

CEDAR FAIR L P
Form DEF 14A
March 28, 2008
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OMB APPROVAL

OMB Number: 3235-0059
Expires: January 31, 2008
Estimated average burden
hours per response 14

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the

Securities Exchange Act of 1934

(Amendment No. __)

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 Pursuant to §240.14a-12

CEDAR FAIR, L.P.

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One Cedar Point Drive

Sandusky, Ohio 44870-5259

NOTICE OF ANNUAL MEETING OF LIMITED PARTNER UNITHOLDERS

TO BE HELD ON MAY 15, 2008

The annual meeting of the limited partner unitholders of Cedar Fair, L.P. will be held on Thursday, May 15, 2008 at 9:00 a.m. (Pacific Time) at the Partnership's Knott's Berry Farm Resort Hotel in Buena Park, California. All unitholders are invited to attend the meeting. The meeting is called for the following purposes:

1. To consider and vote upon the election of two Directors of the general partner for a three-year term expiring in 2011.
2. To consider and vote upon the adoption of the 2008 Omnibus Incentive Plan.
3. To confirm the appointment of Deloitte & Touche LLP as our independent registered public accounting firm.
4. To transact such other business as may properly come before the meeting.

Only limited partners that held units as of the close of business on March 17, 2008, are entitled to notice of and to vote at the annual meeting and at any adjournments or postponements of the meeting.

CEDAR FAIR MANAGEMENT, INC.

Richard L. Kinzel

Chairman, President and Chief Executive Officer

Sandusky, Ohio

March 28, 2008

Your vote is very important regardless of the number of limited partnership units you own. Whether or not you plan to attend the annual meeting, we request that you sign, date and return your proxy card by mail in the enclosed envelope, or that you grant your proxy by telephone or over the Internet by following the instructions on the proxy card as soon as possible. Any proxy given may be revoked at any time before it is exercised. If you are present at the annual meeting, you may revoke your proxy and vote personally on each matter brought before the annual meeting.

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THE ANNUAL MEETING

General

This document is furnished in connection with the solicitation of proxies from the limited partner unitholders of Cedar Fair, L.P. (the Partnership) by its general partner, Cedar Fair Management, Inc. (CFMI), for use at the annual meeting. This document and the accompanying form of proxy are first being mailed to limited partner unitholders on or about March 28, 2008.

Time and Place

The annual meeting will be held at the Partnership s Knott s Berry Farm Resort Hotel located at 7675 Crescent Avenue in Buena Park, California, on Thursday, May 15, 2008, at 9:00 a.m. (Pacific Time).

Matters to be Considered

At the annual meeting, the limited partners will be asked to:

elect two (2) Directors for a term expiring in 2011;

adopt the 2008 Omnibus Incentive Plan;

confirm the appointment of Deloitte & Touche LLP as our independent registered public accounting firm; and

vote on any other matters that may be properly raised at the annual meeting.

It is not anticipated that any other matters will be raised at the annual meeting.

Voting Process

Even if you plan to attend the annual meeting in person, the Board urges you to submit your vote as soon as possible by mail, telephone or the Internet. The telephone and Internet voting procedures are designed to authenticate votes cast by use of a personal identification number. These procedures allow unitholders to appoint a proxy to vote their units and to confirm that their instructions have been properly recorded. Instructions for voting by telephone and over the Internet are included on the proxy card. All of the Partnership units represented by proxies properly received prior to or at the annual meeting and not revoked will be voted in accordance with the instructions indicated in the proxies. If no voting instructions are indicated on a proxy, the units represented by that proxy will be voted in favor of each of the proposals.

Any proxy given on the accompanying form may be revoked by the person giving it at any time before it is voted. Proxies may be revoked, or the votes reflected in the proxy changed, by submitting a properly executed later-dated proxy to American Stock Transfer & Trust Company before the vote is taken at the annual meeting or attending the annual meeting and voting in person. If your units are voted through your broker, you must follow directions received from your broker to change those instructions.

If you have more questions about the proposals or if you would like additional copies of this document you should call or write:

Morrow & Co., Inc.

470 West Avenue

Stamford, CT 06902

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Please call: (203) 658-9400 or

Call toll free at: (800) 662-5200 or (800) 607-0088

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Record Date; Voting Right; Quorum; Vote Required

CFMI has fixed the close of business on March 17, 2008, as the record date for unitholders entitled to notice of and to vote at the annual meeting. Only holders of record of units on the record date are entitled to notice of the annual meeting and to vote at the annual meeting. Each holder of record of limited partner units as of the record date is entitled to cast one vote per unit on each of the proposals.

The presence in person or by proxy of holders of a majority of the units entitled to vote at the annual meeting will constitute a quorum for the transaction of any business. In case a quorum is not present, the meeting may be adjourned without notice other than an announcement at the time of the adjournment of the date, time and place of the adjourned meeting. For election as Director, a nominee must receive the affirmative vote of the holders of a plurality of votes of the units represented at the annual meeting in person or by proxy. Approval of the 2008 Omnibus Incentive Plan requires the affirmative vote of a majority of the votes cast at the meeting and requires that the total votes cast on the proposal represent over 50% in interest of all securities entitled to vote on the proposal. The affirmative vote of a majority of the units represented at the annual meeting in person or by proxy is required to confirm the Audit Committee's appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2008. Abstentions will be counted for purposes of establishing a quorum at the annual meeting, will be counted as votes cast and will have the effect of a vote against a proposal. Broker non-votes will be counted for purposes of establishing a quorum but will not be counted as votes cast.

