



REINVENTING PLAYLAND PARK
FOR THE 21ST CENTURY
SAFE CLEAN FUN

PRESENTATION TO THE GOVERNMENT OPERATIONS
COMMITTEE OF THE WESTCHESTER BOARD OF LEGISLATORS
NOVEMBER 2012

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REINVENTING PLAYLAND PARK
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EXECUTIVE SUMMARY

We will invest the necessary resources to return Playland to its status as the crown jewel of Westchester County family entertainment

THE TEAM

- Standard General LP is a New York-based investment firm focused on creating long-term value. The Founding Partners were raised in Harrison and NYC and visited Playland often as children
- Jack Falfas is a renowned amusement park operator with over 40 years experience in the industry and extensive background in amusement park turnarounds. He has partnered with Standard General LP to restore Playland to its former grandeur

OUR PLAN

- Partner with Westchester County through a mutually agreeable structure to ensure the viability of a revitalized Playland
- Greatly improve Playland without altering its mission, footprint or historical integrity
- Create and maintain free public sports fields and a spacious landscaped lawn for the community

PLAN EXECUTION

- Install world-class management with a proven track record
- Pay for operations and substantial capital improvements
- Improve operating efficiencies, visitor experience and employee morale

Standard General is enthusiastic about the opportunity, investing over \$400,000 in cash costs to date

Standard General is a Registered Investment Advisor headquartered in New York City



- \$500mm+ of assets under management with an investment philosophy focused on creating long-term value
- Experience across a variety of industries including amusements, gaming, consumer products, media, infrastructure and energy
 - Long-term investment in Cedar Fair (NYSE: FUN), the largest amusement park operator in the United States
 - Standard General helped advise Cedar Fair management on its capital structure, which solidified its access to financing and permitted Cedar Fair to restore its dividend to shareholders
- Extensive experience with a variety of turnarounds and challenging assets including leadership roles in the restructurings of Young Broadcasting, Greektown Casino, and Hawkeye Renewables
- High quality investor base including state pension funds and university endowments
- Co-Founders Nicholas Singer and Soohyung (“Soo”) Kim were frequent visitors to Playland as children. Both have a strong emotional attachment to Playland

WORLD CLASS AMUSEMENT PARK MANAGEMENT TEAM

Jack Falfas - Chief Executive Officer, Standard Amusements LLC

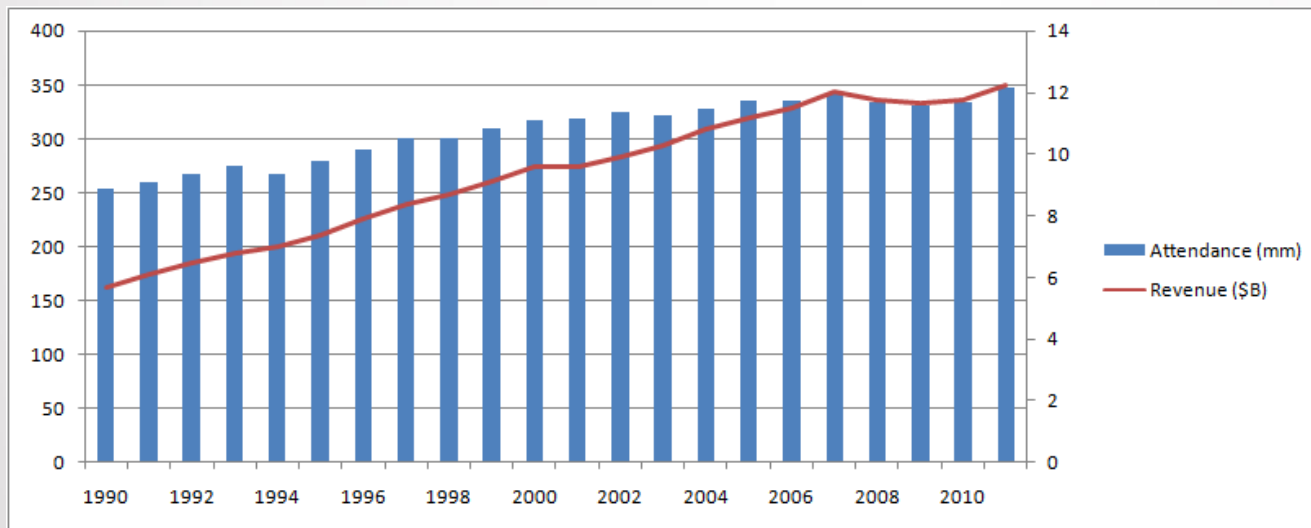
- Mr. Falfas has over 40 years of experience in the amusements industry
- Former Chief Operating Officer of publicly traded Cedar Fair LP (NYSE: FUN), the largest amusement park operator in the United States and the industry leader in safety and security
- Has run a variety of parks, including those located on the shore and adjacent to residential areas:
 - Examples include Cedar Point in Sandusky, OH; King's Dominion in Richmond, VA; Knott's Berry Farm in Orange County, CA; Valleyfair in Shakopee, MN
 - Specific experience revitalizing amusement park assets. Most notably, growing EBITDA at Knott's Berry Farm in Orange County, CA from \$6mm to \$63mm during his tenure as Vice President and General Manager of the Park
 - Managed parks with annual attendance ranging from 600,000 to 3,600,000
- B.S. in Business Administration from West Virginia University; graduate work at Cornell University and University of Michigan

