



FORM 10-K

SIX FLAGS INC – PKS

Filed: March 29, 2002 (period: December 31, 2001)

Annual report which provides a comprehensive overview of the company for the past year

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the fiscal year ended: DECEMBER 31, 2001

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number: 0-9789

SIX FLAGS, INC.
(formerly Premier Parks Inc.)
(Exact name of Registrant as specified in its charter)

DELAWARE 13-3995059
(State or other jurisdiction (I.R.S. Employer
of incorporation or organization) Identification No.)

11501 NORTHEAST EXPRESSWAY, OKLAHOMA CITY, OKLAHOMA 73131
(Address of principal executive offices)

Registrant's telephone number, including area code: (405) 475-2500

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

TITLE OF CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Shares of common stock, par value \$.025 per share, with Rights to Purchase Series A Junior Preferred Stock	New York Stock Exchange
Preferred Income Equity Redeemable Shares, representing 1/100 of a share of 7 1/4% Convertible Preferred Stock	New York Stock Exchange

Securities registered pursuant to Sec. 12(g) of the Act: NONE

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

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

State the aggregate market value of the voting stock held by non-affiliates (assuming, solely for the purposes of this Form, that all the directors of the Registrant are affiliates) of the Registrant:

Approximately \$1,355,678,869 as of March 1, 2002 (based on the last sales price on such date as reported on the New York Stock Exchange). See "Item 5. -- Market for the Registrant's Common Equity and Related Stockholder Matters."

Indicate the number of shares outstanding of each of the Registrant's classes of common stock, as of the latest most practicable date:

The number of shares of Common Stock of the Registrant outstanding as of March 1, 2002 was 92,444,959 shares.

DOCUMENTS INCORPORATED BY REFERENCE

The information required in Part III by Item 10, as to directors, and by

Items 11, 12 and 13 is incorporated by reference to the Registrant's proxy statement in connection with the annual meeting of stockholders to be held in June 2002, which will be filed by the Registrant within 120 days after the close of its 2001 fiscal year. Registrant is also incorporating by reference herein the information contained in Registrant's Form 8-K, dated January 31, 2002.

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SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

Some of the statements contained in or incorporated by reference in this Annual Report on Form 10-K constitute forward-looking statements, as this term is defined in the Private Securities Litigation Reform Act. The words "anticipates," "believes," "estimates," "expects," "plans," "intends" and similar expressions are intended to identify these forward-looking statements, but are not the exclusive means of identifying them. These forward-looking statements reflect the current views of our management; however, various risks, uncertainties and contingencies could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, these statements, including the following:

- Factors impacting attendance, such as local conditions, events, natural disasters, disturbances and terrorist activities;
- The risk of accidents occurring at our parks;
- Our ability to manage growth or integrate acquisitions;
- Adverse weather conditions;
- Competition with other theme parks and other recreational alternatives;
- General economic conditions;
- The loss of the services of our key personnel;
- Changes in foreign currency rates and other factors impacting our international operations; and
- Impact of pending or threatened litigation.

We caution the reader that these risks may not be exhaustive. We operate in a continually changing business environment, and new risks emerge from time to time. We cannot predict such risks nor can we assess the impact, if any, of such risks on our business or the extent to which any risk, or combination of risks, may cause actual results to differ from those projected in any forward-looking statements. Accordingly, forward-looking statements should not be relied upon as a prediction of actual results. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I

ITEM 1. BUSINESS

INTRODUCTION

We(1) are the largest regional theme park operator in the world. The 37 parks we now operate had attendance of approximately 46.6 million in 2001. These parks include 16 of the 50 highest attendance theme parks in North America, the largest paid admission theme park in Mexico and seven theme parks in Europe. We are also managing the development and construction of a new theme park in Spain. Our theme parks serve each of the 10 largest metropolitan areas in the United States. We estimate that approximately two-thirds of the population of the continental United States live within a 150-mile radius of one of our parks.

For the year ended December 31, 2001, our consolidated total revenue was approximately \$1,046.0 million and our consolidated earnings before interest, taxes, depreciation and amortization and non-cash compensation ("EBITDA") were approximately \$358.1 million(2). Adjusted EBITDA for the year was \$402.5 million. Adjusted EBITDA includes our proportionate share of the EBITDA for the parks that are less than wholly-owned by us and accounted for by the equity method, I.E., Six Flags Over Georgia (including Six Flags White Water Atlanta), Six Flags Over Texas and Six Flags Marine World (the "Partnership Parks"). Aggregate combined revenues and EBITDA for us and the Partnership Parks for 2001 were \$1,263.9 million and \$447.9 million, respectively.

In 1998, we acquired the former Six Flags, which had operated regional theme parks under the Six Flags name for nearly forty years and established a nationally recognized brand name. We have worldwide ownership of the "Six Flags" brand name. To capitalize on this name recognition, since the commencement of the 1998 season, we have rebranded eleven of our parks as "Six Flags" parks, including three of our international parks.

We hold exclusive long-term licenses for theme park usage throughout the United States (except the Las Vegas metropolitan area), Canada, Europe and Latin and South America (including Mexico) of certain Warner Bros. and DC Comics characters. These characters include BUGS BUNNY, DAFFY DUCK, TWEETY BIRD, YOSEMITE SAM, BATMAN, SUPERMAN and others. In addition, our European and Latin and South American licenses with Warner Bros. include the Hanna-Barbera and Cartoon Network characters, including YOGI BEAR, SCOOBY-DOO, FLINTSTONES(3) and

others. We use these characters to market our parks and to provide an enhanced family entertainment experience. Our licenses include the right to sell merchandise featuring the

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- (1) As used in this Report, unless the context requires otherwise, the terms "We" or "Six Flags" refer to Six Flags, Inc. and its consolidated subsidiaries.
 - (2) EBITDA is defined as income before extraordinary loss, before interest expense, net, income tax expense (benefit), noncash compensation, depreciation and amortization and other expenses, including minority interest and gain or loss on sale of assets. We have included information concerning EBITDA because it is used by certain investors as a measure of a company's ability to service and/or incur debt. EBITDA is not required by accounting principles generally accepted in the United States ("GAAP") and should not be considered in isolation or as an alternative to net income (loss), net cash provided by operating, investing and financing activities or other financial data prepared in accordance with GAAP or as an indicator of our operating performance. This information should be read in conjunction with the statements of cash flows contained in the consolidated financial statements contained elsewhere in this report.
 - (3) LOONEY TUNES, Characters, names and all related indicia are trademarks of Warner Bros. (C) 2002, a division of Time Warner Entertainment Company, L.P. ("TWE"). BATMAN and SUPERMAN and all related characters, names and indicia are copyrights and trademarks of DC Comics (C) 2002, CARTOON NETWORK and logo are trademarks of Cartoon Network (C) 2002, SIX FLAGS and all related indicia are federally registered trademarks of Six Flags Theme Parks Inc. (C) 2002, a subsidiary of Six Flags. FIESTA TEXAS and all related indicia are trademarks of Fiesta Texas, Inc. (C) 2002, a subsidiary of Six Flags.

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characters at the parks, and to use the characters in our advertising, as walk-around characters and in theming for rides, attractions and retail outlets. We believe using these characters promotes increased attendance, supports higher ticket prices, increases lengths-of-stay and enhances in-park spending.

Our 37 parks are located in geographically diverse markets across North America and Europe. Our theme parks offer a complete family-oriented entertainment experience. Our theme parks generally offer a broad selection of state-of-the-art and traditional thrill rides, water attractions, themed areas, concerts and shows, restaurants, game venues and merchandise outlets. In the aggregate, our theme parks offer more than 1,430 rides, including over 185 roller coasters, making us the leading provider of "thrill rides" in the industry.

We believe that our parks benefit from limited direct competition, since the combination of a limited supply of real estate appropriate for theme park development, high initial capital investment, long development lead-time and zoning restrictions provides our parks with a significant degree of protection from competitive new theme park openings. Based on our knowledge of the development of other theme parks in the United States, we estimate that it would cost at least \$200 million and would take a minimum of two years to construct a new regional theme park comparable to one of our Six Flags theme parks.

DESCRIPTION OF RECENT FINANCINGS

In February 2002, we consummated an offering of \$480.0 million principal amount of our 8 7/8% Senior Notes due 2010. The net proceeds of this offering (approximately \$467.7 million) will be used to redeem on April 1, 2002 (the first date redemption is permitted) all \$280.0 million aggregate principal amount of our 9 1/4% Senior Notes due 2006 and all \$170.0 million aggregate principal amount of the 8 7/8% Senior Notes due 2006 issued by our principal operating subsidiary ("Six Flags Operations"). See "Item 7. Management's Discussion and Analysis of Results of Financial Condition and Results of Operations - Liquidity, Capital Commitments and Resources."

DESCRIPTION OF DOMESTIC PARKS

SIX FLAGS AMERICA

Six Flags America, a combination theme and water park located in Largo, Maryland (approximately 15 miles east of Washington, D.C. and 30 miles southwest of Baltimore, Maryland) is the 42nd largest theme park in North America. The park's primary market includes Maryland, northern Virginia, Washington, D.C. and parts of Pennsylvania and Delaware. This market provides the park with a permanent resident population base of approximately 6.7 million people within 50 miles and 11.4 million people within 100 miles. Based on a 2001 survey of television households within designated market areas ("DMAs") published by A.C. Nielsen Media Research, the Washington, D.C. and Baltimore markets are the number 8 and number 24 DMAs in the United States, respectively.(4)

We own a site of 515 acres, with 131 acres currently used for park operations. The remaining 384 acres, which are zoned for entertainment and recreational uses, provide us with ample expansion opportunity, as well as the potential to develop complementary operations.

Six Flags America's principal competitors are King's Dominion Park, located in Doswell, Virginia (near Richmond); Hershey Park, located in Hershey, Pennsylvania; and Busch Gardens, located in Williamsburg, Virginia. These parks are located approximately 120, 125 and 175 miles, respectively, from Six Flags America.

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- (4) Park rankings are based on 2001 attendance as published in AMUSEMENT BUSINESS, an industry trade publication. All DMA rankings are based on the referenced survey.

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SIX FLAGS ASTROWORLD AND SPLASHTOWN

Six Flags AstroWorld, the 38th largest theme park in North America is a combination theme and water park located in Houston, Texas. In May 1999, we acquired Splashtown, a water park located approximately 30 miles from Six Flags AstroWorld. Splashtown is the 14th largest water park in the United States. The Houston, Texas market provides the parks with a permanent resident population of 4.4 million people within 50 miles and 5.4 million people within 100 miles. The Houston market is the number 11 DMA in the United States.

We own sites of approximately 100 acres used for the theme and water park and approximately 60 acres for Splashtown. Splashtown competes with the water park at Six Flags AstroWorld. Six Flags AstroWorld primarily competes with Sea World of Texas and our Six Flags Fiesta Texas park, both located in San Antonio, Texas, approximately 200 miles from the park. In addition, the park primarily competes with Six Flags Over Texas, our park located in Arlington, Texas, approximately 250 miles from the park.

SIX FLAGS DARIEN LAKE & CAMPING RESORT

Six Flags Darien Lake, a combination theme and water park, is the largest theme park in the State of New York and the 41st largest theme park in North America. Six Flags Darien Lake is located off Interstate 90 in Darien Center, New York, approximately 30, 40 and 120 miles from Buffalo, Rochester and Syracuse, New York, respectively. The park's primary market includes upstate New York, western and northern Pennsylvania and southern Ontario, Canada. This market provides the park with a permanent resident population base of approximately 2.1 million people within 50 miles of the park and 3.2 million within 100 miles. The Buffalo, Rochester and Syracuse markets are the number 47, number 71 and number 81 DMAs in the United States, respectively.

The Six Flags Darien Lake property consists of approximately 988 acres, including 144 acres for the theme park, 242 acres of campgrounds and 593 acres of agricultural, undeveloped and water areas. Six Flags Darien Lake also has a 20,000 seat amphitheater. We have a long-term arrangement with an independent concert promoter to lease and operate the amphitheater.

Adjacent to the Six Flags Darien Lake theme park are a 163 room hotel and a camping resort, each owned and operated by us. The campgrounds include 1,180 developed campsites, including 395 recreational vehicles (RV's) available for daily and weekly rental. The campground is one of the largest in the United States. In 2001, approximately 391,000 people used the Six Flags Darien Lake hotel and campgrounds. Substantially all of the hotel and camping visitors visit the theme park.

Six Flags Darien Lake's principal competitor is Paramount Canada's Wonderland Park located in Toronto, Canada, approximately 125 miles from Six Flags Darien Lake. In addition, Six Flags Darien Lake competes to a lesser degree with three smaller amusement parks located within 50 miles of the park. Six Flags Darien Lake is significantly larger with a more diverse complement of entertainment than any of these three smaller facilities.

SIX FLAGS ELITCH GARDENS

Six Flags Elitch Gardens is a combination theme and water park located on approximately 67 acres in the downtown area of Denver, Colorado, next to Invesco Field at Mile High Stadium and the Pepsi Center Arena, and close to Coors Field. Six Flags Elitch Gardens is the 44th largest theme park in North America. The park's primary market includes the greater Denver area, as well as most of central Colorado. This market provides the park with a permanent resident population base of approximately 2.5 million people within 50 miles of the park and approximately 3.4 million people within 100 miles. The Denver area is the number 18 DMA in the United States. Six Flags Elitch Gardens has no significant direct competitors.

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SIX FLAGS FIESTA TEXAS

Six Flags Fiesta Texas, the 32nd largest theme park in North America, is a combination theme and water park located on approximately 206 acres in San Antonio, Texas. The San Antonio, Texas market provides the park with a permanent resident population of approximately 1.8 million people within 50 miles and approximately 3.1 million people within 100 miles. The San Antonio market is the number 37 DMA in the United States.

Six Flags Fiesta Texas' principal competitor is Sea World of Texas, also located in San Antonio. In addition, the park competes to a lesser degree with two of our parks: Six Flags AstroWorld, located in Houston, Texas, and Six Flags Over Texas located in Arlington, Texas.

SIX FLAGS GREAT ADVENTURE, SIX FLAGS HURRICANE HARBOR AND SIX FLAGS WILD SAFARI

Six Flags Great Adventure, the 14th largest theme park in North America, the separately gated adjacent Six Flags Hurricane Harbor, the 11th largest water park in the United States, and Six Flags Wild Safari are each located in Jackson, New Jersey, approximately 70 miles south of New York City and 50 miles east of Philadelphia. The New York and Philadelphia markets provide the parks with a permanent resident population of approximately 13.3 million people within 50 miles and approximately 26.2 million people within 100 miles. The New York and Philadelphia markets are the number 1 and number 4 DMAs in the United States, respectively.

We own a site of approximately 2,200 acres, of which approximately 240 acres are currently used for the theme park operations, approximately 45 acres are used for the water park and approximately 350 adjacent acres are used for the wildlife safari park. Most of the balance of the site is available for future development. The animal park is home to over 1,200 animals representing more than 58 species, which can be seen over a four and one-half mile drive. Six Flags Great Adventure's principal competitors are Hershey Park, located in Hershey, Pennsylvania, approximately 150 miles from the park; and Dorney Park, located in Allentown, Pennsylvania, approximately 75 miles from the park. The water park competes with several other water parks in the market.

SIX FLAGS GREAT AMERICA

Six Flags Great America, the 23rd largest theme park in North America, is located in Gurnee, Illinois, between Chicago, Illinois and Milwaukee, Wisconsin. The Chicago and Milwaukee markets provide the park with a permanent resident population of approximately 8.3 million people within 50 miles and approximately 12.8 million people within 100 miles. The Chicago and Milwaukee markets are the number 3 and number 33 DMAs in the United States, respectively.

We own a site of approximately 440 acres of which 92 are used for the theme park operations, and approximately 106 usable acres are located in a separate parcel available for expansion and complementary uses. Six Flags Great America currently has no direct theme park competitors in the region, but does compete to some extent with Kings Island, located near Cincinnati, Ohio, approximately 350 miles from the park; Cedar Point, located in Sandusky, Ohio, approximately 340 miles from the park; and Six Flags St. Louis, our park located outside St. Louis, Missouri, approximately 320 miles from the park.

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SIX FLAGS KENTUCKY KINGDOM

Six Flags Kentucky Kingdom is a combination theme and water park, located on approximately 58 acres on and adjacent to the grounds of the Kentucky Fair and Exposition Center in Louisville, Kentucky. Of the 58 acres, approximately 38 acres are leased under ground leases with terms (including renewal options) expiring between 2021 and 2049, with the balance owned by us. Six Flags Kentucky Kingdom is the 49th largest theme park in North America. The park's primary market includes Louisville and Lexington, Kentucky, Evansville and Indianapolis, Indiana and Nashville, Tennessee. This market provides the park with a permanent resident population of approximately 1.5 million people within 50 miles and approximately 4.7 million people within 100 miles. The Louisville and Lexington markets are the number 50 and number 66 DMAs in the United States.

Six Flags Kentucky Kingdom's only significant direct competitor is Kings Island, located near Cincinnati, Ohio, approximately 100 miles from the park.

SIX FLAGS MAGIC MOUNTAIN AND SIX FLAGS HURRICANE HARBOR

Six Flags Magic Mountain, the 18th largest theme park in North America, and the separately gated adjacent Six Flags Hurricane Harbor are located in Valencia, California, 30 miles north of Los Angeles. The Los Angeles, California market provides the parks with a permanent resident population of approximately 9.7 million people within 50 miles and approximately 16 million people within 100 miles. The Los Angeles market is the number 2 DMA in the United States.

We own a site of approximately 260 acres with 160 acres used for the theme park, and approximately 12 acres used for the pirate-themed water park. Six Flags Magic Mountain's principal competitors include Disneyland and Disney's California Adventure, each in Anaheim, California, located approximately 60 miles from the park, Universal Studios Hollywood in Universal City, California, located approximately 20 miles from the park, Knott's Berry Farm in Buena Park, California, located approximately 50 miles from the park, Sea World of California in San Diego, California, located approximately 150 miles from the park and Legoland in Carlsbad, California, located approximately 120 miles from the park.

Six Flags Hurricane Harbor's competitors include the new Soak City USA Waterpark and Raging Waters, each located approximately 50 miles from the water park.

SIX FLAGS MARINE WORLD

Six Flags Marine World, a theme park which also features marine mammals and exotic land animals, is the 30th largest theme park in North America. Six Flags Marine World is located in Vallejo, California, approximately 30 miles from San Francisco, 20 miles from Oakland and 60 miles from Sacramento. This market provides the park with a permanent resident population base of approximately 5.5 million people within 50 miles and approximately 10 million people within 100 miles. The San Francisco/Oakland and Sacramento areas are the number 5 and number 19 DMAs in the United States, respectively.

We manage a portion of the operations of Six Flags Marine World under a management agreement, pursuant to which we are entitled to receive an annual base management fee of \$250,000 and up to \$250,000 annually in additional fees based on park performance. In addition, we operate the rest of the park pursuant to our lease of approximately 55 acres of land at the site on a long-term basis and at nominal rent, which entitles us to receive, in addition to the management fee, 80% of the cash flow generated by the combined operations of the park after operating expenses and debt service. Finally, we have the option to purchase the entire park between February 2002 and February 2007.

Six Flags Marine World is located on approximately 136 acres and offers various rides and other traditional theme park attractions, as well as presentation stadiums, animal habitats and picnic areas,

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bordering a 55-acre man-made lake. The park provides for the shelter and care for marine mammals, land animals, sharks, birds and reptiles, tropical and cold water fish and marine invertebrates, all featured in a variety of exhibits and participatory attractions.

Six Flags Marine World's principal competitors are Underwater World at Pier 39 in San Francisco, Great America in Santa Clara and Outer Bay at Monterey Bay Aquarium. These attractions are located approximately 30, 60 and 130 miles from Six Flags Marine World, respectively.

We account for our interest in Six Flags Marine World under the equity method of accounting. See Note 4 to Notes to Consolidated Financial Statements.

SIX FLAGS NEW ENGLAND

Six Flags New England is a combination theme and water park, located off Interstate 91 near Springfield, Massachusetts, approximately 90 miles west of Boston. Six Flags New England is the 34th largest theme park in North America with a primary market that includes Springfield and western Massachusetts, Hartford and western Connecticut, as well as portions of eastern Massachusetts (including Boston) and eastern New York. This market provides the park with a permanent resident population base of approximately 3.1 million people within 50 miles and 15.2 million people within 100 miles. Springfield, Providence, Hartford/New Haven and Boston are the number 105, number 49, number 28 and number 6 DMAs in the United States. Six Flags New England is comprised of approximately 230 acres, with 90 acres currently used for park operations, 12 acres for a picnic grove and approximately 128 undeveloped acres.

Six Flags New England's only significant competitor is Lake Compounce located in Bristol, Connecticut, approximately 50 miles from Six Flags New England. To a lesser extent, Six Flags New England competes with The Great Escape, our park located in Lake George, New York, approximately 150 miles from Six Flags New England.

SIX FLAGS OVER GEORGIA AND SIX FLAGS WHITE WATER ATLANTA

Six Flags Over Georgia, the 28th largest theme park in North America is located on approximately 280 acres, 10 miles outside of Atlanta, Georgia. The Atlanta, Georgia market provides the park with a permanent resident population of approximately 4.0 million people within 50 miles and approximately 6.7 million people within 100 miles. The Atlanta market is the number 9 DMA in the United States.

In May 1999, the partnership that owns Six Flags Over Georgia purchased White Water Atlanta, a water park and related entertainment park located approximately 20 miles from the theme park. Six Flags White Water Atlanta, which is the 11th largest water park in the United States, is located on approximately 69 acres. Approximately 12 acres remain undeveloped.

Six Flags Over Georgia's primary competitors include Carowinds in Charlotte, North Carolina, located approximately 250 miles from the park, Visionland in Birmingham, Alabama, located approximately 160 miles from the park, and Dollywood in Pigeon Forge, Tennessee, located approximately 200 miles from the park. Six Flags White Water's primary competitors include Sun Valley Beach, Atlanta Beach and Lake Lanier Islands. These competitors are located approximately 15, 40 and 45 miles away from the water park, respectively. The Georgia Limited Partner (as defined below) owns the theme park site of approximately 280 acres, including approximately 85 acres of undeveloped land, all of which is leased to Six Flags Over Georgia II, L.P. (the "Georgia Partnership").

PARTNERSHIP STRUCTURE. On March 18, 1997, Six Flags completed arrangements pursuant to which we will manage the Georgia park through 2026. Under the

agreements governing the arrangements, the Georgia park is owned (excluding real property) by the Georgia Partnership of which our subsidiary is the managing general partner. In the second quarter of 1997, two subsidiaries of Six Flags made a tender offer for partnership interests ("LP Units") in the 99% limited partner of the Georgia Partnership (the "Georgia

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Limited Partner"), that valued the Georgia park at \$250 million (the "Georgia Tender Offer Price"). Six Flags purchased approximately 25% of the LP Units in the 1997 tender offer at an aggregate price of \$62.7 million.

The key elements of the arrangements are as follows: (i) the Georgia Limited Partner (which is not affiliated with us except for our ownership of certain LP Units) receives minimum annual distributions (including rent on the real estate) of \$20.3 million in 2001, increasing each subsequent year in proportion to increases in the cost of living; (ii) thereafter, we are entitled to receive from available cash (after provision for reasonable reserves and after capital expenditures per annum of approximately 6% of prior year's revenues) a management fee equal to 3% of the prior year's gross revenues, and, thereafter, any additional available cash is distributed 95% to us and 5% to the Georgia Limited Partner; (iii) on an annual basis, we are required to offer to purchase an additional 5% of the LP Units (accumulating to the extent not purchased in any given year) at a price based on a valuation for the park equal to the greater of \$250.0 million or a value derived by multiplying the weighted-average four year EBITDA of the park and, to the extent positive, Six Flags White Water Atlanta, by 8.0; (iv) in 2027, we have the option to acquire all remaining interests in the Georgia park at a price based on the Georgia Tender Offer Price, increased in proportion to the increase in the cost of living between December 1996 and December 2026; and (v) we are required to make minimum capital expenditures at the Georgia park during rolling five-year periods, based generally on 6% of the park's revenues. We were not required to purchase a material number of LP Units in the 1998, 1999, 2000 and 2001 offers to purchase. Cash flow from operations at the Georgia park is used to satisfy these requirements first, before any funds are required from us. In addition, we are entitled to retain our proportionate share (based on our holdings of LP Units) of distributions made to the Georgia Limited Partner. In connection with our acquisition of the former Six Flags, we entered into a Subordinated Indemnity Agreement (the "Subordinated Indemnity Agreement") with certain Six Flags entities, Time Warner Inc. ("Time Warner") and an affiliate of Time Warner, pursuant to which, among other things, we transferred to Time Warner (which has guaranteed the Six Flags obligations under these arrangements) record title to the corporations which own the entities that have purchased and will purchase LP Units, and we received an assignment from Time Warner of all cash flow received on such LP Units and we otherwise control such entities. In addition, we issued preferred stock of the managing partner of the Georgia Partnership to Time Warner. In the event of a default by us of our obligations described in this paragraph, these arrangements would permit Time Warner to take full control of both the entities that own LP Units and the managing partner. After all such obligations have been satisfied, Time Warner is required to retransfer to us the entire equity interests of these entities.

We account for our interests in the Georgia parks under the equity method of accounting. See Notes 4 and 12 to Notes to Consolidated Financial Statements.

SIX FLAGS OVER TEXAS AND SIX FLAGS HURRICANE HARBOR

Six Flags Over Texas, the 20th largest theme park in North America, and the separately gated Six Flags Hurricane Harbor, the 7th largest water park in the United States, are located across Interstate 30 from each other in Arlington, Texas, between Dallas and Fort Worth, Texas. The Dallas/Fort Worth market provides the parks with a permanent resident population of approximately 4.8 million people within 50 miles and approximately 5.9 million people within 100 miles. The Dallas/Fort Worth market is the number 7 DMA in the United States.

The Texas Limited Partner (as defined below) owns a site of approximately 200 acres used for the theme park. Six Flags Over Texas' principal competitors include Sea World of Texas and our Six Flags Fiesta Texas park, both located in San Antonio, Texas, approximately 285 miles from the park and Six Flags AstroWorld, approximately 250 miles from the park. We own directly approximately 47 acres, of which approximately 17 acres are currently used for Hurricane Harbor and 30 acres remain undeveloped. Six Flags Hurricane Harbor has no direct competitors in the area other than a municipal water park.

PARTNERSHIP STRUCTURE. Six Flags Over Texas is owned (excluding real property) by Texas Flags,

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Ltd. (the "Texas Partnership"), a Texas limited partnership of which the 1% general partner is our wholly-owned subsidiary, and the 99% limited partner is Six Flags Fund II, Ltd., a Texas limited partnership (the "Texas Limited Partner") which is unaffiliated with us except that we own certain limited partnership units in the Texas Limited Partner as described below. Six Flags Hurricane Harbor is 100% owned by us and is not included in these partnership arrangements.

In December 1997, Six Flags completed arrangements pursuant to which we will manage Six Flags Over Texas through 2027. The key elements of the

arrangements are as follows: (i) the Texas Limited Partner receives minimum annual distribution (including rent on the real estate) of \$29.9 million in 2001, increasing each year thereafter in proportion to increases in the cost of living; (ii) thereafter, we are entitled to receive from available cash (after provision for reasonable reserves and after capital expenditures per annum of approximately 6.0% of prior year's revenues) a management fee equal to 3% of the prior year's gross revenues, and, thereafter, any additional available cash will be distributed 92.5% to us and 7.5% to the Texas Limited Partner; (iii) in the first quarter of 1998, we made a tender offer for partnership units ("LP Units") in the Texas Limited Partner that valued the park at approximately \$374.8 million (the "Texas Tender Offer Price"); (iv) commencing in 1999, and on an annual basis thereafter, we are required to offer to purchase an additional 5% of the LP Units (accumulating to the extent not purchased in any given year) at a price based on a valuation for the park equal to the greater of \$374.8 million or a value derived by multiplying the weighted-average four year EBITDA of the park by 8.5; (v) in 2028 we have the option to acquire all remaining interests in the park at a price based on the Texas Tender Offer Price, increased in proportion to the increase in the cost of living between December 1997 and December 2027; and (vi) we are required to make minimum capital expenditures at the Texas park during rolling five-year periods, based generally on 6% of such park's revenues. Cash flow from operations at the Texas park is used to satisfy these requirements first, before any funds are required from us. In addition, we are entitled to retain our proportionate share (based on our holdings of LP Units) of distributions made to the Texas Limited Partner. Pursuant to the tender offer and the 1999, 2000 and 2001 offers to purchase, we have purchased approximately 36% of the LP Units at an aggregate price of \$133.9 million. In connection with the Subordinated Indemnity Agreement, we transferred to Time Warner (which has guaranteed the Six Flags obligations under these arrangements) record title to the corporations which own the entities that have purchased and will purchase LP Units and we received an assignment from Time Warner of all cash flow received on such LP Units and we otherwise control such entities. In addition, we issued preferred stock of the managing general partner of the Texas Partnership to Time Warner. In the event of a default by us of our obligations described in this paragraph, these arrangements would permit Time Warner to take full control of both the entities that own LP Units and the managing partner. After all such obligations have been satisfied, Time Warner is required to retransfer to us the entire equity interests of these entities.

We account for our interests in Six Flags Over Texas under the equity method of accounting. See Notes 4 and 12 to Notes to Consolidated Financial Statements.

SIX FLAGS ST. LOUIS

Six Flags St. Louis, the 35th largest theme park in North America, is a combination theme and water park located in Eureka, Missouri, about 35 miles west of St. Louis, Missouri. The St. Louis market provides the park with a permanent resident population of approximately 2.6 million people within 50 miles and approximately 3.8 million people within 100 miles. The St. Louis market is the number 22 DMA in the United States.

We own a site of approximately 497 acres of which approximately 132 are used for park operations. Six Flags St. Louis competes with Kings Island, located near Cincinnati, Ohio, approximately 350 miles from the park; Worlds of Fun in Kansas City, Missouri, located approximately 250 miles from the park; Cedar Point, located in Sandusky, Ohio, approximately 515 miles from the park; Silver Dollar City, located in Branson, Missouri, approximately 250 miles from the park; and Six Flags Great America, our park located near Chicago, Illinois, approximately 320 miles from the park.

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SIX FLAGS WORLDS OF ADVENTURE

Six Flags Worlds of Adventure, the 24th largest theme park in North America, a combination theme, water and marine wildlife park, represents the consolidation of the former Six Flags of Ohio and the adjacent park formerly known as Sea World of Ohio. The park is located in Aurora, Ohio, 20 miles southeast of Cleveland and approximately 30, 60 and 120 miles, respectively, from Akron and Youngstown, Ohio and Pittsburgh, Pennsylvania. This market provides the park with a permanent resident population base of approximately 4.0 million people within 50 miles of the park and approximately 7.0 million within 100 miles. The Cleveland/Akron, Youngstown and Pittsburgh markets are the number 17, number 98 and number 21 DMAs in the United States, respectively.

Adjacent to Six Flags Worlds of Adventure are a 145 room hotel and a camping resort each owned and operated by us. The campgrounds include 300 developed campsites, including 24 recreational vehicles (RV's) available for daily and weekly rental. In 2001, approximately 37,000 people used the Six Flags Ohio hotel and campgrounds.

The 690-acre property on which Six Flags Worlds of Adventure is situated includes a 50-acre spring-fed lake. The theme park and the water park presently occupy approximately 45 acres and the marine wildlife park is located on approximately 113 acres. There are approximately 110 acres of undeveloped land that have the potential for further development.

Six Flags Worlds of Adventure's principal competitors are Cedar Point in Sandusky, Ohio and Kennywood in Pittsburgh, Pennsylvania. These parks are located approximately 90 miles and 120 miles, respectively, from the park. There

are also three small water parks within a 50-mile radius of Six Flags Worlds of Adventure.

ENCHANTED VILLAGE AND WILD WAVES

Enchanted Village and Wild Waves is a water and rides park located in Seattle, Washington. The facility is located on approximately 65 acres. The Seattle-Tacoma market provides the park with a permanent resident population of approximately 3.4 million people within 50 miles and approximately 4.3 million people within 100 miles. The Seattle-Tacoma market is the number 12 DMA in the United States. The park is primarily a water park and currently lacks a full complement of rides and revenue outlets. As a result, we believe that there is an opportunity over the next several years to increase this park's revenue, attendance and cash flow, with relatively modest capital expenditures, commencing with the 2002 season. The park does not have any significant direct competitors.

FRONTIER CITY

Frontier City is a western theme park located along Interstate 35 in northeast Oklahoma City, Oklahoma, approximately 100 miles from Tulsa. The park's market includes nearly all of Oklahoma and certain parts of Texas and Kansas, with its primary market in Oklahoma City and Tulsa. This market provides the park with a permanent resident population base of approximately 1.2 million people within 50 miles of the park and 2.5 million people within 100 miles. The Oklahoma City and Tulsa markets are the number 45 and number 59 DMAs in the United States, respectively

We own a site of approximately 109 acres, with 55 acres currently used for park operations. Frontier City's only significant competitor is Six Flags Over Texas, located in Arlington, Texas, approximately 225 miles from Frontier City.

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THE GREAT ESCAPE

The Great Escape, which opened in 1954, is a combination theme and water park located off Interstate 87 in the Lake George, New York resort area, 180 miles north of New York City and 40 miles north of Albany. The park's primary market includes the Lake George tourist population and the upstate New York and western New England resident population. This market provides the park with a permanent resident population base of approximately 0.9 million people within 50 miles of the park and 2.8 million people within 100 miles. According to information released by local governmental agencies, approximately 3.7 million tourists visited the Lake George area in 2001. The Albany market is the number 57 DMA in the United States

The Great Escape is located on a site of approximately 368 acres, with 143 acres currently used for park operations. Approximately 43 of the undeveloped acres are suitable for park expansion. The Great Escape's only significant direct competitor is Six Flags New England, our park located in Springfield, Massachusetts, approximately 150 miles from The Great Escape. In addition, there is a smaller water park located in Lake George.

WATERWORLD PARKS

The Waterworld Parks consist of two water parks (Waterworld USA/Concord and Waterworld USA/Sacramento).

Waterworld USA/Concord is located in Concord, California, in the East Bay area of San Francisco. The park's primary market includes nearly all of the San Francisco Bay area. This market provides the park with a permanent resident population base of approximately 7.1 million people within 50 miles of the park and 10.6 million people within 100 miles. The San Francisco Bay market is the number 5 DMA in the United States.

Waterworld USA/Sacramento is located on the grounds of the California State Fair in Sacramento, California. The facility's primary market includes Sacramento and the immediate surrounding area. This market provides the park with a permanent resident population base of approximately 2.9 million people within 50 miles of the park and 10.2 million people within 100 miles. The Sacramento market is the number 19 DMA in the United States.

Both facilities are leased under long-term ground leases. The Concord site includes approximately 21 acres. The Sacramento facility is located on approximately 14 acres. Concord's only significant direct competitor is Raging Waters located in San Jose, approximately 50 miles from that facility. Sacramento's only significant competitor is Sunsplash located in northeast Sacramento, approximately 20 miles from that facility.

WHITE WATER BAY

White Water Bay is a tropical themed water park situated on approximately 22 acres located along Interstate 40 in southwest Oklahoma City, Oklahoma. The park's primary market includes the greater Oklahoma City metropolitan area. Oklahoma City is the number 45 DMA in the United States. This market provides the park with a permanent resident population base of approximately 1.2 million people within 50 miles of the park and 2.5 million people within 100 miles.

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WYANDOT LAKE

Wyandot Lake is mainly a water park, but also offers traditional amusement park attractions with 15 "dry" rides, games, shows and a large catering facility. It is located just outside of Columbus, Ohio, adjacent to the Columbus Zoo on property subleased from the Columbus Zoo. The park's primary market includes the Columbus metropolitan area and other central Ohio towns. This market provides the park with a permanent resident population base of approximately 2.1 million people within 50 miles of the park and approximately 6.5 million people within 100 miles. The Columbus market is the number 34 DMA in the United States.

We lease from the Columbus Zoo the land, the buildings and several rides which existed on the property at the time the lease was entered into in 1983. The current lease expires in 2002, but we expect to exercise our available options through 2008. The land leased by Wyandot Lake consists of approximately 18 acres. The park shares parking facilities with the Columbus Zoo.

Wyandot Lake's direct competitors are Kings Island, located near Cincinnati, Ohio, and Cedar Point, located in Sandusky, Ohio. Each of these parks is located approximately 100 miles from Wyandot Lake. Although the Columbus Zoo is located adjacent to the park, it is a complementary attraction, with many patrons visiting both facilities.

DESCRIPTION OF INTERNATIONAL PARKS

SIX FLAGS BELGIUM

Six Flags Belgium is a combination theme park and year-round indoor water park - called Aqualibi - near Brussels. The park is located on 120 acres. We estimate that approximately 11.4 million people live within a 50 mile radius of the park and approximately 51.0 million people live within 100 miles. The park's primary competitors are Bobbejaanland in Belgium, Efteling in Holland and Parc Asterix in France. These parks are located approximately 70, 100 and 200 miles from Six Flags Belgium, respectively. The park also competes with our Bellewaerde park, approximately 100 miles from Six Flags Belgium.

SIX FLAGS HOLLAND

Six Flags Holland is a theme park located on 390 acres that features over 40 rides and numerous shows, games and food venues. The park also operates the adjacent bungalow park with 142 bungalows and the largest events ground in the country. The park is located in the heart of the Netherlands, just west of Amsterdam. This market provides the park with a permanent resident population base of approximately 8.9 million people within a 50 mile radius of the park and approximately 56.8 million people within 100 miles. The park's primary competitor is Efteling in Holland, approximately 100 miles from the park. The park also competes with Warner Bros. Movie World Germany, which is approximately 100 miles from Six Flags Holland.

SIX FLAGS MEXICO

In May 1999, we acquired Reino Aventura, the largest paid admission theme park in Mexico, which was rebranded as Six Flags Mexico in the 2000 season. The park first opened in 1982 and is located on approximately 107 acres in Mexico City, which are leased on a long-term basis from the Federal District of Mexico. More than 22 million people live within 50 miles of Six Flags Mexico. Six Flags Mexico's principal competitors are Chapultepec and Divertido, both amusement parks located in Mexico City.

BELLEWAERDE

Bellewaerde is a combination animal and theme park in Ieper, Belgium. It lies in Flanders, the

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northern area of Belgium and is situated on 130 acres. We estimate that approximately 5.3 million people live within a 50 mile radius of the park and approximately 32.5 million people live within 100 miles. The park's primary competitors are Plopsaland and Bobbejaanland, each located in Belgium. These parks are located approximately 125 and 120 miles from Bellewaerde, respectively. The park also competes with Six Flags Belgium, approximately 100 miles from Bellewaerde.

LA RONDE

La Ronde, is the 48th largest theme park in North America, a theme park located in the City of Montreal. The park is located on the 146 acre site of the 1967 Montreal Worlds Fair. Montreal has a metropolitan population of approximately 3.3 million and is a major tourist destination. This market provides the park with a permanent resident population base of approximately 4.0 million people within 50 miles of the park and 5.0 million people within 100 miles. The park competes with Paramount Canada's Wonderland, approximately 370 miles from La Ronde.

WALIBI AQUITAINE

Walibi Aquitaine is a theme park located in Southwestern France between Bordeaux and Toulouse. The park is located on approximately 74 acres. Approximately 5.0 million people live within a 50 mile radius of the park and approximately 10.0 million people live within 100 miles. The park's nearest competitor is Futuroscope in Poitiers, France which is located 250 miles from Walibi Aquitaine.

WALIBI RHONE-ALPES

Walibi Rhone-Alpes is a combination theme and water park located in eastern France in the heart of the Lyon-Geneva-Grenoble triangle. The park is located on approximately 86 acres. Approximately 4.8 million people live within a 50 mile radius of the park and approximately 21.5 million people live within 100 miles. The park's primary competitor is Parc Asterix in France which is located approximately 310 miles away.

WALIBI SCHATROUMPF

Walibi Schtroumpf is a Smurf-themed park located near Metz in northeastern France. The park is located on approximately 375 acres which are leased on a long-term basis. The park's main markets include parts of France, Belgium, Luxembourg and Germany. These markets provide the park with a permanent resident population base of approximately 3.6 million people within a 50 mile radius of the park and approximately 16.4 million people within 100 miles. The park's primary competitors are Europa Park in Germany and Parc Asterix in France. These parks are located approximately 150 and 220 miles from the park, respectively.

WARNER BROS. MOVIE WORLD GERMANY

Warner Bros. Movie World Germany is a "Hollywood" themed park located near Dusseldorf, Germany. The park is located on approximately 148 acres of land, most of which is leased on a long-term basis with the balance owned. Approximately 21.4 million people live within 50 miles of the park and 81.2 million people within 100 miles. The park's primary competitors are Phantasialand Park, located approximately 75 miles from the park, and Efteling, located approximately 110 miles from the park. The park also competes with Six Flags Holland which is approximately 100 miles away from the park.

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WARNER BROS. MOVIE WORLD MADRID

We are managing the development of a new park to be known as Warner Bros. Movie World Madrid, near Madrid, Spain. The park, which is scheduled to open in April, 2002, is located on approximately 150 acres with room for expansion.

The park's primary market includes the metropolitan Madrid area. This market provides the park with a permanent resident population base of approximately 10.7 million people within a 50 mile radius of the park and approximately 23.4 million people within 100 miles. The park's primary competitors are Parque de Atracciones in Madrid, Terra Mitica in Valencia and Port Aventura in Barcelona. These parks are located approximately 20, 230 and 350 miles from the park, respectively.

We are paid a development fee from the owner and will manage the park for a management fee equal to 2 1/2% of revenues on a long-term basis following its opening. We also hold a 5% minority interest in the park's ownership.

For additional financial and other information concerning our international operations, see Note 13 to Notes to Consolidated Financial Statements.

MARKETING AND PROMOTION

We attract visitors through national and local multi-media marketing and promotional programs for each of our parks. The national programs are designed to market and enhance the Six Flags brand name. Local programs are tailored to address the different characteristics of their respective markets and to maximize the impact of specific park attractions and product introductions. All marketing and promotional programs are updated or completely changed each year to address new developments. Marketing programs are supervised by our Senior Vice President for Marketing, with the assistance of our senior management and a national advertising agency.

We also develop partnership relationships with well-known national and regional consumer goods companies and retailers to supplement our advertising efforts and to provide attendance incentives in the form of discounts and/or premiums. We also arrange for popular local radio and television programs to be filmed or broadcast live from our parks.

Group sales and pre-sold tickets provide us with a consistent and stable base of attendance, representing approximately 34.5% of aggregate attendance in 2001 at the parks which we owned or operated during that season. Each park has a group sales and pre-sold ticket manager and a sales staff dedicated to selling multiple group sales and pre-sold ticket programs through a variety of methods, including direct mail, telemarketing and personal sales calls.

We have also developed effective programs for marketing season pass tickets. Season pass sales establish a solid attendance base in advance of the season, thus reducing exposure to inclement weather. Additionally, season pass holders often bring paying guests and generate "word-of-mouth" advertising for

the parks. During 2001, 27.8% of visitors to the parks we owned or operated during that season utilized season passes. A significant portion of our attendance is attributable to the sale of discount admission tickets. We offer discounts on season and multi-visit tickets, tickets for specific dates and tickets to affiliated groups such as businesses, schools and religious, fraternal and similar organizations. The increased in-park spending which results from such attendance is not offset by incremental operating expenses, because such expenses are relatively fixed during the operating season.

We also implement promotional programs as a means of targeting specific market segments and geographic locations not generally reached through group or retail sales efforts. The promotional programs utilize coupons, sweepstakes, reward incentives and rebates to attract additional visitors. These programs are implemented through direct mail, telemarketing, direct response media, sponsorship marketing and

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targeted multi-media programs. The special promotional offers are usually for a limited time and offer a reduced admission price or provide some additional incentive to purchase a ticket, such as combination tickets with a complementary location.

LICENSES

We have the exclusive right on a long-term basis to theme park usage of the Warner Bros. and DC Comics animated characters throughout the United States (except the Las Vegas metropolitan area), Canada, Europe and Latin and South America (including Mexico). In particular, our license agreements entitle us to use, subject to customary approval rights of Warner Bros., and in limited circumstances, approval rights of certain third parties, all animated cartoon and comic book characters that Warner Bros. and DC Comics have the right to license, including BATMAN, SUPERMAN, BUGS BUNNY, DAFFY DUCK, TWEETY BIRD and YOSEMITE SAM, and include the right to sell merchandise using the characters. In addition, the Cartoon Network and Hanna-Barbera characters including YOGI BEAR, SCOOBY-DOO and THE FLINTSTONES are available for our use at theme parks throughout Europe and Latin and South America. In addition to basic license fees, we are required to pay a royalty fee on merchandise manufactured by or for us and sold that uses the licensed characters. Warner Bros. has the right to terminate the license agreements under certain circumstances including if any persons involved in the movie or television industries obtain control of us and upon a default under the subordinated indemnity agreement between us and Time Warner Inc. entered into in connection with the our acquisition of the former Six Flags.

PARK OPERATIONS

We currently operate in geographically diverse markets in the United States, Canada, Mexico and Europe. Each of our parks is operated to the extent practicable as a separate operating division in order to maximize local marketing opportunities and to provide flexibility in meeting local needs. Each park is managed by a general manager who reports to one of our regional Executive Vice Presidents (each of whom reports to our Chief Operating Officer). The general manager is responsible for all operations and management of the individual park. We also have an Executive Vice President responsible for retail and in-park spending at all of our parks. Local advertising, ticket sales, community relations and hiring and training of personnel are the responsibility of individual park management in coordination with corporate support teams.

Each of our parks is managed by a full-time, on-site management team under the direction of the general manager. Each management team includes senior personnel responsible for operations and maintenance, marketing and promotion, human resources and merchandising. Park management compensation structures are designed to provide incentives (including stock options and cash bonuses) for individual park managers to execute our strategy and to maximize revenues and operating cash flow.

Our parks are generally open daily from Memorial Day through Labor Day. In addition, most of our parks are open during weekends prior to and following their daily seasons, often in conjunction with themed events (such as Hallowscream, Fright Fest, Oktoberfest and Holiday in the Park). Due to their location, certain parks have longer operating seasons. Typically, the parks charge a basic daily admission price, which allows unlimited use of all rides and attractions, although in certain cases special rides and attractions require the payment of an additional fee.

CAPITAL IMPROVEMENTS

We regularly make capital investments in the introduction of new rides and attractions at our parks. We purchase both new and used rides and attractions. In addition, we rotate rides among parks to provide fresh attractions. We believe that the introduction of new rides and attractions is an important factor in promoting each of the parks in order to achieve market penetration and encourage longer visits, which lead to increased attendance and in-park spending. In addition, we generally add theming to acquired parks and enhance the theming and landscaping of our existing parks in order to provide a

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complete family oriented entertainment experience. Capital expenditures are planned on a seasonal basis with most expenditures made during the off-season. Expenditures for materials and services associated with maintaining assets, such as painting and inspecting rides, are expensed as incurred and therefore are not included in capital expenditures.

Our level of capital expenditures is directly related to the optimum mix of rides and attractions given park attendance and market penetration. These targeted expenditures are intended to drive significant attendance growth at the parks and to provide an appropriate complement of entertainment value, depending on the size of a particular market. As an individual park begins to reach an appropriate attendance penetration for its market, management generally plans a new ride or attraction every two to four years in order to enhance the park's entertainment product.

MAINTENANCE AND INSPECTION

Our rides are inspected daily by maintenance personnel during the operating season. These inspections include safety checks, as well as regular maintenance and are made through both visual inspection of the ride and test operation. Our senior management and the individual park personnel evaluate the risk aspects of each park's operation. Potential risks to employees and staff as well as to the public are evaluated. Contingency plans for potential emergency situations have been developed for each facility. During the off-season, maintenance personnel examine the rides and repair, refurbish and rebuild them where necessary. This process includes x-raying and magnafluxing (a further examination for minute cracks and defects) steel portions of certain rides at high-stress points. We have approximately 1,260 full-time employees who devote substantially all of their time to maintaining the parks and their rides and attractions.

In addition to our maintenance and inspection procedures, our liability insurance carrier performs an annual inspection of each park and all attractions and related maintenance procedures. The results of insurance inspections are written evaluation and inspection reports, as well as written suggestions on various aspects of park operations. In certain states, inspectors also conduct annual ride inspections before the beginning of each season. Other portions of each park are subject to inspections by local fire marshals and health and building department officials. Furthermore, we use Ellis & Associates as water safety consultants at our parks in order to train life guards and audit safety procedures.

INSURANCE

We maintain insurance of the type and in amounts that we believe are commercially reasonable and that are available to businesses in our industry. We maintain multi-layered general liability policies that provide for excess liability coverage of up to \$100.0 million per occurrence. For incidents arising after November 15, 2001, our self-insured retention is \$1.0 million per occurrence for our domestic parks and a nominal amount per occurrence for our international parks. Our self-insured retention after November 15, 2001 is \$0.5 million for workers compensation claims. For most incidents prior to November 15, 2001, we have no self-insured retention. We also maintain fire and extended coverage, workers' compensation, business interruption and other forms of insurance typical to businesses in this industry. The fire and extended coverage policies insure our real and personal properties (other than land) against physical damage resulting from a variety of hazards.

COMPETITION

Our parks compete directly with other theme parks, water and amusement parks and indirectly with all other types of recreational facilities and forms of entertainment within their market areas, including movies, sports attractions and vacation travel. Accordingly, our business is and will continue to be subject to factors affecting the recreation and leisure time industries generally, such as general economic conditions and changes in discretionary consumer spending habits. Within each park's regional market area, the principal factors affecting competition include location, price, the uniqueness and perceived quality of the

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rides and attractions in a particular park, the atmosphere and cleanliness of a park and the quality of its food and entertainment. We believe our parks feature a sufficient variety of rides and attractions, restaurants, merchandise outlets and family orientation to enable it to compete effectively.

SEASONALITY

Our operations are highly seasonal, with more than 90% of park attendance in 2001 occurring in the second and third calendar quarters and the most active period falling between Memorial Day and Labor Day. More than 85% of our revenues are earned in the second and third quarters of each year.

ENVIRONMENTAL AND OTHER REGULATION

Our operations are subject to increasingly stringent federal, state and local environmental laws and regulations including laws and regulations governing water discharges, air emissions, soil and groundwater contamination, the maintenance of underground and above-ground storage tanks and the disposal of waste and hazardous materials. In addition, our operations are subject to

other local, state and federal governmental regulations including, without limitation, labor, health, safety, zoning and land use and minimum wage regulations applicable to theme park operations, and local and state regulations applicable to restaurant operations at each park. We believe that we are in substantial compliance with applicable environmental and other laws and regulations and, although no assurance can be given, we do not foresee the need for any significant expenditures in this area in the near future.

In addition, portions of the undeveloped areas at certain of our parks are classified as wetlands. Accordingly, we may need to obtain governmental permits and other approvals prior to conducting development activities that affect these areas, and future development may be prohibited in some or all of these areas.

EMPLOYEES

At March 1, 2002, we employed approximately 3,000 full-time employees, and we employed over 44,000 seasonal employees during the 2001 operating season. In this regard, we compete with other local employers for qualified student and other candidates on a season-by-season basis. As part of the seasonal employment program, we employ a significant number of teenagers, which subjects us to child labor laws.

Approximately 6.9% of our full-time and approximately 4.8% of our seasonal employees are subject to labor agreements with local chapters of national unions. These labor agreements expire in January 2003 (Six Flags Over Texas), December 2003 (Six Flags Over Georgia), December 2002 (Six Flags Great Adventure), and January 2003 (Six Flags St. Louis). We have not experienced any strikes or work stoppages by our employees, and we consider our employee relations to be good.

EXECUTIVE OFFICERS OF THE REGISTRANT

Name -----	Age as of March 1, 2002 -----	Position -----
Kieran E. Burke	(44)	Director, Chairman of the Board and Chief Executive Officer since June 1994; Director, President and Chief Executive Officer from October 1989 through June 1994.
Gary Story	(46)	Director, President and Chief Operating Officer since June 1994; Executive Vice President and Chief Operating Officer from February 1992 through June 1994; prior to such period, general manager of Frontier City theme park for more than five years.
James F. Dannhauser	(49)	Chief Financial Officer since October 1, 1995; Director since October 1992; prior to June 1996, Managing Director of Lepercq, de Neufelize & Co. Incorporated for more than five years.
John E. Bement	(49)	Executive Vice President since May 1998; General Manager of Six Flags Over Georgia from January 1993 to May 1998.
Hue W. Eichelberger	(43)	Executive Vice President since February 1, 1997; General Manager of Six Flags America from May 1992 to 1998; Park Manager of White Water Bay from February 1991 to May 1992.
Thomas Iven	(43)	Executive Vice President since November, 2000; General Manager of Six Flags St. Louis since August 1998; Regional Director of Retail Operations of the Six Flags Texas region from 1996 to August 1998; Vice President of Retail Operations at Six Flags Over Texas from 1992 to 1996.
William Muirhead	(46)	Executive Vice President since September 2001; General Manager of Six Flags Great Adventure since 1998; General Manager of Riverside Park (now Six Flags New England) in 1997 and 1998; worked on various

projects in Asia, including Ocean Park in Hong Kong from 1992 to 1997; Director of retail operations at Dorney Park and Wildwater Kingdom from 1987-1992.

Brian Jenkins	(40)	Senior Vice President of Finance since April, 2000; Vice President of Finance since April 1998; Regional Vice President of Finance for the former Six Flags from 1996 to 1998; Served in various financial positions with FoxMeyer Health Corporation from 1990 to 1996 most recently as Vice President of Business Development and Corporate Planning.
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Name -----	Age as of March 1, 2002 -----	Position -----
Charles Salemi	(37)	Senior Vice President of Marketing since September 2001; Regional Vice President of Marketing from January 2000 to September 2001; Director of Marketing for Six Flags Great America and Six Flags St. Louis from April 1997 to January 2000. Prior to that, Mr. Salemi worked in marketing for Ogden Entertainment Services and Ringling Bros. and Barnum and Bailey Circus.
Walter S. Hawrylak	(54)	Secretary since June 2001; Vice President since June 2000; prior to that he served as our Director of Administration since September 1999; served as Executive Vice President and Chief Financial Officer of Entercitement from May 1997 to September 1999; served as Vice President and Chief Financial Officer of Callaway Gardens from October 1995 to May 1997; served as Vice President and Chief Financial Officer at Universal Studios Hollywood from March 1994 to October 1995.
James M. Coughlin	(50)	General Counsel since May 1998; partner, Baer Marks & Upham LLP, from 1991 to 1998.

Each of the above executive officers has been elected to serve in the position indicated until the next annual meeting of directors which will follow the annual meeting of our stockholders to be held in June 2002.

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ITEM 2. PROPERTIES

Set forth below is a brief description of our material real estate at March 1, 2002:

- Six Flags America, Largo, Maryland -- 515 acres (fee ownership)
- Six Flags AstroWorld, Houston, Texas -- 99 acres (fee ownership)
- Six Flags Belgium, Brussels, Belgium -- 120 acres (fee ownership)
- Six Flags Darien Lake, Darien Center, New York -- 988 acres (fee ownership)
- Six Flags Elitch Gardens, Denver, Colorado -- 67 acres (fee ownership)
- Six Flags Fiesta Texas, San Antonio, Texas -- 206 acres (fee ownership)
- Six Flags Great Adventure, Hurricane Harbor & Wild Safari, Jackson, New Jersey - 2,200 acres (fee ownership)
- Six Flags Great America, Gurnee, Illinois -- 440 acres (fee ownership)
- Six Flags Holland, Biddinghuizen, The Netherlands -- 390 acres (fee ownership and leasehold interest) (1)
- Six Flags Hurricane Harbor, Arlington, Texas -- 47 acres (fee ownership)
- Six Flags Hurricane Harbor, Valencia, California -- 12 acres (fee ownership)
- Six Flags Kentucky Kingdom, Louisville, Kentucky -- 58 acres (fee ownership and leasehold interest) (2)
- Six Flags Magic Mountain, Valencia, California -- 260 acres (fee ownership)

Six Flags Marine World, Vallejo, California -- 136 acres (long-term leasehold interest at nominal rent)
 Six Flags Mexico, Mexico City, Mexico - 107 acres (leasehold interest) (3)
 Six Flags New England, Agawam, Massachusetts -- 230 acres (substantially all fee ownership)
 Six Flags Over Georgia, Atlanta, Georgia -- 280 acres (leasehold interest) (4)
 Six Flags Over Texas, Arlington, Texas -- 200 acres (leasehold interest)(4)
 Six Flags St. Louis, Eureka, Missouri -- 497 acres (fee ownership)
 Six Flags White Water Atlanta, Marietta, Georgia - 69 acres (fee ownership)(5)
 Six Flags Worlds of Adventure, Aurora, Ohio -- 690 acres (fee ownership)
 Bellewaerde, Ieper, Belgium -- 130 acres (fee ownership)
 Enchanted Village and Wild Waves, Seattle, Washington -- 65 acres (leasehold interest)(6)
 Frontier City, Oklahoma City, Oklahoma -- 109 acres (fee ownership)
 La Ronde, Montreal, Canada - 146 acres (leasehold interest)(7)
 The Great Escape, Lake George, New York -- 368 acres (fee ownership)
 Splashtown, Spring, Texas - 60 acres (fee ownership)
 Walibi Aquitaine, Roquefort, France -- 74 acres (fee ownership)
 Walibi Rhone-Alpes, Les Avenieres, France -- 86 acres (fee ownership)
 Walibi Schtroumpf, Metz, France -- 375 acres (leasehold interest)(8)
 Warner Bros. Movie World Germany, Bottrop, Germany - 148 acres (fee ownership and leasehold interest)(9)
 Waterworld/Concord, Concord, California -- 21 acres (leasehold interest) (10)
 Waterworld/Sacramento, Sacramento, California -- 14 acres (leasehold interest)(11)
 White Water Bay, Oklahoma City, Oklahoma -- 22 acres (fee ownership)
 Wyandot Lake, Columbus, Ohio -- 18 acres (leasehold interest)(12)

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- (1) A substantial portion of the land is leased from a governmental agency with a term expiring in 2018. An undeveloped portion of the land is also leased on a year-to-year basis. The balance is owned.
 - (2) Approximately 38 acres are leased under ground leases with terms (including renewal options) expiring between 2021 and 2049, with the balance owned by us.
 - (3) The site is leased from the Federal District of Mexico City. The lease expires in 2017.
 - (4) Lessor is the limited partner of the partnership that owns the park. The leases expire in 2027 and 2028, respectively, at which time we have the option to acquire all of the interests in the respective lessor not previously acquired.
 - (5) Owned by the partnership that operates Six Flags Over Georgia.
 - (6) The site is leased from the prior owner. The base term of the lease expires in 2030 and we have renewal options covering an additional 46 years.
 - (7) The site is leased from the City of Montreal. The lease expires in 2065.
 - (8) The site is leased from a public authority. The lease expires in 2086.
 - (9) Approximately 7% of the site is owned. The balance is leased from multiple landlords with lease terms in most cases ranging between 60 and 99 years.
 - (10) The site is leased from the City of Concord. The lease expires in 2025 and we have five five-year renewal options.
 - (11) The site is leased from the California Exposition and State Fair. The lease expires in 2015 and, subject to the satisfaction of certain conditions, may be renewed by us for an additional ten-year term.
 - (12) The site is subleased from the Columbus Zoo. The lease expires in 2002 and we have two renewal options with an aggregate 6 year term. Acreage for this site does not include approximately 30 acres of parking which is shared with the Columbus Zoo.

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We have granted to our lenders under our \$1.2 billion credit agreement a mortgage on substantially all of our United States properties.

In addition to the foregoing, we lease office space and a limited number of rides and attractions at our parks. See Note 12 to Notes to Consolidated Financial Statements.

We consider our properties to be well-maintained, in good condition and adequate for their present uses and business requirements.

ITEM 3. LEGAL PROCEEDINGS

The nature of the industry in which we operate tends to expose us to claims by visitors, generally for injuries. Historically, the great majority of these claims have been minor. While we believe that we are adequately insured against customers' claims, if we become subject to damages that cannot by law be insured against, such as punitive damages or certain intentional misconduct by employees, there may be a material adverse effect on our operations.

In December 1998, a final judgment of \$197.3 million in compensatory damages was entered against Six Flags Entertainment Corporation, Six Flags Theme Parks Inc., Six Flags Over Georgia, Inc. and TWE, and a final judgment of \$245.0 million in punitive damages was entered against TWE and of \$12.0 million in punitive damages was entered against the referenced Six Flags entities. The compensatory damages judgment has been paid and, in October 2001, the order of the Georgia Court of Appeals affirming the punitive damages judgment was vacated by the United States Supreme Court. In February 2002, the parties reargued the appeal of the punitive damages judgment before the Georgia Court of Appeals. The

judgments arose out of a case entitled SIX FLAGS OVER GEORGIA, LLC ET AL V. TIME WARNER ENTERTAINMENT COMPANY, LP ET AL based on certain disputed partnership affairs prior to our acquisition of the former Six Flags at Six Flags Over Georgia, including alleged breaches of fiduciary duty. The sellers in the Six Flags acquisition, including Time Warner, Inc., have agreed to indemnify us from any and all liabilities arising out of this litigation.

We are a defendant in a purported class action litigation pending in California Superior Court for Los Angeles County. The master complaint, AMENDAREZ V. SIX FLAGS THEME PARKS, INC., was filed on November 27, 2001, combining five previously filed complaints. The plaintiffs allege that security and other practices at our park in Valencia, California, discriminate against visitors on the basis of race, color, ethnicity, national origin and/or physical appearance, and assert claims under California statutes and common law. They seek compensatory and punitive damages in unspecified amounts, and injunctive and other relief. The named plaintiffs purport to represent seven "subclasses" of visitors to the Valencia park. We have objected to the class allegations, arguing that the lawsuit cannot appropriately be maintained as a class action, and intend to vigorously defend this case. The case is in an early stage and consequently we cannot predict the outcome, however, we do not believe it will have a material adverse effect on our consolidated financial position, or results of operation or liquidity.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

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PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our Common Stock is listed on the New York Stock Exchange (the "NYSE") under the symbol "PKS." Set forth below are the high and low sales prices for the Common Stock as reported by the NYSE since January 1, 2000.

Year ----	Quarter -----	High ----	Low ---
2002	First (through March 1, 2002)	16 1/2	12 1/2
2001	Fourth	16	11 1/2
	Third	23 5/8	10 5/16
	Second	23 3/4	17 13/16
	First	23 1/16	16 3/8
2000	Fourth	17 3/16	14 3/16
	Third	24	13 1/2
	Second	28 1/8	20
	First	28 5/16	19 1/2

As of March 1, 2002, there were 790 holders of record of our Common Stock. We paid no cash dividends on our Common Stock during the three years ended December 31, 2001. We do not anticipate paying any cash dividends on our Common Stock during the foreseeable future. The indentures relating to our 8 7/8% Senior Notes due 2010, 9 1/2% Senior Notes Due 2009, 10% Senior Discount Notes Due 2008 and 9 3/4% Senior Notes due 2007 limit the payment of cash dividends to common stockholders. See Note 6 to Notes to Consolidated Financial Statements.

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ITEM 6. SELECTED FINANCIAL DATA

In February and November 1997, respectively, we acquired Six Flags New England (formerly Riverside Park) and Six Flags Kentucky Kingdom (formerly Kentucky Kingdom). In 1998, we acquired the former Six Flags and substantially all of the capital stock of Walibi. In May 1999, we acquired Six Flags Mexico (formerly Reino Aventura) and two water parks, one of which is owned by a Partnership Park and not consolidated. In November 1999, we acquired Warner Bros. Movie World Germany, the operating season of which ended prior to the acquisition. In December 2000, we acquired Enchanted Village. In February and May 2001, respectively, we acquired the former Sea World of Ohio and La Ronde. In each case the operations of acquired parks are reflected only for the periods subsequent to their respective acquisition dates. See Note 2 to Notes to Consolidated Financial Statements.

	(In thousands, except per share data)				
	2001	2000	1999	1998(1)	1997
Revenue.....	\$ 1,045,964	\$ 1,006,981	\$ 926,984	\$ 792,703	\$ 193,904
Depreciation and amortization.....	199,800	179,989	154,264	109,841	19,792
Equity in operations of theme park partnerships.....	21,512	11,833	26,180	24,054	--
Interest expense, net.....	223,394	224,767	169,441	115,849	17,775
Income tax expense (benefit).....	(7,195)	5,622	24,460	40,716	9,615
Income (loss) before extraordinary loss.....	(49,573)	(51,959)	(19,230)	35,628	14,099
Extraordinary loss on extinguishment of debt, net of tax effect.....	(8,529)	--	(11,296)	(788)	--
Net income (loss).....	(58,102)	(51,959)	(30,526)	34,840	14,099
Net loss - pro forma.....	N/A	N/A	N/A	(51,160)	N/A
Net income (loss) applicable to common stock.....	(84,617)	(75,247)	(53,814)	17,374	14,099(2)
Per Share(3):					
Income (loss) before extraordinary loss:					
Basic.....	(.85)	(.96)	(.55)	.27	.39
Diluted.....	(.85)	(.96)	(.55)	.26	.38
Proforma(4).....	N/A	N/A	N/A	(.98)	N/A
Extraordinary loss, net of tax effect:					
Basic.....	(.10)	--	(.14)	(.01)	--
Diluted.....	(.10)	--	(.14)	(.01)	--
Proforma(4).....	N/A	N/A	N/A	(.01)	N/A
Net income (loss):					
Basic.....	(.95)	(.96)	(.69)	.26	.39
Diluted.....	(.95)	(.96)	(.69)	.25	.38
Proforma(4).....	N/A	N/A	N/A	(.99)	N/A
Cash Dividends -- Common Stock.....	--	--	--	--	--
Net cash provided by operating activities.....	183,291	176,161	197,349	119,010	47,150
Net cash used in investing activities.....	(284,041)	(337,063)	(506,178)	(1,664,883)	(217,070)
Net cash provided by financing activities.....	111,415	66,949	49,488	1,861,098	250,165
Total assets.....	4,246,142	4,191,339	4,161,572	4,052,465	611,321
Long-term debt(5).....	2,247,069	2,322,313	2,204,988	2,064,189	217,026
EBITDA(6).....	358,132	369,289	319,031	235,240	54,101
Adjusted EBITDA(7).....	402,521	402,496	363,219	258,943	N/A

(1) Our reported results in 1998 were materially affected by two significant acquisitions. In March 1998, we acquired a controlling interest in Walibi S.A. and on April 1 of that year we acquired former Six Flags. The timing of these acquisitions, when coupled with the seasonality of our business, resulted in our recognizing substantially all of the revenues of the acquired parks (which represented 61.2% of our revenues for the year ended December 31, 1998) while excluding almost all of their pre-season expenses. Had the Walibi and Six Flags acquisitions and the related financings occurred on January 1, 1998, pro forma revenues for 1998 would have been \$817,049,000; pro forma income from operations would have been \$91,754,000; pro forma loss before extraordinary loss would have been \$51,160,000; and pro forma Adjusted EBITDA would have been

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\$258,943,000. Reported results for 1999 were also affected by the acquisition of three parks in May of that year. See Note 2 to our Notes to Consolidated Financial Statements. In December 2000, we acquired Enchanted Village, which was not material to our 1999 or 2000 results of operations. In February 2001 and May 2001, we acquired the former Sea World of Ohio and La Ronde, respectively, which were not material to our 2001 results of operations.

- (2) Included in determining net income for 1997 is an \$8.4 million (\$5.1 million after tax effect) termination fee, net of expenses.
- (3) All per share data has been retroactively adjusted to give effect to a two-for-one stock split consummated in July 1998.
- (4) Includes results of operations of the former Six Flags and Walibi as if the acquisitions and associated financings had occurred on January 1, 1998. See Note 1.
- (5) Includes current portion. Does not give effect at December 31, 2001 to the February 2002 debt offering and the use of proceeds. See "Business - General - Description of Recent Financings."
- (6) EBITDA is defined as income before extraordinary loss, before interest expense, net, income tax expense (benefit), noncash compensation, depreciation and amortization and other expenses, including minority interest and gain or loss on sale of assets. We have included information concerning EBITDA because it is used by certain investors as a measure of a company's ability to service and/or incur debt. EBITDA is not required by GAAP and should not be considered in isolation or as an alternative to net income (loss), net cash provided by operating, investing and financing activities or other financial data prepared in accordance with GAAP or as an indicator of our operating performance. This information should be read in conjunction with the Statements of Cash Flows contained in the Consolidated Financial Statements. For 1998 only, EBITDA is shown on a pro forma basis as if the former Six Flags and Walibi had been acquired on January 1, 1998.
- (7) Adjusted EBITDA is defined as our EBITDA plus our share (based on our ownership interests) of the EBITDA of the Partnership Parks. This is calculated by adding the interest and depreciation and amortization

expense associated with those parks to our equity in operations of theme park partnerships. For 1998 only Adjusted EBITDA is determined on a pro forma basis as if the former Six Flags, Walibi and our interests in the Partnership Parks had been acquired on January 1, 1998.

