreements, which expire in February 2012, are included in interest expense over the term of the agreement. The fair market value of the cross-currency swaps was a liability of \$54.5 million at December 31, 2010 and \$46.3 million at December 31, 2009, which was recorded in *Derivative Liability* on the consolidated balance sheet. As a result of paying down a portion of the underlying Canadian term debt with net proceeds from the sale of surplus land near Canada's Wonderland in August 2009, the notional amounts of the underlying debt and the cross currency swaps no longer match. Because of the mismatch of the notional amounts, the Partnership determined the swaps were no longer highly effective, resulting in the de-designation of the swaps as of the end of August 2009. As a result of this de-designation, losses recorded in AOCI are being amortized through February 2012 (the original hedge period). The amount recorded in AOCI to be amortized was \$15.1 million at the time of de-designation, of which approximately \$422,000 still remained to be amortized in AOCI as of December 31, 2010.

In order to maintain fixed interest costs on a portion of its domestic term debt beyond the expiration of the existing swaps and comply with the 2010 Credit Agreement requirement that at least 50% of the Partnership's aggregate term debt and senior notes be subject to either a fixed interest rate or interest rate protection, in September 2010 the Partnership entered into several forward-starting swap agreements that will effectively convert a total of \$600 million of variable-rate debt to fixed rates beginning in October 2011. These forward-starting swap agreements, which have also been designated as cash flow hedges, mature in December 2015 and have fixed LIBOR at a weighted-average rate of 2.57%. The fair market value of these agreements at December 31, 2010 was an asset of \$6.3 million, which was recorded in *Other Assets* on the consolidated balance sheet. No ineffectiveness related to the forward-starting swaps was recorded in any period presented.

<i>(In thousands):</i>	Consolidated Balance Sheet Location	Fair Value as of December 31, 2010	Fair Value as of December 31, 2009
Derivatives designated as hedging instruments:			
Interest rate swaps	Other Assets	\$ 6,294	\$
Interest rate swaps	Current derivative liability	(47,986)	
Interest rate swaps	Derivative Liability		(83,359)
Total derivatives designated as hedging instruments:		(41,692)	(83,359)
Derivatives not designated as hedging instruments:			
Cross-currency swaps	Derivative Liability	(54,517)	(46,303)
Net derivative liability		\$ (96,209)	\$ (129,662)

The following table presents our existing fixed-rate swaps, which mature October 1, 2011, along with their notional amounts and their fixed interest rates, which compare to 30-day LIBOR of 0.26% as of December 31, 2010. The table also presents our cross-currency swaps and their notional amounts and interest rates as of December 31, 2010.

(\$ s in thousands)	Interest Rate Swaps		Cross-currency Swaps	
	Notional Amounts	LIBOR Rate	Notional Amounts	Implied Interest Rate
	\$ 200,000	5.64%	\$ 258,000	7.31%
	200,000	5.64%	525	9.50%
	200,000	5.64%		
	200,000	5.57%		
	100,000	5.60%		
	100,000	5.60%		
Total \$ s / Average Rate	\$ 1,000,000	5.62%	\$ 258,525	7.31%

The following table presents our forward-starting fixed-rate swaps, which become effective October 1, 2011 and mature December 15, 2015, along with their notional amounts and their fixed interest rates.

(\$ s in thousands)	Forward-Starting Interest Rate Swaps	
	Notional Amounts	Interest Rate
	\$ 200,000	2.51%
	75,000	2.54%
	50,000	2.53%
	150,000	2.67%
	50,000	2.53%
	50,000	2.67%
	25,000	2.53%
Total \$ s / Average Rate	\$ 600,000	2.57%

Effects of Derivative Instruments on Income and Other Comprehensive Income (Loss):

(In thousands):	Amount of Gain (Loss) recognized in OCI on Derivatives (Effective Portion)		Amount and Location of Gain (Loss) Reclassified from Accumulated OCI into Income (Effective Portion)		Amount and Location of Gain (Loss) Recognized in Income on Derivative (Ineffective Portion)	
	Twelve months ended	Twelve months ended	Twelve months ended	Twelve months ended	Twelve months ended	Twelve months ended
	12/31/10	12/31/09	12/31/10	12/31/09	12/31/10	12/31/09
Derivatives designated as Cash Flow Hedging Relationships						
Interest rate swaps	\$ 6,294	\$ 23,142	Interest Expense	\$ (43,051)	Net effect of swaps	\$ 35,372 \$ 8,401
Cross-currency swaps(1)		(22,067)	Interest Expense	(6,720)	N/A	N/A
Total	\$ 6,294	\$ 1,075		\$ (49,771)		\$ 35,372 \$ 8,401

(In thousands):	Amount and Location of Gain (Loss) Recognized in Income on Derivative	
	Twelve months ended	Twelve months ended
	12/31/10	12/31/09
Derivatives not designated as Cash Flow Hedging Relationships		
Cross-currency swaps(1)	Net effect of swaps	\$ (5,756) \$ (7,694)

(1) The cross currency swaps became ineffective and were de-designated in August 2009.

In addition to the \$29.6 million of gain recognized in income on the ineffective portion of derivatives noted in the table above, \$50.3 million of expense representing the amortization of amounts in AOCI for the swaps and a \$2.5 million foreign currency gain during the year related to the U.S. dollar denominated Canadian term loan was recorded during the fiscal year in the consolidated statements of operations. The net effect of these amounts resulted in a charge to earnings for the year of \$18.2 million recorded in Net effect of swaps. For 2010, an additional \$9.5 million of amortization of amounts in AOCI for the cross-currency swaps was recorded as a charge to earnings in Loss on early extinguishment of debt in the consolidated statements of operations as a result of the debt financing and the reduction of the majority of the U.S. dollar denominated Canadian term loan.

The amounts reclassified from AOCI into income for the periods noted above are in large part the result of the Partnership's initial three-year requirement to swap at least 50% of its aggregate term debt to fixed rates under the terms of its 2006 credit agreement.

F-17

(7) 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.

Equity-Based Incentive Plans In August 2000, the Partnership's unitholders approved the establishment of an Equity Incentive Plan allowing the award of up to 4.8 million unit options and other forms of equity as determined by the Compensation Committee of the Board of Directors as an element of compensation to senior management and other key employees. Grants were made by the Compensation Committee through December 31, 2008. Following the adoption of the 2008 Omnibus Incentive Plan (Omnibus Plan), the Board of Directors prohibited any further grants under the Equity Incentive Plan. The Omnibus Plan was approved by the Partnership's unitholders in May of 2008 and superseded and replaced the following incentive compensation plans: our Amended and Restated Senior Management Long-Term Incentive Compensation Plan, our Amended and Restated 2000 Equity Incentive Plan, and our Amended and Restated 2000 Senior Executive Management Incentive Plan. The Omnibus Plan provides an opportunity for officers, directors, and eligible persons to acquire an interest in the growth and performance of our units and provides employees annual and long-term incentive awards as determined by the Board of Directors. Under the Omnibus Plan, the Compensation Committee of the Board of Directors may grant unit options, unit appreciation rights, restricted units, performance awards, other unit awards, cash incentive awards and long-term incentive awards.

Phantom Units

During 2010, 207,650 phantom units were awarded at an average grant price of \$14.51 per unit. These awards generally vest over an approximately four-year period and can be paid with cash, limited partnership units, or a combination of both. The effect for outstanding phantom units has been included in the diluted earnings per unit calculation, as half of the awards are expected to be settled in limited partnership units. Approximately \$3.5 million, \$3.0 million and \$0.5 million in compensation expense related to phantom units was recognized in 2010, 2009 and 2008, respectively. These amounts are included in Selling, General and Administrative Expense in the accompanying consolidated statements of operations.

At year-end, the Partnership had 656,673 phantom units outstanding, 544,743 of which were vested, at the December 31, 2010 closing price of \$15.16 per unit. The aggregate market value of the phantom units vested at year-end, which has been reflected on the balance sheet in Other Liabilities, was \$8.3 million in 2010 and \$6.0 million in 2009. At December 31, 2010, unamortized compensation related to unvested phantom unit awards totaled approximately \$1.7 million, which is expected to be amortized over a weighted average period of 2.6 years.

Performance Units

During 2010, 40,073 performance units were awarded at a grant price of \$14.51 per unit. The number of performance units issuable is contingently based upon certain performance targets over a multi-year period. The awards vest 50% in March 2012 and 50% in March 2013, assuming targets are achieved, and can be paid with cash, limited partnership units, or a combination of both. The effect for outstanding performance units has been appropriately excluded from the diluted earnings per unit calculation, as not all performance conditions have been met as of year-end. Approximately \$864,000, \$476,000 and \$188,000 in 2010, 2009 and 2008, respectively, was recorded in compensation expense related to performance units and is included in Selling, General and Administrative Expense in the accompanying consolidated statements of operations.