HEALTH OF THE AMUSEMENTS INDUSTRY

Our commitment to Playland is based on our strong belief that the United States amusements industry is healthy

- The amusements industry is a structurally sound and mature sector, experiencing consistent growth in the United States
- From 1991 to 2011, U.S. amusements attendance grew steadily in terms of both attendance and revenue to nearly 350m attendees and \$12B in revenue
 - Water park attendance has been strong, growing more than 7% in recent years
- Amusement parks offer an attractive “getaway” proposition to families in a slower growth United States economic environment

U.S. Amusements: Attendance and Revenue: 1990-2011



Source: TEA, The Global Attractions Attendance Report. 2008-2011 Estimates based on Industry Consultants



REINVENTING PLAYLAND PARK
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VISION FOR
PLAYLAND
PARK

Revitalize Playland to restore its past grandeur and identity as the premier family entertainment destination in Westchester County

PHYSICAL PLANT

- Provide a comprehensive facelift that is consistent with the park's Historical Landmark status and furthers the goal of restoring Playland to its former grandeur

FOOD OPERATIONS

- Improve food operations throughout the park while gradually bringing food operations in-house as existing contracts expire
- Develop specialty meal and snack offerings that will define the Playland experience

GAMES

- Utilize both traditional ('Spill The Milk') and newly-developed games ('3-Point Shot') to help cultivate an intergenerational shared experience
- Increase the mix of owned vs. leased games by attrition

RIDES

- Restore historic rides and attractions to prominence
- Add three new rides and water themed attractions for children

ENTERTAINMENT

- Increase the use of live entertainment shows to set the tone for the Park
- Develop seasonally themed shows geared toward children (e.g. Halloween, Thanksgiving, Winter Festival)



Ensure that employees, visitors and neighbors are happy, safe, and secure

EMPLOYEES

- Work with Westchester County to offer employment to all Playland employees
- Install top caliber management to achieve higher “Disneyesque” standards of operation
- Continue to offer part-time and seasonal job opportunities to several hundred employees with priority given to Westchester County residents



SAFETY

- Retain Comspeq Inc. to design, implement and maintain a comprehensive ride inspection program
- Achieve the highest standards of safety and operational excellence in the amusements industry



SECURITY

- Retain experienced and qualified security personnel to work with Westchester County Police and local law enforcement officials to execute a comprehensive security plan
- Establish an environment in which Westchester County families feel 100% safe and secure



MARKETING

- Dramatically increase Playland presence in the surrounding community through a \$2mm marketing budget, promoting Playland to families via traditional and emerging marketing channels
- Increase corporate sponsorship and corporate attendance programs