As of March 17, 2008, there were approximately 54,361,983 units outstanding and entitled to vote at the annual meeting, held by approximately 9,500 holders of record. As of January 31, 2008, the Directors and executive officers of the general partner and their affiliates beneficially owned 2,585,098 units (which includes 1,047,400 vested options), or approximately 4.7% of the units outstanding on that date. See Security Ownership of Certain Beneficial Owners and Management.

PROPOSAL ONE. ELECTION OF DIRECTORS

The Board of Directors of CFMI is comprised of seven directors. The Directors are divided into three classes: Class I, Class II, and Class III. Class I consists of three Directors, and Classes II and III each consist of two Directors. At this meeting, two Class III Directors are to be elected to serve for three-year terms expiring in 2011 and until their respective successors are duly elected and qualified. The Nominating and Corporate Governance Committee has recommended, and the Board of Directors has approved, the nomination of these nominees. As anticipated, Mr. Thomas Tracy announced his retirement from the Board of Directors, effective December 31, 2007, after fulfilling his commitment to remain on the Board until the transition and integration process of the Paramount Parks Inc. acquisition was substantially complete. Mr. C. Thomas Harvie was appointed by the Board of Directors to serve the remainder of Mr. Tracy's term as a Class I Director ending in 2010.

All of the nominees have agreed to stand for election. While the Partnership has no reason to believe that any of these nominees will be unable or unwilling to serve at the time of the annual meeting, in the unlikely event one of them does not stand for election, the Board will reduce the number of Directors standing for election. For election as a Director, a nominee must receive the affirmative vote of the holders of a plurality of votes of the units present in person or by proxy at the annual meeting and entitled to vote. **The Board of Directors recommends a vote FOR these nominees.**

Nominees for election as Class III Directors to serve until 2011:

Darrel D. Anderson, age 63, is currently involved with the management of private investments. He was a general partner of Knott's Berry Farm, Orange County, California's oldest theme amusement park, from 1960 to 1998 and served as chairman of the Knott family board. He is currently a director of and also a past chairman of the board of Olive Crest Treatment Centers, the largest provider of residential services for abused children in southern California. He is a member of the Audit Committee of CFMI.

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David L. Paradeau, age 65, is owner and chief executive officer of Minnesota Zephyr Limited and the Stillwater Grill in Stillwater, Minnesota. He was the founder and creator of that dining and entertainment operation, which was established in 1986. He is also the owner of D.L. Paradeau Marketing, a consulting firm. He has 42 years of experience in marketing and advertising in the brewing industry and in the amusement and entertainment business. Mr. Paradeau is chair of the Nominating and Corporate Governance Committee of CFMI.

Class I Directors serving until 2010:

Richard S. Ferreira, age 67, is a retired executive vice president and chief financial officer of Golf Hosts, Inc. (developer and owner of nationally recognized resorts in Colorado and Florida) and a past member of its Board of Directors. Mr. Ferreira was associated with Golf Hosts, Inc. for more than 26 years. Mr. Ferreira is a member of the Compensation Committee and chair of the Audit Committee of CFMI.

Richard L. Kinzel, age 67, has served as chairman of the Board since 2003 and as president and chief executive officer of the Partnership's general partner since 1986. Mr. Kinzel has been employed by the Partnership or its predecessor since 1972.

C. Thomas Harvie, age 64, is senior vice president, general counsel and secretary of The Goodyear Tire & Rubber Company. Mr. Harvie has been with The Goodyear Tire & Rubber Company since 1995. Prior to his current position, Mr. Harvie was vice president and associate general counsel at TRW Inc., where he had served since 1976. Mr. Harvie is a member of the Nominating and Corporate Governance Committee and the Compensation Committee.

Class II Directors serving until 2009:

Michael D. Kwiatkowski, age 60, is a real estate broker and has also been a consultant in the food industry since 1996. Prior to that he served as chairman of PCS, which owned and operated a chain of 11 restaurants, from 1986 to 1996. He has more than 30 years of experience in amusement parks and branded restaurant operations. Mr. Kwiatkowski is a member of the Nominating and Corporate Governance Committee and the Audit Committee and chair of the Compensation Committee of CFMI.

Steven H. Tishman, age 51, has been a managing director at Rothschild, Inc., in New York, New York, since November 2002. He was a managing director of Robertson Stephens from November 1999 to November 2002, prior to which he was a senior managing director of Bear, Stearns & Co., Inc. Mr. Tishman is also a director of Odimo, Inc.

BOARD MATTERS AND CORPORATE GOVERNANCE

Board of Directors

The Board met eight times in 2007. Committees of the Board met from time to time upon call of the Chairman of the Board or individual Committee Chairs. During 2007, each Director attended at least 75% of all of the meetings of the Board and the committees on which he served. All Directors attended last year's annual meeting. Directors are expected to attend all meetings of the Board, meetings of the Committees on which they serve and the annual meeting.

Executive sessions of non-employee Directors are regularly scheduled and were held six times during 2007. Executive sessions are attended by non-employee Directors only, and those Directors determine who will preside at each meeting.

