

THIRD AMENDMENT TO PAYMENT IN LIEU OF TAXATION AGREEMENT

THIS THIRD AMENDMENT TO PAYMENT IN LIEU OF TAXATION AGREEMENT ("Third Amendment"), effective the 8th day of March, 2021 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").

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, the Agency and the Company executed a 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, the PILOT Agreement was previously amended by a First Amendment to Payment in Lieu of Taxation Agreement, effective April 13, 2020 ("First Amendment") and a Second Amendment to Payment in Lieu of Taxation Agreement, effective November 9, 2020 ("Second Amendment"); 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 IX, Section 9, of the PILOT Agreement provides in applicable part as follows:

"The Company shall procure, for the benefit of the Agency, financial security in form and substance acceptable to the Agency ("Financial Security") to secure the performance by the Company of its financial obligations under this PILOT Agreement for all PILOT Payment dates from Year 3 (as provided in ¶1.3) through Year 18. The Company shall deliver to the Agency Financial Security in

an amount equal to 110% of the Agency's estimate of the Year 1 PILOT Payment on or before February 1, 2020 with a term to expire not earlier than the following February 28. On each February 1st thereafter that this PILOT Agreement is in effect, the Company shall deliver to the Agency a renewal or replacement of the then posted Financial Security, in form and substance acceptable to the Agency in an amount of not less than 110% of the PILOT Payment which is due as of such date. The replacement or renewal Financial Security shall not expire prior to February 28th of the following year. In the event that cash security is posted as the Financial Security hereunder, the Agency shall release the Financial Security to the Company within thirty (30) days after the expiration of this Agreement."

WHEREAS, EPR has requested that the Agency accept a guaranty of EPR as security for the PILOT Payment due in January 2022.

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. Amendment to PILOT. Article IX, Section 9, of the PILOT is hereby deleted and a revised Article IX, Section 9, is inserted in its place and stead, to read as follows:

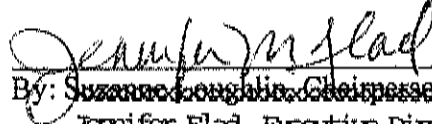
"9. Security for Company's Obligations. The Company shall cause its ultimate parent, EPR Properties, to deliver its unconditional guaranty of the Company's financial obligations under this PILOT Agreement for the PILOT Payments due February 1, 2021 and February 1, 2022. The form of Guaranty shall be approved by the Agency's legal counsel. For subsequent PILOT Payments, the Company shall procure, for the benefit of the Agency, financial security in form and substance acceptable to the Agency ("Financial Security") to secure the performance by the Company of its financial obligations under this PILOT Agreement for all subsequent PILOT Payment dates on or after February 1, 2022. The Company shall deliver to the Agency Financial Security in an amount equal to 110% of the 2022 PILOT Payment with a term to expire not earlier than February 1, 2023. On each February 1st thereafter that this PILOT Agreement is in effect, the Company shall deliver to the Agency a renewal or replacement of the then posted Financial Security, in form and substance acceptable to the Agency in an amount of not less than 110% of the PILOT Payment which is due as of such date. The replacement or renewal Financial Security shall not expire prior to February 28th of the following year."

2. Expenses. All fees and costs related to this Third Amendment of the PILOT Agreement shall be paid by the Company.

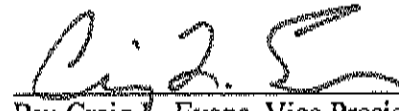
3. Integration. Except as herein amended, all other terms and conditions of the PILOT Agreement shall remain in full force and effect. If there shall be any conflict or inconsistency between the terms of this Third Amendment or the PILOT Agreement as amended by the First Amendment and Second Amendment, the terms of this Third Amendment shall control.

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

COUNTY OF SULLIVAN INDUSTRIAL
DEVELOPMENT AGENCY


By: ~~Suzanne Longhin, Chairperson~~
Jennifer Flad, Executive Director

ADELAAR DEVELOPER, LLC


By: Craig L. Evans, Vice President