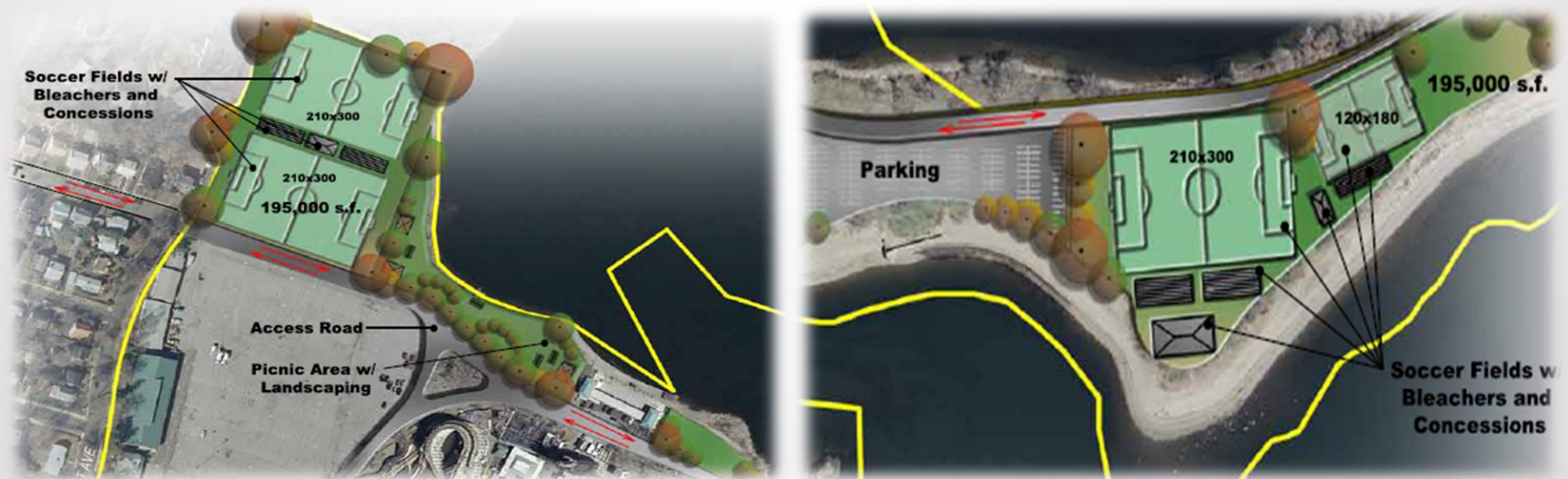
Create and maintain free public sports fields and a landscaped lawn for community use


SPORTS FIELDS

- Four sports fields available for free community use, maintained and operated by Standard Amusements
- Will include spectator seating, concessions, and seasonal referees

COMMUNITY LAWN

- Spacious landscaped lawns adjacent to Manursing Lake with picnic amenities for free community use, maintained and operated by Standard Amusements



A photograph of a wooden bench on a boardwalk. The bench is positioned in the middle ground, facing away from the camera towards a beach and the ocean. The boardwalk is made of wooden planks, and there is a metal fence behind the bench. The sky is clear and blue. The text "REINVENTING PLAYLAND PARK FOR THE 21ST CENTURY." is overlaid on the right side of the image, and "PROPOSED TRANSACTION" is overlaid on the bottom right corner.

REINVENTING PLAYLAND PARK
FOR THE 21ST CENTURY.