The Board has affirmatively determined that current Board members Darrel D. Anderson, Richard S. Ferreira, Michael D. Kwiatkowski, David L. Paradeau, and C. Thomas Harvie meet the independence criteria of

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the NYSE listing standards. The Board has determined that Mr. Tishman is not independent because his firm, Rothschild, Inc., has served as an advisor to the Partnership in the past and may do so again in the future. Mr. Kinzel is also not independent because he is an executive officer of the Partnership.

Communication with the Board

Unitholders and interested parties may communicate directly with the Board by sending communications to the attention of Brenda Lakner, One Cedar Point Drive, Sandusky, Ohio 44870-5259. The correspondence will be forwarded to the Chair of the Nominating and Corporate Governance Committee who will review the correspondence and take action accordingly.

CFMI has a toll-free hotline that is available to anyone, including unitholders, who wishes to bring a matter to the attention of the non-employee Directors. The telephone number of the hotline is 800-650-0716. The Audit Committee of the Board of Directors is charged with reviewing information received and taking appropriate action as necessary.

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. Each Committee's charter, the Corporate Governance Guidelines and the Code of Conduct and Ethics are available on the Partnership's website at www.cedarfair.com and available in print to any unitholder upon request. Each Committee conducts an annual evaluation of its performance, and the Nominating and Corporate Governance Committee annually conducts an evaluation of the Board.

The members of the Board and the committees of the Board on which they serve as of the date of this proxy statement are identified below.

Director	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Darrel D. Anderson	*		
Richard S. Ferreira	**	*	
Richard L. Kinzel			
Michael D. Kwiatkowski	*	**	*
Steven H. Tishman			
David Paradeau			**
C. Thomas Harvie		*	*

* Member

** Chair

The Audit Committee is responsible for appointing and meeting with the Partnership'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 Audit Committee met five times in 2007. The Board has determined that each Committee member is financially literate, and Richard S. Ferreira, the chair of the Committee, is the designated financial expert. The Audit Committee's report is at page 38 of this proxy statement.

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The Compensation Committee is responsible for reviewing the Partnership's compensation and employee benefit policies and programs, and recommending related actions, as well as executive compensation decisions, to the Board of Directors. The Compensation Committee met six times in 2007. The Compensation Committee Report is at page 35 of this proxy statement. Compensation decisions for the chief executive officer are made by the Compensation Committee and are subject to Board approval. The Committee makes recommendations to the Board of Directors with respect to non-CEO compensation, incentive compensation plans and equity-based compensation based on discussions with the chief executive officer. The Committee has the discretion to hire outside consulting firms and has done so in the past, but did not hire a consultant in 2007.

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 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 the Partnership and its unitholders; and a willingness to devote the extensive time necessary to fulfill a director's duties. The Committee conducts all necessary and appropriate inquiries into the background and qualifications of Board candidates meeting these criteria. This Committee met one time in 2007.

Due to Cedar Fair's limited partnership structure, there is currently no procedure by which unitholders can nominate Directors. This is consistent with the general governance of other limited partnerships.

Compensation Committee Interlocks and Insider Participation

None of our Directors who served on the Compensation Committee during 2007 was a current or former officer or an employee of the Partnership or had any relationship with us that would be required to be disclosed by us under applicable related party requirements. There are no interlocking relationships between the Partnership's executive officers or Directors and the board or compensation committee of another entity.

PROPOSAL 2. ADOPTION OF THE 2008 OMNIBUS INCENTIVE PLAN

On October 31, 2007, the Board approved the Cedar Fair, L.P. 2008 Omnibus Incentive Plan (the Omnibus Plan), subject to approval by our unitholders at this annual meeting. If approved by our unitholders, the Omnibus Plan will supersede and replace 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. If our unitholders approve the Omnibus Plan, the Board will take all actions necessary to terminate those incentive plans, and no further grants will be made under those plans. The terminations will not affect awards that are outstanding under those plans. A copy of the Omnibus Plan is attached to this proxy statement as Appendix A, and the following summary is qualified in its entirety by reference to the Omnibus Plan.

Purpose and Awards. The purpose of the Omnibus Plan is to attract and retain outstanding individuals to serve as officers, Directors and employees of the Partnership, certain affiliates of the Partnership and CFMI and to enhance the value of Cedar Fair for the benefit of its limited partners. The Omnibus Plan provides an opportunity for officers and Directors 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. Under the Omnibus Plan, the Compensation Committee of the Board (the Committee) may grant unit options, unit appreciation rights, restricted units, performance awards, other unit awards, cash incentive awards and long-term incentive awards.

Administration. The Omnibus Plan is administered by the Compensation Committee, which has full power and authority to interpret and administer the Omnibus Plan and any related award agreements. Among

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other powers, the Committee has full power and authority to: select the eligible persons to whom awards may be granted; determine the type(s) of award(s) to be granted; to prescribe the form of award notices, agreements and other instruments, and to determine the terms and conditions of each award, consistent with the terms of the Omnibus Plan. The Committee may establish, alter and repeal rules and regulations in accordance with applicable law and appoint appropriate agents for administering the Omnibus Plan.