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

GENERAL

Our revenue is derived from the sale of tickets for entrance to our parks (approximately 54.6%, 54.1% and 54.0% in 2001, 2000 and 1999, respectively) and the sale of food, merchandise, games and attractions inside our parks, as well as sponsorship and other income (approximately 45.4%, 45.9% and 46.0% in 2001, 2000 and 1999, respectively). Our principal costs of operations include salaries and wages, employee benefits, advertising, outside services, maintenance, utilities and insurance. Our expenses are relatively fixed. Costs for full-time employees, maintenance, utilities, advertising and insurance do not vary significantly with attendance, thereby providing us with a significant degree of operating leverage as attendance increases and fixed costs per visitor decrease.

The comparability of our results between periods is impacted by the timing of the acquisitions we make. Results of operations for 2001 include the results of the former Sea World of Ohio from February 9, 2001, and of La Ronde from May 2, 2001, their respective acquisition dates. Results of operations for 2000 include the results of Enchanted Village and Wild Waves from December 2000, its acquisition date. Results of operations for 1999 include the results of Six Flags Mexico, White Water Atlanta and Splashtown from May 1999, their acquisition date, and include the results of Warner Bros. Movie World Germany from November 1999, its acquisition date.

We believe that significant opportunities exist to acquire additional theme parks. We also intend to continue the addition of the rides and attractions and overall improvement of our parks to maintain and enhance their appeal, although the level of our expenditure in this respect is expected to be lower in the next several years than had previously been the case. We believe this strategy has contributed to increased attendance, lengths of stay and in-park spending and, therefore, profitability.

CRITICAL ACCOUNTING POLICIES

In the ordinary course of business, we make a number of estimates and assumptions relating to the reporting of results of operations and financial condition in the preparation of our consolidated financial statements in conformity with accounting principles generally accepted in the United States. Results could differ significantly from those estimates under different assumptions and conditions. We believe that the following discussion addresses our most critical accounting policies, which are those that are most important to the portrayal of our consolidated financial condition and results and require management's most difficult, subjective and complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain.

PROPERTY AND EQUIPMENT

Property and equipment is recorded at cost and is depreciated on a straight-line basis over the estimated useful lives of those assets. Changes in circumstances such as technological advances, changes to our business model or changes in our capital strategy could result in the actual useful lives differing from our estimates. In those cases in which we determine that the useful life of property and equipment should be shortened, we would depreciate the net book value in excess of the salvage value, over the revised remaining useful life, thereby increasing depreciation expense. A reduction in the useful life of the property and equipment utilized in the operations of our theme park partnerships would similarly increase depreciation expense related to such investments and thereby reduce equity in operations of theme park partnerships.

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ACCOUNTING FOR INCOME TAXES

As part of the process of preparing our consolidated financial statements we are required to estimate our income taxes in each of the jurisdictions in which we operate. This process involves us estimating our actual current tax exposure together with assessing temporary differences resulting from differing treatment of items, such as differing depreciation periods for our property and equipment and deferred revenue, for tax and financial accounting purposes. These differences result in deferred tax assets and liabilities, which are included within our consolidated balance sheet. We must then assess the likelihood that our deferred tax assets will be recovered from future taxable income. To the extent we believe that recovery is not likely, we must establish a valuation allowance. To the extent we establish a valuation allowance or increase this allowance in a period, we must include an expense

within the tax provision in the consolidated statement of operations.

Significant management judgment is required in determining our provision or benefit for income taxes, our deferred tax assets and liabilities and any valuation allowance recorded against our net deferred tax assets. We have recorded a valuation allowance of \$1.2 million as of December 31, 2001, due to uncertainties related to our ability to utilize some of our deferred tax assets, primarily consisting of certain net operating losses carried forward and tax credits, before they expire. The valuation allowance is based on our estimates of taxable income by jurisdiction in which we operate and the period over which our deferred tax assets will be recoverable. In the event that actual results differ from these estimates or we adjust these estimates in future periods we may need to establish an additional valuation allowance which could materially impact our consolidated financial position and results of operations.

VALUATION OF LONG-LIVED AND INTANGIBLE ASSETS AND GOODWILL

Through December 31, 2001, we assessed the impairment of long-lived assets and goodwill whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors we consider important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of our use of the acquired assets or the strategy for our overall business;
- significant negative industry or economic trends;
- significant decline in our stock price for a sustained period; and
- our market capitalization relative to net book value.

When we determine that the carrying value of long-lived assets and related goodwill may not be recoverable based upon the existence of one or more of the above indicators of impairment, we measure any impairment based on a projected discounted cash flow method using a discount rate determined by our management to be commensurate with the risk inherent in our current business model. Long-lived assets amounted to \$2,741.6 million and goodwill amounted to \$1,196.1 million as of December 31, 2001.

In 2002, Statement of Financial Accounting Standards ("SFAS") No. 142, "Goodwill and Other Intangible Assets" became effective and as a result, as of January 1, 2002, we will cease to amortize approximately \$1.2 billion of goodwill. We recorded approximately \$56.7 million of amortization on these amounts during 2001 and would have recorded a comparable amount of amortization during 2002. In lieu of amortization, we are required to perform an initial impairment review of our goodwill in 2002 and an annual impairment review thereafter. We expect to complete our initial review during the first six

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months of 2002. Because of the extensive effort needed to comply with adopting Statement 142, it is not practicable to reasonably estimate the impact of adopting this Statement on our consolidated financial statements at the date of this report, including whether any transitional impairment losses will be required to be recognized as the cumulative effect of a change in accounting principle.

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RESULTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2001 AND 2000

REVENUE. Revenue in 2001 totaled \$1,046.0 million compared to \$1,007.0 million for 2000. This 3.9% increase resulted from the inclusion of the performance of three parks acquired after the 2000 season. One of the acquired parks, the former Sea World of Ohio, operated in 2001 together with our previously owned adjacent facility as a single gate, Six Flags Worlds of Adventure. Excluding the results of the acquired parks in Montreal and Seattle and excluding the increase in revenues at the combined Ohio facility, revenues in 2001 on a constant currency basis decreased approximately 1.1% over the prior year. Domestic revenues from consolidated parks in 2001 increased by 4.6% over 2000 and increased by 0.1% on a same park basis. Growth in domestic revenues was constrained by a lower than expected increase in per capita spending reflecting the impact of difficult economic conditions (per capita spending grew by 3.6%), and by a sharp drop-off in performance in the weekend operations immediately following the September 11, 2001 terrorist activities. International park revenues were down approximately 7.8% from 2000 on a same park basis in constant currencies, reflecting particularly the performance of our European parks. The performance of those parks was adversely affected by a number of factors, including difficult economic conditions and challenging weather in a number of markets.

OPERATING EXPENSES. Operating expenses for 2001 increased \$32.3 million compared to expenses for 2000. Excluding the acquired parks in Montreal and Seattle and excluding the increase in expenses at the combined Ohio facility, operating expenses in 2001 decreased \$1.1 million (or 0.3%) as compared to the prior-year.

SELLING, GENERAL AND ADMINISTRATIVE; NONCASH COMPENSATION. Selling, general and administrative expenses for 2001 increased \$22.5 million compared to comparable expenses for 2000. Excluding the acquired parks in Montreal and Seattle and excluding the increase in expenses at the combined Ohio facility, selling, general and administrative expenses increased \$11.2 million (or 6.8%) as compared to the prior-year, primarily due to increases in advertising and insurance expenses and increased real estate and other taxes. Noncash compensation expense was \$4.0 million less than the prior-year period, reflecting the decreased amortization associated with prior year restricted stock awards and conditional option grants.

COSTS OF PRODUCTS SOLD. Costs of products sold in 2001 decreased \$4.6 million compared to costs for 2000, and decreased \$7.6 million excluding the acquired parks in Montreal and Seattle and excluding the increases in expenses at the combined Ohio facility. As a percentage of theme park food, merchandise and other revenue, costs of products sold in 2001 were 19.2%, compared to 20.7% in the prior-year period, reflecting in part our increased use of games and other concession arrangements in which we receive revenues from third party operators without incurring the associated costs, as well as increased efficiencies.

DEPRECIATION AND AMORTIZATION; INTEREST EXPENSE, NET; OTHER INCOME (EXPENSE). Depreciation and amortization expense for 2001 increased \$19.8 million compared to 2000. The increase compared to the prior-year level was attributable to additional expense associated with the acquired parks, including the former Sea World of Ohio and our on-going capital program. Interest expense, net decreased \$1.4 million compared to 2000. The decrease compared to interest expense, net for the prior-year resulted from lower average interest rates and lower average debt balances. Other expense decreased in 2001 by \$5.5 million compared to 2000 due to a reduced level of asset dispositions in 2001.

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EQUITY IN OPERATIONS OF THEME PARKS. Equity in operations of theme park partnerships reflects our share of the income or loss of Six Flags Over Texas (we have a 36% effective ownership) and Six Flags Over Georgia, including White Water Atlanta (we have a 25% effective ownership), and the lease of Six Flags Marine World. During 2001, equity in operations of theme park partnerships increased \$9.7 million compared to 2000, primarily as a result of improved attendance and revenue performance at Six Flags Over Texas and Six Flags Marine World over the prior year.

INCOME TAX BENEFIT (EXPENSE). Income tax benefit was \$7.2 million for 2001 compared to a \$5.6 million expense for 2000. Our effective tax rate is adversely affected from the result of permanent differences associated with goodwill amortization for financial purposes, the lesser amount of amortization that is deductible for tax purposes and from nondeductible compensation expense associated with conditional stock options and restricted stock grants. Additionally during 2001, we reorganized our European organizational structure which reduced the effective tax rate in Europe.

At December 31, 2001, we estimated that we had approximately \$903.5 million of net operating losses ("NOLs") carryforwards for Federal income tax purposes. The NOLs are subject to review and potential disallowance by the Internal Revenue Service upon audit of our Federal income tax returns and those of our subsidiaries. In addition, the use of such NOLs is subject to limitations on the amount of taxable income that can be offset with such NOLs. Some of such NOLs also are subject to a limitation as to which of the subsidiaries' income such NOLs are permitted to offset. Although no assurance can be given as to the timing or amount of the availability of such NOLs to us and our subsidiaries, we anticipate that it is more likely than not that virtually all of the NOLs will be utilized prior to their expiration. See Note 8 to Notes to Consolidated Financial Statements.

YEARS ENDED DECEMBER 31, 2000 AND 1999

REVENUE. Revenue in 2000 totaled \$1,007.0 million compared to \$927.0 million for 1999, representing an 8.6% increase. The increase over the prior year was primarily due to increased per capita spending at our domestic parks and the inclusion for the entire 2000 year of the revenues of Movie World Germany acquired in November 1999. We believe that revenues in 2000 were adversely affected by unusually difficult weather, particularly in June and July, in a large number of our major markets. Reported revenues from our European parks as translated into U.S. dollars were adversely impacted by a decline in European currencies during 2000. Revenue growth in 2000 would have been approximately \$20.0 million higher had European currency exchange rates remained at 1999 levels.

OPERATING EXPENSES. Operating expenses for 2000 increased \$22.3 million compared to actual expenses for 1999 but decreased \$14.0 million from the prior year on a same park basis (including the pre-acquisition results for 1999 of the parks acquired in that year). The 6.3% increase in actual expenses is exclusively attributable to the inclusion for the entire year ended December 31, 2000 of the two parks we acquired in May 1999 and the one park we acquired in November 1999 (the "1999 Acquired Parks"). If the full year results of the 1999 Acquired Parks were included in both periods, as a percentage of revenues operating expenses would have been 37.4% in 2000 and 39.5% in 1999.

SELLING, GENERAL AND ADMINISTRATIVE; NONCASH COMPENSATION. Selling, general and administrative expenses (excluding noncash compensation) for 2000 increased \$2.5 million compared to expenses for 1999 but decreased \$12.6 million from the prior year on a same park basis. As a percentage of revenue (including the 1999 Acquired Parks for both years), selling, general and administrative expenses (excluding noncash compensation) would have been 16.5% in 2000 and 18.1% in 1999. Noncash compensation was essentially level in both years.

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COSTS OF PRODUCTS SOLD. Costs of products sold in 2000 increased \$5.0 million compared to 1999 actual but decreased \$3.8 million on a same park basis. As a percentage of theme park food, merchandise and other revenues, including the 1999 Acquired Parks in both years, costs of products sold would have been 20.7% in 2000 compared to 21.8% in 1999.

DEPRECIATION AND AMORTIZATION EXPENSE; INTEREST EXPENSE, NET; OTHER INCOME (EXPENSE). Depreciation and amortization expense for 2000 increased \$25.7 million compared to 1999. The increase compared to the 1999 level was attributable to our on-going capital program at the previously owned parks and from the additional expense associated with the 1999 Acquired Parks. Exclusive of the 1999 Acquired Parks, 2000 depreciation and amortization expense increased \$14.8 million compared to 1999. Interest expense, net increased \$55.3 million compared to the 1999 level. The increase resulted from higher average interest rates on a higher average debt and reduced interest income from lower average cash and cash equivalent balances during 2000. The \$6.6 million increase in other expense in 2000 was related to the removal and disposal of rides, buildings and other assets at two parks that were substantially improved and rebranded as "Six Flags" theme parks.

EQUITY IN OPERATIONS OF THEME PARKS. Equity in operations of theme park partnerships reflects our share of the income or loss of Six Flags Over Texas and Six Flags Over Georgia (including Six Flags White Water Atlanta) and the lease of Six Flags Marine World. Our ownership interests in Six Flags Over Texas (we had a 35% effective ownership) and Six Flags Over Georgia (we had a 25% effective ownership) commenced on April 1, 1998, the date of the acquisition of the former Six Flags. We became entitled to a share of the cash flows from the lease and management of Six Flags Marine World in 1998. Our interests in Six Flags White Water Atlanta commenced with its acquisition in May 1999. The \$14.3 million decrease in 2000 in the equity in operations of theme park partnerships compared to 1999 was attributable to weakened performance at certain of these parks in 2000 and the absence in the 1999 results of Six Flags White Water Atlanta's pre-acquisition off-season operating expenses for the first four months of that year. See Notes 2 and 4 to Notes to our Consolidated Financial Statements.

INCOME TAX EXPENSE. Income tax expense was \$5.6 million for 2000 compared to a \$24.5 million expense for 1999. Our effective tax rate is adversely affected from permanent differences associated with goodwill amortization for financial purposes and the lesser amount of amortization that is deductible for tax purposes and from nondeductible compensation expense associated with conditional stock options and restricted stock grants.

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LIQUIDITY, CAPITAL COMMITMENTS AND RESOURCES

At December 31, 2001, our total debt aggregated \$2,247.1 million, of which approximately \$24.6 million was scheduled to mature prior to December 31, 2002. After giving effect to the February 2002 debt offering and the use of proceeds therefrom, total debt at December 31, 2001 would have been \$2,275.4 million. Based on interest rates at December 31, 2001 for floating rate debt and after giving effect to the 2002 offering and the use of proceeds and the interest rate swaps described below, annual cash interest payments for 2002 on total debt at December 31, 2001 will aggregate approximately \$170.2 million. In addition, annual dividend payments on our outstanding preferred stock are \$20.8 million, payable at our option in cash or shares of Common Stock.

After giving effect to the 2002 debt refinancing, our debt at December 31, 2001 included \$1,643.6 million of fixed-rate senior notes, with staggered maturities ranging from 2007 to 2010, \$613.5 million under our credit facility and \$18.5 million of other indebtedness. Our credit facility includes a \$600.0 million term loan (\$598.5 million outstanding at December 31, 2001); a \$292.5 million multicurrency reducing revolver facility (none outstanding at that date) and a \$300.0 million working capital revolver (\$15.0 million outstanding at that date). The working capital revolving credit facility must be repaid in full for 30 consecutive days during each year and this facility terminates on November 4, 2004. The multicurrency reducing revolving credit facility, which permits optional prepayments and reborrowings, requires quarterly mandatory reductions in the initial commitment (together with repayments, to the extent that the outstanding borrowings thereunder would exceed the reduced commitment) of 2.5% of the committed amount thereof commencing on December 31, 2001, 5.0% commencing on December 31, 2002, 7.5% commencing on December 31, 2003 and 20.0% commencing on December 31, 2004 and this facility terminates on May 4, 2005. The term loan facility requires quarterly repayments of 0.25% of the outstanding amount thereof commencing on December 31, 2001 and 24.25% commencing on December 31, 2004. All of our outstanding preferred stock (\$287.5 million liquidation preference) must be redeemed on August 15, 2009 (to the extent not previously converted into common stock). See Notes 6 and 9 to Notes to Consolidated

Financial Statements for additional information regarding our indebtedness and preferred stock.

At December 31, 2001, we had approximately \$53.5 million of unrestricted cash, \$75.2 million of restricted cash (available to fund obligations relating to the Partnership Parks described below) and \$577.5 million available under our credit facility.

Due to the seasonal nature of our business, we are largely dependent upon our \$300.0 million working capital revolving credit portion of our credit agreement in order to fund off season expenses. Our ability to borrow under the working capital revolver is dependent upon compliance with certain conditions, including financial ratios and the absence of any material adverse change. We are currently in compliance with all of these conditions. If we were to become unable to borrow under the facility, we would likely be unable to pay in full our off season obligations. The working capital facility expires in November 2004. The terms and availability of our credit facility and other indebtedness would not be affected by a change in the ratings issued by rating agencies in respect of our indebtedness.

During the year ended December 31, 2001, net cash provided by operating activities was \$183.3 million. Net cash used in investing activities in 2001 totaled \$284.0 million, consisting primarily of our acquisitions of the former Sea World of Ohio and La Ronde and capital expenditures for the 2001 and 2002 seasons. Net cash provided by financing activities in 2001 was \$111.4 million, representing proceeds of the

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2001 offerings of preferred stock and senior notes, offset in part by the related retirement of senior notes and repayment of borrowings under our credit agreement.

As more fully described in "Business -- Six Flags Over Georgia and Six Flags White Water Atlanta" and "-- Six Flags Over Texas and Six Flags Hurricane Harbor," in connection with our 1998 acquisition of the former Six Flags, we guaranteed certain obligations relating to Six Flags Over Georgia and Six Flags Over Texas. These obligations continue until 2026, in the case of the Georgia park and 2027, in the case of the Texas park. Among such obligations are (i) minimum annual distributions (including rent) of approximately \$51.0 million in 2002 (subject to cost of living adjustments in subsequent years) to partners in these two Partnerships Parks (of which we will be entitled to receive in 2002 approximately \$16.1 million based on our present ownership of 25.3% of the Georgia partnership and 35.7% of the Texas partnership), (ii) minimum capital expenditures at each park during rolling five-year periods based generally on 6% of park revenues, and (iii) an annual offer to purchase a maximum number of 5% per year (accumulating to the extent not purchased in any given year) of limited partnership units at specified prices.

We plan to make approximately \$19.8 million of capital expenditures at these parks for the 2002 season, an amount in excess of the minimum required expenditure. Because we have not been required since 1998 to purchase a material amount of units, our maximum unit purchase obligation for both parks in 2002 is an aggregate of approximately \$128.9 million, representing approximately 25.0% of the outstanding units of the Georgia park and 17.9% of the outstanding units of the Texas park. The annual unit purchase obligation (without taking into account accumulation from prior years) aggregates approximately \$30.1 million for both parks based on current purchase prices. As we purchase additional units, we are entitled to a proportionate increase in our share of the minimum annual distributions.

Cash flows from operations at the partnership parks will be used to satisfy the annual distribution and capital expenditure requirements, before any funds are required from us. The two partnerships generated approximately \$69.5 million of aggregate EBITDA during 2001. In addition, we had \$75.2 million in a dedicated escrow account at December 31, 2001 (classified as a restricted-use investment) available to fund these obligations and the obligation to purchase units. At December 31, 2001, we had total loans outstanding of \$92.1 million to the partnerships that own these parks, primarily to fund the acquisition of Six Flags White Water Atlanta and to make capital improvements, which loans are included in our investment in theme park partnerships. The balance of these loans at December 31, 2000 was \$91.1 million.

By virtue of its acting as the managing general partner of the partnerships that own Six Flags Over Texas and Six Flags Over Georgia, one of our subsidiaries is legally liable for the obligations of each of those parks, including their indebtedness. Because we are required to account for our interests in those parks by the equity method of accounting, the obligations of the partnerships are not reflected as liabilities on our consolidated balance sheet. At December 31, 2001, these partnerships had outstanding \$35.7 million of third-party indebtedness (including \$10.5 million of borrowings under working capital revolving facilities at that date), of which \$17.2 million (including the working capital facilities' borrowings) matures prior to December 31, 2002. We expect that cash flow from operations at each of the partnership parks will be adequate to satisfy its debt obligations.

Our current property and liability insurance policies expire in September and November 2002, respectively. Due in large part to the effects of the September 11, 2001 terrorist attack upon the insurance industry, we cannot predict the level of the premiums that we may be required to pay for subsequent

insurance coverage, the level of any self insurance retention applicable thereto, the level of aggregate coverage available or the availability of coverage for specific risks, such as terrorism.

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Set forth below is certain information regarding our debt, preferred stock and lease obligations at December 31, 2001 (in thousands and after consideration of the February 2002 debt issuance and the use of proceeds):

CONTRACTUAL OBLIGATION	PAYMENT DUE BY PERIOD				TOTAL
	2002	2003-2005	2006-2008	2009 AND BEYOND	
Long term debt(1)	\$ 9,627	606,840	840,437	855,088	2,311,992
PIERS(2)	20,844	62,531	62,531	303,133	449,039
Real estate and operating leases(3)	5,414	15,169	14,442	99,029	134,054
Total	\$35,885	684,540	917,410	1,257,250	2,895,085

In addition to the debt, preferred stock and lease obligations set forth above and our commitments to the partnerships that own Six Flags Over Texas and Six Flags Over Georgia discussed above, our contractual commitments include commitments for license fees to Warner Bros. and commitments relating to capital expenditures. License fees to Warner Bros. for our domestic parks aggregate \$2.5 million annually through 2005. After that season, the license fee is payable based upon the number of domestic parks utilizing the licensed characters. The license fee relating to our international parks is based on percentages of the revenues of the international parks utilizing the characters. For 2001, license fees for our international parks aggregated \$1.8 million. We have prepaid approximately \$8.0 million of the international license fees.

Although we are contractually committed to make specified levels of capital expenditures at selected parks for the next several years, the vast majority of our capital expenditures in 2002 and beyond will be made on a discretionary basis. We plan on spending approximately \$140.0 million on capital expenditures for the 2002 season, including the expenditures at the Partnership Parks and Six Flags Marine World.

The degree to which we are leveraged could adversely affect our liquidity. Our liquidity could also be adversely affected by unfavorable weather, accidents or the occurrence of an event or condition, including negative publicity or significant local competitive events, that significantly reduces paid attendance and, therefore, revenue at any of our theme parks.

We believe that, based on historical and anticipated operating results, cash flows from operations, available cash and available amounts under the credit agreement will be adequate to meet our future liquidity needs, including anticipated requirements for working capital, capital expenditures, scheduled debt and preferred stock requirements and obligations under arrangements relating to the Partnership Parks, for at least the next several years. We may, however, need to refinance all or a portion of our existing debt on or prior to maturity or to seek additional financing. In addition, our anticipated cash flows could be materially adversely affected by the occurrence of certain of the risks described in the risk factors incorporated by reference herein from our report on Form 8-K, dated January 31, 2002. In that case, we would need to seek additional financing.

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- (1) Includes capital lease obligations. Payments shown at face amount. Payments shown do not include payments on our working capital revolver, borrowings under which aggregated \$15.0 million at December 31, 2001. The \$300.0 million working capital revolver must be repaid in full each year to the extent drawn.
 - (2) Amount shown includes dividends, which we are permitted to pay in either cash or common stock and the 2009 cash redemption obligation (assuming no conversion of PIERS prior thereto).
 - (3) Assumes for lease payments based on a percentage of revenues, future payments at 2001 revenue levels. Also does not give effect to cost of living adjustments.

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MARKET RISKS AND SENSITIVITY ANALYSES

Like other global companies, we are exposed to market risks relating to fluctuations in interest rates and currency exchange rates. The objective of our financial risk management is to minimize the negative impact of interest rate and foreign currency exchange rate fluctuations on our operations, cash flows

and equity. We do not acquire market risk sensitive instruments for trading purposes.

To manage foreign currency exchange rate risks, on a limited basis we have used derivative financial instruments, exclusively foreign exchange forward contracts. These derivative financial instruments have been held to maturity and we have used non-leveraged instruments. These contracts have been entered into with major financial institutions, thereby minimizing the risk of credit loss. We have used forward contracts to "lock-in" the U.S. dollar cost of equipment to be purchased from foreign vendors or manufacturers where the contracts related thereto are denominated in foreign currency. At December 31, 2001, no such contracts were outstanding. See Note 5 to Notes to Consolidated Financial Statements for a more complete description of our accounting policies and use of such instruments.

We are party to three interest rate swap agreements that for the term of the applicable agreements (ranging from March 2003 to December 2003) effectively convert our \$600.0 million term loan into a fixed rate obligation. Our term loan borrowings bear interest at 3.00% above the LIBOR rate. Our interest rate swap agreements effectively "lock-in" the LIBOR component at rates ranging from 5.13% to 6.07% and average 5.46%. The counterparties to these agreements are major financial institutions, which minimizes the credit risk.

INTEREST RATE AND DEBT SENSITIVITY ANALYSIS

The following analysis presents the sensitivity of the market value, operations and cash flows of our market-risk financial instruments to hypothetical changes in interest rates as if these changes occurred at December 31, 2001. The range of changes chosen for this analysis reflect our view of changes which are reasonably possible over a one-year period. Market values are the present values of projected future cash flows based on the interest rate assumptions. These forward looking disclosures are selective in nature and only address the potential impacts from financial instruments. They do not include other potential effects which could impact our business as a result of these changes in interest and exchange rates.

At December 31, 2001, we had debt totaling \$2,247.1 million, of which \$1,630.1 million represents fixed-rate debt and the balance represents floating-rate debt. After giving effect to the February 2002 debt offering and the use of proceeds therefrom, total debt at that date would have been \$2,275.4 million, of which \$1,658.4 million would have represented fixed-rate debt. For fixed-rate debt, interest rate changes affect the fair market value but do not impact book value, operations or cash flows. Conversely, for floating-rate debt, interest rate changes generally do not affect the fair market value but do impact future operations and cash flows, assuming other factors remain constant.

Additionally, increases and decreases in interest rates impact the fair value of the interest rate swap agreements. A decrease in thirty and ninety-day LIBOR interest rates increases the fair value liability of the interest rate swap agreements. However, over the term of the interest rate swap agreements, the economic effect of changes in interest rates is fixed as we will pay a fixed amount and are not subject to changes in interest rates.

Assuming other variables remain constant (such as foreign exchange rates and debt levels), after giving effect to our interest rate swap agreements and the 2002 debt offering and assuming an average annual balance on our working capital revolver, the pre-tax operations and cash flows impact resulting from a one percentage point increase in interest rates would be less than \$5.0 million.

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IMPACT OF RECENTLY ISSUED ACCOUNTING STANDARDS NOT YET ADOPTED

In August 2001, the Financial Accounting Standards Board ("FASB") issued FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While Statement No. 144 supersedes FASB Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," it retains many of the fundamental provisions of that Statement. Statement No. 144 also supersedes the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for the disposal of a segment of a business. However, it retains the requirement in Opinion No. 30 to report separately discontinued operations and extends that reporting to a component of an entity that either has been disposed of by sale, abandonment, or in a distribution to owners or is classified as held for sale. Statement No. 144 is effective for fiscal years beginning after December 15, 2001 and was adopted by us on January 1, 2002. The adoption of Statement 144 will not have a material impact on our consolidated financial statements.

In June 2001, the FASB issued Statement No. 143, "Accounting for Asset Retirement Obligations." This Statement addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. Statement No. 143 requires an enterprise to record the fair value of an asset retirement obligation as a liability in the period in which it incurs a legal obligation associated with the retirement of a tangible long-lived asset. Statement No. 143 also requires the enterprise to record the initial obligation as an increase to the carrying amount of the related long-lived asset and to depreciate that cost over the

remaining useful life of the asset. The liability is changed at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the initial fair value measurement. Statement No. 143 is effective for fiscal years beginning after June 15, 2002. Management believes that the impact of Statement 143 on January 1, 2002 did not have a material impact on our consolidated financial statements.

In June 2001, the FASB issued Statement No. 141, "Business Combinations," and Statement No. 142, "Goodwill and Other Intangible Assets." Statement 141 requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001 as well as all purchase method business combinations completed after June 30, 2001. Statement 141 also specifies criteria which intangible assets acquired in a purchase method business combination must meet to be recognized and reported apart from goodwill. Statement 142 requires that goodwill and intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually in accordance with the provisions of Statement 142. Statement 142 also requires that intangible assets with definite useful lives be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of" or Statement 144 upon adoption.

We were required to adopt the provisions of Statement 141 in 2001 and Statement 142 effective January 1, 2002. Goodwill and intangible assets acquired in business combinations completed before July 1, 2001 were required to be amortized until the adoption of Statement 142.

Statement 141 requires that we evaluate our existing intangible assets and goodwill that were acquired in a prior purchase business combination, and to make any necessary reclassifications in order to conform with the new criteria in Statement 141 for recognition apart from goodwill. Upon adoption of Statement 142, we are required to reassess the useful lives and residual values of all intangible assets acquired in purchase business combinations, and make any necessary amortization period adjustments by

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the end of June 2002. In addition, to the extent an intangible asset is identified as having an indefinite useful life, we are required to test the intangible asset for impairment in accordance with the provisions of Statement 142 within the first interim period. Any impairment loss will be measured as of the date of adoption and recognized as the cumulative effect of a change in accounting principle in the first six months of 2002.

In connection with the transitional goodwill impairment evaluation, Statement 142 will require us to perform an assessment of whether there is an indication that goodwill, including goodwill included in our investment in theme park partnerships, is impaired as of the date of adoption. To accomplish this we must identify our reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of the date of adoption. We will then have up to six months from the date of adoption to determine the fair value of each reporting unit and compare it to the reporting unit's carrying amount. To the extent a reporting unit's carrying amount exceeds its fair value, an indication exists that the reporting unit's goodwill may be impaired and we must perform the second step of the transitional impairment test. In the second step, we must compare the implied fair value of the reporting unit's goodwill, determined by allocating the reporting unit's fair value to all of our assets (recognized and unrecognized) and liabilities in a manner similar to a purchase price allocation in accordance with Statement 141, to its carrying amount, both of which would be measured as of the date of adoption. This second step is required to be completed as soon as possible, but no later than the end of 2002. Any transitional impairment loss will be recognized as the cumulative effect of a change in accounting principle in our consolidated statement of operations.

As of the date of adoption, we had unamortized goodwill of approximately \$1.2 billion and unamortized identifiable intangible assets of less than \$20.0 million, all of which will be subject to the transition provisions of Statements 141 and 142. Amortization expense related to goodwill was \$56.7 million and \$53.7 million for each of the years ended December 31, 2001 and 2000, respectively. Because of the extensive effort needed to comply with adopting Statements 141 and 142, it is not practicable to reasonably estimate the impact of adopting these Statements on our consolidated financial statements at the date of this report, including whether any transitional impairment losses will be required to be recognized as the cumulative effect of a change in accounting principle.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Reference is made to the information appearing under the subheading "Market Risks and Sensitivity Analyses" under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 34-35 of this Report.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The financial statements and schedules listed in Item 14(a)(1) and (2) are included in this Report beginning on page F-1.

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

None.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

(a) Identification of Directors

Incorporated by reference from the information captioned "Proposal 1: Election of Directors" included in our Proxy Statement in connection with the annual meeting of stockholders to be held in June 2002.

(b) Identification of Executive Officers

Information regarding executive officers is included in Item 1 of

Part I herein.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference from the information captioned "Executive Compensation" included in our Proxy Statement in connection with the annual meeting of stockholders to be held in June 2002.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL
OWNERS AND MANAGEMENT

(a), (b) Incorporated by reference from the information captioned "Stock Ownership of Management and Certain Beneficial Holders" included in our Proxy Statement in connection with the annual meeting of stockholders to be held in June 2002.

(c) Changes in Control
None.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Incorporated by reference from the information captioned "Certain Transactions" included in our Proxy Statement in connection with the annual meeting of stockholders to be held in June 2002.

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PART IV

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

(a)(1) and (2) Financial Statements and Financial Statement Schedules

The following consolidated financial statements of Six Flags, Inc. and subsidiaries, the notes thereto, the related report thereon of independent auditors, and financial statement schedules are filed under Item 8 of this Report:

Independent Auditors' Report	F-2
Consolidated Balance Sheets-- December 31, 2001 and 2000	F-3
Consolidated Statements of Operations Years ended December 31, 2001, 2000 and 1999	F-4
Consolidated Statements of Stockholders' Equity and Other Comprehensive Income (Loss) Years ended December 31, 2001, 2000 and 1999	F-5
Consolidated Statements of Cash Flows Years ended December 31, 2001, 2000 and 1999	F-6
Notes to Consolidated Financial Statements	F-8

Schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are omitted because they either are not required under the related instructions, are inapplicable, or the required information is shown in the financial statements or notes thereto.

- (a)(3) See Exhibit Index.
- (b) REPORTS ON FORM 8-K
None.
- (c) Exhibits
See Item 14(a)(3) above.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: March 27, 2002

SIX FLAGS, INC.

By: /s/ Kieran E. Burke

Kieran E. Burke
Chairman of the Board
and Chief Executive Officer

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

Signature -----	Title -----	Date ----
/s/ Kieran E. Burke ----- Kieran E. Burke	Chairman of the Board, Chief Executive Officer (Principal Executive Officer) and Director	March 27, 2002
/s/ Gary Story ----- Gary Story	President, Chief Operating Officer and Director	March 27, 2002
/s/ James F. Dannhauser ----- James F. Dannhauser	Chief Financial Officer (Principal Financial and Accounting Officer) and Director	March 27, 2002
/s/ Paul A. Biddelman ----- Paul A. Biddelman	Director	March 27, 2002
/s/ Michael E. Gellert ----- Michael E. Gellert	Director	March 27, 2002
/s/ Francois Letaconnoux ----- Francois Letaconnoux	Director	March 27, 2002
/s/ Stanley S. Shuman	Director	March 27, 2002

SIX FLAGS, INC.

Index to Consolidated Financial Statements

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
Six Flags, Inc.:

We have audited the accompanying consolidated balance sheets of Six Flags, Inc. and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations, stockholders' equity and other comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2001. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

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

As discussed in Note 5 to the consolidated financial statements, the Company changed its method of accounting for derivative instruments and hedging activities in 2001.

KPMG LLP

Oklahoma City, Oklahoma
March 5, 2002

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SIX FLAGS, INC.

Consolidated Balance Sheets
December 31, 2001 and 2000

ASSETS	2001	2000
Current assets:		
Cash and cash equivalents	\$ 53,534,000	42,978,000
Accounts receivable	35,470,000	40,771,000
Inventories	26,275,000	28,588,000
Prepaid expenses and other current assets	40,455,000	35,855,000

Restricted-use investment securities	-	12,773,000
Total current assets	155,734,000	160,965,000
Other assets:		
Debt issuance costs	45,490,000	46,967,000
Restricted-use investment securities	75,169,000	75,376,000
Deposits and other assets	32,110,000	56,884,000
Total other assets	152,769,000	179,227,000
Property and equipment, at cost	2,801,356,000	2,585,927,000
Less accumulated depreciation	465,656,000	328,027,000
	2,335,700,000	2,257,900,000
Investment in theme park partnerships	388,273,000	386,638,000
Intangible assets, principally goodwill	1,418,889,000	1,354,289,000
Less accumulated amortization	205,223,000	147,680,000
	1,213,666,000	1,206,609,000
Total assets	\$ 4,246,142,000	4,191,339,000
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 33,056,000	45,315,000
Accrued interest payable	30,674,000	24,353,000
Deferred revenue	15,237,000	19,014,000
Accrued compensation, payroll taxes and benefits	12,647,000	6,963,000
Other accrued liabilities	38,548,000	45,538,000
Current portion of long-term debt	24,627,000	2,401,000
Total current liabilities	154,789,000	143,584,000
Long-term debt	2,222,442,000	2,319,912,000
Other long-term liabilities	33,496,000	37,937,000
Deferred income taxes	109,926,000	144,919,000
Mandatorily redeemable preferred stock (redemption value of \$287,500,000)	278,867,000	-
Stockholders' equity:		
Preferred stock, \$1.00 par value, 5,000,000 shares authorized; 11,500 shares issued and outstanding at December 31, 2000	-	12,000
Common stock, \$.025 par value, 150,000,000 shares authorized; 92,417,713 and 80,068,826 shares issued and outstanding at December 31, 2001 and 2000, respectively	2,310,000	2,001,000
Capital in excess of par value	1,744,134,000	1,725,890,000
Accumulated deficit	(211,006,000)	(128,928,000)
Deferred compensation	(6,950,000)	(5,399,000)
Accumulated other comprehensive income (loss)	(81,866,000)	(48,589,000)
Total stockholders' equity	1,446,622,000	1,544,987,000
Total liabilities and stockholders' equity	\$ 4,246,142,000	4,191,339,000

See accompanying notes to consolidated financial statements.

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SIX FLAGS, INC.

Consolidated Statements of Operations

Years ended December 31, 2001, 2000 and 1999

	2001	2000	1999
	-----	-----	-----
Revenues:			
Theme park admissions	\$ 571,008,000	544,809,000	500,417,000
Theme park food, merchandise and other	474,956,000	462,172,000	426,567,000
Total revenue	1,045,964,000	1,006,981,000	926,984,000
Operating costs and expenses:			
Operating expenses	408,324,000	376,060,000	353,728,000
Selling, general and administrative	188,504,000	165,980,000	163,526,000
Noncash compensation (primarily selling, general and administrative)	8,616,000	12,584,000	12,725,000
Costs of products sold	91,004,000	95,652,000	90,699,000
Depreciation and amortization	199,800,000	179,989,000	154,264,000
Total operating costs and expenses	896,248,000	830,265,000	774,942,000
Income from operations	149,716,000	176,716,000	152,042,000
Other income (expense):			

Interest expense	(230,033,000)	(232,336,000)	(193,965,000)
Interest income	6,639,000	7,569,000	24,524,000
Equity in operations of theme park partnerships	21,512,000	11,833,000	26,180,000
Other expense	(4,602,000)	(10,119,000)	(3,551,000)
Total other income (expense)	(206,484,000)	(223,053,000)	(146,812,000)
Income (loss) before income taxes	(56,768,000)	(46,337,000)	5,230,000
Income tax expense (benefit)	(7,195,000)	5,622,000	24,460,000
Loss before extraordinary loss	(49,573,000)	(51,959,000)	(19,230,000)
Extraordinary loss on extinguishment of debt, net of income tax benefit of \$5,227,000 in 2001 and \$7,530,000 in 1999	(8,529,000)		(11,296,000)
Net loss	\$ (58,102,000)	(51,959,000)	(30,526,000)
Net loss applicable to common stock	\$ (84,617,000)	(75,247,000)	(53,814,000)
Weighted average number of common shares outstanding - basic and diluted	89,221,000	78,735,000	77,656,000
Net income (loss) per average common share outstanding - basic and diluted			
Loss before extraordinary loss	\$ (0.85)	(0.96)	(0.55)
Extraordinary loss	(0.10)	--	(0.14)
Net loss	\$ (0.95)	(0.96)	(0.69)

See accompanying notes to consolidated financial statements.

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SIX FLAGS INC.
Consolidated Statements of Stockholders' Equity and Other
Comprehensive Income (Loss)
Years ended December 31, 2001, 2000 and 1999

	PREFERRED STOCK		COMMON STOCK		CAPITAL IN EXCESS OF PAR VALUE	RETAINED EARNINGS (ACCUMULATED DEFICIT)
	SHARES ISSUED	AMOUNT	SHARES ISSUED	AMOUNT		
Balances at December 31, 1998	11,500	12,000	76,488,661	1,912,000	1,640,532,000	133,000
Issuance of common stock	--	--	1,862,110	46,000	53,853,000	--
Amortization of deferred compensation	--	--	--	--	--	--
Stock option compensation	--	--	--	--	4,742,000	--
Tax benefit from stock options and warrants	--	--	--	--	1,178,000	--
Net loss	--	--	--	--	--	(30,526,000)
Other comprehensive loss - Foreign currency translation adjustment	--	--	--	--	--	--
Comprehensive loss	--	--	--	--	--	--
Preferred stock dividends	--	--	--	--	--	(23,288,000)
Balances at December 31, 1999	11,500	12,000	78,350,771	1,958,000	1,700,305,000	(53,681,000)
Issuance of common stock	--	--	1,718,055	43,000	22,857,000	--
Amortization of deferred compensation	--	--	--	--	--	--
Stock option compensation	--	--	--	--	2,728,000	--
Net loss	--	--	--	--	--	(51,959,000)
Other comprehensive loss - Foreign currency translation adjustment	--	--	--	--	--	--
Comprehensive loss	--	--	--	--	--	--
Preferred stock dividends	--	--	--	--	--	(23,288,000)
Balances at December 31, 2000	11,500	12,000	80,068,826	2,001,000	1,725,890,000	(128,928,000)
Issuance of common stock	--	--	12,069,975	302,000	9,547,000	--
Amortization of deferred compensation	--	--	--	--	--	--
Retirement of preferred stock	(11,500)	(12,000)	--	--	12,000	--
Stock option compensation	--	--	--	--	2,772,000	--
Net loss	--	--	--	--	--	(58,102,000)
Other comprehensive loss - Foreign currency translation adjustment	--	--	--	--	--	--
Cash flow hedging derivatives, net of tax	--	--	--	--	--	--
Comprehensive loss	--	--	--	--	--	--
Preferred stock dividends	--	--	278,912	7,000	5,913,000	(23,976,000)
Balances at December 31, 2001	--	--	92,417,713	2,310,000	1,744,134,000	(211,006,000)

DEFERRED COMPENSATION	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL
--------------------------	--	-------

Balances at December 31, 1998	(25,111,000)	9,087,000	1,626,565,000
Issuance of common stock	--	--	53,899,000
Amortization of deferred compensation	9,856,000	--	9,856,000
Stock option compensation	--	--	4,742,000
Tax benefit from stock options and warrants	--	--	1,178,000
Net loss	--	--	(30,526,000)
Other comprehensive loss - foreign currency translation adjustment	--	(26,810,000)	(26,810,000)
Comprehensive loss			(57,336,000)
Preferred stock dividends	--	--	(23,288,000)
Balances at December 31, 1999	(15,255,000)	(17,723,000)	1,615,616,000
Issuance of common stock	--	--	22,900,000
Amortization of deferred compensation	9,856,000	--	9,856,000
Stock option compensation	--	--	2,728,000
Net loss	--	--	(51,959,000)
Other comprehensive loss - foreign currency translation adjustment	--	(30,866,000)	(30,866,000)
Comprehensive loss			(82,825,000)
Preferred stock dividends	--	--	(23,288,000)
Balances at December 31, 2000	(5,399,000)	(48,589,000)	1,544,987,000
Issuance of common stock	(7,439,000)	--	2,410,000
Amortization of deferred compensation	5,888,000	--	5,888,000
Retirement of preferred stock	--	--	--
Stock option compensation	--	--	2,772,000
Net loss	--	--	(58,102,000)
Other comprehensive loss - Foreign currency translation adjustment	--	(19,062,000)	(19,062,000)
Cash flow hedging derivatives	--	(14,215,000)	(14,215,000)
Comprehensive loss			(91,379,000)
Preferred stock dividends	--	--	(18,056,000)
Balances at December 31, 2001	(6,950,000)	(81,866,000)	1,446,622,000

See accompanying notes to consolidated financial statements.

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SIX FLAGS, INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2001, 2000 and 1999

	2001	2000	1999
Cash flows from operating activities:			
Net loss	\$ (58,102,000)	(51,959,000)	(30,526,000)
Adjustments to reconcile net loss to net cash provided by operating activities (net of effects of acquisitions):			
Depreciation and amortization	199,800,000	179,989,000	154,264,000
Equity in operations of theme park partnerships	(21,512,000)	(11,833,000)	(26,180,000)
Cash received from theme park partnerships	26,973,000	33,531,000	17,656,000
Minority interest in (earnings) loss	--	132,000	(6,000)
Noncash compensation	8,616,000	12,584,000	12,725,000
Interest accretion on notes payable	34,168,000	30,733,000	34,402,000
Interest accretion on restricted-use investments	--	--	(6,182,000)
Extraordinary loss on early extinguishment of debt	13,756,000	--	18,826,000
Amortization of debt issuance costs	9,370,000	8,573,000	6,755,000
Loss on disposal of assets	4,203,000	9,987,000	3,557,000
Deferred income tax expense (benefit)	(14,667,000)	2,217,000	17,146,000
(Increase) decrease in accounts receivable	5,350,000	(11,558,000)	5,359,000
Increase in inventories and prepaid expenses and other current assets	(1,596,000)	(8,011,000)	(2,191,000)
Decrease in deposits and other assets	3,912,000	7,588,000	9,416,000
Decrease in accounts payable, accrued expenses and other liabilities	(33,301,000)	(26,599,000)	(7,966,000)
Increase (decrease) in accrued interest payable	6,321,000	787,000	(9,706,000)
Total adjustments	241,393,000	228,120,000	227,875,000
Net cash provided by operating activities	183,291,000	176,161,000	197,349,000
Cash flows from investing activities:			
Additions to property and equipment	(160,265,000)	(334,226,000)	(391,655,000)
Investment in theme park partnerships	(7,096,000)	(23,699,000)	(51,931,000)

Acquisition of theme park assets	(132,165,000)	--	(34,578,000)
Acquisition of theme park companies, net of cash acquired	--	117,000	(242,954,000)
Purchase of restricted-use investments	(7,120,000)	(18,214,000)	--
Maturities of restricted-use investments	20,100,000	38,959,000	214,940,000
Proceeds from sale of assets	2,505,000	--	--
Net cash used in investing activities	(284,041,000)	(337,063,000)	(506,178,000)
Cash flows from financing activities:			
Repayment of long-term debt	(708,684,000)	(316,408,000)	(1,291,910,000)
Proceeds from borrowings	574,426,000	403,000,000	1,391,024,000
Net cash proceeds from issuance of preferred stock	277,834,000	--	--
Net cash proceeds from issuance of common stock	1,348,000	3,645,000	2,801,000
Payment of cash dividends	(22,845,000)	(23,288,000)	(23,288,000)
Payment of debt issuance costs	(10,664,000)	--	(29,139,000)
Net cash provided by financing activities	111,415,000	66,949,000	49,488,000

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(Continued)

SIX FLAGS, INC.

Consolidated Statements of Cash Flows

Years ended December 31, 2001, 2000 and 1999

	2001	2000	1999
Effect of exchange rate changes on cash and cash equivalents	\$ (109,000)	(1,200,000)	(3,106,000)
Increase (decrease) in cash and cash equivalents	10,556,000	(95,153,000)	(262,447,000)
Cash and cash equivalents at beginning of year	42,978,000	138,131,000	400,578,000
Cash and cash equivalents at end of year	\$ 53,534,000	42,978,000	138,131,000
Supplementary cash flow information:			
Cash paid for interest	\$ 180,174,000	192,247,000	162,511,000
Cash paid for income taxes	\$ 2,546,000	66,000	220,000

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:

2001

- Issued \$1,062,000 of common stock (86,824 shares) as additional consideration for a theme park acquisition.
- Converted 5,750,000 shares of PIES into 11,500,000 shares of common stock.
- Acquired approximately \$13,861,000 of assets through capital leases.
- Issued 278,912 shares of common stock as PIES dividends

2000

- Issued \$19,255,000 of common stock (1,339,223 shares) as consideration for a water and children's ride park acquisition.

1999

- Issued a \$40,700,000 note convertible into 1,080,000 common shares as consideration for a theme park acquisition made by a limited partnership for which we are the managing general partner.
- Issued a \$10,435,000 of common stock (337,467 shares) as additional consideration for a theme park acquisition.

See accompanying notes to consolidated financial statements.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) DESCRIPTION OF BUSINESS

We own and operate regional theme amusement and water parks. As of December 31, 2001, we own or operate 37 parks, including 28 domestic parks, one park in Mexico, seven parks in Europe and one in Canada. We are also managing the construction and development of a theme park in Europe.

Unless otherwise indicated, references herein to "we" or "Six Flags" means Six Flags, Inc. (or its predecessor) and our subsidiaries, and references to "Holdings" only to Six Flags, Inc., without regard to our subsidiaries.

In February 2001, we purchased substantially all of the assets used in the operation of Sea World of Ohio, a marine wildlife park located adjacent to our Six Flags Ohio theme park. In May 2001, we acquired substantially all of the assets of La Ronde, a theme park located in Montreal, Canada. See Note 2.

During December 2000, we purchased 100% of the capital stock of the company that owns Enchanted Village and Wild Waves, a water and rides park located near Seattle, Washington. See Note 2.

During May 1999, in separate transactions, we purchased 100% of the capital stock of the companies that own Reino Aventura, a theme park located in Mexico City, and purchased the assets used in the operation of Splashtown, a water park near Houston. In addition, during May 1999, the limited partnership that owns Six Flags Over Georgia purchased the assets used in the operation of White Water Atlanta, a water park and related entertainment facility near Atlanta. The consideration for this purchase was advanced to the partnership by Six Flags through a convertible promissory note. We are the managing general partner of the limited partnership and own approximately 25% of the limited partnership units. On November 15, 1999, we purchased the partnership that owns Warner Bros. Movie World Germany, near Dusseldorf, Germany, and entered into a joint venture with Warner Bros. to develop and manage a new Warner Bros. Movie World theme park scheduled to open in Madrid, Spain in 2002. See Note 2.

The accompanying consolidated financial statements for the year ended December 31, 2001, reflect the results of the former Sea World of Ohio and La Ronde only from their acquisition dates of February 2001 and May 2001, respectively. The accompanying consolidated financial statements for the year ended December 31, 2000, reflect the results of Enchanted Village and Wild Waves only from its acquisition date, December 6, 2000. The accompanying consolidated financial statements for the year ended December 31, 1999 reflect the results of Reino Aventura, Splashtown, White Water Atlanta, and Movie World Germany only from their acquisition dates, May 4, 1999, May 13, 1999, May 25, 1999 and November 15, 1999, respectively.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

(b) BASIS OF PRESENTATION

Our accounting policies reflect industry practices and conform to accounting principles generally accepted in the United States of America.

The consolidated financial statements include our accounts, our majority and wholly owned subsidiaries, and limited partnerships and limited liability companies in which we beneficially own 100% of the interests. Intercompany transactions and balances have been eliminated in consolidation.

Our investments in partnerships and joint ventures in which we do not own controlling interests are accounted for using the equity method.

(c) CASH EQUIVALENTS

Cash equivalents of \$9,553,000 and \$17,347,000 at December 31, 2001 and 2000, respectively, consist of short-term highly liquid investments with a remaining maturity as of purchase date of three months or less, which are readily convertible into cash. For purposes of the consolidated statements of cash flows, we consider all highly liquid debt instruments with remaining maturities as of their purchase date of three months or less to be cash equivalents.

(d) INVENTORIES

Inventories are stated at the lower of cost (first-in, first-out) or market value and primarily consist of products for resale including merchandise and food and miscellaneous supplies.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

(e) ADVERTISING COSTS

Production costs of commercials and programming are charged to operations in the year first aired. The costs of other advertising, promotion, and marketing programs are charged to operations when incurred. The amounts capitalized at year end are included in prepaid expenses.

Advertising and promotions expense was \$115,124,000, \$105,640,000 and \$100,175,000 during the years ended December 31, 2001, 2000 and 1999, respectively.

(f) DEBT ISSUANCE COSTS

We capitalize costs related to the issuance of debt. The amortization of such costs is recognized as interest expense under a method approximating the interest method over the term of the respective debt issue.

(g) PROPERTY AND EQUIPMENT

Rides and attractions are depreciated using the straight-line method over 5-25 years. Land improvements are depreciated using the straight-line method over 10-15 years. Buildings and improvements are depreciated over their estimated useful lives of approximately 30 years by use of the straight-line method. Furniture and equipment are depreciated using the straight-line method over 5-10 years.

Maintenance and repairs are charged directly to expense as incurred, while betterments and renewals are generally capitalized as property and equipment. When an item is retired or otherwise disposed of, the cost and applicable accumulated depreciation are removed and the resulting gain or loss is recognized.

(h) INVESTMENT IN THEME PARK PARTNERSHIPS

We manage five parks in which we do not currently own a controlling interest. We account for our investment in four of the parks using the equity method of accounting. The equity method of accounting recognizes our share of the activity of Six Flags Over Texas, Six Flags Over Georgia, Six Flags White Water Atlanta, and Six Flags Marine World in the accompanying consolidated statements of operations in the caption "equity in operations of theme park partnerships." The equity method of accounting differs from the consolidation method of accounting used for the theme parks in which we own a controlling interest. In the consolidation method of accounting, the activities of the controlled parks are reflected in each revenue and expense caption rather than aggregated into one caption. The Warner Bros. Movie World theme park being constructed in Spain is not yet in operation. We account for our investment in this park at cost.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

(i) INTANGIBLE ASSETS

For periods through December 31, 2001, goodwill, which represents the excess of purchase price over fair value of net assets acquired, has been amortized on a straight-line basis over the expected period to be benefited, generally 18 to 25 years. Other intangible assets have been amortized over the period to be benefited, generally up to 25 years. We assess the recoverability of intangible assets by determining whether the amortization of the intangible asset balance over its remaining life can be recovered through undiscounted future operating cash flows from the acquisition. The amount of goodwill impairment, if any, is measured based on projected discounted future operating cash flows using a discount rate reflecting our average borrowing rate. The assessment of the recoverability of goodwill will be impacted if estimated future operating cash flows are not achieved.

For periods beginning on January 1, 2002, we adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 142, "Goodwill and Other Intangible Assets." As a result, goodwill and intangible assets with indefinite useful lives no longer will be amortized, but instead will be tested for impairment at least annually.

In connection with SFAS No. 142's transitional goodwill impairment evaluation, we will perform an assessment of whether there is an

indication that goodwill (including goodwill included in our investment in theme park partnerships) is impaired as of the date of adoption. To accomplish this, we must identify our reporting units and determine the carrying value of each reporting unit by assigning the assets and liabilities, including the existing goodwill and intangible assets, to those reporting units as of January 1, 2002. We will then have up to six months from January 1, 2002 to determine the fair value of each reporting unit and compare it to the carrying amount of the reporting unit. To the extent the carrying amount of a reporting unit exceeds the fair value of the reporting unit, an indication exists that the reporting unit goodwill may be impaired and we must perform the second step of the transitional impairment test. The second step is required to be completed as soon as possible, but no later than the end of 2002. In the second step, we must compare the implied fair value of the reporting unit goodwill with the carrying amount of the reporting unit goodwill, both of which would be measured as of the date of adoption. The implied fair value of goodwill is determined by allocating the fair value of the reporting unit to all of the assets (recognized and unrecognized) and liabilities of the reporting unit in a manner similar to a purchase price allocation. The residual fair value after this allocation is the implied fair value of the reporting unit goodwill. Any transitional impairment loss will be recognized as the cumulative effect of a change in accounting principle in our consolidated statements of operations.

As of the date of adoption of SFAS No. 142, our unamortized goodwill was \$1,196,139,000. Amortization expense related to goodwill was \$56,712,000 and \$53,749,000 for the years ended December 31, 2001, and 2000, respectively. Because of the extensive effort needed to comply with adopting SFAS No. 142, it is not practicable to reasonably estimate the impact of adopting SFAS No. 142 on our consolidated financial statements at the date of these consolidated financial statements, including whether we will be required to recognize any transitional impairment losses as the cumulative effect of a change in accounting principle.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

(j) LONG-LIVED ASSETS

We review long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset or group of assets to future net cash flows expected to be generated by the asset or group of assets. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

In August 2001, the Financial Accounting Standards Board ("FASB") issued FASB Statement No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," which addresses financial accounting and reporting for the impairment or disposal of long-lived assets. While Statement No. 144 supersedes FASB Statement No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of," it retains many of the fundamental provisions of that Statement. Statement No. 144 also supersedes the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions," for the disposal of a segment of a business. However, it retains the requirement in Opinion No. 30 to report separately discontinued operations and extends that reporting to a component of an entity that either has been disposed of by sale, abandonment, or in a distribution to owners or is classified as held for sale. Statement No. 144 is effective for fiscal years beginning after December 15, 2001 and was adopted by us on January 1, 2002. The adoption of Statement 144 will not have a material impact on our consolidated financial statements.

(k) REVENUE RECOGNITION

We recognize revenue upon admission into our parks, provision of our services, or when products are delivered to our customer. For season pass and other multi-use admissions, we recognize a pro-rata portion of the revenue as the customer attends our parks.

(l) INTEREST EXPENSE

Interest on notes payable is generally recognized as expense on the basis of stated interest rates. Notes payable assumed in an acquisition are carried at amounts adjusted to impute a market rate of

interest cost (when the obligations were assumed).

(m) INCOME TAXES

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years 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 in the period that includes the enactment date. United States deferred income taxes have not been provided on foreign earnings which are being permanently reinvested.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

(n) LOSS PER COMMON SHARE

Basic loss per share is computed by dividing net loss applicable to common stock by the weighted average number of common shares outstanding for the period. No adjustments for stock options were included in the 2001, 2000 and 1999 computations of diluted loss per share because the effect would have been antidilutive. Additionally, the weighted average number of shares for each of the years ended December 31, 2001, 2000 and 1999 does not include the impact of the conversion of outstanding convertible preferred stock into shares of common stock as the effect of the conversion and resulting decrease in preferred stock dividends would be antidilutive. Our Preferred Income Equity Redeemable Shares (PIERS), which are shown as mandatorily redeemable preferred stock on our balance sheet, were issued in January 2001 and are convertible into 13,789,000 shares of common stock. On April 2, 2001, our Premium Income Equity Securities (PIES) automatically converted into a total of 11,500,000 common shares.

Preferred stock dividends of \$26,515,000, \$23,288,000 and \$23,288,000 were considered in determining net loss applicable to common stock in 2001, 2000 and 1999, respectively.

(o) STOCK OPTIONS

For unconditional employee stock options, we recognize compensation expense over the service period, only if the current market price of the underlying stock exceeds the exercise price on the date of the grant. For employee stock options that are conditioned upon the achievement of performance goals, compensation expense, as determined by the extent that the quoted market price of the underlying stock at the time that the condition for exercise is achieved exceeds the stock option exercise price, is recognized over the service period. For stock options issued to nonemployees, we recognize compensation expense at the time of issuance based upon the fair value of the options issued.

Pro forma net loss and net loss per share for employee stock option grants as if the fair-value-based method had been applied are provided in Note 9(b).

(p) INVESTMENT SECURITIES

Restricted-use investment securities at December 31, 2001 and 2000 consist of U.S. Treasury securities. The securities are restricted to provide funds to satisfy our obligations under certain guarantees of partnership arrangements described in Note 12 and, prior to April 1, 2001, to provide for interest payments on certain debt issued in 1998. We classify our investment securities in one of two categories: available-for-sale or held-to-maturity. Held-to-maturity securities are those securities in which we have the ability and intent to hold the security until maturity. All other securities held by us are classified as available-for-sale. We do not purchase investment securities principally for the purpose of selling them in the near term and thus have no securities classified as trading.

Available-for-sale securities are recorded at fair value. As of December 31, 2001 and 2000, the fair value of the restricted-use investments classified as available-for-sale was \$75,169,000 and \$75,376,000 which approximated the amortized cost of the securities. Unrealized holding gains and losses, net of the related tax effect, on available-for-sale securities are excluded from

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Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

operations and are reported as a separate component of other comprehensive income (loss) until realized. Realized gains and losses from the sale of available-for-sale securities are determined on a specific identification basis. Held-to-maturity securities are recorded at amortized cost, adjusted for the amortization or accretion of premiums or discounts. As of December 31, 2001 and 2000, all of our restricted-use investment securities classified as available-for-sale had remaining maturities of less than one year; however, these securities are reflected as noncurrent assets as they are restricted for future use.

As of December 31, 2000, \$12,773,000 of restricted-use investment securities classified as held-to-maturity had maturities and restrictions of less than one year and were reflected as current assets.

Premiums and discounts are amortized or accreted over the life of the related held-to-maturity security as an adjustment to yield using the effective interest method. Interest income is recognized when earned.

(q) COMPREHENSIVE INCOME (LOSS)

Comprehensive income (loss) consists of net income (loss), changes in the foreign currency translation adjustment and changes in the fair value of derivatives that are designated as hedges, and is presented in the 2001, 2000 and 1999 consolidated statements of stockholders' equity and other comprehensive income (loss) as accumulated other comprehensive income (loss).

(r) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 the reporting period. Actual results could differ from those estimates.

(s) RECLASSIFICATIONS

Reclassifications have been made to certain amounts reported in 2000 and 1999 to conform with the 2001 presentation.

(2) ACQUISITION OF THEME PARKS

On February 9, 2001, we acquired substantially all of the assets used in the operation of Sea World of Ohio, a marine wildlife park located adjacent to the Company's Six Flags Ohio theme park, for a cash purchase price of \$110,000,000. We funded the acquisition from a portion of the proceeds of the PIERS offering. See Note 9. Approximately \$57,834,000 of costs in excess of the fair value of the net assets acquired were recorded as goodwill. The transaction was accounted for as a purchase.

On May 2, 2001, we acquired substantially all of the assets of La Ronde, a theme park located in the City of Montreal for a cash purchase price of Can. \$30,000,000 (approximately U.S. \$19,600,000 at

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

the exchange rate on such date). We have agreed to invest in the park Can. \$90,000,000 (approximately U.S. \$58,700,000 at that exchange rate) over four seasons commencing in 2002. We lease the land on which the park is located on a long-term basis. Approximately U.S. \$7,378,000 of costs in excess of the fair value of the net assets acquired were recorded as goodwill. The transaction was accounted for as a purchase.

On December 6, 2000, we acquired all of the capital stock of the company operating as Enchanted Village and Wild Waves (Enchanted Village), a water and rides park located near Seattle, Washington, for a purchase price of \$19,255,000 paid through issuance of 1,339,223 shares of our common stock. As of the acquisition date, \$4,471,000 of deferred tax liabilities were recognized for the tax consequences attributable to the differences between the financial carrying amounts and the tax basis of Enchanted Village's assets and liabilities. Approximately \$4,296,000 of costs in excess of the fair value of the net assets acquired were recorded as goodwill. The transaction was accounted for as a purchase.

On May 4, 1999, we acquired all of the capital stock of the companies that own and operate Reino Aventura (subsequently renamed Six Flags Mexico), a theme park located in Mexico City, for a cash purchase price of approximately \$59,600,000. We funded the acquisition from existing cash. Approximately \$14,575,000 of costs in excess of the fair value of the net assets acquired were recorded as goodwill. The transaction was accounted for as a purchase.

On May 13, 1999, we acquired the assets of Splashtown water park located in Houston, Texas for a cash purchase price of approximately \$20,400,000. We funded the acquisition from existing cash. Approximately \$10,530,000 of costs in excess of the fair value of the net assets acquired were recorded as goodwill. The transaction was accounted for as a purchase.

On May 25, 1999, the limited partnership that owns Six Flags Over Georgia acquired the assets of White Water Atlanta water park, and adjacent American Adventures entertainment facility located near Atlanta, Georgia. In connection with the acquisition, Six Flags issued a \$40,700,000 note that was converted into 1,080,000 shares of common stock. The transaction was accounted for by the limited partnership as a purchase. We have reflected the additional investment in the limited partnership as an investment in theme park partnerships.

On November 15, 1999, we purchased the partnership that owns Warner Bros. Movie World Germany, near Dusseldorf, Germany, and entered into a joint venture with Warner Bros. to design, develop and manage a new Warner Bros. Movie World theme park scheduled to open in Madrid, Spain in 2002. At the same time, we entered into a long-term license agreement for exclusive theme park usage in Europe, Mexico, South America and Central America of the Looney Tunes, Hanna-Barbera, Cartoon Network and D.C. Comics characters. The aggregate cost of the transactions was \$180,269,000, which was funded by borrowings under our 1999 credit facility (the Credit Facility). See Note 6(d). Approximately \$42,800,000 of the aggregate costs were allocated to goodwill and intangible assets. The transaction was accounted for as a purchase.

The 2000 and 2001 acquisitions did not materially impact our 2000 and 2001 results of operations. As such, no pro forma information has been presented.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

(3) PROPERTY AND EQUIPMENT

Property and equipment, at cost, are classified as follows:

	2001	2000
	-----	-----
Land	\$ 300,353,000	294,215,000
Land improvements	326,821,000	299,261,000
Buildings and improvements	583,156,000	540,349,000
Rides and attractions	1,283,467,000	1,202,149,000
Equipment	307,559,000	249,953,000
	-----	-----
Total	2,801,356,000	2,585,927,000
Less accumulated depreciation	465,656,000	328,027,000
	-----	-----
	\$ 2,335,700,000	2,257,900,000
	=====	=====

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

(4) INVESTMENT IN THEME PARK PARTNERSHIPS

The following reflects the summarized assets, liabilities, and equity as of December 31, 2001 and 2000, and the results of the four parks managed by us for the years ended December 31, 2001, 2000 and 1999. Results for 1999 include results of Six Flags White Water Atlanta only subsequent to May 25, 1999 (the date of its acquisition).

	2001	2000
	-----	-----
Assets:		
Current assets	\$ 25,139,000	26,530,000
Property and equipment, net	270,081,000	254,263,000
Other assets	33,052,000	35,676,000
	-----	-----
Total assets	\$ 328,272,000	316,469,000
Liabilities and equity:		
Current liabilities	\$ 50,953,000	47,685,000
Affiliate loans	92,107,000	91,107,000
Long-term debt	78,826,000	66,305,000
Equity	106,386,000	111,372,000
	-----	-----
Total liabilities and equity	\$ 328,272,000	316,469,000
	=====	=====

Pursuant to the applicable partnership agreements, we, as managing general partner of the Six Flags Over Texas and Six Flags Over Georgia (the Partnership Parks), can make affiliate loans to the Partnership Parks. These loans are reflected in our consolidated balance sheets as an investment in theme park partnerships. We provided the consideration for the Georgia Partnership Park to acquire White Water Atlanta. The resulting note from the Georgia Partnership Park to us is in the form of an affiliate loan. Included in long-term debt above as of December 31, 2001 and 2000 is \$60,340,000 and \$61,185,000, respectively, of long-term debt that is not guaranteed by us. That long-term debt is an obligation of the other parties that have an interest in Six Flags Marine World. The remaining long-term debt shown above consists primarily of term loan debt and capitalized lease obligations associated with rides and equipment.

	2001	2000	1999
	-----	-----	-----
Revenue	\$ 217,949,000	208,196,000	225,274,000
	-----	-----	-----
Expenses:			
Operating expenses	81,529,000	84,379,000	88,901,000
Selling, general and administrative	31,040,000	29,911,000	27,957,000
Costs of products sold	15,660,000	17,921,000	21,241,000
Depreciation and amortization	21,516,000	20,145,000	16,724,000
Interest expense, net	13,234,000	14,259,000	11,545,000
Other expense	819,000	841,000	532,000
	-----	-----	-----
Total	163,798,000	167,456,000	166,900,000
	-----	-----	-----
Net income	\$ 54,151,000	40,740,000	58,374,000
	=====	=====	=====

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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Our share of operations of the four theme parks for the years ended December 31, 2001, 2000 and 1999 was \$44,389,000, \$33,205,000 and \$44,187,000, prior to depreciation and amortization charges of \$20,989,000, \$20,370,000 and \$15,826,000, and third-party interest expense and other non-operating expenses of \$1,888,000, \$1,002,000 and \$2,181,000, respectively.

