

SECOND AMENDMENT TO PAYMENT IN LIEU OF TAXATION AGREEMENT

THIS SECOND AMENDMENT TO PAYMENT IN LIEU OF TAXATION AGREEMENT ("Second Amendment"), effective the 9th day of November, 2020 which amends that certain Payment in Lieu of Taxation Agreement, made the 1st day of August, 2017 ("PILOT Agreement") by and between the COUNTY OF SULLIVAN INDUSTRIAL DEVELOPMENT AGENCY, a corporate governmental agency constituting a body corporate and politic and a public benefit corporation of the State of New York, having its principal offices located at 548 Broadway, Monticello, New York 12701 ("Agency") and ADELAAR DEVELOPER, LLC, a Delaware limited company, having its principal offices located at 909 Walnut Street, Suite 200, Kansas City, Missouri 64106 ("Company"), which was further amended by that certain First Amendment to Payment in Lieu of Taxation Agreement, dated the 13th day of April, 2020 ("First Amendment") by and between the Agency and the Company.

Unless otherwise defined herein, all capitalized terms shall have the meaning given them in the PILOT Agreement.

RECITALS

WHEREAS, Title 1 of Article 18-A of the General Municipal Law of the State of New York ("Enabling Act") was duly enacted into law as Chapter 1030 of the Laws of 1969 of the State of New York ("State"); and

WHEREAS, the Enabling Act authorizes the creation of industrial development agencies for the benefit of the several counties, cities, villages and towns in the State and empowers such agencies, among other things, to acquire, construct, reconstruct, lease, improve, maintain, equip and sell land and any building or other improvement, and all real and personal properties, including, but not limited to, machinery and equipment deemed necessary in connection therewith, whether or not now in existence or under construction, which shall be suitable for manufacturing, warehousing, research, commercial or industrial facilities, in order to advance job opportunities, health, general prosperity and the economic welfare of the people of the State and to improve its standard of living; and

WHEREAS, the Enabling Act further authorizes each such agency to lease any or all of its facilities at such rentals and on such other terms and conditions as it deems advisable; and

WHEREAS, the Agency was created pursuant to and in connection with the provisions of the Enabling Act, Chapter 560 of the Laws of 1970 of the State (collectively, referred to as the "Act") and is empowered under the Act to undertake the providing, financing and leasing of the facility described below; and

WHEREAS, the Company presented an application ("Application") to the Agency, a copy of which is on file with the Agency, requesting the Agency's assistance with respect to a certain project consisting of the: (i) the acquisition by the Agency a leasehold interest or other interest in certain property located east of Chalet Road in the Town of Thompson ("Town"), County of Sullivan, State of New York, being more particularly identified as tax map number 15-1-14.4 and containing in the aggregate approximately 131 acres ("Land"); (ii) the construction and equipping on the Land of an approximately 425,000 square-foot indoor water park resort hotel including, but

not limited, to (a) an approximately seven-story 324 unit hotel/resort, (b) an approximately 20,000 square-foot conference center with a 6,500 square foot ballroom, (c) an approximately 85,000 square-foot indoor water park, (d) a split-level lobby core on an approximately 47,000 square-foot foot print (94,000 square feet total), (e) a porte-cochere, (f) outdoor pools with concession areas and bars, (g) an outdoor pavilion stage adjacent to the conference center to-be used for concerts and other events, and (h) related amenities (collectively, the “Improvements”), (iii) the acquisition in and around the Land and the Improvements of certain items of equipment and other tangible personal property (“Equipment” and collectively with the Land and the Improvements, the “Facility” or “Project”); and

WHEREAS, by resolutions, dated March 19, 2013 and March 13, 2017 (collectively, “Resolution”), the Agency authorized the Company to act as its agent for the purposes of constructing and equipping the Project subject to, among other conditions, the Company entering into a Payment in Lieu of Taxation Agreement (“PILOT Agreement”); and