Eligibility. Key employees, officers and Directors (including non-employee Directors) of the Partnership, of any of our affiliates covered by the Omnibus Plan and of CFMI are eligible to participate in the Omnibus Plan. The Committee has sole discretion to designate those individuals eligible to participate in the Omnibus Plan, and no member of the Committee will participate in his selection as a participant or in the grant of any award to himself. We estimate that approximately 35 persons currently would be eligible for selection to participate in the plan.

Units Subject to the Omnibus Plan. The total number of units of limited partnership interest with respect to which awards may be granted under the Omnibus Plan is 2,500,000, subject to adjustment upon changes in capitalization described below. No participant may be granted awards in any one calendar year with respect to more than 200,000 units. Units subject to an award that is forfeited, terminated, unexercised at the time the award expires or settled in cash; units that otherwise can no longer be issued under an award; and units used by a participant as full or partial payment of the purchase price upon the exercise of a unit option will be available again for awards under the Omnibus Plan. The closing price per unit on the NYSE was \$21.85 per share on March 19, 2008.

Adjustments upon Changes in Capitalization. Certain changes to the Omnibus Plan and to outstanding awards, including appropriate adjustments to the number, class and kind of units as to which awards may be granted under the Omnibus Plan and to the number, class, kind and exercise price of units subject to outstanding awards, will be made by the Compensation Committee to reflect changes in our capitalization, including mergers, reorganizations, consolidations, recapitalizations, unit dividends, unit splits, reverse unit splits, spin offs, or similar transactions or changes in legal structure affecting the units. The number of units or other securities subject to any award will always be a whole number, and the Committee will consider the requirements of Section 409A of the Internal Revenue Code of 1986, as amended, and regulations and other guidance issued under it (Section 409A) in making these adjustments and substitutions.

Unit Options. Options to purchase units may be granted on terms and conditions determined by the Committee and consistent with the Omnibus Plan. The exercise price per unit purchasable under an option may not be less than the closing price of the Partnership's units on the NYSE the day prior to grant. The number of units subject to an option and term of each option will be fixed on the date of grant. The Committee will determine the time(s) at which options will be exercisable at or subsequent to their grant, but the exercisability of an option may not be extended beyond the earlier of the option's latest original expiration date or the ten (10) year anniversary of the date of grant. The option price is payable in cash, units or other consideration as determined by the Committee and specified in the award agreement. No option feature may allow for the deferral of compensation (within the meaning of Section 409A) other than the deferral of recognition of gain until the later of the exercise or disposition of the option or the time the units acquired pursuant to the exercise of the option first becomes substantially vested (as defined in Treasury Regulation Section 1.83-3(b)).

Unit Appreciation Rights. Unit appreciation rights (UARs) may be granted on terms and conditions determined by the Committee and consistent with the Omnibus Plan. The exercise price (which may not be less than the closing price of the Partnership's units on the NYSE the day prior to the date of grant), the number of units subject to the UAR and the term of the UAR will be fixed on the date of grant. The Committee will determine the time(s) at which UARs will be exercisable at or subsequent to their grant, which may not be extended beyond the earlier of the UAR's latest original expiration date or the ten (10) year anniversary of the date of grant. UARs may be granted either separately or in conjunction with another type of award under the Omnibus Plan. Upon exercise of a UAR, the holder will receive payment from us equal to the appreciation in fair market value of the units covered by the UAR over the grant price of the UAR. Any UAR granted in connection with an option will be granted at the same time the option is granted and will terminate at the time that the option

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does. The Committee may determine the manner of payment within thirty (30) calendar days of exercise of a UAR, which may take the form of cash, units, other property or any combination of them. No UAR feature may allow for the deferral of compensation (within the meaning of Section 409A) other than the deferral of recognition of income until the exercise of the UAR.

Restricted Unit Awards. The Compensation Committee may grant restricted unit awards on terms and conditions consistent with the Omnibus Plan. Unless otherwise determined by the Committee at the time of grant, if a participant's employment with us is terminated, any restricted units will be forfeited and returned to us, provided that the Committee may waive this forfeiture requirement in the case of retirement, death, disability or other special circumstances.

Performance Awards. The Committee may grant performance awards, which are awards valued by reference to a designated number of units or other property and which may be paid upon achievement of specified performance goals, under the Omnibus Plan. The Committee will specify the performance criteria to be achieved, the applicable performance period and the time and form of payment of the award in an award agreement. Performance awards may be paid in cash, units, other property, or any combination of them, as determined by the Committee at the time of payment. Unless otherwise determined by the Committee at the time of grant, if a participant leaves our employment prior to the end of a performance period, the performance award is forfeited except in the case of death or retirement, in which cases the performance award is prorated and made after the end of the performance period. All payments made for performance awards will be in accordance with Section 409A, and the time and form of payment of performance awards may not be accelerated except as permitted under Section 409A.

Other Unit Awards. The Committee may make awards of other rights, interests or options that are valued in whole or in part by reference to, or are otherwise based on, units, including securities convertible into units. Other unit awards may be granted alone or in conjunction with other plan awards, and their terms and conditions will be determined by the Committee and set forth in a written award agreement. Other unit awards may be paid in units, other securities of the Partnership, cash or any other form of property as determined by the Committee. Units (including securities convertible into units) purchased pursuant to a purchase right will be purchased for the consideration determined by the Committee, which will not be less than the closing price of our units on the NYSE the day before or the fair market value of the other securities as of the date that the purchase right is awarded. The time and form of payment of such other awards may not be accelerated except as permitted under Section 409A.