The following information reflects the reconciliation between the results of the four theme parks and our share of the results:

	2001	2000	1999
	-----	-----	-----
Theme park partnership net income.	\$ 54,151,000	40,740,000	58,374,000
Third party share of net income ..	(29,021,000)	(23,675,000)	(28,279,000)
Amortization of Company's investment in theme park partnerships in excess of share of net assets	(3,618,000)	(5,232,000)	(3,915,000)

Equity in operations of theme park partnerships	\$ 21,512,000	11,833,000	26,180,000
	=====	=====	=====

A substantial difference exists between the carrying value of our investment in the theme parks and our share of the net book value of the theme parks. Through December 31, 2001, the difference is being amortized over 20 years for the Partnership Parks and over the expected useful life of the rides and equipment installed by us at Six Flags Marine World.

The following information reconciles our share of the net assets of the theme parks partnerships and our investment in the partnerships.

	DECEMBER 31, 2001	DECEMBER 31, 2000
	-----	-----
Our share of net assets of theme park partnerships.....	\$ 107,322,000	107,717,000
Our investment in theme park partnerships in excess of share of net assets...	188,844,000	187,814,000
Advances made to theme park partnerships	92,107,000	91,107,000
	-----	-----
Investments in theme park partnerships.....	\$ 388,273,000	386,638,000
	=====	=====

See Note 12 for a discussion of certain obligations relating to the Partnership Parks. In April 1997, we became manager of Marine World (subsequently renamed Six Flags Marine World), then a marine and exotic wildlife park located in Vallejo, California, pursuant to a contract with an agency of the City of Vallejo under which we are entitled to receive an annual base management fee of \$250,000 and up to \$250,000 annually in additional management fees based on park revenues. In November 1997, we exercised our option to lease approximately 40 acres of land within the site for nominal rent and an initial term of 55 years (plus four ten-year and one four-year renewal options). We have added theme park rides and attractions on the leased land, which is located within the existing park, in order to create one fully-integrated regional theme park at the site. We are entitled

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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to receive, in addition to the management fee, 80% of the cash flow generated by the combined operations at the park, after combined operating expenses and debt service on outstanding debt obligations relating to the park. We also have an option to purchase the entire site commencing in February 2002 at a purchase price equal to the greater of the then principal amount of certain debt obligations of the seller (expected to aggregate \$52,000,000) or the then fair market value of the seller's interest in the park (based on a formula relating to the seller's 20% share of Marine World's cash flow).

(5) DERIVATIVE FINANCIAL INSTRUMENTS

Prior to 2000, we had only limited involvement with derivative financial instruments, entering into contracts to manage the variability of foreign-currency exchange rates in connection with the purchase of rides from foreign vendors. No such contracts were in effect at December 31, 2001 or December 31, 2000.

In February 2000, we entered into three interest rate swap agreements that effectively convert our \$600,000,000 term loan component of the Credit Facility (see Note 6(d)) into a fixed rate obligation. The terms of the agreements, as subsequently extended, each of which has a notional amount of \$200,000,000, began in March 2000 and expire from March 2003 to December 2003. Our term loan borrowings bear interest based upon LIBOR plus a fixed margin. Our interest rate swap arrangements were designed to "lock-in" the LIBOR component at rates, prior to a February 2001 amendment, ranging from 6.615% to 6.780% and, subsequent to that date, 5.13% to 6.07% (with an average of 5.46%). The counterparties to these transactions are major financial institutions, which minimizes the credit risk.

In June 1998, the FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, as amended by SFAS No. 138, establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires an entity to recognize all derivatives as either assets or liabilities in the

consolidated balance sheet and measure those instruments at fair value. If certain conditions are met, a derivative may be specifically designated as a hedge for accounting purposes. The accounting for changes in the fair value of a derivative (that is gains and losses) depends on the intended use of the derivative and the resulting designation. We adopted the provisions of SFAS No. 133 as of January 1, 2001. As a result of the adoption, we recognized a liability of approximately \$4,996,000 and recorded in other comprehensive income (loss) \$3,098,000 (net of tax effect) as a cumulative effect of a change in accounting principle, which is being amortized into operations over the original term of the interest rate swap agreements. See Note 9(e).

As of January 1, 2001, two of the three interest rate swap agreements contained "knock-out" provisions that did not meet the definition of a derivative instrument that could be designated as a hedge under SFAS No. 133. From January 1, 2001 to February 23, 2001, we recognized in other income (expense) a \$3,200,000 expense related to the change in fair value of these two hedges. As of February 23, 2001, the interest rate swap agreements were amended and the knock-out provisions were removed. As of that date and through December 31, 2001, we have designated all of the interest rate swap agreements as cash-flow hedges.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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We formally document all relationships between hedging instruments and hedged items, as well as its risk-management objective and strategy for undertaking various hedge transactions. This process includes linking all derivatives that are designated as cash-flow hedges to forecasted transactions. We also assess, both at the hedge's inception and on an ongoing basis, whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in cash flows of hedged items.

Changes in the fair value of a derivative that is effective and that is designated and qualifies as a cash-flow hedge are recorded in other comprehensive income (loss), until operations are affected by the variability in cash flows of the designated hedged item. Changes in fair value of a derivative that is not designated as a hedge are recorded in operations on a current basis.

During 2001, there were no gains or losses reclassified into operations as a result of the discontinuance of hedge accounting treatment for any of our derivatives.

By using derivative instruments to hedge exposures to changes in interest rates, we are exposed to credit risk and market risk. Credit risk is the failure of the counterparty to perform under the terms of the derivative contract. To mitigate this risk, the hedging instruments are placed with counterparties that we believe are minimal credit risks.

Market risk is the adverse effect on the value of a financial instrument that results from a change in interest rates, commodity prices, or currency exchange rates. The market risk associated with interest rate swap agreements is managed by establishing and monitoring parameters that limit the types and degree of market risk that may be undertaken.

We do not hold or issue derivative instruments for trading purposes. Changes in the fair value of derivatives that are designated as hedges are reported on the consolidated balance sheet in "Accumulated other comprehensive income (loss)" (AOCL). These amounts are reclassified to interest expense when the forecasted transaction takes place.

From February 2001 through December 2001, the critical terms, such as the index, settlement dates, and notional amounts, of the derivative instruments were the same as the provisions of our hedged borrowings under the Credit Facility. As a result, no ineffectiveness of the cash-flow hedges was recorded in the consolidated statements of operations.

As of December 31, 2001, approximately \$8,500,000 of net deferred losses on derivative instruments, including the transition adjustment, accumulated in AOCL are expected to be reclassified to operations during the next 12 months. Transactions and events expected to occur over the next twelve months that will necessitate reclassifying these derivatives' losses to operations are the periodic payments that are required to be made on outstanding borrowings. The maximum term over which we are hedging exposures to the variability of cash flows for commodity price risk is 18 months.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

(6) LONG-TERM DEBT

At December 31, 2001 and 2000, long-term debt consists of:

	2001	2000
	-----	-----
Long-term debt:		
9 3/4% Notes due 2007 (a)	\$ 269,000	125,000,000
10% Senior Discount Notes due 2008 (b)	363,026,000	329,275,000
9 1/4% Senior Notes due 2006 (b)	280,000,000	280,000,000
8 7/8% Notes due 2006 of Six Flags Operations (c)	170,000,000	170,000,000
Credit Facility (d)	613,500,000	981,000,000
9 3/4% Senior Notes due 2007 (e)	429,329,000	429,207,000
9 1/2% Senior Notes due 2009 (f)	372,722,000	--
Other	18,223,000	7,831,000
	-----	-----
	2,247,069,000	2,322,313,000
Less current portion	24,627,000	2,401,000
	-----	-----
	\$2,222,442,000	2,319,912,000
	=====	=====

(a) Represents senior notes of our principal subsidiary, Six Flags Operations Inc. (Six Flags Operations) which were redeemed in full in January 2002. In 2001, we purchased 99.8% of the notes pursuant to a tender offer. As a result of the early extinguishment of debt in 2001, we recognized an extraordinary loss of \$8,529,000, net of tax benefit of \$5,227,000.

(b) On April 1, 1998, Holdings issued at a discount \$410,000,000 principal amount at maturity (\$363,026,000 and \$329,275,000 carrying value as of December 31, 2001 and 2000, respectively) of 10% Senior Discount Notes due 2008 (the Senior Discount Notes) and \$280,000,000 principal amount of 9 1/4% Senior Notes due 2006 (the 1998 Senior Notes). In February 2002, we called the 1998 Senior Notes for redemption in full on April 1, 2002. The redemption price will be funded from a portion of the net proceeds of an offering by Holdings of \$480,000,000 principal amount of 8 7/8% Senior Notes due 2010 (the 2002 Senior Notes). An extraordinary loss of \$11,809,000, net of a tax benefit of \$7,238,000, will be recognized from this early extinguishment.

The notes are senior unsecured obligations of Holdings and are not guaranteed by Holdings' subsidiaries. The Senior Discount Notes do not require any interest payments prior to October 1, 2003 and, except in the event of a change of control of Holdings and certain other circumstances, any principal payments prior to their maturity in 2008. The Senior Discount Notes have an interest rate of 10% per annum. The Senior Discount Notes are redeemable, at our option, in whole or in part, at any time on or after April 1, 2003, at varying redemption prices beginning at 105% and reducing annually until maturity.

Approximately \$75,000,000 of the net proceeds of the Senior Discount Notes were invested in restricted-use securities, until April 1, 2003, to provide funds to pay certain of our obligations to the limited partners of the Partnership Parks. See Note 12.

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The indenture under which the Senior Discount Notes were issued limits our ability to dispose of assets; incur additional indebtedness or liens; pay dividends; engage in mergers or consolidations; and engage in certain transactions with affiliates.

(c) Represents senior notes of Six Flags Operations which we have called for redemption in full on April 1, 2002. The redemption price will be funded from a portion of the proceeds of the offering of the 2002 Senior Notes. An extraordinary loss of \$6,726,000 net of tax benefit of \$4,123,000, will be recognized for this early extinguishment.

(d) On November 5, 1999, Six Flags Theme Parks Inc., a direct wholly owned subsidiary of Six Flags Operations ("SFTP") entered into the Credit Facility. The Credit Facility includes a \$300,000,000 five-year revolving credit facility (\$15,000,000 was outstanding on December 31,

2001 and \$90,000,000 was outstanding at December 31, 2000), a \$300,000,000 five-and-one-half-year multicurrency reducing revolver facility (of which none and \$291,000,000 was outstanding at December 31, 2001 and 2000, respectively) and a \$600,000,000 six-year term loan (\$598,500,000 of which was outstanding at December 31, 2001 and all of which was outstanding at December 31, 2000). Borrowings under the five-year revolving credit facility (US Revolver) must be repaid in full for thirty consecutive days each year. The interest rate on borrowings under the Credit Facility can be fixed for periods ranging from one to six months. At our option the interest rate is based upon specified levels in excess of the applicable base rate or LIBOR. At December 31, 2001, the weighted average interest rates for borrowings under the US Revolver and term loan were 3.9% and 8.47%, respectively. At December 31, 2000, the weighted average interest rates for borrowings under the US Revolver, multicurrency revolver, and term loan were 9.22%, 9.19% and 9.97%, respectively. The multicurrency facility permits optional prepayments and reborrowings. The committed amount reduces quarterly by 2.5% commencing on December 31, 2001, by 5.0% commencing on December 31, 2002, by 7.5% commencing on December 31, 2003 and by 20.0% commencing on December 31, 2004. Mandatory repayments are required if amounts outstanding exceed the reduced commitment amount. The term loan facility requires quarterly repayments of 0.25% of the outstanding amount thereof commencing on December 31, 2001 and 24.25% commencing on December 31, 2004. A commitment fee of .50% of the unused credit of the facility is due quarterly in arrears. The principal borrower under the facility is SFTP, and borrowings under the Credit Facility are guaranteed by Holdings, Six Flags Operations and all of Six Flags Operations' domestic subsidiaries and are secured by substantially all of Six Flags Operations' domestic assets and a pledge of Six Flags Operations capital stock. See Note 5 regarding interest rate hedging activities.

The Credit Facility contains restrictive covenants that, among other things, limit the ability of Six Flags Operations and its subsidiaries to dispose of assets; incur additional indebtedness or liens; repurchase stock; make investments; engage in mergers or consolidations; pay dividends (except that, subject to covenant compliance, dividends will be permitted to allow Holdings to meet cash interest obligations with respect to its Senior Notes, cash dividend payments on our PIERS and our obligations to the limited partners in the Partnership Parks) and engage in certain transactions with subsidiaries and affiliates. In addition, the Credit Facility requires that Six Flags Operations comply with certain specified financial ratios and tests.

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SIX FLAGS, INC.

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On November 5, 1999, we borrowed \$892,000,000 under the Credit Facility principally to repay all amounts outstanding under previously existing credit facilities and to provide funds to consummate the November 1999 transactions with Warner Bros. described in Note 2. The termination of previously existing credit facilities resulted in an extraordinary loss in respect of the debt issuance costs related thereto of \$5,214,000, net of tax benefit of \$3,476,000.

- (e) On June 30, 1999, Holdings issued \$430,000,000 principal amount of 9 3/4% Senior Notes due 2007 (the 1999 Senior Notes). The 1999 Senior Notes are senior unsecured obligations of Holdings, are not guaranteed by subsidiaries and rank equal to the other Senior Notes of Holdings. The 1999 Senior Notes require annual interest payments of approximately \$41,925,000 (9 3/4% per annum) and, except in the event of a change in control of Holdings and certain other circumstances, do not require any principal payments prior to their maturity in 2007. The 1999 Senior Notes are redeemable, at Holdings' option, in whole or in part, at any time on or after June 15, 2003, at varying redemption prices beginning at 104.875% and reducing annually until maturity. The indenture under which the 1999 Senior Notes were issued contains covenants substantially similar to those relating to the Senior Discount Notes.

The net proceeds of the 1999 Senior Notes were used to fund the purchase in a tender offer of \$87,500,000 of previously outstanding Six Flags Operations' 1995 Senior Notes and the entire \$285,000,000 principal amount of SFTP Senior Subordinated Notes. The remaining \$2,500,000 balance of the 1995 Senior Notes was redeemed in August 1999. An extraordinary loss of \$6,082,000, net of tax benefit of \$4,054,000 was recognized from these early extinguishments.

- (f) On February 2, 2001, Holdings issued \$375,000,000 principal amount of 9 1/2% Senior Notes due 2009 (the 2001 Senior Notes). The 2001 Senior Notes are senior unsecured obligations of Holdings, are not guaranteed by subsidiaries and rank equal to the other Senior Notes of Holdings. The 2001 Senior Notes require annual interest payments of approximately \$35,625,000 (9 1/2% per annum) and, except in the event

of a change in control of Holdings and certain other circumstances, do not require any principal payments prior to their maturity in 2009. The 2001 Senior Notes are redeemable, at Holding's option, in whole or in part, at any time on or after February 1, 2005, at varying redemption prices beginning at 104.75% and reducing annually until maturity. The indenture under which the 2001 Senior Notes were issued contains covenants substantially similar to those relating to the other Senior Notes of Holdings. The net proceeds of the 2001 Senior Notes were used to fund the tender offer relating to senior notes of Six Flags Operations (see Note 6(a)) and to repay borrowings under the multicurrency revolving portion of the Credit Facility (see Note 6(d)).

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Annual maturities of long-term debt during the five years subsequent to December 31, 2001, are as follows (after giving effect to the issuance of the 2002 Senior Notes in February 2002 and the use of proceeds and including borrowings under the working capital revolver at December 31, 2001):

2002	\$	24,627,000
2003		9,449,000
2004		153,441,000
2005		443,950,000
2006		56,000
Thereafter		1,643,837,000
	\$	2,275,360,000
		=====

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The Credit Facility and, prior to the April 1, 2002 redemption of the existing Six Flags Operations senior notes, the indenture relating thereto restrict the ability of Six Flags Operations to distribute assets to Holdings, and the indentures relating to Holdings' Senior Notes restrict the ability of Holdings to distribute assets to its shareholders. The Credit Facility restricts distributions by Six Flags Operations to amounts required to pay interest on Holdings' senior notes, dividends on Holdings' outstanding preferred stock, required payments under the agreements relating to the Partnership Parks and certain tax and shared services arrangements. The following table discloses the amounts available for distribution (other than permitted payments in respect to shared administrative and other corporate expenses and tax sharing payments) at December 31, 2001 by each debt group based upon the most restrictive applicable indenture limitation.

	AMOUNT AVAILABLE ----- (IN THOUSANDS)
Holdings	\$ 581,995
Six Flags Operations	1,624,444

(7) FAIR VALUE OF FINANCIAL INSTRUMENTS

The following table and accompanying information present the carrying amounts and estimated fair values of our financial instruments at December 31, 2001 and 2000. The fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties.

2001		2000	
-----	-----	-----	-----
CARRYING	FAIR	CARRYING	FAIR

	AMOUNT	VALUE	AMOUNT	VALUE
	-----	-----	-----	-----
Financial assets				
(liabilities):				
Restricted-use				
investment				
securities	\$ 75,169,000	75,169,000	88,149,000	88,138,000
Long-term debt	(2,247,069,000)	(2,261,081,000)	(2,322,313,000)	(2,271,779,000)
Interest rate swap				
Agreements	23,296,000	(23,296,000)	--	(4,996,000)
PIERS	(278,867,000)	(253,000,000)	--	--

The carrying amounts shown in the table are included in the consolidated balance sheets under the indicated captions, except for the interest rate swap agreements (Note 5) which for December 31, 2000 are not reflected in the consolidated balance sheets.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

- The fair values of cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value because of the short maturity of these instruments.

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- Restricted-use investment securities: The fair values of debt securities (both available-for-sale and held-to-maturity investments) are based on quoted market prices at the reporting date for those or similar investments.
- Long-term debt: The fair value of our long-term debt is estimated by discounting the future cash flows of each instrument at rates currently offered to us for similar debt instruments of comparable maturities by our investment bankers or based upon quoted market prices.
- Derivative financial instruments: The fair value of our derivative financial instruments is determined by the counterparty financial institution.
- PIERS: The fair value of our mandatorily redeemable preferred stock is based upon quoted market prices.

(8) INCOME TAXES

Income tax expense (benefit) allocated to operations for 2001, 2000 and 1999 consists of the following:

	CURRENT	DEFERRED	TOTAL
	=====	=====	=====
2001:			
U.S. federal	\$ --	(2,465,000)	(2,465,000)
Foreign	1,818,000	(6,175,000)	(4,357,000)
State and local	427,000	(800,000)	(373,000)
	-----	-----	-----
	\$ 2,245,000	(9,440,000)	(7,195,000)
	=====	=====	=====
2000:			
U.S. federal	\$ (10,000)	(2,211,000)	(2,221,000)
Foreign	3,792,000	4,388,000	8,180,000
State and local	(377,000)	40,000	(337,000)
	-----	-----	-----
	\$ 3,405,000	2,217,000	5,622,000
	=====	=====	=====
1999:			
U.S. federal	\$ (683,000)	18,338,000	17,655,000
Foreign	1,058,000	3,072,000	4,130,000
State and local	(591,000)	3,266,000	2,675,000
	-----	-----	-----
	\$ (216,000)	24,676,000	24,460,000
	=====	=====	=====

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Recorded income tax expense allocated to operations differed from amounts computed by applying the U.S. federal income tax rate of 35% in 2001, 2000 and 1999 to income (loss) before income taxes as follows:

	2001	2000	1999
	-----	-----	-----
Computed "expected" federal income tax expense (benefit)	\$ (19,869,000)	(16,218,000)	1,830,000
Amortization of goodwill	13,794,000	13,643,000	11,973,000
Nondeductible compensation	3,767,000	3,779,000	6,786,000
Other, net	(51,000)	499,000	864,000
Effect of foreign income taxes	(4,586,000)	4,145,000	1,215,000
Effect of state and local income taxes, net of federal tax benefit	(250,000)	(226,000)	1,792,000
	-----	-----	-----
	\$ (7,195,000)	5,622,000	24,460,000
	=====	=====	=====

An income tax benefit of \$5,227,000 was allocated to extraordinary loss for 2001. The U.S. federal benefit component was \$4,539,000 and the state and local benefit component was \$688,000. There were no extraordinary losses in 2000. An income tax benefit of \$7,530,000 was allocated to extraordinary loss for 1999. The U.S. federal benefit component was \$6,539,000 and the state and local benefit component was \$991,000. There were no foreign extraordinary losses in 2001 or 1999.

Substantially all of our future taxable temporary differences (deferred tax liabilities) relate to the different financial accounting and tax depreciation methods and periods for property and equipment. Our net operating loss carryforwards, alternative minimum tax credits, accrued insurance expenses, and deferred compensation amounts represent future income tax deductions (deferred tax assets). The tax effects of these temporary differences as of December 31, 2001, 2000 and 1999 are presented below:

	2001	2000	1999
	-----	-----	-----
Deferred tax assets before valuation allowance	\$ 356,806,000	286,098,000	213,244,000
Less valuation allowance	1,196,000	1,196,000	1,196,000
	-----	-----	-----
Net deferred tax assets	355,610,000	284,902,000	212,048,000
Deferred tax liabilities	465,536,000	429,821,000	354,008,000
	-----	-----	-----
Net deferred tax liability	\$ 109,926,000	144,919,000	141,960,000
	=====	=====	=====

Our deferred tax liability results from the financial carrying amounts for property and equipment being substantially in excess of our tax basis in the corresponding assets. The majority of our property and equipment is depreciated over a 7-year period for tax reporting purposes and a longer 20-to-25 year period for financial purposes. The faster tax depreciation has resulted in tax losses which can be carried forward to future years to offset future taxable income. Because most of our depreciable assets' financial carrying amounts and tax basis difference will reverse before the expiration of our net operating loss carryforwards and taking into account our projections of future

SIX FLAGS, INC.

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taxable income over the same period, management believes that we will more likely than not realize the benefits of these net future deductions.

As of December 31, 2001, we have approximately \$903,533,000 of net

operating loss carryforwards available for U.S. federal income tax purposes which expire through 2020. Included are net operating loss carryforwards of \$3,400,000 which are not expected to be utilized as a result of an ownership change that occurred on October 30, 1992. A valuation allowance for the pre-October 1992 net operating loss carryforwards has been established. Additionally at December 31, 2001, we had approximately \$6,949,000 of alternative minimum tax credits which have no expiration date.

We have experienced ownership changes within the meaning of the Internal Revenue Code Section 382 and the regulations thereunder. We experienced an ownership change on June 4, 1996, as a result of the issuance of shares of common stock and the conversion of preferred stock into additional shares of common stock. This ownership change limits the amount of our post-October 1992 through June 1996 net operating loss carryforwards that can be used in any year.

Included in our tax net operating loss carryforward amounts are approximately \$249,353,000 of net operating loss carryforwards of Six Flags Entertainment Corporation ("SFEC") generated prior to its acquisition by us. SFEC experienced an ownership change on April 1, 1998 as a result of its acquisition. Due to this ownership change, no more than \$49,200,000 of pre-acquisition net operating loss carryforwards may be used to offset taxable income in any year; however, it is more likely than not that all of our carryforwards generated subsequent to October 1992 and all of the SFEC's pre-acquisition carryforwards will be fully utilized by us before their expiration.

(9) PREFERRED STOCK, COMMON STOCK AND OTHER STOCKHOLDERS' EQUITY

(a) PREFERRED STOCK

We have authorized 5,000,000 shares of preferred stock, \$1.00 par value per share. All shares of preferred stock rank senior and prior in right to all of our now or hereafter issued common stock with respect to dividend payments and distribution of assets upon our liquidation or dissolution.

PIERS

In January 2001, we issued 11,500,000 PIERS, for proceeds of \$277,834,000, net of the underwriting discount and offering expenses of \$9,666,000. We used a portion of the proceeds to acquire substantially all of the assets of the former Sea World of Ohio. See Note 2. Each PIERS represents one one-hundredth of a share of our 7 1/4% mandatorily redeemable preferred stock (an aggregate of 115,000 shares of preferred stock). The PIERS accrue cumulative dividends (payable, at our option, in cash or shares of common stock) at 7 1/4% per annum (approximately \$20,844,000 per annum). Holders can voluntarily convert the PIERS into shares of common stock at any time prior to August 15, 2009.

Prior to August 15, 2009, each of the PIERS is convertible at the option of the holder into 1.1990 common shares (equivalent to a conversion price of \$20.85 per common share), subject

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to adjustment in certain circumstances (the Conversion Price). At any time on or after February 15, 2004 and at the then applicable conversion rate, we may cause the PIERS, in whole or in part, to be automatically converted if for 20 trading days within any period of 30 consecutive trading days, including the last day of such period, the closing price of our common stock exceeds 120% of the then prevailing Conversion Price. On August 15, 2009, the PIERS are mandatorily redeemable in cash equal to 100% of the liquidation preference (initially \$25.00 per PIERS), plus any accrued and unpaid dividends.

PIES

Prior to April 2, 2001, we also had outstanding 5,750,000 PIES which automatically converted into 11,500,000 shares of common stock on that date. In addition, on that date we issued to holders of the PIES 278,912 shares of common stock, representing the final quarterly dividend payment on the PIES. The PIES accrued cumulative dividends at 7 1/2% per annum (\$23,288,000 per annum). Each of the PIES represented one five-hundredth of a share of our mandatorily convertible preferred stock and is included as preferred stock in our December 31, 2000 consolidated balance sheet. The PIES were issued on April 1, 1998 for gross proceeds of \$310,500,000.

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(b) STOCK OPTIONS AND WARRANTS

Certain members of our management and professional staff have been issued seven-year options to purchase common shares under our 2001, 1998, 1996, 1995 and 1993 Stock Option and Incentive Plans (collectively, the Option Plans). Through December 31, 2001 all stock options granted under the Option Plans, have been granted with an exercise price equal to the underlying stock's fair value at the date of grant. Except for conditional options issued in 1998, options may be exercised on a cumulative basis with 20% of the total exercisable on the date of issuance and with an additional 20% being available for exercise on each of the succeeding anniversary dates. Any unexercised portion of the options will automatically terminate upon the seventh anniversary of the issuance date or following termination of employment. There were 1,531,000 conditional stock options granted in 1998. These options have the same vesting schedule as the unconditional stock options, except that no conditional option could be exercised until after the conditions of the stock option were met. The conditions related to the exercise of these stock options were met during December 1999.

In 1999 and 1998, we also issued to certain consultants options to purchase 40,000 and 70,000 common shares, respectively. The options have substantially the same terms and conditions as the options granted under the Option Plans. We have recognized the fair value of the options issued to the consultants as an expense in the accompanying 1999 consolidated statements of operations.

In June 2001, our shareholders approved a stock option plan for independent directors providing for options with respect to an aggregate of 250,000 shares. Options with respect to 80,000 shares, which had been previously granted became effective upon shareholder approval. The exercise price of the options granted is \$15.06 per share and the other terms of these options are comparable to options issued under the Option Plans.

At December 31, 2001, there were 5,224,073 additional shares available for grant under the Option Plans. The per share weighted-average fair value of stock options granted during 2001, 2000 and 1999 was \$12.72, \$13.65 and \$17.43, respectively, on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions: 2001 - expected dividend yield 0%, risk-free interest rate of 4.65%, expected volatility of 76%, and an expected life of 5 years. 2000 - expected dividend yield 0%, risk-free interest rate of 6.28%, expected volatility of 80%, and an expected life of 5 years. 1999 - expected dividend yield 0%, risk-free interest rate of 5.5%, expected volatility of 84%, and an expected life of 5 years.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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No compensation cost has been recognized for the unconditional stock options in the consolidated financial statements. Had we determined compensation cost based on the fair value at the grant date for all our unconditional stock options, our net loss would have been as indicated below:

	2001	2000	1999
	-----	-----	-----
Net loss applicable to common stock:			
As reported	\$ (84,617,000)	(75,247,000)	(53,814,000)
Pro forma	(103,605,000)	(97,049,000)	(74,617,000)
Net loss per weighted average common share outstanding - basic:			
As reported	(0.95)	(0.96)	(0.69)
Pro forma	(1.16)	(1.23)	(0.96)

Stock option activity during the years indicated is as follows:

NUMBER OF SHARES	WEIGHTED- AVERAGE EXERCISE PRICE
-----	-----

Balance at December 31, 1998	4,849,916	\$	14.72
Granted	3,440,000		25.00
Exercised	(354,565)		7.30
Forfeited	(93,600)		17.50
Expired	--		--

Balance at December 31, 1999	7,841,751		19.55
Granted	151,000		20.00
Exercised	(377,501)		9.70
Forfeited	(183,400)		21.52
Expired	--		--

Balance at December 31, 2000	7,431,850		20.11
Granted	88,000		15.47
Exercised	(113,025)		11.92
Forfeited	--		--
Expired	--		--

Balance at December 31, 2001	7,406,825	\$	20.01
	=====		=====

At December 31, 2001, the range of exercise prices and weighted-average remaining contractual life of outstanding options was \$4.125 to \$25.00 and 4.09 years, respectively.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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At December 31, 2001, 2000 and 1999, options exercisable were 5,323,905, 4,101,500, and 3,245,800, respectively, and weighted-average exercise price of those options was \$19.13, \$18.25 and \$15.23, respectively.

In 1989, our current chairman was issued a ten-year warrant to purchase 52,692 common shares at an exercise price of \$.50 per share and a ten-year warrant to purchase 37,386 common shares at an exercise price of \$.50 per share. The warrants were exercised during 1999 prior to their expiration.

(c) SHARE RIGHTS PLAN

On December 10, 1997, our board of directors authorized a share rights plan. The plan was subsequently amended on February 4, 1998. Under the plan, stockholders have one right for each share of common stock held. The rights become exercisable ten business days after (a) an announcement that a person or group of affiliated or associated persons has acquired beneficial ownership of 15% or more of our voting shares outstanding, or (b) the commencement or announcement of a person's or group's intention to commence a tender or exchange offer that could result in a person or group owning 15% or more of the voting shares outstanding.

Each right entitles our holder (except a holder who is the acquiring person) to purchase 1/1000 of a share of a junior participating series of preferred stock designated to have economic and voting terms similar to those of one share of common stock for \$250.00, subject to adjustment. In the event of certain merger or asset sale transactions with another party or transactions which would increase the equity ownership of a stockholder who then owned 15% or more of the voting shares of Six Flags, each right will entitle our holder to purchase securities of the merging or acquiring party with a value equal to twice the exercise price of the right.

The rights, which have no voting power, expire in 2008. The rights may be redeemed by us for \$.01 per right until the rights become exercisable.

(d) RESTRICTED STOCK GRANTS

We issued 900,000 restricted common shares with an estimated aggregate value of \$14,625,000 to members of our senior management in July 1997. We issued an additional 920,000 restricted common shares with an estimated aggregate value of \$16,100,000 to members of our senior management in October 1998. We also issued an additional 370,126 restricted common shares with an estimated aggregate value of \$7,439,000 to members of our senior management in April 2001. The restrictions on the stock issued lapse ratably over various terms, generally based on continued employment. The restrictions also lapse

upon termination of the executive without cause or if a change in control of Six Flags occurs. Compensation expense equal to the aggregate value of the shares is being recognized as an expense over the respective vesting period.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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(e) OTHER COMPREHENSIVE INCOME (LOSS)

The accumulated balances for each classification of comprehensive income (loss) are as follows:

	FOREIGN CURRENCY ITEMS	CASH FLOW HEDGES	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
	-----	-----	-----
Beginning balance	\$ (48,589,000)	--	(48,589,000)
Cumulative effect of change in accounting principle	--	(3,098,000)	(3,098,000)
Net current period change	(19,062,000)	(17,843,000)	(36,905,000)
Reclassification adjustments for losses reclassified into operations	--	6,726,000	6,726,000
Ending balance	\$ (67,651,000)	(14,215,000)	(81,866,000)
	=====	=====	=====

The cash flow hedge amounts presented above are reflected net of tax, calculated at a rate of approximately 38%.

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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(10) PENSION BENEFITS

As part of the acquisition of the former Six Flags, we assumed the obligations related to the SFTP Defined Benefit Plan (the Benefit Plan). The Benefit Plan covered substantially all of SFTP's full-time employees. During 1999 the Benefit Plan was extended to cover substantially all of our domestic full-time employees. The Benefit Plan permits normal retirement at age 65, with early retirement at ages 55 through 64 upon attainment of ten years of credited service. The early retirement benefit is reduced for benefits commencing before age 62. Benefit Plan benefits are calculated according to a benefit formula based on age, average compensation over the highest consecutive five-year period during the employee's last ten years of employment and years of service. Benefit Plan assets are invested primarily in common stock and mutual funds. The Benefit Plan does not have significant liabilities other than benefit obligations. Under our funding policy, contributions to the Benefit Plan are determined using the projected unit credit cost method. This funding policy meets the requirements under the Employee Retirement Income Security Act of 1974.

The following table sets forth the aggregate funded status of the Benefit Plan and the related amounts recognized in our consolidated balance sheets:

	2001	2000
	-----	-----
Change in benefit obligation:		
Benefit obligation, January 1	\$ 84,313,000	72,189,000
Service cost	3,745,000	3,309,000
Interest cost	6,739,000	5,952,000
Actuarial (gain) loss	5,912,000	4,872,000
Benefits paid	(2,141,000)	(2,009,000)
	-----	-----
Benefit obligation at December 31	98,568,000	84,313,000
	-----	-----
Change in plan assets:		
Fair value of assets, January 1	88,261,000	89,958,000
Employer contributions	20,000	--
Actual return on plan assets	(3,161,000)	312,000

Benefits paid	(2,140,000)	(2,009,000)
Fair value of assets at December 31	82,980,000	88,261,000
Plan assets greater than (less than) benefit obligations	(15,589,000)	3,948,000
Unrecognized net actuarial (gain) loss	23,492,000	6,668,000
Unrecognized prior service cost	1,943,000	2,203,000
Prepaid benefit cost (included in deposits and other assets)	\$ 9,846,000	12,819,000

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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Net pension expense of the Benefit Plan for each of the years ended December 31, 2001, 2000 and 1999, included the following components:

	2001	2000	1999
Service cost	\$ 3,745,000	3,309,000	3,644,000
Interest cost	6,739,000	5,952,000	5,459,000
Expected return on plan assets	(7,837,000)	(7,999,000)	(7,774,000)
Amortization of prior service cost	260,000	260,000	260,000
Amortization of actuarial loss	86,000	--	--
Net pension expense	\$ 2,993,000	1,522,000	1,589,000

The weighted average discount rate used in determining the actuarial present value of the projected benefit obligation in 2001, 2000 and 1999 was 7.25%, 7.50% and 7.75%, respectively. The rate of increase in future compensation levels was 4.25%, 4.50% and 4.75% in 2001, 2000 and 1999, respectively. The expected long-term rate of return on assets was 9% in each year.

(11) 401(k) PLAN

We have a qualified, contributory 401(k) plan (the 401(k) Plan). All regular employees are eligible to participate in the 401(k) Plan if they have completed one full year of service and are at least 21 years old. We match 100% of the first 2% and 25% of the next 6% of salary contributions made by employees. The accounts of all participating employees are fully vested upon completion of four years of service. We recognized approximately \$1,743,000, \$1,730,000 and \$1,874,000 of related expense in the years ended December 31, 2001, 2000 and 1999, respectively.

(12) COMMITMENTS AND CONTINGENCIES

On April 1, 1998 we acquired all of the capital stock of Six Flags Entertainment Corporation for \$976,000,000, paid in cash. In addition to our obligations under outstanding indebtedness and other securities issued or assumed in the Six Flags acquisition, we also guaranteed in connection therewith certain contractual obligations relating to the partnerships that own two Six Flags parks, Six Flags Over Texas and Six Flags Over Georgia (the Partnership Parks). Specifically, we guaranteed the obligations of the general partners of those partnerships to (i) make minimum annual distributions of approximately \$50,211,000 (as of 2001 and subject to annual cost of living adjustments thereafter) to the limited partners in the Partnership Parks and (ii) make minimum capital expenditures at each of the Partnership Parks during rolling five-year periods, based generally on 6% of such park's revenues. Cash flow from operations at the Partnership Parks is used to satisfy these requirements first, before any funds are required from us. We also guaranteed the obligation of our subsidiaries to purchase a maximum number of 5% per year (accumulating to the extent not purchased in any given year) of the total limited partnership units outstanding as of the date of the agreements (the Partnership Agreements) that govern the partnerships (to the extent tendered by the unit holders). The agreed price for these purchases is based on a valuation for each respective Partnership Park equal to the greater of (i) a value derived by multiplying such park's weighted-average four-year EBITDA (as defined in the Partnership Agreements) by a specified multiple (8.0 in the case of the Georgia park and 8.5 in the case of the Texas park) or (ii) \$250,000,000 in the case of the Georgia

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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park and \$374,800,000 in the case of the Texas park. Our obligations with respect to Six Flags Over Georgia and Six Flags Over Texas will continue until 2027 and 2028, respectively.

As we purchase units relating to either Partnership Park, we are entitled to the minimum distribution and other distributions attributable to such units, unless we are then in default under the applicable agreements with our partners at such Partnership Park. On December 31, 2001, we owned approximately 25% and 36%, respectively, of the limited partnership units in the Georgia and Texas partnerships. The maximum unit purchase obligations for 2002 at both parks will aggregate approximately \$128,900,000. We can utilize the \$75,169,000 of restricted use investment securities to fund any required unit purchases.

We lease the sites of Wyandot Lake, Enchanted Village, Six Flags Mexico, La Ronde, Walibi Schtroumpf and each of the two Waterworld/USA locations. We also lease portions of the sites of Six Flags Kentucky Kingdom, Six Flags New England and Warner Bros. Movie World Germany. In certain cases rent is based upon percentage of the revenues earned by the applicable park. During 2001, 2000 and 1999, we recognized approximately \$5,509,000, \$3,883,000 and \$2,045,000, respectively, of rental expense under these rent agreements.

Total rental expense, including office space and park sites, was approximately \$11,452,000, \$9,274,000 and \$7,352,000 for the years ended December 31, 2001, 2000 and 1999, respectively.

Future obligations under noncancellable operating leases, including site leases, at December 31, 2001, are summarized as follows (in thousands):

YEAR ENDING DECEMBER 31,	

2002	\$ 5,414
2003	5,270
2004	5,095
2005	4,804
2006	4,838
2007 and thereafter	108,633

	\$ 134,054
	=====

We are party to a license agreement (the U.S. License Agreement) pursuant to which we have the exclusive right on a long term basis to theme park use in the United States and Canada (excluding the Las Vegas, Nevada metropolitan area) of all animated, cartoon and comic book characters that Warner Bros. and DC Comics have the right to license for such use. Under the U.S. License Agreement, we pay an annual license fee of \$2,500,000 through 2005. Thereafter, the license fee will be subject to periodic scheduled increases and will be payable on a per-theme park basis.

In November 1999, we entered into license agreements (collectively the International License Agreement) pursuant to which we have the exclusive right on a long term basis to theme parks use in Europe, Central and South America of all animated, cartoon and comic book characters that Warner Bros., DC Comics and the Cartoon Network have the right to license for such use. Under

SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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the International License Agreement, the license fee is based on specified percentages of the gross revenues of the applicable parks. We have prepaid approximately \$8.0 million of international license fees.

In December 1998, a final judgment of \$197.3 million in compensatory damages was entered against Six Flags Entertainment Corporation, Six Flags Theme Parks Inc., Six Flags Over Georgia, Inc. and TWE, and a final judgment of \$245.0 million in punitive damages was entered against TWE and of \$12.0 million in punitive damages was entered against the referenced Six Flags entities. The compensatory damages judgment has been paid and, in October 2001, the order of the Georgia Court of Appeals affirming the punitive damages judgment was vacated by the United States Supreme Court. In February 2002, the parties reargued the appeal of the punitive damages judgment before the Georgia Court of Appeals. The judgments arose out of a

case entitled Six Flags Over Georgia, LLC et al v. Time Warner Entertainment Company, LP et al based on certain disputed partnership affairs prior to our acquisition of the former Six Flags at Six Flags Over Georgia, including alleged breaches of fiduciary duty. The sellers in the Six Flags acquisition, including Time Warner, Inc., have agreed to indemnify us from any and all liabilities arising out of this litigation.

We are a defendant in a purported class action litigation pending in California Superior Court for Los Angeles County. The master complaint, Amendarez v. Six Flags Theme Parks, Inc., was filed on November 27, 2001, combining five previously filed complaints. The plaintiffs allege that security and other practices at our park in Valencia, California, discriminate against visitors on the basis of race, color, ethnicity, national origin and/or physical appearance, and assert claims under California statutes and common law. They seek compensatory and punitive damages in unspecified amounts, and injunctive and other relief. The named plaintiffs purport to represent seven "subclasses" of visitors to the Valencia park. We have objected to the class allegations, arguing that the lawsuit cannot appropriately be maintained as a class action, and intend to vigorously defend this case. The case is in an early stage and consequently we cannot predict the outcome, however, we do not believe it will have a material adverse effect on our consolidated financial position, results of operations, or liquidity.

We are party to various other legal actions arising in the normal course of business. Matters that are probable of unfavorable outcome to us and which can be reasonably estimated are accrued. Such accruals are based on information known about the matters, we estimate of the outcomes of such matters and our experience in contesting, litigating and settling similar matters. None of the actions are believed by management to involve amounts that would be material to our consolidated financial position, results of operations, or liquidity after consideration of recorded accruals.

(13) BUSINESS SEGMENTS

We manage our operations on an individual park location basis. Discrete financial information is maintained for each park and provided to our management for review and as a basis for decision-making. The primary performance measure used to allocate resources is earnings before interest, tax expense, depreciation, and amortization (EBITDA). All of our parks provide similar products and services through a similar process to the same class of customer through a consistent method. As such, we have only one reportable segment - operation of theme parks. The following tables present segment financial information, a reconciliation of the primary segment performance measure to income (loss) before income taxes and a reconciliation of theme park revenues to consolidated total

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SIX FLAGS, INC.

Notes to Consolidated Financial Statements

December 31, 2001, 2000 and 1999

revenues. Park level expenses exclude all non-cash operating expenses, principally depreciation and amortization and all non-operating expenses.

	2001	2000	1999
	-----	-----	-----
	(IN THOUSANDS)		
Theme park revenues	\$ 1,263,913	1,215,177	1,152,258
Theme park cash expenses	(789,269)	(746,841)	(712,111)
	-----	-----	-----
Aggregate park EBITDA	474,644	468,336	440,147
Third-party share of EBITDA from parks accounted for under the equity method	(42,635)	(41,827)	(40,761)
Amortization of investment in theme park partnerships	(20,989)	(20,370)	(15,826)
Unallocated net expenses, including corporate and expenses from parks acquired after completion of the operating season	(44,594)	(47,720)	(54,625)
Depreciation and amortization	(199,800)	(179,989)	(154,264)
Interest expense	(230,033)	(232,336)	(193,965)
Interest income	6,639	7,569	24,524
	-----	-----	-----
Income (loss) before income taxes	\$ (56,768)	(46,337)	5,230
	=====	=====	=====
Theme park revenues	\$ 1,263,913	1,215,177	1,152,258
Theme park revenues from parks accounted for under the equity method	(217,949)	(208,196)	(225,274)
	-----	-----	-----
Consolidated total revenues	\$ 1,045,964	1,006,981	926,984

SIX FLAGS, INC.

Notes to Consolidated Financial Statements

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Seven of our parks are located in Europe, one is located in Mexico and one is located in Canada. The Canadian park was acquired in May 2001, the Mexico park was acquired in May 1999 and one of the European parks was acquired in November 1999. The following information reflects our long-lived assets and revenues by domestic and foreign categories for 2001, 2000 and 1999:

	DOMESTIC	FOREIGN	TOTAL
	(IN THOUSANDS)		
2001:			
Long-lived assets	\$ 3,411,429	526,210	3,937,639
Revenues	877,820	168,144	1,045,964
2000:			
Long-lived assets	\$ 3,346,733	504,414	3,851,147
Revenues	839,251	167,730	1,006,981
1999:			
Long-lived assets	\$ 3,267,019	441,925	3,708,944
Revenues	830,578	96,406	926,984

Long-lived assets include property and equipment, investment in theme park partnerships and intangible assets.

(14) QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

Following is a summary of the unaudited interim results of operations for the years ended December 31, 2001 and 2000:

	2001				
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR
Total revenue	\$ 35,169,000	356,458,000	571,784,000	82,553,000	1,045,964,000
Net income (loss) applicable to common stock	(140,602,000)	7,749,000	142,483,000	(94,247,000)	(84,617,000)
Net income (loss) per weighted average common share outstanding:					
Basic	(1.76)	0.08	1.54	(1.02)	(0.95)
Diluted	(1.76)	0.08	1.39	(1.02)	(0.95)
	2000				
	FIRST QUARTER	SECOND QUARTER	THIRD QUARTER	FOURTH QUARTER	FULL YEAR
Total revenue	\$ 30,893,000	341,079,000	547,439,000	87,570,000	1,006,981,000
Net income (loss) applicable to common stock	(119,714,000)	9,932,000	128,828,000	(94,293,000)	(75,247,000)
Net income (loss) per weighted average common share outstanding:					
Basic	(1.53)	0.13	1.64	(1.19)	(0.96)
Diluted	(1.53)	0.12	1.49	(1.19)	(0.96)

We operate a seasonal business. In particular, our theme park operations contribute most of their annual revenue during the period from Memorial Day to Labor Day each year. Also, on April 1, 2001, 11,500,000 common shares were

EXHIBIT INDEX

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(3) Articles of Incorporation and By-Laws:

- (a) Certificate of Designation of Series A Junior Preferred Stock of Registrant -- incorporated by reference from Exhibit 2(1.C) to Registrant's Form 8-A dated January 21, 1998.
- (b) Restated Certificate of Incorporation of Registrant dated March 25, 1998 -- incorporated by reference from Exhibit 3 to Registrant's Current Report on Form 8-K filed on March 26, 1998.
- (c) Certificate of Designation, Rights and Preferences for 7 1/2% Mandatorily Convertible Preferred Stock of Registrant -- incorporated by reference from Exhibit 4(s) to Registrant's Registration Statement on Form S-3 (No. 333-45859) declared effective on March 26, 1998.
- (d) Certificate of Amendment of Certificate of Incorporation of Registrant dated July 24, 1998 -- incorporated by reference from Exhibit 3(p) to Registrant's Form 10-K for the year ended December 31, 1998.
- (e) Certificate of Amendment of Certificate of Incorporation of Registrant dated June 30, 2000 -- incorporated by reference from Exhibit 3.1 to Registrant's Form 10-Q for the quarter ended June 30, 2000.
- (f) Certificate of Designation, Rights and Preferences for 7 1/4% Convertible Preferred Stock of Registrant -- incorporated by reference from Exhibit 5 to Registrant's Current Report on Form 8-K filed on January 23, 2001.
- (g) Amended and Restated By-laws of Registrant -- incorporated by reference from Exhibit 3.2 to Registrant's Form 10-Q for the quarter ended June 30, 2000.

(4) Instruments Defining the Rights of Security Holders, Including Indentures:

- (a) Form of Subscription Agreement between the Registrant and each of the purchasers of shares of Preferred Stock -- incorporated by reference from Exhibit 4(10) to the Registration Statement.
- (b) Form of Subscription Agreement, dated October 1992, between the Registrant and certain investors -- incorporated by reference from Exhibit 4(a) to the Registrant's Current Report on Form 8-K dated October 30, 1992.
- (c) Form of Common Stock Certificate-- incorporated by reference from Exhibit 4(1) to Registrant's Registration Statement on Form S-2 (Reg. No. 333-08281) declared effective on May 28, 1996.
- (d) Form of Depository Receipt evidencing ownership of Registrant's Premium Income Equity Securities-- incorporated by reference from Exhibit 4(k) to Registrant's Registration Statement on Form S-3 (Reg. No. 333-45859) declared effective on March 26, 1998.
- (e) Indenture dated as of April 1, 1998 between Registrant and The Bank of New York, as Trustee, with respect to Registrant's 10% Senior Discount Notes due 2008 -- incorporated by reference from Exhibit 4(o) to Registrant's Registration Statement on Form S-3 (Reg. No. 333-45859) declared effective on March 26, 1998.
- (f) Indenture dated as of April 1, 1998 between Registrant and The Bank of New York, as Trustee, with respect to Registrant's 9 1/4% Senior Discount Notes due 2006 -- incorporated by reference from Exhibit 4(p) to Registrant's Registration Statement on Form S-3 (Reg. No. 333-45859) declared effective on March 26, 1998.
- (g) Indenture dated as of April 1, 1998 between Registrant and The Bank of New York, as Trustee, with respect to Registrant's 8 7/8% Senior Discount Notes due 2006 -- incorporated by reference from Exhibit 4(q) to Registrant's Registration Statement on Form S-3 (Reg. No. 333-45859) declared effective on March 26, 1998.
- (h) Deposit Agreement dated as of April 1, 1998 among Registrant, The Bank of New York and the holder from time to time of depository receipts executed and delivered thereunder -- incorporated by reference from Exhibit 4(u) to Registrant's Registration Statement on Form S-3 (Reg. No. 333-45859) declared effective on March 26, 1998.
- (i) Indenture and First Supplemental Indenture dated as of June 30, 1999 between Registrant and The Bank of New York with respect to Registrant's 9 3/4% Senior Notes due 2007 -- incorporated by reference from Exhibits 4.1 and 4.2 to Registrant's Current Report on Form 8-K

dated July 2, 1999.

- (j) Indenture dated as of February 2, 2001 between Registrant and The Bank of New York with respect to Registrant's 9 1/2% Senior Notes due 2009 -- incorporated by reference from Exhibit 4(j) to Registrant's Form 10-K for the year ended December 31, 2000.
 - (k) Form of Deposit Agreement dated as of January 23, 2001 among Registrant, The Bank of New York, as Depositary, and owners and holders of depositary receipts -- incorporated by reference from Exhibit 12 to Registrant's Form 8-A12B filed on January 23, 2001.
 - (l) Form of Depositary Receipt evidencing ownership of Registrant's Preferred Income Equity Redeemable Securities -- incorporated by reference from Exhibit 13 to Registrant's Form 8-A12B filed on January 23, 2001. (m) Form of 7 1/4% Convertible Preferred Stock Certificate -- incorporated by reference from Exhibit 14 to Registrant's Form 8-A12B filed on January 23, 2001.
 - (m) Form of 7 1/4% Convertible Preferred Stock Certificate -- incorporated by reference from Exhibit 14 to Registrant's Form 8-A12B filed on January 23, 2001.
 - *(n) Indenture dated as of February 11, 2002 between Registrant and The Bank of New York with respect to Registrant's 8 7/8% Senior Notes due 2010.
 - *(o) Registration Rights Agreement dated as of February 11, 2002 between Registrant and the parties named therein with respect to Registrant's 8 7/8% Senior Notes due 2010.
- (10) Material Contracts:
- (a) Agreement of Limited Partnership of 229 East 79th Street Associates LP dated July 24, 1987, together with amendments thereto dated, respectively, August 31, 1987, October 21, 1987, and December 21, 1987 -- incorporated by reference from Exhibit 10(i) to Form 10-K of Registrant for year ended December 31, 1987.
 - (b) Agreement of Limited Partnership of Frontier City Partners Limited Partnership, dated October 18, 1989, between Frontier City Properties, Inc. as general partner, and the Registrant and Frontier City Properties, Inc. as limited partners -- incorporated by reference from Exhibit 10(g) to the Registrant's Current Report on Form 8-K dated October 18, 1989.
 - (c) Lease Agreement dated December 22, 1995 between Darien Lake Theme Park and Camping Resort, Inc. and The Metropolitan Entertainment Co., Inc.-- incorporated by reference from Exhibit 10(o) to Registrant's Form 10-K for the year ended December 31, 1995.
 - (d) Consulting and Non-Competition Agreement, dated October 30, 1996, between Registrant and Arnold S. Gurtler-- incorporated by reference from Exhibit 10(u) to Registrant's Registration Statement on Form S-2 (Reg. No. 333-16573) declared effective on January 27, 1997.
 - (e) Non-Competition Agreement, dated as of October 30, 1996 between Registrant and Ascent Entertainment Group, Inc.-- incorporated by reference from Exhibit 10(s) to Registrant's Registration Statement on Form S-2 (Reg. No. 333-16573) declared effective on January 27, 1997.
 - (f) Consulting Agreement, dated December 4, 1996, between Registrant and Charles R. Wood -- incorporated by reference from Exhibit 10(b) to Registrant's Current Report on Form 8-K, dated December 13, 1996.
 - (g) Non-Competition Agreement dated as of December 4, 1996 between Registrant and Charles R. Wood -- incorporated by reference from Exhibit 10(c) of Registrant's Current Report on Form 8-K, dated December 13, 1996.
 - (h) Registrant's 1996 Stock Option and Incentive Plan -- incorporated by reference from Exhibit 10(z) to Registrant's Form 10-K for the year ended December 31, 1997.
 - (i) 1997 Management Agreement Relating to Marine World, by and between the Marine World Joint Powers Authority and Park Management Corp, dated as of the 1st day of February, 1997 -- incorporated by reference from Exhibit 10(aa) to Registrant's Form 10-K for the year ended December 31, 1997.
 - (j) Purchase Option Agreement among City of Vallejo, Marine World Joint Powers Authority and Redevelopment Agency of the City of Vallejo, and Park Management Corp., dated as of August 29, 1997 -- incorporated by reference from Exhibit 10(ab) to Registrant's Form 10-K for the year ended December 31, 1997.
 - (k) Letter Agreement, dated November 7, 1997, amending 1997 Management

Agreement Relating to Marine World, by and between the Marine World Joint Powers Authority and Park Management Corp., dated as of the 1st day of February, 1997 -- incorporated by reference from Exhibit 10(ac) to Registrant's Form 10-K for the year ended December 31, 1997.

- (l) Reciprocal Easement Agreement between Marine World Joint Powers Authority and Park Management Corp., dated as of November 7, 1997-- incorporated by reference from Exhibit 10(ad) to Registrant's Form 10-K for the year ended December 31, 1997.
- (m) Parcel Lease between Marine World Joint Powers Authority and Park Management Corp., dated as of November 7, 1997-- incorporated by reference from Exhibit 10(ae) to Registrant's Form 10-K for the year ended December 31, 1997.
- (n) Employment Agreement, dated as of July 31, 1997, between Premier Parks Inc. and Kieran E. Burke -- incorporated by reference from Exhibit 10(af) to Registrant's Form 10-K for the year ended December 31, 1997.
- (o) Employment Agreement, dated as of July 31, 1997, between Premier Parks Inc. and Gary Story -- incorporated by reference from Exhibit 10(ag) to Registrant's Form 10-K for the year ended December 31, 1997.
- (p) Employment Agreement, dated as of July 31, 1997, between Premier Parks Inc. and James F. Dannhauser -- incorporated by reference from Exhibit 10(ah) to Registrant's Form 10-K for the year ended December 31, 1997.
- (q) Rights Agreement dated as of January 12, 1998 between Premier Parks Inc. and Bank One Trust Company, N.A., as Rights Agent-- incorporated by reference from Exhibit 4.1 to Registrant's Current Report on Form 8-K dated December 15, 1997.
- (r) Stock Purchase Agreement dated as of December 15, 1997, between the Registrant and Centrag S.A., Karaba N.V. and Westkoi N.V.-- incorporated by reference from Exhibit 10.1 to Registrant's Current Report on Form 8-K dated December 15, 1997.
- (s) Agreement and Plan of Merger dated as of February 9, 1998, by and among the Registrant, Six Flags Entertainment Corporation and others -- incorporated by reference from Exhibit 10(a) to Registrant's Current Report on Form 8-K dated February 9, 1998.
- (t) Agreement and Plan of Merger dated as of February 9, 1998, by and among Premier Parks Inc., Premier Parks Holdings Corporation and Premier Parks Merger Corporation -- incorporated by reference from Exhibit 2.1 to Registrant's Current Report on Form 8-K dated March 25, 1998.
- (u) Amended and Restated Rights Agreement between Premier Parks Inc. and Bank One Trust Company, as Rights Agent -- incorporated by reference from Exhibit 4.1 to Registrant's Current Report on Form 8-K dated December 15, 1997, as amended.
- (v) Registrant's 1998 Stock Option and Incentive Plan -- incorporated by reference from Exhibit 10(ap) to Registrant's Form 10-K for the year ended December 31, 1998.
- (w) Subordinated Indemnity Agreement dated February 9, 1998 among Registrant, the subsidiaries of Registrant named therein, Time Warner Inc., the subsidiaries of Time Warner Inc. named therein, Six Flags Entertainment Corporation and the subsidiaries of Six Flags Entertainment Corporation named therein -- incorporated by reference from Exhibit 2(b) to Registrant's Registration Statement on Form S-3 (No. 333-45859) declared effective on March 26, 1998.
- (x) Sale and Purchase Agreement dated as of October , 1998 by and between Registrant and Fiesta Texas Theme Park, Ltd. -- incorporated by reference from Exhibit 10(at) to Registrant's Form 10-K for the year ended December 31, 1998.
- (y) Overall Agreement dated as of February 15, 1997 among Six Flags Fund, Ltd. (L.P.), Salkin II Inc., SFOG II Employee, Inc., SFOG Acquisition A, Inc., SFOG Acquisition B, Inc., Six Flags Over Georgia, Inc., Six Flags Series of Georgia, Inc., Six Flags Theme Parks Inc. and Six Flags Entertainment Corporation-- incorporated by reference from Exhibit 10(au) to Registrant's Form 10-K for the year ended December 31, 1998.
- (z) Overall Agreement dated as of November 24, 1997 among Six Flags Over Texas Fund, Ltd., Flags' Directors LLC, FD-II, LLC, Texas Flags Ltd., SFOT Employee, Inc., SFOT Parks Inc. and Six Flags Entertainment Corporation-- incorporated by reference from Exhibit 10(av) to Registrant's Form 10-K for the year ended December 31, 1998.
- (aa) Credit Agreement dated as of November 5, 1999 among Registrant,

certain subsidiaries named therein, the Lenders from time to time party thereto, The Bank of New York, as Syndicate Agent, Bank of America, N.A. and The Bank of Nova Scotia, as Documentation Agents, Lehman Brothers Inc. and Lehman Brothers International (Europe) Inc., as Advisors, Lead Arrangers and Bank Managers, and Lehman Commercial Paper Inc., as Administrative Agent-- incorporated by reference from

Exhibit 10.1 to Registrant's Form 10-Q for the quarter ended September 30, 1999.

- (bb) Stock Purchase Agreement dated as of December 6, 2000 among Registrant, EPI Realty Holdings, Inc., Enchanted Parks, Inc., and Jeffrey Stock-- incorporated by reference from Exhibit 10(bb) to Registrant's Form 10-K for the year ended December 31, 2000.
- (cc) Asset Purchase Agreement dated as of January 8, 2001 between Registrant and Sea World, Inc. -- incorporated by reference from Exhibit 10(cc) to Registrant's Form 10-K for the year ended December 31, 2000.
- (dd) Amendment to Employment Agreement dated as of January 1, 2000 between Registrant and Kieran E. Burke -- incorporated by reference from Exhibit 10(dd) to Registrant's Form 10-K for the year ended December 31, 2000.
- (ee) Amendment to Employment Agreement dated as of January 1, 2000 between Registrant and Gary Story -- incorporated by reference from Exhibit 10(ee) to Registrant's Form 10-K for the year ended December 31, 2000.
- (ff) Amendment to Employment Agreement dated as of January 1, 2000 between Registrant and James F. Dannhauser -- incorporated by reference from Exhibit 10(ff) to Registrant's Form 10-K for the year ended December 31, 2000.
- *(gg) Emphyteutic Lease dated May 2, 2001 between Ville de Montreal and Parc Six Flags Montreal, S.E.C.

*(21) Subsidiaries of the Registrant.

*(23.1) Consent of KPMG LLP.

*Filed herewith.

</TEXT>
</DOCUMENT>

SIX FLAGS, INC.

\$480,000,000

8-7/8% SENIOR NOTES DUE 2010

INDENTURE

Dated as of February 11, 2002

THE BANK OF NEW YORK

as Trustee

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(c)	7.01
(d)	7.01
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(b)	6.07
(c)	2.14
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(a)(2)	6.09
(b)	2.06
318(a)	10.01
(b)	N.A.
(c)	10.01

N.A. means not applicable

*This Cross-Reference Table is not part of the Indenture

INDENTURE, dated as of February 11, 2002, between Six Flags, Inc., a Delaware corporation (the "Company"), and The Bank of New York, a New York banking corporation, as trustee (the "Trustee").

The Company and the Trustee agree as follows for the benefit of each other and for the equal and ratable benefit of the Holders of the 8-7/8% Senior Notes due 2010 (the "Initial Notes") and the 8-7/8% Senior Notes due 2010 if and when issued in the Exchange Offer (the "New Notes" and, together with the Initial Notes, the "Notes").

ARTICLE I
DEFINITIONS AND INCORPORATION BY REFERENCE

Section 1.01. DEFINITIONS.

"144A Global Note" means one or more global notes in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of, and registered in the name of, the Depository or its nominee that will represent the aggregate principal amount of the Notes sold in reliance on Rule 144A.

"Acquired Debt" means, with respect to any specified Person, (i) Indebtedness of any other Person existing at the time such other Person is merged with or into or becomes a Subsidiary of such specified Person, including, without limitation, Indebtedness incurred in connection with, or in contemplation of, such other Person merging with or into or becoming a Subsidiary of such specified Person, and (ii) Indebtedness secured by a Lien encumbering any asset acquired by such specified Person.

"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; PROVIDED that beneficial ownership of 10% or more of the Voting Stock of a Person shall be deemed to be control.

"Agent" means any Registrar, Paying Agent or co-registrar.

"Applicable Procedures" means, with respect to any transfer or exchange of or for beneficial interests in any Global Note, the rules and procedures of the Depository, Euroclear and Clearstream that apply to such transfer or exchange.

"Asset Sale" means (i) the sale, conveyance or other disposition of any assets or rights (including, without limitation, by way of a sale and leaseback) other than sales of inventory in the ordinary course of business; PROVIDED that the sale, conveyance or other disposition of all or substantially all of the assets of the Company and its Restricted Subsidiaries taken as a whole will be governed by Section 4.15 and/or Section 5.01 hereof and not by Section 4.10 hereof, and (ii) the issue or sale by the Company or any of its Restricted Subsidiaries of Equity Interests of any of the Company's Restricted Subsidiaries, in the case of either clause (i)

or (ii), whether in a single transaction or a series of related transactions (a) that have a fair market value in excess of \$10.0 million or (b) for net proceeds in excess of \$10.0 million. Notwithstanding the preceding, the following items shall not be deemed to be Asset Sales: (i) a transfer of assets by the Company to a Restricted Subsidiary or by a Restricted Subsidiary to the Company or to another Restricted Subsidiary, (ii) an issuance of Equity Interests by a Restricted Subsidiary to the Company or to another Restricted Subsidiary, (iii) the transfer of Equity Interests in any Restricted Subsidiary pursuant to the Subordinated Indemnity Agreement or the Partnership Parks Agreements, (iv) the issuance of Equity Interests by a Restricted Subsidiary to any employee thereof or as consideration for the acquisition of all or substantially all of the assets of, or a majority of the Voting Stock of, any Person (or a business unit or division of such Person), PROVIDED that the primary business of such Person (or such unit or division) is a Permitted Business, (v) the substitution of property in accordance with the terms of the Parcel Lease, dated November 7, 1997, between Marine World and Park Management Corp., as the same may be modified or amended from time to time after the Issue Date, PROVIDED modification or amendment does not adversely affect the interests of the Holders in any material respect, and (vi) a Restricted Payment that is permitted by Section 4.07 hereof.

"Attributable Debt" in respect of a sale and leaseback transaction means, at the time of determination, the present value (discounted at the rate of interest implicit in such transaction, determined in accordance with GAAP) of the obligation of the lessee for net rental payments during the remaining term of the lease included in such sale and leaseback transaction (including any period for which such lease has been extended or may, at the option of the lessor, be extended).

"Bankruptcy Law" means Title 11, U.S. Code or any similar federal or state law for the relief of debtors.

"Beneficial Share Assignment Agreement" means the Beneficial Share Assignment Agreement, dated as of April 1, 1998, between TW-SPV Co. and the Company.

"Board of Directors" means the Board of Directors of the Company, or any authorized committee of the Board of Directors.

"Broker-Dealer" has the meaning set forth in the Registration Rights Agreement.

"Business Day" means any day other than a Legal Holiday.

"Capital Lease Obligation" means, at the time any determination thereof is to be made, the amount of the liability in respect of a capital lease that would at such time be required to be capitalized on a balance sheet in accordance with GAAP.

"Capital Stock" means (i) in the case of a corporation, corporate stock, (ii) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock, (iii) in the case of a partnership or limited liability company, partnership or membership interests (whether general or limited) and (iv) any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person.

"Cash Equivalents" means (i) United States dollars or foreign currency, (ii) securities issued or directly and fully guaranteed or insured by the United States government or any agency or instrumentality thereof (PROVIDED that the full faith and credit of the United States is pledged in support thereof) having maturities of not more than one year from the date of acquisition, (iii) certificates of deposit and eurodollar time deposits with maturities of one year or less from the date of acquisition, bankers' acceptances with maturities not exceeding six months and overnight bank deposits, in each case with any lender party to the Credit Facilities or with any commercial bank having capital and surplus in excess of \$500.0 million and a

Thompson Bank Watch Rating of "B" or better, (iv) repurchase obligations with a term of not more than thirty days for underlying securities of the types described in clauses (ii) and (iii) above entered into with any financial institution meeting the qualifications specified in clause (iii) above, (v) commercial paper having the highest rating obtainable from Moody's Investors Service, Inc. or Standard & Poor's Corporation and in each case maturing within one year after the date of acquisition, (vi) securities with maturities of six months or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any state, commonwealth or territory, the securities of which state, commonwealth, territory, political subdivision or taxing authority (as the case may be) are rated at least "A" by Standard & Poor's Corporation or "A" by Moody's Investors Service, Inc. and (vii) money market funds at least 95% of the assets of which constitute Cash Equivalents of the kinds described in clauses (i) through (vi) of this definition.

"Change of Control" means the occurrence of any of the following: (i) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries taken as a whole to any "person" (as such term is used in Section 13(d)(3) of the Exchange Act), (ii) the adoption of a plan relating to the liquidation or dissolution of the Company, (iii) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" becomes the "beneficial owner" (as such terms are defined in Rule 13d-3 and Rule 13d-5 under the Exchange Act), directly or indirectly, of more than 35% of the Voting Stock of the Company, or (iv) the first day on which a majority of the members of the Board of Directors of the Company are not Continuing Directors.

"Clearstream" means Clearstream Banking S.A.

"Company" means Six Flags, Inc., and any and all successors thereto.

"Consolidated Cash Flow" means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period plus (i) provision for taxes based on income or profits of such Person and its Restricted Subsidiaries for such period, to the extent that such provision for taxes was included in computing such Consolidated Net Income, PLUS (ii) Consolidated Interest Expense of such Person and its Restricted Subsidiaries for such period, to the extent that any such expense was deducted in computing such Consolidated Net Income; PLUS (iii) depreciation, amortization (including any depreciation or amortization arising out of purchases by the Company or any Restricted Subsidiary of Equity Interests in the partners of the Co-Venture Partnerships and amortization of goodwill and other intangibles but excluding amortization of prepaid cash expenses that were paid in a prior period) and other non-cash expenses (excluding any such non-cash expense to the extent that it represents an accrual of or

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reserve for cash expenses in any future period or amortization of a prepaid cash expense that was paid in a prior period) of such Person and its Restricted Subsidiaries for such period to the extent that such depreciation, amortization and other non-cash expenses were deducted in computing such Consolidated Net Income; MINUS (iv) non-cash items increasing such Consolidated Net Income for such period, in each case, on a consolidated basis and determined in accordance with GAAP (other than accrual of income in the ordinary course of business in respect of a future cash payment).

Notwithstanding any other provision of this Indenture to the contrary, "Consolidated Cash Flow" of the Company for any period will be deemed to include 100% of the cash distributions to the Company or any of its Restricted Subsidiaries in respect of such period from the Co-Venture Partnerships, directly or indirectly, out of the Consolidated Cash Flow of the Co-Venture Partnerships in respect of such period.

"Consolidated Indebtedness" means, with respect to any Person as of any date of determination, the sum, without duplication, of (i) the total amount of Indebtedness and Attributable Debt of such Person and its Restricted Subsidiaries, PLUS (ii) the total amount of Indebtedness and Attributable Debt of any other Person, to the extent that the same has been guaranteed by the referent Person or one or more of its Restricted Subsidiaries, PLUS (iii) the aggregate liquidation value of all Disqualified Stock of such Person and all preferred stock of Restricted Subsidiaries of such Person, in each case, determined on a consolidated basis in accordance with GAAP.