PROPOSED
TRANSACTION

Standard Amusements offers the following proposal to the Westchester County Board of Legislators consideration

- Standard Amusements proposes to manage New Playland (a not-for-profit entity) and provide a \$25mm financing commitment to fund operating losses and capital expenditures
 - Eliminates the County's obligation to fund ongoing operating losses of approximately \$1mm per year prior to debt service
 - Eliminates the County's obligation to make additional capital investments in the Park
 - Playland would be fully restored to its former grandeur and would be a source of pride for Westchester County residents
 - Playland will have a nationally recognized senior management team running the operations
 - A community space would be created that includes playing fields and a landscaped lawn
- New Playland will solve the problem of the County being 'stranded' with legacy Playland debt
 - New Playland will make currently scheduled principal payments in 2013/2014 and interest payments in 2013-2027
 - In addition, New Playland would issue a long-term Note Payable to Westchester County for an amount equal to the outstanding Playland related debt

Standard Amusements proposal offers substantial financial and other benefits to Westchester County

Direct Financial Benefits Over Term of Management Agreement

Avoided operating losses prior to debt service ⁽¹⁾	\$ 15,000,000
Avoided capital expenditures ⁽²⁾	20,000,000
Community capital improvements (fields and lawn)	4,000,000
Recurring operating cost of community improvements	5,498,586
Avoided 2013/2014 principal payments on existing Playland debt ⁽³⁾	5,975,935
Avoided interest expense on existing playland debt ⁽³⁾	5,419,964
Note Payable from New Playland to Westchester County pro forma for 2013/2014 principal payments ⁽⁴⁾	20,300,876
Total Direct Financial Benefits	\$ 76,195,361

Other Benefits

Renewed source of pride for Westchester County
 Residual ownership of all capital expenditures at end of management agreement
 Residual ownership of a profitable business at end of management agreement
 Incremental sales tax revenue

(1) Assumes average annual operating losses prior to debt service of \$1.0mm.

(2) Estimated necessary capital expenditures.

(3) Per March 7, 2012 Playland debt schedule.

(4) \$26,276,811 balance at January 1, 2013 per March 7, 2012 Playland debt schedule less 2013/2014 principal payments of \$5,975,935.

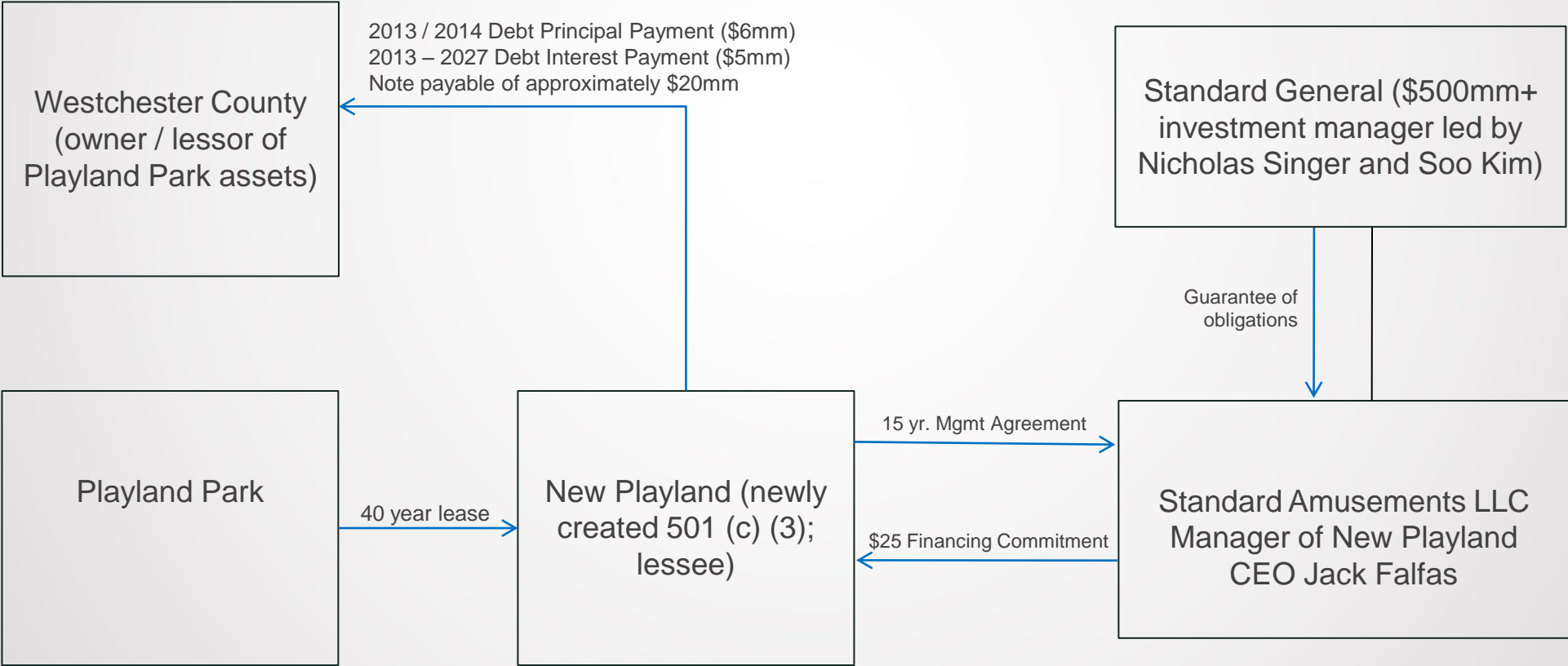
Management Agreement between Standard Amusements and New Playland is the most viable structure