Cash Incentive Awards. The Omnibus Plan provides for cash incentive awards based on a participant's base salary, a target award percentage, and performance measures to be assessed during a performance period, as determined in the Committee's discretion. Target award percentages may range from 10% to 100% of base salary, with actual payout subject to certain discretionary adjustments that may be made by the Committee which may not exceed 150% of the award target. The Committee will establish performance measures and the performance period in writing before the performance period begins. Performance measures may have multiple levels of performance weighted differently, may or may not be readily quantifiable and may include individualized measures and/or performance measures determined on a Partnership, affiliate, business unit, management function, or other basis. If a participant retires or dies during a performance period, his or her cash incentive award will be prorated. Except in cases of retirement or death, a participant who ceases to be employed by us will forfeit his or her entire cash incentive award unless the Committee determines otherwise. A participant will also forfeit any unpaid cash incentive award (and any such awards deferred in accordance with the Omnibus Plan) if the Committee determines that the participant, without the prior written consent of the Partnership, has engaged in competitive activities, disclosed confidential information or used confidential information other than for our business.

Long-Term Incentive Awards. Participants eligible to be awarded long-term incentive awards are determined for each performance period by the Committee, but will generally include the chief executive officer, the general managers of our parks and the corporate vice presidents who report to the chief executive officer. The formulas for targets are set forth in the plan or in individual award agreements and generally relate to the budgets

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set forth for parks and our overall operations. The Committee may determine the formulas for targets for other eligible participants to whom it grants long-term incentive awards. Target long-term incentive awards are converted to a base number of phantom units using the closing price of the Partnership's units on the NYSE on the day before the target is determined. Each performance period's long-term incentive awards will be computed as of the end of the performance period as a percentage of the base number of phantom units for each Participant based on actual results achieved compared to the approved targets for that performance period. No long-term incentive award will be earned if none of the performance measures for the applicable performance period are met. The Committee has discretion, based on factors it deems relevant, to adjust a long-term incentive award up or down from the payout that would be received based solely on achievement of performance measures. Upward adjustments, however, may not exceed 150% of the award target. Long-term incentive awards earned in a given performance period, plus accumulated phantom distributions on the phantom units from the date the target awards were approved until paid, will be payable in cash, units or a combination, as determined by the Committee in a specified number of years following the date of grant. Termination of employment prior to any payment will result in forfeiture of unpaid amounts, except in instances of death, disability or retirement as provided in the Omnibus Plan. No acceleration of the time, or change of the form, of payment may be made except in accordance with Section 409A.

Deferral of Award Payments. The Committee may establish procedures, as provided in Schedule A to the Omnibus Plan, for the deferral of the payment of any award other than a unit option or a UAR. The required timing by which a participant must make a deferral election is specified in Schedule A. A deferral election must irrevocably specify the amount of an award to be deferred as a percentage of the award, which may generally range from ten percent (10%) to one hundred percent (100%) of the award.

Transferability. Unless the Committee provides otherwise at the time of grant, no award and no units that have not been issued or as to which any applicable restriction, performance, or deferral period has not lapsed, may be sold, assigned, transferred, pledged or otherwise encumbered, except by will or by the laws of descent and distribution.

Cancellation or Suspension of Awards; Competition. Among other circumstances determined by the Committee, a participant may be required to forfeit unexercised, unearned or unvested awards under the Omnibus Plan if the Committee determines that the participant, without the consent of the Committee, engaged directly or indirectly in any business or activity that is competitive with our business or otherwise detrimental to us.

Amendment. The Board may amend, alter, or discontinue the Omnibus Plan, but no amendment, alteration, or discontinuation may impair the rights of a participant under an outstanding award without the participant's consent. The Company will obtain unitholder approval of any Omnibus Plan amendment to the extent necessary or desirable to comply with applicable laws. The Committee may amend the terms of any award, prospectively or retroactively, but no award amendment may impair a participant's rights without his or her consent.

Change in Control. Unless otherwise determined by the Committee at the time of granting an award, in the event of a change in control (as defined in the Omnibus Plan), any outstanding unvested options and UARs will vest and become fully exercisable, all restrictions and limitations applicable to any restricted unit or other unit award will lapse and restricted units and other unit awards will become fully vested and transferable. In addition, all performance awards will be considered to be earned and payable in full without restriction. Cash incentive awards and long-term incentive awards will be deemed to have been earned as if 100% of the target was achieved. All payments made in connection with these awards will be paid or distributed in a lump sum within thirty (30) days following the change in control. Option holders may elect to surrender all or part of the option in lieu of paying the option purchase price and receive cash equal to the spread between the fair market value and option price per unit multiplied by the number of units underlying the option being exercised.

Term. The Omnibus Plan will remain in effect for ten (10) years after the effective date of the plan, subject to the right of the Board to discontinue the plan prior to that time. Awards outstanding on the ten (10) year anniversary of the effective date (or an earlier termination date if established by the Board pursuant to the plan) shall continue in accordance with their terms.