At year-end, the Partnership had 298,745 performance units outstanding at the December 31, 2010 closing price of \$15.16 per unit. The estimated aggregate market value of the performance units contingently issuable at year-end, which has been reflected on the balance sheet in Other Liabilities, was approximately \$1,529,000

in 2010 and \$664,000 in 2009. At December 31, 2010, unamortized compensation related to unvested performance unit awards totaled approximately \$1.5 million, which is expected to be amortized over a weighted average period of 2.0 years.

Unit Options

Options are issued with an exercise price no less than the market price of the Partnership's units on the day before the date of grant. Variable-price options have an exercise price that declines by the value of cash distributions declared on the underlying limited partnership units. All options vest ratably over a five-year period, or when other conditions are met, and have a maximum term of ten years. As of December 31, 2010, the Partnership had 1,400 variable-price options and 340,100 fixed-price options outstanding under the Equity Incentive Plan. There were no unit options granted in 2010, 2009 or 2008.

No non-cash compensation expense relating to unit options was recognized in 2010, 2009 or 2008.

A summary of unit option activity in 2010 and 2009 is presented below:

	2010		2009	
	Unit Options	Weighted Average Exercise Price	Unit Options	Weighted Average Exercise Price
Outstanding, beginning of year	428,100	\$ 20.31	508,650	\$ 18.15
Granted				
Exercised	(57,200)	3.16	(75,100)	3.63
Forfeited	(29,400)	21.21	(5,450)	22.15
Outstanding, end of year	341,500	\$ 23.10	428,100	\$ 20.31
Options exercisable, end of year	341,500	\$ 23.10	428,100	\$ 20.31

Cash received from unit option exercises totaled approximately \$7,000 in 2010, \$4,000 in 2009, and \$4,541,000 in 2008.

The following table summarizes information about vested unit options outstanding at December 31, 2010:

Vested Options Outstanding

Type	Range of Exercise Prices	Unit Options	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
Variable	\$ 17.67 - \$17.67	1,400	2.8 years	\$ 17.67
Fixed	\$ 20.60 - \$28.45	340,100	1.0 years	\$ 23.12
Outstanding at year-end	\$ 17.67 - \$28.45	341,500	1.0 years	\$ 23.10
Aggregate intrinsic value		\$		

The total intrinsic value of options exercised during the years ended December 31, 2010, 2009 and 2008 was \$0.5 million, \$0.6 million, and \$13.1 million, respectively.

The Partnership did not have any unvested unit options at December 31, 2010, as all options were vested by December 31, 2008. In addition, there were no unrecognized compensation costs related to unit options as of December 31, 2010.

The Partnership has a policy of issuing limited partnership units from treasury to satisfy option exercises and expects its treasury unit balance to be sufficient for 2011, based on estimates of option exercises for that period.

(8) Retirement Plans:

The Partnership has trustee, noncontributory retirement plans for the majority of its full-time employees. Contributions are discretionary and amounts accrued were approximately \$4.1 million in 2010, \$3.6 million in 2009 and \$3.7 million in 2008. These plans also permit employees to contribute specified percentages of their salary, matched up to a limit by the Partnership. Matching contributions, net of forfeitures, approximated \$1.5 million in 2010, \$1.5 million in 2009 and \$1.6 million in 2008.

In addition, approximately 114 employees are covered by union-sponsored, multi-employer pension plans for which approximately \$1.1 million, \$1.1 million and \$0.8 million were contributed for the years ended December 31, 2010, 2009, and 2008, respectively. The Partnership has no plans to withdraw from any of the multi-employer plans. The Partnership believes that the withdrawal liability from any such withdrawal, as defined by the Multi-employer Pension Plan Amendments Act of 1980, would not be material.

(9) Income and Partnership Taxes:

Federal and state tax legislation in 1997 provided a permanent income tax exemption to existing publicly traded partnerships (PTP), such as Cedar Fair, L.P., with a PTP tax levied on partnership gross income (net revenues less cost of food, merchandise and games) beginning in 1998. In addition, income taxes are recognized for the amount of taxes payable by the Partnership's corporate subsidiaries for the current year and for the impact of deferred tax assets and liabilities, which represent future tax consequences of events that have been recognized differently in the financial statements than for tax purposes. As such, the Partnership's total provision for taxes includes amounts for both the PTP tax and for income taxes on the Partnership's corporate subsidiaries.

The Partnership's 2010 tax provision totals \$3.2 million, which consists of a \$7.9 million provision for the PTP tax and a \$4.7 million benefit for income taxes. This compares to the Partnership's 2009 tax provision of \$14.9 million, which consisted of a \$7.0 million provision for the PTP tax and a \$7.9 million provision for income taxes, and the 2008 tax benefit of \$0.9 million, which consisted of an \$8.5 million provision for the PTP tax and a \$9.4 million benefit for income taxes. The calculation of the provision for taxes involves significant estimates and assumptions and actual results could differ from those estimates.

Significant components of income (loss) before taxes are as follows:

(In thousands)	2010	2009	2008
Domestic	\$ (28,996)	\$ 19,440	\$ (16,979)
Foreign	674	30,967	21,750
	\$ (28,322)	\$ 50,407	\$ 4,771

The provision (benefit) for income taxes is comprised of the following:

(In thousands)	2010	2009	2008
Income taxes:			
Current federal	\$ 1,174	\$ 3,038	\$ 995
Current state and local	1,748	478	171
Current foreign	6,493	10,068	7,269
Total current	9,415	13,584	8,435
Deferred federal, state and local	(8,399)	(1,827)	(17,107)
Deferred foreign	(5,741)	(3,857)	(720)
Total deferred	(14,140)	(5,684)	(17,827)
	\$ (4,725)	\$ 7,900	\$ (9,392)

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

The provision for income taxes for the Partnership's corporate subsidiaries differs from the amount computed by applying the U.S. federal statutory income tax rate of 35% to the Partnership's income before provision for income taxes.

The sources and tax effects of the differences are as follows:

(In thousands)	2010	2009	2008
Income tax expense based on the U.S. federal statutory tax rate	\$ (9,913)	\$ 17,643	\$ 1,670
Partnership loss (income) not deductible (includible) from (in) corporate income	3,909	(12,470)	(20,649)
State and local taxes, net of federal income tax benefit	(921)	(444)	(1,907)
Valuation allowance	4,425	7,684	9,333
Impairment of nondeductible goodwill			6,613
Adjustment of deferred state tax rates			(1,548)
Benefit of reduced statutory foreign tax rates		(4,833)	
Tax credits	(2,706)	(355)	(833)
Nondeductible expenses and other	481	675	(2,071)
	\$ (4,725)	\$ 7,900	\$ (9,392)

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

Significant components of deferred tax assets and liabilities as of December 31, 2010 and 2009 are as follows:

(In thousands)	2010	2009
Deferred tax assets:		
Options and deferred compensation	\$ 7,053	\$ 6,925
Accrued expenses	5,132	4,953
Foreign tax credits	42,682	35,874
Tax attribute carryforwards	26,335	20,620
Derivatives	2,536	13,956
Intangibles	5,450	9,465
Other, net	1,714	2,445
Deferred tax assets	90,902	94,238
Valuation allowance	(27,743)	(23,318)
Net deferred tax assets	63,159	70,920
Deferred tax liabilities:		
Property	(179,611)	(196,688)
Foreign currency translation	(9,504)	(5,631)
Deferred tax liabilities	(189,115)	(202,319)
Net deferred tax liability	\$ (125,956)	\$ (131,399)

As of December 31, 2010, the Partnership had \$42.7 million of foreign tax credit carryforwards available for U.S. federal income tax purposes. A \$27.7 million valuation allowance has been recorded, \$23.3 million in prior years and \$4.4 million in 2010, to reflect uncertainties regarding the use of these foreign tax credits before they begin expiring in 2016. The valuation allowance is based on estimates of taxable income and loss from the foreign jurisdictions in which the Partnership operates and the period over which its deferred tax assets will be realized.