"Consolidated Interest Expense" means, with respect to any Person for any period, the sum of (i) the consolidated interest expense of such Person and its Restricted Subsidiaries for such period, whether paid or accrued (including, without limitation, amortization of original issue discount, non-cash interest payments, the interest component of any deferred payment obligations, the interest component of all payments associated with Capital Lease Obligations, imputed interest with respect to Attributable Debt, commissions, discounts and other fees and charges incurred in respect of letter of credit or bankers' acceptance financings, and net payments (if any) pursuant to Hedging Obligations); and (ii) the consolidated interest expense of such Person and its Restricted Subsidiaries that was capitalized during such period; and (iii) any interest expense on Indebtedness or Attributable Debt of another Person that is guaranteed by such Person or one of its Restricted Subsidiaries or secured by a

Lien on assets of such Person or one of its Restricted Subsidiaries (whether or not such guarantee or Lien is called upon). The term "Consolidated Interest Expense" shall not include the consolidated interest expense of any Person with respect to (i) Indebtedness of the Co-Venture Partnerships (or the general partners thereof), except to the extent guaranteed by the Company or any Restricted Subsidiary (other than such general partners); or (ii) any obligations of the Company or any Restricted Subsidiary under the Partnership Parks Agreements, the Marine World Agreements or the Subordinated Indemnity Agreement.

"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, and prior to any deduction in respect of dividends on any series of preferred stock of such Person, determined in accordance with GAAP; PROVIDED that (i) the Net Income (but not loss) of any Person that is not a Restricted 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

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distributions paid in cash to the referent Person or a Wholly Owned Restricted Subsidiary thereof, (ii) the Net Income of any Person acquired in a pooling of interests transaction for any period prior to the date of such acquisition shall be excluded and (iii) the cumulative effect of a change in accounting principles shall be excluded.

"Continuing Directors" means, as of any date of determination, any member of the Board of Directors of the Company who (i) was a member of such Board of Directors on the date of this Indenture or (ii) was nominated for election or elected to such Board of Directors with the approval of a majority of the Continuing Directors who were members of the Board of Directors at the time of such nomination or election.

"Convertible Preferred Stock" means the 115,000 shares of the Company's 7-1/4% Convertible Preferred Stock underlying the PIERS.

"Corporate Trust Office of the Trustee" shall be at the address of the Trustee specified in Section 10.02 hereof or such other address as to which the Trustee may give notice in writing to the Company.

"Co-Venture Partnerships" means (i) Six Flags Over Georgia II, L.P., a Delaware limited partnership and (ii) Texas Flags, Ltd., a Texas limited partnership.

"Credit Facilities" means, with respect to the Company or any of its Restricted Subsidiaries, one or more debt facilities (including, without limitation, the Six Flags Credit Facility) or commercial paper facilities with banks or other institutional lenders providing for revolving credit loans, term loans, 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 amended, restated, modified, renewed, refunded, replaced or refinanced in whole or in part from time to time.

"Currency Agreement" means in respect of a Person any foreign exchange contract, currency swap agreement or other similar agreement as to which such Person is a party or a beneficiary.

"Custodian" means the Trustee, as custodian with respect to the Notes in global form, or any successor entity thereto.

"Debt to Cash Flow Ratio" means, as of any date of determination, the ratio of (a) the Consolidated Indebtedness of the Company as of such date to (b) the Consolidated Cash Flow of the Company for the four most recent full fiscal quarters ending immediately prior to such date for which financial statements have been filed with the SEC, determined on a pro forma basis after giving effect to all acquisitions or Asset Sales made by the Company and its Restricted Subsidiaries from the beginning of such four-quarter period through and including such date of determination (including any related financing transactions) as if such acquisitions and dispositions had occurred at the beginning of such four-quarter period. In addition, for purposes of calculating the Debt to Cash Flow Ratio, (i) acquisitions that have been made by the Company or any of its Restricted Subsidiaries, including through mergers or consolidations and including any related financing transactions, during the four-quarter reference period or subsequent to such reference period and on or prior to the calculation date shall be deemed to

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have occurred on the first day of the four-quarter reference period and Consolidated Cash Flow for such reference period shall be calculated without giving effect to clause (ii) of the proviso set forth in the definition of Consolidated Net Income; and (ii) the Consolidated Cash Flow attributable to discontinued operations, as determined in accordance with GAAP, and operations or businesses disposed of prior to the calculation date, shall be excluded.

"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.

"Definitive Note" means a certificated Note registered in the name of the Holder thereof and issued in accordance with Section 2.08 hereof, in the form of Exhibit A hereto except that such Note shall not bear the Global Note Legend and shall not have the "Schedule of Exchanges of Interests in the Global Note" attached thereto.

"Depository" means, with respect to the Notes issuable or issued in whole or in part in global form, The Depository Trust Company and any and all successors thereto appointed as depository hereunder and having become such pursuant to the applicable provision of this Indenture.

"Disqualified Stock" means any Capital Stock (other than the PIERS and the underlying Convertible Preferred Stock) that, by its terms (or by the terms of any security into which it is convertible, or for which it is exchangeable, at the option of the holder thereof), 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 that is 91 days after the date on which the Notes mature. Notwithstanding the preceding sentence, any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a Change of Control or an Asset Sale shall not constitute Disqualified Stock if the terms of such Capital Stock provide that the Company may not repurchase or redeem any such Capital Stock pursuant to such provisions unless such repurchase or redemption complies with Section 4.07 hereof.

"Equity Interests" means Capital Stock and all warrants, options or other rights to acquire Capital Stock (but, without limiting the generality of the foregoing, excluding any debt security that is convertible into, or exchangeable for, Capital Stock).

"Euroclear" means Morgan Guaranty Trust Company of New York, Brussels office, as operator of the Euroclear system.

"Event of Default" has the meaning specified in Section 6.01.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exchange Notes" means the Notes issued in the Exchange Offer pursuant to Section 2.08(f) hereof.

"Exchange Offer" means the exchange and issuance by the Company of a principal amount of New Notes (which shall be registered pursuant to the Exchange Offer

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Registration Statement) equal to the outstanding principal amount of Notes that are tendered by such Holders in connection with such exchange and issuance.

"Exchange Offer Registration Statement" means the Registration Statement relating to the Exchange Offer, including the related Prospectus.

"Existing Indebtedness" means the aggregate principal amount of Indebtedness of the Company and its Restricted Subsidiaries (other than Indebtedness under the Six Flags Credit Facility and the Notes) in existence on the Issue Date, until such amounts are repaid.

"GAAP" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in other statements by another entity that have been approved by a significant segment of the accounting profession, which are in effect from time to time.

"Global Note Legend" means the legend set forth in Section 2.08(g)(ii), which is required to be placed on all Global Notes issued under this Indenture.

"Global Notes" means, individually and collectively, each of the Restricted Global Note and the Unrestricted Global Note, in the form of Exhibit A hereto issued in accordance with Sections 2.03 and 2.08 hereof.

"Government Securities" means (i) direct obligations of, or obligations guaranteed by, the United States of America for the payment of which guarantee or obligations the full faith and credit of the United States of America is pledged and (ii) money market funds at least 95% of the assets of which constitute Government Securities of the kinds described in clause (i) of this definition.

"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, by way of a pledge of assets or through letters of credit or reimbursement agreements in respect thereof), of all or any part of any Indebtedness.

"Hedging Obligations" means, with respect to any Person, the obligations of such Person under (i) interest rate swap agreements, interest rate cap agreements and interest rate collar agreements and (ii) other

agreements or arrangements designed to protect such Person against fluctuations in interest rates.

"Holder" means a Person in whose name a Note is registered.

"Indebtedness" means, with respect to any Person, any indebtedness of such Person, whether or not contingent: (i) in respect of borrowed money; (ii) evidenced by bonds, notes, debentures or similar instruments or letters of credit (or reimbursement agreements in respect thereof) or; (iii) banker's acceptances; (iv) representing Capital Lease Obligations; (v) representing the balance deferred and unpaid of the purchase price of any property, except any such balance that constitutes an accrued expense or trade payable or (vi) representing any Hedging Obligations, if and to the extent any of the foregoing (other than letters of credit and

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Hedging Obligations) would appear as a liability upon a balance sheet of such Person prepared in accordance with GAAP, as well as all Indebtedness of others secured by a Lien on any asset of such Person (whether or not such Indebtedness is assumed by such Person) and, to the extent not otherwise included, the guarantee by such Person of any indebtedness of any other Person. The amount of any Indebtedness outstanding as of any date shall be (i) the accreted value thereof, in the case of any Indebtedness issued with original issue discount, and (ii) the principal amount thereof, together with any interest thereon that is more than 30 days past due, in the case of any other Indebtedness. The term "Indebtedness" shall not include (i) any obligations of the Company or any Restricted Subsidiary under the Partnership Parks Agreements, the Marine World Agreements or the Subordinated Indemnity Agreement or (ii) any Indebtedness of the Co-Venture Partnerships (or the general partners thereof), except to the extent guaranteed by the Company or any Restricted Subsidiary (other than such general partners).

"Indenture" means this Indenture, as amended or supplemented from time to time.

"Indirect Participant" means a Person who holds a beneficial interest in a Global Note through a Participant.

"Initial Notes" is defined in the preamble hereto.

"Investments" means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the forms of direct or indirect loans (including guarantees of Indebtedness or other obligations), advances or capital contributions (excluding commission, travel and similar advances to officers and employees and any deposit or advance made pursuant to any contract entered into in the ordinary course of business), purchases or other acquisitions for consideration of Indebtedness, Equity Interests or other securities, together with all items that are or would be classified as investments on a balance sheet prepared in accordance with GAAP. If the Company or any Restricted Subsidiary of the Company sells or otherwise disposes of any Equity Interests of any direct or indirect Restricted Subsidiary of the Company (other than pursuant to the terms of the Partnership Parks Agreements or the Subordinated Indemnity Agreement) such that, after giving effect to any such sale or disposition, such Person is no longer a Restricted Subsidiary of the Company, the Company shall be deemed to have made an Investment on the date of any such sale or disposition equal to the fair market value of the Equity Interests of such Subsidiary not sold or disposed of in an amount determined as provided in the final paragraph of Section 4.07 hereof.

"Issue Date" means the date the Initial Notes are 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. If a payment date is a Legal Holiday at a place of payment, payment may be made at that place on the next succeeding day that is not a Legal Holiday, and no interest shall accrue on such payment for the intervening period.

"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, any lease in the nature thereof, any option or other agreement to sell or

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give a security interest in and any filing of or agreement to give any financing statement under the Uniform Commercial Code (or equivalent statutes) of any jurisdiction).

"Marine World" means the Marine World Joint Powers Authority or any successor thereto.

"Marine World Agreements" means:

(1) the Parcel Lease, dated November 7, 1997, between Marine World and Park Management Corp. ("PMC");

- (2) the Reciprocal Easement Agreement, dated November 7, 1997, between Marine World and PMC;
- (3) the Revenue Sharing Agreement, dated November 7, 1997, among Marine World, PMC and the Redevelopment Agency of the City of Vallejo(the"Agency");
- (4) the Purchase Option Agreement, dated as of August 29, 1997, among Marine World, the Agency, the City of Vallejo and PMC; and
- (5) the 1997 Management Agreement, dated as of February 1, 1997, between Marine World and PMC, as amended;

in each case, as the same may be modified or amended from time to time after the Issue Date, PROVIDED such modification or amendment does not adversely affect the interests of the Holders in any material respects.

"Net Income" means, with respect to any Person, the net income (loss) of such Person, determined in accordance with GAAP and before any reduction in respect of preferred stock dividends, excluding, however, (i) any gain or loss, together with any related provision for taxes on such gain or loss, realized in connection with any Asset Sale (including, without limitation, dispositions pursuant to sale and leaseback transactions) and (ii) any extraordinary gain or loss, together with any related provision for taxes on such extraordinary gain or loss.

"Net Proceeds" means the aggregate cash proceeds received by the Company or any of its Restricted Subsidiaries in respect of any Asset Sale (including, without limitation, any cash received upon the sale or other disposition of any 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 expenses incurred as a result thereof, taxes paid or payable as a result thereof (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 were the subject of such Asset Sale and any reserve for adjustment in respect of the sale price of such asset or assets established in accordance with GAAP.

"New Notes" is defined in the preamble hereto.

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"Non-Recourse Debt" means Indebtedness (i) as to which neither the Company nor any of its Restricted Subsidiaries (a) provides credit support of any kind (including any undertaking, agreement or instrument that would constitute Indebtedness), (b) is directly or indirectly liable (as a guarantor or otherwise), or (c) constitutes the lender; (ii) no default with respect to which (including any rights that the holders thereof may have to take enforcement action against an Unrestricted Subsidiary) would permit (upon notice, lapse of time or both) any holder of any other Indebtedness of the Company or any of its Restricted Subsidiaries to declare a default on such other Indebtedness or cause the payment thereof to be accelerated or payable prior to its stated maturity; and (iii) as to which the lenders have been notified in writing that they will not have any recourse to the stock or assets of the Company or any of its Restricted Subsidiaries.

"Notes" has the meaning assigned to it in the preamble hereto.

"Obligations" means any principal, interest, penalties, fees, indemnifications, reimbursements, damages and other liabilities payable under the documentation governing any Indebtedness.

"Officer" means, with respect to any Person, the Chairman of the Board, the Chief Executive Officer, the President, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, any Assistant Treasurer, the Controller, the Secretary or any Vice President of such Person.

"Officers' Certificate" means a certificate signed on behalf of the Company by two Officers of the Company, one of whom must be the principal executive officer, the principal financial officer, the treasurer or the principal accounting officer of the Company, that meets the requirements of Section 10.05 hereof.

"Opinion of Counsel" means an opinion from legal counsel that meets the requirements of Section 10.05 hereof. The counsel may be an employee of or internal or other counsel to the Company or any Subsidiary of the Company.

"Participant" means, with respect to the Depository, Euroclear or Clearstream, a Person who has an account with the Depository, Euroclear or Clearstream, respectively (and, with respect to The Depository Trust Company, shall include Euroclear and Clearstream).

"Partnership Parks Agreements" means:

- (1) the Overall Agreement, dated as of February 15, 1997, among Six Flags Fund, Ltd. (L.P.), Salkin Family Trust, SFG, Inc., SFG-I, LLC, SFG-II, LLC, Six Flags Over Georgia, Ltd., SFOG II, Inc., SFOG II Employee, Inc., SFOG Acquisition A, Inc., SFOG Acquisition B, L.L.C., Six Flags Over Georgia, Inc., Six Flags Services of

Georgia, Inc., Six Flags Theme Parks Inc. and Six Flags Entertainment Corporation and the Related Agreements (as defined therein); and

- (2) the Overall Agreement, dated as of November 24, 1997, among Six Flags Over Texas Fund, Ltd., Flags' Directors, L.L.C., FD-II, L.L.C., Texas Flags,

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Ltd., SFOT Employee, Inc., SFOT Acquisition I, Inc., SFOT Acquisition II, Inc., Six Flags Over Texas, Inc., Six Flags Theme Parks Inc. and Six Flags Entertainment Corporation and the Related Agreements (as defined therein);

in each case, as the same may be modified or amended from time to time after the Issue Date, PROVIDED such modification or amendment does not adversely affect the interests of the Holders in any material respect.

"Permitted Business" means any business related, ancillary or complementary to the businesses of the Company and its Restricted Subsidiaries on the date of this Indenture.

"Permitted Investments" means an Investment by the Company or any Restricted Subsidiary in (i) cash or Cash Equivalents, (ii) the Company, a Restricted Subsidiary or a Person which will, upon the making of such Investment, become a Restricted Subsidiary; PROVIDED, HOWEVER, that the primary business of such Restricted Subsidiary is a Permitted Business; (iii) another Person if as a result of such Investment such other Person is merged or consolidated with or into, or transfers or conveys all or substantially all its assets (or the assets of any business unit or division of such Person) to, the Company or a Restricted Subsidiary; PROVIDED, HOWEVER, that such Person's (or such unit's or division's) primary business is a Permitted Business; (iv) another Person if the aggregate amount of all Investments in all such other Persons does not exceed \$25.0 million at any one time outstanding (with each Investment being valued as of the date made and without giving effect to subsequent changes in value); PROVIDED, HOWEVER, that such Person's primary business is a Permitted Business; (v) promissory notes received as consideration for an Asset Sale which are secured by a Lien on the asset subject to such Asset Sale; PROVIDED that the aggregate amount of all such promissory notes at any one time outstanding does not exceed \$5.0 million; (vi) non-cash consideration from an Asset Sale that was made pursuant to and in compliance with Section 4.10 hereof; (vii) assets acquired solely in exchange for the issuance of Equity Interests (other than Disqualified Stock) of the Company; (viii) receivables owing to the Company or any Restricted Subsidiary, if created or acquired in the ordinary course of business; (ix) payroll, travel and similar advances that are made in the ordinary course of business; (x) loans or advances to employees made in the ordinary course of business consistent with past practices of the Company or such Restricted Subsidiary; (xi) stock, obligations or securities received in settlement of debts created in the ordinary course of business and owing to the Company or any Restricted Subsidiary or in satisfaction of judgments; and (xii) other Investments in any Person at any time outstanding (each such Investment being measured on the date each such Investment was made and without giving effect to subsequent changes in value) not to exceed \$150 million.

"Permitted Liens" means (i) Liens to secure Indebtedness of a Restricted Subsidiary of the Company that was permitted to be incurred under this Indenture; (ii) Liens existing on the Issue Date; (iii) Liens on property or shares of Capital Stock of another Person at the time such other Person becomes a Restricted Subsidiary of such Person; PROVIDED, HOWEVER, that such Liens are not created, incurred or assumed in connection with, or in contemplation of, such other Person becoming a Restricted Subsidiary; PROVIDED, FURTHER, HOWEVER, that such Lien may not extend to any other property owned by such Person or any of its Restricted Subsidiaries; (iv) Liens on property at the time such Person or any of its Restricted Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Restricted Subsidiary of such Person; PROVIDED, HOWEVER, that such Liens are not

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created, incurred or assumed in connection with, or in contemplation of, such acquisition; PROVIDED, FURTHER, HOWEVER, that the Liens may not extend to any other property owned by such Person or any of its Restricted Subsidiaries; (v) Liens securing Indebtedness or other obligations; of a Restricted Subsidiary of such Person owing to such Person or a Restricted Subsidiary of such Person; (vi) Liens securing Hedging Obligations so long as the related Indebtedness is, and is permitted to be under this Indenture, secured by a Lien on the same type of property securing such Hedging Obligations; (vii) Liens to secure any Permitted Refinancing Indebtedness; PROVIDED, HOWEVER, that (x) such new Lien shall be limited to all or part of the same property that secured the original Indebtedness (plus improvements on such property) and (y) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of: (A) the outstanding principal amount or, if greater, committed amount of the Indebtedness refinanced at the time the original Lien became a Permitted Lien; and (B) an amount necessary to pay any fees and expenses, including premiums, related to such refinancing, refunding, extension, renewal or replacement; (viii)(a) mortgages, liens, security interests, restrictions or encumbrances that have been placed by any developer, landlord or other third

party on property over which the Company or any Restricted Subsidiary of the Company has easement rights or on any real property leased by the Company or any Restricted Subsidiary of the Company and subordination or similar agreements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property; (ix) pledges or deposits by such Person under workmen's compensation laws, unemployment insurance laws or similar legislation, or good faith deposits in connection with bids, tenders, contracts (other than for the payment of Indebtedness) or leases to which such Person is a party, or deposits to secure public or statutory obligations of such Person or deposits of cash or United States government bonds to secure surety or appeal bonds to which such Person is a party, or deposits as security for contested taxes or import duties or for the payment of rent, in each case incurred in the ordinary course of business; (x) Liens imposed by law, such as carriers', warehousemen's and mechanic's Liens, in each case for sums not yet due or being contested in good faith by appropriate proceedings or other Liens arising out of judgments or awards against such Person with respect to which such Person shall then be proceeding with an appeal or other proceedings for review; (xi) Liens for property taxes not yet due or payable or subject to penalties for non-payment or which are being contested in good faith and by appropriate proceedings; (xii) minor survey exceptions, minor encumbrances, easements or reservations of, or rights of others for, licenses, rights of way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real properties or Liens incidental to the conduct of the business of such Person or to the ownership of its properties which were not incurred in connection with Indebtedness and which do not in the aggregate materially impair the use of such properties in the operation of the business of such Person; (xiii) Liens securing Purchase Money Indebtedness; PROVIDED, HOWEVER, that (a) the Indebtedness secured by such Liens is otherwise permitted to be incurred under this Indenture, (b) the principal amount of any Indebtedness secured by any such Lien does not exceed the cost of assets or property so acquired or constructed and (c) the amount of Indebtedness secured by any such Lien is not subsequently increased; (xiv) Liens arising out of the transactions contemplated by the Partnership Parks Agreements, the Marine World Agreements, the Subordinated Indemnity Agreement or the Six Flags Agreement; and (xv) Liens incurred in the ordinary course of business of the Company or any Subsidiary of the Company with respect to obligations that do not exceed \$20.0 million at any one time outstanding.

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"Permitted Refinancing Indebtedness" means any Indebtedness of the Company or any of its Restricted Subsidiaries issued in exchange for, or the net proceeds of which are used to extend, refinance, renew, replace, defease or refund other Indebtedness of the Company or any of its Restricted Subsidiaries (other than intercompany Indebtedness); PROVIDED that: (i) the principal amount (or accreted value, if applicable) of such Permitted Refinancing Indebtedness does not exceed the principal amount of (or accreted value, if applicable), PLUS accrued interest on, the Indebtedness so extended, refinanced, renewed, replaced, defeased or refunded (PLUS the amount of reasonable expenses, including premiums, incurred in connection therewith); (ii) such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and has a Weighted Average Life to Maturity equal to or greater than the Weighted Average Life to Maturity of, the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; (iii) if the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded is subordinated in right of payment to the Notes, such Permitted Refinancing Indebtedness has a final maturity date later than the final maturity date of, and is subordinated in right of payment to, the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being extended, refinanced, renewed, replaced, defeased or refunded; and (iv) such Indebtedness is incurred either by the Company or by a Restricted Subsidiary.

"Person" means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or agency or political subdivision thereof (including any subdivision or ongoing business of any such entity or substantially all of the assets of any such entity, subdivision or business).

"PIERS" means the Company's 11,500,000 Preferred Income Equity Redeemable Shares issued on January 23, 2001.

"Private Placement Legend" means the legend set forth in Section 2.08(g)(i) to be placed on all Notes issued under this Indenture except where otherwise permitted by the provisions of this Indenture.

"Prospectus" means the prospectus included in a Registration Statement at the time such Registration Statement is declared effective, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

"Public Equity Offering" means an underwritten primary public offering of Equity Interests (other than Disqualified Stock) of the Company pursuant to an effective registration statement under the Securities Act.

"Purchase Money Indebtedness" means Indebtedness (i) consisting of the deferred purchase price of property, conditional sale obligations, obligations under any title retention agreement and other purchase money obligations, in each case where the maturity of such Indebtedness does not exceed the

anticipated useful life of the asset being financed; and (ii) incurred to finance the acquisition by the Company or a Restricted Subsidiary of the Company of such asset, including additions and improvements; PROVIDED, HOWEVER, that any Lien arising in connection with this type of Indebtedness shall be limited to the specified asset being financed or, in the case of real property or fixtures, including additions and improvements, the real

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property on which such asset is attached; and PROVIDED FURTHER, that such Indebtedness is incurred within 180 days after such acquisition, addition or improvement by the Company or Restricted Subsidiary of such asset.

"QIB" means a "qualified institutional buyer" as defined in Rule 144A.

"Registration Rights Agreement" means the Registration Rights Agreement, dated as of the date hereof, among the Company, Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Allen & Company Incorporated, BNY Capital Markets, Inc., Credit Lyonnais Securities (USA) Inc. and Scotia Capital (USA) Inc.

"Registration Statement" means any registration statement of the Company relating to (a) an offering of New Notes pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, in each case, (i) that is filed pursuant to the provisions of the Registration Rights Agreement and (ii) including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

"Regulation S" means Regulation S promulgated under the Securities Act.

"Regulation S Global Note" means a Global Note in the form of Exhibit A hereto bearing the Global Note Legend and the Private Placement Legend and deposited with or on behalf of and registered in the name of the Depository or its nominee, issued in a denomination equal to the outstanding principal amount of the Notes initially sold in reliance on Rule 903 of Regulation S.

"Responsible Officer" when used with respect to the Trustee, means (a) any officer within the corporate trust department of the Trustee, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Trustee who customarily performs functions similar to those performed by the Persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person's knowledge of and familiarity with the particular subject and (b) who shall have direct responsibility for the administration of this Indenture.

"Restricted Definitive Note" means a Definitive Note bearing the Private Placement Legend.

"Restricted Global Note" means a Global Note bearing the Private Placement Legend.

"Restricted Investment" means an Investment other than a Permitted Investment.

"Restricted Period" means the 40-day period commencing on the date as of which this Indenture is dated.

"Restricted Subsidiary" of a Person means any Subsidiary of the referent Person that is not an Unrestricted Subsidiary.

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"Rule 144" means Rule 144 promulgated under the Securities Act.

"Rule 144A" means Rule 144A promulgated under the Securities Act.

"Rule 903" means Rule 903 promulgated under the Securities Act.

"Rule 904" means Rule 904 promulgated the Securities Act.

"SEC" means the Securities and Exchange Commission.

"Securities Act" means the Securities Act of 1933, as amended.

"Senior Debt" means (i) all Indebtedness of the Company or any Restricted Subsidiary outstanding under Credit Facilities and all Hedging Obligations with respect thereto; (ii) any other Indebtedness of the Company or any Restricted Subsidiary permitted to be incurred under the terms of this Indenture, unless the instrument under which such Indebtedness is incurred expressly provides that it is subordinated in right of payment to the Notes; and (iii) all Obligations with respect to the items in the preceding clauses (i) and (ii). Notwithstanding anything to the contrary in the preceding, Senior Debt will not include (i) any liability for federal, state, local or other taxes owed or owing by the Company; (ii) any Indebtedness of the Company to any of its

Subsidiaries or other Affiliates; (iii) any trade payables; or (iv) the portion of any Indebtedness that is incurred in violation of this Indenture.

"Shelf Registration Statement" means the Shelf Registration Statement as defined in the Registration Rights Agreement.

"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 this Indenture.

"Six Flags Agreement" means that certain Agreement and Plan of Merger dated as of February 9, 1998, by and among Premier Parks, Inc. (predecessor to the Company), Premier Parks Holdings Corporation, Premier Parks Merger Corporation, a certain group of sellers listed therein and Six Flags Entertainment Corporation (predecessor to Six Flags Operations, Inc.).

"Six Flags Credit Facility" means the \$1.2 billion credit agreement, dated as of November 5, 1999, among Six Flags, Inc., Six Flags Operations Inc., Six Flags Theme Parks Inc., and the lenders party thereto, Lehman Commercial Paper Inc., as administrative agent, and the other agents named therein, as subsequently amended.

"Specified Amount" means, as of any date, the product of (i) the Consolidated Cash Flow of the Company for the most recently ended four-quarter period for which financial statements have been filed with the SEC determined on a pro forma basis after giving effect to all acquisitions or Asset Sales made by the Company and its Restricted Subsidiaries from the beginning of such four-quarter period through and including such date of determination (including any related financing transactions) as if such acquisitions and dispositions had occurred at the beginning of such four-quarter period, times (ii) 0.75.

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"Stated Maturity" means, with respect to any installment of interest or principal on any series of Indebtedness, the date on which the payment of interest or principal was scheduled to be paid in the original documentation governing such Indebtedness, and shall not include any contingent obligations to repay, redeem or repurchase any such interest or principal prior to the date originally scheduled for the payment thereof.

"Strategic Equity Investment" means a cash contribution to the common equity capital of the Company or a purchase from the Company of common Equity Interests (other than Disqualified Stock), in either case by or from a Strategic Equity Investor and for aggregate cash consideration of at least \$25.0 million.

"Strategic Equity Investor" means, as of any date, any Person (other than an Affiliate of the Company) engaged in a Permitted Business which, as of the day immediately before such date, had a Total Equity Market Capitalization of at least \$1.0 billion.

"Subordinated Indemnity Agreement" means the Subordinated Indemnity Agreement, dated as of April 1, 1998, among the Company, Six Flags Entertainment Corporation and its subsidiaries, Time Warner Inc., Time Warner Entertainment Company, L.P. and TW-SPV Co., as the same may be modified or amended from time to time after April 1, 1998, provided such modification or amendment does not adversely affect the interests of the Holders in any material fashion.

"Subsidiary" means with respect to any Person (i) any corporation, 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 that Person (or a combination thereof); PROVIDED that, notwithstanding the foregoing, each of SFOG A Holdings, SFOG B Holdings, SFOT I Holdings and SFOT II Holdings will be deemed to be a Subsidiary of the Company for all purposes under the Indenture so long as the Subordinated Indemnity Agreement and the Beneficial Share Assignment Agreement will each be in full force and effect and no default or event of default will have occurred thereunder, and (ii) any partnership or limited liability company (a) the sole general partner or the managing general partner (or equivalent) of which is such Person or a Subsidiary of such Person; or (b) the only general partners of which are such Person or one or more Subsidiaries of such Person (or any combination thereof).

"TIA" means the Trust Indenture Act of 1939 (15 U.S.C. Sections 77aaa-77bbb) as in effect on the date on which this Indenture is qualified under the TIA.

"Total Equity Market Capitalization" of any Person means, as of any day of determination, the sum of (i) the product of (A) the aggregate number of outstanding primary shares of (x) common stock of such Person on such day (which shall not include any options or warrants on, or securities convertible or exchangeable into, shares of common stock of such Person) and (y) preferred stock of such Person on such day (to the extent listed on a national securities exchange or the Nasdaq National Market System) multiplied by (B) the average closing price of such common stock or such preferred stock, as the case may be, listed on a national securities exchange or the Nasdaq National Market System over the 20 consecutive business days immediately preceding such day, plus (ii) the liquidation value of any outstanding

shares of preferred stock of such Person on such day not listed on a national securities exchange or the Nasdaq National Market System.

"Transfer Restricted Securities" means each Note, until the earliest to occur of (a) the date on which such Note has been exchanged by a person other than a Broker-Dealer for an Exchange Note in the Exchange Offer, (b) following the exchange by a Broker-Dealer in the Exchange Offer of such Note for one or more Exchange Notes, the date on which such Exchange Notes are sold to a purchaser who receives from such Broker-Dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (c) the date on which such Note has been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (d) the date on which such Note is eligible to be distributed to the public pursuant to Rule 144 under the Securities Act.

"Trustee" means the party named as such in the preamble hereto until a successor replaces it in accordance with the applicable provisions of this Indenture and thereafter means the successor serving hereunder.

"Unrestricted Definitive Note" means one or more Definitive Notes that do not bear and are not required to bear the Private Placement Legend.

"Unrestricted Global Note" means a permanent Global Note in the form of Exhibit A attached hereto that bears the Global Note Legend and that has the "Schedule of Exchanges of Interests in the Global Note" attached thereto, and that is deposited with or on behalf of and registered in the name of the Depository, representing Notes that do not bear the Private Placement Legend.

"Unrestricted Subsidiary" means any Subsidiary (other than Six Flags Operations Inc. or Six Flags Theme Parks Inc. or any successor to either of them) that is designated by the Board of Directors as an Unrestricted Subsidiary pursuant to a Board Resolution; but only to the extent that such Subsidiary: (a) has no Indebtedness other than Non-Recourse Debt; (b) is not party to any agreement, contract, arrangement or understanding with the Company or any Restricted Subsidiary of the Company unless the terms of any such agreement, contract, arrangement or understanding are no less favorable to the Company or such Restricted Subsidiary than those that might be obtained at the time from Persons who are not Affiliates of the Company; (c) is a Person with respect to which neither the Company nor any of its Restricted Subsidiaries has any direct or indirect obligation (x) to subscribe for additional Equity Interests or (y) to maintain or preserve such Person's financial condition or to cause such Person to achieve any specified levels of operating results; (d) has not guaranteed or otherwise directly or indirectly provided credit support for any Indebtedness of the Company or any of its Restricted Subsidiaries; and (e) has at least one director on its board of directors that is not a director or executive officer of the Company or any of its Restricted Subsidiaries and has at least one executive officer that is not a director or executive officer of the Company or any of its Restricted Subsidiaries. Any such designation by the Board of Directors shall be evidenced to the Trustee by filing with the Trustee a certified copy of the Board Resolution giving effect to such designation and an Officers' Certificate certifying that such designation complied with the foregoing conditions and was permitted by Section 4.07 hereof. If, at any time, any Unrestricted Subsidiary would fail to meet the foregoing requirements as an Unrestricted Subsidiary, it shall thereafter cease to be an Unrestricted Subsidiary for purposes of this Indenture and any

Indebtedness of such Subsidiary shall be deemed to be incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be incurred as of such date under Section 4.09 hereof, the Company shall be in default of such covenant). The Board of Directors of the Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary; PROVIDED that such designation shall be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary and such designation shall only be permitted if (i) such Indebtedness is permitted under Section 4.09 hereof, calculated on a pro forma basis as if such designation had occurred at the beginning of the four-quarter reference period, and (ii) no Default or Event of Default would be in existence following such designation.

"U.S. Person" means a U.S. person as defined in Rule 902(a) under the Securities Act.

"Voting Stock" of any Person as of any date means the Capital Stock of such Person that is at the time entitled to vote by the holder thereof in the election of the Board of Directors (or comparable body) of such Person.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing (i) the sum of the products obtained by multiplying (a) 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 (b) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment, by (ii) the then outstanding principal amount of such Indebtedness.

"Wholly Owned Restricted Subsidiary" of any Person means a Restricted Subsidiary of such Person all of the outstanding Capital Stock or other ownership interests of which (other than directors' qualifying shares) shall at the time be owned by such Person or by one or more Wholly Owned Restricted Subsidiaries of such Person or by such Person and one or more Wholly Owned Restricted Subsidiaries of such Person.

Section 1.02. OTHER DEFINITIONS.

Term	Defined in Section
"Additional Notes"	2.01
"Affiliate Transaction"	4.11
"Asset Sale Offer"	4.10
"Authentication Order"	2.04
"Basket Period"	4.07
"Change of Control Offer"	4.15
"Change of Control Payment"	4.15
"Change of Control Payment Date"	4.15
"Covenant Defeasance"	8.03
"DTC"	2.05
"Event of Default"	6.01

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"Excess Proceeds"	4.10
"incur"	4.09
"Legal Defeasance"	8.02
"Offer Amount"	3.09
"Offer Period"	3.09
"Paying Agent"	2.05
"Permitted Debt"	4.09
"Purchase Date"	3.09
"Registrar"	2.05
"Restricted Payments"	4.07

Section 1.03. ONE CLASS OF SECURITIES. The Initial Notes and the New Notes shall vote and consent together on all matters as one class and none of the Initial Notes or the New Notes shall have the right to vote or consent as a separate class on any matter.

Section 1.04. TRUST INDENTURE ACT. Whenever this Indenture refers to a provision of the TIA, the provision is incorporated by reference in and made a part of this Indenture.

The following TIA terms used in this Indenture have the following meanings:

- "indenture securities" means the Notes;
- "indenture security Holder" means a Holder of a Note;
- "indenture to be qualified" means this Indenture;
- "indenture trustee" or "institutional trustee" means the Trustee; and
- "obligor" on the Notes means the Company and any successor obligor upon the Notes.

All other terms used in this Indenture that are defined by the TIA, defined by TIA reference to another statute or defined by SEC rule under the TIA have the meanings so assigned to them.

Section 1.05. RULES OF CONSTRUCTION. Unless the context otherwise requires:

- (1) a term has the meaning assigned to it;
- (2) an accounting term not otherwise defined has the meaning assigned to it in accordance with GAAP;
- (3) "or" is not exclusive;
- (4) words in the singular include the plural, and in the plural include the singular;
- (5) provisions apply to successive events and transactions; and

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- (6) references to sections of or rules under the Securities Act shall be deemed to include substitute, replacement of successor sections or rules adopted by the SEC from time to

time.

ARTICLE II
THE NOTES

Section 2.01. ISSUANCE OF ADDITIONAL NOTES. The Company may, subject to Section 4.09 hereof, issue additional Notes ("Additional Notes") under this Indenture which will have identical terms as the Notes issued on the Issue Date other than with respect to the Issue Date, issue price and first payment of interest. The Notes issued on the Issue Date and any Additional Notes subsequently issued shall be treated as a single class for all purposes under this Indenture.

Section 2.02. PAYMENTS BY COMPANY BY WIRE TRANSFER. The Company shall make all interest, premium, if any, and principal payments by wire transfer to any Holder who shall have given written directions to the Company to make such payments by wire transfer pursuant to the wire transfer instructions supplied to the Company by such Holder.

Section 2.03. FORM AND DATING. The terms and provisions contained in the Notes shall constitute, and are hereby expressly made, a part of this Indenture and the Company and the Trustee, by their execution and delivery of this Indenture, expressly agree to such terms and provisions and to be bound thereby. However, to the extent any provision of any Note conflicts with the express provisions of this Indenture, the provisions of this Indenture shall govern and be controlling. Notes shall be dated the date of their authentication.

(a) GLOBAL NOTES.

Notes issued in global form shall be substantially in the form of Exhibit A attached hereto (including the Global Note Legend thereon and the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Notes issued in definitive form shall be substantially in the form of Exhibit A attached hereto (but without the Global Note Legend thereon and without the "Schedule of Exchanges of Interests in the Global Note" attached thereto). Each Global Note shall represent such of the outstanding Notes as shall be specified therein and each shall provide that it shall represent the aggregate principal amount of outstanding Notes from time to time endorsed thereon and that the aggregate principal amount of outstanding Notes represented thereby may from time to time be reduced or increased, as appropriate, to reflect exchanges and redemptions. Any endorsement of a Global Note to reflect the amount of any increase or decrease in the aggregate principal amount of outstanding Notes represented thereby shall be made by the Trustee or the Note Custodian, at the direction of the Trustee, in accordance with instructions given by the Holder thereof as required by Section 2.08 hereof.

(b) EUROCLEAR AND CLEARSTREAM PROCEDURES APPLICABLE.

The provisions of the "Operating Procedures of the Euroclear System" and "Terms and Conditions Governing Use of Euroclear" and the "General Terms and Conditions of Clearstream" and "Customer Handbook" of Clearstream shall be applicable to transfers of

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beneficial interests in the Regulation S Global Notes that are held by Participants through Euroclear or Clearstream.

Section 2.04. EXECUTION AND AUTHENTICATION. An Officer shall sign the Notes for the Company by manual or facsimile signature.

If an Officer whose signature is on a Note no longer holds that office at the time a Note is authenticated, the Note shall nevertheless be valid.

A Note shall not be valid until authenticated by the manual signature of the Trustee. The signature shall be conclusive evidence that the Note has been authenticated under this Indenture.

The Trustee shall, upon a written order of the Company signed by an Officer (an "AUTHENTICATION ORDER"), authenticate Notes for original issue up to the aggregate principal amount stated in paragraph 4 of the Notes. The aggregate principal amount of Notes outstanding at any time may not exceed such amount except as provided in Section 2.09 hereof.

The Trustee may appoint an authenticating agent acceptable to the Company to authenticate Notes. An authenticating agent may authenticate Notes whenever the Trustee may do so. Each reference in this Indenture to authentication by the Trustee includes authentication by such agent. An authenticating agent has the same rights as an Agent to deal with Holders or an Affiliate of the Company.

Section 2.05. REGISTRAR AND PAYING AGENT. The Company shall maintain an office or agency where Notes may be presented for registration of transfer or for exchange ("Registrar") and an office or agency where Notes may be presented for payment ("Paying Agent"). The Registrar shall keep a register of the Notes and of their transfer and exchange. The Company may appoint one or more co-registrars and one or more additional paying agents. The term "Registrar" includes any co-registrar and the term "Paying Agent" includes any additional paying agent. The Company may change any Paying Agent or Registrar without

notice to any Holder. The Company shall notify the Trustee in writing of the name and address of any Agent not a party to this Indenture. If the Company fails to appoint or maintain another entity as Registrar or Paying Agent, the Trustee shall act as such. The Company or any of its Subsidiaries may act as Paying Agent or Registrar.

The Company initially appoints The Depository Trust Company ("DTC") to act as Depository with respect to the Global Notes.

The Company initially appoints the Trustee to act as the Registrar and Paying Agent and to act as Note Custodian with respect to the Global Notes.

Section 2.06. PAYING AGENT TO HOLD MONEY IN TRUST. The Company shall require each Paying Agent other than the Trustee to agree in writing that the Paying Agent will hold in trust for the benefit of Holders or the Trustee all money held by the Paying Agent for the payment of principal, premium or Liquidated Damages, if any, or interest on the Notes, and will notify the Trustee of any default by the Company in making any such payment. While any such default continues, the Trustee may require a Paying Agent to pay all money held by it to the

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Trustee. The Company at any time may require a Paying Agent to pay all money held by it to the Trustee. Upon payment over to the Trustee, the Paying Agent (if other than the Company or a Subsidiary) shall have no further liability for the money. If the Company or a Subsidiary acts as Paying Agent, it shall segregate and hold in a separate trust fund for the benefit of the Holders all money held by it as Paying Agent. Upon any bankruptcy or reorganization proceedings relating to the Company, the Trustee shall serve as Paying Agent for the Notes.

Section 2.07. HOLDER LISTS. The Trustee shall preserve in as current a form as is reasonably practicable the most recent list available to it of the names and addresses of all Holders and shall otherwise comply with TIA Section. 312(a). If the Trustee is not the Registrar, the Company shall furnish to the Trustee at least seven Business Days before each interest payment date and at such other times as the Trustee may request in writing, a list in such form and as of such date as the Trustee may reasonably require of the names and addresses of the Holders and the Company shall otherwise comply with TIA Section. 312(a).

Section 2.08. TRANSFER AND EXCHANGE. (a) TRANSFER AND EXCHANGE OF GLOBAL NOTES. A Global Note may not be transferred as a whole except by the Depository to a nominee of the Depository, by a nominee of the Depository to the Depository or to another nominee of the Depository, or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository. All Global Notes will be exchanged by the Company for Definitive Notes if (i) the Company delivers to the Trustee notice from the Depository that it is unwilling or unable to continue to act as Depository or that it is no longer a clearing agency registered under the Exchange Act and, in either case, a successor Depository is not appointed by the Company within 120 days after the date of such notice from the Depository, (ii) the Company in its sole discretion determines that the Global Notes (in whole but not in part) should be exchanged for Definitive Notes and delivers a written notice to such effect to the Trustee or (iii) there shall have occurred and be continuing a Default or Event of Default with respect to the Notes. Upon the occurrence of any of the preceding events in (i), (ii) or (iii) above, Definitive Notes shall be issued in such names as the Depository shall instruct the Trustee. Global Notes also may be exchanged or replaced, in whole or in part, as provided in Sections 2.09 and 2.12 hereof. Every Note authenticated and delivered in exchange for, or in lieu of, a Global Note or any portion thereof, pursuant to this Section 2.08 or Section 2.09 or 2.12 hereof, shall be authenticated and delivered in the form of, and shall be, a Global Note. A Global Note may not be exchanged for another Note other than as provided in this Section 2.08(a), however, beneficial interests in a Global Note may be transferred and exchanged as provided in Section 2.08(b), (c) or (f) hereof.

(b) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN THE GLOBAL NOTES. The transfer and exchange of beneficial interests in the Global Notes shall be effected through the Depository, in accordance with the provisions of this Indenture and the Applicable Procedures. Beneficial interests in the Restricted Global Notes shall be subject to restrictions on transfer comparable to those set forth herein to the extent required by the Securities Act. Transfers of beneficial interests in the Global Notes also shall require compliance with either subparagraph (i) or (ii) below, as applicable, as well as one or more of the other following subparagraphs, as applicable:

(i) TRANSFER OF BENEFICIAL INTERESTS IN THE SAME GLOBAL NOTE. Beneficial interests in any Restricted Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in the same Restricted Global Note in accordance with

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the transfer restrictions set forth in the Private Placement Legend; PROVIDED, HOWEVER, that prior to the expiration of the Restricted Period, transfers of beneficial interests in the Regulation S Global Note may not be made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Beneficial interests in any Unrestricted

Global Note may be transferred to Persons who take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note. No written orders or instructions shall be required to be delivered to the Registrar to effect the transfers described in this Section 2.08(b)(i).

(ii) ALL OTHER TRANSFERS AND EXCHANGES OF BENEFICIAL INTERESTS IN GLOBAL NOTES. In connection with all transfers and exchanges of beneficial interests that are not subject to Section 2.08(b)(i) above, the transferor of such beneficial interest must deliver to the Registrar either (A) (1) a written order from a Participant or an Indirect Participant given to the Depository in accordance with the Applicable Procedures directing the Depository to credit or cause to be credited a beneficial interest in another Global Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given in accordance with the Applicable Procedures containing information regarding the Participant account to be credited with such increase or (B) (1) a written order from a Participant or an Indirect Participant given to the Depository in accordance with the Applicable Procedures directing the Depository to cause to be issued a Definitive Note in an amount equal to the beneficial interest to be transferred or exchanged and (2) instructions given by the Depository to the Registrar containing information regarding the Person in whose name such Definitive Note shall be registered to effect the transfer or exchange referred to in (1) above; PROVIDED that in no event shall Definitive Notes be issued upon the transfer or exchange of beneficial interests in the Regulation S Global Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates pursuant to Rule 903 under the Securities Act. Upon consummation of an Exchange Offer by the Company in accordance with Section 2.08(f) hereof, the requirements of this Section 2.08(b)(ii) shall be deemed to have been satisfied upon receipt by the Registrar of the instructions contained in the Letter of Transmittal delivered by the Holder of such beneficial interests in the Restricted Global Notes. Upon satisfaction of all of the requirements for transfer or exchange of beneficial interests in Global Notes contained in this Indenture and the Notes or otherwise applicable under the Securities Act, the Trustee shall adjust the principal amount of the relevant Global Note(s) pursuant to Section 2.08(h) hereof.

(iii) TRANSFER OF BENEFICIAL INTERESTS TO ANOTHER RESTRICTED GLOBAL NOTE. A beneficial interest in any Restricted Global Note may be transferred to a Person who takes delivery thereof in the form of a beneficial interest in another Restricted Global Note if the transfer complies with the requirements of Section 2.08(b)(ii) above and the Registrar receives the following:

- (A) if the transferee will take delivery in the form of a beneficial interest in the 144A Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof; and

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- (B) if the transferee will take delivery in the form of a beneficial interest in the Regulation S Global Note, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof.

(iv) TRANSFER AND EXCHANGE OF BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE. A beneficial interest in any Restricted Global Note may be exchanged by any holder thereof for a beneficial interest in an Unrestricted Global Note or transferred to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note if the exchange or transfer complies with the requirements of Section 2.08(b)(ii) above and:

- (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of the beneficial interest to be transferred, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
- (B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;
- (C) such transfer is effected by a participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or
- (D) the Registrar receives the following:
 - (1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a beneficial interest in an

Unrestricted Global Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(a) thereof; or

- (2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a beneficial interest in an Unrestricted Global Note, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private

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Placement Legend are no longer required in order to maintain compliance with the Securities Act.

If any such transfer is effected pursuant to subparagraph (B) or (D) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.04 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the aggregate principal amount of beneficial interests transferred pursuant to subparagraph (B) or (D) above.

Beneficial interests in an Unrestricted Global Note cannot be exchanged for, or transferred to Persons who take delivery thereof in the form of, a beneficial interest in a Restricted Global Note.

(c) TRANSFER OR EXCHANGE OF BENEFICIAL INTERESTS IN GLOBAL NOTES FOR DEFINITIVE NOTES.

(i) BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES TO RESTRICTED DEFINITIVE NOTES. If any holder of a beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Restricted Definitive Note, then, upon receipt by the Registrar of the following documentation:

- (A) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Restricted Definitive Note, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (2)(a) thereof;
- (B) if such beneficial interest is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;
- (C) if such beneficial interest is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;
- (D) if such beneficial interest is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;
- (E) if such beneficial interest is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or

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- (F) if such beneficial interest is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof

the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.08(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the Person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.08(c)(i) shall be registered in such name or names and in such

authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depository and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest in a Restricted Global Note pursuant to this Section 2.08(c)(i) shall bear the Private Placement Legend and shall be subject to all restrictions on transfer contained therein.

(ii) Notwithstanding Sections 2.08(c)(i)(A) and (C) hereof, a beneficial interest in the Regulation S Global Note may not be exchanged for a Definitive Note or transferred to a Person who takes delivery thereof in the form of a Definitive Note prior to (x) the expiration of the Restricted Period and (y) the receipt by the Registrar of any certificates required pursuant to Rule 903(b)(3)(ii)(B) under the Securities Act, except in the case of a transfer pursuant to an exemption from the registration requirements of the Securities Act other than Rule 903 or Rule 904.

(iii) BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES TO UNRESTRICTED DEFINITIVE NOTES. A holder of a beneficial interest in a Restricted Global Note may exchange such beneficial interest for an Unrestricted Definitive Note or may transfer such beneficial interest to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note only if:

- (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the holder of such beneficial interest, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
- (B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;
- (C) such transfer is effected by a participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

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- (D) the Registrar receives the following:
 - (1) if the holder of such beneficial interest in a Restricted Global Note proposes to exchange such beneficial interest for a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit C hereto, including the certifications in item (1)(b) thereof; or
 - (2) if the holder of such beneficial interest in a Restricted Global Note proposes to transfer such beneficial interest to a Person who shall take delivery thereof in the form of a Definitive Note that does not bear the Private Placement Legend, a certificate from such holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iv) BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL NOTES TO UNRESTRICTED DEFINITIVE NOTES. If any holder of a beneficial interest in an Unrestricted Global Note proposes to exchange such beneficial interest for a Definitive Note or to transfer such beneficial interest to a Person who takes delivery thereof in the form of a Definitive Note, then, upon satisfaction of the conditions set forth in Section 2.08(b)(ii) hereof, the Trustee shall cause the aggregate principal amount of the applicable Global Note to be reduced accordingly pursuant to Section 2.08(h) hereof, and the Company shall execute and the Trustee shall authenticate and deliver to the person designated in the instructions a Definitive Note in the appropriate principal amount. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.08(c)(iv) shall be registered in such name or names and in such authorized denomination or denominations as the holder of such beneficial interest shall instruct the Registrar through instructions from the Depository and the Participant or Indirect Participant. The Trustee shall deliver such Definitive Notes to the Persons in whose names such Notes are so registered. Any Definitive Note issued in exchange for a beneficial interest pursuant to this Section 2.08(c)(iv) shall not bear the Private Placement Legend.

(d) TRANSFER AND EXCHANGE OF DEFINITIVE NOTES FOR BENEFICIAL INTERESTS IN GLOBAL NOTES.

(i) RESTRICTED DEFINITIVE NOTES TO BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES. If any Holder of a Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note or to transfer such Restricted Definitive

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Notes to a Person who takes delivery thereof in the form of a beneficial interest in a Restricted Global Note, then, upon receipt by the Registrar of the following documentation:

- (A) if the Holder of such Restricted Definitive Note proposes to exchange such Note for a beneficial interest in a Restricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (2)(b) thereof;
- (B) if such Restricted Definitive Note is being transferred to a QIB in accordance with Rule 144A under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (1) thereof;
- (C) if such Restricted Definitive Note is being transferred to a Non-U.S. Person in an offshore transaction in accordance with Rule 903 or Rule 904 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (2) thereof;
- (D) if such Restricted Definitive Note is being transferred pursuant to an exemption from the registration requirements of the Securities Act in accordance with Rule 144 under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(a) thereof;
- (E) if such Restricted Definitive Note is being transferred to the Company or any of its Subsidiaries, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(b) thereof; or
- (F) if such Restricted Definitive Note is being transferred pursuant to an effective registration statement under the Securities Act, a certificate to the effect set forth in Exhibit B hereto, including the certifications in item (3)(c) thereof,

the Trustee shall cancel the Restricted Definitive Note, increase or cause to be increased the aggregate principal amount of, in the case of clause (A) above, the appropriate Restricted Global Note, in the case of clause (B) above, the 144A Global Note, and in the case of clause (C) above, the Regulation S Global Note.

(ii) RESTRICTED DEFINITIVE NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL NOTES. A Holder of a Restricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Restricted Definitive Note to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note only if:

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- (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;
- (B) such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;
- (C) such transfer is effected by a participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or
- (D) the Registrar receives the following:
 - (1) if the Holder of such Definitive Notes proposes to exchange such Notes for a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(c) thereof; or

- (2) if the Holder of such Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of a beneficial interest in the Unrestricted Global Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), if the Applicable Procedures so require, an Opinion of Counsel in form reasonably acceptable to the Registrar to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

Upon satisfaction of the conditions of any of the subparagraphs in this Section 2.08(d)(ii), the Trustee shall cancel the Definitive Notes and increase or cause to be increased the aggregate principal amount of the Unrestricted Global Note.

(iii) UNRESTRICTED DEFINITIVE NOTES TO BENEFICIAL INTERESTS IN UNRESTRICTED GLOBAL NOTES. A Holder of an Unrestricted Definitive Note may exchange such Note for a beneficial interest in an Unrestricted Global Note or transfer such Definitive Notes to a Person who takes delivery thereof in the form of a beneficial interest in an Unrestricted Global Note at any time. Upon receipt of a request for such an exchange or transfer, the Trustee shall cancel the applicable Unrestricted Definitive Note and increase or cause to be increased the aggregate principal amount of one of the Unrestricted Global Notes.

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If any such exchange or transfer from a Definitive Note to a beneficial interest is effected pursuant to subparagraphs (ii)(B), (ii)(D) or (iii) above at a time when an Unrestricted Global Note has not yet been issued, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.04 hereof, the Trustee shall authenticate one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of Definitive Notes so transferred.

(e) TRANSFER AND EXCHANGE OF DEFINITIVE NOTES FOR DEFINITIVE NOTES. Upon request by a Holder of Definitive Notes and such Holder's compliance with the provisions of this Section 2.08(e), the Registrar shall register the transfer or exchange of Definitive Notes. Prior to such registration of transfer or exchange, the requesting Holder shall present or surrender to the Registrar the Definitive Notes duly endorsed or accompanied by a written instruction of transfer in form satisfactory to the Registrar duly executed by such Holder or by such Holder's attorney, duly authorized in writing. In addition, the requesting Holder shall provide any additional certifications, documents and information, as applicable, required pursuant to the following provisions of this Section 2.08(e).

(i) RESTRICTED DEFINITIVE NOTES TO RESTRICTED DEFINITIVE NOTES. Any Restricted Definitive Note may be transferred to and registered in the name of Persons who take delivery thereof in the form of a Restricted Definitive Note if the Registrar receives the following:

- (A) if the transfer will be made pursuant to Rule 144A under the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (1) thereof;
- (B) if the transfer will be made pursuant to Rule 903 or Rule 904, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications in item (2) thereof; and
- (C) if the transfer will be made pursuant to any other exemption from the registration requirements of the Securities Act, then the transferor must deliver a certificate in the form of Exhibit B hereto, including the certifications, certificates and Opinion of Counsel required by item (3) thereof, if applicable.

(ii) RESTRICTED DEFINITIVE NOTES TO UNRESTRICTED DEFINITIVE NOTES. Any Restricted Definitive Note may be exchanged by the Holder thereof for an Unrestricted Definitive Note or transferred to a Person or Persons who take delivery thereof in the form of an Unrestricted Definitive Note if:

- (A) such exchange or transfer is effected pursuant to the Exchange Offer in accordance with the Registration Rights Agreement and the Holder, in the case of an exchange, or the transferee, in the case of a transfer, certifies in the applicable Letter of Transmittal that it is not (1) a broker-dealer, (2) a Person participating in the

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distribution of the Exchange Notes or (3) a Person who is an affiliate (as defined in Rule 144) of the Company;

- (B) any such transfer is effected pursuant to the Shelf Registration Statement in accordance with the Registration Rights Agreement;
- (C) any such transfer is effected by a participating Broker-Dealer pursuant to the Exchange Offer Registration Statement in accordance with the Registration Rights Agreement; or

(D) the Registrar receives the following:

- (1) if the Holder of such Restricted Definitive Notes proposes to exchange such Notes for an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit C hereto, including the certifications in item (1)(d) thereof; or
- (2) if the Holder of such Restricted Definitive Notes proposes to transfer such Notes to a Person who shall take delivery thereof in the form of an Unrestricted Definitive Note, a certificate from such Holder in the form of Exhibit B hereto, including the certifications in item (4) thereof;

and, in each such case set forth in this subparagraph (D), an Opinion of Counsel in form reasonably acceptable to the Company to the effect that such exchange or transfer is in compliance with the Securities Act and that the restrictions on transfer contained herein and in the Private Placement Legend are no longer required in order to maintain compliance with the Securities Act.

(iii) UNRESTRICTED DEFINITIVE NOTES TO UNRESTRICTED DEFINITIVE NOTES.

A Holder of Unrestricted Definitive Notes may transfer such Notes to a Person who takes delivery thereof in the form of an Unrestricted Definitive Note. Upon receipt of a request to register such a transfer, the Registrar shall register the Unrestricted Definitive Notes pursuant to the instructions from the Holder thereof.

(f) EXCHANGE OFFER. Upon the occurrence of the Exchange Offer in accordance with the Registration Rights Agreement, the Company shall issue and, upon receipt of an Authentication Order in accordance with Section 2.04, the Trustee shall authenticate (i) one or more Unrestricted Global Notes in an aggregate principal amount equal to the principal amount of the beneficial interests in the Restricted Global Notes tendered for acceptance by Persons that certify in the applicable Letters of Transmittal that (x) they are not broker-dealers, (y) they are not participating in a distribution of the Exchange Notes and (z) they are not affiliates (as defined in Rule 144) of the Company, and accepted for exchange in the Exchange Offer and (ii) Definitive Notes in an aggregate principal amount equal to the principal amount of the Restricted Definitive Notes accepted for exchange in the Exchange Offer. Concurrently with the issuance of such Notes, the Trustee shall cause the aggregate principal amount of the applicable Restricted

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Global Notes to be reduced accordingly, and the Company shall execute and the Trustee shall authenticate and deliver to the Persons designated by the Holders of Definitive Notes so accepted Definitive Notes in the appropriate principal amount.

(g) LEGENDS. The following legends shall appear on the face of all Global Notes and Definitive Notes issued under this Indenture unless specifically stated otherwise in the applicable provisions of this Indenture.

(i) PRIVATE PLACEMENT LEGEND.

(A) Except as permitted by subparagraph (B) below, each Global Note and each Definitive Note (and all Notes issued in exchange therefor or substitution thereof) shall bear the legend in substantially the following form.

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS, NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS THE TRANSACTION IS EXEMPT FROM OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THE SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATIONS, (2) AGREES THAT IT WILL NOT PRIOR TO (X) THE DATE WHICH IS TWO YEARS (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144(K) UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER)

AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THE SECURITY) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAWS (THE "RESALE RESTRICTION TERMINATION DATE"), OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO SIX FLAGS, INC., (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE

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EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHICH THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; PROVIDED THAT SIX FLAGS, INC. AND THE TRUSTEE SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (1) PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATION OR TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION," "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

(B) Notwithstanding the foregoing, any Global Note or Definitive Note issued pursuant to subparagraphs (b)(iv), (c)(ii), (c)(iii), (d)(ii), (d)(iii), (e)(ii), (e)(iii) or (f) of this Section 2.08 (and all Notes issued in exchange therefor or substitution thereof) shall not bear the Private Placement Legend.

(ii) GLOBAL NOTE LEGEND. Each Global Note shall bear a legend in substantially the following form:

UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR SECURITIES IN DEFINITIVE FORM, THIS SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITARY TO A NOMINEE OF THE DEPOSITARY, OR BY ANY SUCH NOMINEE OF THE DEPOSITARY, OR BY THE DEPOSITARY OR NOMINEE OF A SUCCESSOR DEPOSITARY, OR ANY NOMINEE TO A SUCCESSOR DEPOSITARY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITARY. TRANSFERS OF THE GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS IN WHOLE, BUT NOT IN PART, TO NOMINEES OF CEDE & CO., OR TO A SUCCESSOR THEREOF OR SUCH SUCCESSOR'S NOMINEE, AND TRANSFERS OF PORTIONS OF THE GLOBAL SECURITY SHALL BE LIMITED TO TRANSFERS MADE IN ACCORDANCE WITH THE RESTRICTIONS SET FORTH IN THE INDENTURE

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITARY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO

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CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

(h) CANCELLATION AND/OR ADJUSTMENT OF GLOBAL NOTES.

At such time as all beneficial interests in a particular Global Note have been exchanged for Definitive Notes or a particular Global Note has been redeemed, repurchased or canceled in whole and not in part, each such Global Note shall be returned to or retained and canceled by the Trustee in accordance with Section 2.13 hereof. At any time prior to such cancellation, if any beneficial interest in a Global Note is exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note or for Definitive Notes, the principal amount of Notes represented by such Global Note shall be reduced accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such reduction; and if the beneficial interest is being exchanged for or transferred to a Person who will take delivery thereof in the form of a beneficial interest in another Global Note, such other Global Note shall be increased accordingly and an endorsement shall be made on such Global Note by the Trustee or by the Depositary at the direction of the Trustee to reflect such increase.

(i) GENERAL PROVISIONS RELATING TO TRANSFERS AND EXCHANGES.

(i) To permit registrations of transfers and exchanges, the Company

shall execute and the Trustee shall authenticate Global Notes and Definitive Notes upon the Company's order.

(ii) No service charge shall be made to a holder of a beneficial interest in a Global Note or to a Holder of a Definitive Note for any registration of transfer or exchange, but the Company may require payment of a sum sufficient to cover any transfer tax or similar governmental charge payable in connection therewith (other than any such transfer taxes or similar governmental charge payable upon exchange or transfer pursuant to Sections 2.12, 3.06, 3.09, 4.10, 4.15 and 9.05).

(iii) The Registrar shall not be required to register the transfer of or to exchange any Note selected for redemption in whole or in part, except the unredeemed portion of any Note being redeemed in part.

(iv) All Global Notes and Definitive Notes issued upon any registration of transfer or exchange of Global Notes or Definitive Notes shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Global Notes or Definitive Notes surrendered upon such registration of transfer or exchange.

(v) The Registrar shall not be required (A) to issue, to register the transfer of or to exchange any Notes during a period beginning at the opening of business 15 days before the day of any selection of Notes for redemption under Section 3.02 hereof and

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ending at the close of business on the day of selection or (B) to register the transfer of or to exchange any Note so selected for redemption in whole or in part.

(vi) The Trustee, any Agent and the Company may deem and treat the Person in whose name any Note is registered as the absolute owner of such Note for the purpose of receiving payment of principal of and interest on such Notes and for all other purposes, and none of the Trustee, any Agent or the Company shall be affected by notice to the contrary.

(vii) The Trustee shall authenticate Global Notes and Definitive Notes in accordance with the provisions of Section 2.04 hereof.

(viii) All certifications, certificates and Opinions of Counsel required to be submitted to the Registrar pursuant to this Section 2.08 to effect a registration of transfer or exchange may be submitted by facsimile.

Section 2.09. REPLACEMENT NOTES. If any mutilated Note is surrendered to the Trustee or the Company and the Trustee receives evidence to its satisfaction of the destruction, loss or theft of any Note, the Company shall issue and the Trustee, upon receipt of an Authentication Order, shall authenticate a replacement Note if the Trustee's requirements are met. If required by the Trustee or the Company, an indemnity bond must be supplied by the Holder that is sufficient in the judgment of the Trustee and the Company to protect the Company, the Trustee, any Agent and any authenticating agent from any loss that any of them may suffer if a Note is replaced. The Company may charge for its expenses in replacing a Note.

Every replacement Note is an additional obligation of the Company and shall be entitled to all of the benefits of this Indenture equally and proportionately with all other Notes duly issued hereunder.

Section 2.10. OUTSTANDING NOTES. The Notes outstanding at any time are all the Notes authenticated by the Trustee except for those canceled by it, those delivered to it for cancellation, those reductions in the interest in a Global Note effected by the Trustee in accordance with the provisions hereof, and those described in this Section as not outstanding. Except as set forth in Section 2.11 hereof, a Note does not cease to be outstanding because the Company or an Affiliate of the Company holds the Note; however, Notes held by the Company or a Subsidiary of the Company shall not be deemed to be outstanding for purposes of Section 3.07(b) hereof.

If a Note is replaced pursuant to Section 2.09 hereof, it ceases to be outstanding unless the Trustee receives proof satisfactory to it that the replaced Note is held by a bonafide purchaser.

If the principal amount of any Note is considered paid under Section 4.01 hereof, it ceases to be outstanding and interest on it ceases to accrue.

If the Paying Agent (other than the Company, a Subsidiary or an Affiliate of any thereof) holds, on a redemption date or maturity date, money sufficient to pay Notes payable on

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that date, then on and after that date such Notes shall be deemed to be no longer outstanding and shall cease to accrue interest.

Section 2.11. TREASURY NOTES. In determining whether the Holders of

the required principal amount of Notes have concurred in any direction, waiver or consent, Notes owned by the Company, or by any Person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company, shall be considered as though not outstanding, except that for the purposes of determining whether the Trustee shall be protected in relying on any such direction, waiver or consent, only Notes that a Responsible Officer of the Trustee actually knows are so owned shall be so disregarded.

Section 2.12. TEMPORARY NOTES. Until certificates representing Notes are ready for delivery, the Company may prepare and the Trustee, upon receipt of an Authentication Order, shall authenticate temporary Notes. Temporary Notes shall be substantially in the form of certificated Notes but may have variations that the Company considers appropriate for temporary Notes and as shall be reasonably acceptable to the Trustee. Without unreasonable delay, the Company shall prepare and the Trustee shall authenticate definitive Notes in exchange for temporary Notes.

Holders of temporary Notes shall be entitled to all of the benefits of this Indenture.

Section 2.13. CANCELLATION. The Company at any time may deliver Notes to the Trustee for cancellation. The Registrar and Paying Agent shall forward to the Trustee any Notes surrendered to them for registration of transfer, exchange or payment. The Trustee and no one else shall cancel all Notes surrendered for registration of transfer, exchange, payment, replacement or cancellation and shall dispose of such canceled Notes (subject to the record retention requirement of the Exchange Act in its customary manner). The Company may not issue new Notes to replace Notes that it has paid or that have been delivered to the Trustee for cancellation.

Section 2.14. DEFAULTED INTEREST. If the Company defaults in a payment of interest on the Notes, it shall pay the defaulted interest in any lawful manner plus, to the extent lawful, interest payable on the defaulted interest, to the Persons who are Holders on a subsequent special record date, in each case at the rate provided in the Notes and in Section 4.01 hereof. The Company shall notify the Trustee in writing of the amount of defaulted interest proposed to be paid on each Note and the date of the proposed payment. The Company shall fix or cause to be fixed each such special record date and payment date; provided that no such special record date shall be less than 10 days prior to the related payment date for such defaulted interest. At least 15 days before the special record date, the Company (or, upon the written request of the Company, the Trustee in the name and at the expense of the Company) shall mail or cause to be mailed to Holders a notice that states the special record date, the related payment date and the amount of such interest to be paid.

Section 2.15. CUSIP NUMBERS.

The Company in issuing the Notes may use "CUSIP" numbers (if then generally in use), and, if so, the Trustee shall use "CUSIP" numbers in notices of redemption as a

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convenience to Holders; PROVIDED that any such notice may state that no representation is made as to the correctness of such numbers either as printed on the Notes or as contained in any notice of a redemption and that reliance may be placed only on the other identification numbers printed on the Notes, and any such redemption shall not be affected by any defect in or omission of such numbers. The Company will promptly notify the Trustee of any change in the "CUSIP" numbers.

ARTICLE III REDEMPTION AND PREPAYMENT

Section 3.01. NOTICES TO TRUSTEE. If the Company elects to redeem Notes pursuant to the optional redemption provisions of Section 3.07 hereof, it shall furnish to the Trustee, at least 60 days before a redemption date, an Officers' Certificate setting forth (i) the clause of this Indenture pursuant to which the redemption shall occur, (ii) the redemption date, (iii) the principal amount of Notes to be redeemed and (iv) the redemption price.

Section 3.02. SELECTION OF NOTES TO BE REDEEMED. If less than all of the Notes are to be redeemed or purchased in an offer to purchase at any time, the Trustee shall select the Notes to be redeemed or purchased among the Holders of the Notes 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 in accordance with any other method the Trustee considers fair and appropriate; PROVIDED that no Notes of \$1,000 or less shall be redeemed in part. In the event of partial redemption by lot, the particular Notes to be redeemed shall be selected, unless otherwise provided herein, not less than 30 nor more than 60 days prior to the redemption date by the Trustee from the outstanding Notes not previously called for redemption.