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Federal Income Tax Consequences. The following summary of certain federal income tax consequences relating to the Omnibus Plan is based upon the laws and regulations currently in effect and does not purport to be a complete statement of the law in this area. Furthermore, the discussion below does not address the tax consequences of the receipt or exercise of awards under foreign, state or local tax laws, and such tax laws may not correspond to the federal income tax treatment described herein. The exact federal income tax treatment of transactions under the Omnibus Plan will vary depending upon the specific facts and circumstances involved, and participants are advised to consult their personal tax advisors with regard to all consequences arising from the grant or exercise of awards and the disposition of any acquired units.

Unit Options. The grant of a unit option under the Omnibus Plan should generally not create any federal income tax consequences to the recipient, the Partnership, or any of its subsidiaries. A participant who is granted a unit option should generally recognize ordinary income at the time of exercise in an amount equal to the excess of the fair market value of the unit at such time over the exercise price. Generally, the Partnership or one of its subsidiaries (i) will be entitled to a deduction in the same amount and at the same time as the participant recognizes ordinary income and (ii) in some circumstances, will recognize gain or loss upon the transfer of Partnership units pursuant a unit option. Under certain circumstances, the Partnership may be deemed to receive a distribution from one of its subsidiaries, which, in the case of a corporate subsidiary, could be a taxable dividend. For a discussion of additional tax consequences that will arise upon a participant's receipt of unrestricted units, see the paragraph entitled *Other Tax Consequences of Receiving Units* below.

Unit Appreciation Rights. The grant of unit appreciation rights should generally not create any federal income tax consequences to the recipient, the Partnership or any of its subsidiaries. A participant would generally recognize ordinary income at the time a payment is made in either cash or units under the unit appreciation rights. If a unit appreciation right is settled in cash by the issuer, the issuer should generally be entitled to an income tax deduction in the amount paid. If a unit appreciation right is settled with Partnership units, the Partnership or one of its subsidiaries generally (i) will be entitled to a deduction in the same amount and at the same time as the participant recognizes ordinary income and (ii) in some circumstances, will recognize gain or loss upon the transfer of Partnership units in settlement of a unit appreciation right.

Restricted Units. Generally, a participant should not recognize income and the Partnership and its subsidiaries should not be entitled to an income tax deduction at the time an award of restricted units is made under the Omnibus Plan, unless the participant makes the election described below. A participant who has not made such an election should generally recognize ordinary income at the time the restrictions on the units lapse in an amount equal to the fair market value of the restricted units at such time. Generally, the Partnership or one of its subsidiaries (i) will be entitled to a deduction in the same amount and at the same time as the participant recognizes ordinary income and (ii) in some circumstances, will recognize gain or loss upon lapse of restrictions on Partnership units transferred to participants. Any distributions paid in cash and received by a participant prior to the time the restrictions lapse should generally constitute compensation income to the participant in the year paid, and the Partnership or one of its subsidiaries should generally be entitled to a corresponding income tax deduction for such distributions. Any distributions paid in units should generally be treated as awards of additional restricted units subject to the tax treatment described herein.

A participant may, within 30 days after the date of the award of restricted units, elect, under Code Section 83(b), to recognize ordinary income as of the date of the award in an amount equal to the fair market value of such restricted units on the date of the award (less the amount, if any, the participant paid for such restricted units). If the participant makes such an election,

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then (i) the Partnership or one of its subsidiaries would, under certain circumstances, be entitled to a corresponding income tax deduction in the same amount and at the same time as the participant recognizes income and (ii) the participant should (as discussed below under the paragraph entitled, *Other Tax Consequences of Receiving Units*) generally be treated as a limited partner as of the effective date of the election. Accordingly, the participant should receive allocations of partnership items, and any distributions made to the participant will generally either reduce the participant's basis in its units or be capital gain to the participant. If the participant who has made an election subsequently forfeits the restricted units, then the participant should generally not be entitled to claim a credit for the tax previously paid. For a discussion of additional tax consequences that will arise if a participant receives restricted units, but makes a Code Section 83(b) election, see the paragraph entitled *Other Tax Consequences of Receiving Units* below.

Performance Awards. The grant of a performance award should create no income tax consequences for the participant or for the Partnership or any of its subsidiaries. Upon the participant's receipt of cash, units and/or other property after the end of the applicable performance period, the participant should recognize ordinary income equal to the amount of cash and/or the fair market value of the units or other property received. The Partnership or one of its subsidiaries should generally be entitled to a deduction in the same amount and at the same time as the participant recognizes income. If Partnership units are issued to a participant after the end of the applicable performance period, under some circumstance, the Partnership or one of its subsidiaries will recognize gain or loss upon the transfer of Partnership units. For a discussion of additional tax consequences that will arise upon a participant's receipt of unrestricted units, see the paragraph entitled *Other Tax Consequences of Receiving Units* below.

Other Unit Awards. The tax consequences of other unit awards will depend upon the manner in which those awards are structured by the Committee.

Cash Incentive Awards. A participant who is paid a cash incentive award should generally recognize ordinary income equal to the amount of cash paid on the date of the payment of the award, and the Partnership or one of its subsidiaries should generally be entitled to a corresponding income tax deduction.

Long-Term Incentive Awards. The grant of a long-term incentive award should create no income tax consequences for the participant or for the Partnership or any of its subsidiaries. Upon the participant's receipt of cash and/or units after the end of the applicable performance period, the participant should generally recognize ordinary income equal to the amount of cash and/or the fair market value of the units received. The Partnership or one of its subsidiaries should generally be entitled to an income tax deduction in the same amount and at the same time as the participant recognizes income. If Partnership units are issued to a participant after the end of the applicable performance period, under some circumstance, the Partnership or one of its subsidiaries will recognize gain or loss upon the transfer of Partnership units. For a discussion of additional tax consequences that will arise upon a participant's receipt of unrestricted units, see the paragraph entitled *Other Tax Consequences of Receiving Units* below.