Additionally, as of December 31, 2010, the Partnership had \$26.3 million of tax attribute carryforwards consisting of alternative minimum tax credits (\$1.7 million), general business credits (\$6.2 million) and the tax effect of federal and state net operating loss carryforwards (\$11.1 million and \$7.3 million, respectively). Alternative minimum tax credits do not expire. The general business credits will begin to expire in 2027. The federal and state net operating loss carryforwards will begin to expire from 2017 to 2027. The Partnership expects to fully realize these tax attribute carryforwards. As such, no valuation allowance has been recorded relating to these tax attribute carryforwards.

As of December 31, 2009, the Partnership adjusted its deferred tax assets and liabilities to reflect the impact of changes to the enacted statutory tax rates in Canada (\$4.8 million tax benefit).

The net current and non-current components of deferred taxes recognized as of December 31, 2010 and 2009 in the consolidated balance sheets are as follows:

(In thousands)	2010	2009
Net current deferred tax asset	\$ 5,874	\$ 6,725
Net non-current deferred tax liability	(131,830)	(138,124)
Net deferred tax liability	\$ (125,956)	\$ (131,399)

The net current deferred tax asset amounts are reported as Current deferred tax asset, and the net non-current deferred tax liability amounts are reported as Deferred Tax Liability in the accompanying consolidated balance sheets.

As of December 31, 2010, the Partnership has recorded deferred tax liabilities of \$2.6 million to account for the tax effect of derivatives and foreign currency translation adjustments included in Other Comprehensive Income.

The Partnership has no unrecognized income tax benefits. Further, the Partnership has no tax positions for which it estimates a significant change to the amount of unrecognized tax benefits over the next 12 months.

The Partnership and its corporate subsidiaries are subject to taxation in the U.S., Canada and various state and local jurisdictions. As such, the tax returns of the Partnership are subject to examination by federal, state and local tax authorities. If such examinations result in changes to Partnership allocable taxable income or loss, the tax liability of the partners could be changed accordingly. The U.S. tax return of the Partnership has been examined through December 2003. The U.S. tax return of the Partnership's corporate subsidiaries has been examined through March 1999; the March 2009 tax return is currently under examination. With few exceptions, the Partnership and its corporate subsidiaries are no longer subject to examination by the major taxing authorities for tax years before 2007.

(10) Operating Lease Commitments and Contingencies:

Operating Lease Commitments

The Partnership has commitments under various operating leases at its parks. Minimum lease payments under non-cancelable operating leases as of December 31, 2010 are as follows (in thousands):

2011	\$ 6,303
2012	5,865
2013	5,650
2014	5,476
2015	5,397
Thereafter	22,424
	\$ 51,115

Lease expense, which includes short-term rentals for equipment and machinery, for 2010, 2009 and 2008 totaled \$9.4 million, \$9.6 million and \$10.2 million, respectively.

Contingencies

The Partnership is party to a lawsuit with its largest unitholder that alleges, among other things, that the General Partner breached the terms of the Fifth Amended and Restated Agreement of Limited Partnership (the Partnership Agreement) by indicating that unitholders may lack the right to nominate candidates, or to solicit proxies in support of new candidates, for election to the board of directors of the General Partner. The Partnership has filed an answer denying the allegations as set forth in the complaint.

The Partnership is also a party to a number of lawsuits arising in the normal course of business. In the opinion of management, none of these matters will have a material effect in the aggregate on the Partnership's financial statements.

In 2009, the Partnership agreed to a \$9.0 million settlement of a California class-action lawsuit. The settlement, which was paid in 2010, was recorded as a liability in Other accrued liabilities on the December 31, 2009 consolidated balance sheet and recognized as a charge in Operating expenses in the 2009 consolidated statement of operations.

(11) Fair Value Measurements:

The FASB's ASC emphasizes that fair value is a market-based measurement that should be determined based on assumptions (inputs) that market participants would use in pricing an asset or liability. Inputs may be observable or unobservable, and valuation techniques used to measure fair value should maximize the use of relevant observable inputs and minimize the use of unobservable inputs. Accordingly, the FASB's ASC establishes a hierarchical disclosure framework that ranks the quality and reliability of information used to determine fair values. The hierarchy is associated with the level of pricing observability utilized in measuring fair value and defines three levels of inputs to the fair value measurement process: quoted prices are the most reliable valuation inputs, whereas model values that include inputs based on unobservable data are the least reliable. Each fair value measurement must be assigned to a level corresponding to the lowest level input that is significant to the fair value measurement in its entirety.

The three broad levels of inputs defined by the fair value hierarchy are as follows:

Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.

Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The table below presents the balances of liabilities measured at fair value as of December 31, 2010 and 2009 on a recurring basis:

(In thousands)	Total	Level 1	Level 2	Level 3
<u>December 31, 2010</u>				
Interest rate swap agreements(1)	\$ 6,294	\$	\$ 6,294	\$
Interest rate swap agreements(2)	(47,986)		(47,986)	
Cross-currency swap agreements(3)	(54,517)		(54,517)	
Total	\$ (96,209)	\$	\$ (96,209)	\$
<u>December 31, 2009</u>				
Interest rate swap agreements(3)	\$ (83,359)	\$	\$ (83,359)	\$
Cross-currency swap agreements(3)	(46,303)		(46,303)	
Total	\$ (129,662)	\$	\$ (129,662)	\$

- (1) Included in Other Assets on the Consolidated Balance Sheet
(2) Included in Current derivative liability on the Consolidated Balance Sheet
(3) Included in Derivative Liability on the Consolidated Balance Sheet

Fair values of the interest rate and cross-currency swap agreements are determined using significant inputs, including the LIBOR and foreign currency forward curves, that are considered Level 2 observable market inputs. In addition, the Partnership considered the effect of its credit and non-performance risk on the fair values provided, and recognized an adjustment increasing the derivative liabilities by approximately \$3.0 million as of December 31, 2010. The Partnership monitors the credit and non-performance risk associated with its derivative counter-parties and believes them to be insignificant and not warranting a credit adjustment at December 31, 2010.

The table below presents the balances of assets measured at fair value as of December 31, 2010 and 2009 on a non-recurring basis:

(In thousands)	Total	Level 1	Level 2	Level 3
<u>December 31, 2010</u>				
Long-lived fixed assets(1)	\$ 46,276	\$	\$	\$ 46,276
Trade-names(2)	697			697
Total	\$ 46,973	\$	\$	\$ 46,973
<u>December 31, 2009</u>				
Trade-names(2)	\$ 41,635	\$	\$	\$ 41,635
Total	\$ 41,635	\$	\$	\$ 41,635

- (1) Included in Net, Property and Equipment on the Consolidated Balance Sheet
(2) Included in Other Intangibles, net on the Consolidated Balance Sheet

A relief-from-royalty model is used to determine whether the fair value of trade-names exceeds their carrying amount. The fair value of the trade-names is determined as the present value of fees avoided by owning the respective trade-name.

In 2010, the Partnership concluded, based on operating results as well as updated forecasts, that a review of the carrying value of long-lived assets at California's Great America was warranted. After performing its review, the Partnership determined that a portion of the park's fixed assets, the majority of which were originally recorded with the PPI acquisition, were impaired. As a result, it recognized \$62.0 million of

fixed-asset impairment during 2010.

F-24

After completing its 2010 and 2009 annual reviews of indefinite-lived intangibles for impairment, the Partnership concluded that a portion of trade-names originally recorded with the PPI acquisition were impaired. As a result, the Partnership recognized approximately \$2.3 million and \$4.5 million of trade-name impairment during 2010 and 2009, respectively.

(12) Termination of Agreement with Private Equity Firm:

On April 6, 2010, the Partnership and the affiliates of Apollo Global Management (Apollo) mutually terminated the merger agreement originally entered into on December 16, 2009. Consistent with the terms of the agreement, the Partnership paid Apollo \$6.5 million to reimburse Apollo for certain expenses incurred in connection with the transaction. In addition, both parties released each other from all obligations with respect to the proposed merger transaction, as well as from any claims arising out of or relating to the merger agreement. The \$6.5 million paid to Apollo in April was recognized as a charge to earnings in Selling, general and administrative in the second quarter of 2010. The Partnership incurred approximately \$10.4 million in costs associated with the terminated merger during 2010, and a total of \$16.0 million of costs since the merger was initially announced.

The Partnership remains an independent public company and its units continue to be listed and traded on the New York Stock Exchange under the symbol FUN.

