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Jennifer Sparacino
City Manager

April 17, 2008

Richard L. Kinzel
President and CEO
Cedar Fair Entertainment Company
One Cedar Point Drive
Sandusky, OH 44870

Re: Santa Clara Great America

Dear Dick:

I write concerning the potential options for resolution of the issues raised by the proposed construction of a new football stadium in a portion of the City-owned parking lot that serves customers of California's Great America theme park. As previously discussed, the City has always been interested in obtaining development of entertainment uses in the parking areas and believes the stadium will be an advantageous entertainment use. At the same time, one of the City guiding principles with respect to the stadium efforts has been to obtain Cedar Fair's cooperation for the project. In implementing that principle, the City and the 49er's have been making efforts to come up with a solution that would accommodate both the stadium and the theme park.

A number of tasks must be accomplished and conditions satisfied before the stadium can be built and opened. Among the tasks to be completed are development of a "term sheet" setting out the outline of the transactions between the City and the 49er's and placing the key elements of the term sheet on the ballot for consideration by the Santa Clara voters. Although the decision is not final to move forward with the stadium project, we would like to complete the term sheet in June and if the term sheet is approved, the City will hold the election in November, 2008. Some resolution as to the course of action with respect to the theme park – stadium relationship is important to completion of that term sheet and the election. Therefore, it is important for the City, Cedar Fair and the 49er's to quickly reach that resolution.

From the City's viewpoint, the best resolution would be one where the 49er's, Cedar Fair and the City work out a cooperative agreement to accommodate both the stadium and the Great America operation. That resolution would leave Cedar Fair's park management expertise and experience in place and the addition of the stadium will open up future opportunities for the City and the theme park.

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My staff has been keeping me fully informed about the discussions and correspondence among the parties concerning the efforts to reach a cooperative agreement. After reviewing that information, I believe that there is a reasonable foundation for compromise solutions on the issues on which there is a difference of opinion between you and the 49er's. For example, with respect to parking, I believe that it would be possible to reach Cedar Fair's goals that it receive revenue from parking for stadium events and that the parking patron experience not be negatively affected. At the same time, I believe Cedar Fair could allow marketing of parking with tickets for NFL and other events and allow a coordinated City parking, traffic and policing effort. It seems that other issues are open to similar reasonable compromise solutions that make good business sense.

Despite the efforts to reach a cooperative agreement that would leave ownership of the theme park in Cedar Fair's hands, it is my understanding that you may view the most comprehensive solution to the issues as one where the 49er's purchase Great America from Cedar Fair. I understand your rationale for the advantages of a 49er's purchase, as it shifts the risks of potential conflicts between the adjacent stadium and theme park uses to the 49er's. I want both you and the 49er's to be aware of the City's concerns about such a purchase. First, as you know, the Redevelopment Agency owns the land where the theme park is located and has the right under the park lease to approve any transfer. Second, the City and Redevelopment Agency require the essential lease terms, such as use and rent, to remain as they currently are under the lease. The City and Redevelopment Agency want the theme park use, the required use under the lease, to continue through the term of the lease. Likewise, the City and Agency want the annual base rent and percentage rent provisions to continue through the remainder of the lease term. If the purchase of the park is your preferred option, I would much appreciate it if you would let me and the 49er's know that preference so that all parties can concentrate on quickly reaching agreement to accomplish a purchase.

I know that there has been some discussion and exchange of correspondence between Cedar Fair and the 49er's about the option of going forward with the stadium without Cedar Fair's consent. As you know, I was involved in the negotiations for the original theme park lease. It has always been my understanding that the theme park lease permits the development of the parking lot areas so long as the Redevelopment Agency meets its commitment under the lease to provide replacement parking that meets the specific objective criteria in the lease. The City and Redevelopment Agency had the foresight to negotiate those lease provisions precisely to permit future higher density development of the surface parking lots for other uses, if the Redevelopment Agency provides that replacement parking. The Redevelopment Agency stands ready to meet its obligations to the theme park under the lease in order to develop those surface lots.

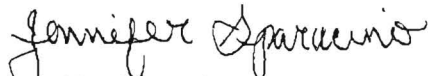
The 49er's have been working on a stadium plan that the City believes can satisfy the lease criteria for replacement parking and thereby free up the overflow parking area

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necessary to accommodate the stadium. This course of action has disadvantages, and the City would certainly prefer that the issues are resolved by agreement of all concerned. Nevertheless, if agreement cannot be reached in the relatively near future on the other options so as to allow the term sheet and election to go forward, the City will have to seriously consider this last option as the means of resolving the theme park – stadium relationship.

I continue to appreciate your professional response to the City in discussing these matters. I will be giving you a call in the next few days to discuss how to go forward on resolving this matter in a positive manner so as to enable us to complete the term sheet by this June.

Sincerely,


Jennifer Sparacino
City Manager/Executive Director