The Trustee shall promptly notify the Company in writing of the Notes selected for redemption and, in the case of any Note selected for partial redemption, the principal amount thereof to be redeemed. Notes and portions of Notes selected shall be in amounts of \$1,000 or whole multiples of \$1,000; except that if all of the Notes of a Holder are to be redeemed, the entire outstanding amount of Notes held by such Holder, even if not a multiple of

\$1,000, shall be redeemed. Except as provided in the preceding sentence, provisions of this Indenture that apply to Notes called for redemption also apply to portions of Notes called for redemption.

Section 3.03. NOTICE OF REDEMPTION. Subject to the provisions of Section 3.09 hereof, at least 30 days but not more than 60 days before a redemption date, the Company shall mail or cause to be mailed, by first class mail, a notice of redemption to each Holder whose Notes are to be redeemed at its registered address.

The notice shall identify the Notes (including CUSIP numbers) to be redeemed and shall state:

- (a) the redemption date;
- (b) the redemption price;

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(c) if any Note is being redeemed in part, the portion of the principal amount of such Note to be redeemed and that, after the redemption date upon surrender of such Note, a new Note or Notes in principal amount equal to the unredeemed portion shall be issued upon cancellation of the original Note;

(d) the name and address of the Paying Agent;

(e) that Notes called for redemption must be surrendered to the Paying Agent to collect the redemption price;

(f) that, unless the Company defaults in making such redemption payment, interest on Notes called for redemption ceases to accrue on and after the redemption date;

(g) the paragraph of the Notes and/or Section of this Indenture pursuant to which the Notes called for redemption are being redeemed; and

(h) that no representation is made as to the correctness or accuracy of the CUSIP number, if any, listed in such notice or printed on the Notes.

At the Company's request, the Trustee shall give the notice of redemption in the Company's name and at its expense; PROVIDED, HOWEVER, that the Company shall have delivered to the Trustee, at least 60 days prior to the redemption date, an Officers' Certificate requesting that the Trustee give such notice and setting forth the information to be stated in such notice as provided in the preceding paragraph.

Section 3.04. EFFECT OF NOTICE OF REDEMPTION. Once notice of redemption is mailed in accordance with Section 3.03 hereof, Notes called for redemption become irrevocably due and payable on the redemption date at the redemption price. A notice of redemption may not be conditional.

Section 3.05. DEPOSIT OF REDEMPTION PRICE. One Business Day prior to the redemption date, the Company shall deposit with the Trustee or with the Paying Agent money sufficient to pay the redemption price of and, if applicable, accrued interest on all Notes to be redeemed on that date. The Trustee or the Paying Agent shall promptly return to the Company any money deposited with the Trustee or the Paying Agent by the Company in excess of the amounts necessary to pay the redemption price of, and accrued interest on, all Notes to be redeemed.

If the Company complies with the provisions of the preceding paragraph, on and after the redemption date, interest shall cease to accrue on the Notes or the portions of Notes called for redemption. If a Note is redeemed on or after an interest record date but on or prior to the related interest payment date, then any accrued and unpaid interest shall be paid to the Person in whose name such Note was registered at the close of business on such record date. If any Note called for redemption shall not be so paid upon surrender for redemption because of the failure of the Company to comply with the preceding paragraph, interest shall be paid on the unpaid principal, from the redemption date until such principal is paid, and to the extent lawful on any interest not paid on such unpaid principal, in each case at the rate provided in the Notes and in Section 4.01 hereof.

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Section 3.06. NOTES REDEEMED IN PART. Upon surrender of a Note that is redeemed in part, the Company shall issue and, upon the Company's written request, the Trustee shall authenticate for the Holder at the expense of the Company a new Note equal in principal amount to the unredeemed portion of the Note surrendered.

Section 3.07. OPTIONAL REDEMPTION. (a) Except as set forth in clause (b) of this Section 3.07, the Company shall not have the option to redeem the Notes pursuant to this Section 3.07 prior to February 1, 2006. On or after February 1, 2006, the Company may redeem all or part of the Notes upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on February 1 of the years indicated below:

Year	Percentage
2006.....	104.438%
2007.....	102.958%
2009 and thereafter.....	100.000%

(b) Notwithstanding the foregoing, at any time prior to February 1, 2005, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes (which includes Additional Notes, if any) originally issued under this Indenture at a redemption price of 108.875% of the principal amount thereof, plus accrued and unpaid interest to the redemption date, with the net cash proceeds of one or more Public Equity Offerings and/or the net cash proceeds of a Strategic Equity Investment; PROVIDED that (i) at least 65% of the aggregate principal amount of Notes (which includes Additional Notes, if any) originally issued remains outstanding immediately after the occurrence of each such redemption (excluding the Notes held by the Company and its Subsidiaries); and (ii) any such redemption shall occur within 60 days of the date of the closing of each such Public Equity Offering and/or Strategic Equity Investment.

(c) Any redemption pursuant to this Section 3.07 shall be made pursuant to the provisions of Section 3.01 through 3.06 hereof.

(d) If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest, if any, will be paid to the Person in whose name the Note is registered at the close of business on such record date, and no additional interest will be payable to holders whose Notes will be subject to redemption by the Company.

Section 3.08. MANDATORY REDEMPTION. Except as set forth in Sections 4.10 and 4.15, the Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

Section 3.09. OFFER TO PURCHASE BY APPLICATION OF EXCESS PROCEEDS. In the event that, pursuant to Section 4.10 hereof, the Company shall be required to commence an offer to all Holders to purchase Notes (an "Asset Sale Offer"), it shall follow the procedures specified below.

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The Asset Sale Offer shall remain open for a period of 20 Business Days following its commencement and no longer, except to the extent that a longer period is required by applicable law (the "Offer Period"). No later than five Business Days after the termination of the Offer Period (the "Purchase Date"), the Company shall purchase the principal amount of Notes required to be purchased pursuant to Section 4.10 hereof (the "Offer Amount") or, if less than the Offer Amount has been tendered, all Notes tendered in response to the Asset Sale Offer. Payment for any Notes so purchased shall be made in the same manner as interest payments are made.

If the Purchase Date is on or after an interest record date and on or before the related interest payment date, any accrued and unpaid interest shall be paid to the Person in whose name a Note is registered at the close of business on such record date, and no additional interest shall be payable to Holders who tender Notes pursuant to the Asset Sale Offer.

Upon the commencement of an Asset Sale Offer, the Company shall send, by first class mail, a notice to the Trustee and each of the Holders, with a copy to the Trustee. The notice shall contain all instructions and materials necessary to enable such Holders to tender Notes pursuant to the Asset Sale Offer. The Asset Sale Offer shall be made to all Holders. The notice, which shall govern the terms of the Asset Sale Offer, shall state:

(a) that the Asset Sale Offer is being made pursuant to this Section 3.09 and Section 4.10 hereof and the length of time the Asset Sale Offer shall remain open;

(b) the Offer Amount, the purchase price and the Purchase Date;

(c) that any Note not tendered or accepted for payment shall continue to accrue interest;

(d) that, unless the Company defaults in making such payment, any Note accepted for payment pursuant to the Asset Sale Offer shall cease to accrue interest after the Purchase Date;

(e) that Holders electing to have a Note purchased pursuant to an Asset Sale Offer may only elect to have all of such Note purchased and may not elect to have only a portion of such Note purchased;

(f) that Holders electing to have a Note purchased pursuant to any Asset Sale Offer shall be required to surrender the Note, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Note completed, or transfer by book-entry transfer, to the Company, a Depositary, if appointed by the Company, or a paying agent at the address specified in the notice at least three days before the Purchase Date;

(g) that Holders shall be entitled to withdraw their election if the Company, the Depositary or the Paying Agent, as the case may be, receives, not later than the expiration of the Offer Period, a telegram, telex, facsimile transmission or letter setting forth the name of the Holder, the principal amount of the Note the Holder delivered for purchase and a statement that such Holder is withdrawing his election to have such Note purchased;

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(h) that, if the aggregate principal amount of Notes surrendered by Holders exceeds the Offer Amount, the Company shall select the Notes to be purchased on a pro rata basis (with such adjustments as may be deemed appropriate by the Company so that only Notes in denominations of \$1,000, or integral multiples thereof, shall be purchased); and

(i) that Holders whose Notes were purchased only in part shall be issued new Notes equal in principal amount to the unpurchased portion of the Notes surrendered (or transferred by book-entry transfer).

On or before the Purchase Date, the Company shall, to the extent lawful, accept for payment, on a pro rata basis to the extent necessary, the Offer Amount of Notes or portions thereof tendered pursuant to the Asset Sale Offer, or if less than the Offer Amount has been tendered, all Notes tendered, and shall deliver to the Trustee an Officers' Certificate stating that such Notes or portions thereof were accepted for payment by the Company in accordance with the terms of this Section 3.09. The Company, the Depositary or the paying agent, as the case may be, shall promptly (but in any case not later than five days after the Purchase Date) mail or deliver to each tendering Holder an amount equal to the purchase price of the Notes tendered by such Holder and accepted by the Company for purchase, and the Company shall promptly issue a new Note, and the Trustee, upon written request from the Company shall authenticate and mail or deliver such new Note to such Holder, in a principal amount equal to any unpurchased portion of the Note surrendered. Any Note not so accepted shall be promptly mailed or delivered by the Company to the Holder thereof. The Company shall publicly announce the results of the Asset Sale Offer on the Purchase Date.

Other than as specifically provided in this Section 3.09, any purchase pursuant to this Section 3.09 shall be made pursuant to the provisions of Sections 3.01 through 3.06 hereof.

ARTICLE IV COVENANTS

Section 4.01. PAYMENT OF NOTES. The Company shall pay or cause to be paid the principal of, premium, if any, and interest on the Notes on the dates and in the manner provided in the Notes. Principal, premium, if any, and interest shall be considered paid on the date due if the Paying Agent, if other than the Company or a Subsidiary thereof, holds as of 10:00 a.m. Eastern Time on the due date money deposited by the Company in immediately available funds and designated for and sufficient to pay all principal, premium, if any, and interest then due.

The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal at the rate equal to 1% per annum in excess of the then applicable interest rate on the Notes to the extent lawful; if applicable, it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace period) at the same rate to the extent lawful.

Section 4.02. MAINTENANCE OF OFFICE OR AGENCY. The Company shall maintain in the Borough of Manhattan, the City of New York, an office or agency (which may be an office of the Trustee or an affiliate of the Trustee, Registrar or co-registrar) where Notes may be

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surrendered for registration of transfer or for exchange and where notices and demands to or upon the Company in respect of the Notes and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustee with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Office of the Trustee.

The Company may also from time to time designate one or more other offices or agencies where the Notes may be presented or surrendered for any or all such purposes and may from time to time rescind such designations; PROVIDED, HOWEVER, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in the Borough of Manhattan, the City of New York for such purposes. The Company shall give prompt written notice to the Trustee of any such designation or rescission and of any change in the location of any such other office or agency.

The Company hereby designates the Corporate Trust Office of the Trustee as one such office or agency of the Company in accordance with Section

Section 4.03. REPORTS. Whether or not required by the rules and regulations of the SEC, so long as any Notes are outstanding, the Company shall furnish to the Holders and the Trustee (i) all quarterly and annual financial information that would be required to be contained in a filing with the SEC on Forms 10-Q and 10-K if the Company were required to file such forms, including a "Management's Discussion and Analysis of Financial Condition and Results of Operations" that describes the financial condition and results of operations of the Company and its consolidated Subsidiaries (showing in reasonable detail, either on the face of the financial statements or in the footnotes thereto and in Management's Discussion and Analysis of Financial Condition and Results of Operations, the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company) and, with respect to the annual information only, a report thereon by the Company's certified independent accountants and (ii) all current reports that would be required to be filed with the SEC on Form 8-K if the Company were required to file such reports, in each case, within the time periods specified in the SEC's rules and regulations. In addition, whether or not required by the rules and regulations of the SEC, the Company shall file a copy of all of the information and reports referred to in clauses (i) and (ii) with the SEC for public availability within the time periods specified in the SEC's rules and regulations (unless the SEC will not accept such a filing) and make such information available to securities analysts and prospective investors upon request. The Company shall at all times comply with TIA Section 314(a). Delivery of such reports, information and documents to the Trustee is for informational purposes only and the Trustee's receipt of such shall not constitute constructive notice of any information contained therein or determinable from information contained therein, including the Company's compliance with any of its covenants hereunder (as to which the Trustee is entitled to conclusively rely exclusively on Officers' Certificates).

Section 4.04. COMPLIANCE CERTIFICATE. (a) The Company shall deliver to the Trustee, within 90 days after the end of each fiscal year, an Officers' Certificate stating that a review of the activities of the Company and its Subsidiaries during the preceding fiscal year has been made under the supervision of the signing Officers with a view to determining whether the

Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to each such Officer signing such certificate, that to the best of his or her knowledge the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions of this Indenture (or, if a Default or Event of Default shall have occurred, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or proposes to take with respect thereto) and that to the best of his or her knowledge no event has occurred and remains in existence by reason of which payments on account of the principal of or interest, if any, on the Notes is prohibited or if such event has occurred, a description of the event and what action the Company is taking or proposes to take with respect thereto.

(b) So long as not contrary to the then current recommendations of the American Institute of Certified Public Accountants, the year-end financial statements delivered pursuant to Section 4.03 shall be accompanied by a written statement of the Company's independent public accountants (who shall be a firm of established national reputation) that in connection with the audit for certification of such financial statements contained in such reports, nothing has come to their attention that would lead them to believe that the Company has failed to comply with any provisions of Article 4 or Article 5 hereof insofar as the provisions relate to accounting matters or, if any such violation has occurred, specifying the nature and period of existence thereof, it being understood that such accountants shall not be liable directly or indirectly to any Person for any failure to obtain knowledge of any such violation.

(c) The Company shall, so long as any of the Notes are outstanding, deliver to the Trustee, forthwith and in any event within five days upon any Officer becoming aware of any Default or Event of Default or an event which, with notice or the lapse of time or both, would constitute an Event of Default, an Officers' Certificate specifying such Default or Event of Default and what action the Company is taking or proposes to take with respect thereto.

Section 4.05. TAXES. The Company shall pay, and shall cause each of its Subsidiaries to pay, prior to delinquency, all material taxes, assessments, and governmental levies except such as are contested in good faith and by appropriate proceedings or where the failure to effect such payment is not adverse in any material respect to the Holders of the Notes.

Section 4.06. STAY, EXTENSION AND USURY LAWS. The Company covenants (to the extent that it may lawfully do so) that it shall not at any time insist upon, plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay, extension or usury law wherever enacted, now or at any time hereafter in force, that may affect the covenants or the performance of this Indenture; and the Company hereby expressly waives all benefit or advantage of any such law, and covenants that it shall not, by resort to any such law, hinder, delay or impede the execution of any power herein granted to the Trustee, but shall suffer and permit the execution of every such power as though no such law has been enacted.

Section 4.07. RESTRICTED PAYMENTS. The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly: (i) declare or pay any dividend or make any other payment or distribution on account of any Equity Interests of the Company (including, without limitation, any payment in connection with any merger or consolidation involving the Company) or to the direct or indirect holders of any Equity Interests of the

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Company in their capacity as such (other than dividends or distributions payable in Equity Interests (other than Disqualified Stock) of the Company); (ii) purchase, redeem or otherwise acquire or retire for value (including, without limitation, in connection with any merger or consolidation involving the Company) any Equity Interests of the Company or any direct or indirect parent of the Company; (iii) make any payment on or with respect to, or purchase, redeem, defease or otherwise acquire or retire for value any Indebtedness that is subordinated to the Notes, except a payment of interest or principal at Stated Maturity; or (iv) make any Restricted Investment (all such payments and other actions set forth in clauses (i) through (iv) above being collectively referred to as "Restricted Payments"), unless, at the time of and after giving effect to such Restricted Payment:

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

(b) the Company would, at the time of such Restricted Payment and after giving pro forma effect thereto as if such Restricted Payment had been made at the beginning of the applicable four-quarter period, have been permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt to Cash Flow test set forth in the first paragraph of Section 4.09 hereof; and

(c) such Restricted Payment, together with the aggregate amount of all other Restricted Payments declared or made after the Issue Date (excluding Restricted Payments permitted by clauses (ii) and (iii) of the next succeeding paragraph) shall not exceed, at the date of determination, the sum, without duplication, of (A) an amount equal to the Company's Consolidated Cash Flow for the period (taken as one accounting period) from the beginning of the first fiscal quarter commencing after June 30, 1999 to the end of the Company's most recently ended full fiscal quarter for which financial statements have been filed with the SEC (the "Basket Period") less the product of 1.4 times the Company's Consolidated Interest Expense for the Basket Period, plus (B) 100% of the aggregate net cash proceeds received by the Company after June 30, 1999 as a contribution to its common equity capital or from the issue or sale of Equity Interests of the Company (other than Disqualified Stock) or from the issue or sale after June 30, 1999 of Disqualified Stock or debt securities of the Company that have been converted into Equity Interests (other than (x) Equity Interests, Disqualified Stock or convertible debt securities sold to a Subsidiary of the Company and (y) any sale of Equity Interests of the Company the net cash proceeds of which are applied pursuant to clause (ii) of the immediately succeeding paragraph), plus (C) to the extent that any Restricted Investment that was made after the Issue Date is sold for cash or otherwise liquidated or repaid for cash, the lesser of (x) the cash return of capital with respect to such Restricted Investment (less the cost of disposition, if any) and (y) the initial amount of such Restricted Investment, plus (D) to the extent that any Unrestricted Subsidiary is redesignated as a Restricted Subsidiary after the Issue Date, the fair market value of the Company's or its Restricted Subsidiary's, as the case may be, Investment in such Subsidiary as of the date of such redesignation.

The preceding provisions shall not prohibit: (i) the payment of any dividend within 60 days after the date of declaration thereof, if at the date of declaration the payment would have complied with the provisions of this Indenture; (ii) the redemption, repurchase, retirement, defeasance or other acquisition of any subordinated Indebtedness or Equity Interests of the Company in exchange for, or out of the net cash proceeds of the substantially concurrent

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sale (other than to a Subsidiary of the Company) of, Equity Interests of the Company (other than Disqualified Stock); PROVIDED that the amount of any such net cash proceeds that are utilized for any such redemption, repurchase, retirement, defeasance or other acquisition shall be excluded from clause (c)(B) of the preceding paragraph; (iii) the defeasance, redemption, repurchase or other acquisition of subordinated Indebtedness with the net cash proceeds from an incurrence of Permitted Refinancing Indebtedness; (iv) so long as no Default or Event of Default shall have occurred and be continuing (or would result therefrom), the purchase, redemption, retirement or other acquisition by the Company or any Restricted Subsidiary of the Company of partnership interests held by the partners in the limited partners of the Co-Venture Partnerships, the co-general partner of the Co-Venture Partnerships or, in each case, their successors, in accordance with and in the manner required or permitted by the terms of the Partnership Parks Agreements; (v) so long as no Default or Event of Default shall have occurred and be continuing (or would result therefrom), any transactions pursuant to or contemplated by, and payments made in connection with, and in accordance with the terms of, the Partnership Parks Agreements and the Marine World Agreements; (vi) so long as no Default or Event of Default shall have occurred and be continuing (or would result therefrom), any transactions pursuant to or contemplated by, and payments made in connection

with, and in accordance with the terms of, the Subordinated Indemnity Agreement; (vii) in the event the Company issues common stock in exchange for or upon conversion of PIERS (or Convertible Preferred Stock underlying the PIERS), cash payments made in lieu of the issuance of fractional shares of common stock, not to exceed \$500,000 in the aggregate in any fiscal year; (viii) the repurchase, redemption or other acquisition or retirement for value of any Equity Interests of the Company from employees, former employees, directors or former directors of the Company or any of its Restricted Subsidiaries (or permitted transferees of such employees, former employees, directors or former directors); PROVIDED, HOWEVER, that the aggregate amount of such repurchases shall not exceed \$5.0 million in any twelve-month period; and (ix) so long as no Default or Event of Default shall have occurred and be continuing (or would result therefrom), the payment of dividends on the PIERS (or the underlying Convertible Preferred Stock) or the redemption of the then outstanding PIERS (or the underlying Convertible Preferred Stock) on August 15, 2009, in each case in accordance with the terms thereof as in effect on the date of this Indenture.

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of the Restricted Payment of the asset(s) or securities proposed to be transferred or issued by the Company or such Subsidiary, as the case may be, pursuant to the Restricted Payment. The fair market value of any assets or securities that are required to be valued by this Section 4.07 shall be determined by the Board of Directors of the Company whose resolution with respect thereto shall be delivered to the Trustee. The Board of Directors' determination shall be based upon an opinion or appraisal issued by an accounting, appraisal or investment banking firm of national standing if such fair market value exceeds \$10.0 million. Not later than the date of making any Restricted Payment (other than any Restricted Payment permitted pursuant to clause (i) through (ix) of the immediately preceding paragraph), the Company shall deliver to the Trustee an Officers' Certificate stating that such Restricted Payment is permitted and setting forth the basis upon which the calculations required by this Section 4.07 were computed, together with a copy of any fairness opinion or appraisal required by this Indenture.

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The Board of Directors may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if such designation would not cause a Default; PROVIDED that in no event shall the business currently operated by Six Flags Operations Inc. or Six Flags Theme Parks Inc. be transferred to or held by any Unrestricted Subsidiary. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, all outstanding Investments owned by the Company and its Restricted Subsidiaries (except to the extent repaid in cash) in the Subsidiary so designated will be deemed to be Restricted Payments at the time of such designation and will reduce the amount available for Restricted Payments under the first paragraph of this Section 4.07. All such outstanding Investments will be valued at their fair market value at the time of such designation. That designation will only be permitted if such Restricted Payment would be permitted at such time and if such Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary.

Section 4.08. DIVIDEND AND OTHER PAYMENT RESTRICTIONS AFFECTING SUBSIDIARIES. The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly, create or otherwise cause or suffer to exist or become effective any encumbrance or restriction on the ability of any Restricted Subsidiary to (i)(a) pay dividends or make any other distributions to the Company or any of its Restricted Subsidiaries on its Capital Stock or with respect to any other interest or participation in, or measured by, its profits, or (b) pay any Indebtedness owed to the Company or any of its Restricted Subsidiaries, (ii) make loans or advances to the Company or any of its Restricted Subsidiaries or (iii) transfer any of its properties or assets to the Company or any of its Restricted Subsidiaries. However, the preceding restrictions will not apply to encumbrances or restrictions existing under or by reason of (1) Existing Indebtedness and Indebtedness under Credit Facilities and any amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings of Existing Indebtedness and Indebtedness under Credit Facilities, PROVIDED that such amendments, modifications, restatements, renewals, increases, supplements, refundings, replacements or refinancings are no more restrictive, taken as a whole, with respect to such dividend and other payment restrictions than those contained in the agreements governing the Existing Indebtedness and Indebtedness under Credit Facilities on the date of this Indenture, (2) the Partnership Parks Agreements, the Marine World Agreements or the Subordinated Indemnity Agreement, (3) the terms of any Indebtedness permitted by this Indenture to be incurred by any Restricted Subsidiary of the Company, (4) this Indenture and the Notes, (5) applicable law, (6) any instrument governing Indebtedness or Capital Stock of a Person acquired by the Company or any of its Restricted Subsidiaries as in effect at the time of such acquisition (except to the extent such Indebtedness 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, PROVIDED that, in the case of Indebtedness, such Indebtedness was permitted by the terms of this Indenture to be incurred, (7) customary non-assignment provisions in leases, licenses or other contracts entered into in the ordinary course of business, (8) purchase money obligations for property acquired in the ordinary course of business that impose restrictions of the nature described in clause (iii) above on the property so acquired, (9) any agreement for the sale of a Restricted Subsidiary that restricts distributions by that Restricted Subsidiary pending its sale, (10) obligations otherwise permitted to be incurred pursuant to the provisions of

Section 4.12 that limit the right of the obligee to dispose of the assets securing such obligations, (11) provisions with respect to the disposition or distribution of assets or property in joint venture agreements

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and other similar agreements entered into in the ordinary course of business and (12) restrictions on cash or other deposits or net worth imposed by customers under contracts entered into in the ordinary course of business.

Section 4.09. INCURRENCE OF INDEBTEDNESS AND ISSUANCE OF PREFERRED STOCK. The Company 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, contingently or otherwise, with respect to (collectively, "incur") any Indebtedness (including Acquired Debt), and the Company shall not issue any Disqualified Stock and shall not permit any of its Restricted Subsidiaries to issue any shares of preferred stock; PROVIDED, HOWEVER, that the Company may incur Indebtedness (including Acquired Debt) or issue shares of Disqualified Stock and the Company's Restricted Subsidiaries may incur Indebtedness (including Acquired Debt) or issue shares of preferred stock if the Company's Debt to Cash Flow Ratio at the time of incurrence of such Indebtedness or the issuance of such Disqualified Stock or such preferred stock, as the case may be, after giving pro forma effect to such incurrence or issuance as of such date and to the use of the proceeds therefrom as if the same had occurred at the beginning of the most recently ended four full fiscal quarter period of the Company for which financial statements have been furnished or are required to be furnished to Holders of the Notes in reports pursuant to Section 4.03 hereof, would have been no greater than 6.0 to 1.

The Company shall not incur any Indebtedness that is contractually subordinated in right of payment to any other Indebtedness of the Company unless such Indebtedness is also contractually subordinated in right of payment to the Notes on substantially identical terms; PROVIDED, HOWEVER, that no Indebtedness of the Company shall be deemed to be contractually subordinated in right of payment to any other Indebtedness of the Company solely by virtue of being unsecured.

The first paragraph of this Section 4.09 will not apply to the incurrence of any of the following items of Indebtedness (collectively, "Permitted Debt"):

(i) the incurrence by the Company and its Restricted Subsidiaries of additional Indebtedness under Credit Facilities, in an amount up to \$1.5 billion;

(ii) the incurrence by the Company and its Restricted Subsidiaries of additional revolving credit Indebtedness and letters of credit pursuant to Credit Facilities in an aggregate principal amount (with letters of credit being deemed to have a principal amount equal to the maximum potential liability of the Company and its Restricted Subsidiaries thereunder) at any one time outstanding not to exceed the Specified Amount as of such date of incurrence; PROVIDED that the aggregate principal amount of all Indebtedness incurred pursuant to this clause (ii) is reduced to an outstanding balance of \$1.0 million or less for at least 30 consecutive days in each fiscal year;

(iii) the incurrence by the Company and its Restricted Subsidiaries of the Existing Indebtedness;

(iv) the incurrence by the Company of Indebtedness represented by the Notes (other than any Additional Notes);

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(v) the incurrence by the Company or any of its Restricted Subsidiaries of Indebtedness represented by Capital Lease Obligations, mortgage financings or purchase money obligations, in each case incurred for the purpose of financing all or any part of the purchase price or cost of construction or improvement of property, plant or equipment used in the business of the Company or such Restricted Subsidiary, in an aggregate principal amount not to exceed \$50.0 million at any time outstanding;

(vi) the incurrence by the Company or any of its Restricted Subsidiaries of Permitted Refinancing Indebtedness in exchange for, or the net proceeds of which are used to refund, refinance or replace Indebtedness (other than intercompany Indebtedness and Indebtedness incurred pursuant to clauses (i) and (ii) above) that was permitted by this Indenture to be incurred;

(vii) the incurrence by the Company or any of its Restricted Subsidiaries of intercompany Indebtedness between or among the Company and any of its Restricted Subsidiaries; PROVIDED, HOWEVER, that (a) if the Company is the obligor on any such intercompany Indebtedness, such Indebtedness is, if any Default or Event of Default with respect to the Company occurs and is continuing, expressly subordinated to the prior payment in full in cash of all Obligations with respect to the Notes and (b)(1) any subsequent issuance or transfer of Equity Interests that results in any such intercompany Indebtedness being held by a Person other than the

Company or a Restricted Subsidiary thereof and (2) any sale or other transfer of any such intercompany Indebtedness to a Person that is not either the Company or a Restricted Subsidiary of the Company shall be deemed, in each case, to constitute an incurrence of such intercompany Indebtedness by the Company or such Restricted Subsidiary, as the case may be, that was not permitted by this clause (vii);

(viii) the incurrence by the Company or any of its Restricted Subsidiaries of (a) Hedging Obligations that are incurred for the purpose of fixing or hedging interest rate risk with respect to any floating rate Indebtedness that is permitted by the terms of this Indenture to be incurred and (b) Currency Agreements that do not increase the Indebtedness of the Company and its Restricted Subsidiaries outstanding at any time other than as a result of fluctuations in foreign currency exchange rates or interest rates or by reason of fees, indemnities and compensation payable thereunder;

(ix) Indebtedness in respect of performance bonds, letters of credits, surety or appeal bonds, prior to any drawing thereunder, for or in connection with pledges, deposits or payments made or given in the ordinary course of business;

(x) the guarantee by the Company or any of its Restricted Subsidiaries of Indebtedness of the Company or a Restricted Subsidiary of the Company that was permitted to be incurred by another provision of this Section 4.09 (including, without limiting the generality of the foregoing, the guarantee by the Company or any Restricted Subsidiary of the Company of Existing Indebtedness);

(xi) the incurrence by the Company's Unrestricted Subsidiaries of Non-Recourse Debt, PROVIDED, HOWEVER, that if any such Indebtedness ceases to be Non-Recourse Debt of an Unrestricted Subsidiary, such event shall be deemed to constitute an incurrence of

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Indebtedness by a Restricted Subsidiary of the Company that was not permitted by this clause (xi); and

(xii) the incurrence by the Company or any of its Restricted Subsidiaries of additional Indebtedness in an aggregate principal amount (or accreted value, as applicable) at any time outstanding, including all Permitted Refinancing Indebtedness incurred to refund, refinance or replace any Indebtedness incurred pursuant to this clause (xii), not to exceed \$100.0 million.

For purposes of determining compliance with this Section 4.09, in the event that an item of Indebtedness (including Acquired Debt) meets the criteria of more than one of the categories of Permitted Debt described in clauses (i) through (xii) above or is entitled to be incurred pursuant to the first paragraph of this Section 4.09, the Company shall, in its sole discretion, classify (or later reclassify in whole or in part, in its sole discretion) such item of Indebtedness in any manner that complies with this Section 4.09. Accrual of interest, accretion or amortization of original issue discount, the payment of interest on any Indebtedness in the form of additional Indebtedness with the same terms, and the payment of dividends on preferred stock in the form of additional shares of the same class of preferred stock will not be deemed to be an incurrence of Indebtedness or an issuance of preferred stock for purposes of this Section 4.09; PROVIDED, in each such case, that the amount thereof is included in Consolidated Indebtedness of the Company as accrued.

Section 4.10. ASSET SALES. The Company shall not, and shall not permit any of its Restricted Subsidiaries to consummate an Asset Sale unless (i) the Company (or the Restricted Subsidiary, as the case may be) receives consideration at the time of such Asset Sale at least equal to the fair market value, as determined in good faith by the Board of Directors of the Company or such Restricted Subsidiary, of the assets or Equity Interests issued or sold or otherwise disposed of and (ii) at least 75% of the consideration therefor received by the Company or such Restricted Subsidiary is in the form of cash or Cash Equivalents. For purposes of this Section 4.10 each of the following shall be deemed to be cash: (a) any liabilities (as shown on the Company's or such Restricted Subsidiary's most recent balance sheet) of the Company or any Restricted Subsidiary (other than contingent liabilities and liabilities that are by their terms subordinate to the Notes) that are assumed by the transferee of any such assets that releases the Company or such Restricted Subsidiary from further liability or, in the case of the sale of Capital Stock, that are assumed by the transferee by operation of law and (b) any securities, notes or other obligations received by the Company or such Restricted Subsidiary from such transferee that are promptly (subject to ordinary settlement periods) converted by the Company or such Restricted Subsidiary into cash (to the extent of the cash received in that conversion).

Notwithstanding the immediately preceding paragraph, the Company and its Restricted Subsidiaries shall be permitted to consummate an Asset Sale without complying with such paragraph if (1) the Company or the applicable Restricted Subsidiary, as the case may be, receives consideration at the time of that Asset Sale at least equal to the fair market value of the assets or other property sold, issued or otherwise disposed of (as determined in good faith by the Board of Directors of the Company or the applicable Restricted Subsidiary) and (2) at least 75% of the consideration of that Asset Sale constitutes assets

or other property of a kind usable by the Company or its Restricted Subsidiaries in the business of the Company and its Restricted

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Subsidiaries as conducted by the Company and its Restricted Subsidiaries on the date of this Indenture; PROVIDED that any consideration not constituting assets or property of a kind usable by the Company and its Restricted Subsidiaries in the business conducted by them on the date of this Indenture and received by the Company or any of its Restricted Subsidiaries in connection with any Asset Sale permitted to be consummated under this paragraph will constitute Net Proceeds subject to the provisions of the two succeeding paragraphs.

Within 365 days after the receipt of any Net Proceeds from an Asset Sale, the Company or the applicable Restricted Subsidiary may apply such Net Proceeds (i) to repay Senior Debt and, if Senior Debt repaid is revolving credit Indebtedness, to correspondingly reduce commitments with respect thereto, (ii) to acquire all or substantially all of the assets of, or a majority of the Voting Stock of, another Person (or business unit or division of such Person); PROVIDED that the primary business of such Person (or unit or division) is a Permitted Business, (iii) to fund obligations of the Company or any Restricted Subsidiary under the Partnership Parks Agreements or the Subordinated Indemnity Agreement, (iv) to acquire Capital Stock of a Restricted Subsidiary of the Company held by Persons other than the Company or any Restricted Subsidiary, (v) to make a capital expenditure, (vi) to acquire other long-term assets that are used or useful in a Permitted Business or (vii) to commit to undertake any of the actions specified in clauses (ii), (iii), (iv), (v) or (vi) above, PROVIDED that such action is consummated within 90 days from the end of such 365-day period. Pending the final application of any such Net Proceeds, the Company or such Restricted Subsidiary may temporarily reduce revolving credit borrowings or otherwise invest such Net Proceeds in any manner that is not prohibited by this Indenture.

Any Net Proceeds from Asset Sales that are not applied or invested as provided in the preceding paragraph will constitute "Excess Proceeds." When the aggregate amount of Excess Proceeds exceeds \$20.0 million, the Company will be required to make an offer to all Holders and all holders of other Indebtedness of the Company that is PARI PASSU with the Notes containing provisions similar to those set forth in this Indenture with respect to offers to purchase or redemptions with the proceeds of sales of assets (an "Asset Sale Offer") to purchase the maximum principal amount of Notes and such other PARI PASSU Indebtedness of the Company that may be purchased out of the Excess Proceeds. The offer price in any Asset Sale Offer will be equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of repurchase and will be payable in cash. If any Excess Proceeds remain after consummation of an Asset Sale Offer, the Company may use such Excess Proceeds for any purpose not otherwise prohibited by this Indenture. If the aggregate principal amount of Notes and such other Indebtedness tendered into such Asset Sale Offer exceeds the amount of Excess Proceeds, the Trustee shall select the Notes and such other Indebtedness to be purchased on a pro rata basis. Upon completion of such Asset Sale Offer, the amount of Excess Proceeds shall be reset at zero.

The Company will 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 Notes pursuant to an Asset Sale Offer.

To the extent that the provisions of any securities laws or regulations conflict with provisions of this covenant, the Company will comply with the applicable securities laws and

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regulations and will not be deemed to have breached its obligations under this covenant by virtue thereof.

Section 4.11. TRANSACTIONS WITH AFFILIATES. The Company shall not, and shall not permit any of its Restricted Subsidiaries to, make any payment to, or sell, lease, transfer or otherwise dispose of any of its properties or assets to, or purchase any property or assets from, or enter into or make or amend any transaction, contract, agreement, understanding, loan, advance or guarantee with, or for the benefit of, any Affiliate (each, an "Affiliate Transaction"), unless (i) such Affiliate Transaction is on terms that are no less favorable to the Company or the relevant Restricted Subsidiary than those that would have been obtained in a comparable transaction by the Company or such Restricted Subsidiary with an unrelated Person and (ii) the Company delivers to the Trustee (a) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$2.5 million, a resolution of the Board of Directors set forth in an Officers' Certificate certifying that such Affiliate Transaction complies with clause (i) above and that such Affiliate Transaction has been approved by a majority of the disinterested members of the Board of Directors and (b) with respect to any Affiliate Transaction or series of related Affiliate Transactions involving aggregate consideration in excess of \$10.0 million, an opinion as to the fairness to the Holders of such Affiliate Transaction from a financial point of view issued by an accounting, appraisal or investment banking firm of national standing. Notwithstanding the foregoing, the following items shall not be deemed to be Affiliate Transactions: (i) any employment agreement entered into by the

Company or any of its Restricted Subsidiaries in the ordinary course of business, or any issuance of securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, employment or indemnification arrangements, stock options and stock ownership plans approved by the Board of Directors, or the grant of stock options or similar rights to employees and directors of the Company pursuant to plans approved by the Board of Directors, (ii) transactions between or among the Company and/or its Restricted Subsidiaries, (iii) payment of reasonable directors fees to Persons who are not otherwise employees of the Company or its Restricted Subsidiaries, (iv) loans or advances to employees in the ordinary course of business, (v) Restricted Payments that are permitted by Section 4.07 hereof, (vi) transactions pursuant to or contemplated by, and in accordance with, the terms of the Subordinated Indemnity Agreement, (vii) transactions pursuant to or contemplated by and payments in connection with, and, in each case, in accordance with, the terms of the Partnership Parks Agreements and (viii) transactions pursuant to or contemplated by, and in accordance with, the Marine World Agreements.

Section 4.12. LIENS. The Company shall not, and shall not permit any of its Restricted Subsidiaries to, directly or indirectly create, incur, assume or suffer to exist any Lien securing trade payables, Attributable Debt or Indebtedness on any asset now owned or hereafter acquired, except Permitted Liens, unless (i) in the case of Liens securing Indebtedness that is expressly subordinate or junior in right of payment to the Notes, the Notes are secured by a Lien on that property or those assets or proceeds that is senior in priority to those Liens, with the same relative priority as that subordinate or junior Indebtedness will have with respect to the Notes and (ii) in all other cases, the Notes are secured by such Lien on an equal and ratable basis.

Section 4.13. LINE OF BUSINESS. The Company shall not, and shall not permit any of its Restricted Subsidiaries to, engage in any business other than Permitted Businesses, except

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to such extent that the activity would not be material to the Company and its Restricted Subsidiaries taken as a whole.

Section 4.14. CORPORATE EXISTENCE. Subject to Article 5 hereof, the Company shall do or cause to be done all things necessary to preserve and keep in full force and effect (i) its corporate existence, and the corporate, partnership or other existence of each of its Subsidiaries, in accordance with the respective organizational documents (as the same may be amended from time to time) of the Company or any such Subsidiary and (ii) the rights (charter and statutory), licenses and franchises of the Company and its Subsidiaries; PROVIDED, HOWEVER, that the Company shall not be required to preserve any such right, license or franchise, or the corporate, partnership or other existence of any of its Subsidiaries, if the Board of Directors shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company and its Subsidiaries, taken as a whole, and that the loss thereof is not adverse in any material respect to the Holders of the Notes.

Section 4.15. OFFER TO REPURCHASE UPON CHANGE OF CONTROL. (a) Upon the occurrence of a Change of Control, the Company shall make an offer (a "Change of Control Offer") to each Holder of Notes to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of such Holder's Notes at an offer price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of purchase (the "Change of Control Payment"). Within 30 days following any Change of Control, the Company shall mail a notice to each Holder stating: (1) that the Change of Control Offer is being made pursuant to this Section 4.15 and that all Notes tendered will be accepted for payment; (2) the purchase price and the purchase date, which shall be no earlier than 30 days and no later than 60 days from the date such notice is mailed (the "Change of Control Payment Date"); (3) that any Note not tendered will continue to accrue interest; (4) that, unless the Company defaults in the payment of the Change of Control Payment, all Notes accepted for payment pursuant to the Change of Control Offer shall cease to accrue interest after the Change of Control Payment Date; (5) that Holders electing to have any Notes purchased pursuant to a Change of Control Offer will be required to surrender the Notes, with the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes completed, to the Paying Agent at the address specified in the notice prior to the close of business on the third Business Day preceding the Change of Control Payment Date; (6) that Holders will be entitled to withdraw their election if the Paying Agent 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 withdrawing his election to have the Notes purchased; and (7) 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 \$1,000 in principal amount or an integral multiple thereof. The Company will 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 Notes as a result of a Change of Control.

(b) On the Change of Control Payment Date, the Company will, to the extent lawful, (1) accept for payment all Notes or portions thereof properly tendered pursuant to the Change of Control Offer, (2) deposit with the Paying Agent an amount equal to the Change of

Control Payment in respect of all Notes or portions thereof so tendered and (3) deliver or cause to be delivered to the Trustee the Notes so accepted together with an Officers' Certificate stating the aggregate principal amount of Notes or portions thereof being purchased by the Company. The Paying Agent will promptly mail to each Holder of Notes so tendered the Change of Control Payment for such Notes, and the Trustee will promptly authenticate and mail (or cause to be transferred by book entry) to each Holder a new Note equal in principal amount to any unpurchased portion of the Notes surrendered, if any; provided that each such new Note will be in a principal amount of \$1,000 or an integral multiple thereof. The Company will publicly announce the results of the Change of Control Offer on or as soon as practicable after the Change of Control Payment Date.

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 will be paid 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 in the Change of Control Offer.

The Company shall fix the Change of Control Payment Date no earlier than 30 days and no later than 60 days after the Change of Control Offer is mailed as set forth above. Prior to complying with the provisions of the preceding sentence, but in any event within 90 days following a Change of Control, the Company shall either repay all of its and its Subsidiaries' outstanding Indebtedness or obtain the requisite consents, if any, under all agreements governing all such outstanding Indebtedness to the extent necessary to permit the repurchase of Notes required by this Section 4.15.

Notwithstanding the foregoing, the Company shall not be 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 this Section 4.15 and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer.

To the extent that the provisions of any securities laws or regulations conflict with provisions of this Section 4.15, the Company will comply with the applicable securities laws and regulations and will not be deemed to have breached its obligations under this Section 4.15, by virtue thereof.

Section 4.16. LIMITATION ON SALE AND LEASEBACK TRANSACTIONS. The Company shall not, and shall not permit any of its Restricted Subsidiaries to, enter into any sale and leaseback transaction; PROVIDED that the Company or a Restricted Subsidiary of the Company may enter into a sale and leaseback transaction if (i) the Company could have (a) incurred Indebtedness in an amount equal to the Attributable Debt relating to such sale and leaseback transaction pursuant to the Debt to Cash Flow Ratio test set forth in the first paragraph of Section 4.09 hereof or pursuant to clause (vi) of the third paragraph of Section 4.09 hereof and (b) incurred a Lien to secure such Indebtedness pursuant to Section 4.12 hereof, (ii) the gross cash proceeds of such sale and leaseback transaction are at least equal to the fair market value (as determined in good faith by the Board of Directors and set forth in an Officers' Certificate delivered to the Trustee) of the property that is the subject of such sale and leaseback transaction and (iii) the transfer of assets in such sale and leaseback transaction is permitted by, and the

Company or such Restricted Subsidiary applies the proceeds of such transaction in compliance with, Section 4.10 hereof.

Section 4.17. PAYMENTS FOR CONSENT. The Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, pay or cause to be paid any consideration, whether by way of interest, fee or otherwise, to any Holder of any Notes for or as an inducement to any consent, waiver or amendment of any of the terms or provisions of this Indenture or the Notes unless such consideration is offered to be paid or is paid to all Holders of the Notes that consent, waive or agree to amend in the time frame set forth in the solicitation documents relating to such consent, waiver or agreement.

Section 4.18. LIMITATION ON LEASES. The Company shall not, directly or indirectly, lease all or substantially all of its assets to any Person.

ARTICLE V SUCCESSORS

Section 5.01. MERGER, CONSOLIDATION, OR SALE OF ASSETS. The Company shall not consolidate or merge with or into (whether or not the Company is the surviving corporation), or sell, assign, transfer, convey or otherwise dispose of all or substantially all of its properties or assets in one or more related transactions, to another corporation, Person or entity unless (i) either (a) the Company is the surviving corporation or (b) the entity or the Person formed by or surviving any such consolidation or merger (if other than the Company) or to which such sale, assignment, transfer, conveyance or other disposition shall have been made is a corporation organized or existing under the laws of the United States, any state thereof or the District of Columbia; (ii) the entity or Person formed by or surviving any such consolidation or merger (if other than

the Company) or the entity or Person to which such sale, assignment, transfer, conveyance or other disposition shall have been made assumes all the obligations of the Company under the Notes and this Indenture pursuant to supplemental indentures in forms reasonably satisfactory to the Trustee, as well as under the Registration Rights Agreement and the Exchange Notes; (iii) immediately after such transaction no Default or Event of Default exists; and (iv) except in the case of a merger of the Company with or into a Wholly Owned Restricted Subsidiary of the Company, the Company or the entity or Person formed by or surviving any such consolidation or merger (if other than the Company), or to which such sale, assignment, transfer, lease, conveyance or other disposition shall have been made will, immediately after such transaction and after giving pro forma effect thereto as if such transaction had occurred at the beginning of the applicable four-quarter period, either (a) be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the Debt to Cash Flow Ratio test set forth in the first paragraph of Section 4.09 hereof or (b) have a Debt to Cash Flow Ratio that equals or exceeds the Debt to Cash Flow Ratio immediately prior to such transaction.

Section 5.02. SUCCESSOR CORPORATION SUBSTITUTED. Upon any consolidation or merger, or any sale, assignment, transfer, lease, conveyance or other disposition of all or substantially all of the assets of the Company in accordance with Section 5.01 hereof, the successor corporation formed by such consolidation or into or with which the Company is merged or to which such sale, assignment, transfer, lease, conveyance or other disposition is made shall succeed to, and be substituted for (so that from and after the date of such consolidation, merger, sale, lease, conveyance or other disposition, the provisions of this

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Indenture referring to the "Company" shall refer instead to the successor corporation and not to the Company), and may exercise every right and power of the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein; PROVIDED, HOWEVER, that the predecessor Company shall not be relieved from the obligation to pay the principal of and interest on the Notes except in the case of a sale of all of the Company's assets that meets the requirements of Section 5.01 hereof.

ARTICLE VI DEFAULTS AND REMEDIES

Section 6.01. EVENTS OF DEFAULT. An "Event of Default" occurs if:

(a) the Company defaults in the payment when due of interest on the Notes and such default continues for a period of 30 days;

(b) the Company defaults in the payment when due of principal of or premium, if any, on the Notes when the same becomes due and payable at maturity, upon redemption (including in connection with an offer to purchase) or otherwise;

(c) the Company fails to comply for (i) a period of 30 days with any of the provisions of Section 4.10 or 4.15 hereof or (ii) 30 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class, with other provisions of Article 4 or Section 5.01 hereof;

(d) the Company fails to observe or perform any other covenant, representation, warranty or other agreement in this Indenture or the Notes for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class;

(e) the Company or any Restricted Subsidiary fails to pay Indebtedness within any applicable grace period after final maturity or the acceleration of any Indebtedness by the holders thereof because of a default and the total amount of such Indebtedness unpaid or accelerated at any time exceeds \$10.0 million;

(f) a final judgment or final judgments for the payment of money are entered by a court or courts of competent jurisdiction against the Company or any of its Restricted Subsidiaries and such judgment or judgments are not paid, discharged or stayed for a period (during which execution shall not be effectively stayed) of 60 days, provided that the aggregate of all such undischarged judgments exceeds \$10.0 million;

(g) the Company or any Restricted Subsidiary that constitutes a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary pursuant to or within the meaning of Bankruptcy Law:

(i) commences a voluntary case,

(ii) consents to the entry of an order for relief against it in an involuntary case,

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(iii) consents to the appointment of a Custodian of it or for all or

substantially all of its property,

(iv) makes a general assignment for the benefit of its creditors, or

(v) generally is not paying its debts as they become due; or

(h) a court of competent jurisdiction enters an order or decree under any Bankruptcy Law that:

(i) is for relief against the Company or any Restricted Subsidiary that constitutes a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary in an involuntary case;

(ii) appoints a Custodian of the Company or any Restricted Subsidiary that constitutes a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary or for all or substantially all of the property of the Company or any Restricted Subsidiary that constitutes a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary; or

(iii) orders the liquidation of the Company or any Restricted Subsidiary that constitutes a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary;

and the order or decree remains unstayed and in effect for 60 consecutive days.

Section 6.02. ACCELERATION. If any Event of Default (other than an Event of Default specified in clause (g) or (h) of Section 6.01 hereof with respect to the Company, any Restricted Subsidiary that constitutes a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary) occurs and is continuing, either the Trustee or the Holders of at least 25% in principal amount of the then outstanding Notes may declare all the Notes to be due and payable immediately. Upon any such declaration, the Notes shall become due and payable immediately. Notwithstanding the foregoing, if an Event of Default specified in clause (g) or (h) of Section 6.01 hereof occurs with respect to the Company, any Restricted Subsidiary that constitutes a Significant Subsidiary or any group of Restricted Subsidiaries that, taken as a whole, would constitute a Significant Subsidiary, all outstanding Notes shall become due and payable without further action or notice. The Holders of a majority in aggregate principal amount of the then outstanding Notes by written notice to the Trustee may on behalf of all of the Holders rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing Events of Default (except nonpayment of principal, interest or premium that has become due solely because of the acceleration) have been cured or waived.

If an Event of Default occurs on or after February 1, 2006 by reason of any willful action or inaction taken or not taken by or on behalf of the Company with the intention of avoiding payment of the premium that the Company would have had to pay if the Company then had elected to redeem the Notes pursuant to Section 3.07 hereof, then, upon acceleration of the

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Notes, an equivalent premium shall also become and be immediately due and payable, to the extent permitted by law, anything in this Indenture or in the Notes to the contrary notwithstanding. If an Event of Default occurs prior to February 1, 2006 by reason of any willful action or inaction taken or not taken by or on behalf of the Company with the intention of avoiding the prohibition on redemption of the Notes prior to such date, then, upon acceleration of the Notes, the premium specified for the twelve months commencing on such date pursuant to Section 3.07 hereof shall also become and be immediately due and payable to the extent permitted by law.

Section 6.03. OTHER REMEDIES. If an Event of Default occurs and is continuing, the Trustee may pursue any available remedy to collect the payment of principal, premium, if any, and interest on the Notes or to enforce the performance of any provision of the Notes or this Indenture.

The Trustee may maintain a proceeding even if it does not possess any of the Notes or does not produce any of them in the proceeding. A delay or omission by the Trustee or any Holder of a Note in exercising any right or remedy accruing upon an Event of Default shall not impair the right or remedy or constitute a waiver of or acquiescence in the Event of Default. All remedies are cumulative to the extent permitted by law.

Section 6.04. WAIVER OF PAST DEFAULTS. Holders of not less than a majority in aggregate principal amount of the then outstanding Notes by 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 hereunder, except a continuing Default or Event of Default in the payment of the principal of, premium, if any, or interest on, the Notes (including in connection with an offer to purchase) (PROVIDED, HOWEVER, that the Holders of a majority in aggregate principal amount of the then outstanding Notes may rescind an acceleration and its consequences, including any related payment default that resulted from such acceleration). Upon any such waiver, such Default shall cease

to exist, and any Event of Default arising therefrom shall be deemed to have been cured for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or impair any right consequent thereon.

Section 6.05. CONTROL BY MAJORITY. Holders of a majority in principal amount of the then outstanding Notes may direct the time, method and place of conducting any proceeding for exercising any remedy available to the Trustee or exercising any trust or power conferred on it. However, the Trustee may refuse to follow any direction that conflicts with law or this Indenture that the Trustee determines may be unduly prejudicial to the rights of other Holders or that may involve the Trustee in personal liability.

Section 6.06. LIMITATION ON SUITS. A Holder of a Note may pursue a remedy with respect to this Indenture or the Notes only if:

(a) the Holder of a Note gives to the Trustee written notice of a continuing Event of Default;

(b) the Holders of at least 25% in principal amount of the then outstanding Notes make a written request to the Trustee to pursue the remedy;

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(c) such Holder of a Note or Holders offer and, if requested, provide to the Trustee indemnity satisfactory to the Trustee against any loss, liability or expense;

(d) the Trustee does not comply with the request within 60 days after receipt of the request and the offer and, if requested, the provision of indemnity; and

(e) during such 60-day period the Holders of a majority in principal amount of the then outstanding Notes do not give the Trustee a direction inconsistent with the request.

A Holder of a Note may not use this Indenture to prejudice the rights of another Holder of a Note or to obtain a preference or priority over another Holder of a Note.

Section 6.07. RIGHTS OF HOLDERS TO RECEIVE PAYMENT. Notwithstanding any other provision of this Indenture, the right of any Holder of a Note to receive payment of principal, premium, if any, and interest on the Note, on or after the respective due dates expressed in the Note (including in connection with an offer to purchase), or to bring suit for the enforcement of any such payment on or after such respective dates, shall not be impaired or affected without the consent of such Holder.

Section 6.08. COLLECTION SUIT BY TRUSTEE. If an Event of Default specified in Section 6.01(a) or (b) hereof occurs and is continuing, the Trustee is authorized to recover judgment in its own name and as trustee of an express trust against the Company for the whole amount of principal of, premium on, if any, and interest remaining unpaid on the Notes and interest on overdue principal and, to the extent lawful, interest and such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel.

Section 6.09. TRUSTEE MAY FILE PROOFS OF CLAIM. The Trustee is authorized to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and the Holders of the Notes allowed in any judicial proceedings relative to the Company (or any other obligor upon the Notes), its creditors or its property and shall be entitled and empowered to collect, receive and distribute any money or other property payable or deliverable on any such claims and any custodian in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof. To the extent that the payment of any such compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 7.07 hereof out of the estate in any such proceeding, shall be denied for any reason, payment of the same shall be secured by a Lien on, and shall be paid out of, any and all distributions, dividends, money, securities and other properties that the Holders may be entitled to receive in such proceeding whether in liquidation or under any plan of reorganization or arrangement or otherwise. Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Notes

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or the rights of any Holder, or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

Section 6.10. PRIORITIES. If the Trustee collects any money pursuant

to this Article, it shall pay out the money in the following order:

First: to the Trustee, its agents and attorneys for amounts due under Section 7.07 hereof, including payment of all compensation, expense and liabilities incurred, and all advances made, by the Trustee and the costs and expenses of collection;

Second: to Holders for amounts due and unpaid on the Notes for principal, premium, if any, and interest, ratably, without preference or priority of any kind, according to the amounts due and payable on the Notes for principal, premium, if any, and interest, respectively; and

Third: to the Company or to such party as a court of competent jurisdiction shall direct in writing.

The Trustee may fix a record date and payment date for any payment to Holders pursuant to this Section 6.10.

Section 6.11. UNDERTAKING FOR COSTS. In any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as a Trustee, a court in its discretion may require the filing by any party litigant in the suit of an undertaking to pay the costs of the suit, and the court in its discretion may assess reasonable costs, including reasonable attorneys' fees and expenses, against any party litigant in the suit, having due regard to the merits and good faith of the claims or defenses made by the party litigant. This Section does not apply to a suit by the Trustee, a suit by a Holder of a Note pursuant to Section 6.07 hereof, or a suit by Holders of more than 10% in principal amount of the then outstanding Notes.

ARTICLE VII TRUSTEE

Section 7.01. DUTIES OF TRUSTEE.

(a) If an Event of Default has occurred and is continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in its exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) Except during the continuance of an Event of Default:

(i) the duties of the Trustee shall be determined solely by the express provisions of this Indenture and the Trustee need perform only those duties that are specifically set forth in this Indenture and no others, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

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(ii) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture. However, the Trustee shall examine the certificates and opinions which by any provision hereof are specifically required to be furnished to the Trustee to determine whether or not they substantially conform to the requirements of this Indenture but need not confirm or investigate the accuracy of mathematical calculations or other facts stated therein.

(c) The Trustee may 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 paragraph does not limit the effect of paragraph (b) of this Section;

(ii) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, 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 Section 6.05 hereof.

(d) Whether or not therein expressly so provided, every provision of this Indenture that in any way relates to the Trustee is subject to paragraphs (a), (b), and (c) of this Section.

(e) No provision of this Indenture shall require the Trustee to expend or risk its own funds or incur any liability. The Trustee shall be under no obligation to exercise any of its rights and powers under this Indenture at the request of any Holders, unless such Holder shall have offered to the Trustee security and indemnity satisfactory to it against any loss, liability or expense.

(f) The Trustee shall not be liable for interest on any money received by it except as the Trustee may agree in writing with the Company. Money held in trust by the Trustee need not be segregated from other funds except to the extent required by law.

Section 7.02. RIGHTS OF TRUSTEE. (a) The Trustee may conclusively rely upon any document believed by it to be genuine and to have been signed or presented by the proper Person. The Trustee need not investigate any fact or matter stated in such document.

(b) Before the Trustee acts or refrains from acting, it may require an Officers' Certificate or an Opinion of Counsel or both. The Trustee shall not be liable for any action it takes or omits to take in good faith in reliance on such Officers' Certificate or Opinion of Counsel. The Trustee may consult with counsel of its selection and the advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection from liability in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

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(c) The Trustee may act through its attorneys and agents and shall not be responsible for the misconduct or negligence of any agent or attorney appointed with due care.

(d) The Trustee shall not be liable for any action it takes or omits to take in good faith that it believes to be authorized or within the rights or powers conferred upon it by this Indenture.

(e) Unless otherwise specifically provided in this Indenture, any demand, request, direction or notice from the Company shall be sufficient if signed by an Officer of the Company.

(f) The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders unless such Holders shall have offered to the Trustee reasonable security or indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request or direction.

(g) The Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney at the sole cost of the Company and shall incur no liability or additional liability of any kind by reason of such inquiry or investigation.

(h) The Trustee shall not be deemed to have notice of any Default or Event of Default unless a Responsible Officer of the Trustee has actual knowledge thereof or unless written notice of any event which is in fact such a default is received by the Trustee at the Corporate Trust Office of the Trustee, and such notice references the Notes and this Indenture.

(i) The rights, privileges, protections, immunities and benefits given to the Trustee, including, without limitation, its right to be indemnified, are extended to, and shall be enforceable by, the Trustee in each of its capacities hereunder, and to each agent, custodian and other Person employed to act hereunder.

(j) The Trustee may request that the Company deliver an Officers' Certificate setting forth the names of individuals and/or titles of officers authorized at such time to take specific actions pursuant to this Indenture, which Officers' Certificate may be signed by any person authorized to sign an Officers' Certificate, including any person specified as so authorized in any such certificates.

Section 7.03. INDIVIDUAL RIGHTS OF TRUSTEE. The Trustee in its individual or any other capacity may become the owner or pledgee of Notes and may otherwise deal with the Company or any Affiliate of the Company with the same rights it would have if it were not Trustee. However, in the event that 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

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resign. Any Agent may do the same with like rights and duties. The Trustee is also subject to Sections 7.10 and 7.11 hereof.

Section 7.04. TRUSTEE'S DISCLAIMER. The Trustee shall not be responsible for and makes no representation as to the validity or adequacy of this Indenture or the Notes, it shall not be accountable for the Company's use of the proceeds from the Notes or any money paid to the Company or upon the Company's direction under any provision of this Indenture, it shall not be responsible for the use or application of any money received by any Paying Agent other than the Trustee, and it shall not be responsible for any statement or recital herein or any statement in the Notes or any other document in connection with the sale of the Notes or pursuant to this Indenture other than its certificate of authentication.

Section 7.05. NOTICE OF DEFAULTS. If a Default or Event of Default occurs and is continuing and if it is actually known to a Responsible Officer of the Trustee, the Trustee shall mail to Holders a notice of the Default or Event of Default within 90 days after it occurs. Except in the case of a Default or Event of Default in payment of principal of, premium on, if any, or interest on any Note, the Trustee may withhold the notice if and so long as a committee of its Responsible Officers in good faith determines that withholding the notice is in the interests of the Holders of the Notes.

Section 7.06. REPORTS BY TRUSTEE TO HOLDERS OF THE NOTES. Within 60 days after each May 15 beginning with the May 15 following the date of this Indenture, and for so long as Notes remain outstanding, the Trustee shall mail to the Holders of the Notes a brief report dated as of such reporting date that complies with TIA Section 313(a) (but if no event described in TIA Section 313(a) has occurred within the twelve months preceding the reporting date, no report need be transmitted). The Trustee also shall comply with TIA Section 313(b)(2). The Trustee shall also transmit by mail all reports as required by TIA Section 313(c).

A copy of each report at the time of its mailing to the Holders shall be mailed to the Company and filed with the SEC and each stock exchange on which the Notes are listed, if any, in accordance with TIA Section 313(d). The Company shall promptly notify the Trustee if the Notes are listed on any stock exchange or delisted therefrom.

Section 7.07. COMPENSATION AND INDEMNITY. The Company shall pay to the Trustee from time to time such compensation as the Company and the Trustee shall from time to time agree in writing for its acceptance of this Indenture and services hereunder. The Trustee's compensation shall not be limited by any law on compensation of a trustee of an express trust. The Company shall reimburse the Trustee promptly upon request for all reasonable disbursements, advances and expenses incurred or made by it in addition to the compensation for its services. Such expenses shall include the reasonable compensation, disbursements and expenses of the Trustee's agents and counsel.

The Company shall indemnify each of the Trustee or any predecessor Trustee and their agents for, and hold them harmless against any and all losses, liabilities, damages, claims or expenses including reasonable attorneys' fees and expenses and taxes (other than taxes based upon, measured by or determined by the income of the Trustee) incurred by it arising out of or in connection with the acceptance or administration of its duties under this Indenture, including the costs and expenses of enforcing this Indenture against the Company (including this Section 7.07)

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and defending itself against any claim (whether asserted by the Company or any Holder or any other person) or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense shall have been caused by its own negligence or bad faith. The Trustee shall notify the Company promptly of any claim of which a Responsible Officer receives written notice for which it may seek indemnity. Failure by the Trustee to so notify the Company shall not relieve the Company of its obligations hereunder. The Company shall defend the claim and the Trustee shall cooperate in the defense. The Trustee may have separate counsel and the Company shall pay the reasonable fees and expenses of such counsel. The Company need not pay for any settlement made without its consent, which consent shall not be unreasonably withheld.

The obligations of the Company under this Section 7.07 shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee.

To secure the Company's payment obligations in this Section, the Trustee shall have a Lien prior to the Notes on all money or property held or collected by the Trustee, except that held in trust to pay principal and interest on particular Notes. Such Lien shall survive the satisfaction and discharge of this Indenture.

When the Trustee incurs expenses or renders services after an Event of Default specified in Section 6.01(g) or (h) hereof occurs, the expenses and the compensation for the services (including the fees and expenses of its agents and counsel) are intended to constitute expenses of administration under any Bankruptcy Law.

The Trustee shall comply with the provisions of TIA Section 313(b)(2) to the extent applicable.

Section 7.08. REPLACEMENT OF TRUSTEE. A resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon the successor Trustee's acceptance of appointment as provided in this Section.

The Trustee may resign in writing at any time and be discharged from the trust hereby created by so notifying the Company. The Holders of a majority in principal amount of the then outstanding Notes may remove the Trustee by so notifying the Trustee and the Company in writing. The Company may remove the Trustee if:

(a) the Trustee fails to comply with Section 7.10 hereof;

(b) the Trustee is adjudged a bankrupt or an insolvent or an order for relief is entered with respect to the Trustee under any Bankruptcy Law;

(c) a Custodian or public officer takes charge of the Trustee or its property; or

(d) the Trustee becomes incapable of acting.

If the Trustee resigns or is removed or if a vacancy exists in the office of Trustee for any reason, the Company shall promptly appoint a successor Trustee. Within one year after the successor Trustee takes office, the Holders of a majority in principal amount of the then

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outstanding Notes may appoint a successor Trustee to replace the successor Trustee appointed by the Company.

If a successor Trustee does not take office within 30 days after the retiring Trustee resigns or is removed, the retiring Trustee (at the expense of the Company), the Company, or the Holders of at least 10% in principal amount of the then outstanding Notes may petition any court of competent jurisdiction for the appointment of a successor Trustee.

If the Trustee, after written request by any Holder of a Note who has been a Holder of a Note for at least six months, fails to comply with Section 7.10, such Holder of a Note may petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

A successor Trustee shall deliver a written acceptance of its appointment to the retiring Trustee and to the Company. Thereupon, the resignation or removal of the retiring Trustee shall become effective, and the successor Trustee shall have all the rights, powers and duties of the Trustee under this Indenture. The successor Trustee shall mail a notice of its succession to Holders of the Notes. The retiring Trustee shall promptly transfer all property held by it as Trustee to the successor Trustee, provided all sums owing to the Trustee hereunder have been paid and subject to the Lien provided for in Section 7.07 hereof. Notwithstanding replacement of the Trustee pursuant to this Section 7.08, the Company's obligations under Section 7.07 hereof shall continue for the benefit of the retiring Trustee.

Section 7.09. SUCCESSOR TRUSTEE BY MERGER, ETC. If the Trustee consolidates, merges or converts into, or transfers all or substantially all of its corporate trust business to, another corporation, the successor corporation without any further act shall be the successor Trustee.

Section 7.10. ELIGIBILITY; DISQUALIFICATION. There shall at all times be a Trustee hereunder that is a corporation organized and doing business under the laws of the United States of America or of any state thereof that is authorized under such laws to exercise corporate trustee power, that is subject to supervision or examination by federal or state authorities and that has a combined capital and surplus of at least \$100 million as set forth in its most recent published annual report of condition.

This Indenture shall always have a Trustee who satisfies the requirements of TIA Section 310(a)(1), (2) and (5). The Trustee is subject to TIA Section 310(b).

Section 7.11. PREFERENTIAL COLLECTION OF CLAIMS AGAINST COMPANY. The Trustee is subject to TIA Section 311(a), excluding any creditor relationship listed in TIA Section 311(b). A Trustee who has resigned or been removed shall be subject to TIA Section 311(a) to the extent indicated therein.

ARTICLE VIII LEGAL DEFEASANCE AND COVENANT DEFEASANCE

Section 8.01. OPTION TO EFFECT LEGAL DEFEASANCE OR COVENANT DEFEASANCE. The Company may, at the option of its Board of Directors evidenced by a resolution set forth in an

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Officers' Certificate, at any time, elect to have either Section 8.02 or 8.03 hereof be applied to all outstanding Notes upon compliance with the conditions set forth below in this Article Eight.

Section 8.02. LEGAL DEFEASANCE AND DISCHARGE. Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.02, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be deemed to have been discharged from its obligations with respect to all outstanding Notes on the date the conditions set forth below are satisfied (hereinafter, "Legal Defeasance"). For this purpose, Legal Defeasance means that the Company shall be deemed to have paid and discharged the entire Indebtedness represented by the outstanding Notes, which shall thereafter be deemed to be "outstanding" only for the purposes of Section 8.05 hereof and the other Sections of this Indenture referred to in (a) and (b) below, and to have satisfied all its other obligations under such Notes and this Indenture (and the Trustee, on demand of and at the expense of the Company, shall execute proper instruments acknowledging the same), except for the

following provisions which shall survive until otherwise terminated or discharged hereunder: (a) the rights of Holders of outstanding Notes to receive solely from the trust fund described in Section 8.04 hereof, and as more fully set forth in such Section, payments in respect of the principal of, premium, if any, and interest on such Notes when such payments are due, (b) the Company's obligations with respect to such Notes under Article 2 and Section 4.02 hereof, (c) the rights, powers, trusts, duties and immunities of the Trustee hereunder and the Company's obligations in connection therewith and (d) this Article Eight. Subject to compliance with this Article Eight, the Company may exercise its option under this Section 8.02 notwithstanding the prior exercise of its option under Section 8.03 hereof.

Section 8.03. COVENANT DEFEASANCE. Upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03, the Company shall, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, be released from its obligations under the covenants contained in Sections 4.07, 4.08, 4.09, 4.10, 4.11, 4.12, 4.13, 4.15, 4.16, 4.17 and 4.18 hereof with respect to the outstanding Notes on and after the date the conditions set forth in Section 8.04 are satisfied (hereinafter, "Covenant Defeasance"), and the Notes shall thereafter be deemed not "outstanding" for the purposes of any direction, waiver, consent or declaration or act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "outstanding" for all other purposes hereunder (it being understood that such Notes shall not be deemed outstanding for accounting purposes). For this purpose, Covenant Defeasance means that, with respect to the outstanding Notes, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of any reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under Section 6.01 hereof, but, except as specified above, the remainder of this Indenture and such Notes shall be unaffected thereby. In addition, upon the Company's exercise under Section 8.01 hereof of the option applicable to this Section 8.03 hereof, subject to the satisfaction of the conditions set forth in Section 8.04 hereof, Sections 6.01(d) through 6.01(f) hereof shall not constitute Events of Default.