(13) Subsequent Event:

On February 25, 2011, the Partnership amended its 2010 Credit Agreement and extended the maturity date of the U.S. term loan portion of the credit facilities by one year. The extended U.S. term loan matures in December 2017 and bears interest at a rate of LIBOR plus 300 bps, with a LIBOR floor of 100 bps. The amendment also modifies the restricted payment provisions of the 2010 Credit Agreement and includes provisions that allow the Partnership to make restricted payments of up to \$60 million in 2011 and up to \$20 million annually thereafter, at the discretion of the Board of Directors, so long as no default or event of default has occurred and is continuing. These restricted payments are not subject to any specific covenants. Beginning in 2012, additional restricted payments are still allowed to be made based on an Excess-Cash-Flow formula, should the Partnership's pro-forma Consolidated Leverage Ratio be less than or equal to 4.50x consolidated total debt (excluding the revolving debt)-to-consolidated EBITDA, measured on a quarterly basis.

(14) Consolidating Financial Information of Guarantors and Issuers

Cedar Fair, L.P., Cedar Canada, and Magnum are the co-issuers of the Partnership's 9.125% notes (see Note 5). The notes have been fully and unconditionally guaranteed, on a joint and several basis, by each 100% owned subsidiary of Cedar Fair (other than Cedar Canada and Magnum) that guarantees the Partnership's senior secured credit facilities. There are no non-guarantor subsidiaries.

The following consolidating schedules present condensed financial information for Cedar Fair, L.P., Cedar Canada, and Magnum, the co-issuers, and each 100% owned subsidiary of Cedar Fair (other than Cedar Canada and Magnum), the guarantors (on a combined basis), as of December 31, 2010, and 2009, and for the three years ended December 31, 2010. In lieu of providing separate unaudited financial statements for the guarantor subsidiaries, we have included the accompanying consolidating condensed financial statements.

Since Cedar Fair, L.P., Cedar Canada and Magnum are co-issuers of the notes and senior secured credit facilities, all outstanding debt has been equally reflected within each co-issuer's December 31, 2010 balance sheet in the accompanying consolidating condensed financial statements.

CEDAR FAIR, L.P.

CONDENSED CONSOLIDATING BALANCE SHEET

December 31, 2010

(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	\$	\$ 1,461	\$ 6,943	\$ 1,361	\$	\$ 9,765
Receivables		59,686	94,404	508,676	(650,426)	12,340
Inventories		1,732	2,536	27,874		32,142
Current deferred tax asset		1,686	779	3,409		5,874
Other current assets	460	1,242	370	8,141		10,213
	460	65,807	105,032	549,461	(650,426)	70,334
Property and Equipment (net)	465,364	1,090	268,258	941,929		1,676,641
Investment in Park	504,414	642,278	116,053	60,602	(1,323,347)	
Intercompany Note Receivable		270,188	20,000		(290,188)	
Goodwill	9,061		125,979	111,219		246,259
Other Intangibles, net			17,840	22,792		40,632
Deferred Tax Asset		44,450			(44,450)	
Intercompany Receivable	886,883	1,107,030	1,165,493		(3,159,406)	
Other Assets	23,855	13,469	9,998	1,256		48,578
	\$ 1,890,037	\$ 2,144,312	\$ 1,828,653	\$ 1,687,259	\$ (5,467,817)	\$ 2,082,444
LIABILITIES AND PARTNERS EQUITY						
Current Liabilities:						
Accounts payable	\$ 115,116	\$ 303,387	\$ 22,261	\$ 220,449	\$ (650,426)	\$ 10,787
Deferred revenue			3,384	22,944		26,328
Accrued interest	4,754	72	15,583			20,409
Accrued taxes	3,899	2,168	6,200	2,877		15,144
Accrued salaries, wages and benefits		11,433	1,242	5,545		18,220
Self-insurance reserves		3,354	1,687	16,446		21,487
Current derivative liability	47,986					47,986
Other accrued liabilities	1,443	5,831	420	797		8,491
	173,198	326,245	50,777	269,058	(650,426)	168,852
Deferred Tax Liability			62,290	113,990	(44,450)	131,830
Derivative Liability			54,517			54,517
Other Liabilities		10,406				10,406
Intercompany Note Payable		20,000		270,188	(290,188)	
Long-Term Debt:						
Revolving credit loans	23,200	23,200	23,200		(46,400)	23,200
Term debt	1,157,062	1,157,062	1,157,062		(2,314,124)	1,157,062
Notes	399,441	399,441	399,441		(798,882)	399,441
	1,579,703	1,579,703	1,579,703		(3,159,406)	1,579,703
Equity	137,136	207,958	81,366	1,034,023	(1,323,347)	137,136

\$ 1,890,037	\$ 2,144,312	\$ 1,828,653	\$ 1,687,259	\$ (5,467,817)	\$ 2,082,444
--------------	--------------	--------------	--------------	----------------	--------------

F-26

CEDAR FAIR, L.P.

CONDENSED CONSOLIDATING BALANCE SHEET

December 31, 2009

(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
ASSETS						
Current Assets:						
Cash and cash equivalents	\$	\$ 1,243	\$ 9,947	\$ 738	\$	\$ 11,928
Receivables		55,361	74,318	447,513	(570,657)	6,535
Inventories		1,719	2,131	23,415		27,265
Current deferred tax asset		2,539	801	3,385		6,725
Other current assets	296	1,447	388	6,724		8,855
	296	62,309	87,585	481,775	(570,657)	61,308
Property and Equipment (net)	475,449	1,144	263,506	1,040,970		1,781,069
Investment in Park	517,599	863,119		60,327	(1,441,045)	
Intercompany Note Receivable	699,625	272,938			(972,563)	
Goodwill	9,061		119,727	111,218		240,006
Other Intangibles, net		100	16,955	25,153		42,208
Deferred Tax Asset		36,986		4	(36,990)	
Other Assets	18,775		681	1,392		20,848
	\$ 1,720,805	\$ 1,236,596	\$ 488,454	\$ 1,720,839	\$ (3,021,255)	\$ 2,145,439
LIABILITIES AND EQUITY						
Current Liabilities:						
Current maturities of long-term debt	\$ 13,812	\$	\$ 2,147	\$	\$	\$ 15,959
Accounts payable	76,204	286,085	17,912	200,496	(570,657)	10,040
Deferred revenue			3,006	20,170		23,176
Accrued interest	4,854		51			4,905
Accrued taxes	3,638	380	10,530	3,382		17,930
Accrued salaries, wages and benefits		12,571	1,109	5,328		19,008
Self-insurance reserves		3,583	1,671	16,531		21,785
Other accrued liabilities	5,777	11,625	283	1,032		18,717
	104,285	314,244	36,709	246,939	(570,657)	131,520
Deferred Tax Liability			44,124	130,990	(36,990)	138,124
Derivative Liability	83,359		46,303			129,662
Other Liabilities		7,884				7,884
Intercompany Note Payable		699,625		272,938	(972,563)	
Long-Term Debt:						
Revolving credit loans	86,300					86,300
Term debt	1,318,999		205,088			1,524,087
	1,405,299		205,088			1,610,387
Equity	127,862	214,843	156,230	1,069,972	(1,441,045)	127,862
	\$ 1,720,805	\$ 1,236,596	\$ 488,454	\$ 1,720,839	\$ (3,021,255)	\$ 2,145,439

F-27

CEDAR FAIR, L.P.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the Year Ended December 31, 2010

(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	\$ 136,386	\$ 245,983	\$ 113,513	\$ 863,677	\$ (381,967)	\$ 977,592
Costs and expenses:						
Cost of food, merchandise and games revenues			8,917	77,702		86,619
Operating expenses	5,534	164,750	42,551	580,534	(381,967)	411,402
Selling, general and administrative	15,093	71,454	10,839	36,615		134,001
Depreciation and amortization	35,569	95	16,205	74,927		126,796
Loss on impairment of goodwill and other intangibles				2,293		2,293
Loss on impairment / retirement of fixed assets, net	732		20	62,000		62,752
	56,928	236,299	78,532	834,071	(381,967)	823,863
Operating income	79,458	9,684	34,981	29,606		153,729
Interest expense (income), net	85,313	31,460	31,835	523		149,131
Net effect of swaps	10,508		7,686			18,194
Loss on early extinguishment of debt	24,831		10,458			35,289
Unrealized / realized foreign currency gain		(3,079)	(17,484)			(20,563)
Other (income) expense	750	(6,123)	1,811	3,562		
(Income) loss from investment in affiliates	(18,394)	98	2,461	2,188	13,647	
Income (loss) before taxes	(23,550)	(12,672)	(1,786)	23,333	(13,647)	(28,322)
Provision (benefit) for taxes	8,017	(320)	471	(4,923)		3,245
Net income (loss)	\$ (31,567)	\$ (12,352)	\$ (2,257)	\$ 28,256	\$ (13,647)	\$ (31,567)