Other Tax Consequences of Receiving Units. If a participant acquires unrestricted units (e.g., from the exercise of an option or the settlement of a unit appreciation right), the restrictions applicable to restricted units lapse or the participant makes an election under Code Section 83(b), the participant should (upon the receipt of such units, the lapse of such restrictions or the effective date of such election), for federal income tax purposes, become a

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limited partner, rather than an employee. Such participant should thereafter no longer receive a Form W-2 but should receive a Form K-1 with his or her former salary and wages denominated as guaranteed payments. Such a participant should be subject to the same tax consequences from the ownership and disposition of limited partnership units as other limited partners. Such a description is beyond the scope of this summary but may be found in any prospectus offering limited partnership units, for example the Prospectus Supplement dated July 14, 2004 to Prospectus dated July 9, 2004.

Issuance of Options and Other Compensation to Directors of the Partnership's General Partner. Under some circumstances, a subsidiary of the Partnership or the Partnership itself may issue Partnership units, options to acquire Partnership units, restricted Partnership units or other forms of compensation contemplated under the Omnibus Plan to directors of the Partnership's general partner. In that event, the Partnership and/or the general partner could have a deemed distribution, which, in the case of a corporate subsidiary, could be taxable as a dividend.

Vote Required. Approval of the 2008 Omnibus Incentive Plan requires the affirmative vote of a majority of the votes cast at the meeting and requires that the total votes cast on the proposal represent over 50% in interest of all securities entitled to vote on the proposal.

The Board of Directors recommends a vote FOR the proposed adoption of the 2008 Omnibus Incentive Plan.

PROPOSAL THREE: APPOINTMENT OF INDEPENDENT REGISTERED

PUBLIC ACCOUNTING FIRM

The Audit Committee has appointed Deloitte & Touche LLP (Deloitte) as our independent registered public accounting firm to audit our consolidated financial statements for 2008 and requests that our unitholders confirm that appointment. Deloitte audited our consolidated financial statements and management's report on internal controls over financial reporting for 2007. A representative of Deloitte will be present at the annual meeting and will be given an opportunity to make a statement and to respond to appropriate questions.

If our unitholders do not confirm our appointment of Deloitte, the Audit Committee will reconsider whether to retain Deloitte, and may retain that firm or another firm without re-submitting the matter to our unitholders. In all cases, the Audit Committee retains its right to appoint a different independent registered public accounting firm at any time during the year if it determines that such a change would be in our best interests and the interests of our unitholders. The affirmative vote of a majority of the units represented in person or by proxy at the annual meeting is required for ratification.

The Board of Directors recommends a vote FOR Proposal Three to confirm the Audit Committee's appointment of Deloitte & Touche LLP as our independent registered public accounting firm for 2008.

EXECUTIVE COMPENSATION

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 proxy statement the individuals listed in the summary compensation table on page 18 are referred to as the named executive officers.

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Compensation Philosophy and Objectives

Our compensation program is designed to give key employees a proprietary and vested interest in our growth and performance, to generate an increased incentive to contribute to our future success 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 successful individual performance and considers the operating results of the Partnership as well as the operating results on a park-by-park basis. Our compensation structure is flexible and allows us to respond to changes in our industry and business environment.

The objectives of our compensation program are:

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

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

To compete on a national level for qualified individuals that can institute our system of managing amusement parks throughout our 18 locations; and

To structure competitive compensation packages to recruit those individuals to the Partnership.

We believe that our compensation levels are effective at retaining and attracting top executives. For example, the five named executive officers have an aggregate of 113 years of service with us. Each has held various positions and been elevated within the Partnership. We continually reassess our compensation levels, benefits and incentive opportunities as we consider the best methods to recruit, reward and retain key personnel. This past year, in connection with changes required by Section 409A of the Internal Revenue Code, we undertook a comprehensive review of our change in control plan (which was originally adopted in 1995), our supplemental retirement plan and our incentive plans to determine whether these plans met our current needs. As a result of this review, we amended all of the abovementioned plans as well as the existing employment agreements with our executive officers. These amendments are discussed in detail under Narrative to Summary Compensation and Grants of Plan Based Awards Tables and Potential Payments Upon Termination or Change in Control in this proxy statement.

We also decided to streamline and consolidate our incentive compensation plans. The three plans that we currently have in place have been consolidated into the 2008 Omnibus Incentive Plan that we are recommending for your approval at the annual meeting. Please see Proposal 2. Adoption of the 2008 Omnibus Incentive Plan in this proxy statement for additional details regarding our recommendation.

Finally, we adopted the 2008 Supplemental Retirement Plan for executives in February 2008. This 2008 plan is in addition to our already existing supplemental retirement plan. However, as discussed later in this proxy statement, our existing supplemental retirement plan was put into place in 1992 and was not open to additional participants. Of our current named executive officers, only Messrs. Kinzel and Falfas participate, but no allocations have been made into that plan since May 2004. This plan will continue in effect with respect to its current participants, but our executives, including Mr. Falfas, will have the opportunity to participate in the 2008 Supplemental Retirement Plan. This plan will provide an additional retirement benefit to certain officers. As of February 2008, Messrs. Falfas, Crage, and Decker were designated by the Board to participate in the plan. Messrs. Falfas's and Crage's accounts were credited with \$100,000 for the 2008 plan year, and Mr. Decker's account was credited with \$50,000.