- Core objectives are to invest capital necessary to revitalize Playland; manage park operations; earn a return on our investment and management efforts; insulate Westchester County from operating losses and allow it to retain the financial upside of a successful turnaround
- Structure will successfully avoid violating the public trust doctrine and the need for obtaining parkland alienation legislation
- Structure also satisfies IRC 97-13, which eliminates risk of early defeasance on Westchester County Bonds



PROPOSED TRANSACTION

- New Playland pays Standard Amusements an annual Management fee
- New Playland pays 2013 / 2014 County debt (principal and interest) and 2013-2027 County debt (interest only)
- New Playland remits residual cash flows to Westchester County pursuant to a 40 year lease between the County and New Playland 501 (c) (3)
- New Playland will have the opportunity to terminate the Management Agreement in years seven and twelve if Standard Amusements fails to achieve specified performance thresholds





APPENDIX A
PROPOSAL COMPARISON

PROPOSAL COMPARISON

Standard Amusements offers the financial support and world-class amusement park management to restore Playland to its former prominence in Westchester County

	Standard Amusements	Sustainable Playland, Inc	Additional Details
<u>Project Funding</u>			
Necessary Funding	\$25,000,000	\$34,000,000	
Funding Currently Available	\$25,000,000	<\$1,000,000	<i>SPI - Playland Capital Campaign</i>
% of Commitment Available	100%	3%	
Future Funding Required	0	\$33,000,000	<i>SPI - to be raised via equity and debt from third parties, as well as LDC bonds</i>
Number of Parties Involved	1	5+	<i>SPI - Separate management for each element of park operations</i>
Upfront Funding to County	\$6,000,000	\$4,000,000	
Additional Funding to County	Will pay ongoing interest on County debt and give County \$20mm note payable	\$1,200,000 per year	<i>SPI - Contingent upon ability to secure necessary funds</i>
<u>Park Management</u>			
Amusement Park Plan	Improve attractions; overhaul food and games / Keep footprint the same	Eliminate high-draw attractions / Reduce footprint by 50%+	
Public Areas and Access Fees	Lawn - No Fee Playing Fields - No Fee	Lawn - No Fee Playing Fields - Fee for Access	<i>Please see Site Plans</i>
Water Park	Interactive childrens' water play center Double Aqua Loop	Splash Deck	
Amusements Management	Jack Falfas, Standard Amusements, Former COO of Cedar Fair, largest amusements operator in U.S.	Steve Turk, Mega Funworks	
Park Management Experience	20+ Amusement Parks	1 Water Park	



APPENDIX B
MANAGEMENT TEAM
EXPERIENCE IN TURNAROUNDS

JACK FALFAS' EXPERIENCE IN TURNAROUNDS

During his career, Mr. Falfas has led the successful turnaround of several amusement parks