CEDAR FAIR, L.P.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the Year Ended December 31, 2009

(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	\$ 122,722	\$ 238,123	\$ 108,133	\$ 807,568	\$ (360,471)	\$ 916,075
Costs and expenses:						
Cost of food, merchandise and games revenues			8,433	76,507		84,940
Operating expenses	5,397	167,891	38,130	551,781	(360,471)	402,728
Selling, general and administrative	9,338	72,395	9,886	36,854		128,473
Depreciation and amortization	35,649	46	14,912	82,138		132,745
Loss on impairment of goodwill and other intangibles				4,500		4,500
Loss on impairment / retirement of fixed assets, net	206		33	5		244
(Gain) on sale of other assets			(23,098)			(23,098)
	50,590	240,332	48,296	751,785	(360,471)	730,532
Operating income (loss)	72,132	(2,209)	59,837	55,783		185,543
Interest expense (income), net	57,799	49,279	19,650	(2,066)		124,662
Net effect of swaps	3,069		6,101			9,170
Other (income) expense	1,609	(8,214)	3,118	4,791		1,304
(Income) loss from investment in affiliates	(33,059)	(42,528)		(25,504)	101,091	
Income (loss) before taxes	42,714	(746)	30,968	78,562	(101,091)	50,407
Provision (benefit) for taxes	7,285	(7,858)	5,668	9,883		14,978
Net income	\$ 35,429	\$ 7,112	\$ 25,300	\$ 68,679	\$ (101,091)	\$ 35,429

CEDAR FAIR, L.P.

CONDENSED CONSOLIDATING STATEMENT OF OPERATIONS

For the Year Ended December 31, 2008

(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
Net revenues	\$ 152,848	\$ 242,924	\$ 125,231	\$ 870,602	\$ (395,373)	\$ 996,232
Costs and expenses:						
Cost of food, merchandise and games revenues			9,909	80,717		90,626
Operating expenses	7,332	166,157	41,642	598,792	(395,373)	418,550
Selling, general and administrative	3,928	74,621	11,299	42,034		131,882
Depreciation and amortization	35,751	48	15,644	74,395		125,838
Loss on impairment of goodwill and other intangibles				86,988		86,988
Loss on impairment / retirement of fixed assets, net	8,403			22		8,425
	55,414	240,826	78,494	882,948	(395,373)	862,309
Operating income (loss)	97,434	2,098	46,737	(12,346)		133,923
Interest expense (income), net	64,250	53,608	21,615	(10,882)		128,591
Other (income) expense	937	(12,926)	3,373	9,177		561
(Income) loss from investment in affiliates	17,902	12,802		(15,300)	(15,404)	
Income (loss) before taxes	14,345	(51,386)	21,749	4,659	15,404	4,771
Provision (benefit) for taxes	8,639	(6,760)	7,101	(9,915)		(935)
Net income (loss)	\$ 5,706	\$ (44,626)	\$ 14,648	\$ 14,574	\$ 15,404	\$ 5,706

CEDAR FAIR, L.P.

CONDENSED CONSOLIDATING STATEMENT OF CASH FLOWS

For the Year Ended December 31, 2010

(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
NET CASH (FOR) FROM OPERATING ACTIVITIES	\$ 83,885	\$ (60,455)	\$ (3,649)	\$ 41,756	\$ 120,578	\$ 182,115
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES						
Investment in joint ventures and affiliates	13,185	220,841	(113,173)	(275)	(120,578)	
Capital expenditures	(26,165)		(7,433)	(38,108)		(71,706)
Net cash from (for) investing activities	(12,980)	220,841	(120,606)	(38,383)	(120,578)	(71,706)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES						
Net payments on revolving credit loans	(63,100)					(63,100)
Term debt borrowings	680,000	480,000	15,000			1,175,000
Note borrowings			399,383			399,383
Intercompany term debt (payments) receipts	699,625	(696,875)		(2,750)		
Term debt payments, including early termination penalties	(1,351,464)	(7,327)	(208,099)			(1,566,890)
Distributions (paid) received	(13,891)	57				(13,834)
Return of capital		75,247	(75,247)			
Payment of debt issuance costs	(22,075)	(11,277)	(9,912)			(43,264)
Exercise of limited partnership unit options		7				7
Net cash from (for) financing activities	(70,905)	(160,168)	121,125	(2,750)		(112,698)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS						
			126			126
CASH AND CASH EQUIVALENTS						
Net increase (decrease) for the year		218	(3,004)	623		(2,163)
Balance, beginning of year		1,243	9,947	738		11,928
Balance, end of year	\$	\$ 1,461	\$ 6,943	\$ 1,361	\$	\$ 9,765

CEDAR FAIR, L.P.

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2009

(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM (FOR) OPERATING ACTIVITIES	\$ 139,738	\$ 60,328	\$ 19,961	\$ (186,113)	\$ 151,283	\$ 185,197
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES						
Investment in joint ventures and affiliates	(6,081)	200,695		(43,331)	(151,283)	
Sale of Canadian real estate			53,831			53,831
Capital expenditures	(23,160)		(1,099)	(44,877)		(69,136)
Net cash from (for) investing activities	(29,241)	200,695	52,732	(88,208)	(151,283)	(15,305)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES						
Net payments on revolving credit loans	63,600					63,600
Intercompany note borrowings (issuance)		(275,000)		275,000		
Intercompany note (payments) receipts	7,250	(5,187)		(2,063)		
Term debt payments, including early termination penalties	(105,315)		(56,014)			(161,329)
Distributions paid to partners	(68,342)	478				(67,864)
Return of capital		18,718	(18,718)			
Payment of debt issuance costs	(7,694)					(7,694)
Exercise of limited partnership unit options	4					4
Net cash from (for) financing activities	(110,497)	(260,991)	(74,732)	272,937		(173,283)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			1,446			1,446
CASH AND CASH EQUIVALENTS						
Net increase (decrease) for the period		32	(593)	(1,384)		(1,945)
Balance, beginning of period		1,211	10,540	2,122		13,873
Balance, end of period	\$	\$ 1,243	\$ 9,947	\$ 738	\$	\$ 11,928

CEDAR FAIR, L.P.

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

For the Year Ended December 31, 2008

(In thousands)

	Cedar Fair L.P. (Parent)	Co-Issuer Subsidiary (Magnum)	Co-Issuer Subsidiary (Cedar Canada)	Guarantor Subsidiaries	Eliminations	Total
NET CASH FROM (FOR) OPERATING ACTIVITIES	\$ 3,377	\$ (57,484)	\$ 33,693	\$ 28,757	\$ 207,245	\$ 215,588
CASH FLOWS FROM (FOR) INVESTING ACTIVITIES						
Investment in subsidiaries	135,604	51,672		19,969	(207,245)	
Acquisition of Paramount Parks, net of cash acquired	6,431					6,431
Capital expenditures	(23,745)		(9,205)	(50,531)		(83,481)
Net cash from (for) investing activities	118,290	51,672	(9,205)	(30,562)	(207,245)	(77,050)
CASH FLOWS FROM (FOR) FINANCING ACTIVITIES						
Net payments on revolving credit loans	(11,386)					(11,386)
Intercompany term debt (payments) receipts	7,250	(7,250)				
Term debt payments, including early termination penalties	(11,714)		(5,736)			(17,450)
Distributions paid to partners	(105,832)	754				(105,078)
Return of capital		5,710	(5,710)			
Exercise of limited partnership unit options	15	4,526				4,541
Excess tax benefit from unit-based compensation expense		1,729				1,729
Net cash from (for) financing activities	(121,667)	5,469	(11,446)			(127,644)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS			(2,522)			(2,522)
CASH AND CASH EQUIVALENTS						
Net increase (decrease) for the period		(343)	10,520	(1,805)		8,372
Balance, beginning of period		1,554	20	3,927		5,501
Balance, end of period	\$	\$ 1,211	\$ 10,540	\$ 2,122	\$	\$ 13,873

PROSPECTUS

Offer to exchange

\$405,000,000 principal amount of our 9¹/₈% Senior Notes due 2018, which have been registered under the Securities Act of 1933, for any and all of our outstanding 9¹/₈% Senior Notes due 2018.

Until the date that is 90 days from the date of this prospectus, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters with respect to their unsold allotments or subscriptions or otherwise.

II. INFORMATION NOT REQUIRED IN PROSPECTUS

Item 20. Indemnification of Directors and Officers **California Registrant**

Knott s Berry Farm, is registered under the laws of California.