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Section 8.04. CONDITIONS TO LEGAL OR COVENANT DEFEASANCE. The following shall be the conditions to the application of either Section 8.02 or 8.03 hereof to the outstanding Notes:

In order to exercise either Legal Defeasance or Covenant Defeasance:

(a) the Company must irrevocably deposit with the Trustee, in trust, for the benefit of the Holders, cash in United States dollars, non-callable Government Securities, or a combination thereof, in such amounts as will be sufficient, in the opinion of a firm of independent public accountants, to pay the principal of, premium, if any, and interest on the outstanding Notes on the Stated Maturity or on the applicable redemption date, as the case may be, and the Company must specify whether the Notes are being defeased to maturity or to a particular redemption date;

(b) in the case of an election under Section 8.02 hereof, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States confirming that (A) the Company has received from, or there has been published by, the Internal Revenue Service a ruling or (B) since the date of this Indenture, there has been a change in the applicable federal income tax law, in either case to the effect that, and based thereon such Opinion of Counsel shall confirm that, the Holders of the outstanding 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 on the same amounts, in the same manner and at the same times as would have been the case if such Legal Defeasance had not occurred;

(c) in the case of an election under Section 8.03 hereof, the Company shall have delivered to the Trustee an Opinion of Counsel in the United States confirming that the Holders of the outstanding 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;

(d) no Default or Event of Default shall have occurred and be continuing, either (x) on the date of such deposit (other than a Default or Event of Default resulting from the borrowing of funds to be applied to such deposit); or (y) insofar as Sections 6.01(g) or 6.01(h) hereof is concerned, at any time in the period ending on the 91st day after the date of deposit;

(e) such Legal Defeasance or Covenant Defeasance shall not result in a breach or violation of, or constitute a default under, any material agreement or instrument (other than this Indenture) to which the Company or any of its Restricted Subsidiaries is a party or by which the Company or any of its Restricted Subsidiaries is bound;

(f) the Company shall have delivered to the Trustee an Opinion of Counsel (which may be subject to customary exceptions) to the effect that after the 91st day following the deposit, the trust funds will not be subject to the effect of any applicable bankruptcy, insolvency, reorganization or similar laws

affecting creditors' rights generally;

(g) the Company shall have delivered to the Trustee an Officers' Certificate stating that the deposit was not made by the Company with the intent of preferring the Holders

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over the other creditors of the Company or with the intent of defeating, hindering, delaying or defrauding any other creditors of the Company or others; and

(h) the Company shall have delivered to the Trustee an Officers' Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for or relating to the Legal Defeasance or the Covenant Defeasance have been complied with.

Section 8.05. DEPOSITED MONEY AND GOVERNMENT SECURITIES TO BE HELD IN TRUST; OTHER MISCELLANEOUS PROVISIONS. Subject to Section 8.06 hereof, all money and non-callable Government Securities (including the proceeds thereof) deposited with the Trustee (or other qualifying trustee, collectively for purposes of this Section 8.05, the "Trustee") pursuant to Section 8.04 hereof in respect of the outstanding Notes shall be held in trust and applied by the Trustee, in accordance with the provisions of such Notes and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as Paying Agent) as the Trustee may determine, to the Holders of such Notes of all sums due and to become due thereon in respect of principal, premium on, if any, and interest, but such money need not be segregated from other funds except to the extent required by law.

The Company shall pay and indemnify the Trustee against any tax, fee or other charge imposed on or assessed against the cash or non-callable Government Securities deposited pursuant to Section 8.04 hereof or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of the outstanding Notes.

Anything in this Article Eight to the contrary notwithstanding, the Trustee shall deliver or pay to the Company from time to time upon the written request of the Company any money or non-callable Government Securities held by it as provided in Section 8.04 hereof which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustee (which may be the opinion delivered under Section 8.04(a) hereof), are in excess of the amount thereof that would then be required to be deposited to effect an equivalent Legal Defeasance or Covenant Defeasance.

Section 8.06. REPAYMENT TO COMPANY. Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium on, if any, or interest on any Note and remaining unclaimed for two years after such principal, and premium, if any, or interest has become due and payable shall be paid to the Company on its written request or (if then held by the Company) shall be discharged from such trust; and the Holder of such Note shall thereafter, as a secured creditor, look only to the Company for payment thereof, and all liability of the Trustee or such paying agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such repayment, may at the expense of the Company cause to be published once, in the New York Times and The Wall Street Journal (national edition), notice that such money remains unclaimed and that, after a date specified therein, which shall not be less than 30 days from the date of such notification or publication, any unclaimed balance of such money then remaining will be repaid to the Company.

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Section 8.07. REINSTATEMENT. If the Trustee or paying agent is unable to apply any United States dollars or non-callable Government Securities in accordance with Section 8.02 or 8.03 hereof, as the case may be, by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and the Notes shall be revived and reinstated as though no deposit had occurred pursuant to Section 8.02 or 8.03 hereof until such time as the Trustee or paying agent is permitted to apply all such money in accordance with Section 8.02 or 8.03 hereof, as the case may be; provided, however, that, if the Company makes any payment of principal of, premium on, if any, or interest on any Note following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Notes to receive such payment from the money held by the Trustee or paying agent.

ARTICLE IX AMENDMENT, SUPPLEMENT AND WAIVER

Section 9.01. WITHOUT CONSENT OF HOLDERS. Notwithstanding Section 9.02 of this Indenture, the Company and the Trustee may amend or supplement this Indenture or the Notes without the consent of any Holder of a Note:

(a) to cure any ambiguity, defect or inconsistency;

(b) to provide for uncertificated Notes in addition to or in place of

certificated Notes;

(c) to provide for the assumption of the Company's obligations to the Holders of the Notes by a successor to the Company pursuant to Article 5 hereof;

(d) to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights hereunder of any Holder of the Note; or

(e) to comply with requirements of the SEC in order to effect or maintain the qualification of this Indenture under the TIA.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company in the execution of any amended or supplemental Indenture authorized or permitted by the terms of this Indenture and to make any further appropriate agreements and stipulations that may be therein contained, but the Trustee shall not be obligated to enter into such amended or supplemental Indenture that adversely affects its own rights, duties or immunities under this Indenture or otherwise.

Section 9.02. WITH CONSENT OF HOLDERS.

Except as provided below in this Section 9.02, the Company and the Trustee may amend or supplement this Indenture (including Sections 3.09, 4.10 and 4.15 hereof) and the Notes may be amended or supplemented with the consent of the Holders of at least a majority in

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principal amount of the Notes then outstanding voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes), and, subject to Sections 6.04 and 6.07 hereof, any existing Default or Event of Default (other than a Default or Event of Default in the payment of the principal of, premium, if any, or interest on the Notes, except a payment default resulting from an acceleration that has been rescinded) or compliance with any provision of this Indenture or the Notes may be waived with the consent of the Holders of a majority in principal amount of the then outstanding Notes voting as a single class (including, without limitation, consents obtained in connection with a purchase of, or tender offer or exchange offer for, the Notes). Section 2.10 hereof shall determine which Notes are considered to be "outstanding" for purposes of this Section 9.02.

Upon the request of the Company accompanied by a resolution of its Board of Directors authorizing the execution of any such amended or supplemental Indenture, and upon the filing with the Trustee of evidence satisfactory to the Trustee of the consent of the Holders as aforesaid, and upon receipt by the Trustee of the documents described in Section 7.02 hereof, the Trustee shall join with the Company in the execution of such amended or supplemental Indenture unless such amended or supplemental Indenture directly adversely affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such amended or supplemental Indenture.

It shall not be necessary for the consent of the Holders under this Section 9.02 to approve the particular form of any proposed amendment or waiver, but it shall be sufficient if such consent approves the substance thereof.

After an amendment, supplement or waiver under this Section becomes effective, the Company shall mail to the Holders affected thereby a notice briefly describing the amendment, supplement or waiver. Any failure of the Company to mail such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such amended or supplemental Indenture or waiver. Subject to Sections 6.04 and 6.07 hereof, the Holders of a majority in aggregate principal amount of the Notes then outstanding voting as a single class may waive compliance in a particular instance by the Company with any provision of this Indenture or the Notes. However, without the consent of each Holder affected, an amendment or waiver under this Section 9.02 may not (with respect to any Notes held by a non-consenting Holder):

(a) reduce the 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 any of the provisions with respect to the redemption of the Notes except as provided above with respect to Sections 3.09, 4.10 and 4.15 hereof;

(c) reduce the rate of or change the time for payment of interest on any Note;

(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 then outstanding Notes and a waiver of the payment default that resulted from such acceleration);

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(e) make any Note payable in money other than that stated in the Notes;

(f) make any change in the provisions of this Indenture relating to waivers of past Defaults or the rights of Holders to receive payments of principal of or premium, if any, or interest on the Notes;

(g) waive a redemption payment with respect to any Note (other than a payment required by Sections 3.09, 4.10 or 4.15 hereof); or

(h) make any change in Section 6.04 or 6.07 hereof or in the foregoing amendment and waiver provisions.

Section 9.03. COMPLIANCE WITH TRUST INDENTURE ACT. Every amendment or supplement to this Indenture or the Notes shall be set forth in a amended or supplemental Indenture that complies with the TIA as then in effect.

Section 9.04. REVOCATION AND EFFECT OF CONSENTS. Until an amendment, supplement or waiver becomes effective, a consent to it by a Holder of a Note is a continuing consent by the Holder of a Note and every subsequent Holder of a Note or portion of a Note that evidences the same debt as the consenting Holder's Note, even if notation of the consent is not made on any Note. However, any such Holder of a Note or subsequent Holder of a Note may revoke the consent as to its Note if the Trustee receives written notice of revocation before the date the waiver, supplement or amendment becomes effective. An amendment, supplement or waiver becomes effective in accordance with its terms and thereafter binds every Holder.

Section 9.05. NOTATION ON OR EXCHANGE OF NOTES. The Trustee may place an appropriate notation about an amendment, supplement or waiver on any Note thereafter authenticated. The Company in exchange for all Notes may issue and the Trustee shall, upon receipt of an Authentication Order, authenticate new Notes that reflect the amendment, supplement or waiver.

Failure to make the appropriate notation or issue a new Note shall not affect the validity and effect of such amendment, supplement or waiver.

Section 9.06. TRUSTEE TO SIGN AMENDMENTS, ETC. The Trustee shall sign any amended or supplemental Indenture authorized pursuant to this Article Nine if the amendment or supplement does not adversely affect the rights, duties, liabilities or immunities of the Trustee. The Company may not sign an amendment or supplemental Indenture until the Board of Directors approves it. In executing any amended or supplemental indenture, the Trustee shall be entitled to receive and (subject to Section 7.01 hereof) shall be fully protected in relying upon, in addition to the documents required by Section 10.04 hereof, an Officer's Certificate and an Opinion of Counsel stating that the execution of such amended or supplemental indenture is authorized or permitted by this Indenture.

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ARTICLE X MISCELLANEOUS

Section 10.01. TRUST INDENTURE ACT CONTROLS. If any provision of this Indenture limits, qualifies or conflicts with the duties imposed by TIA Section 318(c), the imposed duties shall control.

Section 10.02. NOTICES. Any notice or communication by the Company or the Trustee to the others is duly given if in writing (which may be via facsimile) and delivered in Person or mailed by first class mail.

If to the Company:
Six Flags, Inc.
122 East 42nd Street
New York, New York 10168
Attention: Chief Financial Officer
Facsimile number: (212) 949-6203
Telephone number: (212) 599-4690

With a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, New York 10153
Attention: David Lefkowitz, Esq.
Facsimile number: (212) 310-8007

If to the Trustee:

The Bank of New York
5 Penn Plaza, 13th Floor
New York, New York 10001-1810
Facsimile number: (212) 896-7299
Attention: Corporate Trust Administration

The Company or the Trustee, by notice to the others may designate additional or different addresses for subsequent notices or communications.

All notices and communications (other than those sent to Holders)

shall be in writing and shall be deemed to have been duly given when received.

Any notice or communication to a Holder shall be mailed by first class mail to its address shown on the register kept by the Registrar. Any notice or communication shall also be so mailed to any Person described in TIA Section 313(c), to the extent required by the TIA. Failure to mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders.

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If the Company mails a notice or communication to Holders, it shall mail a copy to the Trustee and each Agent at the same time.

Section 10.03. COMMUNICATION BY HOLDERS WITH OTHER HOLDERS. Holders may communicate pursuant to TIA Section 312(b) with other Holders with respect to their rights under this Indenture or the Notes. The Company, the Trustee, the Registrar and anyone else shall have the protection of TIA Section 312(c).

Section 10.04. CERTIFICATE AND OPINION AS TO CONDITIONS PRECEDENT. Upon any request or application by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee:

(a) an Officers' Certificate in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 10.05 hereof) stating that, in the opinion of the signers, all conditions precedent and covenants, if any, provided for in this Indenture relating to the proposed action have been satisfied; and

(b) an Opinion of Counsel in form and substance reasonably satisfactory to the Trustee (which shall include the statements set forth in Section 10.05 hereof) stating that, in the opinion of such counsel, all such conditions precedent and covenants have been satisfied.

Section 10.05. STATEMENTS REQUIRED IN CERTIFICATE OR OPINION.

Each certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture (other than a certificate provided pursuant to TIA Section 314(a)(4)) shall comply with the provisions of TIA Section 314(e) and shall include:

(a) a statement that the Person making such certificate or opinion has read such covenant or condition;

(b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;

(c) a statement that, in the opinion of such Person, he or she has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been satisfied; and

(d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been satisfied.

Section 10.06. RULES BY TRUSTEE AND AGENTS. The Trustee may make reasonable rules for action by or at a meeting of Holders. The Registrar or Paying Agent may make reasonable rules and set reasonable requirements for its functions.

Section 10.07. NO PERSONAL LIABILITY OF DIRECTORS, OFFICERS, EMPLOYEES AND STOCKHOLDERS. No past, present or future director, officer, employee, incorporator or stockholder of the Company, as such, shall have any liability for any obligations of the Company under the Notes or this Indenture or for any claim based on, in respect of, or by reason of, such obligations

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or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes.

Section 10.08. GOVERNING LAW. THE INTERNAL LAW OF THE STATE OF NEW YORK SHALL GOVERN AND BE USED TO CONSTRUCT THIS INDENTURE AND THE NOTES WITHOUT GIVING EFFECT TO APPLICABLE PRINCIPLES OF CONFLICTS OF LAW TO THE EXTENT THAT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION WOULD BE REQUIRED THEREBY.

Section 10.09. NO ADVERSE INTERPRETATION OF OTHER AGREEMENTS. This Indenture may not be used to interpret any other indenture, loan or debt agreement of the Company or its Subsidiaries or of any other Person. Any such indenture, loan or debt agreement may not be used to interpret this Indenture.

Section 10.10. SUCCESSORS. All agreements of the Company in this Indenture and the Notes shall bind its successors. All agreements of the Trustee in this Indenture shall bind its successors.

Section 10.11. SEVERABILITY. In case any provision in this Indenture or in the Notes shall be invalid, illegal or unenforceable, the validity,

INDENTURE.

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY, A NEW YORK CORPORATION ("DTC"), TO THE ISSUER OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC (AND ANY PAYMENT HEREON IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL INASMUCH AS THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

THE SECURITIES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY STATE OR OTHER SECURITIES LAWS. NEITHER THIS SECURITY NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE REOFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION OR UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT. THE HOLDER OF THE SECURITY BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS SECURITY IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S, (2) AGREES THAT IT WILL NOT PRIOR TO (X) THE DATE WHICH IS TWO YEARS (OR SUCH SHORTER PERIOD OF TIME AS PERMITTED BY RULE 144(K) UNDER THE SECURITIES ACT OR ANY SUCCESSOR PROVISION THEREUNDER) AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THIS SECURITY) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAWS (THE "RESALE RESTRICTION TERMINATION DATE"), OFFER, SELL OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) TO SIX FLAGS, INC., (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE SECURITIES ACT, (C) FOR SO LONG AS

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THE SECURITIES ARE ELIGIBLE FOR RESALE PURSUANT RULE 144A, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE SECURITIES ACT OR (E) PURSUANT TO ANOTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHICH THIS SECURITY IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; PROVIDED THAT SIX FLAGS, INC. AND THE TRUSTEE SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER (I) PURSUANT TO CLAUSE (D) OR (E) TO REQUIRE THE DELIVERY OF AN OPINION OF COUNSEL, CERTIFICATION AND/OR OTHER INFORMATION SATISFACTORY TO EACH OF THEM AND (II) IN EACH OF THE FOREGOING CASES, TO REQUIRE THAT A CERTIFICATION OR TRANSFER IN THE FORM APPEARING ON THE OTHER SIDE OF THIS SECURITY IS COMPLETED AND DELIVERED BY THE TRANSFEROR TO THE TRUSTEE. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER AFTER THE RESALE RESTRICTION TERMINATION DATE. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE SECURITIES ACT.

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8-7/8% Senior Notes due 2010

Capitalized terms used herein shall have the meanings assigned to them in the Indenture referred to below unless otherwise indicated.

1. INTEREST. Six Flags, Inc., a Delaware corporation (the "Company"), promises to pay interest on the principal amount of this Note at 8-7/8% per annum from February 11, 2002 until maturity. The Company will pay interest semi-annually on February 1 and August 1 of each such year, or if any such day is not a business day, on the next succeeding business day (each an "Interest Payment Date"). Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the date of issuance; PROVIDED that if there is no existing Default in the payment of interest, and if this Note is authenticated between a record date referred to on the face hereof and the next succeeding Interest Payment Date, interest shall accrue from such next succeeding Interest Payment Date; provided, further, that the first Interest Payment Date shall be August 1, 2002. The Company shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue principal and premium, if any, from time to time on demand at a rate that is 1% per annum in excess of the rate then in effect; it shall pay interest (including post-petition interest in any proceeding under any Bankruptcy Law) on overdue installments of interest (without regard to any applicable grace periods) from time to time on demand at the same rate to the extent lawful. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months.

2. METHOD OF PAYMENT. The Company will pay interest on the Notes (except defaulted interest) to the Persons who are registered Holders at the close of business on the January 15 or July 15 next preceding the Interest Payment Date, even if such Notes are canceled after such record date and on or before such Interest Payment Date, except as provided in Section 2.14 of the Indenture with respect to defaulted interest. The Notes will be payable as to principal, premium, if any, and interest at the office or agency of the Company maintained for such purpose within or without The City and State of New York,

or, at the option of the Company, payment of interest may be made by check mailed to the Holders at their addresses set forth in the register of Holders, and PROVIDED that payment by wire transfer of immediately available funds will be required with respect to principal of and interest and premium on, the Global Note and all other Notes the Holders of which shall have provided wire transfer instructions to the Company or the paying agent on or prior to the applicable record date. Such payment shall be in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

3. PAYING AGENT AND REGISTRAR. Initially, The Bank of New York, the Trustee under the Indenture, will act as paying agent and registrar. The Company may change any paying agent or registrar without notice to any Holder. The Company or any of its Subsidiaries may act in any such capacity.

4. INDENTURE. The Company issued the Notes under an Indenture, dated as of February 11, 2002 (the "Indenture"), between the Company and the Trustee. 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 (15 U.S. Code Sections 77aaa-77bbb). The Notes are subject to all such terms, and Holders are referred to the Indenture and such Act for a statement

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of such terms. To the extent any provision of this Note conflicts with the express provisions of the Indenture, the provisions of the Indenture shall govern and be controlling. The Notes are obligations of the Company initially in the aggregate principal amount of \$480.0 million. Subject to compliance with Section 2.01 of the Indenture, the Company is permitted to issue Additional Notes under the Indenture in an unlimited principal amount. Any such Additional Notes that are actually issued will be treated as issued and outstanding Notes (and as the same class as the initial Notes) for all purposes of the Indenture, unless the context clearly indicated otherwise.

5. OPTIONAL REDEMPTION. (a) Except as set forth in subparagraph (b) of this Paragraph 5, the Company shall not have the option to redeem the Notes prior to February 1, 2006. On or after February 1, 2006, the Company shall have the option to redeem the Notes, in whole or in part, upon not less than 30 nor more than 60 days' notice, at the redemption prices (expressed as percentages of principal amount) set forth below plus accrued and unpaid interest thereon to the applicable redemption date, if redeemed during the twelve-month period beginning on February 1 of the years indicated below:

Year	Percentage
2006	104.438%
2007	102.958%
2008	101.479%
2009 and thereafter	100.000%

(b) Notwithstanding the provisions of subparagraph (a) of this Paragraph 5, at any time prior to February 1, 2005, the Company may on any one or more occasions redeem up to 35% of the aggregate principal amount of Notes (which includes Additional Notes, if any) originally issued under the Indenture at a redemption price of 108.875% of the principal amount thereof on the redemption date with the net cash proceeds of one or more Public Equity Offerings and/or the net cash proceeds of a Strategic Equity Investment; PROVIDED that at least 65% of the aggregate principal amount of Notes (which includes Additional Notes, if any) originally issued remains outstanding immediately after the occurrence of each such redemption (excluding Notes held by the Company and its Subsidiaries); and PROVIDED FURTHER, that any such redemption shall occur within 60 days of the date of the closing of each such Public Equity Offering and/or Strategic Equity Investment.

6. MANDATORY REDEMPTION. Except as set forth in paragraph 7 below, the Company shall not be required to make mandatory redemption or sinking fund payments with respect to the Notes.

7. REPURCHASE AT OPTION OF HOLDER. (a) If there is a Change of Control, the Company shall be required to make an offer (a "Change of Control Offer") to repurchase all or any part (equal to \$1,000 or an integral multiple thereof) of each Holder's Notes at a purchase price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest thereon, if any, to the date of purchase (the "Change of Control Payment"). Within 30 days following any Change of Control, the Company shall mail a notice to each Holder setting forth the procedures governing the Change of Control Offer as required by the Indenture.

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(b) If the Company or a Restricted Subsidiary consummates any Asset Sales, when the aggregate amount of Excess Proceeds exceeds \$20.0 million, the Company shall commence an offer to all Holders (as "Asset Sale Offer") pursuant to Section 4.10 of the Indenture to purchase the maximum principal amount of Notes and such other Indebtedness of the Company that is pari passu with the Notes containing provisions similar to those set forth in the Indenture with

respect to offers to purchase or redemptions with the proceeds of sales of assets, that may be purchased out of the Excess Proceeds at an offer price in cash in an amount equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon, if any, to the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture. To the extent that the aggregate amount of Notes and other indebtedness tendered pursuant to an Asset Sale Offer is less than the Excess Proceeds, the Company (or such Subsidiary) may use such deficiency for any purpose not otherwise prohibited by the Indenture. If the aggregate amount of Notes and other indebtedness surrendered by Holders thereof exceeds the amount of Excess Proceeds, the Trustee shall select the Notes to be purchased on a pro rata basis. Holders that are the subject of an offer to purchase will receive an Asset Sale Offer from the Company prior to any related purchase date and may elect to have such Notes purchased by completing the form entitled "Option of Holder to Elect Purchase" on the reverse of the Notes.

8. NOTICE OF REDEMPTION. Notice of redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each Holder whose Notes are to be redeemed at its registered address. Notes in denominations larger than \$1,000 may be redeemed in part but only in whole multiples of \$1,000, unless all of the Notes held by a Holder are to be redeemed. On and after the redemption date interest ceases to accrue on Notes or portions thereof called for redemption.

9. DENOMINATIONS, TRANSFER, EXCHANGE. The Notes are in registered form without coupons in denominations of \$1,000 and integral multiples of \$1,000. The transfer of Notes may be registered and Notes may be exchanged as provided in the Indenture. The Registrar and the Trustee may require a Holder, among other things, to furnish appropriate endorsements and transfer documents and the Company may require a Holder to pay any taxes and fees required by law or permitted by the Indenture. The Company need not exchange or register the transfer of any Note or portion of a Note selected for redemption, except for the unredeemed portion of any Note being redeemed in part. Also, the Company need not exchange or register the transfer of any Notes for a period of 15 days before a selection of Notes to be redeemed or during the period between a record date and the corresponding Interest Payment Date.

10. PERSONS DEEMED OWNERS. The registered Holder of a Note may be treated as its owner for all purposes.

11. AMENDMENT, SUPPLEMENT AND WAIVER. Subject to certain exceptions, the Indenture or the Notes may be amended or supplemented with the consent of the Holders of at least a majority in principal amount of the then outstanding Notes voting as a single class, 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 in aggregate principal amount of the then outstanding Notes voting as a single class. Without the consent of any Holder of a Note, the Indenture or the Notes may be amended or supplemented to cure any ambiguity, defect or

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inconsistency, to provide for uncertificated Notes in addition to or in place of certificated Notes, to provide for the assumption of the Company's obligations to Holders of the Notes in case of a merger or consolidation or sale of all or substantially all of the Company's assets, to make any change that would provide any additional rights or benefits to the Holders of the Notes or that does not adversely affect the legal rights under the Indenture of any such Holder, to comply with the requirements of the SEC in order to effect or maintain the qualification of the Indenture under the Trust Indenture Act.

12. DEFAULTS AND REMEDIES. Events of Default include: (i) default for 30 days in the payment when due of interest on the Notes; (ii) default in payment when due of principal of or premium, if any, on the Notes when the same becomes due and payable, upon redemption (including in connection with an offer to purchase) or otherwise, (iii) failure by the Company to comply for (A) a period of 30 days with any of the provisions of Section 4.10 or 4.15 of the Indenture or (B) 30 days after notice to the Company by the Trustee or the Holders of at least 25% in aggregate principal amount of the Notes then outstanding voting as a single class with any other provisions of Article 4 or Section 5.01 of the Indenture (in each case, other than a failure to purchase Notes); (iv) failure by the Company for 60 days after notice to the Company by the Trustee or the Holders of at least 25% in principal amount of the Notes then outstanding voting as a single class to comply with certain other agreements in the Indenture or the Notes; (v) failure to pay Indebtedness within any applicable grace period after final maturity or the acceleration of such Indebtedness because of a default where the total amount of such Indebtedness unpaid or accelerated at any time exceed \$10.0 million; (vi) certain final judgments for the payment of money that remain undischarged for a period of 60 days provided that the aggregate of all such undischarged judgments exceeds \$10.0 million and (vii) certain events of bankruptcy or insolvency with respect to the Company or any of its Restricted Subsidiaries. If any Event of Default occurs and is continuing, the Trustee or the Holders of at least 25% in principal amount of the then outstanding 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 certain events of bankruptcy or insolvency, all outstanding Notes will become due and payable without further action or notice. Holders 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 their interest. The Holders of a majority in aggregate principal amount of the Notes then outstanding by 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 on, or the principal of, the Notes. The Company is required to deliver to the Trustee annually a statement regarding compliance with the Indenture, and the Company is required upon becoming aware of any Default or Event of Default, to deliver to the Trustee a statement specifying such Default or Event of Default.

13. TRUSTEE DEALINGS WITH COMPANY. The Trustee, in its individual or any other capacity, may make loans to, accept deposits from, and perform services for the Company or its Affiliates, and may otherwise deal with the Company or its Affiliates, as if it were not the Trustee.

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14. NO RECOURSE AGAINST OTHERS. A director, officer, employee, incorporator or stockholder, of the Company, as such, shall not have any liability for any obligations of the Company under the Notes or the Indenture or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for the issuance of the Notes.

15. AUTHENTICATION. This Note shall not be valid until authenticated by the manual signature of the Trustee or an authenticating agent.

16. ABBREVIATIONS. Customary abbreviations may be used in the name of a Holder or an assignee, such as: TEN COM (= tenants in common), TEN NET (= tenants by the entireties), JT TEN (= joint tenants with right of survivorship and not as tenants in common), CUST (= Custodian), and U/G/M/A (= Uniform Gifts to Minors Act).

17. CUSIP NUMBERS. Pursuant to a recommendation promulgated by the Committee on Uniform Security Identification Procedures, the Company has caused CUSIP numbers to be printed on the Notes and the Trustee may use CUSIP numbers in notices of redemption as a convenience to Holders. No representation is made as to the accuracy of such numbers either as printed on the Notes or as contained in any notice of redemption and reliance may be placed only on the other identification numbers placed thereon.

The Company will furnish to any Holder upon written request and without charge a copy of the Indenture. Requests may be made to:

Six Flags, Inc.
122 East 42nd Street
49th Floor
New York, New York 10168
Attention: General Counsel

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ASSIGNMENT FORM

To assign this Note, fill in the form below: (I) or (we) assign and transfer this Note to

(Insert assignee's soc. or tax I.D. no.)

(Print or type assignee's name, address and zip code)

and irrevocably appoint _____
to transfer this Note on the books of the Company. The agent may substitute another to act for him.

Date: _____

Your Signature: _____

(Sign exactly as your name appears on the face of this Note)

Signature Guarantee.

(Participant in a Recognized Signature

OPTION OF HOLDER TO ELECT PURCHASE

If you want to elect to have this Note purchased by the Company pursuant to Section 4.10 or 4.15 of the Indenture, check the box below:

/ / Section 4.10 / / Section 4.15

If you want to elect to have only part of the Note purchased by the Company pursuant to Section 4.10 or Section 4.15 of the Indenture, state the amount you elect to have purchased:

\$-----

Date:_____

Your Signature: _____
(Sign exactly as your name appears on the face of this Note)

Signature Guarantee.

(Participant in a Recognized Signature Guarantee Medallion Program)

SCHEDULE OF EXCHANGES OF INTERESTS IN THE GLOBAL NOTE(1)

The following exchanges of a part of this Global Note for an interest in another Global Note or for a Definitive Note, or exchanges of a part of another Global Note or Definitive Note for an interest in this Global Note, have been made:

Table with 5 columns: Date of Exchange, Amount of decrease in Principal Amount of this Global Note, Amount of increase in Principal Amount of this Global Note, Principal Amount of this Global Note following such decrease (or increase), Signature of authorized officer of Trustee or Note Custodian

(1) Insert this table only in a Global Note.

EXHIBIT B

FORM OF CERTIFICATE OF TRANSFER

Six Flags, Inc.
122 East 42nd Street
49th Floor
New York, New York 10168

[Registrar address block]

Re: 8-7/8% Senior Notes Due 2010

Reference is hereby made to the Indenture, dated as of February 11, 2002 (the "INDENTURE"), between Six Flags, Inc., as issuer (the "COMPANY"), and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "TRANSFEROR") owns and proposes to transfer the Note[s] or interest in such Note[s] specified in Annex A hereto, in the principal amount of \$_____ in such Note[s] or interests (the "TRANSFER"), to _____ (the "TRANSFeree"), as further specified in Annex A hereto. In connection with the Transfer, the Transferor hereby certifies that:

- 1. / / CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE 144A GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO RULE 144A. The Transfer is being effected pursuant to and in accordance with Rule 144A under the United States Securities Act of 1933, as amended (the "Securities Act"), and accordingly, the Transferor hereby further certifies that the beneficial interest or Definitive Note is being transferred to a Person that the Transferor reasonably believed and believes is purchasing the beneficial interest or Definitive Note for its own account, or for one or more accounts with respect to which such Person exercises sole investment discretion, and such Person and each such account is a "qualified institutional buyer" within the meaning of Rule

144A in a transaction meeting the requirements of Rule 144A and such Transfer is in compliance with any applicable blue sky securities laws of any state of the United States. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the 144A Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

2. // CHECK IF TRANSFEREE WILL TAKE DELIVERY OF A BENEFICIAL INTEREST IN THE REGULATIONS GLOBAL NOTE OR A DEFINITIVE NOTE PURSUANT TO REGULATIONS. The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and, accordingly, the Transferor hereby further certifies that (i) the Transfer is not being made to a person in the United States and (x) at the time the buy order was originated, the Transferee was outside the United States or such Transferor and any Person acting on its behalf reasonably believed and believes that the Transferee was outside the United States or (y) the transaction was executed in, on or through the facilities of a designated offshore securities market and neither such Transferor nor any Person acting on its behalf knows

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that the transaction was prearranged with a buyer in the United States, (ii) no directed selling efforts have been made in contravention of the requirements of Rule 903(b) or Rule 904(b) of Regulation S under the Securities Act (iii) the transaction is not part of a plan or scheme to evade the registration requirements of the Securities Act and (iv) if the proposed transfer is being made prior to the expiration of the Restricted Period, the transfer is not being made to a U.S. Person or for the account or benefit of a U.S. Person (other than an Initial Purchaser). Upon consummation of the proposed transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will be subject to the restrictions on Transfer enumerated in the Private Placement Legend printed on the Regulation S Global Note, the Temporary Regulation S Global Note and/or the Definitive Note and in the Indenture and the Securities Act.

3. // Check if Transferee will take delivery of a beneficial interest in an Unrestricted Global Note or of an Unrestricted Definitive Note.

(a) // CHECK IF TRANSFER IS PURSUANT TO RULE 144. (i) The Transfer is being effected pursuant to and in accordance with Rule 144 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(b) // CHECK IF TRANSFER IS PURSUANT TO REGULATION S. (i) The Transfer is being effected pursuant to and in accordance with Rule 903 or Rule 904 under the Securities Act and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any state of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will no longer be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes, on Restricted Definitive Notes and in the Indenture.

(c) // CHECK IF TRANSFER IS PURSUANT TO OTHER EXEMPTION. (i) The Transfer is being effected pursuant to and in compliance with an exemption from the registration requirements of the Securities Act other than Rule 144, Rule 903 or Rule 904 and in compliance with the transfer restrictions contained in the Indenture and any applicable blue sky securities laws of any State of the United States and (ii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act. Upon consummation of the proposed Transfer in accordance with the terms of the Indenture, the transferred beneficial interest or Definitive Note will not be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Global Notes or Restricted Definitive Notes and in the Indenture.

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This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]

By: _____

Name:

Title:

Dated: _____, _____

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ANNEX A TO CERTIFICATE OF TRANSFER

4. The Transferor owns and proposes to transfer the following:

[CHECK ONE OF (a) OR (b)]

(a) / / a beneficial interest in the :

(i) / / 144A Global Note (CUSIP _____), or

(ii) / / Regulation S Global Note (CUSIP _____), or

(b) / / a Restricted Definitive Note.

5. After the Transfer the Transferee will hold:

[CHECK ONE]

(a) / / a beneficial interest in the:

(i) / / 144A Global Note (CUSIP _____), or

(ii) / / Regulation S Global Note (CUSIP _____), or

(iii) / / Unrestricted Global Note (CUSIP _____); or

(b) / / a Restricted Definitive Note; or

(c) / / an Unrestricted Definitive Note,

in accordance with the terms of the Indenture.

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EXHIBIT C

FORM OF CERTIFICATE OF EXCHANGE

Six Flags, Inc.
122 East 42nd Street
49th Floor
New York, New York 10168

[Registrar address block]*

Re: 8-7/8% Senior Notes due 2010

(CUSIP _____)

Reference is hereby made to the Indenture, dated as of February 11, 2002 (the "Indenture"), between Six Flags, Inc., as issuer (the "COMPANY"), and The Bank of New York, as trustee. Capitalized terms used but not defined herein shall have the meanings given to them in the Indenture.

_____, (the "OWNER") owns and proposes to exchange the Note[s] or interest in such Note[s] specified herein, in the principal amount of \$_____ in such Note[s] or interests (the "EXCHANGE"). In connection with the Exchange, the Owner hereby certifies that:

1. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN A RESTRICTED GLOBAL NOTE FOR UNRESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN AN UNRESTRICTED GLOBAL NOTE

(d) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a beneficial interest in an Unrestricted Global Note in an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Global Notes and pursuant to and in accordance with the United States Securities Act of 1933, as amended (the "SECURITIES ACT"), (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest in an Unrestricted Global Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(e) / / CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the

to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(f) // CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN AN UNRESTRICTED GLOBAL NOTE. In connection with the Owner's Exchange of a Restricted Definitive Note for a beneficial interest in an Unrestricted Global Note, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the beneficial interest is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

(g) // CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO UNRESTRICTED DEFINITIVE NOTE. In connection with the Owner's Exchange of a Restricted Definitive Note for an Unrestricted Definitive Note, the Owner hereby certifies (i) the Unrestricted Definitive Note is being acquired for the Owner's own account without transfer, (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to Restricted Definitive Notes and pursuant to and in accordance with the Securities Act, (iii) the restrictions on transfer contained in the Indenture and the Private Placement Legend are not required in order to maintain compliance with the Securities Act and (iv) the Unrestricted Definitive Note is being acquired in compliance with any applicable blue sky securities laws of any state of the United States.

2. EXCHANGE OF RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES FOR RESTRICTED DEFINITIVE NOTES OR BENEFICIAL INTERESTS IN RESTRICTED GLOBAL NOTES

(h) // CHECK IF EXCHANGE IS FROM BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE TO RESTRICTED DEFINITIVE NOTE. In connection with the Exchange of the Owner's beneficial interest in a Restricted Global Note for a Restricted Definitive Note with an equal principal amount, the Owner hereby certifies that the Restricted Definitive Note is being acquired for the Owner's own account without transfer. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the Restricted Definitive Note issued will continue to be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the Restricted Definitive Note and in the Indenture and the Securities Act.

(i) // CHECK IF EXCHANGE IS FROM RESTRICTED DEFINITIVE NOTE TO BENEFICIAL INTEREST IN A RESTRICTED GLOBAL NOTE. In connection with the Exchange of the Owner's Restricted Definitive Note for a beneficial interest in the [CHECK ONE] 144A Global Note, Regulation S Global Note, with an equal principal amount, the Owner hereby certifies (i) the beneficial interest is being acquired for the Owner's own account without transfer and (ii) such Exchange has been effected in compliance with the transfer restrictions applicable to the Restricted Global Notes and pursuant to and in accordance with the Securities Act, and in compliance with any applicable blue sky securities laws of any state of the United

States. Upon consummation of the proposed Exchange in accordance with the terms of the Indenture, the beneficial interest issued will be subject to the restrictions on transfer enumerated in the Private Placement Legend printed on the relevant Restricted Global Note and in the Indenture and the Securities Act.

This certificate and the statements contained herein are made for your benefit and the benefit of the Company.

[Insert Name of Transferor]
By: _____
Name:
Title:

Dated: _____, _____

This Registration Rights Agreement (this "Agreement") is made and entered into as of February 11, 2002, by Six Flags, Inc., a Delaware corporation (the "Company"), and Lehman Brothers Inc., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Morgan Stanley & Co. Incorporated, Salomon Smith Barney Inc., Allen & Company Incorporated, BNY Capital Markets, Inc., Credit Lyonnais Securities (USA) Inc., Fleet Securities, Inc. and Scotia Capital (USA) Inc. (collectively, the "Initial Purchasers").

This Agreement is entered into in connection with the Purchase Agreement, dated as of January 31, 2002, between the Company and the Initial Purchasers (the "Purchase Agreement"), which provides for the sale by the Company to the Initial Purchasers of \$480,000,000 principal amount of the Company's 8-7/8% Senior Notes due 2010 (the "Notes"). Capitalized terms used but not specifically defined herein have the respective meanings ascribed thereto in the Purchase Agreement. As an inducement to the Initial Purchasers to enter into the Purchase Agreement and in satisfaction of a condition to its obligations thereunder, the Company agrees with the Initial Purchasers, for the benefit of the holders of the Notes (including the Initial Purchasers) (the "Holders"), as follows:

1. DEFINITIONS. As used in this Agreement, the following capitalized terms shall have the following meanings:

BROKER-DEALER: Any broker or dealer registered under the Exchange Act.

CLOSING DATE: The date hereof.

COMMISSION: The Securities and Exchange Commission.

CONSUMMATE: A Registered Exchange Offer shall be deemed "Consummated" for purposes of this Agreement upon the occurrence of (i) the filing and effectiveness under the Securities Act of the Exchange Offer Registration Statement relating to the Exchange Notes to be issued in the Exchange Offer, (ii) the maintenance of such Registration Statement continuously effective and the keeping of the Exchange Offer open for a period not less than the minimum period required pursuant to Section 3(b) hereof, and (iii) the delivery by the Company of the Exchange Notes in the same aggregate principal amount as the aggregate principal amount of Transfer Restricted Securities that were validly tendered by Holders thereof pursuant to the Exchange Offer.

DAMAGES PAYMENT DATE: With respect to the Notes, each Interest Payment Date until the earlier of (i) the date on which Liquidated Damages no longer are payable or (ii) maturity of the Notes.

EFFECTIVENESS TARGET DATE: As defined in Section 5.

EXCHANGE ACT: The Securities Exchange Act of 1934, as amended.

EXCHANGE NOTES: The Notes to be issued pursuant to the Indenture in the Exchange Offer.

EXCHANGE OFFER: The registration by the Company under the Securities Act of the Exchange Notes pursuant to a Registration Statement pursuant to which the Company offers the Holders of all outstanding Transfer Restricted Securities the opportunity to exchange all such outstanding Transfer Restricted Securities held by such Holders for Exchange Notes in an aggregate amount equal to the aggregate amount of the Transfer Restricted Securities tendered in such exchange offer by such Holders.

EXCHANGE OFFER REGISTRATION STATEMENT: The Registration Statement relating to the Exchange Offer, including the Prospectus which forms a part thereof.

EXEMPT RESALES: The transactions in which the Initial Purchasers propose to sell the Notes to certain "qualified institutional buyers," as such term is defined in Rule 144A under the Securities Act, and to certain non-U.S. persons.

HOLDERS: As defined in Section 2(b) hereof.

INDENTURE: The Indenture, dated as of February 11, 2002, between the Company and The Bank of New York, as trustee (the "Trustee"), pursuant to which the Notes are to be issued, as such Indenture is amended or supplemented from time to time in accordance with the terms thereof.

INITIAL PURCHASERS: As defined in the preamble hereto.

NASD: National Association of Securities Dealers, Inc.

PERSON: An individual, partnership, corporation, limited liability company, trust or unincorporated organization, or a government or agency or political subdivision thereof.

PROSPECTUS: The prospectus included in a Registration Statement, as amended or supplemented by any prospectus supplement and by all other amendments thereto, including post-effective amendments, and all material incorporated by reference into such Prospectus.

REGISTRATION DEFAULT: As defined in Section 5 hereof.

REGISTRATION STATEMENT: Any registration statement of the Company relating to (a) an offering of Exchange Notes pursuant to an Exchange Offer or (b) the registration for resale of Transfer Restricted Securities pursuant to the Shelf Registration Statement, which is filed pursuant to the provisions of this Agreement, in either case, including the Prospectus included therein, all amendments and supplements thereto (including post-effective amendments) and all exhibits and material incorporated by reference therein.

SECURITIES ACT: The Securities Act of 1933, as amended.

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SHELF FILING DEADLINE: As defined in Section 4 hereof.

SHELF REGISTRATION STATEMENT: As defined in Section 4 hereof.

TIA: The Trust Indenture Act of 1939 (15 U.S.C. Section 77aaa-77bbb), as amended.

TRANSFER RESTRICTED SECURITIES: Each Note, until the earliest to occur of (a) the date on which such Note has been exchanged by a person other than a Broker-Dealer for Exchange Notes in the Exchange Offer, (b) following the exchange by a Broker-Dealer in the Exchange Offer of such Note for one or more Exchange Notes, the date on which such Exchange Notes are sold to a purchaser who receives from such Broker-Dealer on or prior to the date of such sale a copy of the prospectus contained in the Exchange Offer Registration Statement, (c) the date on which such Notes have been effectively registered under the Securities Act and disposed of in accordance with the Shelf Registration Statement or (d) the date on which such Notes are eligible to be distributed to the public pursuant to Rule 144 under the Securities Act;

UNDERWRITTEN REGISTRATION or UNDERWRITTEN OFFERING: A registration in which securities of the Company are sold to an underwriter for reoffering to the public.

2. SECURITIES SUBJECT TO THIS AGREEMENT. Transfer Restricted Securities. The securities entitled to the benefits of this Agreement are the Transfer Restricted Securities.

(a) HOLDERS OF TRANSFER RESTRICTED SECURITIES. A Person is deemed to be a holder of Transfer Restricted Securities (each, a "Holder") whenever such Person owns Transfer Restricted Securities.

3. REGISTERED EXCHANGE OFFER. (a) Unless the Exchange Offer shall not be permissible under applicable law or Commission policy (after the procedures set forth in Section 6(a) below have been complied with) or one of the events set forth in Section 4(a)(ii) has occurred the Company shall (i) cause to be filed with the Commission on or prior to 90 days after the Closing Date a Registration Statement under the Securities Act relating to the Exchange Notes and the Exchange Offer, (ii) use all commercially reasonable efforts to cause such Registration Statement to become effective no later than on or prior to 180 days after the Closing Date, (iii) in connection with the foregoing, file (A) all pre-effective amendments to such Registration Statement as may be necessary in order to cause such Registration Statement to become effective, (B) if applicable, a post-effective amendment to such Registration Statement pursuant to Rule 430A under the Securities Act and (C) cause all necessary filings in connection with the registration and qualification of the Exchange Notes to be made under the Blue Sky laws of such jurisdictions as are necessary to permit consummation of the Exchange Offer, and (iv) unless the Exchange Offer would not be permitted by applicable law or Commission policy, the Company will commence the Exchange Offer and use all commercially reasonable efforts to issue on or prior to 30 business days, or longer if required by the federal securities laws, after the date on which such Registration Statement was declared effective by the Commission, Exchange Notes in exchange for all Transfer Restricted Securities tendered prior thereto in the Exchange Offer. The Exchange Offer shall be on the appropriate form permitting registration of the

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Exchange Notes to be offered in exchange for the Transfer Restricted Securities and to permit resales of Exchange Notes held by Broker-Dealers as contemplated by Section 3(c) below. The 90, 180 and 30 business day periods referred to in (i), (ii) and (iii) of this Section 3(a) shall not include any period during which the Company is pursuing a Commission ruling pursuant to Section 6(a)(i) below.

(b) The Company shall use all commercially reasonable efforts to cause the Exchange Offer Registration Statement to be effective continuously and shall keep the Exchange Offer open for a period of not less than the minimum period

required under applicable federal and state securities laws to consummate the Exchange Offer; PROVIDED, HOWEVER, that in no event shall such period be less than 20 business days. The Company shall cause the Exchange Offer to comply in all material respects with all applicable federal and state securities laws. The Company shall use all commercially reasonable efforts to cause the Exchange Offer to be consummated on the earliest practicable date after the Exchange Offer Registration Statement has become effective, but in no event later than 30 business days thereafter.

(c) The Company shall indicate in a "Plan of Distribution" section contained in the Prospectus contained in the Exchange Offer Registration Statement that any Broker-Dealer who holds Notes that are Transfer Restricted Securities and that were acquired for its own account as a result of market-making activities or other trading activities (other than Transfer Restricted Securities acquired directly from the Company), may exchange such Notes pursuant to the Exchange Offer; however, such Broker-Dealer may be deemed to be an "underwriter" within the meaning of the Securities Act and must, therefore, deliver a prospectus meeting the requirements of the Securities Act in connection with any resales of the Exchange Notes received by such Broker-Dealer in the Exchange Offer, which prospectus delivery requirement may be satisfied by the delivery by such Broker-Dealer of the Prospectus contained in the Exchange Offer Registration Statement. Such "Plan of Distribution" section shall also contain all other information with respect to such resales by Broker-Dealers that the Commission may require in order to permit such resales pursuant thereto, but such "Plan of Distribution" shall not name any such Broker-Dealer or disclose the amount of Exchange Notes held by any such Broker-Dealer except to the extent required by the Commission as a result of a change in policy announced after the date of this Agreement or otherwise.

The Company shall use all commercially reasonable efforts to keep the Exchange Offer Registration Statement continuously effective, supplemented and amended as required by the provisions of Section 6(c) below to the extent necessary to ensure that it is available for resales of Exchange Notes (that are Transfer Restricted Securities) acquired by Broker-Dealers for their own accounts as a result of market-making activities or other trading activities, and to ensure that it conforms with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the Commission as announced from time to time, for a period of 180 days from the date on which the Exchange Offer Registration Statement is declared effective.

The Company shall provide sufficient copies of the latest version of such Prospectus to Broker-Dealers promptly upon request at any time during such 180-day period in order to facilitate such resales.

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4. SHELF REGISTRATION.

(a) SHELF REGISTRATION. If (i) the Company is not required to file an Exchange Offer Registration Statement or to consummate the Exchange Offer because the Exchange Offer is not permitted by applicable law or Commission policy (after the procedures set forth in Section 6(a) below have been complied with) or (ii) if any Holder of Transfer Restricted Securities that is a "qualified institutional buyer" (as defined in Rule 144A under the Securities Act) shall notify the Company prior to the 20th day following the consummation of the Exchange Offer (A) that such Holder is prohibited by applicable law or Commission policy from participating in the Exchange Offer, or (B) that such Holder may not resell the Exchange Notes acquired by it in the Exchange Offer to the public without delivering a prospectus and that the Prospectus contained in the Exchange Offer Registration Statement is not appropriate or available for such resales by such Holder, or (C) that such Holder is a Broker-Dealer and holds Notes acquired directly from the Company or one of its affiliates, then the Company shall in lieu of, or in the event of (ii) above, in addition to effecting the registration of the Exchange Notes pursuant to the Exchange Offer Registration Statement, use all commercially reasonable efforts to:

(x) cause to be filed a shelf registration statement pursuant to Rule 415 under the Securities Act, which may be an amendment to the Exchange Offer Registration Statement (in either event, the "Shelf Registration Statement"), on or prior to the earlier to occur of (1) the 60th day after the date on which the Company determines that it is not required to file the Exchange Offer Registration Statement or (2) the 60th day after the date on which the Company receives notice from a Holder of Transfer Restricted Securities as contemplated by clause (ii) above (such earlier date being the "Shelf Filing Deadline"), which Shelf Registration Statement shall provide for resales of all Transfer Restricted Securities the Holders of which shall have provided the information required pursuant to Section 4(b) hereof; and

(y) cause such Shelf Registration Statement to be declared effective by the Commission on or before the 120th day after the Shelf Filing Deadline.

The Company shall use all commercially reasonable efforts to keep such Shelf Registration Statement continuously effective, supplemented and amended as required by the provisions of Sections 6(b) and (c) hereof to the extent necessary to ensure that it is available for resales of Notes by the Holders of Transfer Restricted Securities entitled to the benefit of this Section 4(a), and to ensure that it conforms with the requirements of this Agreement, the Securities Act and the policies, rules and regulations of the Commission as

announced from time to time, for a period ending on the second anniversary of the Closing Date; PROVIDED, HOWEVER, that the Company shall in no event be obligated to keep such Shelf Registration Statement effective for a period of more than 180 days from the date the Shelf Registration Statement is declared effective by the Commission if the Shelf Registration Statement is required to be filed solely to permit resales by a Broker-Dealer that holds Notes acquired directly from the Company or one of its affiliates or such shorter period that will terminate when all the Notes or Exchange Notes, as applicable, cease to be Transfer Restricted Securities.

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(b) PROVISION BY HOLDERS OF CERTAIN INFORMATION IN CONNECTION WITH THE SHELF REGISTRATION STATEMENT. No Holder of Transfer Restricted Securities may include any of its Transfer Restricted Securities in any Shelf Registration Statement pursuant to this Agreement unless and until such Holder furnishes to the Company in writing, within 20 business days after receipt of a request therefor, such information as the Company may reasonably request for use in connection with any Shelf Registration Statement or Prospectus or preliminary Prospectus included therein. No Holder of Transfer Restricted Securities shall be entitled to Liquidated Damages pursuant to Section 5 hereof unless and until such Holder shall have used its best efforts to provide all such reasonably requested information. Each Holder as to which any Shelf Registration Statement is being effected agrees to furnish promptly to the Company all information required to be disclosed in order to make the information previously furnished to the Company by such Holder not materially misleading.

5. LIQUIDATED DAMAGES

(a) If (a) any of the Registration Statements required by this Agreement is not filed with the Commission on or prior to the date specified for such filing in this Agreement, (b) any of such Registration Statements has not been declared effective by the Commission on or prior to the date specified for such effectiveness in this Agreement (the "Effectiveness Target Date"), (c) the Exchange Offer has not been Consummated within 30 business days after the Effectiveness Target Date with respect to the Exchange Offer Registration Statement or (d) any Registration Statement required by this Agreement is filed and declared effective but shall thereafter cease to be effective or fail to be usable for its intended purpose without being succeeded within 10 business days by a post-effective amendment to such Registration Statement that cures such failure and that is itself immediately declared effective (each such event referred to in clauses (a) through (d), a "Registration Default"), the Company will be obligated to pay additional cash interest ("Liquidated Damages") to each Holder of the Notes commencing upon the occurrence of such Registration Default in an amount equal to \$.05 per week per \$1,000 principal amount of Notes held by such Holder. The amount of Liquidated Damages will increase by an additional \$.05 per week per \$1,000 principal amount of Notes with respect to each subsequent 90-day period until all Registration Defaults have been cured, up to a maximum amount of Liquidated Damages of \$.50 per week per \$1,000 principal amount of Notes. All accrued Liquidated Damages shall be paid to Holders by the Company in the same manner as interest is made pursuant to the Indenture. The Company will not be required to pay Liquidated Damages for more than one Registration Default at any given time. Following the cure of all Registration Defaults relating to any particular Transfer Restricted Securities, the accrual of Liquidated Damages with respect to such Transfer Restricted Securities will cease.

All obligations of the Company set forth in the preceding paragraph that have accrued and are outstanding with respect to any Transfer Restricted Security at the time such security ceases to be a Transfer Restricted Security shall survive until such time as all such obligations with respect to such Transfer Restricted Security shall have been satisfied in full.

(b) The Company shall notify the Trustee within one business day after each and every date on which an event occurs in respect of which Liquidated Damages are required to be paid (an "Event Date"). Liquidated Damages shall be paid by depositing Liquidated Damages

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with the Trustee, in trust, for the benefit of the Holders of the Notes, on or before the applicable Interest Payment Date (whether or not any payment other than Liquidated Damages is payable on such Notes), in immediately available funds in sums sufficient to pay the Liquidated Damages then due to such Holders. Each obligation to pay Liquidated Damages shall be deemed to accrue from the applicable date of the occurrence of the Registration Default.

6. REGISTRATION PROCEDURES.

(a) EXCHANGE OFFER REGISTRATION STATEMENT. In connection with the Exchange Offer, the Company shall comply with all of the provisions of Section 6(c) below, shall use all commercially reasonable efforts to effect such exchange to permit the sale of Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and shall comply with all of the following provisions:

(i) If in the reasonable opinion of counsel to the Company there is a question as to whether the Exchange Offer is permitted by applicable law, the Company hereby agrees to seek a no-action letter or other

favorable decision from the Commission allowing the Company to consummate an Exchange Offer for such Notes. The Company hereby agrees to pursue the issuance of such a decision to the Commission staff level but shall not be required to take commercially unreasonable action to effect a change of Commission policy. The Company hereby agrees, however, to (A) participate in telephonic conferences with the Commission, (B) deliver to the Commission staff an analysis prepared by counsel to the Company setting forth the legal bases, if any, upon which such counsel has concluded that such an Exchange Offer should be permitted and (C) diligently pursue a resolution (which need not be favorable) by the Commission staff of such submission.

(ii) As a condition to its participation in the Exchange Offer pursuant to the terms of this Agreement, each Holder of Transfer Restricted Securities shall furnish, upon the request of the Company, prior to the consummation thereof, a written representation to the Company (which may be contained in the letter of transmittal contemplated by the Exchange Offer Registration Statement) to the effect that (A) it is not an affiliate of the Company, (B) it is not engaged in, and does not intend to engage in, and has no arrangement or understanding with any person to participate in, a distribution of the Exchange Notes to be issued in the Exchange Offer and (C) it is acquiring the Exchange Notes in its ordinary course of business. In addition, all such Holders of Transfer Restricted Securities shall otherwise cooperate in the Company's preparations for the Exchange Offer. Each Holder hereby acknowledges and agrees that any Broker-Dealer and any such Holder using the Exchange Offer to participate in a distribution of the securities to be acquired in the Exchange Offer (1) could not under Commission policy as in effect on the date of this Agreement rely on the position of the Commission enunciated in MORGAN STANLEY AND CO., INC. (available June 5, 1991) and EXXON CAPITAL HOLDINGS CORPORATION (available May 13, 1988), as interpreted in the Commission's letter to Shearman & Sterling dated July 2, 1993, and similar no-action letters (including BROWN & WOOD LLP (available February 7, 1997), and any no-action letter obtained pursuant to clause (i) above), and (2) must comply with the registration and prospectus

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delivery requirements of the Securities Act in connection with a secondary resale transaction and that such a secondary resale transaction should be covered by an effective registration statement containing the selling security holder information required by Item 507 or 508, as applicable, of Regulation S-K if the resales are of Exchange Notes obtained by such Holder in exchange for Notes acquired by such Holder directly from the Company.

(iii) Prior to the effectiveness of the Exchange Offer Registration Statement, the Company shall provide a supplemental letter to the Commission (A) stating that the Company is registering the Exchange Offer in reliance on the position of the Commission enunciated in EXXON CAPITAL HOLDINGS CORPORATION (available May 13, 1988), MORGAN STANLEY AND CO., INC. (available June 5, 1991), BROWN & WOOD LLP (available February 7, 1997) and, if applicable, any no-action letter obtained pursuant to clause (i) above and (B) including a representation that the Company has not entered into any arrangement or understanding with any Person to distribute the Exchange Notes to be received in the Exchange Offer and that, to the best of the Company's information and belief, each Holder participating in the Exchange Offer is acquiring the Exchange Notes in its ordinary course of business and has no arrangement or understanding with any Person to participate in the distribution of the Exchange Notes received in the Exchange Offer.

(b) SHELF REGISTRATION STATEMENT. In connection with the Shelf Registration Statement, the Company shall comply with all the provisions of Section 6(c) below and shall use all commercially reasonable efforts to effect such registration to permit the sale of the Transfer Restricted Securities being sold in accordance with the intended method or methods of distribution thereof, and pursuant thereto the Company will as expeditiously as possible prepare and file with the Commission a Registration Statement relating to the registration on any appropriate form under the Securities Act, which form shall be available for the sale of the Transfer Restricted Securities in accordance with the intended method or methods of distribution thereof.

(c) GENERAL PROVISIONS. In connection with any Registration Statement and any Prospectus required by this Agreement to permit the sale or resale of Transfer Restricted Securities (including, without limitation, any Registration Statement and the related Prospectus required to permit resales of Notes by Broker-Dealers), the Company shall:

(i) use all commercially reasonable efforts to keep such Registration Statement continuously effective and provide all requisite financial statements for the period specified in Section 3 or 4 of this Agreement, as applicable; upon the occurrence of any event that would cause any such Registration Statement or the Prospectus contained therein (A) to contain a material misstatement or omit to state a material fact necessary to make the statements therein not misleading or (B) not to be effective and usable for resale of Transfer Restricted Securities during the period required by this Agreement, the Company shall file promptly an appropriate amendment to such Registration Statement, in the case of clause (A), correcting any such misstatement or omission, and, in the case of either clause (A) or (B), use all commercially reasonable

efforts to cause such amendment to be declared effective and such Registration Statement and the related Prospectus to become usable for their intended purpose(s) as soon as practicable thereafter;

(ii) prepare and file with the Commission such amendments and post-effective amendments to the Registration Statement as may be necessary to keep the Registration Statement effective for the applicable period set forth in Section 3 or 4 hereof, as applicable, or such shorter period as will terminate when all Transfer Restricted Securities covered by such Registration Statement have been sold; cause the Prospectus to be supplemented by any required Prospectus supplement, and as so supplemented to be filed pursuant to Rule 424 under the Securities Act, and to comply fully with the applicable provisions of Rules 424 and 430A under the Securities Act in a timely manner; and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during the applicable period in accordance with the intended method or methods of distribution by the sellers thereof set forth in such Registration Statement or supplement to the Prospectus;

(iii) in the case of a Shelf Registration, advise any Holders at their record address and, if requested by such Persons, to confirm such advice in writing, (A) when the Prospectus or any Prospectus supplement or post-effective amendment has been filed, and, with respect to any Registration Statement or any post-effective amendment thereto, when the same has become effective, (B) of any request by the Commission for amendments to the Registration Statement or amendments or supplements to the Prospectus or for additional information relating thereto, (C) of the issuance by the Commission of any stop order suspending the effectiveness of the Registration Statement under the Securities Act or of the suspension by any state securities commission of the qualification of the Transfer Restricted Securities for offering or sale in any jurisdiction, or the initiation of any proceeding for any of the preceding purposes, (D) of the existence of any fact or the happening of any event that makes any statement of a material fact made in the Registration Statement, the Prospectus, any amendment or supplement thereto, or any document incorporated by reference therein untrue, or that requires the making of any additions to or changes in the Registration Statement or the Prospectus in order to make the statements therein not misleading. If at any time the Commission shall issue any stop order suspending the effectiveness of the Registration Statement, or any state securities commission or other regulatory authority shall issue an order suspending the qualification or exemption from qualification of the Transfer Restricted Securities under state securities or Blue Sky laws, the Company shall use all commercially reasonable efforts to obtain the withdrawal or lifting of such order at the earliest possible time;

(iv) in the case of a Shelf Registration, furnish to each of the selling or exchanging Holders that are Initial Purchasers upon request (and upon receipt of such confidentiality agreements as may reasonably be requested by the Company) and each of their underwriter(s), if any, before filing with the Commission, copies of any Registration Statement or any Prospectus included therein or any amendments or supplements to any such Registration Statement or Prospectus (including all documents incorporated by

reference after the initial filing of such Registration Statement), which documents will be subject to the review of such Holders and underwriter(s), if any, for a period of at least five business days, and the Company will not file any such Registration Statement or Prospectus or any amendment or supplement to any such Registration Statement or Prospectus (including all such documents incorporated by reference) to which selling Holders of a majority in aggregate principal amount of Transfer Restricted Securities covered by such Registration Statement or the underwriter(s), if any, shall reasonably object within five business days after the receipt thereof. A selling Holder or underwriter, if any, shall be deemed to have reasonably objected to such filing if such Registration Statement, amendment, Prospectus or supplement, as applicable, as proposed to be filed, contains a material misstatement or omission;

(v) in the case of a Shelf Registration, make available at reasonable times for inspection by the selling Holders that are Initial Purchasers and any of their underwriters participating in any disposition pursuant to such Registration Statement, and any attorney or accountant retained by such selling Holders or any of the underwriter(s), all financial and other records, pertinent corporate documents and properties of the Company and cause the Company's officers, directors, managers and employees to supply all information reasonably requested by any such Holder, underwriter, attorney or accountant in connection with such Registration Statement subsequent to the filing thereof and prior to its effectiveness;

(vi) in the case of a Shelf Registration, if requested by any selling Holders that are Initial Purchasers or any of their underwriter(s), promptly incorporate in any Registration Statement or Prospectus, pursuant

to a supplement or post-effective amendment if necessary, such information as such selling Holders and underwriter(s), if any, may reasonably request to have included therein, including, without limitation, information relating to the "Plan of Distribution" of the Transfer Restricted Securities, information with respect to the principal amount of Transfer Restricted Securities being sold to such underwriter(s), the purchase price being paid therefor and any other terms of the offering of the Transfer Restricted Securities to be sold in such offering; and make all required filings of such Prospectus supplement or post-effective amendment as soon as practicable after the Company is notified of the matters to be incorporated in such Prospectus supplement or post-effective amendment;

(vii) in the case of a Shelf Registration, furnish to each selling Holder and, in the case of any selling Holder that is an Initial Purchase, each of their underwriter(s), if any, without charge, at least one copy of the Registration Statement, as first filed with the Commission, and of each amendment thereto, including all documents incorporated by reference therein and all exhibits (including exhibits incorporated therein by reference);

(viii) in the case of a Shelf Registration, deliver to each selling Holder and, in the case of any selling Holder that is an Initial Purchaser, each of their underwriter(s), if any, without charge, as many copies of the Prospectus (including each preliminary prospectus) and any amendment or supplement thereto as such Persons

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reasonably may request; the Company hereby consents to the use of the Prospectus and any amendment or supplement thereto by each of the selling Holders and each of the underwriter(s), if any, in connection with the offering and the sale of the Transfer Restricted Securities covered by the Prospectus or any amendment or supplement thereto;

(ix) in the case of a Shelf Registration requested by an Initial Purchaser, enter into such agreements (including an underwriting agreement), and make such representations and warranties, and take all such other actions in connection therewith in order to expedite or facilitate the disposition of the Transfer Restricted Securities pursuant to any Registration Statement contemplated by this Agreement, all to such extent as may be requested by any Purchaser or by any Holder of Transfer Restricted Securities or underwriter in connection with any sale or resale pursuant to any Registration Statement contemplated by this Agreement; and in connection with an Underwritten Registration, the Company shall:

(A) upon request, furnish to each selling Holder and each underwriter, if any, in such substance and scope as they may request and as are customarily made by issuers to underwriters in primary underwritten offerings, upon the date of the effectiveness of the Shelf Registration Statement:

(1) a certificate, dated the date of the effectiveness of the Shelf Registration Statement, signed by (y) the Chairman of the Board, its President or a Vice President and (z) the Chief Financial Officer of the Company, confirming, as of the date thereof, such matters as such parties may reasonably request;

(2) an opinion, dated the date of the effectiveness of the Shelf Registration Statement, of counsel for the Company, covering such matters as such parties may reasonably request, and in any event including a statement to the effect that such counsel has participated in conferences with officers and other representatives of the Company, representatives of the independent public accountants for the Company, the Initial Purchasers' representatives and the Initial Purchasers' counsel in connection with the preparation of such Registration Statement and the related Prospectus and have considered the matters required to be stated therein and the statements contained therein, although such counsel has not independently verified the accuracy, completeness or fairness of such statements; and that such counsel advises that, on the basis of the foregoing (relying as to materiality upon facts provided to such counsel by officers and other representatives of the Company and without independent check or verification), no facts came to such counsel's attention that caused such counsel to believe that the applicable Registration Statement, at the time such Registration Statement or any post-effective amendment thereto became effective, contained an untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not

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misleading, or that the Prospectus contained in such Registration Statement as of its date, contained an untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. Without limiting the foregoing, such counsel may state further that such

counsel assumes no responsibility for, and has not independently verified, the accuracy, completeness or fairness of the financial statements, notes and schedules and other financial and statistical data included in any Registration Statement contemplated by this Agreement or the related Prospectus; and

(3) a customary comfort letter, dated the date of the effectiveness of the Shelf Registration Statement, from the Company's independent accountants, in the customary form and covering matters of the type customarily covered in comfort letters to underwriters in connection with primary underwritten offerings.

(B) set forth in full or incorporated by reference in the underwriting agreement, if any, the indemnification provisions and procedures of Section 8 hereof with respect to all parties to be indemnified pursuant to said Section; and

(C) deliver such other documents and certificates as may be reasonably requested by such parties to evidence compliance with clause (A) above and with any customary conditions contained in the underwriting agreement or other agreement entered into by the Company pursuant to this clause (xi), if any.