- Great America at Santa Clara, CA: Improved profitability from loss to \$5mm of EBITDA in first full year of management following several years of losses
 - Greatly improved operating margins by reducing maintenance downtime
 - Executed capital and construction plan to restore facilities and infrastructure
- Soak City at Palm Springs, CA: Generated \$1.5mm of EBITDA in first year of operations following several years of losses
 - Re-themed park via new signage, attractions, facilities and employee uniforms
 - Introduced new lifeguard standards, which greatly increased safety levels
- Soak City at Chula Vista, CA: Generated \$2mm of EBITDA in first year of operations following several years of losses
 - Re-positioned park from western to beach theme via signage, painting, and wave pool
 - Upgraded park filtration and water quality systems

TURNAROUND CASE STUDY: KNOTT'S BERRY FARM, CA

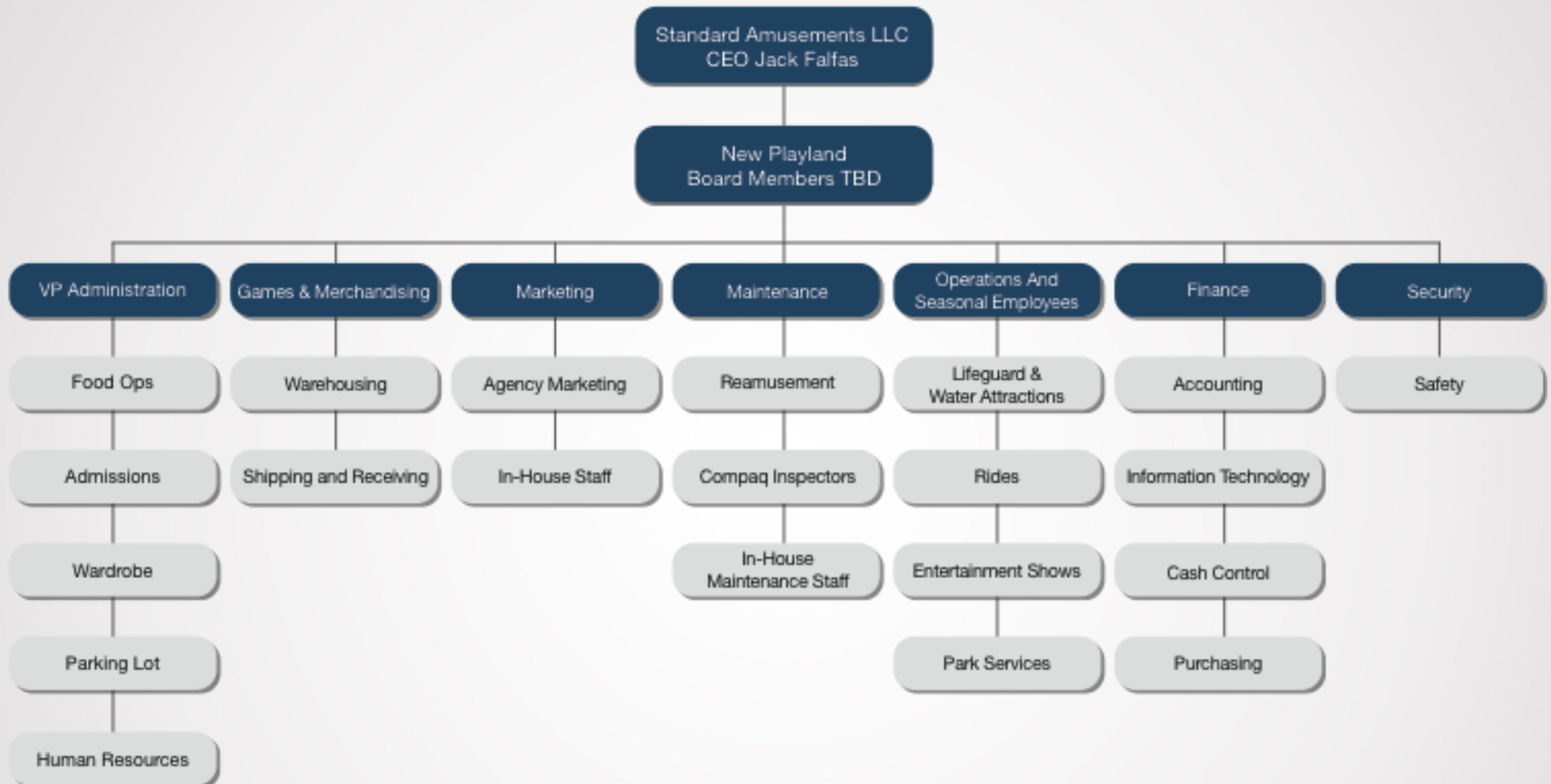
Jack Falfas improved EBITDA of Knott's Berry Farm in Buena Park, CA from \$6mm to \$63mm in 10 years