Section 15904.06 of the California Revised Limited Partnership Act (the "CRLP") addresses the rights of a general partner with respect to its management and conduct of partnership activities. The 2008 California Revised Limited Partnership Act provides that a limited partnership shall reimburse a general partner for payments made, and indemnify a general partner for liabilities incurred by, the general partner in the ordinary course of the activities of the partnership or for the preservation of its activities or property.

Nova Scotia Registrant

Cedar Canada

Under applicable Nova Scotia law, a director owes a duty of care and a duty of loyalty and good faith (also referred to as a fiduciary duty).

Article 147 of the articles of association of Cedar Canada provide that every director, manager, President, Secretary, Treasurer, and other officer or servant of Cedar Canada shall be indemnified by Cedar Canada against, and it shall be the duty of the directors out of the funds of Cedar Canada to pay, all costs, losses and expenses which any director, manager, Secretary, Treasurer or other officer or servant may incur or become liable to by reason of any contract entered into, or act or thing done by him as such officer or servant, or in any way in the discharge of his duties, including travelling expenses, and the amount for which such indemnity is proved shall immediately attach as a lien on the property of Cedar Canada and have priority as against the members over all other claims.

Delaware Registrants

Cedar Fair, L.P., Cedar Fair Southwest Inc., Kings Island Company and Wonderland Company Inc. are incorporated under the laws of Delaware.

Section 145 of the Delaware General Corporation Law (the "DGCL") grants each corporation organized thereunder the power to indemnify any person who is or was a director, officer, employee or agent of a corporation or enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, other than an action by or in the right of the corporation, by reason of being or having been in any such capacity, if he acted in good faith in a manner reasonably believed to be in, or not opposed to, the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. Section 102(b)(7) of the DGCL enables a corporation in its certificate of incorporation or an amendment thereto to eliminate or limit the personal liability of a director to the corporation or its stockholders of monetary damages for violations of the directors' fiduciary duty of care, except (i) for any breach of the directors' duty of loyalty to the corporation or its stockholders, (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law, (iii) pursuant to Section 174 of the DGCL (providing for liability of directors for unlawful payment of dividends or unlawful stock purchases or redemptions) or (iv) for any transaction from which a director derived an improper personal benefit.

The Restated Certificate of Incorporation of the Kings Island Company (f.k.a. Kings Entertainment Company) gives to the corporation to the fullest extent permitted by Section 145 of the DGCL the right to indemnify any and all persons whom it shall have the power to indemnify under said Section from and against

any and all of expenses, liabilities or other matters referenced in or covered by said Section, and the indemnification provided for in the Restated Certificate of Incorporation shall not be deemed exclusive of any other rights to which those indemnified may be entitled under any by-law, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacities and as to action in other capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such person.

The Restated Certificate of Incorporation of Kings Island Company also eliminates the liability of the directors of the corporation for monetary damages to the fullest extent permissible under Delaware law for breach of their fiduciary duties as directors.

Ohio Registrants

Boeckling, L.P. and Cedar Fair are organized under the laws of Ohio.

Cedar Point, Inc., Western Row Properties, Inc. and Magnum Management Corporation are incorporated under the laws of Ohio.

Section 1701.13(E) of the Ohio General Corporation Law (OGCL) provides that an Ohio corporation may indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director, officer, employee or agent of that corporation, or is or was serving at the request of the corporation as a director, trustee, officer, employee, member, manager, or agent of another entity against expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding, if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to any criminal matter, if he had no reasonable cause to believe his conduct was unlawful. In addition, no indemnification shall be made in respect of a claim against such person by or in the right of the corporation, if the person is adjudged to be liable for negligence or misconduct in the performance of his duty to the corporation except to the extent provided in the court order. Indemnification may be made if ordered by a court or authorized in each specific case by the directors of the indemnifying corporation acting at a meeting at which, for the purpose, any director who is a party to or threatened with any such action, suit or proceeding may not be counted in determining the existence of a quorum and may not vote. If, because of the foregoing limitations, the directors are unable to act in this regard, such determination may be made by written opinion of independent legal counsel other than an attorney, or a firm having associated with it an attorney, who has been retained by or who has performed services for the corporation or any person to be indemnified during the five years preceding the date of determination. Alternatively, such determination may be made by the corporation's shareholders.

Section 1701.13(E) of the OGCL provides that the indemnification thereby permitted shall not be exclusive of any other rights that directors, officers or employees may have, including rights under insurance purchased by the corporation.

Michigan Registrants

Cedar Point of Michigan, Inc. and Michigan's Adventure, Inc. are incorporated under the laws of Michigan.

Sections 561 through 571 of the Michigan Business Corporation Act (MBCA) contain provisions governing the indemnification of directors and officers by Michigan corporations. That statute provides that a corporation has the power to indemnify a person who was or is a party or is threatened to be made a party to a threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative and whether formal or informal (other than an action by or in the right of the corporation) by reason of the fact that he or she is or was a director, officer, employee or agent of the corporation, or is or was serving at

the request of the corporation as a director, officer, partner, trustee, employee or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, whether for profit or not, against expenses (including attorneys' fees), judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by him or her in connection with the action, suit or proceeding, if the person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and with respect to a criminal action or proceeding, if the person had no reasonable cause to believe his or her conduct was unlawful. The termination of an action, suit or proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, does not, of itself, create a presumption that the person did not act in good faith and in a manner that he or she reasonably believed to be in or not opposed to the best interests of the corporation or its shareholders, and, with respect to a criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

Indemnification of expenses (including attorneys' fees) and amounts paid in settlement is permitted in derivative actions, except that indemnification is not allowed for any claim, issue or matter in which such person has been found liable to the corporation unless and to the extent that a court decides indemnification is proper. To the extent that a director or officer has been successful on the merits or otherwise in defense of an action, suit or proceeding, or in defense of a claim, issue or matter in the action, suit or proceeding, the corporation shall indemnify him or her against actual and reasonable expenses (including attorneys' fees) incurred by him or her in connection with the action, suit or proceeding, and any action, suit or proceeding brought to enforce the mandatory indemnification provided under the MBCA. The MBCA permits partial indemnification for a portion of expenses (including reasonable attorneys' fees), judgments, penalties, fines and amounts paid in settlement to the extent the person is entitled to indemnification for less than the total amount.

The indemnification provisions of the MBCA are not exclusive of the rights to indemnification under a corporation's articles of incorporation or bylaws or by agreement. However, the total amount of expenses advanced or indemnified from all sources combined may not exceed the amount of actual expenses incurred by the person seeking indemnification or advancement of expenses. The indemnification provided for under the MBCA continues as to a person who ceases to be a director, officer, employee or agent.

Item 21. Exhibits and Financial Statements Schedules.

Exhibit Number	Exhibit Description
2.1	Asset Purchase Agreement between Cedar Fair, L.P. and Six Flags, Inc., Funtime, Inc., Aurora Campground, Inc., Ohio Campgrounds Inc., and Ohio Hotel LLC, dated April 8, 2004. Incorporated herein by reference to Exhibit 2 to the Registrant's Form 8-K (File No. 001-09444) filed on April 23, 2004.
2.2	Stock Purchase Agreement between Cedar Fair, L.P. and CBS Corporation, dated May 22, 2006. Incorporated herein by reference to Exhibit 2.1 to the Registrant's Form 8-K filed on July 7, 2006.
2.3	Amendment No. 1 to the Stock Purchase Agreement between Cedar Fair, L.P. and CBS Corporation, dated June 30, 2006. Incorporated herein by reference to Exhibit 2.2 to the Registrant's Form 8-K filed on July 7, 2006.
2.4	Agreement and Plan of Merger, dated as of December 16, 2009, by and among Siddur Holdings, Ltd., Siddur Merger Sub, LLC, Cedar Fair Management, Inc. and Cedar Fair, L.P., dated as of December 16, 2009. Incorporated herein by reference to Exhibit 2.1 to the Registrant's Form 8-K filed on December 17, 2009.
2.5	Termination and Settlement Agreement among Cedar Fair, L.P. and its affiliates, and the Apollo Parties thereto, dated April 5, 2010. Incorporated herein by reference to Exhibit 2.1 to the Registrant's Form 8-K filed on April 6, 2010.
3.1	Fifth Amended and Restated Agreement of Limited Partnership of Cedar Fair, L.P. Incorporated herein by reference to Exhibit A to the Registrant's Proxy Statement on Schedule 14A (File No. 001-9444) filed March 23, 2004.
3.2**	Boeckling, L.P. Certificate of Limited Partnership
3.3**	Boeckling, L.P. Agreement of Limited Partnership
3.4**	Cedar Canada Company Articles of Incorporation
3.5**	Cedar Canada Company By-Laws
3.6**	Cedar Fair, L.P. Certificate of Limited Partnership
3.7**	Cedar Fair, L.P. Agreement of Limited Partnership
3.8**	Cedar Point, Inc. Articles of Incorporation
3.9**	Cedar Point, Inc. By-Laws
3.10**	Cedar Point of Michigan, Inc. Articles of Incorporation
3.11**	Cedar Point of Michigan, Inc. By-Laws
3.12**	Cedar Fair Southwest, Inc. Articles of Incorporation
3.13**	Cedar Fair Southwest, Inc. By-Laws
3.14**	Kings Island Company Articles of Incorporation
3.15**	Kings Island Company By-Laws
3.16**	Knott's Berry Farm LP General Partnership Agreement
3.17**	Magnum Management Corporation Articles of Incorporation
3.18**	Magnum Management Corporation By-Laws
3.19**	Michigan's Adventure, Inc. Articles of Incorporation
3.20**	Michigan's Adventure, Inc. By-Laws
3.21**	Western Row Properties, Inc. Articles of Incorporation