Determining Executive Compensation

The 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

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below in a manner that we believe will optimize the executive's contribution to the Partnership. In general, we work within ranges of base salary commensurate with the executive's scope of responsibilities and use our cash bonus and phantom unit award programs to challenge the executive to achieve superior annual results. We do not adhere to a mechanical application of a system of compensation tied solely to annual results, recognizing that there are many factors to consider in assessing an individual's value to the Partnership.

Although our Board, upon recommendation from the Compensation Committee, makes the final compensation decisions for the named executive officers, the process of determining compensation is a collaborative process between the Compensation Committee and the chief executive officer. The Compensation Committee and the chief executive officer may also consider input from compensation consultants regarding competitive practices and salary levels at similarly sized companies. 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, operational targets and individual performance objectives established before the operating season begins and summarizes this information for the Compensation Committee. The Committee then makes compensation determinations, often exercising its discretion to modify the chief executive officer's recommendations to higher or lower levels. 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 Partnership's performance.

Our budgets and related plans for compensation are made in early March, prior to the beginning of the operating season. In early March, the Board approves the budget for the current fiscal year and establishes preliminary potential cash bonus percentages and the related performance targets for the upcoming season. The types of targets established for each individual vary in accordance with his or her position. For example, corporate vice presidents' performance targets relate to Partnership performance, particularly achievement of targeted EBITDA. Park general managers may have performance targets related to capital projects or reducing particular expenses at the parks they manage. The cash bonus percentage is determined in the Compensation Committee's discretion.

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 and phantom unit awards as well as salary adjustments for the coming year. The chief executive officer generally presents this report to the Compensation Committee in October and to the Board at the November Board meeting. Based on Partnership performance, park performance and individual performance, the Compensation Committee makes final recommendations with regard to cash bonuses, phantom unit awards and any salary adjustments, subject to Board approval.

We expect the Partnership's performance to exceed market median, and accordingly we believe that providing potential compensation that exceeds market median to our executives is appropriate. In addition, in order to remain in the top echelon of our industry, we believe that we must aim to compensate our named executive officers in the range of 75% of the pay level provided by a designated peer group of companies. We target our total direct compensation, including salary, cash bonus and long-term incentive awards, to fall around that range, with the expectation that we will hit the 75th percentile level for all named executive officers over time. Because a portion of this compensation is dependent on performance results, an executive's actual total direct compensation could vary considerably from that target 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 and park level performance. Currently, certain top executives' total direct compensation exceeds the market level and others' falls below, based on the Board's assessment of each executive's contribution and experience. 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 maintain that expertise. The range of targeted compensation is position dependent and may reflect how difficult we believe it would be to replace that particular person.

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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. These studies reflected competitive data for base salaries, annual bonuses and long-term incentive awards for senior management of comparable companies. Most recently, in 2006, we engaged Pearl Meyer and Watson Wyatt to analyze the compensation for our chief executive officer, our chief operating officer and our chief financial officer with companies of our comparable size after the acquisition of Paramount Parks.

The consultants developed a representative peer group of companies against which we measured our competitive pay level and structure for the executives indicated above. Based upon the Compensation Committee's review of the proposed peer groups, we have determined that our peer group companies include those that have the following characteristics:

An industry code that included casinos and gambling, leisure facilities and hotels, resorts and cruise lines. These industry codes were chosen as representative of companies that compete with us for consumers' discretionary dollars.

Revenue size that range from roughly 50% to 200% of our projected 2007 revenues.

The result of these criteria is a current peer group of 16 companies with median revenues of \$915,000,000 and average revenues of \$980,000,000. Our combined revenues for 2007 were approximately \$990,000,000. The peer group companies include:

Boyd Gaming Corporation	Penn National Gaming, Inc.	Interstate Hotels & Resorts, Inc.
Isle of Capri Casinos, Inc.	Station Casinos, Inc.	Six Flags, Inc.
Trump Entertainment Resorts, Inc.	Ameristar Casinos, Inc.	Gaylord Entertainment Company
Vail Resorts, Inc.	International Speedway Corporation	Pinnacle Entertainment Inc.
Wynn Resorts, Limited	Magna Entertainment Corp.	Blue Green Corporation
Speedway Motorsports, Inc.		

We used these benchmarking studies and compensation consultant recommendations to devise a compensation schedule following the Paramount Parks acquisition in June 2006. The studies were useful in the context of the acquisition because our revenues doubled and our management team took on increased responsibilities. We had to adjust compensation levels accordingly. This year, however, we did not feel that an additional compensation study was necessary. While we compete with casinos, ski resorts and motor sports for recreational spending, we believe that there are significant differences between our business and those, so that we use the benchmark studies for guidance but do not feel they are required on an annual basis.

Elements of 2007 Executive Compensation

In light of the objectives and philosophy set forth above, we have determined that a mix of the following components of compensation for our named executive officers in 2007 was appropriate:

Base salary;