- Dramatic EBITDA improvement between 1997 and 2006
- Rebuilt and revitalized nearly all park equipment, rides, and attractions
- Modernized systems and infrastructure while repainting and restoring plant appearance
- Reduced all operating costs, improving margins from 19% to 31%
- Greatly improved security to reduce risk of crime within the park
- Oversaw growth in park attendance from 2.5m to 3.6m
 - 'Halloween Haunt' attendance increased from 185,000 to 550,000



APPENDIX C
OVERVIEW OF THE MANAGEMENT
TEAM AND INVESTMENT GROUP

NEW PLAYLAND ORGANIZATIONAL STRUCTURE



BIOGRAPHIES

- **Nicholas Singer** is a Co-Founding Partner of Standard General. He was formerly a Founding Partner at Cyrus Capital Partners. Prior to that, he was a principal at Och-Ziff Capital Management, where he focused on equity and fixed income investments. Before joining Och-Ziff, Mr. Singer was a distressed securities analyst on the high yield trading desk at Goldman Sachs. Mr. Singer served as a member of the Board of Directors of Aquila, the Missouri based utility, from 2005 through its \$2.8 billion acquisition by Great Plains Energy in 2008. He graduated summa cum laude with a B.S. in Economics from the Wharton School and a B.A.S in Electrical Engineering from the School of Engineering and Applied Science at the University of Pennsylvania. Mr. Singer is a graduate of Harrison High School
- **Soo Kim** is the Managing Member and Co-founding Partner of Standard General. He was formerly Director of Research, and a Founding Partner of Cyrus Capital Partners. Prior to that, he was a principal at Och-Ziff Capital Management where he helped launch its fixed income business. Before joining Och-Ziff, he was an analyst on the proprietary trading desk at Bankers Trust Company. Mr. Kim serves as a Director of New Young Broadcasting and Aliante Gaming LLC, and previously served as a Voting Trustee for Aurora Foods. He graduated with an A.B. from the Wilson School of Public and International Affairs at Princeton University. Mr. Kim is a graduate of Stuyvesant High School

NEW PLAYLAND MANAGEMENT TEAM

- **Jim Sharpe, Standard General**

- Operating specialist focused on private investments and turnarounds
- Founding CEO of Standard Purification, a manufacturer of powdered activated carbon products from renewable resources, purifying the drinking water of some of the nation's largest municipalities with investment from Standard General LP
- B.S. in Commerce, McIntire School of Commerce, University of Virginia

- **David Glazek, Standard General**

- Generalist role covering sectors including amusements, media, power, gaming, and paper/packaging in both private and public markets
- Five years as investment banker at Lazard Freres & Co.
- B.A. from University of Michigan; JD from Columbia Law School

CONSULTANTS AND ADVISORS TO STANDARD AMUSEMENTS

LEGAL COUNSEL

- **Thomas J. Kelly:** Gilberti Stinziano Heintz & Smith, P.C. (Lead Counsel)
- **Andrew J. Maniglia:** Gilberti Stinziano Heintz & Smith, P.C. (Development)
- **Robert A. Wiesen:** Clifton Budd & DeMaria, LLP (Labor Counsel)
- **John J. Rapisardi:** Cadwalader, Wickersham & Taft LLP (Transaction Counsel)