Exhibit Number	Exhibit Description
3.22**	Western Row Properties, Inc. By-Laws
3.23**	Wonderland Company, Inc. Articles of Incorporation
3.24**	Wonderland Company, Inc. By-Laws
4.1	Indenture, dated as of July 29, 2010, by and among Cedar Fair, L.P., Cedar Canada and Magnum Management Corporation, as Issuers, the Guarantors named therein and The Bank of New York Mellon as Trustee. Incorporated herein by reference to Exhibit 4.1 to the Registrant's Form 8-K filed on July 29, 2010.
4.2	Registration Rights Agreement, dated July 29, 2010, by and among Cedar Fair, L.P., Cedar Canada Company and Magnum Management Corporation, as issuers, the guarantors named therein and J.P. Morgan Securities Inc. as representative of the initial purchasers named therein. Incorporated herein by reference to Exhibit 4.2 to the Registrant's Form 8-K filed on July 29, 2010.
4.3	Form of 9 ¹ / ₈ % Senior Notes due 2018 (included in Exhibit 4.1)
5.1*	Opinion of Simpson Thacher & Bartlett LLP
5.2*	Opinion of Squire, Sanders & Dempsey (US) LLP
5.3*	Opinion of Warner Norcross & Judd LLP
5.4*	Opinion of McInnes Cooper
10.1	Credit Agreement, dated July 29, 2010, among Cedar Fair, L.P., Magnum Management Corporation and Cedar Canada as borrowers, the several lenders from time to time party thereto, Keybank National Association, Wells Fargo Bank, N.A., UBS Loan Finance LLC and Fifth Third Bank as co-syndication agents and JPMorgan Chase Bank, N.A. as administrative agent and collateral agent. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on July 29, 2010.
10.2	Form of Amendment No. 1 to Credit Agreement, among Cedar Fair, L.P., Magnum Management Corporation, Canada's Wonderland Company, the several banks and other financial institutions party thereto, the Issuing Lenders and Swing Line Lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent and as Collateral Agent, dated as of February 25, 2011. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on March 3, 2011.
10.3	Cedar Fair, L.P. Amended and Restated Executive Severance Plan dated July 18, 2007. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on August 3, 2007.
10.4	Cedar Fair, L.P. Amended and Restated 2000 Equity Incentive Plan dated July 18, 2007. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on August 3, 2007.
10.5	Cedar Fair, L.P. Amended and Restated 2000 Senior Executive Management Incentive Plan dated July 18, 2007. Incorporated herein by reference to Exhibit 10.3 to the Registrant's Quarterly Report on Form 10-Q filed on August 3, 2007.
10.6	Cedar Fair, L.P. Amended and Restated Senior Management Long-Term Incentive Compensation Plan dated July 18, 2007. Incorporated herein by reference to Exhibit 10.4 to the Registrant's Quarterly Report on Form 10-Q filed on August 3, 2007.
10.7	Cedar Fair, L.P. Amended and Restated Supplemental Retirement Program dated July 18, 2007. Incorporated herein by reference to Exhibit 10.5 to the Registrants Quarterly Report on Form 10-Q filed on August 3, 2007.
10.8	Cedar Fair, L.P. 2008 Supplemental Retirement Program dated February 4, 2008. Incorporated herein by reference to Exhibit 10.5 to the Registrant's Annual Report on Form 10-K filed on February 29, 2008.
10.9	2007 Amended and Restated Employment Agreement with Richard L. Kinzel. Incorporated herein by reference to Exhibit 10.6 to the Registrant's Quarterly Report on Form 10-Q filed on August 3, 2007.

Exhibit Number	Exhibit Description
10.10	2007 Amended and Restated Employment Agreement with Jacob T. Falfas. Incorporated herein by reference to Exhibit 10.7 to the Registrant's Quarterly Report on Form 10-Q filed on August 3, 2007.
10.11	2007 Amended and Restated Employment Agreement with Peter J. Crage. Incorporated herein by reference to Exhibit 10.8 to the Registrant's Quarterly Report on Form 10-Q filed August 3, 2007.
10.12	Employment Agreement with Robert A. Decker. Incorporated herein by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-K filed on February 29, 2008.
10.13	Employment Agreement with H. Philip Bender. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Quarterly Report on Form 10-Q filed on June 23, 2010.
10.14	Employment Agreement with Richard A. Zimmerman. Incorporated herein by reference to Exhibit 10.2 to the Registrant's Quarterly Report on Form 10-Q filed on June 23, 2010.
10.15	Cedar Fair, L.P. 2008 Omnibus Incentive Plan dated as of May 15, 2008. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on May 20, 2008.
10.16	Cedar Fair, L.P. 2008 Omnibus Incentive Plan Long-Term Incentive Award Agreement. Incorporated herein by reference to Exhibit 10.13 to the Registrant's Form 10-K filed on March 2, 2009.
10.17	Cedar Fair, L.P. 2008 Omnibus Incentive Plan 2008-2011 Performance Award Agreement. Incorporated herein by reference to Exhibit 10.13 to the Registrant's Form 10-K filed on March 2, 2009.
10.18	Amended and Restated Credit Agreement dated as of February 15, 2007 among Cedar Fair, L.P. and Subsidiaries as co-borrowers, and several banks and certain Lenders party thereto. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K on February 21, 2007.
10.19	Credit Agreement Waiver, dated January 26, 2010, to the Amended and Restated Credit Agreement, dated February 15, 2007. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on January 28, 2010.
10.20	Letter Agreement between Cedar Fair, L.P., Cedar Fair Management, Inc., Q Funding III, L.P. and Q4 Funding, L.P., dated May 4, 2010. Incorporated herein by reference to Exhibit 10.1 to the Registrant's Form 8-K filed on January 28, 2010.
12.1**	Statements of computation of Ratio of Earnings to fixed charges.
21.1	Subsidiaries of Cedar Fair, L.P. Incorporated by reference to Exhibit 21 to the Registrant's Annual Report on Form 10-K filed on February 28, 2011.
23.1*	Consent of Simpson Thacher & Bartlett LLP (included as part of the Opinion filed as Exhibit 5.1)
23.2*	Consent of Squire, Sanders & Dempsey (US) LLP (included as part of the Opinion filed as Exhibit 5.2)
23.3*	Consent of Warner Norcross & Judd LLP (included as part of the Opinion filed as Exhibit 5.3)
23.4*	Consent of McInnes Cooper (included as part of the Opinion filed as Exhibit 5.4)
23.5*	Consent of Independent Registered Public Accounting Firm
24.1**	Power of Attorney
25.1**	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939 of The Bank of New York Mellon as trustee under the Indenture, dated as of July 29, 2010, by and among Cedar Fair, L.P., Cedar Canada and Magnum Management Corporation, as issuers, the guarantors named therein and J.P. Morgan Securities Inc. as representative of the initial purchases named therein.
99.1**	Form of Letter of Transmittal
99.2**	Form of Letter to Brokers, Dealers, Commercial Banks, Trust Companies and Other Nominees
99.3**	Form of Letter to Clients
99.4**	Form of Notice of Guaranteed Delivery
101**	Financials in XBRL Format

* Filed herewith.

** Previously filed.

Item 22. Undertakings.