WHEREAS, the Company, on behalf of the Agency and as the Agency's agent, constructed, installed and equipped the Project in accordance with the plans and specifications presented to the Agency, except for construction of outdoor pools with concession areas and bars and an outdoor pavilion stage, the construction of which was not undertaken as part of the Project as originally constructed; and

WHEREAS, on or about August 1, 2017, the Agency and the Company executed a PILOT Agreement (“2017 PILOT Agreement”) making provision for payments in lieu of taxes by the Company for the benefit of the County, Town and the Monticello Central School District (“School”) (collectively, the County, the Town and the School are referred to as the “Taxing Jurisdictions”); and

WHEREAS, effective the 13th day of April, 2020, the Agency and the Company executed a First Amendment to Payment in Lieu of Taxation Agreement (“First Amendment” and together with the 2017 PILOT Agreement, the “PILOT Agreement”); and

WHEREAS, the Project is operated by Catskill Resorts TRS, LLC (“CRTRS”), an affiliate of the Company; and

WHEREAS, CRTRS and the Company are each indirect subsidiaries of and owned by EPR Properties, a Maryland real estate investment trust (“EPR”), a New York Stock Exchange traded public company; and

WHEREAS, Article III, Section 3(a), of the PILOT Agreement established employment goals for the Waterpark Project pursuant to which the Company agreed to employ not less than two hundred sixty-three (263) full-time equivalent employees (“FTEs”) at the Facility; and

WHEREAS, the Company, by letter dated October 7, 2020, requested the Agency suspend employment goals for the Waterpark Project due to the COVID-19 Pandemic; and

WHEREAS, Chairman Steingart appointed Agency Board members Paul Guenther and Joseph Perrello to make a recommendation to the Board in response to the Company's request and

Board members Paul Guenther and Joseph Perrello recommended the waiver of employment goals for two (2) employment years; and

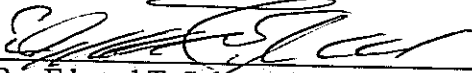
WHEREAS, by Resolution No. 50-20, the Agency authorized an amendment of the PILOT Agreement to suspend employment goals for the two (2) employment years October 1, 2019 to September 30, 2020 and October 1, 2020 to September 30, 2021.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual terms, conditions, limitations and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is mutually agreed as follows:

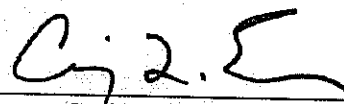
1. The first sentence of Section 3, Employment Obligations, (a) Employment Goals, (ii) FT Employment Goals: is hereby deleted and the following shall be substituted in its place and stead:
 - “(ii) FT Employment Goals:
 - (1) The Company agrees that an FT employment goal of 263 jobs shall be maintained for the period October 1, 2018 through September 30, 2019.
 - (2) The Company shall not be subject to an FT employment goal for the periods October 1, 2019 through September 30, 2020 and October 1, 2020 through September 30, 2021.
 - (3) The Company agrees that an FT employment goal of 150 jobs shall be maintained for the period October 1, 2021 through September 30, 2022 and each FT Employment Year thereafter.”
2. The first sentence of Section 3, Employment Obligations, (a) Employment Goals, (iii) Computation of PILOT Payment if FT Employment Goals Not Attained: is hereby deleted and the following shall be substituted in its place and stead:
 - “(iii) Computation of PILOT Payment if FT Employment Goals Not Attained:
 - (1) There shall be no FT employment goals for the employment years October 1, 2019 through September 30, 2020 and October 1, 2020 through September 30, 2021. In the event the FT employment goals are not attained with respect to any other FT Employment Year during which employment goals are applicable, the next ensuing PILOT Payment shall be subject to adjustment.”
3. Except as herein amended, all other terms and conditions of the PILOT Agreement shall remain in full force and effect. If there shall be any conflict or inconsistency between the terms of this Second Amendment, First Amendment or the PILOT Agreement, the terms of this Second Amendment shall control.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment effective as of the date hereof.

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY


By: Edward T. Sykes, Chief Executive Officer

Adelaar Developer, LLC


By: Craig L. Evans
Vice President and Secretary