If at any time the representations and warranties of the Company contemplated in clause (A)(1) above cease to be true and correct, the Company shall so advise the Initial Purchasers and the underwriter(s), if any, and each selling Holder promptly and, if requested by such Persons, shall confirm such advice in writing;

(x) in the case of a Shelf Registration, prior to any public offering of Transfer Restricted Securities, cooperate with the selling Holders that are Initial Purchasers, their underwriter(s), if any, and their respective counsel in connection with the registration and qualification of the Transfer Restricted Securities under the securities or Blue Sky laws of such jurisdictions as the selling Holders or underwriter(s) may reasonably request and do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Transfer Restricted Securities covered by the Shelf Registration Statement; PROVIDED, HOWEVER, that the Company shall not be required to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would subject it to the service of process in suits or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not now so subject;

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(xi) in the case of a Shelf Registration, shall issue, upon the request of any Holder of Notes covered by the Shelf Registration Statement, Exchange Notes in the same amount as the Notes surrendered to the Company by such Holder in exchange therefor or being sold by such Holder; such Exchange Notes to be registered in the name of such Holder or in the name of the purchaser(s) of such Exchange Notes, as the case may be; in return, the Notes held by such Holder shall be surrendered to the Company for cancellation;

(xii) in the case of a Shelf Registration, cooperate with the selling Holders and, in the case of any selling Holder that is an Initial Purchaser, each of their underwriter(s), if any, to facilitate the timely preparation and delivery of certificates representing Transfer Restricted Securities to be sold and not bearing any restrictive legends; and enable such Transfer Restricted Securities to be in such denominations and registered in such names as the Holders or the underwriter(s) acting on behalf of any Initial Purchaser, if any, may request at least two business days prior to any sale of Transfer Restricted Securities made by such underwriter(s);

(xiii) use all commercially reasonable efforts to cause the Transfer Restricted Securities covered by the Registration Statement to be registered with or approved by such other governmental agencies or authorities as may be necessary to enable the seller or sellers thereof or, in the case Initial Purchasers are selling Holders, the underwriter(s), if any, to consummate the disposition of such Transfer Restricted Securities, subject to the proviso contained in clause (xii) above;

(xiv) if any fact or event contemplated by clause (c)(iii)(D) above shall exist or have occurred, prepare a supplement or post-effective amendment to the Registration Statement or related Prospectus or any document incorporated therein by reference or file any other required document so that, as thereafter delivered to the purchasers of Transfer Restricted Securities, the Prospectus will not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading;

(xv) provide CUSIP numbers for all Transfer Restricted Securities not later than the effective date of the Registration Statement and provide certificates for the Transfer Restricted Securities;

(xvi) cooperate and assist in any filings required to be made

with the NASD and in the performance of any due diligence investigation by any Initial Purchaser or any underwriter acting on its behalf (including any "qualified independent underwriter") that is required to be retained in accordance with the rules and regulations of the NASD, and use all commercially reasonable efforts to cause such Registration Statement to become effective and approved by such governmental agencies or authorities as may be necessary to enable the Holders selling Transfer Restricted Securities to consummate the disposition of such Transfer Restricted Securities; provided, however, that the Company shall not be required to register or qualify as a foreign corporation where it is not now so qualified or to take any action that would

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subject it to the service of process in suits or to taxation, other than as to matters and transactions relating to the Registration Statement, in any jurisdiction where it is not now so subject;

(xvii) otherwise use all commercially reasonable efforts to comply with all applicable rules and regulations of the Commission, and make generally available to their security holders, as soon as practicable, a consolidated earnings statement meeting the requirements of Rule 158 (which need not be audited) for the twelve-month period (A) commencing at the end of any fiscal quarter in which Transfer Restricted Securities are sold to underwriters acting on behalf of any Initial Purchaser in a firm or best efforts Underwritten Offering or (B) if not sold to underwriters in such an offering, beginning with the first month of the Company's first fiscal quarter commencing after the effective date of the Registration Statement;

(xviii) cause the Indenture to be qualified under the TIA not later than the effective date of the first Registration Statement required by this Agreement, and, in connection therewith, cooperate with the Trustee and the Holders of Notes to effect such changes to the Indenture as may be required for such Indenture to be so qualified in accordance with the terms of the TIA; and execute and use all commercially reasonable efforts to cause the Trustee to execute all documents that may be required to effect such changes and all other forms and documents required to be filed with the Commission to enable such Indenture to be so qualified in a timely manner; and

(xix) provide promptly to each Holder upon request each document filed with the Commission pursuant to the requirements of Section 13 and Section 15 of the Exchange Act.

Each Holder agrees by acquisition of a Transfer Restricted Security that, upon receipt of any notice from the Company of the existence of any fact of the kind described in Section 6(c)(iii)(D) hereof, such Holder will forthwith discontinue disposition of Transfer Restricted Securities pursuant to the applicable Registration Statement until such Holder's receipt of the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xvi) hereof, or until it is advised in writing (the "Advice") by the Company that the use of the Prospectus may be resumed, and has received copies of any additional or supplemental filings that are incorporated by reference in the Prospectus. If so directed by the Company, each Holder will deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Holder's possession, of the Prospectus covering such Transfer Restricted Securities that was current at the time of receipt of such notice. In the event the Company shall give any such notice, the time period regarding the effectiveness of such Registration Statement set forth in Section 3 or 4 hereof, as applicable, shall be extended by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6(c)(iii)(D) hereof to and including the date when each selling Holder covered by such Registration Statement shall have received the copies of the supplemented or amended Prospectus contemplated by Section 6(c)(xvi) hereof or shall have received the Advice.

7. REGISTRATION EXPENSES.

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All expenses incident to the Company's performance of or compliance with this Agreement will be borne by the Company, regardless of whether a Registration Statement becomes effective, including without limitation: (i) all registration and filing fees and expenses (including filings made by any Initial Purchaser with the NASD (and, if applicable, the fees and expenses of any "qualified independent underwriter" and its counsel that may be required by the rules and regulations of the NASD)); (ii) all fees and expenses of compliance with federal securities and state Blue Sky or securities laws; (iii) all expenses of printing (including printing certificates for the Exchange Notes to be issued in the Exchange Offer and printing of Prospectuses), and associated messenger and delivery services and telephone; (iv) all fees and disbursements of counsel for the Company; and (v) all fees and disbursements of independent certified public accountants of the Company (including the expenses of any special audit and comfort letters required by or incident to such performance).

The Company will, in any event, bear their internal expenses (including, without limitation, all salaries and expenses of their officers and employees performing legal or accounting duties), the expenses of any annual audit and the

fees and expenses of any Person, including special experts, retained by the Company.

8. INDEMNIFICATION AND CONTRIBUTION.

(a) In connection with a Shelf Registration Statement or in connection with any delivery of a Prospectus contained in an Exchange Offer Registration Statement by any participating Broker-Dealer or Initial Purchaser, as applicable, who seeks to sell Exchange Notes, the Company shall indemnify and hold harmless each Holder of Transfer Restricted Securities included within any such Shelf Registration Statement and each participating Broker-Dealer or Initial Purchaser selling Exchange Notes, and each person, if any, who controls any such person within the meaning of Section 15 of the Securities Act (each, a "Participant") from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof (including, but not limited to, any loss, claim, damage, liability or action relating to purchases and sales of Notes) to which such Participant or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any such Registration Statement or any prospectus forming part thereof or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and shall reimburse each Participant promptly upon demand for any legal or other expenses reasonably incurred by such Participant in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred; provided, however, that (i) the Company shall not be liable in any such case to the extent that any such loss, claim, damage, liability or action arises out of, or is based upon, any untrue statement or alleged untrue statement or omission or alleged omission made in any such Registration Statement or any prospectus forming part thereof or in any such amendment or supplement in reliance upon and in conformity with written information furnished to the Company by or on behalf of any Participant specifically for inclusion therein; and provided further that as to any preliminary Prospectus, the indemnity agreement contained in this Section 8(a) shall not inure to the benefit of any such Participant or any controlling person of such

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Participant on account of any loss, claim, damage, liability or action arising from the sale of the Exchange Notes to any person by that Participant if (i) that Participant failed to send or give a copy of the Prospectus, as the same may be amended or supplemented, to that person within the time required by the Securities Act and (ii) the untrue statement or alleged untrue statement of a material fact or omission or alleged omission to state a material fact in such preliminary Prospectus was corrected in the Prospectus, unless, in each case, such failure resulted from non-compliance by the Company with Section 6(c). The foregoing indemnity agreement is in addition to any liability which the Company may otherwise have to any Participant or to any controlling person of that Participant.

(b) Each Participant, severally and not jointly, shall indemnify and hold harmless the Company, its directors, officers, employees or agents and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act, from and against any loss, claim, damage or liability, joint or several, or any action in respect thereof, to which the Company or any such director, officer, employees or agents or controlling person may become subject, under the Securities Act or otherwise, insofar as such loss, claim, damage, liability or action arises out of, or is based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in any preliminary Prospectus, Registration Statement or Prospectus or in any amendment or supplement thereto or (ii) the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, but in each case only to the extent that the untrue statement or alleged untrue statement or omission or alleged omission was made in reliance upon and in conformity with written information furnished to the Company by or on behalf of that Participant specifically for inclusion herein, and shall reimburse the Company and any such director, officer, employees or agents or controlling person for any legal or other expenses reasonably incurred by the Company or any such director, officer, employees or agents or controlling person in connection with investigating or defending or preparing to defend against any such loss, claim, damage, liability or action as such expenses are incurred. The foregoing indemnity agreement is in addition to any liability which any Participant may otherwise have to the Company or any such director, officer or controlling person.

(c) Promptly after receipt by an indemnified party under this Section 8 of notice of any claim or the commencement of any action, the indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under this Section 8, notify the indemnifying party in writing of the claim or the commencement of that action; provided, however, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have under this Section 8 except to the extent it has been materially prejudiced by such failure and, PROVIDED FURTHER, that the failure to notify the indemnifying party shall not relieve it from any liability which it may have to an indemnified party otherwise than under this Section 8. If any such claim or action shall be brought against an indemnified party, and it shall have notified the indemnifying party thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it wishes,

jointly with any other similarly notified indemnifying party, to assume the defense thereof with counsel satisfactory to the indemnified party. After notice from the indemnifying party to the indemnified party of its election to assume the defense of such claim or action, the indemnifying party shall not be liable to the indemnified party under this Section 8 for any legal or other expenses subsequently incurred by

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the indemnified party in connection with the defense thereof other than reasonable costs of investigation; PROVIDED, HOWEVER, that the indemnified party shall have the right to employ counsel to represent jointly the indemnified party and those other Participants and its respective officers, employees and controlling persons who may be subject to liability arising out of any claim in respect of which indemnity may be sought by the Participants against the indemnifying party under this Section 8 if, in the reasonable judgment of the indemnified party it is advisable for the indemnified party and those Participants, officers, employees and controlling persons to be jointly represented by separate counsel, and in that event the fees and expenses of such separate counsel shall be paid by the indemnifying party. In no event shall the indemnifying parties be liable for the fees and expenses of more than one counsel (in addition to local counsel). Each indemnified party, as a condition of the indemnity agreements contained in Section 8, shall use its best efforts to cooperate with the indemnifying party in the defense of any such action or claim. No indemnifying party shall (i) without the prior written consent of the indemnified parties (which consent shall not be unreasonably withheld), settle or compromise or consent to the entry of any judgment with respect to any pending or threatened claim, action, suit or proceeding in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified parties are actual or potential parties to such claim or action) unless such settlement, compromise or consent includes an unconditional release of each indemnified party from all liability arising out of such claim, action, suit or proceeding, or (ii) be liable for any settlement of any such action effected without its written consent (which consent shall not be unreasonably withheld), but if settled with its written consent or if there be a final judgment of the plaintiff in any such action, the indemnifying party agrees to indemnify and hold harmless any indemnified party from and against any loss or liability by reason of such settlement or judgment.

(d) If the indemnification provided for in this Section 8 shall for any reason be unavailable to or insufficient to hold harmless an indemnified party under Section 8(a) or 8(b) in respect of any loss, claim, damage or liability, or any action in respect thereof, referred to therein, then each indemnifying party shall, in lieu of indemnifying such indemnified party, contribute to the amount paid or payable by such indemnified party as a result of such loss, claim, damage or liability, or action in respect thereof, in such proportion as shall be appropriate to reflect the relative fault of the Company on the one hand and the Participants on the other with respect to the statements or omissions which resulted in such loss, claim, damage or liability, or action in respect thereof, as well as any other relevant equitable considerations. The relative fault shall be determined by reference to whether the untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact relates to information supplied by the Company or the Participants, the intent of the parties and their relative knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Participants agree that it would not be just and equitable if contributions pursuant to this Section 8(d) were to be determined by pro rata allocation (even if the Participants were treated as one entity for such purpose) or by any other method of allocation which does not take into account the equitable considerations referred to herein. The amount paid or payable by an indemnified party as a result of the loss, claim, damage or liability, or action in respect thereof, referred to above in this Section 8(d) shall be deemed to include, for purposes of this Section 8(d), any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim.

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Notwithstanding the provisions of this Section 8(d), no Participant shall be required to contribute any amount in excess of the amount by which proceeds received by such Participant from an offering of the Notes exceeds the amount of any damages which such Participant has otherwise paid or become liable to pay by reason of any untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Participants' obligations to contribute as provided in this Section 8(d) are several and not joint.

9. RULE 144A.

The Company hereby agrees with each Holder, for so long as any Transfer Restricted Securities remain outstanding, to make available to any Holder or beneficial owner of Transfer Restricted Securities in connection with any sale thereof and any prospective purchaser of such Transfer Restricted Securities from such Holder or beneficial owner, the information required by Rule 144A(d)(4) under the Securities Act in order to permit resales of such Transfer Restricted Securities pursuant to Rule 144A.

10. PARTICIPATION IN UNDERWRITTEN REGISTRATIONS.

No Initial Purchaser may participate in any Underwritten Registration hereunder unless such Holder (a) agrees to sell such Holder's Transfer Restricted Securities on the basis provided in any underwriting arrangements approved by the Persons entitled hereunder to approve such arrangements and (b) completes and executes all reasonable questionnaires, powers of attorney, indemnities, underwriting agreements, lock-up letters and other documents required under the terms of such underwriting arrangements.

11. SELECTION OF UNDERWRITERS.

Initial Purchasers of Transfer Restricted Securities covered by the Shelf Registration Statement who desire to do so may sell such Transfer Restricted Securities in an Underwritten Offering. In any such Underwritten Offering, the investment banker or investment bankers and manager or managers that will administer the offering will be selected by the Company; provided, that such investment bankers and managers must be reasonably satisfactory to the Holders of a majority in aggregate principal amount of the Transfer Restricted Securities included in such offering.

12. MISCELLANEOUS.

(a) NO INCONSISTENT AGREEMENTS. The Company will not on or after the date of this Agreement enter into any agreement with respect to its securities that is inconsistent with the rights granted to the Holders in this Agreement or otherwise conflicts with the provisions hereof. The rights granted to the Holders hereunder do not in any way conflict with and are not inconsistent with the rights granted to the holders of the Company's securities under any agreement in effect on the date hereof.

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(b) ADJUSTMENTS AFFECTING THE NOTES. The Company will not take any action, or permit any change to occur, with respect to Notes that would materially and adversely affect the ability of the Holders to Consummate any Exchange Offer unless such action or change is required by applicable law.

(c) AMENDMENTS AND WAIVERS. The provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to or departures from the provisions hereof may not be given unless the Company has obtained the written consent of Holders of a majority of the outstanding principal amount of Transfer Restricted Securities. Notwithstanding the foregoing, a waiver or consent to departure from the provisions hereof that relates exclusively to the rights of Holders whose securities are being tendered pursuant to the Exchange Offer and that does not affect directly or indirectly the rights of other Holders whose securities are not being tendered pursuant to such Exchange Offer may be given by the Holders of a majority of the outstanding principal amount of Transfer Restricted Securities being tendered or registered.

(d) NOTICES. All notices and other communications provided for or permitted hereunder shall be made in writing by hand-delivery, first-class mail (registered or certified, return receipt requested), telex, telecopier, or air courier guaranteeing overnight delivery:

(i) if to a Holder, at the address of such Holder maintained by the Registrar under the Indenture; and

(ii) if to the Company:

Six Flags, Inc.
122 East 42nd Street
49th Floor
New York, NY 10168
Attention: General Counsel
Facsimile: 212-949-6203

With a copy to:

Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
Attention: David Lefkowitz, Esq.
Facsimile: 212-310-8007

All such notices and communications shall be deemed to have been duly given: at the time delivered by hand, if personally delivered; five business days after being deposited in the mail, postage prepaid, if mailed; when answered back, if telexed; when receipt acknowledged, if telecopied; and on the next business day, if timely delivered to an air courier guaranteeing overnight delivery.

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Copies of all such notices, demands or other communications shall be concurrently delivered by the Person giving the same to the Trustee at the address specified in the Indenture.

(e) SUCCESSORS AND ASSIGNS. This Agreement shall inure to the benefit

of and be binding upon the successors and assigns of each of the parties, including without limitation and without the need for an express assignment, subsequent Holders of Transfer Restricted Securities; provided, however, that this Agreement shall not inure to the benefit of or be binding upon a successor or assign of a Holder unless and to the extent such successor or assign acquired Transfer Restricted Securities from such Holder.

(f) COUNTERPARTS. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

(g) HEADINGS. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(h) GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK.

(i) SEVERABILITY. In the event that any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions contained herein shall not be affected or impaired thereby.

(j) ENTIRE AGREEMENT. This Agreement together with the other transaction documents is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, warranties or undertakings, other than those set forth or referred to herein with respect to the registration rights granted by the Company with respect to the Transfer Restricted Securities. This Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter.

(k) REQUIRED CONSENTS. Whenever the consent or approval of Holders of a specified percentage of Transfer Restricted Securities is required hereunder, Transfer Restricted Securities held by the Company or any of its respective affiliates (as such term is defined in Rule 405 under the Securities Act) shall not be counted in determining whether such consent or approval was given by the Holders of such required percentage.

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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SIX FLAGS, INC.

By: /s/ James F. Dannhauser

Name: James F. Dannhauser
Title: Chief Financial Officer

Accepted as of the date thereof

LEHMAN BROTHERS INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
MORGAN STANLEY & CO. INCORPORATED
SALOMON SMITH BARNEY INC.
ALLEN & COMPANY INCORPORATED
BNY CAPITAL MARKETS, INC.
CREDIT LYONNAIS SECURITIES (USA) INC.
FLEET SECURITIES, INC.
SCOTIA CAPITAL (USA) INC.

By: LEHMAN BROTHERS INC.

By: /s/ Glenn H. Schiffman

Name: Glenn H. Schiffman
Title: Managing Director

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REGISTRATION RIGHTS AGREEMENT

Dated as of February 11, 2002

Between

SIX FLAGS, INC.

and

LEHMAN BROTHERS INC.
MERRILL LYNCH, PIERCE, FENNER & SMITH INCORPORATED
MORGAN STANLEY & CO. INCORPORATED
SALOMON SMITH BARNEY INC.

ALLEN & COMPANY INCORPORATED
BNY CAPITAL MARKETS, INC.
CREDIT LYONNAIS SECURITIES (USA) INC.
FLEET SECURITIES, INC.
SCOTIA CAPITAL (USA) INC.

as Initial Purchasers

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THE YEAR TWO THOUSAND ONE (2001), the second (2nd) day of May.

Before Mtre. Robert Coulombe, the undersigned Notary, practising in the Province of Quebec, in the City and District of Montreal.

APPEARED: VILLE DE MONTREAL, a legal person established in the public interest pursuant to the CHARTER OF THE CITY OF MONTREAL, (1959-60), chapter 102 of the Statutes of Quebec, the principal address of which is 275 Notre-Dame St. E., Montreal, Province of Quebec, H2Y 1C6, herein acting and represented by Diane Charland, clerk, duly authorized for the purposes hereof pursuant to resolution No. CO 01 00889 adopted by the Municipal Council at its meeting held on April 17, 2001, session of April 19, 2001, a certified copy of which resolution remains attached hereto after being recognized as a true copy and signed NE VARIETUR by the said representative and the undersigned Notary,

(hereinafter referred to as the "CITY")

OF THE FIRST PART;

AND: PARC SIX FLAGS MONTREAL LLP, represented by its general partner, PARC SIX FLAGS MONTREAL INC., a duly constituted corporation having its head office in the City of Montreal, herein acting and represented by James M. Coughlin, its General Counsel, Vice President and

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Secretary, duly authorized for the purposes hereof pursuant to a resolution adopted by its Board of Directors at a meeting held on the thirtieth (30th) day of April, two thousand one (2001), a copy of which remains attached hereto after being recognized as a true copy and signed NE VARIETUR for the purpose of identification by the said representative and the undersigned Notary,

(hereinafter referred to as the "EMPHYTEUTIC LESSEE")

OF THE SECOND PART

THE PARTIES DECLARE AS FOLLOWS:

WHEREAS the City is the owner of the Immoveable described in Article 28 hereof (the "IMMOVEABLE");

WHEREAS the City and SPI have entered into an Agreement for the Purchase of Assets with the Emphyteutic Lessee as of May 2, 2001;

WHEREAS the said Agreement for the Purchase of Assets provides that the City and the Emphyteutic Lessee shall execute the Agreement in accordance with the terms and conditions hereof;

NOW THEREFORE, THIS AGREEMENT WITNESSETH:

ARTICLE 1
INTERPRETATION

1.1. The following words and expressions, where used in the Agreement (including the preamble), shall have the meaning indicated unless the context requires otherwise:

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- 1.1.1 "AGREEMENT" means this Deed of Emphyteusis as well as the schedules hereto;
- 1.1.2 "AGREEMENT FOR THE PURCHASE OF ASSETS" means the agreement for the purchase of assets entered into as of May 2, 2001 between the Emphyteutic Lessee as party of the First Part and SPI and the City collectively and solidarily as party of the Second Part;
- 1.1.3 "BUSINESS" has the meaning ascribed to that word in paragraph 9.1 hereof;
- 1.1.4 "CLAIMS" has the meaning ascribed to that word in paragraph 3.6 hereof;
- 1.1.5 "COMPLEX" means the Immoveable and the Improvements;

- 1.1.6 "CONSTRUCTIONS" means the Existing Structures, Initial Constructions, the constructions, buildings, infrastructures, sidewalks, paving, driveways, outdoor lighting, walkways and the like as well as all additions and other improvements thereto (except for the Emphyteutic Lessee's Improvements) and constructions which may be made to the Immoveable or to the Initial Constructions and any restoration and reconstruction thereof;
- 1.1.7 "DEFAULT" has the meaning ascribed to that word in paragraph 18.1 hereof;
- 1.1.8 "DIRECTOR" has the meaning ascribed to that word in paragraph 4.1.1 hereof;
- 1.1.9 "EMBANKMENT" has the meaning ascribed to that word in paragraph 17.8 hereof;

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- 1.1.10 "EMPHYTEUTIC LESSEE" means Parc Six Flags Montreal LLP, its successors and assigns;
- 1.1.11 "EMPHYTEUTIC LESSEE'S IMPROVEMENTS" has the meaning ascribed to that expression in sub-paragraph 4.1.1;
- 1.1.12 "ENVIRONMENTAL LAW" has the meaning ascribed to that expression in paragraph 16.1 hereof;
- 1.1.13 "EXISTING STRUCTURES" has the meaning ascribed to that expression in Article 28;
- 1.1.14 "FACILITIES" has the meaning ascribed to that word in paragraph 17.1 hereof;
- 1.1.15 "GUARANTOR" means Six Flags, Inc.;
- 1.1.16 "HYPOTHECARY CREDITOR" means any creditor of any loan guaranteed by a hypothec granted by the Emphyteutic Lessee with respect to the Agreement or on all or part of the Complex;
- 1.1.17 "IMMOVEABLE" means the immoveable described in Article 28 hereof and, for greater certainty, includes the Existing Structures;
- 1.1.18 "IMPROVEMENTS" means the Constructions (except for the Existing Structures) and the Emphyteutic Lessee's Improvements;
- 1.1.19 "INDEMNIFIED PARTY" has the meaning ascribed to that expression in paragraph 3.6 hereof;
- 1.1.20 "INDEMNIFYING PARTY" has the meaning ascribed to that expression in paragraph 3.6 hereof;

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- 1.1.21 "INITIAL CONSTRUCTIONS" has the meaning ascribed to that expression in paragraph 4.1.1 hereof;
- 1.1.22 "INVESTMENT" has the meaning ascribed to that word in paragraph 4.1 hereof;
- 1.1.23 "INVESTMENT PROGRAM" has the meaning ascribed to that expression in sub-paragraph 4.1.1 hereof
- 1.1.24 "LEASES" has the meaning ascribed to that word in paragraph 18.4 hereof;
- 1.1.25 "LETTER OF CREDIT" has the meaning ascribed to that expression in paragraph 4.1.5 hereof;
- 1.1.26 "MARINA" has the meaning ascribed to that word in paragraph 11.1 hereof;
- 1.1.27 "MARINA LAND" has the meaning ascribed to that expression in sub-paragraph 11.1 hereof;
- 1.1.28 "MEMBER OF THE SAME GROUP" has the meaning ascribed to that expression in paragraph 29.2 hereof
- 1.1.29 "MUNICIPAL REVENUES" has the meaning ascribed to that expression in sub-paragraph 27.1.1a) hereof
- 1.1.30 "NOTICE OF TERMINATION" has the meaning ascribed to that expression in paragraph 18.1 hereof;
- 1.1.31 "PARKING LOT" has the meaning ascribed to that expression in paragraph 10.1 hereof;

1.1.32 "PRELIMINARY NOTICE" has the meaning ascribed to that expression in paragraph 18.1 hereof;

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1.1.33 "PRICE" means the total price of the emphyteusis set forth in Article 27 hereof;

1.1.34 "RIDES" has the meaning ascribed to that word in sub-paragraph 4.1.1;

1.1.35 "SCULPTURE" has the meaning ascribed to that word in paragraph 12.1 hereof;

1.1.36 "SIX FLAGS PARKS" has the meaning ascribed to that expression in sub-paragraph 8.2.4 hereof;

1.1.37 "SPI" means Societe du Parc des Iles;

1.1.38 "THIRD PARTY" means a person who is dealing at arm's length within the meaning of Section 251 of the Income Tax Act (Canada);

1.1.39 "TRUSTEE" has the meaning ascribed to that expression in sub-paragraph 8.6.1 hereof.

1.2. CURRENCY. All monetary amounts mentioned in the Agreement refer to and shall be paid in Canadian dollars;

1.3. EXTENDED MEANING. In the Agreement, words importing the singular number shall include the plural and vice versa and words importing the use of any gender shall include all genders;

1.4. HEADINGS. The dividing of the Agreement into Articles, sections, paragraphs and sub-paragraphs as well as the use of headings are for convenience of reference only and shall not constitute a part of the Agreement for any other purpose including its interpretation. Unless otherwise indicated, all references to Articles, sections, paragraphs and sub-paragraphs herein refer to those of the Agreement;

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1.5. SCHEDULES. The schedules attached to the Agreement shall constitute an integral part hereof as if recited herein at length.

ARTICLE 2 EMPHYTEUSIS

2.1. The City constitutes in favour of the Emphyteutic Lessee an emphyteusis on the Immoveable on the conditions contained herein.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1. The City represents and warrants the following to the Emphyteutic Lessee and acknowledges that the Emphyteutic Lessee is relying on such representations and warranties with respect to the Agreement.

3.1.1 CONSTITUTION, ORGANIZATION AND POWERS The City is a duly constituted and validly existing legal person which is in good standing and has the power and authority to own the Immoveable, enter into the Agreement and perform its obligations hereunder.

3.1.2 NECESSARY AUTHORIZATION The City has taken or caused to be taken all actions required to authorize its execution of the Agreement, as well as the performance of all of its obligations hereunder.

3.1.3 ENFORCEABLE AGREEMENT

3.1.3.1 The Agreement has been duly executed by the City and it constitutes, upon its execution, a valid and binding agreement of the City, enforceable against the City in accordance with its terms.

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3.1.3.2 Neither the execution of the Agreement by the City, nor the performance by the City of its obligations hereunder shall:

3.1.3.2.1 contradict or infringe the terms or provisions of the City's charter, incorporating instruments, by-laws, resolutions or other legal requirements to which the City may be bound;

3.1.3.2.2 require the approval, consent, authorization or other order or measure of a tribunal, government authority or regulatory body which has not been obtained as of the execution of the Agreement;

3.1.3.2.3 infringe the provisions of an applicable statute or regulation of any authority having jurisdiction over the City.

3.1.4 RESIDENCE OF CITY: The City is not a non-resident within the meaning of the INCOME TAX ACT (Canada).

3.1.5 TITLE TO PROPERTY: The City has good and valid title as owner of the Immoveable, free of any hypothec, surety interest, conditional sale or title retention agreement or other charge, encumbrance or real right of any nature whatsoever with the exception only of the prohibition against building and limitations as to the height of buildings on the Immoveable described in the deed

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published at the Chambly Registry Office under number 295119.

3.1.6 GOVERNMENT AND OTHER APPROVALS: No consent, approval or authorization of any person whomsoever, and in particular no consent, approval or authorization of any government organization or regulatory authority in Canada, is required with respect to the execution by the City hereof, the performance of its obligations hereunder or the completion of the transactions contemplated herein.

3.1.7 ORDERS OR NOTICES IN EFFECT: Except with respect to the requirement of Les Ponts Jacques-Cartier and Champlain Incorporee to demolish the building described in paragraph 7.3 hereof (the said requirement shall remain the exclusive responsibility of the City to the complete exoneration of the Emphyteutic Lessee, notwithstanding any provision to the contrary herein or elsewhere) and except for that described in Schedule 3.1.7 attached hereto after being recognized as a true copy and signed NE VARIETUR by the representatives of the parties and the undersigned Notary, no notice, order or similar requirement in force issued by an authority in matters of construction, environment, fire, health or labour, or otherwise directly or indirectly relating to the Immoveable, by any authority whatsoever, notably a police or fire authority or any other federal or provincial authority, which may have a material impact on the Immoveable or otherwise, affects the Immoveable and, to the City's knowledge, there are no discussions with any such authority with respect to any similar notice, order or requirement and neither the City nor SPI has any

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reason to believe any such notice, order or requirement may be issued.

For the purpose of this sub-paragraph 3.1.7, "to the City's knowledge" means the knowledge of Mr. Marcel Caron, after making due inquiry.

3.1.8 NO DEBTS: There is no undertaking, debt or other liability of the City or SPI or relating to the Immoveable for which the Emphyteutic Lessee may become responsible as of, due to or after the execution hereof except as contemplated in the Agreement for the Purchase of Assets.

3.1.9 ABSENCE OF PROCEEDINGS: Except as set out in Schedule 3.1.9 hereof which is attached hereto after being recognized as a true copy and signed NE VARIETUR by the representatives of the parties and the undersigned Notary (all of which shall remain the exclusive responsibility of the City to the complete exoneration of the Emphyteutic Lessee, notwithstanding any provision to the contrary herein or elsewhere), there are no pending or outstanding proceedings against the City or SPI with respect to the Immoveable before any tribunal, department, commission, board or agency, at the federal, provincial, municipal or other level of government, or before an arbitrator or arbitration tribunal, nor, to the City's knowledge, are any such proceedings contemplated.

For the purpose of this sub-paragraph 3.1.9, "to the City's knowledge" means the knowledge of Mr. Marcel Caron, after making due inquiry.

- 3.1.10 ABSENCE OF OPTION OR OTHER RIGHT: Other than the Agreement, there is no contract, option or other right which requires the City or which may require the City at any time in the future to sell, transfer, assign, pledge, encumber, hypothecate or alienate the Immoveable in whole or in part or to charge or otherwise encumber the Immoveable or any part thereof in any other manner.
- 3.1.11 COMPLIANCE WITH THE LAW: With the exception of that set forth in Schedule 3.1.7 hereof, neither the City nor SPI has received any notice that the Immoveable contravenes any applicable law, regulation, policy or guideline, subject to any minor contravention which will not affect the operation of the Business in a material manner.
- 3.1.12 FINDER'S FEE AND COMMISSIONS: The City is not party to any agreement according to which a finder's fee or commission may be payable to any person whomsoever in connection with the execution hereof and the transactions contemplated herein, subject to the agreement with Groupe Millenium pursuant to which finder's fees are payable by the Emphyteutic Lessee to Groupe Millenium in connection with the Agreement for the Purchase of Assets.
- 3.1.13 ENVIRONMENTAL MATTERS:

To the City's knowledge, the City and SPI have delivered to the Emphyteutic Lessee copies of all environmental reports and all other comparable materials they hold or control regarding any environmental matter with respect to the Immoveable and any activity thereon.

The City in no way guarantees the accuracy of the delivered documents.

For the purpose of this sub-paragraph 3.1.13, "to the City's knowledge" means the knowledge of Mr. Ronald Dubeau, Division Chief at the Montreal Service for the Prevention of Fires, Mr. Serge Barbeau, Section Engineer, Laboratory Section and Mr. Guy Ouellette, Division Chief, Service of Urban and Economic Development, after making due inquiry.

- 3.1.14 GST AND QST - The City is duly registered under the Excise Tax Act (Canada) and the Quebec Sales Tax Act and its registration numbers are the following:

G.S.T.: 121364749

Q.S.T.: 1006001374TQ0002

- 3.2. SURVIVAL OF THE CITY'S REPRESENTATIONS AND WARRANTIES: The City's representations and warranties contained in paragraph 3.1 or elsewhere in the Agreement shall remain in effect following the conclusion hereof and, notwithstanding such conclusion, shall continue to have full effect for the benefit of the Emphyteutic Lessee for a period of eighteen (18) months after the date the Agreement is executed, following which the City and SPI shall be released from any obligations and responsibilities hereunder with respect to such representations and warranties with the exception of (i) any Claim made by the Emphyteutic Lessee in writing before the expiry of such period and (ii) the exceptions disclosed in Schedule 3.1.9 hereto, breach of the environmental representations and warranties in sub-paragraph 3.1.13 hereof, a failure to fulfil the demolition requirement contemplated in sub-paragraph 3.1.7, the infringement of the authorization and enforceability warranties

described in sub-paragraphs 3.1.1 to 3.1.4 and 3.1.6 and the infringement of the title warranty described in sub-paragraph 3.1.5, in respect of all of which there shall be no time limitation for the making of Claims.

- 3.3. The Emphyteutic Lessee represents and warrants the following to the City and acknowledges that the City is relying on such representations and warranties in connection with the Agreement:
- 3.3.1 CONSTITUTION AND ORGANIZATION - The Emphyteutic Lessee is a duly constituted and organized limited partnership which validly exists under the laws of Quebec and which has the necessary power to enter into the Agreement and perform its obligations hereunder.
- 3.3.2 AUTHORIZATION -The Emphyteutic Lessee has taken or caused to be

taken all actions required to authorize its execution of the Agreement and the performance of its obligations hereunder.

3.3.3 ENFORCEABLE AGREEMENT -

3.3.3.1 The Agreement has been duly executed by the Emphyteutic Lessee and it constitutes, upon its execution, a valid and binding obligation of the Emphyteutic Lessee which is enforceable against it according to its terms.

3.3.3.2 Neither the execution of the Agreement by the Emphyteutic Lessee nor the performance of its obligations hereunder shall:

a) contradict or infringe the terms or provisions of the Emphyteutic Lessee's incorporating instrument or by-laws;

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b) require the affirmative approval, consent, authorization or other order or measure of a tribunal, government authority or regulatory body which has not been obtained as of the date the Agreement is executed;

c) infringe the provisions of a relevant statute or regulation of an authority having jurisdiction over the Emphyteutic Lessee.

3.3.4 LITIGATION - There are no proceedings outstanding or pending against or with respect to the Emphyteutic Lessee nor any judgement, decree, injunction or order of a tribunal, department, commission, agency, arbitrator or arbitration board against the Emphyteutic Lessee which could adversely affect the ability of the Emphyteutic Lessee to enter into the Agreement or carry out the transactions contemplated herein and the Emphyteutic Lessee is unaware of any grounds on which such proceedings could be taken.

3.3.5 GST AND QST- The Emphyteutic Lessee is duly registered under the Excise Tax Act (Canada) and the Quebec Sales Tax Act and its registration numbers are:

G.S.T.: 143958742 RT

Q.S.T.: 1087441454 TQ 0001

3.3.6 FINDER'S FEE AND COMMISSIONS: The Emphyteutic Lessee is not party to any agreement according to which a finder's fee or commission may be payable to any person whomsoever in connection with the execution hereof and the transactions contemplated herein, subject to the agreement with Groupe Millenium pursuant to

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which finder's fees are payable by the Emphyteutic Lessee to Groupe Millenium in connection with the Agreement for the Purchase of Assets.

3.4. SURVIVAL OF EMPHYTEUTIC LESSEE'S REPRESENTATIONS AND WARRANTIES: The Emphyteutic Lessee's representations and warranties described in paragraph 3.3 or elsewhere in the Agreement shall remain in effect after the conclusion of the Agreement and, notwithstanding such conclusion, shall continue to have full effect for the benefit of the City for a period of eighteen (18) months after the date the Agreement is executed, following which the Emphyteutic Lessee shall be released from any obligations and responsibilities hereunder with respect to such representations and warranties with the exception of (i) any Claim made by the City in writing before the expiry of such period and (ii) any failure to respect the declarations and warranties in sub-paragraphs 3.3.1 to 3.3.3 with respect to which there shall be no limit for presenting Claims throughout the term of the Agreement.

3.5. EXTENSION OF WARRANTY - If a Claim is made by a party with respect to any representation or warranty within the time limits contemplated herein, the representation or warranty shall remain applicable with respect to such claim until final settlement thereof.

3.6. INDEMNIFICATION - The City agrees in favour of the Emphyteutic Lessee and the Emphyteutic Lessee agrees in favour of the City (the Party which undertakes to indemnify the other Party being referred to as the "INDEMNIFYING PARTY" and the Party to be indemnified being referred to as the "INDEMNIFIED PARTY") to indemnify and hold harmless the Indemnified Party as and from the date of execution hereof from and against any claim, demand, action, cause of action, damage, loss, cost (including reasonable legal fees), liability, order or expense (collectively referred to as the "CLAIMS" or individually as a "CLAIM") which may be made or

instituted against the Indemnified Party or which may be suffered or incurred by the Indemnified Party due to or as a result of (i) the failure by the City to comply with any of its undertakings pursuant to the Agreement or (ii) an inaccuracy or infringement of a representation or warranty given by the Indemnifying Party hereunder.

3.7. LIMITATION OF LIABILITY - Notwithstanding any provision to the contrary contained herein, the foregoing obligations to indemnify and hold harmless are:

- a) subject to the limits contained in paragraphs 3.2 and 3.4 with respect to the survival of the parties' representations and warranties; and
- b) subject to the requirement that the Indemnifying Party be informed, with respect to any Claim made by a Third Party, within a reasonable delay of all material information relating thereto and that it has the opportunity to set up a defence or transact in its name with respect to the Third Party Claim.

ARTICLE 4
OBLIGATION TO MAKE
IMPROVEMENTS TO THE IMMOVEABLE

4.1. The Emphyteutic Lessee agrees to carry out an investment program for the Immoveable involving the investment of at least NINETY MILLION DOLLARS (\$90,000,000) (the "INVESTMENT"), the whole in accordance with the laws and regulations in effect and according to the following terms:

- 4.1.1 Within one year following the execution of the Agreement, the Emphyteutic Lessee shall submit to the Director General of the City (the "DIRECTOR") an investment program for the Immoveable describing the Investment,

subject to the Emphyteutic Lessee's right to amend, replace, delete from or add to same at any time and from time to time without significantly decreasing the monetary value (the said program so amended or replaced from time to time being referred to as the "INVESTMENT PROGRAM"). The purpose of the review of the Investment Program by the City shall be to ensure that the value of the Investment is at least NINETY MILLION DOLLARS (\$90,000,000) calculated according to the provisions of this sub-paragraph 4.1.1 and the Director shall inform the Emphyteutic Lessee in writing within thirty (30) days of receipt of the Investment Program whether or not he is satisfied that the Investment Program includes an Investment of at least NINETY MILLION DOLLARS (\$90,000,000). If the Director is not so satisfied, his opinion shall give the specific reasons for his dissatisfaction. The Emphyteutic Lessee shall then have the option of submitting an amended Investment Program and the foregoing provisions shall apply, or to submit the dispute to mandatory arbitration according to the provisions of the CODE OF CIVIL PROCEDURE OF QUEBEC.

The Investment Program shall include non-temporary Constructions (excluding all Initial Structures) of the Immoveable, the initial cost of which shall be at least TEN MILLION DOLLARS (\$10,000,000) (the "INITIAL CONSTRUCTIONS"). The City and the Emphyteutic Lessee acknowledge that the Initial Constructions must permanently increase the value of the Immoveable. For greater certainty, the Constructions do not and shall never be deemed to include any rides, attractions, games or amusement facilities of any sort or nature

whatsoever and however affixed to, or installed on, the Immoveable including, without limitation, any equipment, apparatus, mechanism, motor or other power source, machinery, fixture, base, accessory or other installation whatsoever, in any way related thereto or required for their use or operation and any additions, alterations and improvements thereto, (collectively the "RIDES") nor any other installation, construction, equipment or material capable of being dismantled, nor any furniture or other moveable assets (the said moveable assets and the Rides being collectively referred to as the "EMPHYTEUTIC LESSEE'S IMPROVEMENTS").

The parties agree that up to EIGHTY MILLION DOLLARS (\$80,000,000) of the Investment, at the sole option and discretion of the

Emphyteutic Lessee, may only be comprised of the Emphyteutic Lessee's Improvements.

All the work the Emphyteutic Lessee performs with respect to the Existing Structures shall form part of the costs of the Investment. All costs incurred by the Emphyteutic Lessee with respect to the Investment (including, for greater certainty, the Initial Constructions), notably all soft and hard costs, consulting, engineering, architect, legal and permit costs, all capital costs, demolition costs, the cost of land preparation and generally all costs according to generally recognized accounting principles in Canada shall be accounted for and are included in the Investment. All costs (calculated as provided above) related to the Investment incurred by the Emphyteutic Lessee before and after the submission of the Investment Program to the City but before receiving

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a favourable opinion from the Director or as determined by arbitration, as the case may be, shall also be accounted for and included in the Investment. The costs incurred by the Emphyteutic Lessee before the execution of the Agreement and the recurrent operating expenditures of the Business shall not form part of the Investment.

All improvements, facilities, constructions and work made or done by or on behalf of the Emphyteutic Lessee with respect to the Immoveable as well as all equipment, accessories, machinery and other assets brought by or on behalf of the Emphyteutic Lessee shall necessarily constitute either Constructions or Emphyteutic Lessee's Improvements. In case of doubt, the foregoing shall be deemed to constitute Emphyteutic Lessee's Improvements. For greater certainty, all restoration, repair, replacement, demolition, renovation or addition work to a Construction or to an Emphyteutic Lessee's Improvement shall be and shall be deemed to be a Construction or Emphyteutic Lessee's Improvement respectively, as the case may be

- 4.1.2 The Investment Program shall, in general terms, describe the different elements of the Investment and contain an estimate of the various expenditure items. The Emphyteutic Lessee shall provide the City, from time to time, with the changes it has made to the initial Investment Program given to the City.
- 4.1.3 The Emphyteutic Lessee shall invest the amounts contemplated in the Investment Program which have received the favourable opinion of the Director or as determined by arbitration, as the case may be, within four

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(4) years of the said opinion or arbitration decision, as the case may be.

- 4.1.4 The Emphyteutic Lessee shall provide the City annually, at its expense, with a statement of the disbursements and costs incurred with respect to the Investment, produced by the outside auditors of the Emphyteutic Lessee, who shall be a recognized firm of chartered accountants, as long as the said statement has not demonstrated to the reasonable satisfaction of the City that the Investment has been made in accordance with the Investment Program.
- 4.1.5 The Emphyteutic Lessee's obligation to make the Investment shall be guaranteed by a Letter of Credit cashable in Montreal, issued by a Canadian chartered bank, the whole according to the form and contents acceptable to the City, or any other document acceptable to the City at its sole and complete discretion (the "LETTER OF CREDIT") and, for such purpose, a Letter of Credit covering the first year of the Agreement has already been given to the City concurrently with the execution of the Agreement in an amount of NINE MILLION DOLLARS (\$9,000,000), which amount shall be reduced annually by ten per cent (10%) of the amount invested with respect to the Investment by the Emphyteutic Lessee during the preceding year. To this effect, the Emphyteutic Lessee shall provide the City with all necessary documentation. The City may, without notice to the Emphyteutic Lessee being required, cash in the Letter of Credit if it is not renewed thirty (30) days before its maturity or if the City receives a notice from the issuer to the effect that it will not be renewed

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at maturity and another letter of credit is not provided to it

before the said maturity.

- 4.1.6 The plans and specifications for the Constructions shall comply with the by-laws in force when the necessary permits are obtained.
- 4.1.7 All the above time limits shall be of the essence and constitute an essential condition of the Agreement, without which the City would not have signed the Agreement, unless the Emphyteutic Lessee is prevented by a fortuitous event, superior force or any event beyond the control of the Emphyteutic Lessee, a change in the law or delayed for any reason, event or circumstance attributable to the City or to any other government agency having jurisdiction, in all of which cases the time limits shall be extended by a period equal to the period of prevention taking, however, into consideration that the Emphyteutic Lessee shall not be required to carry out any Initial Constructions, Emphyteutic Lessee's Improvements or other work comprised in the Investment during the period from May 1st to September 30th inclusively, and the foregoing shall not have the effect of extending the four (4) year delay contemplated in sub-paragraph 4.1.3 except according to the provisions of this sub-paragraph 4.1.7.

Should the Emphyteutic Lessee fail to perform its obligations under this paragraph 4.1, including the obligation to make the Investment and build the Initial Constructions in the manner and within the time limits mentioned above, the City may, upon one hundred and twenty (120) days' notice served on the Emphyteutic Lessee and any Hypothecary Creditor, and subject to its

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other rights and recourses, cash the Letter of Credit and terminate the Agreement according to the provisions and delays prescribed in Article 18 hereof. The City may not, however, attempt to terminate the Agreement or cash the Letter of Credit if, during the said one-hundred twenty (120) day period, the Emphyteutic Lessee deposits with the Trustee, or with another trustee reasonably acceptable to the parties, the unspent remainder of the Investment, in which case the said amount shall only be released to the Emphyteutic Lessee progressively as costs are incurred with respect to the Investment, it being understood that the Investment shall be completed, subject to the provisions of this sub-paragraph 4.1.7, within five (5) years as of the date of the favourable opinion of the Director with respect to the Investment Program or the arbitration decision, as the case may be, failing which the unspent remainder of the Investment shall be remitted by the Trustee to the City at the latter's request.

- 4.1.8 During the term hereof, the Emphyteutic Lessee shall have the right at any time and from time to time to demolish, modify, replace, remove, dismantle, expand, upgrade or diminish any Emphyteutic Lessee Improvement, the Constructions (including any Emphyteutic Lessee's Improvements and Constructions not erected, made, done or installed pursuant to the Investment) and any of the Existing Structures, provided such work is carried out during the normal course of the operation of the Business.
- 4.1.9 At the expiry of the term of the Agreement, the Emphyteutic Lessee shall have the right to remove, no later

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than the expiry date, all or part of the Emphyteutic Lessee's Improvements from the Immoveable. Should the Agreement be terminated, including further to a Default by the Emphyteutic Lessee which has not been cured within the time contemplated in Article 18, the Emphyteutic Lessee shall have the right, during a period of one hundred twenty (120) days of such termination, to remove from the Immoveable all or part of the Emphyteutic Lessee's Improvements. Any Emphyteutic Lessee's Improvements which have not been removed within the aforesaid time limit shall be deemed to be abandoned and, subject to the rights of any other person, the said Emphyteutic Lessee's Improvements, shall become the property of the City without recourse or further consideration. It is understood that all the Emphyteutic Lessee's Improvements (including the Emphyteutic Lessee's Improvements which have not been erected, made, done or installed in connection with the Investment) shall be and at all times remain, subject only to the foregoing provisions, the property of the Emphyteutic Lessee.

- 4.1.10 At the expiry of the term hereof or any other termination hereof, including without limitation any termination by reason of a Default of the Emphyteutic Lessee which is not cured within the time limit contemplated in Article 18, all Constructions then located on the Immoveable shall remain thereon as the property of

the City without compensation. The Emphyteutic Lessee covenants and agrees that the Constructions so left on the Immoveable shall have, subject to any termination of the Agreement in accordance with the provisions of paragraph 8.10, an initial cost (calculated in accordance

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with the provisions of sub-paragraph 4.1.1 hereof) of at least TEN MILLION DOLLARS (\$10,000,000).

ARTICLE 5
TAXES

- 5.1. The Emphyteutic Lessee shall, as of May 1, 2001 and for the period up to the expiry of the Agreement for any reason whatsoever, pay all the taxes, surtaxes, fees, royalties, permits, levies or contributions of any nature whatsoever which are or may be levied against the Complex and the Business.

ARTICLE 6
MAINTENANCE AND REPAIRS

- 6.1. Subject to the provisions of sub-paragraphs 4.1.8, paragraphs 7.3 and 7.4 and paragraph 8.10 hereof, the Emphyteutic Lessee shall, throughout the term of the Agreement, at its expense, keep the Immoveable and the Constructions (including the Constructions made by the Emphyteutic Lessee which it was not required to make under the Agreement) in good condition (and, to this end, to make all necessary repairs), except for normal wear and tear and except for the Existing Structures which the Emphyteutic Lessee decides to demolish in connection with its operation of the Business. The City may, without obligation, upon prior written notice and at appropriate times, all parties acting reasonably, conduct periodic inspections of the state of the Immoveable and the Constructions.
- 6.2. Subject to the provisions of sub-paragraph 4.1.8 and paragraph 8.10 hereof, the Emphyteutic Lessee shall, throughout the term of the Agreement, ensure that the Emphyteutic Lessee's Improvements located on the Immoveable from time to time are in good

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condition, except for normal wear and tear, and for such purpose, it shall make all necessary repairs.

ARTICLE 7
STATE OF THE IMMOVEABLE

- 7.1. The Emphyteutic Lessee and the City agree that the Immoveable is being conveyed to the Emphyteutic Lessee with legal warranty as to title only, the Emphyteutic Lessee is taking the Immoveable in the state in which it is found, without warranty as to quality, at its risk and peril, declaring that it has seen and examined it and is satisfied therewith. The City hereby assigns to the Emphyteutic Lessee any and all warranty rights relating to the work performed by Third Parties on the Existing Structures or property acquired which is integrated into the existing Structures.
- 7.2. The parties covenant and agree that the Emphyteutic Lessee is not required to and shall not prepare or have prepared a report on the Immoveable.
- 7.3. The Emphyteutic Lessee shall have the building outlined in red on the plan attached hereto as Schedule 7.3, after being recognized as a true copy and signed NE VARIETUR by the representatives of the parties hereto and the undersigned Notary, demolished. Subject to obtaining all permits and other authorizations required by law, the said demolition work shall be completed no later than December 31, 2002. The cost of the demolition and landscaping shall be the object of an adjustment in connection with the Agreement for the Purchase of Assets.
- 7.4. Notwithstanding any provision to the contrary, the City shall, at its expense, before December 31, 2001, complete the demolition of the building outlined in blue on the plan attached hereto as Schedule 7.3. The City shall leave the area occupied by the said building

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which is on the Immoveable in good condition and free of debris, as soon as the demolition is completed. The Emphyteutic Lessee may, at its risk and peril, use the part of the said building which is on the Immoveable, subject to any notice to the contrary which may be given by a competent authority, up to the date the demolition work begins.

The Emphyteutic Lessee shall allow access to the City, its employees and contractors at reasonable times for the demolition of the said building. The City shall be liable for all damage caused to the Complex during or at the time of the demolition of the said building as well as for all Third-Party claims and all liability toward Third Parties with respect to the said building (except for the part which shall remain under the Emphyteutic Lessee's care until its demolition) and its demolition and the City shall indemnify the Emphyteutic Lessee for the foregoing; such material damage and such claims and liability shall be deemed to constitute Claims hereunder.

ARTICLE 8
INSURANCE

- 8.1. In order to protect the City's interests in the Constructions and protect it from civil liability, the Emphyteutic Lessee agrees to purchase, before the work begins, and to maintain in effect throughout the duration of the work, at its expense, the following insurance policies:
- 8.1.1 builder's all risk insurance covering damage to the Constructions being built, renovated or installed for each of the projects or in the form of wrap-up insurance for all the projects. The amount of insurance purchased shall be representative of the full value of the said project or all the projects upon completion of the work.

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The said policy shall name as insured the Emphyteutic Lessee and, as additional insureds according to their respective interests, the City, the client and the general contractor and its sub-contractors, if all the work to be performed is entrusted to a general contractor. The wording of the builder's risk insurance shall in no event be less broad than that of the IBC 4042 form or any form in replacement thereof, to which the endorsements relating to ground movement and flooding shall have been added. The insurer shall waive its subrogation right against the City. The said policy shall also include insurance protection against business interruption caused by construction or site delays. The said policy may contain one or more deductibles which shall not exceed \$100,000 per event to be deducted from each claim, which deductibles shall be for the sole account of the Emphyteutic Lessee; and

- 8.1.2 "wrap up" civil liability protection against the financial consequences of civil liability for which the insureds are responsible as a result of construction, renovation and installation activities related to the Constructions due in particular to bodily harm, damage to property and personal injury. Depending on the nature of the work, an endorsement with respect to pollution liability shall be added if available at a commercially reasonable rate. The said policy shall name as insured the Emphyteutic Lessee and as additional insureds, according to their respective interests the City, the client, the general contractor and its subcontractors, and all the professionals and consultants when they participate in the performance of the project. The said policy may contain one or more deductibles which shall not exceed

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\$100,000 each to be deducted from each claim, which deductibles shall be for the sole account of the Emphyteutic Lessee.

- 8.2. In order to protect the City's interests in the Constructions and protect it from civil liability, the Emphyteutic Lessee agrees to purchase, as of the execution of the Agreement, and to maintain in effect throughout the term of the Agreement, at its expense, the following insurance policies:
- 8.2.1 a civil liability insurance policy (broad form) based on events covering the financial consequences of the activities of the Emphyteutic Lessee due in particular to bodily harm, damage to property and personal injury. The said policy shall name the City as additional insured in its capacity as emphyteutic owner of the Complex except for the Emphyteutic Lessee's Improvements. The insurance limit per event shall not be less than CDN\$20,000,000 and \$20,000,000 per year of insurance. The said insurance policy may contain one or more deductibles which shall not exceed \$250,000 each to be deducted from each claim, which deductibles shall be for the sole account of the Emphyteutic Lessee;
- 8.2.2 complementary and excess civil liability umbrella insurance, the limit of which shall not be less than CDN\$25,000,000 and \$25,000,000 per year of insurance. The said insurance policy may contain one or more deductibles which shall not exceed \$100,000

each to be deducted from each claim, which deductibles shall be for the sole account of the Emphyteutic Lessee.

- 8.2.3 environmental responsibility insurance based on claims for damage caused by underground reservoirs according

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to provisions comparable to those of similar insurance maintained by Six Flags, Inc. or Members of the Same Group for Six Flags Parks, provided that the said provisions at least meet industry standards. The said policy shall name the City as additional insured in its capacity as emphyteutic owner of the Complex except for the Emphyteutic Lessee's Improvements. The insurance limit per event shall not be less than CDN\$10,000,000 per year of insurance. The said insurance policy may contain one or more deductibles which shall not exceed \$250,000 each to be deducted from each claim, which deductibles shall be for the sole account of the Emphyteutic Lessee.

The said insurance policy shall contain an endorsement for claims which may be made after the Agreement terminates but which arise out of events occurring during the term thereof.

- 8.2.4 an all-risk insurance policy covering the Constructions. The said policy shall cover in particular all the Constructions which are insurable and normally insured which the Emphyteutic Lessee owns or leases as emphyteutic lessee under the Agreement. The Constructions shall be insured for an amount corresponding at all times to one hundred per cent (100%) of the replacement value. The said policy shall also include protection against business losses.

The said insurance policy may contain one or more deductibles which shall not exceed \$250,000 each, to be deducted from each claim, which deductibles shall be for the sole account of the Emphyteutic Lessee.

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The insurance form used shall in no event be less broad than the IBC 4037 form, or any form in replacement thereof, provided that if, during the term of the Agreement, the Emphyteutic Lessee cannot obtain insurance coverage with such wording at a commercially reasonable rate, the wording of the said policy shall be comparable to that of similar insurance maintained by Six Flags, Inc. or Members of the Same Group for parks it operates or owns (the "SIX FLAGS PARKS"), provided that the wording at least meets industry standards. Provided the Emphyteutic Lessee can obtain them at commercially reasonable rates, the following endorsements shall also be added to the insurance policy: an endorsement covering the risk of earthquakes, an endorsement covering the risk of flooding and sewer backups, an endorsement covering landslides and other ground movement, all endorsements relating to the consequences of legal provisions relating to construction. The annual insurance limit of the endorsement for earthquakes shall correspond to the total value of the Constructions if it can be obtained by the Emphyteutic Lessee at a commercially reasonable rate.

The total value of the Constructions shall be determined periodically at the expense of the Emphyteutic Lessee by independent certified appraisers; and

- 8.2.5 boiler and machinery insurance. The said policy shall cover in particular all pressurized vessels, whether heated or not, as well as any refrigeration or air conditioning container or pipes or any other pipes and their accessory equipment, any machinery, electrical power control panels and, generally, all objects which may

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normally be insured under boiler and machinery insurance. The said insurance policy may contain a deductible to be subtracted from each claim, which shall be for the sole account of the Emphyteutic Lessee and shall not exceed \$100,000.

The insurance policies described in paragraphs 8.2.4 and 8.2.5 shall name the Emphyteutic Lessee as insured and the City as additional insured and include, if available at a commercially reasonable rate, a waiver by the insurers of subrogation against the City. Where applicable, the hypothecary creditors shall be designated as beneficiaries.

- 8.3. The insurance policies described in paragraphs 8.1.1, 8.1.2, 8.2.1, 8.2.2, 8.2.3, 8.2.4 and 8.2.5 shall contain an endorsement stating that the said policies may not be cancelled without sixty (60) days' prior notice to the City and contain clauses relating to recourses between co-insureds and severability of interest.

The amount of protection of the policies described in paragraphs 8.2.1, 8.2.2 and 8.2.3 as well as, where applicable, paragraphs 8.1.2 and 8.1.2, their wording, the protection given by each policy and the deductibles applicable thereto may be adjusted where necessary by the Emphyteutic Lessee, considering what is done in the industry in Canada, in particular and without limiting the generality of the foregoing, to take account of any increase in construction costs, the cost of living, changes which may have occurred in the law, the economic, social or political situation existing at the time or in the risk, it being understood, however, that the protection required may not be reduced.

The wording of the policies described in paragraphs 8.2.4 and 8.2.5, the protection given by each policy and the deductibles

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applicable thereto shall be reviewed where necessary by the Emphyteutic Lessee, considering what is done in the industry in Canada, in particular and without limiting the generality of the foregoing, to take account of any increase in construction costs, the cost of living, changes which may have occurred in the law, the economic, social or political situation existing at the time or in the risk, it being understood, however, that the protection required may not be reduced.

- 8.4. The policies mentioned in paragraphs 8.1.1, 8.2.4 and 8.2.5 relating to damage with respect to the Constructions shall stipulate that the indemnities shall be payable jointly to the Emphyteutic Lessee, the City and any Hypothecary Creditor, according to their respective interests, and any indemnity less than \$500,000 (as increased to take account of any variation in the consumer price index (Montreal; all items) published by Statistics Canada (or any other equivalent index set up to replace it) shall only be payable to the Emphyteutic Lessee and any indemnity equal to or greater than \$500,000 (as increased to take account of any variation in the consumer price index (Montreal; all items) published by Statistics Canada (or any other equivalent index set up to replace it) shall be paid in accordance with the provisions of paragraph 8.5 hereof.

The Emphyteutic Lessee agrees to give the City, care of the SERVICE DE DEVELOPPEMENT ECONOMIQUE ET URBAIN:

- 8.4.1 copies of all insurance policies and endorsements contemplated and mentioned in paragraphs 8.1.1, 8.1.2, 8.2.1, 8.2.3, 8.2.4 and 8.2.5 as soon as they are issued; and
- 8.4.2 receipts evidencing the payment of the premiums for the above referred-to policies or the certificates of insurance within thirty (30) days of the premium term.

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Should the Emphyteutic Lessee fail to keep the Constructions insured and to hold or maintain in effect any other insurance contemplated herein, the City, after forty-eight (48) hours' written notice to the Emphyteutic Lessee, shall have the right to purchase such insurance from one or more insurance companies of its choice, the whole at the expense of the Emphyteutic Lessee

- 8.5 All insurance proceeds relating to damage or loss to the Constructions under policies contemplated in sub-paragraphs 8.1.1 (relating to damage insurance), 8.2.4 and 8.2.5 where the total amount of proceeds is equal to or greater than the amount contemplated in paragraph 8.4, shall be paid to the Trustee, who shall keep them in trust and apply them to payment of the cost of repairing, restoring, replacing, or rebuilding any Constructions as provided in paragraph 8.6 hereof, subject to the provisions of paragraph 8.10.
- 8.6 In the event of the destruction of part of the Constructions or damage caused by fire or any other cause, the Emphyteutic Lessee shall, as soon as possible but within no more than twelve (12) months and without jeopardizing more than one year of operation of the Business, except in the case of a fortuitous event, undertake and thereafter diligently pursue the restoration of the destroyed or damaged part of the Constructions to return them as much as possible to the state in which they were before the destruction or damage, or to any other state upon which the parties may mutually agree. In the event the insurance proceeds are deposited with it, the Trustee shall in such respect, from time to time, release the amounts of money deposited with it as contemplated in paragraph 8.5 to pay the Emphyteutic Lessee as and when the work to restore the destroyed or damaged part progresses, up to the expenses incurred in accordance with the certificate of progress issued

from time to time by the architect in charge of the work. The Emphyteutic Lessee shall purchase new insurance for the

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Constructions during the reconstruction period up to the expiry of the term of the Agreement and the provisions of the insurance clauses contained in Article 8 shall apply to the said new insurance and so forth each time a loss occurs giving rise to a claim under any insurance policy. Upon completion of such repair, replacement, restoration or rebuilding in accordance with the provisions of the Agreement, and the full payment therefor, any insurance proceeds received by the Trustee with respect to the damage or destruction involved and not used shall be remitted to the Emphyteutic Lessee if the destruction or the damage occurs before the fifty-fifth anniversary of the Agreement or, if the said damage or destruction occurs after the said anniversary, they shall be distributed among the parties according to the provisions of Article 24 of the Agreement.

Notwithstanding the foregoing, the Emphyteutic Lessee may, during the normal course of operation of the Business, choose not to rebuild certain Constructions, provided, however, that the remaining Constructions have an Initial Cost of TEN MILLION DOLLARS (\$10,000,000), in which case the obligation to restore shall be limited to the said amount of the Initial Cost of the remaining Constructions.

For the purposes of this paragraph 8.6 only, "INITIAL COST" shall mean:

- i) for the remaining Constructions which have been made or built before the expiry of the five-year period required for the erection of the Initial Constructions, the cost of the said remaining Constructions effectively incurred initially by the Emphyteutic Lessee, calculated dollar for dollar;
- ii) for the remaining Constructions which have been made or built after the expiry of the five-year period required for the erection of the Initial Constructions, the cost of the said

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remaining Constructions effectively incurred initially by the Emphyteutic Lessee, calculated dollar for dollar and reduced to take account of inflation between the end of the aforementioned five-year period and the dates on which the initial costs of the said Constructions were incurred, according to the consumer price index (Montreal; all items) published by Statistics Canada.

To the extent that, during the normal course of the operation of the Business, the Emphyteutic Lessee decides not to rebuild the Constructions and provided that the obligation of the Emphyteutic Lessee to maintain the remaining Constructions having an Initial Cost of at least TEN MILLION DOLLARS (\$10,000,000), and provided such remaining Constructions are in the state of maintenance and repair required by the Agreement, the Emphyteutic Lessee shall keep the balance of the insurance proceeds to be used at its discretion if the destruction or damage to the Constructions occur before the fifty-fifth anniversary of the Agreement, even if the proceeds have been given to the Trustee. If the destruction or damage occurs after such anniversary, the said balance of insurance proceeds shall be divided among the parties according to the provisions of sub-paragraph 24.2.2 of the Agreement.

- 8.6.1 As used herein, the term "TRUSTEE" shall mean any trustee or recognized trust company with offices located in Montreal, mutually approved by the Emphyteutic Lessee and the City.
- 8.6.2 The Trustee shall hold the proceeds of insurance in trust and make disbursements thereof specifically limited to the proceeds of physical property damage insurance described in sub-paragraphs 8.2.4 and 8.2.5.

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- 8.6.3 All costs incurred by the Trustee shall be paid by the Emphyteutic Lessee. For greater certainty, the said costs shall not be paid from the insurance proceeds or from the revenue generated from the said insurance proceeds.
- 8.7 The Emphyteutic Lessee and the City hereby release each other from any and all liability (to the other or anyone claiming through or under the other by way of subrogation or otherwise) for any loss or damage to real or personal property on or forming part of the Complex caused by fire or any other insured risk or a risk which should have been insured, even if such fire or other casualty shall have been caused by the fault or

negligence of the other party or anyone for whom such party may be responsible. The said release by the City in favour of the Emphyteutic Lessee shall only apply if the insurance proceeds are in fact paid in full under one or more policies in accordance with the provisions of this Article 8 and paragraph 24.2.3 is compiled with in circumstances where it applies.

- 8.8 Before beginning any restoration in accordance with the provisions of paragraph 8.6, where the estimated cost of the work is greater than \$500,000, the Emphyteutic Lessee shall comply MUTATIS MUTANDIS with the provisions of sub-paragraphs 8.1.1 and 8.1.2 hereof.
- 8.9 Should the indemnities paid by the insurer(s) be insufficient to complete the restoration of the destroyed or damage part, the Emphyteutic Lessee shall nonetheless complete the restoration work and pay the cost in excess of such indemnities in the circumstances and to the extent that it is required to proceed with the restoration under paragraph 8.6.
- 8.10 In the event that, for any reason whatsoever, the Constructions are totally destroyed or damaged to the point of being unusable for the

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purposes of the Agreement, the Emphyteutic Lessee shall so notify the City within thirty (30) days of the destruction or damage.

If there occurs during the last ten (10) years of the Agreement damage or destruction and the cost of repairing, restoring, replacing or rebuilding the Constructions or the Emphyteutic Lessee's Improvements shall exceed fifty percent (50%) of the replacement cost of the Constructions or the Emphyteutic Lessee's Improvements, as the case may be, as reasonably determined by the Emphyteutic Lessee, the Emphyteutic Lessee may elect to terminate the Agreement and, in such event, the Emphyteutic Lessee shall give thirty (30) days written notice to the City of its election and the Agreement shall thereupon terminate thirty (30) days after receipt by the City of such notice, and any insurance proceeds relating to the Constructions shall be distributed in accordance with paragraph 24.2.2.

- 8.11 The Emphyteutic Lessee shall also purchase and maintain in effect, at its expense, civil liability insurance covering the holding of special events and in particular the international fireworks competition (which shall comply with the requirements relating to the other civil liability insurance).
- 8.12 The Emphyteutic Lessee shall purchase all the insurance contemplated in the Agreement from financially sound and recognized insurers who shall be authorized to do business in the Province of Quebec and hold an A-/7 rating (or greater) determined according to AMBEST (or its successors) or any other equivalent rating applicable at the time and, should there be no insurers holding such a rating, from insurers having the next best rating.
- 8.13 None of the provisions of this Article 8 shall be interpreted so as to make the City liable for risks against which the Emphyteutic Lessee is insured.

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- 8.14 The Emphyteutic Lessee shall purchase property insurance with respect to the Emphyteutic Lessee's Improvements and business interruption insurance similar to that which Six Flags, Inc. or a Member of the Same Group maintains from time to time for a majority of the Six Flags Parks comparable to the Business. The Emphyteutic Lessee shall ensure that the insurance policies contemplated in this paragraph include a waiver by the insurers to subrogation against the City. All insurance proceeds under the insurance policies contemplated in this paragraph 8.10 as well as under any other insurance policy which the Emphyteutic Lessee may hold, except that required under sub-paragraphs 8.2.4 and 8.2.5, are for the sole benefit of and shall be paid to the Emphyteutic Lessee.

ARTICLE 9 USE OF THE COMPLEX

- 9.1 The Complex may only be used for the purposes of at least a regional amusement, recreational entertainment or theme park, including, without limitation, such attractions, recreational facilities, amenities, parking, retail facilities or supporting facilities, complementary or ancillary uses or facilities such as, without limitation, a water park, animal attraction, movie attraction and any other attraction, theme or concept operated from time to time, directly or indirectly, by Six Flags, Inc. (or its successors or any person which is a Member of the Same Group as it) in any of its other parks, as the Emphyteutic Lessee deems necessary or desirable from time to time, the whole subject to the zoning by-laws in effect at the time; the Complex shall be open to the general public during the days and hours determined from time to time by

the Emphyteutic Lessee, against admission or use fee or other charge by the Emphyteutic Lessee (the "BUSINESS").

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The Emphyteutic Lessee shall continue to operate the Business throughout the term of the Agreement during the days and hours determined from time to time by the Emphyteutic Lessee. Should the Emphyteutic Lessee cease operating the Business during a period exceeding two (2) consecutive operating seasons, the City may terminate the Agreement in accordance with the provisions of Article 18.

If the Emphyteutic Lessee also wishes to build and operate a hotel on the Complex which involves a change in the zoning by-laws, the City agrees to review any request to do so. The purpose of this paragraph is not to limit the discretionary authority of the City to follow up on such a request, which must comply with regulatory procedures. Furthermore, the City informs and the Emphyteutic Lessee acknowledges that the construction of a hotel does not comply with the zoning by-laws applicable as of the date hereof.