(a) Each of the undersigned registrant hereby undertakes:

- (1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:
 - (i) to include any prospectus required by section 10(a)(3) of the Securities Act of 1933;
 - (ii) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20% change in the maximum aggregate offering price set forth in the Calculation of Registration Fee table in the effective registration statement; and
 - (iii) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement.
- (2) that, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof;
- (3) to remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering;
- (4) that, for the purpose of determining liability under the Securities Act of 1933 to any purchaser: each prospectus filed pursuant to Rule 424(b) as part of a registration statement relating to an offering, other than registration statements relying on Rule 430B or other than prospectuses filed in reliance on Rule 430A, shall be deemed to be part of and included in the registration statement as of the date it is first used after effectiveness. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such first use, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such date of first use; and
- (5) that, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities: The undersigned registrants undertake that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:
 - (i) any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii)

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

- (iii) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

II-7

- (iv) any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

- (6) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

- (7) Each of the undersigned registrants hereby undertakes to respond to requests for information that is incorporated by reference into the prospectus pursuant to Items 4, 10(b), 11, or 13 of this Form, within one business day of receipt of such request, and to send the incorporated documents by first class mail or other equally prompt means. This includes information contained in documents filed subsequent to the effective date of the registration statement through the date of responding to the request.

- (8) Each of the undersigned registrants hereby undertakes to supply by means of a post-effective amendment all information concerning a transaction, and the company being acquired involved therein, that was not the subject of and included in the registration statement when it became effective.

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Cedar Fair, L.P.

*

Name: Richard L. Kinzel
 Title: President, Chief Executive Officer and Director
 of the general partner Cedar Fair Management,
 Inc.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
* Richard L. Kinzel	President, Chief Executive Officer and Director, CFMI (Principal Executive Officer)	April 12, 2011
* Peter J. Crage	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	April 12, 2011
* Brian C. Witherow	Vice President and Corporate Controller (Principal Accounting Officer)	April 12, 2011
* Eric L. Affeldt	Director, CFMI	April 12, 2011
* Darrel D. Anderson	Director, CFMI	April 12, 2011
* Richard S. Ferreira	Director, CFMI	April 12, 2011
* Michael D. Kwiatkowski	Director, CFMI	April 12, 2011
* David L. Paradeau	Director, CFMI	April 12, 2011

*

Director, CFMI

April 12, 2011

John M. Scott, III

Signature	Title	Date
*	Director, CFMI	April 12, 2011
Steve H. Tishman		
*	Director, Chairman, CFMI	April 12, 2011
C. Thomas Harvie		

*By: /s/ Peter J. Crage
Peter J. Crage
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Cedar Canada

*

Name: Richard L. Kinzel
 Title: President and Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
* Richard L. Kinzel	President, Director (Principal Executive Officer)	April 12, 2011
* Peter J. Crage	Secretary (Principal Financial Officer)	April 12, 2011
* Brian C. Witherow	Vice President and Corporate Controller (Principal Accounting Officer)	April 12, 2011
* Cedar Fair L.P	Authorized U.S. Representative	April 12, 2011

By **Richard L. Kinzel**

President, Chief Executive Officer and Director of the general partner Cedar Fair Management Inc.

*By: /s/ Peter J. Crage
 Peter J. Crage
 Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Magnum Management Corporation

*

Name: Richard L. Kinzel

Title: President, Chief Executive Officer and Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director, MMC	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President and Chief Financial Officer	April 12, 2011
Peter J. Crage	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	
*	Director, MMC	April 12, 2011
Eric L. Affeldt		
*	Director, MMC	April 12, 2011
Michael D. Kwiatkowski		
*	Director, MMC	April 12, 2011
David L. Paradeau		
*	Director, MMC	April 12, 2011
C. Thomas Harvie		

*By: /s/ Peter J. Crage
Peter J. Crage

Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Boeckling, L.P

*

Name: Richard L. Kinzel
 Title: President, Chief Executive Officer and Director
 of the general partner,

Magnum Management Corporation

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director, MMC	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President and Chief Financial Officer	April 12, 2011
Peter J. Crage	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	
*	Director, MMC	April 12, 2011
Eric L. Affeldt		
*	Director, MMC	April 12, 2011
Michael D. Kwiatkowski		
*	Director, MMC	April 12, 2011
David L. Paradeau		
*	Director, MMC	April 12, 2011
C. Thomas Harvie		

*By: /s/ Peter J. Crage

Peter J. Cragg

Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Cedar Fair

*

Name: Richard L. Kinzel
 Title: President, Chief Executive Officer and Director
 of the general partner,

Magnum Management Corporation

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director, MMC	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President and Chief Financial Officer	April 12, 2011
Peter J. Crage	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	
*	Director, MMC	April 12, 2011
Eric L. Affeldt		
*	Director, MMC	April 12, 2011
Michael D. Kwiatkowski		
*	Director, MMC	April 12, 2011
David L. Paradeau		
*	Director, MMC	April 12, 2011
C. Thomas Harvie		

*By: /s/ Peter J. Crage

Peter J. Cragg
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Cedar Fair Southwest, Inc.

*

Name: Richard L. Kinzel

Title: President, Chief Executive Officer and Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director (Principal Executive Officer)	April 12, 2011
Richard L. Kinzel		
*	Executive Vice President, Chief Financial Officer and Director	April 12, 2011
Peter J. Crage	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	

*By: /s/ Peter J. Crage
Peter J. Crage
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Cedar Point, Inc.

*

Name: Richard L. Kinzel

Title: President, Chief Executive Officer and Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President, Chief Financial Officer and Director	April 12, 2011
Peter J. Crago	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	

*By: /s/ Peter J. Crago
Peter J. Crago

Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Cedar Point of Michigan, Inc.

*

Name: Richard L. Kinzel

Title: President, Chief Executive Officer and Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President, Chief Financial Officer and Director	April 12, 2011
Peter J. Crago	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	

*By: /s/ Peter J. Crago
Peter J. Crago

Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Kings Island Company

*

Name: Richard L. Kinzel

Title: President, Chief Executive Officer and Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President, Chief Financial Officer and Director	April 12, 2011
Peter J. Crage	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	

*By: /s/ Peter J. Crage
Peter J. Crage
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Knott s Berry Farm

*

Name: Richard L. Kinzel
 Title: President, Chief Executive Officer and Director of Cedar Fair Management, Inc. the general partner of the majority partner,

Cedar Fair L.P.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director, CFMI	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President and Chief Financial Officer	April 12, 2011
Peter J. Crage	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	
*	Director, CFMI	April 12, 2011
Eric L. Affeldt		
*	Director, CFMI	April 12, 2011
Darrel D. Anderson		
*	Director, CFMI	April 12, 2011
Richard S. Ferreira		
*	Director, CFMI	April 12, 2011
Michael D. Kwiatkowski		
*	Director, CFMI	April 12, 2011

Edgar Filing: PALATIN TECHNOLOGIES INC - Form DEF 14A

David L. Paradeau

*

Director, CFMI

April 12, 2011

John M. Scott, III

*

Director, CFMI

April 12, 2011

Steve H. Tishman

Signature

Title

Date

*

Director, Chairman, CFMI

April 12, 2011

C. Thomas Harvie

*By:

/s/ Peter J. Crage
Peter J. Crage

Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Michigan s Adventure, Inc.

*

Name: Richard L. Kinzel

Title: President, Chief Executive Officer and Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President, Chief Financial Officer and Director	April 12, 2011
Peter J. Crage	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	

*By: /s/ Peter J. Crage
Peter J. Crage
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Western Row Properties

*

Name: Richard L. Kinzel

Title: President, Chief Executive Officer and Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President,	April 12, 2011
Peter J. Crage	Chief Financial Officer and Director	
	(Principal Financial Officer)	
*	Vice President and Corporate Controller	April 12, 2011
Brian C. Witherow	(Principal Accounting Officer)	

*By: /s/ Peter J. Crage
Peter J. Crage
Attorney-in-fact

SIGNATURES

Pursuant to the requirements of the Securities Act, the registrants have duly caused this registration statement to be signed on their behalf by the undersigned, thereunto duly authorized, in the City of Sandusky, State of Ohio, on this 12th day of April, 2011.

Wonderland Company, Inc.

*

Name: Richard L. Kinzel

Title: President, Chief Executive Officer and Director

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
*	President, Chief Executive Officer and Director	April 12, 2011
Richard L. Kinzel	(Principal Executive Officer)	
*	Executive Vice President, Chief Financial Officer and Director	April 12, 2011
Peter J. Crage	(Principal Financial Officer)	

*