ARTICLE 10
PARKING LOT

- 10.1 The part of the Immoveable outlined in green on the plan attached hereto as Schedule 7.3 (hereinafter referred to as the "PARKING LOT") may only be used for paying or non-paying parking, at the discretion of the Emphyteutic Lessee.
- 10.2 The Emphyteutic Lessee shall operate or cause the Parking Lot to be operated for clients of the Complex and users of Parc Jean-Drapeau during the season and the hours of the season in which the Business is operated on the Complex. For greater certainty, all revenues derived from parking activities, the facilities related to the Parking Lot and the Parking Lot are for the sole benefit and account of the Emphyteutic Lessee, except only where they are operated by the City according to the following terms. Outside the operating season of the Business, should the Emphyteutic Lessee

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elect from time to time in its sole discretion not to operate the Parking Lot, the City shall be entitled to use, at its sole cost, including all snow removal, security, lighting and other costs and maintenance, but without rent payable to the Emphyteutic Lessee, the Parking Lot for users of Parc Jean Drapeau. During any use by or for the City of the Parking Lot, the City shall be responsible for and shall indemnify the Emphyteutic Lessee from and against all property damage caused to the Parking Lot or the Complex by any person and for Third Party claims and liability resulting from its use of the Parking Lot and shall indemnify the Emphyteutic Lessee therefor; such material damage and such claims and liability shall be deemed to constitute Claims hereunder.

ARTICLE 11
MARINA

- 11.1 The Emphyteutic Lessee shall continue to operate the marina (the "MARINA") located on the part of the Immoveable identified in red on the plan attached hereto as Schedule 7.3 (the "MARINA LAND") for the 2001, 2002, 2003 and 2004 seasons only, the whole in accordance with the laws and regulations in force. The Marina shall offer services at least equivalent to those offered during the year two thousand (2000).
- 11.1.2 After the close of the 2004 season, the Emphyteutic Lessee shall have the right at any time to cease operating the Marina by giving one year's notice to the City; accordingly, to cease operating the Marina at the end of the Business's 2004 season, the Emphyteutic Lessee shall give the said notice to the City no later than the end of the Business's 2003 season. The City shall notify the Emphyteutic Lessee in writing before the date the Emphyteutic Lessee will cease operating the Marina whether it will or will not operate the Marina. Should the aforesaid written notice of the City not be

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received by the Emphyteutic Lessee within the said delay, the City shall be deemed to have refused to operate the Marina. Should, at the expiry of the said delay, the City have refused or be deemed to have refused to operate the Marina, the Emphyteutic Lessee may cease operating the Marina, for any period of time the Emphyteutic Lessee elects, in its sole discretion. Should, at the expiry of the aforesaid delay, the City have notified the Emphyteutic Lessee in writing that it shall operate the Marina, the Emphyteutic Lessee shall cease operating the Marina and the City and the Emphyteutic Lessee shall, forthwith and before the City

or an assignee thereof operates the Marina, execute an addendum to the Agreement whereby the Marina Land shall revert to the City with the Constructions built thereon, the whole without compensation or reduction of the Price.

For greater certainty, it is understood and agreed that the City shall have no claim whatsoever against the Emphyteutic Lessee should the Emphyteutic Lessee, at any time after the close of the 2004 season, elect not to operate the Marina as aforesaid, and the only right of the City shall be to remove the Marina Land from the Agreement in accordance with the foregoing provisions. The City may, at its discretion, further to the execution of such addendum, operate the Marina itself or assign the operation to a Third Party of its choice.

In the aforesaid addendum, the Emphyteutic Lessee shall grant the City, without compensation or reduction in the Price, all the servitudes reasonably necessary to allow access to the Marina by users and representatives of the City and, if applicable, to the City's assignee, and to allow the Marina to be connected to public utilities.

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ARTICLE 12
OPTICAL ORBIT SCULPTURE NO. 2
AND EXPO-EXPRESS BRIDGE

- 12.1 The Emphyteutic Lessee and the City acknowledge and agree that the sculpture called "OPTICAL ORBIT NO. 2" by artist Gerald Gladstone (the "SCULPTURE") is and shall remain the property of the City and shall not form part of the Immoveable. The Sculpture is indicated in red on the plan attached hereto as Schedule 7.3.
- 12.2 The City may restore the Sculpture, but outside of any operating season of the Business and upon five (5) days prior written notice to the Emphyteutic Lessee. The City shall maintain the Sculpture according to trade practice throughout the term of the Agreement. To the extent possible, the City shall perform such maintenance outside the period between the months of May and September inclusively and upon five (5) days prior written notice to the Emphyteutic Lessee. The City may, at its expense, at any time outside the said months, remove the Sculpture from the Immoveable, in which case it shall repair any damage caused to the Complex by such removal. The Emphyteutic Lessee shall allow access to the City, its employees and contractors at the times hereinabove mentioned and at reasonable hours, for the restoration, maintenance or removal purposes hereinabove mentioned.
- 12.3 During the time the Sculpture is on the Immoveable, the City shall be responsible for all material damage caused to the Complex by the Sculpture or by any person during maintenance or restoration thereof as well as for all Third Party claims and liability relating to the Sculpture, unless such claim is the result of the fault of the Emphyteutic Lessee or persons for whom it is responsible, its restoration and maintenance and shall hold the Emphyteutic Lessee harmless against the foregoing, such material damage and such claims and liability being deemed to constitute Claims hereunder.

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The Emphyteutic Lessee shall, however, for safety reasons, ensure that access to the Sculpture is limited according to the reasonable directions given by the City from time to time to such effect.

- 12.4 The Emphyteutic Lessee and the City acknowledge and agree that the pillars, abutment wall, concrete structure and metal structure overhanging them of the former train known as the Expo-Express indicated in red on the plan attached hereto as Schedule 7.3, are and shall remain the property of the City and do not form part of the Immoveable. The provisions of paragraph 12.2 with respect to maintenance, the indemnification given by the City, the right of access granted to the City and the obligation to limit access for safety reasons shall apply MUTATIS MUTANDIS to the pillars, abutment wall and concrete structure. However, the Emphyteutic Lessee may, if it considers it advisable, demolish the abutment wall and the concrete structure but not the pillar and the metal structure, if it demonstrates to the satisfaction of the Director of Public Works of the City that the stability of the remaining structure of the bridge will not be affected.

ARTICLE 13
ACCESS TO THE COMPLEX

- 13.1 Provided the general conditions for maintaining or putting into operation public transit of the SOCIETE DE TRANSPORT DE LA COMMUNAUTE URBAIN DE MONTREAL or any successor person or organization (the "STCUM") are met, the City shall use its best efforts under the circumstances to ensure that, at all times during the days and hours of operation of the Business throughout the term of the Agreement, the STCUM shall provide a shuttle service from the Ile Ste-Helene metro

station to the entrance of the Immoveable.

- 13.2 Should, at any time throughout the term of the Agreement, such a shuttle service or other public transit not be provided by the

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STCUM despite the City's best efforts, the City shall allow the Emphyteutic Lessee, without additional compensation or reduction of the Price but at the expense of the Emphyteutic Lessee, to set up itself or have set up on its behalf by a Third Party a bus or other public transit service between the said metro station and the entrance to the Immoveable and, for such purpose, it shall allow and authorize the necessary vehicles to use the existing roads to ensure such transportation, according to the most reasonably convenient route, which shall be determined by the City, taking account of the interests of all users of Ile Ste-Helene. In the event the Emphyteutic Lessee sets up itself or has set up on its behalf by a Third Party the above-described public transit, the Emphyteutic Lessee or Third Party shall obtain all permits required therefor. During the entire period during which the Emphyteutic Lessee itself or a Third Party on its behalf operates the above-described public transit, the Emphyteutic Lessee shall be responsible for all property damage caused by the said public transit as well as for all Third Party claims with respect to the said service and shall indemnify the City for the foregoing; such property damage and such claims and liability shall be deemed to constitute Claims hereunder.

- 13.3 The City agrees and warrants that, at all times throughout the term of the Agreement, all access roads for motorized vehicles to the Immoveable from the ramps for the Jacques-Cartier bridge and all exit roads from the Immoveable for motorized vehicles towards the ramps for the Jacques-Cartier bridge (the said access and exit roads being indicated in red on the plan attached hereto as Schedule 7.3) shall be available free of charge to any person wishing to enter or exit the Immoveable, and shall be maintained for such purposes as all other streets of the City.

Before executing the Agreement, the City represents that it has obtained in favour of the Immoveable rights of passage and access

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from the owner of the sections of the access and exit roads which do not belong to the City indicated in blue on the aforementioned plan.

ARTICLE 14 INTERNATIONAL FIREWORKS COMPETITION

- 14.1 The Emphyteutic Lessee agrees to continue to hold annually on the Complex an international fireworks competition of the same nature and extent as that held on the Complex during the year two thousand (2000) unless the cost of police and fire services makes the operation unprofitable. Notwithstanding the foregoing undertaking, and in addition to the above-described exception, the Emphyteutic Lessee's obligation in such respect shall cease on the later of the following dates:

- a) the date the Emphyteutic Lessee does not succeed, despite its reasonable efforts, to enter into a contract with a reasonably acceptable sponsor on terms the Emphyteutic Lessee deems reasonably acceptable; or
- b) the tenth (10th) anniversary of the date the Agreement is executed.

In the event that, under the circumstances described above, the Emphyteutic Lessee ceases to hold such a competition, it agrees to, at the request of the City, assign to it any right it may then have with respect to such a competition, provided the Emphyteutic Lessee and the City enter into a mutually satisfactory agreement (both parties acting reasonably) if the parties wish the said competition to continue to take place on the Immoveable.

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ARTICLE 15 FREE PASSES

- 15.1 The Emphyteutic Lessee shall give City each year, no later than the first (1st) of April of the year in question, ten thousand (10,000) day passes allowing access to the Rides and other similar activities, free of charge. The said passes may be distributed by the City to the persons of its choice, in its complete discretion.

ARTICLE 16

16.1 For the application of this Article:

"ENVIRONMENTAL LAW" means any law, regulation, treaty, decree, order, direction policy, guideline, notice, permit, certificate, approval or authorization having force of law issued by a federal, provincial or municipal jurisdiction relating to the environment, occupational health and safety, product or transportation liability, as amended from time to time, as well as any similar law or any law in replacement thereof including, without limiting the generality of the foregoing, those relating to:

- (i) the protection, conservation or restoration of the natural environment (the atmosphere, soil or surface or underground water);
- (ii) the production, handling, treatment, storage, transportation and removal of dangerous or residual matter or substances or any operation relating thereto; and
- (iii) matter, substances and conditions prohibited, controlled or otherwise regulated including, without limiting the generality of the foregoing, dangerous

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materials and underground and aboveground reservoirs.

16.2 Throughout the term of the Agreement and during the entire period during which the Complex is occupied by the Emphyteutic Lessee, the Emphyteutic Lessee agrees to the following, to the complete exoneration of the City:

- a) at any time, in all respects, that the Business shall be operated in accordance with all applicable Environmental Laws;
- b) to notify the City forthwith of the receipt of any notice, order, draft order, report of an infringement or criminal or statutory action, injunction or class action relating to the presence, known or alleged, of contaminants in, on, under or emanating from the Complex or any alleged violation of an Environmental Law; and
- c) allow the City to verify the compliance by the Emphyteutic Lessee with the provisions of the Agreement by giving it access, upon five (5) days' prior notice, to the Complex in order to conduct the visual inspections or samplings, in which case the City agrees to repair forthwith any damage caused to the Complex, as well as to provide the City with copy of any document required by it in such respect and in the Emphyteutic Lessee's possession.

16.3 Should the Emphyteutic Lessee fail to comply with any of the provisions of this Article, the City may, although it shall not be required to, after forty-five (45) days' written notice to the Emphyteutic Lessee, and except in the case of emergency in which case no notice shall be required to be sent, perform or cause to be performed the work required to comply therewith, including the correction of damage caused by the said non-compliance, the reasonable

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costs of which shall be paid by the Emphyteutic Lessee to the City on demand. For the purposes of the application of the provisions of this Article, it is agreed that all the work shall be performed in accordance with the standards and requirements which may be described from time to time in the Environmental Laws as well as in those generally applied in such cases which may be set forth in guidelines or policies, including in particular the POLITIQUE DE PROTECTION DES SOLS ET REHABILITATION DES TERRAINS CONTAMINES [Policy for the Protection of the Soil and the Restoration of Contaminated Land] dated 1998 or any similar document issued in replacement thereof.

ARTICLE 17
SERVITUDES

17.1 There are certain waterworks, sewer and public utility facilities on the Immoveable belonging to the City which serve the Immoveable and other adjacent immoveables. Some of the facilities are shown in orange, green and blue on the plan attached hereto as Schedule 7.3 while others, although they exist as of the date the Agreement is executed, do not appear on the said plan; however, the City shall furnish a plan to the Emphyteutic Lessee showing them no later than one hundred eighty (180) days following the execution hereof (which plan shall form part hereof by addendum hereto) (collectively the "FACILITIES").

17.2 The City needs to hold all the rights required to ensure the presence, maintenance and replacement of the Facilities. Accordingly, the

Emphyteutic Lessee hereby constitutes in favour of the plots of land hereinafter described, as the dominant land and affecting the Complex as servient land, a real servitude for the term of the Agreement affecting the portion of the Complex where the Facilities are located, as the servient land, allowing the City to place,

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build, maintain, repair, replace, remove, inspect and operate throughout the term of the Agreement the Facilities, including the cables, wires, conduits, meters, control systems, control stations, joints, apparatuses, equipment, terminal points and any other equipment and accessory relating to this type of construction, necessary or useful for the proper operation of the Facilities in, on, under, above and throughout the Complex at the places where the Facilities are currently located and at any other place on the Complex required by the City from time to time and reasonably acceptable to the Emphyteutic Lessee. Any repair, replacement, removal, addition or other work to the Facilities shall be carried out by the City only after a five (5) day prior written notice to the Emphyteutic Lessee, except in the case of an emergency. To the extent possible, the City shall effect any of the foregoing outside the operating season of the Business and so as not to negatively affect the operation of the Business.

The dominant land is described as follows:

a) Lot THREE HUNDRED THREE (303) of the cadaster of the Parish of Saint-Antoine-de-Longueuil, registration division of Chambly, less and to be deducted the following parts of the said lot:

i) part of original lot THREE HUNDRED THREE (303) (Pt. 303) of the said cadaster:

of irregular figure;

bounded on the north-west, north, north-east, east and south-east by lot 2424, to the south-east, south-west and north-west by part of the said lot 303, forming part of the right-of-way of the Jacques-Cartier bridge and to the west by another part of the said lot 303;

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measuring one thousand four hundred fifty-one and six-tenths meters (1,451.6m) to the west, north-west, north, north-east, east and south-east along a serpentine line, ninety-seven and eighty one-hundredths meters (97.80m) to the south-west, three and fifty-nine one-hundredths meters (3.59m) to the north-west, twenty-three and sixty-eight one-hundredths meters (23.68m) to the south-west and ninety-five one-hundredths of a meter (0.95m) to the south-east;

containing an area of one hundred thirty-three thousand nine hundred sixty-five and four one-hundredths square meters (133,965.4m²).

ii) Part of original lot THREE HUNDRED THREE (Pt. 303) of the said cadaster:

of irregular figure;

bounded to the north-west and north-east by another part of the said original lot (Pt. 303), forming part of the right-of-way of the Jacques-Cartier bridge and to the south-east and south by lot 2429 and to the west by another part of the said original lot 303;

measuring four and forty-five one-hundredths meters (4.45m) to the north-east, ten and twenty-seven one-hundredths meters (10.27m) to the north-west, ninety-three and eight one-hundredths meters (93.08m) to the north-east and one hundred sixteen and seventy-one one-hundredths meters (116.71m) to the south-east, south and west along a serpentine line;

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containing an area of two thousand fifty and eight tenths square meters (2,050.8m²)

b) Lot THREE HUNDRED FOUR (304) of the said cadaster less and to be deducted the following parts of the said lot:

i) Part of original lot THREE HUNDRED FOUR (Pt. 304) of the

said cadaster:

of irregular figure;

bounded to the north-west, north, north-east and east by lot 2424 and to the east, south-east, south and south-west by part of the said lot 304, forming part of the right-of-way of the Jacques-Cartier bridge;

measuring one hundred ninety-seven and one-tenth meters (197.1m) to the north-west, north, north-east and east along a serpentine line, one hundred three and thirty-five one-hundredths meters (103.35m) measured along the arc of a circle having a radius of seventy-two and eleven one-hundredths meters (72.11m) to the south-east, south and south-west, twenty-one and fifty-two one-hundredths meters (21.52m) to the south, eleven and four one-hundredths meters to the east (11.04m), eleven meters and ninety-five one-hundredths meters (11.95m) to the south and thirty-four and sixty-two one-hundredths meters (34.62m) to the south-west;

containing an area of four thousand seven hundred thirty-nine and one-tenth square meters (4,739.1m²).

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- ii) Part of original lot THREE HUNDRED FOUR (Pt. 304) of the said cadaster:

of irregular figure;

bounded to the north-east by another part of the said original lot 304, forming part of the right-of-way of the Jacques-Cartier bridge, to the north-east, east, south-east and south by another part of the said original lot 304 and to the south-west, west and north-west by lot 2429;

measuring twenty and eighteen one-hundredths meters (20.18m) to the north-east, one hundred thirty-eight and twenty-seven one-hundredths meters (138.27m), twenty-eight and seventy-one one-hundredths meters (28.71m), thirty-four and twelve one-hundredths meters (34.12m), twenty-one and twenty-two one-hundredths meters (21.22m), fifty and sixty one-hundredths meters (50.60m) to the south-east, sixteen and ninety-one one-hundredths meters (16.91m), nine and seventy-two one-hundredths meters (9.72m) to the north-east, twenty-one and fifty-eight one-hundredths meters (21.58m) to the east, two and eighty one-hundredths meters (2.80m) to the south, six and fifty-eight one-hundredths meters (6.58m) to the south-east and three hundred forty and ninety-four one-hundredths meters (340.94m) to the south-west, west and north-west measured along a serpentine line;

containing an area of five thousand five hundred seventy-four and seven tenths square meters (5,574.7m²).

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- iii) Part of original lot THREE HUNDRED FOUR (Pt. 304) of the said cadaster:

of irregular figure;

bounded to the north-east, east, south-east and south by another part of original lot 304, to the south-west, west and north-west by lot 2429;

measuring one hundred seven and thirty-six one-hundredths meters (107.36m) to the east, fifty-six and fifty-eight one-hundredths meters (56.58m) to the south-east, forty-five and sixty-four one-hundredths meters (45.64m), fifty-four and sixteen one-hundredths meters (54.16m), ninety-four and thirty one-hundredths meters (94.30m), eighteen and twenty-seven one-hundredths meters (18.27m) to the east, thirteen and eighty-five one-hundredths meters (13.85m) to the north-east, eighty-eight and forty-eight one-hundredths meters (88.48m) to the east, twenty-four and twenty-five one-hundredths meters (24.25m) to the south and four hundred eighty-six and forty-one one-hundredths meters (486.41m) to the south-west, west and north-west measured along a serpentine line;

containing an area of four thousand two hundred thirty-nine and two-tenths square meters (4,239.2m²).

- c) Lot TWO THOUSAND FOUR HUNDRED THIRTY-ONE (2431) of the said

cadaster;

- d) Lot THREE HUNDRED FIVE (305) of the said cadaster.

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Without limiting the generality of the foregoing, this servitude shall include, among others, the following rights in favour of the City:

- 17.2.1 subject to the foregoing, the right to enter, have access to or leave the Complex at any reasonable time and upon five (5) days' prior written notice to the Emphyteutic Lessee (except in the case of an emergency), by foot or in a vehicle but only for the purpose of accessing the Facilities;
- 17.2.2 the right to cut, trim and remove at any time trees, bushes, shrubs, branches, roots and stumps that inhibit or endanger the operation of the Facilities and to prevent or restrain the growth thereof and to remove any obstacle which may at any time inhibit or endanger the operation of the Facilities;
- 17.2.3 the right to keep at all times the Facilities and their immediately surrounding area free and/or require that they be kept free of any object, obstacle, structure, fence, debris and vehicle that inhibits or endangers the operation of the Facilities.
- 17.3 The City shall be solely responsible for the maintenance, repair and replacement of the Facilities and shall maintain the same in a good state of repair. The City shall be responsible for all material damage which may, during the performance of any repair, replacement, removal, addition or other work, with respect to the Facilities or their operation, be caused by the City, its employees or contractors.
- 17.4 The Emphyteutic Lessee may not, without the prior written permission of the City, dig, drill, install, erect, build or allow anyone to dig, drill, install, erect or build in, on, under, above and throughout the Facilities any immoveable, pit, excavation, foundation or

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other structure or equipment, nor perform or allow to be performed excavation, levelling, raising, filling, or the like in, on, under, above and throughout the Facilities, but the Emphyteutic Lessee may also use and enjoy the land on which or above which the Facilities are situated to the fullest extent possible under the circumstances, including paved or unpaved parking facilities, provided such use or enjoyment does not inhibit in a substantive manner the rights of the City recognized herein or endanger the operation of the Facilities.

- 17.5 The City agrees to remove forthwith from the Complex all garbage and excavation debris resulting from any work relating to the Facilities. Without derogating from the foregoing, such debris and garbage shall not be stored at any time except on a temporary basis, while waiting for their removal, as aforesaid, on the Complex at any location that is detrimental to the operation of the Complex or the Business.
- 17.6 The total or partial loss of the Facilities shall not terminate the rights granted hereunder in favour of the City provided the City rebuilds, restores or repairs them within a reasonable period of time.
- 17.7 Should the Facilities be abandoned or no longer be operated, the City shall have the option of leaving the Facilities in place without indemnity or compensation, in which case this servitude shall terminate with respect to the Facilities so abandoned or which the City has ceased operating.
- 17.8 To the east of the part of the Complex made up of part of lot 304 of the Parish of Saint-Antoine de Longueuil there is a wall, fence and embankment (collectively the "EMBANKMENT"), which are indicated on the plan attached hereto as Schedule 7.3. The Emphyteutic Lessee hereby constitutes in favour of the Embankment, and the immoveable belonging to the City described in paragraph

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17.2 hereof, as dominant land, a real servitude for the duration of the Agreement affecting the part of the Complex described in paragraphs 28 g), 28 h) and 28 i) comprising the right of the City and its representatives to enter on the Complex, to have access to it at any time upon five (5) days' written notice to the Emphyteutic Lessee, by foot or in vehicles in order to reach the Embankment. To the extent possible, the City must exercise its rights under this paragraph 17.8 so as not to have a negative impact on the operation of the Business and, as far as possible, outside of the operating season thereof.

ARTICLE 18
DEFAULT

- 18.1 Subject to sub-paragraph 4.1.7, should the Emphyteutic Lessee fail to fulfil its obligations and observe any provision of the Agreement or the obligations resulting therefrom and should such infringement or default not be cured within one hundred and twenty (120) days (sixty (60) days in case of default to pay the Price) following the receipt by the Emphyteutic Lessee of a written demand to such effect by the City stating in sufficient details the alleged infringement or default (individually a "DEFAULT" and a "PRELIMINARY NOTICE" respectively), the City may, subject to its other rights and recourses, give the Emphyteutic Lessee written notice of its intention to terminate the Agreement (the "NOTICE OF TERMINATION"). The Notice of Termination shall also specify the sum(s) of money or the terms, obligations or conditions of which the non-payment or infringement is alleged.
- 18.2 The City shall send any Hypothecary Creditor a copy of the Preliminary Notice and the Notice of Termination. The Notice of Termination and the Preliminary Notice shall be considered sufficient for the purposes of a Hypothecary Creditor if they are given

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to such Hypothecary Creditor by registered mail at the address appearing on the notice of address published by such Hypothecary Creditor.

- 18.3 If, pursuant to paragraphs 18.1 and 18.2, the City gives the Notice of Termination and the Default is not cured within sixty (60) days of the date the Notice of Termination is received by the Emphyteutic Lessee and the Hypothecary Creditor, and if the City is not reimbursed all expenses reasonably incurred further to the Default, then, subject to the provisions of paragraph 18.4 hereof, the Agreement shall terminate as of the sixty-first (61st) day following the date the Notice of Termination is received by the Emphyteutic Lessee and the Hypothecary Creditor, and the Agreement shall terminate and the Constructions shall become the full and complete property of the City, free of any right and charge and the City shall have the right to take immediate possession thereof without further notice, in the same manner in which it could at the expiry of the full term of the Agreement. The Emphyteutic Lessee shall then sign any instrument witnessing its Default and the termination of the Agreement which the City may reasonably require.

Should the Emphyteutic Lessee fail to comply with the provisions of the Agreement and in the event the Default may not be conveniently cured by the payment of a sum of money to the City, the Default shall be deemed to be cured to the satisfaction of the City and the Agreement may not be terminated if, during the one hundred and twenty (120) day period contemplated in paragraph 18.1 or the sixty (60) day period contemplated in paragraph 18.3, the Emphyteutic Lessee begins to cure the Default with reasonable diligence, taking into consideration, however, that the Emphyteutic Lessee shall not be required to carry out during the operating season of the Business (i) the Constructions, Emphyteutic Lessee's Improvements or other work included in the Investment and (ii)

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any other construction or major repair or other work which may negatively affect the Complex or the operation of the Business. For the purposes of this paragraph, the operating season of the Business means from May 1st to September 30th.

- 18.4 If a default is cured by a Hypothecary Creditor, such Hypothecary Creditor shall have the right to become the Emphyteutic Lessee hereunder, retroactive to the date of such Default by the Emphyteutic Lessee. The Hypothecary Creditor which has become the emphyteutic lessee shall then take the place of the Emphyteutic Lessee for the unexpired portion of the term of the Agreement, assuming all the obligations of the Emphyteutic Lessee and enjoying all the rights granted to it under the Agreement. In the case of a conflict between Hypothecary Creditors with respect to the right to substitute for the Emphyteutic Lessee under this Article, such rights may first be exercised by the highest-ranking creditor.

Should a Hypothecary Creditor become the Emphyteutic Lessee under the circumstances contemplated in the foregoing paragraph, the City agrees to sign, at the request of such Hypothecary Creditor but at no cost to the City, any instrument which such Hypothecary Creditor may reasonably require to prove and be able to register the substitution of such Hypothecary Creditor for the Emphyteutic Lessee further to the latter's Default. If, however, the Hypothecary Creditors fail to cure the Default within the above-mentioned sixty (60) day period or to begin to cure such Default within such delay and continue to do so thereafter with reasonable diligence, the Agreement shall terminate and the term contemplated herein shall expire as of the sixty-first (61st) day following the date the Notice of Termination is served, and the

hypothecary creditors shall be divested of all their rights which shall be forfeited and the City shall have the right to apply to the courts to request that the existing hypothecs be cancelled if the Hypothecary Creditors refuse to

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grant a discharge and the cancellation of all the other rights published against the Complex granted by the Emphyteutic Lessee or resulting from the operation of the Complex by the Emphyteutic Lessee. The termination of the Agreement shall automatically terminate all the leases, licence agreements and other similar agreements (the "LEASES") granted by the Emphyteutic Lessee with respect to the Complex and the Emphyteutic Lessee shall ensure that all the Leases signed or renewed (except for the exercise by the lessee of an option to renew) after the date the Agreement is executed contain a clause pursuant to which the party contracting with the Emphyteutic Lessee acknowledges the termination of its contract with the Emphyteutic Lessee in the event the Agreement is terminated.

- 18.5 Notwithstanding any termination or cancellation of the Agreement, each party shall conserve all its rights and recourses, including, without limiting the generality of the foregoing, its recourses in damages against the other party and the Guarantor, as the case may be.

ARTICLE 19
INDEMNIFICATION

- 19.1 The Emphyteutic Lessee agrees to indemnify the City, its executives, employees, representatives and mandataries and to hold them harmless against any damage, loss, expense, cost, fees (including expert's fees and judicial and extrajudicial fees and expenses), fine, conviction, liability, order and judgement incurred or suffered by it, or resulting from claims, lawsuits, demands or actions which are directly or indirectly attributable to:

(i) the failure of the Emphyteutic Lessee to comply with any of its obligations under the Agreement; or

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(ii) events, including, without limiting the generality of the foregoing, those resulting from an act, fault, omission or negligence on the part of the Emphyteutic Lessee, except for those resulting from any act, fault, omission or negligence on the part of the City or persons for whom it is legally liable, occurring after the execution hereof, relating to the occupation or use of the Complex by the Emphyteutic Lessee or to the Constructions, the operation of the Business or the repairs, modifications or demolition of the Improvements by the Emphyteutic Lessee.

- 19.2 The indemnification contained in this Article shall remain in effect notwithstanding the termination of the Agreement.

ARTICLE 20
WAIVER

- 20.1 Any waiver made by a party shall be in writing (any waiver by the City shall be the object of a resolution of its Municipal Council or Executive Committee, as the case may be), and the waiver of a failure by a party hereunder shall not be interpreted as a waiver of the other party's right to allege such failure or any other failure which has occurred or may occur thereafter.

ARTICLE 21
TERMINATION

- 21.1 Each of the City and the Emphyteutic Lessee may terminate the Agreement for each and every reason contemplated herein granting them their respective rights of termination in addition to all other reasons provided by law. The Emphyteutic Lessee waives its abandonment right described in article 1211 of the CIVIL CODE OF QUEBEC.

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Except under the circumstances contemplated in paragraphs 8.10 and 26.1 and in the case of expropriation contemplated in paragraph 23.1 hereof, the Emphyteutic Lessee shall not be entitled to terminate the Agreement before its expiry.

ARTICLE 22
END OF AGREEMENT

- 22.1 Subject to the provisions of sub-paragraphs 4.1.8 and 4.1.9 hereof, at

the expiry of the Agreement, or at the time of any prior termination, including further to a Default by the Emphyteutic Lessee which has not been cured, (i) the City shall become the owner of the Constructions then located on the Immoveable, including those made by the Emphyteutic Lessee without being required to do so, free of any charge, hypothec and privilege, the whole without compensation, and (ii) the Emphyteutic Lessee shall remain the owner of the Emphyteutic Lessee's Improvements and may remove them within the delay provided in the Agreement.

ARTICLE 23
EXPROPRIATION

23.1 If, during the term of the Agreement, the Complex is expropriated in its entirety or if it is only expropriated in part and such partial expropriation renders the remainder insufficient or unsuitable, in the Emphyteutic Lessee's reasonable business judgement, to operate the Business as a viable and functional economic unit, the Agreement shall terminate on the date the expropriating party takes possession thereof, without prejudice to the right of both the Emphyteutic Lessee and the City to receive a complete expropriation award for the unexpired period hereof.

Each party shall co-operate with the other so that each party shall receive the maximum expropriation award to which they are entitled,

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however, such co-operation shall not be required if the City is the expropriating party. Any expropriation award relating to the Emphyteutic Lessee's Improvements shall belong to and shall be for the sole benefit of the Emphyteutic Lessee. Any expropriation award representing the value of the expropriated part of the land or the damage caused to the remainder of the land shall belong to the City subject to the rights of the Emphyteutic Lessee to be compensated by the expropriating authority for the loss of its emphyteutic rights with respect to the expropriated land and the loss of the value of the emphyteutic rights with respect to the remainder of the land. Any expropriation award relating to the Constructions shall be deposited with the Trustee and shall thereafter be distributed and paid in accordance with the provisions of Article 24 hereof.

23.2 If, during the term of the Agreement, the Complex is expropriated such that the remainder is not rendered insufficient or unsuitable, in the Emphyteutic Lessee's reasonable business judgement, to operate the Business as a viable and functional economic unit, the Agreement shall terminate solely with respect to the expropriated part of the Complex, as of the date possession of the said part is lost. The Price payable during the remainder of the term hereof after the taking of possession by the said expropriating authority shall be reduced on a proportionate basis to take into consideration the part of the Immoveable so expropriated.

Any expropriation award relating to the Constructions shall be paid and applied in the manner provided in paragraph 23.1 hereof.

ARTICLE 24
PARTITION OF INDEMNITIES

24.1 For the purposes of interpreting this Article 24, it is agreed that the following words or expressions, where used in this Article 24, shall have the following meaning unless the context indicates otherwise:

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24.1.1 "EXPROPRIATION" means any expropriation affecting all or part of the Complex;

24.1.2 "EXPROPRIATION AWARD" means the sums of money resulting from the expropriation representing the value of the Constructions as determined by agreement between the parties hereto or by the expropriation tribunals;

24.1.3 "INSURANCE BENEFIT" means the sums of money from insurance companies which are deposited with the Trustee to be used in the circumstances contemplated in paragraph 8.6.

24.2 At the time of an expropriation or in the circumstances contemplated in paragraph 8.6, the Expropriation Award or the Insurance Benefit, as the case may be, shall be divided up in the following manner and order:

24.2.1 any Hypothecary Creditor shall receive the amount due to it, which shall be taken from the share of the Emphyteutic Lessee, as determined below, without, however, exceeding it;

24.2.2 the share going to the Emphyteutic Lessee shall be calculated according to the following table:

1st year	100 %	2nd year	99.83 %
3rd year	99.81 %	4th year	99.79 %
5th year	99.78 %	6th year	99.75 %
7th year	99.73 %	8th year	99.71 %
9th year	99.68 %	10th year	99.65 %
11th year	99.61 %	12th year	99.58 %
13th year	99.53 %	14th year	99.49 %

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15th year	99.44 %	16th year	99.39 %
17th year	99.33 %	18th year	99.26 %
19th year	99.19 %	20th year	99.11 %
21st year	99.02 %	22nd year	98.92 %
23rd year	98.82 %	24th year	98.70 %
25th year	98.57 %	26th year	98.43 %
27th year	98.27 %	28th year	98.09 %
29th year	97.90 %	30th year	97.69 %
31st year	97.45 %	32nd year	97.19 %
33rd year	96.90 %	34th year	96.58 %
35th year	96.22 %	36th year	95.83 %
37th year	95.39 %	38th year	94.90 %
39th year	94.36 %	40th year	93.75 %
41st year	92.33 %	42nd year	92.33 %
43rd year	91.49 %	44th year	90.55 %
45th year	89.50 %	46th year	88.32 %
47th year	87.00 %	48th year	85.52 %
49th year	83.85 %	50th year	81.98 %
51st year	79.86 %	52nd year	77.46 %
53rd year	74.75 %	54th year	71.67 %
55th year	68.17 %	56th year	64.17 %
57th year	59.60 %	58th year	54.37 %
59th year	48.34 %	60th year	41.38 %
61st year	33.32 %	62nd year	23.93 %

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63rd year	12.94 %	64th year	0.00 %
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24.2.3 the balance shall belong to the City as its share, but such balance shall not be less than what it would have been if the insurance policy had not contained a deductible clause.

ARTICLE 25
TERM

25.1 The Agreement is entered into for a term of sixty-four (64) years beginning the first (1st) day of May two thousand one (2001) and ending

ARTICLE 26
ACCESS TO COMPLEX

- 26.1 If the Jacques-Cartier bridge is closed in whole or in part (provided such work affects all or part of the section of the Jacques-Cartier bridge located between the Island of Montreal and Ile Ste-Helene) due to major repair work contemplated by the Societe des ponts Jacques-Cartier et Champlain for the 2001 and 2002 operating years of the Business, or any additional period related to such work, or if the bridge is demolished or destroyed, the City shall authorize, without charge or consideration for the Emphyteutic Lessee or users, motor vehicle access to the Complex from the La Concorde bridge and the exit of motor vehicles from the Complex towards and by the La Concorde bridge in a reasonably convenient manner. The Emphyteutic Lessee may publicly announce the foregoing at any useful time by the means of communication of its choice.

If the rights granted to the Emphyteutic Lessee under this paragraph cause traffic problems, the City may set up a traffic control

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service between the Concorde bridge and the Complex. The necessary control measures shall be determined by the City in co-operation with the Emphyteutic Lessee, the final decision remaining, however, with the City. The Emphyteutic Lessee shall reimburse the costs of such service.

Access by the Concorde bridge may be used as the main access for vehicles to the Complex only during the hours in which the Jacques-Cartier bridge is completely closed.

Without prejudice to the foregoing, if the Ste-Helene metro station is closed, destroyed or demolished, and no adequate means of transportation to the Complex is set up within twelve (12) months of the destruction, demolition or closing, the Emphyteutic Lessee may, without recourse against the City, terminate the Agreement upon thirty (30) days' written notice to the City, and the Agreement shall be terminated at the expiry of such delay and all the provisions hereof relating to the termination of the Agreement shall apply; in the event of disagreement as to the right of the Emphyteutic Lessee to terminate the Agreement, the parties shall submit the dispute to arbitration according to the rules set forth in the CODE OF CIVIL PROCEDURE OF QUEBEC.

ARTICLE 27
PRICE

- 27.1 The Emphyteutic Lessee agrees to pay the City, at the office of the City's Director of Finance the price of the emphyteusis (the "PRICE") which shall consist of the following annual payments

27.1.1 during the initial period from the first (1st) day of May two thousand one (2001) to the thirtieth (30th) day of April two thousand forty (2040), the following payments:

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- a) for the purposes of sub-paragraphs b) to k) below, the expression "MUNICIPAL REVENUES" means, for a given year, the revenues received by the City as general property tax, tax rating, business tax, water tax, service tax, special tax and metered water, the issuance of construction permits and occupation permits and any surtax and other tax, except for real estate transfer taxes, it being understood that for the purposes of this definition, the said Municipal Revenues may not exceed, in a given year, that which they would have been at the rates in effect during the year in question if the real estate assessment of the Complex had been \$124,500,000. For the purposes hereof, the parties shall use a reasonable estimate of the amount of Municipal Revenues for the purpose of calculating the amount of the annual payment. As soon as the actual amount of the Municipal Revenues for the year in question is known, the parties shall make any adjustments among themselves, no later than April 30th of the year in question; this mechanism shall apply to the first through the tenth year of the Agreement inclusively;
- b) for the first (1st) year: three million six hundred seventy-seven dollars (\$3,677,000) less the Municipal Revenues. If applicable, the excess of the Municipal Revenues over the said amount of three million six hundred seventy-seven dollars

(\$3,677,000) shall be added to the Municipal Revenues for the purposes of paragraph c) below;

- c) for the second (2nd) year: four million four hundred twenty-three thousand dollars (\$4,423,000) less the Municipal Revenues. If applicable, the excess of the

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Municipal Revenues over the said amount of four million four hundred twenty-three thousand dollars (\$4,423,000) shall be added to the Municipal Revenues for the purposes of paragraph d) below;

- d) for the third (3rd) year: five million fifty-six thousand dollars (\$5,056,000) less the Municipal Revenues. If applicable, the excess of the Municipal Revenues over the said amount of five million fifty-six thousand dollars (\$5,056,000) shall be added to the Municipal Revenues for the purposes of paragraph e) below;
- e) for the fourth (4th) year: five million six hundred eighty-nine thousand dollars (\$5,689,000) less the Municipal Revenues. If applicable, the excess of the Municipal Revenues over the said amount of five million six hundred eighty-nine thousand dollars (\$5,689,000) shall be added to the Municipal Revenues for the purposes of paragraph f) below;
- f) for the fifth (5th) year: five million seven hundred forty-four thousand dollars (\$5,744,000) less the Municipal Revenues. If applicable, the excess of the Municipal Revenues over the said amount of five million seven hundred forty-four thousand dollars (\$5,744,000) shall be added to the Municipal Revenues for the purposes of paragraph g) below;
- g) for the sixth (6th) year: five million nine hundred four thousand dollars (\$5,904,000) less the Municipal Revenues. If applicable, the excess of the Municipal Revenues over the said amount of five million nine hundred four thousand dollars (\$5,904,000) shall be added to the

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Municipal Revenues for the purposes of paragraph h) below;

- h) for the seventh (7th) year: five million nine hundred four thousand dollars (\$5,904,000) less the Municipal Revenues. If applicable, the excess of the Municipal Revenues over the said amount of five million nine hundred four thousand dollars (\$5,904,000) shall be added to the Municipal Revenues for the purposes of paragraph i) below;
- i) for the eighth (8th) year: five million nine hundred four thousand dollars (\$5,904,000) less the Municipal Revenues. If applicable, the excess of the Municipal Revenues over the said amount of five million nine hundred four thousand dollars (\$5,904,000) shall be added to the Municipal Revenues for the purposes of paragraph j) below;
- j) for the ninth (9th) year: five million nine hundred four thousand dollars (\$5,904,000) less the Municipal Revenues. If applicable, the excess of the Municipal Revenues over the said amount of five million nine hundred four thousand dollars (\$5,904,000) shall be added to the Municipal Revenues for the purposes of paragraph k) below;
- k) for the tenth (10th) year: five million nine hundred four thousand dollars (\$5,904,000) less the Municipal Revenues. If applicable, the excess of the Municipal Revenues over the said amount of five million nine hundred four thousand dollars (\$5,904,000) shall be applied to reduce the annual payment for the eleventh (11th) year

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and, if necessary, to the instalments for subsequent

years, up to the amount of the said excess;

- l) from the eleventh (11th) year to the fifteenth (15th) year inclusively: TWO MILLION ONE HUNDRED SIXTY-SIX THOUSAND SEVEN HUNDRED SIXTY-THREE DOLLARS (\$2,166,763) per year;
- m) from the sixteenth (16th) year to the twentieth (20th) year inclusively: TWO MILLION THREE HUNDRED NINETY-TWO THOUSAND TWO HUNDRED EIGHTY-ONE DOLLARS (\$2,392,281) per year;
- n) from the twenty-first (21st) year to the twenty-fifth (25th) year inclusively: TWO MILLION SIX HUNDRED FORTY-ONE THOUSAND TWO HUNDRED SEVENTY-ONE DOLLARS (\$2,641,271) per year;
- o) from the twenty-sixth (26th) year to the thirtieth (30th) year inclusively: TWO MILLION NINE HUNDRED SIXTEEN THOUSAND ONE HUNDRED SEVENTY-SEVEN DOLLARS (\$2,916,177) per year;
- p) from the thirty-first (31st) year to the thirty-fifth (35th) year inclusively: THREE MILLION TWO HUNDRED NINETEEN THOUSAND SIX HUNDRED NINETY-FIVE DOLLARS (\$3,219,695) per year;
- q) from the thirty-sixth (36th) year to the fortieth (40th) year inclusively: THREE MILLION FIVE HUNDRED FIFTY-FOUR THOUSAND EIGHT HUNDRED FOUR DOLLARS (\$3,554,804) per year;

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- 27.1.2 from the forty-first (41st) to the forty-fifth (45th) years inclusively the annual payment shall equal the greater of the following amounts:
 - a) the annual payment for the fortieth (40th) year;
 - b) the annual rental value of the Immoveable, with the exception of the Emphyteutic Lessee's Improvements and the Constructions;
 - c) in the event of disagreement as to the annual payment for the forty-first (41st) year, the parties shall resort to arbitration, according to the rules set forth in the CODE OF CIVIL PROCEDURE OF QUEBEC.
- 27.1.3 Until the annual payment for the forty-first (41st) year has been definitively established, the annual payment for the fortieth (40th) year shall apply for the purposes of sub-paragraphs 27.1.2 and 27.1.4.
- 27.1.4 The annual payment for the subsequent years of the term of the Agreement shall be adjusted every five (5) years (commencing with the forty-sixth (46th) year) to take account of any variation in the consumer price index (Montreal; all items) published by Statistics Canada (or any other equivalent index set up to replace it) which occurred during the five (5) years preceding the adjustment date, it being understood that the annual payments for any five (5) year period may not be less than the annual payment owed for the immediately preceding five (5) year period.
- 27.1.5 The annual payment shall be payable in five (5) consecutive and equal payments on May 1st, June 1st, July 1st, August 1st and September 1st each year thereafter without compensation or deduction.

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- 27.1.6 The Emphyteutic Lessee shall pay the City an amount equal to the goods and services tax (Canada) and the Quebec sales tax (collectively the "SALES TAX") payable with respect to each instalment of the Price. The amount of the Sales Tax so payable shall be calculated in accordance with legislation applicable from time to time. Notwithstanding any other provision of the Agreement, the amount payable by the Emphyteutic Lessee with respect to the Sales Tax shall be deemed not to be included in the Price, but the City shall have the same remedies for and rights of recovering such amount as it has for the recovery of the Price. The foregoing provisions relating to the Sales Tax shall apply to any other amount payable by one party to the other under the Agreement.
- 27.1.7 Should the major work expected for the Jacques-Cartier bridge for the years 2001 and 2002 be carried out and provided the

Emphyteutic Lessee has operated the Business in a manner similar to the operation of the Immoveable for the year 2000, the City and the Emphyteutic Lessee agree that the annual instalments of the Price with respect to the first two years shall be reduced in the following manner:

- a) with respect to the first (1st) year, in the event the number of entrees to the portion of the Business consisting of the theme park currently known as La Ronde, to the exclusion of any parking facilities (hereinafter respectively referred to in this paragraph 24.1.7 as the "ENTREES" and "LA RONDE") is less than one million two hundred forty-nine thousand five hundred sixty-eight (1,249,568), the annual instalment of the Price shall be reduced by an amount calculated as follows: (one million two

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hundred forty-nine thousand five hundred sixty-eight (1,249,568) less the number of Entrees for the 2001 La Ronde operating season) multiplied by (X) ten dollars (\$10.00). The maximum amount of such reduction of the annual instalment of the Price shall, however, be five hundred thousand dollars (\$500,000). The annual instalment of the Price for the first (1st) year shall not be increased in the event there are more than one million two hundred forty-nine thousand five hundred sixty-eight (1,249,568) Entrees for the 2001 La Ronde operating season; and

- b) with respect to the second (2nd) year, in the event the number of Entrees is less than one million two hundred ninety-nine thousand five hundred sixty-eight (1,299,568), the annual instalment of the Price shall be reduced by an amount calculated as follows: (one million two hundred ninety-nine thousand five hundred sixty-eight (1,299,568) less the number of Entrees for the 2002 La Ronde operating season) multiplied (X) by ten dollars (\$10.00), up to a maximum of the unused portion of the amount of five hundred thousand dollars (\$500,000) mentioned in sub-paragraph 27.1.7 a). The annual instalment of the Price for the second (2nd) year shall not be increased in the event there are more than one million two hundred ninety-nine thousand five hundred sixty-eight (1,299,568) Entrees for the 2002 La Ronde operating season,

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ARTICLE 28
DESCRIPTION OF IMMOVEABLE

The Immoveable is described as follows:

- a) Original lot TWO THOUSAND FOUR HUNDRED TWENTY-FOUR (2424) of the cadaster of the Parish of Saint-Antoine-de-Longueuil, registration division of Chambly;
- b) Original lot TWO THOUSAND FOUR HUNDRED TWENTY-FIVE (2425) of the said cadaster;
- c) Part of original lot THREE HUNDRED THREE (Pt. 303) of the said cadaster:

of irregular figure;

bounded on the north-west, north, north-east, east and south-east by lot 2424, to the south-east, south-west and north-west by part of the said lot 303, forming part of the right-of-way of the Jacques-Cartier bridge and to the west by another part of the said lot 303;

measuring nine hundred and fifty-three and four-tenths meters (953.4m) to the west, north-west, north, north-east, east and south-east along a serpentine line, ninety-seven and eighty-one-hundredths meters (97.80m) to the south-west, three and fifty-nine one-hundredths meters (3.59m) to the north-west, twenty-three and sixty-eight one-hundredths meters (23.68m) to the south-west and ninety-five one-hundredths (0.95m) of a meter to the south-east and four hundred and ninety-eight and two-tenths meters (498.2m) to the south, south-west, west, north-west and north along a serpentine line;

containing an area of one hundred thirty-three thousand nine hundred sixty-five and four one-tenths square meters (133,965.4m(2)).

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- d) Part of original lot THREE HUNDRED FOUR (Pt. 304) of the said cadastre:

of irregular figure;

bounded to the north-west, north, north-east and east by lot 2424 and to the east, south-east, south and south-west by part of the said lot 304, forming part of the right-of-way of the Jacques-Cartier bridge;

measuring one hundred ninety-seven and one-tenth meters (197.1m) to the north-west, north, north-east and east along a serpentine line, one hundred three and thirty-five one-hundredths meters (103.35m) measured along the arc of a circle having a radius of seventy-two and eleven one-hundredths meters (72.11m) to the south-east, south and south-west, twenty-one and fifty-two one-hundredths meters (21.52m) to the south, eleven and four one-hundredths meters (11.04m) to the east, eleven meters and ninety-five one-hundredths meters (11.95m) to the south and thirty-four and sixty-two one-hundredths meters (34.62m) to the south-west;

containing an area of four thousand seven hundred thirty-nine and one-tenth square meters (4,739.1m(2)).

- e) Original lot TWO THOUSAND FOUR HUNDRED TWENTY-SIX (2426) of the said cadaster;
- f) Part of original lot THREE HUNDRED THREE (Pt. 303) of the said cadaster:
of irregular figure;

bounded to the north-west and north-east by another part of the said original lot (Pt. 303), forming part of the right-of-way of the

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Jacques-Cartier bridge, to the south-east and south by lot 2429 and to the west by another part of the said original lot 303;

measuring four and forty-five one-hundredths meters (4.45m) to the north-east, ten and twenty-seven one-hundredths meters (10.27m) to the north-west, ninety-three and eight one-hundredths meters (93.08m) to the north-east, one hundred and three and forty one-hundredths meters (103.40m) to the south-east and the south along a serpentine line and thirteen and thirty one-hundredths meters (13.30m) and to the west along another serpentine line;

containing an area of two thousand fifty and eight tenths square meters (2,050.8m(2)).

- g) Original lot TWO THOUSAND FOUR HUNDRED TWENTY-NINE (2429) of the said cadastre;
- h) Part of original lot THREE HUNDRED FOUR (Pt. 304) of the said cadastre:
of irregular figure;

bounded to the north-east by another part of the said original lot 304, forming part of the right-of-way of the Jacques-Cartier bridge, to the north-east, east, south-east and south by another part of the said original lot 304 and to the south-west, west and north-west by lot 2429;

measuring twenty and eighteen one-hundredths meters (20.18m) to the north-east, one hundred thirty-eight and twenty-seven one-hundredths meters (138.27m), twenty-eight and seventy-one one-hundredths meters (28.71m), thirty-four and twelve one-hundredths meters (34.12m), twenty-one and twenty-two one-hundredths meters (21.22m), fifty and sixty one-hundredths meters

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(50.60m) to the south-east, sixteen and ninety-one one-hundredths meters (16.91m), nine and seventy-two one-hundredths meters (9.72m) to the north-east, twenty-one and fifty-eight one-hundredths meters (21.58m) to the east, two and eighty one-hundredths meters (2.80m) to the south, six and fifty-eight one-hundredths meters (6.58m) to the south-east and three hundred forty and ninety-four one-hundredths meters (340.94m) to the south-west, west and north-west measured along a serpentine line;

containing an area of five thousand five hundred seventy-four and seven tenths square meters (5,574.7m(2)).

- i) Original lot TWO THOUSAND FOUR HUNDRED THIRTY (2430) of the said cadaster;
- j) Part of original lot THREE HUNDRED FOUR (Pt. 304) of the said cadaster:
of irregular figure;

bounded to the north-east, east, south-east and south by another part of original lot 304, to the south-west, west and north-west by lot 2429;

measuring one hundred seven and thirty-six one-hundredths meters (107.36m) to the east, fifty-six and fifty-eight one-hundredths meters (56.58m) to the south-east, forty-five and sixty-four one-hundredths meters (45.64m), fifty-four and sixteen one-hundredths meters (54.16m), ninety-four and thirty one-hundredths meters (94.30m), eighteen and twenty-seven one-hundredths meters (18.27m) to the east, thirteen and eighty-five one-hundredths meters (13.85m) to the north-east, eighty-eight and forty-eight one-hundredths meters (88.48m) to the east, twenty-four and twenty-five one-hundredths meters (24.25m) to the south and four hundred

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eighty-six and forty one-hundredths meters (486.40m) to the south-west, west and north-west measured along a serpentine line;

containing an area of four thousand two hundred thirty-nine and two-tenths square meters (4,239.2m²).

The total area of the land identified by paragraphs a) through j) is five hundred fifteen thousand four hundred forty-two and seven tenths square meters (515,442.7 m²).

The whole as indicated on the plan prepared by Sylvie Gauthier, surveyor, on the tenth (10th) day of April, 2001 under her minute 721, file 19509, which remains attached hereto as Schedule 28 after being recognized as a true copy and signed NE VARIETUR for the purpose of identification by the representatives of the parties and the undersigned Notary.

The Immoveable includes all the buildings, appurtenances and dependencies erected thereon, with the exception of the Facilities, Sculpture and pillars, abutment wall, concrete structure and metal structure mentioned in paragraph 12.4 which shall remain the property of the City. The buildings, appurtenances and dependencies erected on and forming part of the Immoveable as of the date of execution hereof are referred to as the "EXISTING STRUCTURES".

ARTICLE 29 GENERAL PROVISIONS

- 29.1 Any sum of money owed by the Emphyteutic Lessee to the City hereunder or vice versa shall be payable in lawful money of Canada and shall bear interest at the rate set by the Municipal Council of the City for amounts owed to the City, in force on the date payment is due, from the day it becomes due to the day it is paid.
- 29.2 The Emphyteutic Lessee shall not sell, assign or in any other manner transfer the Agreement or any interest herein without the prior

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written consent of the City, which consent may not be unreasonably withheld or delayed; provided, however, that the Emphyteutic Lessee may assign the Agreement without such consent to (a) a member of the same group (as such term is currently defined in the CANADA BUSINESS CORPORATIONS ACT) as its general partner or Six Flags, Inc. or to a wholly-owned subsidiary of the Emphyteutic Lessee or of a member of the same group as its general partner or Six Flags Inc. (a "MEMBER OF THE SAME GROUP"); (b) any entity into or with which the Emphyteutic Lessee or a Member of the Same Group may be merged or consolidated, provided that the resulting entity is a Member of the Same Group. The consent of the City may not be refused with respect to an assignee which (i) has such financial standing and responsibility as to give reasonable assurance that all of the Emphyteutic Lessee's obligations under the Agreement following the assignment will be performed, and (ii) has such experience in the operation of the Business then being operated on the Complex to give reasonable assurance that such Business will continue to be operated at the level and in accordance with the standards maintained prior to the assignment. In the event of any assignment pursuant to this paragraph, the Emphyteutic Lessee shall continue to be liable to the City for each and every obligation of the Emphyteutic Lessee pursuant to the Agreement for the remainder of the term hereof. Any assignee shall assume each and every obligation of the Emphyteutic Lessee pursuant to the Agreement. Notwithstanding anything to the contrary herein, the guarantee of Six Flags, Inc. shall remain in effect following any assignment or transfer of the Agreement, unless the City is satisfied that the net book value of a substitute guarantor or the assignee is not less than that of Six Flags, Inc. as of the date of the assignment and, in the case of a substitute guarantor, the substitute guarantor has executed and delivered to the City a substitute guarantee similar to that given by Six Flags, Inc. hereunder; in

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both of the foregoing events the guarantee of Six Flags, Inc. shall terminate.

- 29.3 The word "DAY" means "CALENDAR DAY" herein, and the computation of time shall include all Saturdays, Sundays and holidays for the purpose of determining time periods specified herein, provided that if the date or last date to perform any act, make any payment or give any notice shall fall on a Saturday, Sunday or holiday in the Province of Quebec, such act, payment or notice may be timely performed, made or given on the next following day which is not a Saturday, Sunday or a holiday in the Province of Quebec. For purposes of counting the number of days from or after an event, the date upon which the event occurred shall not be counted.
- 29.4 The Complex may not be the subject of a declaration of co-emphyteusis or co-ownership or subdivided.
- 29.5 Any notice, communication or reply (hereinafter referred to as the "NOTICE") in the Agreement provided or permitted to be provided, made or given by either party shall be in writing and, unless otherwise in the Agreement expressly provided, shall be given or served by mail, postage paid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same in person to such party, or by delivering the same by facsimile transmission with confirmation of receipt. The Notice shall be effective, unless indicated otherwise in the Agreement, upon delivery, either in person or by mail, or confirmation of delivery by facsimile transmission. For purposes of the Notice, the addresses of all recipients shall, until changed as hereinafter provided, be as follows:

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VILLE DE MONTREAL
c/o The City Clerk
Montreal City Hall
275 Notre-Dame St. E.
Montreal, Quebec, Canada
H2Y 1C6

PARC SIX FLAGS MONTREAL LLP
c/o Six Flags, Inc.
122 East 42nd Street, 49th Floor
New York, NY 10168 U.S.A.

Attention: Mr. James F. Dannhauser

Fax No.: (212) 949-6203

with a copy to:

PARC SIX FLAGS MONTREAL LLP
c/o Six Flags, Inc.
122 East 42nd Street, 49th Floor
New York, NY 10168 U.S.A.

Attention: Mr. James M. Coughlin

Fax No.: (212) 949-6203

However, each party hereto may, by written Notice served on the other party, indicate another address or another recipient to which or to whom all subsequent Notices are to be served.

Should it be impossible for a party hereto to serve such notice at the above-mentioned address, it may be served on the other party by leaving a copy at the Office of the Prothonotary of the Superior Court for the District of Montreal

- 29.6 Within ten (10) days of written notice from a party to such effect, the other party shall deliver to the party having requested it a declaration or attestation as to the status of the Agreement, stating, inter alia: that the Agreement is in effect and has not been modified (or, if it has been modified, that the Agreement is in effect as modified and indicating the agreed-upon modifications); the amount of the Price payable at the time as well as the date on

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which the latest instalment of the Price was made; whether or not there is a Default or actual or alleged failure on the part of either party with respect to which a Preliminary Notice, Notice of Termination or other notice has been given and, if such a Default or failure exists, indicating the nature and duration of such Default or failure, as well as all other matters relating to the Agreement with respect to which a party may reasonably require such declaration or attestation.

- 29.7 The Emphyteutic Lessee shall pay the cost of publication of the

Agreement and of one (1) copy bearing a publication number for the City. Each party shall be responsible for the costs and fees of all its consultants with respect hereto, including all legal fees and disbursements.

- 29.8 The City shall not be required to provide titles, a certificate of location or certificate of search with respect to the Complex, except for those in its possession.
- 29.9 The Agreement shall be interpreted by and governed in accordance with the laws of the Province of Quebec. If any provision of the Agreement is determined to be void, voidable or incompatible with the emphyteutic nature of the Agreement, by a final decision of a court of competent jurisdiction, such provision shall be considered separate and distinct from the Agreement, which shall remain in effect as if such provision had never been included, subject to its coming into effect again at a later date if it is no longer void or voidable.

However, the parties agree to replace such provision by a valid provision which shall as far as possible have the same legal and financial impact.

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- 29.10 As long as the Agreement is in effect, the City acknowledges that the Emphyteutic Lessee shall enjoy all the rights, with respect to the Immoveable and the Improvements, granted to it under articles 1195 and following of the CIVIL CODE OF QUEBEC, even if the Agreement is determined not to be an emphyteusis, the whole subject to the provisions of the Agreement.
- 29.11 The City and the Emphyteutic Lessee hereby acknowledge and confirm their express wish and intention that the Agreement constitute an emphyteusis. However, should the Agreement be determined not to be an emphyteusis by a final decision of a court of competent jurisdiction, the parties agree to sign any necessary deed or document to give the Emphyteutic Lessee temporary real rights (including rights of superficie) equal to those which the parties intended to create hereby, provided the City's rights remain reasonably similar.
- 29.12 The Agreement, including the schedules hereto, constitute the entire agreement between the parties hereto pertaining to any matter and shall cancel and replace any prior undertaking, agreement, negotiation or discussion, whether verbal or written, between the parties and relating hereto. There is no declaration, condition, warranty or ancillary agreement between the parties, whether express, implied or by law, other than those expressly mentioned herein.

ARTICLE 30 INTERVENTION

- 30.1 And to the present comes and intervenes Six Flags, Inc., a duly constituted corporation having its head office in the City of New York, State of New York, United States of America, herein acting and represented by Mr. James F. Dannhauser, its Chief Financial Officer, duly authorized for the purposes of this intervention pursuant to a resolution adopted by its Board of Directors at a meeting

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held on the twenty-fifth (25th) day of April, two thousand one (2001), a copy of which remains attached hereto after being recognized as a true copy and signed NE VARIETUR by the said representative and the undersigned Notary (the "GUARANTOR"), to declare as follows:

- 30.1.1 Subject to paragraph 29.2 hereof, the Guarantor hereby guarantees jointly and severally with the Emphyteutic Lessee all the obligations of the Emphyteutic Lessee under the Agreement, including the payment of the Price, hereby waiving all benefits of discussion and division.
- 30.1.2 The Guarantor irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Quebec to decide on any litigation, action or proceeding and to settle any dispute which may directly or indirectly arise from the Agreement; to such effect, the Guarantor waives its right to set up any exception it may make to decline the jurisdiction of such courts based on their absence of jurisdiction or the inconvenience which may be caused to it by the institution of procedures before them.

This attribution of jurisdiction shall not, however, limit the right of the City to institute proceedings against the Guarantor before any other court having jurisdiction to the extent allowed by law.

OF THE ACT RESPECTING DUTIES ON
TRANSFERS OF IMMOVEABLES

31.1 The parties hereto declare:

a) the name of the transferor is VILLE DE MONTREAL;

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- b) the address of the principal place of business of the transferor is 275 Notre-Dame St. E, Montreal, Quebec, H2Y 1C6;
- c) the name of the transferee is Parc Six Flags Montreal LLP;
- d) the address of the principal place of business of the transferee is 1501, McGill College Avenue, 26th floor, Montreal, Quebec, H3A 3N9;
- e) the immoveables which are the object of the Agreement are entirely situated on the territory of the City of Montreal;
- f) the amount of the consideration for the rights granted under the Agreement is THIRTY-SEVEN MILLION FIVE HUNDRED THIRTY-THREE THOUSAND EIGHT HUNDRED TWENTY-TWO DOLLARS (\$37,533,822);
- g) the amount constituting the basis of imposition of the transfer duties, according to the transferor and the transferee, is THIRTY-SEVEN MILLION FIVE HUNDRED THIRTY-THREE THOUSAND EIGHT HUNDRED TWENTY-TWO DOLLARS (\$37,533,822);
- h) the amount of the transfer duties is FIVE HUNDRED SIXTY-ONE THOUSAND FIVE HUNDRED SEVEN DOLLARS (\$561,507.33).

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WHEREOF ACT PASSED in the City of Montreal on the date first hereinabove written, under the number two thousand six hundred and eleven (2611) of the minutes of Mtre. Robert Coulombe.

AND after these presents had been duly read, the parties have with the undersigned Notary and in his presence signed.

VILLE DE MONTREAL

Per: /s/ Diane Charland, clerk

PARC SIX FLAGS MONTREAL LLP,
represented by Parc Six Flags Montreal Inc.

Per: /s/ James M. Coughlin

SIX FLAGS, INC.

Per: /s/ James F. Dannhauser

/s/ Robert Coulombe, Notary

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SUBSIDIARIES OF REGISTRANT

Entity Name -----	Jurisdiction -----
Six Flags Operations Inc.	Delaware
Six Flags Theme Parks Inc.	Delaware
Aurora Campground, Inc.	Ohio
Indiana Parks, Inc.	Indiana
Ohio Campgrounds Inc.	Ohio
Park Management Corp.	California
Premier Waterworld Concord Inc.	California
Premier Waterworld Sacramento Inc.	California
Tierco Maryland, Inc.	Delaware
Tierco Water Park, Inc.	Oklahoma
Funtime Parks, Inc.	Delaware
Funtime Inc.	Ohio
Parc Six Flags Montreal Inc.	Canada
Parc Six Flags Montreal, S.E.C.	Canada
Premier Parks of Colorado Inc.	Colorado
Wyandot Lake, Inc.	Ohio
Darien Lake Theme Park and Camping Resort, Inc.	New York
Elitch Gardens L.P.	Colorado
Ohio Hotel LLC	Delaware
Great Escape Holding Inc.	New York
Great Escape Theme Park LLC	New York
Great Escape LLC	New York
Enchanted Parks, Inc.	Washington
Frontier City Properties, Inc.	Oklahoma
Frontier City Partners Limited Partnership	Oklahoma
Stuart Amusement Company	Massachusetts
Riverside Park Enterprises, Inc.	Massachusetts
KKI, LLC	Delaware
Premier International Holdings Inc.	Delaware
Walibi S.A.	Belgium
Gespark S.P.R.L.	Belgium
ImmoFlor B.V.B.A.	Belgium
Bellewaerde Park B.V.B.A.	Belgium
Historium Musee de Cire de Bruxelles S.A.	Belgium
Premier Financial Services - Centre de Coordination S.P.R.L.	Belgium
Avenir Land S.A.S.	France
Cofilo S.A.R.L.	France
Parc Agen S.A.S.	France
Parc Lorrain S.A.S.	France
Six Flags Holland B.V.	Netherlands

Entity Name -----	Jurisdiction -----
Andis B.V.	Netherlands
Movie World GP GmbH	Germany
Movie World GmbH &Co. KG	Germany
Movie World Holding GmbH	Germany
Premier Parks Holdings Inc.	Delaware
Reino Aventura, S.A. de C.V.	Mexico
Ventas y Servicios al Consumidor S.A. de C.V.	Mexico
SFTP Inc.	Delaware
SF Partnership	Delaware
SFTP San Antonio GP, Inc.	Delaware
Six Flags San Antonio, L.P.	Delaware
SFTP San Antonio, Inc.	Delaware
San Antonio Park GP, LLC	Delaware
San Antonio Theme Park L.P.	Delaware
SFTP San Antonio II, Inc.	Delaware
Fiesta Texas, Inc.	Delaware
Flags Beverages, Inc.	Texas
Fiesta Texas Hospitality LLC	Texas
SF Splashtown GP Inc.	Texas
Six Flags Spashtown L.P.	Delaware
SF Splashtown Inc.	Delaware
MWM Holdings Inc.	Delaware

MWM Management LLC	Delaware
MWM Ancillary Services s.l.	Spain
Six Flags Events Holding Corp.	Delaware
Six Flags Events L.P.	Delaware
Six Flags Events Inc.	Texas
Six Flags Services, Inc.	Delaware
Six Flags Services of Illinois, Inc.	Delaware
Six Flags Services of Missouri, Inc.	Delaware
Six Flags Services of Texas, Inc.	Delaware
PPZ Inc.	Delaware
AstroWorld LP	Delaware
AstroWorld GP LLC	Delaware
AstroWorld LP LLC	Delaware
Hurricane Harbor LP	Delaware
Hurricane Harbor GP LLC	Delaware
Hurricane Harbor LP LLC	Delaware
GP Holdings Inc.	Delaware
PP Data Services Inc.	Texas
Premier Parks Capital LLC	Delaware
Six Flags Over Georgia, Inc.	Delaware
SFOG II, Inc.	Delaware
Six Flags Over Georgia II, L.P.	Delaware

Entity Name -----	Jurisdiction -----
SFOG Acquisition Company LLC	Delaware
SFOG II Employee, Inc.	Delaware
SFOT II Holdings, LLC	Delaware
SFT Holdings, Inc.	Delaware
Six Flags Over Texas, Inc.	Delaware
Texas Flags, Ltd.	Delaware
SFG Holdings, Inc.	Delaware
SFOT Employee, Inc.	Delaware
SFOG Acquisition A Holdings, Inc.	Delaware
SFOG Acquisition B Holdings, Inc.	Delaware
SFOG Acquisition A, Inc.	Delaware
SFOG Acquisition B, L.L.C.	Delaware
SFOT Acquisition I Holdings, Inc.	Delaware
SFOT Acquisition II Holdings, Inc.	Delaware
SFOT Acquisition I, Inc.	Delaware
SFOT Acquisition II, Inc.	Delaware

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INDEPENDENT AUDITORS' CONSENT

The Board of Directors
Six Flags, Inc.:

We consent to the incorporation by reference in the registration statement (No. 333-76595) on Form S-3 and in the registration statement (No. 333-59249) on Form S-8 of Six Flags, Inc. of our report dated March 5, 2002, with respect to the consolidated balance sheets of Six Flags, Inc. and subsidiaries as of December 31, 2001 and 2000, and the related consolidated statements of operations, stockholders' equity and other comprehensive income (loss), and cash flows for each of the years in the three-year period ended December 31, 2001, which report appears in the December 31, 2001 annual report on Form 10-K of Six Flags, Inc. Our report refers to a change in the method of accounting for derivative instruments and hedging activities in 2001.

KPMG LLP

Oklahoma City, Oklahoma
March 28, 2002

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